

*Seaway and Canal Tolls*

what the farmer actually receives. The export price at Vancouver several months ago was between \$1.96 and \$2 a bushel. The price at Fort William differs by a few cents. In negotiating deals such as were made with China the wheat board arrives at a contract price. Otherwise the price may be fixed under the international wheat agreement. What the farmer receives is a sum based on those three prices less costs. In the end he is lucky to get a cut amounting to about \$1.20 at a time when wheat is selling at \$2.00 a bushel.

Any increase in freight rates is bound to increase the cost of production and this in turn leads to an increase in the cost of living. The rapid rise in the cost of living constitutes one of the most important problems facing the government today. Yet no attempt has been made to curtail inflation and halt the rapid rise in the prices of the commodities Canadian consumers need.

Every member of this house must be getting a great deal of mail on this subject from Canadians right across the country. People realize that the government has done nothing toward solving this problem. The budget, which was supposed to help, has not done so. The cost of living continues to spiral. Hon. members opposite talk about boom times. You can go into homes in many areas where people are suffering as if we were in a depression. Even when the head of the family is working the situation so far as the value of the dollar is concerned is almost as serious as it was during the depression of the 1930's. Make no mistake about that.

The people who are concerned with sales and exports realize that there is a movement in the United States today to change the law affecting trade with communist nations, not only with respect to sales of commodities but with respect to the use of United States shipping to carry exports to such nations. If this movement succeeds Canada will be in serious competition with the United States in this field. Any increase in the cost of production which would mean an increase in the cost of grain exported in competition with other nations would have serious consequences for Canada.

I have just finished reading the new book by the hon. member for Davenport (Mr. Gordon), the former minister of finance. In his book the hon. gentleman admits that the imbalance of trade with the United States today amounts to \$1,700 million. There is only one reason why it is not worse, only one reason why we have been able to avoid a

financial crisis. It is the fact that the previous government negotiated wheat sales with the communist nations, an initiative for which they were criticized by members of the Liberal party and of the Social Credit group. The money derived from the sale of this wheat brought more than \$2 billion into the economy of this country in one year, enabling us to avoid a worsening of the imbalance of trade between the United States and Canada.

When the hon. member for Davenport was financial critic for the Liberal party he told us that he and his friends were going to cure the imbalance, but in the last four years it has increased every year. Had it not been for the sales of wheat to which I have referred, had we not been able to produce wheat cheaper than any other exporting nation, the imbalance of trade between the United States and Canada today would be twice as great. Basically, it is the Conservative's sales policy which has bailed out the present government so far as this particular problem is concerned.

I emphasize that the farmer gets a pooled price. It may be that a bushel of wheat can be shipped through Churchill cheaper than through the seaway or in certain areas of western Canada it can be shipped more cheaply through Vancouver. All the prices are averaged and costs are deducted to arrive at the net price the farmer gets.

The reason the wheat board was set up was to arrive at a pooled price for the farmer. The last grain payment was between 10 and 20 cents less than the year before, depending on the grade.

**Mr. Rapp:** Seventeen cents on the average.

**Mr. Woolliams:** The hon. member for Humboldt-Melfort-Tisdale, which is one of the great agricultural areas of western Canada, says that the figure was 17 cents on the average. So the cost has been rising but the price the western farmers have been getting for their grain has been going down. Any increase in the cost of production, whether it amounts to a cent and a quarter or less, puts the farmer into a worse cost squeeze than before.

The only ones who want the tolls increased are the railroads. When the Minister of Finance (Mr. Sharp) was minister of trade and commerce he freely acknowledged that we had lost certain of our grain markets because we had been unable to get the grain to the ports on time. We in the opposition were badgering the minister continually to do