

1. Did the Canadian Wheat Board, or any other Canadian authority, increase the price of wheat, oats and barley or any one of them to the farmers of western Canada at the beginning of navigation in the St. Lawrence Seaway in 1960-61?

2. If the answer to No. 1 is in the affirmative, then how much was the increase per bushel on each of the following grains—wheat, oats and barley?

3. If the increases, if any, are in effect during the shipping season when the Seaway is in full operation, is there a corresponding decrease in the price of wheat, flour, mill feeds and screenings to eastern Canadian consumers and farmers?

4. If the answer to No. 3 is in the negative, then is it true the Western grain grower and the milling industry are receiving the full benefit of cheaper transportation as a result of the facilities available through the St. Lawrence Seaway on all grain, and grain products, including flour, shipped to eastern Canada?

**Hon. Walter M. Aseltine:** I have the following answer to the honourable gentleman's inquiry:

1. No.
2. See answer to (1) above.
3. No.

4. (a) The following extract from the Canadian Wheat Board Report for the 1958/59 Crop Year explains the pricing policy for wheat adopted by the board following the opening of the Seaway in the spring of 1959:

The opening of the St. Lawrence Seaway in the spring of 1959 had a bearing upon board marketing activities and pricing policies.

In order to assess the effects of the Seaway, and as a guide to future policy, the board and the Shippers and Exporters Association of the Winnipeg Grain Exchange Association jointly appointed a committee on August 18, 1958. It was felt that through the formation of such a committee the combined technical knowledge and experience of the various interests represented would contribute not only to knowledge of probable effects of the Seaway but also to the necessary policies which would have to be brought into effect prior to the opening of the Seaway. The joint committee completed its report on January 16, 1959. The contents of the report were the subject of a series of meetings between the board and the executive of the Shippers and Exporters Association. These discussions were most

helpful to all concerned and to the board in arriving at policy decisions.

The final decision as to policy rested with the board pursuant to its responsibilities under the Canadian Wheat Board Act.

In anticipation of the opening of the St. Lawrence Seaway, and in order to facilitate forward sales for shipment via this route, the board announced an important change in pricing policy on January 30, 1959. Effective on this date the board increased its asking prices for wheat in store Fort William/Port Arthur by 5½ cents (1) per bushel.

(1) The actual increase was 5⅞ cents per bushel, which included an exchange adjustment of ¼ cent per bushel.

In arriving at pricing policies in anticipation of the Seaway, the board recognized:

- (i) that it would be possible for ocean vessels to load wheat as far inland as Fort William/Port Arthur and deliver such grain at overseas destinations at a lower cost than had been previously possible;
- (ii) that a lower cost structure would apply in the movement of grain from the Lakehead to St. Lawrence ports.

In consideration of policy the board felt that the saving in forwarding costs for wheat resulting from the Seaway should accrue to the advantage of the western wheat producer. In accordance with this objective the board increased its asking prices for all grades of wheat basis in store Fort William/Port Arthur by 5½ cents per bushel as previously noted. The amount of the increase was the difference between the estimated cost of moving wheat through the Seaway to St. Lawrence ports and the fixed differential which had been in effect prior to the close of navigation in 1958. The increase in board asking prices for wheat in store the Lakehead, being in effect a saving in forwarding costs within Canada, did not affect board asking prices for wheat c.i.f. St. Lawrence ports, and as a result did not increase the cost of wheat moving via the Seaway to the overseas buyer. The St. Lawrence price under the new pricing policy was the equivalent to that previously in effect and, consequently, it was not necessary for the board to alter the level of its asking prices for wheat basis in store Churchill and in store Pacific Coast ports.

The new pricing policy announced on January 30 included provision for daily quotations for Canadian wheat c.i.f. St.