

Inquiries of the Ministry

of lands and forests of British Columbia. It was sent in the afternoon and reads as follows:

Government of British Columbia proposes to enter into agreement with Kaiser Aluminum and Chemical Corporation allowing said company to erect dam on lower Arrow lakes to store 3 million acre feet of water. Payment for same to be 20 per cent of power generated on American side delivered free to British Columbia.

According to my information, General McNaughton answered this telegram on the morning of the 18th and suggested that no action be taken before the British Columbia government receives a copy of the report of new topographical studies of the Columbia system which were being made. The very same day Mr. Sommers answered General McNaughton by telegram telling him that British Columbia and Kaiser had already executed the agreement. I think that was the wording.

GRAIN**FINAL PAYMENT ON 1953-54 WHEAT POOL**

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. Can the minister say whether, as a method of helping to relieve the critical cash shortage amongst western farmers, the final payment on the 1953-54 wheat pool will be made at an early date?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Final settlement will be made when the wheat from that crop is sold. I cannot give the date of the final sale of that crop but I assure the hon. member that no time will be lost when the sale of the crop is completed.

RATES ON MOVEMENTS THROUGH VANCOUVER AND OTHER PORTS

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Yesterday the hon. member for Vancouver-Burrard (Mr. MacDougall) asked me to make a statement about the pricing of wheat as between various Canadian ports and I am now prepared to do so. On February 16, 1954, the wheat board announced a new pricing policy which involved quoting separate prices daily for wheat in store Pacific coast ports, in store Fort William-Port Arthur and in store Churchill. At that time the board described its new policy as follows:

As a measure to establish more equality in wheat shipments from various parts of the prairie provinces, the board, for such period of time as may be necessary, is adopting a policy of making board wheat generally competitive in overseas markets irrespective of the port of shipment. Pursuant to

this objective the board will take into account not only internal costs of moving wheat to seaboard positions but also the various ocean freight rates involved and such variations in the foregoing costs as may occur from time to time.

Pursuant to the new policy, on February 16, 1954, the price of wheat in store Fort William-Port Arthur was lowered by 7 cents per bushel under the price for wheat in store Vancouver. It was obviously not the intention of the wheat board at that time to establish a fixed differential between Fort William-Port Arthur and Vancouver. The purposes of the revised pricing system would have been absolutely defeated by such a policy. Actually the price relationship between board selling prices for wheat in store Fort William-Port Arthur and in store Vancouver has materially changed since February 16, 1954. Fort William-Port Arthur prices have been increased and Vancouver prices have been decreased, the result being that at the present time the in store Fort William price is only one cent a bushel below the in store Vancouver price on grades 1 to 4 northern and is identical with Vancouver on No. 5 wheat, No. 6 wheat and feed wheat.

In my opinion the board has been carrying out the policy enunciated last February of endeavouring to keep Canadian wheat generally competitive in overseas markets irrespective of the port of shipment. Daily price comparisons are made. The last comparison I have is for January 6. On that date No. 1 northern in store Fort William was \$1.72 and in store Vancouver \$1.74, a two cent spread as of that day. However, based on the cost of ocean freight that day the price of No. 1 northern shipped from Vancouver and landed in the United Kingdom would be \$2.21 a bushel whereas the same grain shipped from eastern ports would be \$2.22½ a bushel. On that particular day there was obviously a price advantage out of Vancouver. This does not necessarily mean that all purchasers would buy their wheat from Vancouver because there are other problems such as time of delivery and ability to find vessels willing to make the long voyage from Vancouver to the United Kingdom with wheat when just now higher revenues can be earned on shorter hauls. In order to keep rail freights on grain to a minimum it is necessary to keep all Canadian ports reasonably competitive in our principal European markets. Obviously, for shipments to Japan or South Africa or South America, Vancouver has a natural advantage that eastern ports cannot touch.

Let us look at the figures. During the current crop year from August 1 to December 29, of all Canadian wheat shipped to overseas destinations 33.6 per cent was shipped from