

The Standing Committee on Agriculture and Colonization begs leave to present the following as a

SIXTH REPORT

The Order of Reference directed to your Committee was in the following terms:—

That the reports of the Canadian Wheat Board tabled in the House of Commons for the crop years 1939-40 and 1940-41 be referred to the Select Standing Committee on Agriculture and Colonization.

Your Committee held twelve meetings with respect to this Order of Reference and three meetings concerning the Reference with respect to Bill No. 13. There appeared before the Committee as witnesses: Mr. J. H. Wesson, President, Saskatchewan Wheat Pool; the members of the Canadian Wheat Board, its controller and secretary; the members of the Board of Grain Commissioners for Canada, its secretary; and the manager of Government-owned Terminal Elevators. In addition, the Honourable J. A. MacKinnon, Minister of Trade and Commerce; the Honourable J. G. Gardiner, Minister of Agriculture; and the Honourable T. A. Crerar, Minister of Mines and Resources, gave certain information to the Committee.

The Honourable R. B. Hanson, Leader of the Opposition, was invited to attend but did not do so.

The Committee directed its attention to a review of the annual reports of the Canadian Wheat Board as referred to in the Order of Reference and matters arising therefrom. These reports contained detailed information as to the amount of wheat (actual and under future contracts) handled by the Board and its operations in the marketing of same.

The Committee gave particular attention to the allegations made by the Honourable Mr. R. B. Hanson in the speech in the House of Commons on March 17th, 1942, and which was the immediate cause of the reference being made to the committee. The allegations made by Mr. Hanson were:—

1. That the Wheat Board was carrying on its operations illegally;
2. That the Wheat Board maintained elevator companies in "unexampled luxury";
3. That an independent audit should be made of the Board's accounts;
4. That brokerage fees were paid out for no services rendered;
5. That the Board had purchased wheat illegally; and
6. That Orders in Council numbered 1800 to 1803 inclusive gave "unlimited" authority to the Wheat Board and without the assent of Parliament.

The Committee proposes to deal with each of these statements in the report.

1. *That the Wheat Board was carrying on its operations illegally:*

It was suggested that at the time of the sale by the Board of cash wheat no moneys were exchanged. The committee finds that this statement is wholly incorrect and that the Board is paid in cash for the actual wheat so disposed of and at the time of delivery, except where credit has been established by Government, e.g., sale to United Kingdom.

It was further alleged that the Board's practice of accepting at the time of the sale by it of cash wheat and in exchange a contract calling for the future delivery of a like quantity of wheat contravenes the Wheat Board Act of 1935 and the amendments thereto.