

The cablegram referred to was dated July 23rd, 1940, and read as follows:—

Please transmit to Government the following message dated 23rd July from Cereal Imports Branch Ministry Food quote This branch of the Ministry of Food is desirous that the Winnipeg futures market be kept open to enable the free movement of grain through normal trade channels stop It feels it is only by this method this country can secure shipment of the maximum quantity of Canadian grain and under present conditions hesitates to experiment with the delicate trade mechanism Signed on behalf of the committee A. Hooker, Deputy Director, Cereal Imports.

The evidence further discloses that on May 15th, 1942, the Chairman of the Board, at the request of the Honourable Mr. MacKinnon, Minister of Trade and Commerce, cabled the London agent of the Wheat Board as follows:—

Agricultural Committee of House of Commons in session here now and Minister of Trade and Commerce read into record your cable of July 23rd, nineteen forty, to me expressing Cereals desire that Winnipeg futures market be kept open stop Some members of committee questioned whether this expresses present view of Imported Cereals Division Ministry Food and Minister requests that you ask them to cable me the present official view of Ministry Food regarding Winnipeg futures market stop Would appreciate reply by Monday morning eighteenth May.

The following reply was received on May 16th, 1942:—

Answering yours fifteenth Ministry Food official reply follows, quote "Reference Biddulph's request from your Minister would say that the Imported Cereals Division of the Ministry Food are of the same precise opinion as that expressed in our cable of twenty-third July nineteen forty. In fact our experience of the last two years more than confirms our original view. Signed on behalf of the committee, A. Hooker, Deputy Director, Imported Cereals Division."

The committee is of the opinion that in the light of the information contained in the cablegrams referred to no other course is open to Canada than to carry out the express desire of the British Government.

The committee also inquired into the matter of the advisability of disclosing the price being paid by the Import Cereals Division of the Ministry of Food of the United Kingdom for Canadian wheat. Upon receiving the information from the Minister of Trade and Commerce that the British Government had specifically regulated that the price be not disclosed, the committee was of the opinion that no useful purpose would be served by pursuing the matter further.

The committee had before it members and officials of the Board of Grain Commissioners who reviewed the operations of the Government-owned terminal elevators under the control of the Board and dealt, in particular, with the lease of one of these to the McCabe Brothers Elevator Company, Limited.

The committee was furnished with information as to the history of the contract between the Board of Grain Commissioners and the McCabe Brothers Elevator Company, Limited, with regard to the rental to the McCabe Elevator Company, Limited, of the Government-owned terminal elevator at Port Arthur.

The evidence given to the committee shows that in normal times and in particular in small crop years the policy of the elevator companies is to use terminal elevator space owned or controlled by the individual company. The result is clearly shown in the financial history of the Government-owned terminal elevator referred to. In the early years it made a reasonable return on the capital investment but as more storage facilities were built by elevator