

of wheat, the Government guaranteed to those providing this additional storage capacity that the storage rate would not be reduced for a period of two years.

The committee would point out that the elevator companies, including the producer-owned marketing organizations, are not bound to maintain the maximum charges as set by the Board of Grain Commissioners but can, on application, lower these rates.

It would appear therefore that the producer-owned marketing organizations, who handle roughly 50 per cent of the wheat marketed each year, have it within their power to determine a just and reasonable schedule of storage and service rates. Mr. J. H. Wesson, President of the Saskatchewan Wheat Pool, when before the committee gave as his opinion that the storage rates were just and reasonable under the circumstances.

The committee realizes the importance to the producers of storage and service charges and strongly recommends that the Wheat Board and Board of Grain Commissioners effect reductions in these wherever possible.

The committee further recommends that the Wheat Board consider the advisability, during the period in which a quota system of marketing is necessary, of eliminating any differential between Class "A" "car load" and Class "B" "street wheat".

3. *With respect to having an independent audit made of the Board's accounts.*

The committee finds that there has been and continues to be an independent audit made of the records and accounts of the Board by a reputable firm of chartered accountants. The present firm of chartered accountants charged with this duty was appointed by the McFarland Board in 1935 with the approval of the then Government and has ever since continued to independently audit the accounts and records of the Board.

4. *With respect to the allegation that brokerage fees were paid out for no services rendered.*

The material sections of the Canadian Wheat Board Act of 1935 are as follows:—

Section 7—The Board shall undertake the marketing of wheat in inter-provincial and export trade and for such purposes shall have all the powers of a corporation and without limitation upon such powers the following:—

(b) to buy and sell wheat provided that no wheat shall be purchased by the Board except from the producers thereof;

Section 8—It shall be the duty of the Board:—

(i) in selling and disposing of wheat as by this Act provided to utilize and employ without discrimination such marketing agencies, including commission merchants, brokers, elevator men, exporters and other persons engaged in or operating facilities for the selling and handling of wheat, as the Board in its discretion may determine;

(j) to offer continuously wheat for sale in the markets of the world through the established channels: provided that the Board may, if in its opinion any existing agencies are not operating satisfactorily, take such steps as it deems expedient to establish, utilize and employ its own or other marketing agencies or channels";

No evidence was submitted to the committee suggesting that the Board considered that "existing agencies are not operating satisfactorily" and in fact the Comptroller of the Board gave evidence to the contrary. It is clear, therefore, that the Board, under the Act, has no alternative but to use brokers in connection with its operations.