

This special committee reported to the House on June 11, 1936, and the report significantly contains the following paragraph:—

After a full examination of Mr. Murray and the records placed by him at the disposal of the committee, we are not of the opinion that the course taken by the board in the marketing of wheat was consistent with the intention of parliament in enacting the Wheat Board Act of 1935, and with the policy of the government to reduce the wheat surplus to reasonable proportions.

Incidentally, the committee's report was unanimous and I believe that some members of the present Agricultural Committee were members of the special committee to which I have referred.

I might add that there has never been the slightest doubt in the minds of either the McFarland Board, the Murray Board, or the Board which I now head, in respect to the ability of the Board to carry on its operations along established lines and in accordance with the intent of the Canadian Wheat Board Act.

This same special committee recommended a royal commission to make a complete survey of the production, grading, and distribution of Canada's grain, a suggestion which was later implemented by the dominion government in the appointment of the Royal Grain Inquiry Commission, by order in council on June 27th, 1936. Mr. Justice Turgeon was appointed to conduct the inquiry.

In this exhaustive examination into all phases of the Canadian wheat situation, the Royal Grain Inquiry Commission examined the operations of the Canadian Wheat Board from 1935 until 1937-38. After a thorough examination of the operations of the Canadian Wheat Board under the chairmanship of Mr. McFarland and Mr. Murray, Mr. Justice Turgeon in his final report made no reference to any contravention of the terms of the Canadian Wheat Board Act by either board.

Mr. Justice Turgeon was quite familiar with the established practice in selling cash wheat. He dealt with that practice in connection with pool selling policies prior to 1930. I cite this quotation from page 68 of the report of the Royal Grain Inquiry Commission, not because it refers to the pools, but because it is an excellent description of this method of selling wheat:—

Aside from its direct sales and other exports the pool sold considerably in the Winnipeg market. Wheat was sold on the cash market from time to time when the price was suitable and in the case of many such sales futures were taken back from the buyer, both because of the desire of the customers to do business on that basis and because if the pools did not take back the futures the customers would probably sell the same quantities of futures on the market immediately and possibly depress the price, whereas the pool could dispose of the futures in its own time, thus continuing to carry the same quantity of wheat, but in the form of futures instead of actual grain. Occasionally, these futures would be held until the delivery month and cash grain would be received by delivery through the clearing house.

Mr. Justice Turgeon also recognized the exchange of futures for cash wheat under wheat board operations, describing the operations of the Canadian Wheat Board under Mr. McFarland, that is during the months when the board's selling policies were being developed. Mr. Justice Turgeon states on page 103 of the same report:—

While considerable quantities of cash grain were sold (34,960,668 bushels), futures were acquired in exchange to the extent of 34,778,000 bushels.