

as the additional member of the Canadian Wheat Board. I have known Mr. Kane for a number of years and have been associated with him to some extent, and I think the government ought to be highly complimented upon being able to secure his services. My own opinion is—and I say this frankly—that he is among the best grain men in the business and that he definitely has the producers' point of view at heart to a very great degree; and I may say that the contribution he can make to the wheat board by virtue of his wide experience should be most gratifying to the government and should be of great value in the operations of the board. Although we all regret the passing of Mr. Folliot, I may say again that as a Manitoba man I am pleased that we have been able to secure the services of Mr. Kane.

Now, last year the committee requested that the witnesses be sworn. It is a formality and is customary in matters of this kind, not because we doubt the honesty or integrity of the witnesses; and it would probably be well to proceed with that formality again.

Mr. GEORGE McIVOR, Chairman of the Canadian Wheat Board, and Mr. R. C. FINDLAY, Comptroller of the Canadian Wheat Board, called and sworn.

The CHAIRMAN: Now, gentlemen, perhaps we could proceed by having a statement from Mr. McIvor somewhat along the lines suggested by Mr. Perley, and later on we can determine our procedure for future meetings.

Mr. McIVOR: Mr. Chairman, Hon. Mr. MacKinnon and hon. members, I have not a prepared statement. In discussing the question of procedure with Mr. Weir, your chairman, I took the liberty of suggesting to him that, perhaps, if Mr. Findlay could go through the accounts and then be released to enable him to return home it would be most convenient to the board. I might say that I have to remain here this week on other business, irrespective of how long the committee sits or the period during which I shall have to appear before the committee. On the other hand, you know that Mr. Findlay, as comptroller of the organization, particularly at this season of the year has a great deal of work to do, and that is the reason why I am making this suggestion.

Mr. DOUGLAS: Are the proceedings of the committee to be reported from now on?

The CHAIRMAN: Yes.

Mr. McIVOR: I should like to take this opportunity, Mr. MacKinnon, to thank you for your kindly reference to Mr. Folliot. I was associated with him on the board for a matter of four years and I wish to say to this committee that he was a real public servant, a very hard worker and a man of excellent judgment. Consequently, we felt his passing very keenly. However, I do wish to say also, in addition to what Mr. Weir has said, that we feel that in Mr. Kane we have one of the outstanding men in the trade and in producer circles in the marketing of grain in western Canada. I do not know personally of a more competent man. Therefore I feel very pleased that the government have appointed Mr. Kane as the third man on the board.

I do not know, Mr. Chairman, that I can do better than read the early part of this report which may bring up some questions which I shall endeavour to answer.

In 1941-42, the activities of The Canadian Wheat Board show the first reflections of the reduced emphasis on wheat and the trend toward diversification of western grain production. The restrictive effect of the third year of war upon the international movement of wheat resulted in enlarged accumulations of surplus wheat in the four chief exporting countries—a surplus which increased from 635 million bushels on July 31, 1939, to 1,430 million bushels on July 31, 1942.