

3. That while the Canadian Wheat Board Act, 1935, limits the purchases of wheat to be made by the board to purchases from "producers," yet in selling wheat from time to time on the Winnipeg market the board can comply with the rules and customs of that market but only for the purpose of and to the extent requisite for carrying through such sales.

So important was this legal decision to the McFarland Wheat Board that Mr. Burbidge was asked to consult with other counsel. Mr. E. K. Williams, K.C., met with the then Canadian Wheat Board and with Mr. Burbidge in connection with the interpretation of this part of the Canadian Wheat Board Act. On August 27th, 1935, Mr. E. K. Williams, K.C., wrote to Mr. F. M. Burbidge as follows:—

I acknowledge the receipt of your letter of the 26th of August enclosing copy of the opinion which you have written to the Canadian Wheat Board following our various interviews and discussions. I concur in the opinions which you express in your letter.

Mr. J. R. Murray in giving evidence before the special committee on marketing of wheat and other grains, under guarantee of the Dominion Government, 1936, stated in regard to these legal opinions (Page 205):—

I would sum up those two letters in layman's language by saying—it is clearly stated—that the board have no power to vary the price up or down once it has been set for the year; and, in the second place, while the board have the power to purchase futures in selling cash wheat, that gives them power to exchange. They have no power to purchase futures unless it is in connection with the sale of cash wheat.

The foregoing legal opinions in respect to the interpretation of the Canadian Wheat Board Act were forwarded by the Canadian Wheat Board to the Dominion Government and the Department of Justice.

These legal decisions rendered by Mr. Burbidge and Mr. Williams and conveyed to the Dominion Government and the Department of Justice have constituted the basic interpretation of the Canadian Wheat Board Act and have governed the operations of that board since its inception in 1935 and under the respective chairmanships of Mr. John I. McFarland, Mr. J. R. Murray and myself.

The first time the legality of the board's operations was questioned was on the occasion of the hearings of the special committee on the marketing of wheat and other grains in 1936. This committee of the house conducted hearings in March, April and May of that year. A great deal of the time of the committee was concerned with the legality of the board's operations in exchanging cash wheat for futures.

In the minutes and proceedings of the 1936 special committee, on page 206 the following questions and answers appear:—

Q. Had the wheat board any authority to buy futures in the pit for stabilization or other purposes?—A. No; that legal opinion states that clearly.

And the next question is fairly well answered by the legal opinion:—

Q. In the ordinary course of business, using the existing machinery of the trade, would the board acquire futures in exchange when making cash sales?—A. Yes.

This matter is fully discussed in the proceedings of the committee, a copy of which I am sure members of the Agricultural Committee can obtain.