

From this résumé of the recent history of grain marketing in Canada it seems fair to conclude that the Canadian Wheat Board Act, 1935, was not a radical or new move in marketing method but merely a natural development from the past, of which the stabilization measures were a transition phase.

THE CANADIAN WHEAT BOARD ACT, 1935.

Genesis of the Canadian Wheat Board Act, 1935.—A resolution indicating the intention of the Government to introduce a Wheat Board Bill was tabled in the Canadian House of Commons on Mar. 4, 1935. The Bill itself was introduced on June 10 and then referred to a Special Committee of the House, whose hearings began on June 18. The Bill referred to the Committee granted monopoly power to the Board to handle all wheat produced in Western Canada, but when it was reported back to the House in amended form on July 2 a voluntary Wheat Board was provided for, with certain more drastic and compulsory clauses that could be brought into effect upon proclamation of the Governor in Council. The Act was assented to on July 5, 1935.

Scope of the Act.—The Canadian Wheat Board Act, 1935, is a very complete piece of legislation and contains unusual powers. Apart from Sections 9, 10, 11, and 16 of the Act, the legislation provides for a voluntary marketing organization to purchase wheat from farmers at a fixed price and to issue participation certificates which entitle the producers delivering to the Board to receive a share of any profits realized by the Board. The farmer can exercise his own judgment as to whether he delivers to the Board or not. If at any time the open market price falls below the fixed price established by the Board, then it goes without saying that the Board will receive practically all the wheat offered by farmers. If, on the other hand, the market price is higher than the fixed price, then it is a matter of choice with the farmer as to where he shall sell his wheat.

The four sections mentioned (9, 10, 11, and 16) have not been proclaimed but it might be interesting here to note how drastically they would change the present set-up.

Under Section 9, the Board could control all grain elevators licensed under the Canada Grain Act. These elevators could be operated by the Board or by agents of the Board. Under Section 10, the Board could control the transportation of wheat to or from any elevator. Under Section 11, inspecting officers of the Board of Grain Commissioners shall refuse to issue a grade certificate for wheat stored in any elevator operating in contravention of the Canadian Wheat Board Act. Sections 9, 10, and 11, if brought into effect, would establish the Canadian Wheat Board as an absolute monopoly in dealing with the primary movement of wheat. The power for these clauses is derived from the fact of Dominion control over elevators and railways as works for the general advantage of Canada. Section 16 provides penalties for any person who commits a breach of Sections 9, 10, and 11.

Marketing Policy as Defined by the Act.—There are three paragraphs of the Canadian Wheat Board Act, 1935, that refer to marketing policy. These are as follows:—

Section 8, paragraph (b), states that it shall be the duty of the Board "to sell and dispose of from time to time all wheat which the Board may acquire, for such price as it may consider reasonable, with the object of promoting the sale and use of Canadian wheat in world markets"