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**SASKATCHEWAN WHEAT POOL**  
*and subsidiary companies*

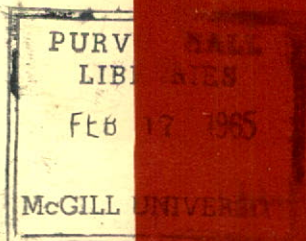


# 40th ANNUAL REPORT

for the year ended 31st July

# 1964

Regina, Sask.











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REGINA, SASKATCHEWAN





#### FOREWORD:

This Annual Report covers one of the most remarkable years which Pool members and their organization have experienced in their forty-year history. Grain production in the fall of 1963 set new records. Farm deliveries were at an all-time high during the crop year as a result of the most buoyant export market Canada has ever enjoyed. We rejoice that all this has meant an exceptionally good year for Saskatchewan farmers and for our organization.

The records set in 1962-63 in grain production and exports focused national attention on the wheat economy. Many Canadians rediscovered the great place which agricultural production occupies in the everyday economic life of Canada.

While we in the Prairies are proud of the achievements recorded in 1963-64, we must remind ourselves and others that it is only through continued expansion of our markets overseas that we can maintain our maximum contribution to the national well-being.

*Chas. H. Hering*  
President.



## DIRECTORS' REPORT

### IN MEMORIAM

Forty years have passed since the inception of the Saskatchewan Wheat Pool. It is not surprising that it becomes necessary to record the passing of a number of the early pioneers of the movement, who have grown old in service to their fellow members. In their sunset years their's must have been an inner satisfaction to contemplate the growth and expansion of an organization that first existed only in the minds of a group of pioneering farmers, who thought they could build a better system of marketing than that which prevailed. It is with a sense of deep regret that your Board records the names of former Delegates, whose deaths have been reported since the last Annual Meeting.

Mr. George M. Emmons of Eyebrow, Saskatchewan, served as Delegate in two different Districts, and served as a Director for District 10 from 1944 to December 1948. He served as Delegate in District 5, Sub-District 9, from 1925 to 1928, and in Sub-District 2 of District 10, from 1928 to 1937, and after a lapse of time he returned as Delegate for District 10 in 1941 and served as Director from 15th February 1944 to 14th December 1948. He was in his 86th year at the date of his death, 26th July 1964. Mr. Emmons was born in Minnesota and came to Saskatchewan in 1903, settling in the Eyebrow district where he has since lived. He was a member of the Eyebrow Masonic Lodge and was for a time Reeve of the Municipality of Huron.

Mr. H. A. Crofford, who was killed in a car-truck collision on the highway in November 1963, was a Saskatchewan Wheat Pool Delegate for many years, and served as Director, in District 13, from 1940 to 1945. He was born at Pond Creek, Oklahoma, and came to the Delisle District, in central Saskatchewan, in 1910. He received his education in Delisle and Saskatoon. Mr. Crofford was one of the pioneers in the development of the Co-operative Life Insurance Company, and served as its President and later General Manager from 1945 to 1956. He served on the University of Saskatchewan Board of Governors from 1947 to 1952. He was also a Past President of the Saskatchewan Poultry Association.

Mr. Andrew Severson of Kindersley, died in March 1964, at the age of 76 years. He was born in August 1887 in Solund, Norway. For the past 17 years Mr. Severson lived in Kindersley, but prior to that he pioneered and farmed in the Coleville district for 29 years. He served on the Council of the Rural Municipality of Oakdale at

Coleville, was an active member of the Saskatchewan Wheat Pool and served for five years as Delegate. From 1948 to 1952 he served on the Telephone Board at Coleville and on the Board of the Coleville Co-operative Association.

Mr. Victor Virgin served as Delegate for District 9, Sub-District 10 from 1940 to 1943. He farmed at Leslie, Saskatchewan. For the past 18 years he lived at Sidney, B.C. Mr. Virgin was born in Somerset, England, and was 71 years of age at the date of his death. Mr. Virgin was active in the Masonic Lodge, was a Past Master of Elfros Lodge No. 145, was Past President and Zone Commander of the Royal Canadian Legion of Elfros, was a member of the Royal Canadian Legion of Saanich Peninsula Branch, No. 37 in British Columbia, was Secretary of the South Saanich Farmers' Institute, was Director and Honorary Member of the Saanich Pioneer Society, and was a Director of the B.C. Federation of Agriculture. He served during the First World War where he obtained the rank of Captain.

Mr. Charles Mycroft of Saskatoon, died the 5th July 1964. He was 81 years of age. Mr. Mycroft served as Delegate of the Saskatchewan Wheat Pool, representing District 13, Sub-District 4, from 1939 to 1944. He was born in Derbyshire, England, and came to Canada in 1903 and farmed in the Elstow district for 41 years. He moved into Saskatoon in 1944 where he had resided until his death. Mr. Mycroft served as Councillor of the Rural Municipality of Blucher, No. 344, as a Trustee on the Elstow School Board and gave active support to other community enterprises.

G. F. Gudmundson of Mozart, who served as a delegate from 1946 to 1947, was born in Iceland and came to Saskatchewan in 1906 where he farmed for many years. He served for some twelve years as a councillor of the Municipality of Elfros and was Reeve for about ten years. Mr. Gudmundson was a veteran of World War I. He was a charter member of the Mozart Co-operative Association and the Mozart Credit Union and was a member of the Board of the Wadena Union Hospital for some ten or twelve years. Prior to his election as a delegate Mr. Gudmundson served on the Mozart Wheat Pool Committee. Mr. Gudmundson died on 26th September 1963 at the age of 72 years. He is survived by his widow who resides at Mozart, and two sons and one daughter.

Mr. John H. Barmby of Lang, Saskatchewan, Delegate for District 6, sub-District 1, died at his farm home on 17th September 1964.



He was 59 years of age. Mr. Barmby was born and raised in the Lang district. He farmed about eight miles southwest of Lang during most of his life. He joined the Wheat Pool as a member in 1946, and took an active interest in the organization. In 1959 he was elected Wheat Pool Delegate, to represent District 6, Sub-District 1, and served in that capacity until 1962. At the time of his death Mr. Barmby was Vice-President of the Saskatchewan Municipal Hail Insurance Company, Director of the Lang Credit Union, and served on the Lang Village Council. He was formerly Reeve of Scot Municipality serving the Lang district.

The organizations and edifices that these men helped to build will stand for all time as their memorial.

In submitting this Report to the 40th Annual Meeting of Delegates of the Saskatchewan Wheat Pool, your Board of Directors is pleased to present a review of the widespread operations of the organization. The reports of the Board of Directors of Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited and Pool Insurance Company, the three inter-provincial organizations owned jointly by the Manitoba, Saskatchewan and Alberta Pools are also included.

#### **CONSOLIDATED BALANCE SHEET**

Copy of the Consolidated Balance Sheet approved by the Company's Auditors, Messrs. Touche, Ross, Bailey & Smart, is attached to this report as Statement No. 1. This Statement sets out the combined financial position of the Saskatchewan Wheat Pool and its subsidiary companies as at 31st July 1964. The usual explanatory notes on the principal items appearing in the Consolidated Balance Sheet are attached for the information of the delegates. As at 31st July 1964, total current assets of the entire Pool organization amounted to \$110,506,710.00, and total current liabilities amounted to \$99,222,099.00. The difference between these two items, namely \$11,284,611.00, represents the current position of the Company at the end of the fiscal year, 31st July 1964.

#### **CONSOLIDATED SCHEDULE OF FIXED ASSETS**

Schedule No. 1A, attached to this Report, sets out in detail the cost, the accumulated allowance for depreciation set up against each item, and the net value of all fixed assets as at 31st July 1964. This schedule shows that the total original cost of all fixed assets amounted to \$87,970,142.00. Over the years depreciation amounting to \$55,526,867.00 has been provided, leaving the net value of the fixed assets at \$32,443,275.00. This compares with a net valuation of \$31,086,334.00 for the previous year, which represents an increase of \$1,356,941.00.

#### **CONSOLIDATED CAPITAL STATEMENT**

Statement No. 2, attached to this Report, sets out in detail the current position of the Wheat Pool organization as at 31st July 1964. After providing for the unexpended portion of the approved program of capital expenditures, estimated at \$9,862,400.00, the working capital for the Season 1964-65 is shown as \$1,422,211.00, compared with \$5,982,985.00 for the previous Season. This represents a decrease of \$4,560,774.00 in the working capital position.

#### **SOURCE OF CAPITAL FUNDS, ANALYSIS OF CAPITAL EXPENDITURES AND WORKING CAPITAL**

Statement No. 3, attached to this Report, shows the source of capital funds, analysis of expenditures of capital funds and working capital as at 31st July 1964. Capital commitments as at 31st July 1964 for completion of the program of building and work under construction, and machinery under purchase, are estimated at \$9,862,400.00. This item includes a contingent liability of \$7,000,000.00 as the Saskatchewan Wheat Pool's share of capital costs of the fertilizer plant being constructed at Calgary. It also includes \$257,600.00 for the cost of the new stockyard at Moose Jaw, now under construction.

#### **STATEMENT OF NET EARNINGS**

Statement No. 4 which is attached to this Report gives in detail the disposition of net earnings and capital gains of the Saskatchewan Wheat Pool and subsidiary companies for the period 1st August 1925 to 31st July 1964.

#### **STATEMENT OF GRAIN HANDLED**

Statement No. 5, attached to this Report, shows the total amount of grain handled by the Pool organization during the period 1924 to 1964 inclusive. The Statement shows that since the inception of the organization the country elevator system has handled 4,618,526,588 bushels. For the same period there were handled through the Terminal Elevator Division 3,203,927,745 bushels.

#### **STATEMENT OF FINANCIAL POSITION AND MEMBERS' EQUITY AS AT 31st JULY 1964**

The Consolidated Balance Sheet shows the financial position of the organization and the members' equity as at 31st July 1964. It may be summarized as follows:

Total Current Assets.....	\$110,506,710.00
Less Current Liabilities.....	99,222,099.00
Working Capital—subject to Capital Commitments already referred to.....	\$ 11,284,611.00
Other Assets, less Mortgages payable.....	33,038,258.00
Total Net Assets representing Members' Equity.....	\$ 44,322,869.00



The Members' Equity is represented by the following:

Capital (Membership Fees).....	\$ 141,227.00
Commercial Reserve.....	11,402,480.00
Elevator Deductions.....	21,159,925.00
Livestock Excess Charges Credits.....	99,185.00
Amount contributed by and allocated to Members.....	\$ 32,802,817.00
Reserve unallocated.....	11,520,052.00
<b>Total.....</b>	<b>\$ 44,322,869.00</b>

### Computer Operations

Installation of the computer, which was referred to in last year's Annual Report, was completed in February of this year.

One of the first jobs undertaken was the writing of the Excess Charges Refund cheques covering the 1962-63 patronage refund, and this operation proved quite successful.

At the present time the country elevator grain records are being processed by the computer. As plans and programs are finalized, other areas such as terminal unloads, farm supplies, etc., will also be transferred to computer operation.

### COUNTRY ELEVATOR DIVISION

Details of the earnings and expenses of the Country Elevator Division are shown in the Financial Statements and Auditors' Reports submitted separately. The net earnings of the Division totalled \$7,963,939.00, or a net earning of 3.21c per bushel, compared with an earning of 2.73c per bushel in the previous season.

The following tabulation gives a comparison of earnings and expenses for the Country Elevator Division with those of the previous year:

	1963-1964	1962-1963	Increase (Decrease)
Earnings.....	\$27,579,899.00	\$22,946,046.00	\$4,633,853.00
Expenses.....	19,615,960.00	17,422,268.00	2,193,692.00
<b>Surplus.....</b>	<b>\$ 7,963,939.00</b>	<b>\$ 5,523,778.00</b>	<b>\$ 2,440,161.00</b>

### Grain Handlings

The 1963 crop in Saskatchewan set an all-time record of production and Pool country elevator handlings for the year 1963-64 set an all-time high of 244,684,588 bushels of all grains.

The following tabulation provides a comparison of primary grain handlings in Saskatchewan for the Season 1963-64 as compared with the previous Season:

### Total Primary Receipts at Country Elevators in Saskatchewan during Grain Years 1963-64 and 1962-63

(Platform Receipts not Included)

1963-64			
	All Elevs. (Bushels)	Pool (Bushels)	Pool %
Wheat.....	356,989,898	194,865,043	54.59
Durum.....	37,015,879	19,875,616	53.69
Oats.....	18,672,758	9,724,585	52.08
Barley.....	30,531,362	13,678,700	44.80
Flax.....	6,003,580	2,820,217	46.98
Rye.....	4,352,000	2,212,026	50.83
Rapeseed.....	3,272,822	1,508,401	46.09
<b>Total.....</b>	<b>456,838,299</b>	<b>244,684,588</b>	<b>53.56</b>

1962-63			
	All Elevs. (Bushels)	Pool (Bushels)	Pool %
Wheat.....	*273,128,184	147,056,883	*53.84
Durum.....	37,626,391	19,947,729	53.02
Oats.....	30,808,764	16,399,956	53.23
Barley.....	29,375,550	13,868,501	47.21
Flax.....	3,789,497	1,868,616	49.31
Rye.....	4,996,853	2,537,416	50.78
Rapeseed.....	2,467,495	1,035,384	41.96
<b>Total.....</b>	<b>382,192,734</b>	<b>202,714,485</b>	<b>53.04</b>

\*Adjusted figures

	1963-64 (Bushels)	1962-63 (Bushels)
Average Handling per Pool Elevator.....	207,535	169,070
	(1,179 Elevs.)	(1,199 Elevs.)
Platform Handlings.....	135,425	45,572

The above handling and percentage figures for season 1963-64 are interim figures based on information available at the time this report was prepared and are subject to adjustment when the final report of the Board of Grain Commissioners for Canada becomes available. Figures shown for season 1962-63 are final.

The following summary of receipts, by months, during the season just ended will indicate the flow of grain to Pool elevators.

### 1963-64 Receipts by Months, All Grains

	Receipts for Month	Monthly % of Total	Cumulative Total	Cumulative %
August 1963.....	3,592,552	1.5	3,592,552	1.5
September.....	13,491,775	5.5	17,084,327	7.0
October.....	23,015,333	9.4	40,099,660	16.4
November.....	24,024,255	9.8	64,123,915	26.2
December.....	24,700,072	10.1	88,823,987	36.3
January 1964.....	21,041,942	8.6	109,865,929	44.9
February.....	11,000,539	4.5	120,866,468	49.4
March.....	7,085,087	2.9	127,951,555	52.3
April.....	17,341,054	7.1	145,292,609	59.4
May.....	17,106,445	7.0	162,399,054	66.4
June.....	40,337,299	16.5	202,736,353	82.9
July.....	41,948,235	17.1	244,684,588	100.0
<b>Total.....</b>	<b>244,684,588</b>	<b>100.0</b>		

In addition to the above grains, our country elevators handled in the 1963-64 season 2,003 bushels of alfalfa pellets, 3,201 bushels of clover



seed, 2,143 bushels of mustard seed, 1,470 bushels of peas and 1,934 bushels of sunflower seeds.

The 1963-64 season commenced with 77,605,407 bushels of all grains in store Pool country elevators. Stocks remained near the 70 million bushel level throughout the early fall of 1963, and between 60 and 70 million bushels during almost the entire season except for a time in the spring of 1964 when they decreased to just over 50 million. They built up again during July and the grain year ended with 68,313,920 bushels in store.

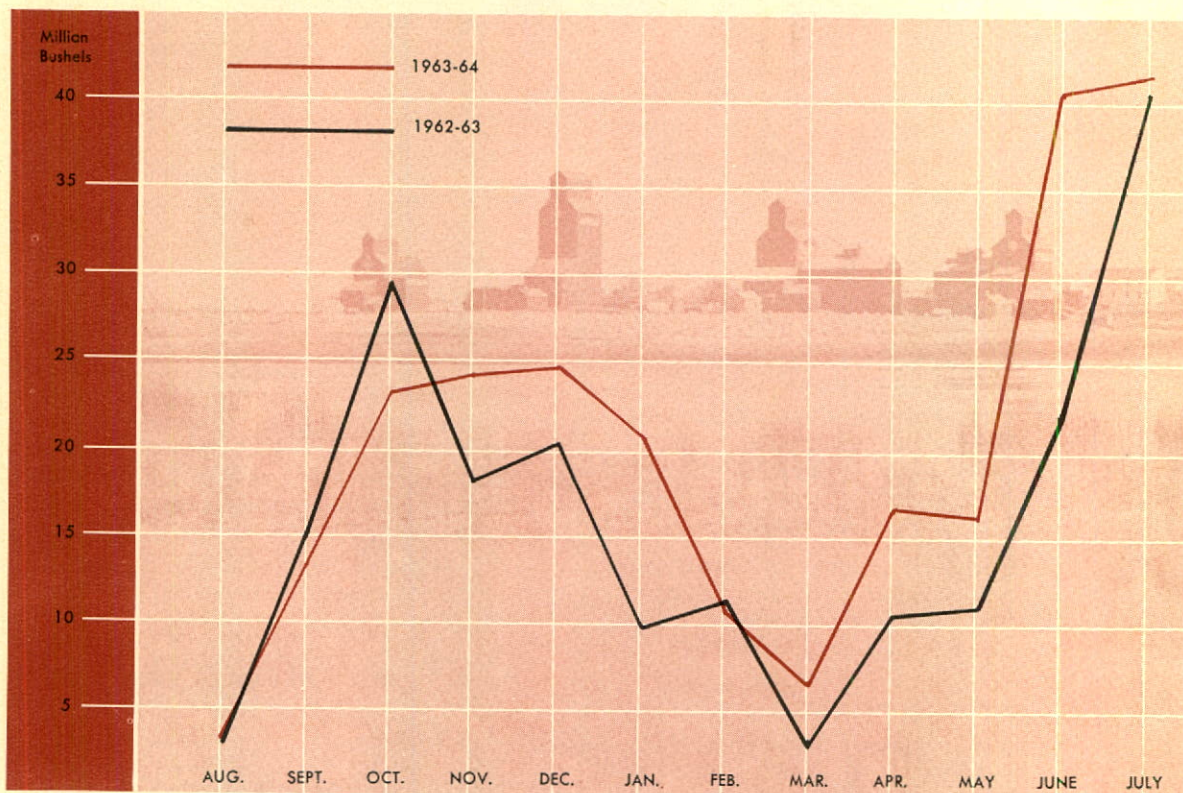
Throughout the grain year stocks averaged 64,217,095 bushels, compared with average stocks of 55,863,380 bushels carried in the previous season.

The following statement shows the amounts and destinations of grain unloaded by the

Country Elevator Division in season 1963-64 compared with the previous season:

	1963-64 (Bushels)	1962-63 (Bushels)
Sask. Pool Terminals		
—Lakehead.....	152,043,856	93,382,909
—Vancouver.....	28,898,633	18,907,712
<b>Total</b> .....	180,942,489	112,290,621
Other Lakehead Terminals.....	24,706,601	3,482,448
Maltsters.....	773,466	1,343,727
Mills (including Sask. Pool Mill) ..	18,720,975	14,039,328
Churchill.....	11,121,790	8,659,694
Pacific Coast—Alberta Pool.....	5,052,370	16,491,654
—Others.....	5,379,765	10,132,655
Interior Terminals.....	2,431,250	453,909
Railway Claims.....	54,157	36,485
Eastern Shipments.....	31,042	—
<b>Total</b> .....	249,213,905	166,930,521

#### POOL Grain Receipts by Months—Crop Year 1964



#### Grading Record

The grading record for the year based on cut-offs indicates a net grade gain of \$789,191.00 compared with a grade loss of \$311,906.00 in the previous season.

#### Country Elevator Cleaning

During the 1963-64 season 13,095,767 bushels of grain were cleaned in Pool country elevators for customers, compared with 11,988,770 bushels cleaned in the previous grain season.

#### Inspections

The records indicate that 312,995 cars of

wheat were inspected at all primary inspection points in Canada during 1963-64 compared with 205,457 cars inspected in the previous season.

#### Wheat Dockage Record

The dockage record for wheat indicates a small dockage gain. Average dockage assessed by agents on graded receipts of wheat was 2.56% while average dockage on outturns of street cars of wheat was 2.46%, or a gain of .10%.

#### Weigh-Ups

A complete weigh-up of stocks was carried out at 296 elevators (24%) and estimated at



954, compared with 480 houses weighed and 773 estimated in the previous season.

#### *Malting Barley Premiums*

Premiums of 5c per bushel obtained on 2,840,-423 bushels of consigned barley during 1963-64 amounted to \$142,021.00 This compares with \$144,059.00 obtained on 2,881,186 bushels of consigned premium barley shipped in the previous season.

#### *Fire Losses*

Insurance coverage on country elevator buildings is maintained at 100% of replacement cost, less depreciation, and currently amounts to \$65,028,498.00. Pool Insurance Company carries 60% of the insurance risk on country elevator facilities, reinsuring the balance as follows: Co-operative Insurance Society Limited of Manchester (17%); Lloyds of London (16%), Canadian Fire Insurance Company (5½%) and General Accident Assurance Company of Canada (1½%).

Premiums paid on elevators and grain during the 1963-64 Season amounted to \$330,596.00 on buildings and \$565,480.00 on grain. Claims paid amounted to \$122,561.00 on buildings and \$257,-632.00 on grain. This represents a loss ratio of 37.07% on buildings and 45.56% on grain.

Company cottages are insured with Pool Insurance Company for a total of \$4,792,670.00. 1963-64 premiums were \$4,982.00 and losses sustained totalled \$825.00 for a loss ratio of 16.56%.

#### **Rapeseed Operations**

No rapeseed pool was operated during the Season 1963-64, but 1,508,401 bushels of rapeseed were handled through the country elevator system during the year. This represented 46.09% of all deliveries to country elevators in the province.

#### **SALES DEPARTMENT**

The new Sales Department was largely organized and developed during the past 12 months. The work of the Department is organized in a Farm Supply and a Seeds Division. The latter is sub-divided, handling cereal seeds and forage seeds separately.

During the year, the Pool purchased the seed cleaning plant at White Fox, formerly operated by the White Fox Alfalfa Seed Growers' Co-operative Marketing Association. In August, 1964, the Saskatchewan Government Seed Plant in Moose Jaw was purchased. Previously, in 1962-63, the assets of the Saskatchewan Seed Grain Co-operative had been acquired. In addition, a total of \$860,000.00 has been invested in the construction and purchase of warehouses and sheds.

The objective of these various expenditures has been to provide strategically-located seed cleaning facilities and a regional warehouse

system to offer a wide range of cereal and forage seeds, and farm supplies, within reasonable distance of producers in all parts of the province. With the facilities acquired to date, your Board feels that excellent progress has been made toward this objective. Services and technical information will be provided to assist producers in the selection and use of seed and supplies for the improvement of their farm production enterprise. Through this program it is expected that a major increase will be achieved in the use of pedigreed seed, particularly of forage crops, for the benefit of both seed growers and commercial producers.

#### *Seeds Division*

Seed grain handled through this division amounted to 312,396 bushels. This compares with 158,440 bushels in the previous year, while operating as a commission agent for Saskatchewan Seed Grain Co-operative. A pooling or outright purchase policy was offered and approximately 70 per cent of producers chose to use the pooling method.

The organization officially entered the forage seed business on 1st July, 1964, and no seed had been delivered as at 31st July.

#### *Farm Supplies*

During its first year of operation the Department achieved sales of \$2,675,610.00 of farm supplies. This included:

Fertilizer.....	18,557 tons
Herbicides & Fungicides.....	86,360 gals.
	4,513 lbs.
Twine.....	8,340 bales

Due to a cut-back by the manufacturer in the Department's fertilizer order, supplies were limited and the sales program severely curtailed. As Pool members have been advised, virtually no fertilizer will be available to the organization during the current year. It is expected, however, that a full range of supplies will be available by the fall of 1965 when Western Co-operative Fertilizers Ltd. is scheduled to begin production.

Seed dressings sold in good volume, but sales of herbicides were curtailed drastically due to the dry spring and summer season. Earnings were sufficient to permit a refund to patrons, after all expenses have been covered, of 10 per cent of the gross sales price on herbicides and fungicides.

At 31st July, supplies of twine were just beginning to move, and the volume of sales will be reflected in the next year's results.

#### *General*

Despite problems in organizing and developing this new Department, your Directors feel that a very satisfactory experience has resulted. Lack of warehouse facilities in the early stages resulted in additional freight charges, but this problem has largely been overcome through a major warehouse construction program. The Department attempted to maintain a competi-



tive pricing policy, and despite additional development costs, was able to pay all expenses and achieve a modest earning. Generally, sales volume surpassed the Department's early expectations and it is apparent that producers appreciate the opportunity to purchase their seed and supplies through their Pool organization.

### Export Department

A comparison of the sales of the Export Department for the year, with those of the previous year, is given below:

	Season 1963-1964 (bushels)	Season 1962-1963 (bushels)	Increase (Decrease) (bushels)
Wheat.....	6,153,025	6,188,539	(35,514)
Oats.....	286,036	213,885	72,151
Barley.....	4,002,566	129,133	3,873,433
Flax.....	35,000	22,000	13,000
Rye.....	96,590	22,629	73,961
<b>Total.....</b>	<b>10,573,217</b>	<b>6,576,186</b>	<b>3,997,031</b>
Screenings (tons).....	60	925	(865)
Millfeeds (tons).....	150	—	150
<b>Total Tons.....</b>	<b>210</b>	<b>925</b>	<b>(715)</b>

### Churchill

For the 1964 shipping season 21,644,774 bushels of grain were shipped out of Churchill. This is a decrease of 1,219,636 bushels as compared with last year's total of 22,864,410 bushels,

which was an all-time high. Only 41 vessels cleared the Port, as compared with 48 vessels the previous year.

The first vessel arrived at Churchill on 1st August 1964 and the last one was cleared on 11th October 1964.

The Saskatchewan Wheat Pool, Export Department, arranged the shipment of two cargoes from Churchill, one on 9th August, amounting to 508,000 bushels, the other on 18th September, of 505,120 bushels.

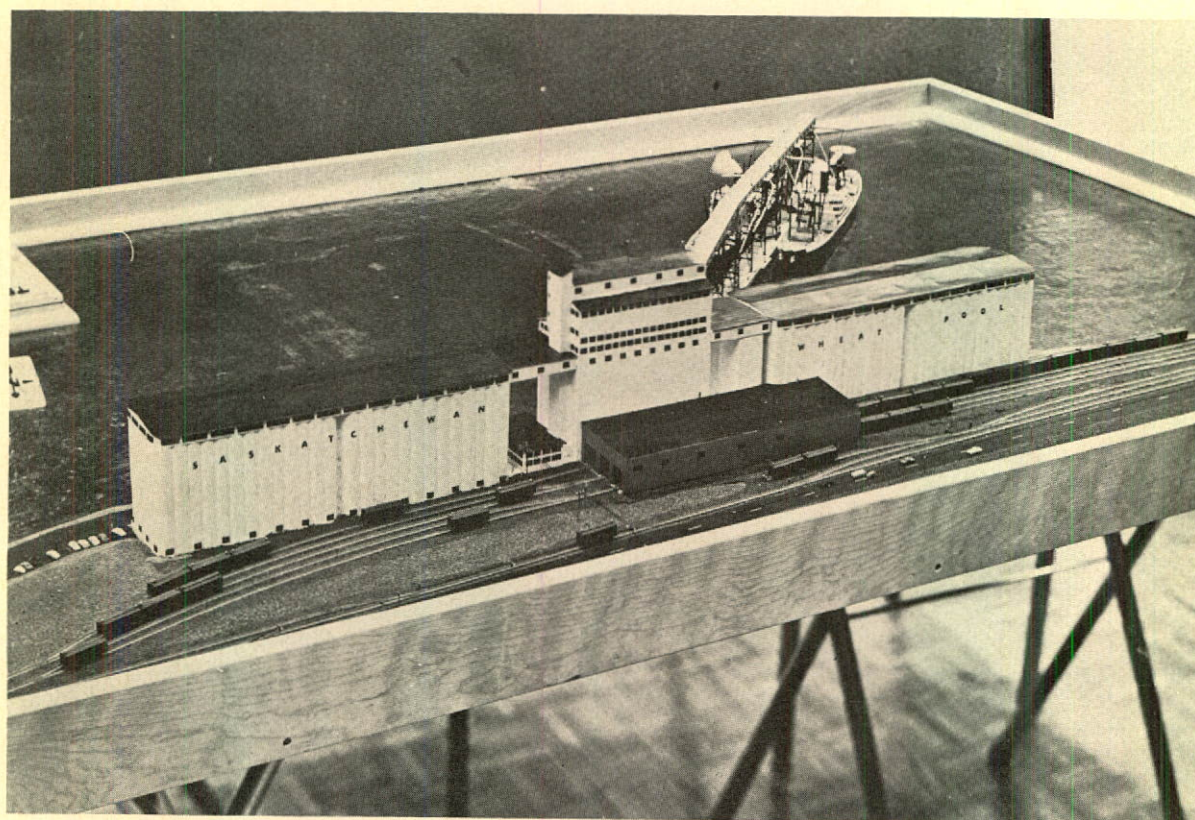
### Mill Orders

During the 1963-64 season, mill orders for 9,214 cars of wheat were allocated to the Saskatchewan Wheat Pool by The Canadian Wheat Board and forwarded to Pool Elevator Agents, compared with orders for 6,035 cars in the previous season.

Approximately 12% of the total mill orders received in the current season went to the Pool Flour Mill at Saskatoon compared with 19% last year.

### Construction Program

The activities of the Construction department embrace all phases of construction maintenance and improvement of country elevators, annexes and agents' dwellings. In order to carry out these necessary works, your Board appropriated funds for expenditures as shown in the following table:



Scale model of the new 5,000,000-bushel Pool terminal to be built at North Vancouver.



<b>Elevator Program:</b>	<b>Capital</b>	<b>Repair</b>	<b>Total</b>
Construction or Reconstruction of 7 Elevators .....	\$ 858,000.00	\$	\$ 964,000.00
1 Fire Loss (Truax) Replaced .....	106,000.00		
Construction or Reconstruction of 9 annexes .....	392,600.00		
Construction of 47 "Giant" Butler Bins .....	163,287.00		555,887.00
Repairs and Improvements of Elevators, Annexes, Wiring, Door Openers, etc. ....	773,420.00	810,204.00	1,583,624.00
Repainting of Elevators & Annexes .....		131,660.00	131,660.00
Repairs to Temporary Annexes .....		70,000.00	70,000.00
<b>Total</b> .....	<b>\$2,293,307.00</b>	<b>\$1,011,864.00</b>	<b>\$3,305,171.00</b>
<b>Agents' Dwellings:</b>			
Repairs, Renovations and Capital Improvements .....	\$ 129,000.00	\$ 43,500.00	\$ 172,500.00
Painting .....		16,000.00	16,000.00
Construction and Purchase of Dwellings .....	246,750.00		246,750.00
<b>Total</b> .....	<b>\$ 375,750.00</b>	<b>\$ 59,500.00</b>	<b>\$ 435,250.00</b>
<b>Warehouse Construction</b> .....			<b>\$ 860,000.00</b>

Amounts expended as at 31st July 1964, under the above authority, are shown in the following statements:

<b>Elevator Program:</b>	<b>Capital</b>	<b>Repair</b>	<b>Total</b>
Construction or Reconstruction of Elevators and Annexes—Also "Giant" Butler Bins .....	\$ 524,035.49	\$	\$ 524,035.49
Repairs to Elevators, Annexes, Wiring and re-wiring .....	173,585.21	390,919.53	564,504.74
Repainting of Elevators and Annexes .....		53,265.95	53,265.95
Repairs to Temporary Annexes .....		18,159.70	18,159.70
<b>Total</b> .....	<b>\$ 697,620.70</b>	<b>\$ 462,345.18</b>	<b>\$1,159,965.88</b>
<b>Agents' Dwelling Program:</b>			
Construction of New Dwellings .....	\$ 63,072.56	\$	\$ 63,072.56
Repairs, Renovations, Electric Wiring, Painting, etc. ....	64,382.17	21,747.83	86,130.00
Purchase of Dwellings .....	15,760.00		15,760.00
Purchase of Property .....	2,882.00		2,882.00
Sundry Additions .....	755.00		755.00
<b>Total</b> .....	<b>\$ 146,851.73</b>	<b>\$ 21,747.83</b>	<b>\$ 168,599.56</b>

#### *Elevator Repairs and Improvements*

It will be noted that the volume of repairs and improvements of elevators and annexes which it was possible to complete before 31st July 1964, was approximately 36% of the authorized program.

One hundred and nine (109) elevators and eighty-six (86) annexes, have been repainted out of a total program of two hundred and sixty-six (266) elevators and one hundred and eighty-eight (188) annexes.

At the end of the fiscal year, work was continuing on the remainder of the program.

#### *New Elevator Construction*

Seven new construction projects were authorized and allocated and are either completed or under construction. In general, the new elevators represent replacement of existing facilities. Details are as follows:

Dafoe "B" ..... 80,000 bushel electrically driven elevator, retaining for the present time the 28,000 bushel elevator, 30,000 bushel permanent frame annex and two temporary annexes with capacities of 20,000 bushels and 17,000 bushels. This plant is equipped with a new 40 ton, 9' x 34' platform scale.

Kindersley "B" ..... 140,000 bushel electrically driven elevator, retaining the present 40,000 bushel elevator, a 55,000 bushel cribbed annex, a 45,000 bushel permanent frame annex and a 24,000 bushel temporary annex. This plant will be equipped with a 40 ton, 9' x 34' dumper scale.

Major ..... 80,000 bushel electrically driven elevator, retaining 23,000 bushel temporary annex and demolishing 22,000 bushel elevator. This elevator is equipped with a new 40 ton, 9' x 34' dumper scale.

Melville "B" ..... 140,000 bushel electrically driven elevator, retaining for the present the 27,000 bushel elevator and 85,000 bushel frame annex. This elevator is equipped with a new 40 ton, 9' x 34' dumper scale.

North Rosetown "B" ..... 140,000 bushel elevator, electrically driven, retaining the present 36,000 bushel elevator and a 45,000 bushel permanent frame annex. This elevator will be equipped with a new 40 ton, 9' x 34' dumper scale.

Rowatt ..... 95,000 bushel electrically driven elevator, retaining the 34,000 bushel permanent frame annex. This plant is equipped with a new 40 ton, 9' x 34' dumper scale.

Stoughton ..... 80,000 bushel electrically equipped elevator, retaining 24,000 bushel elevator and a 35,000 bushel capacity 2-bin permanent frame annex for storage purposes



### Fire Loss Replacement

Truax..... 80,000 bushel elevator to replace elevator destroyed by fire on 7th August 1964. This elevator will be electrically driven through a new type multi-motor phase converter and will be equipped with a 40 ton, 9' x 34' dumper scale.

### Cost of Elevators:

(Electrically driven, including power line construction charges)

35,000 bushel type.....	\$70,200.00 (\$2.00 per bushel)
50,000 bushel type.....	81,000.00 (\$1.60 per bushel)
65,000 bushel type.....	93,000.00 (\$1.40 per bushel)
80,000 bushel type.....	101,000.00 (\$1.30 per bushel)
95,000 bushel type.....	111,000.00 (\$1.20 per bushel)
140,000 bushel type.....	148,000.00 (\$1.05 per bushel)

The above prices exclude the installation of cleaners and are based on all new material. These prices include the installation of a 40 Ton, 9' x 34'-6" dumper scale. The 140,000 bushel plant price includes two bucket elevators. There is usually very little salvage of machinery from the demolition of an old elevator with the possible exception of truck hoists. About 30,000 board feet of old lumber is usually salvaged from a demolition job and is generally used on repair work. Construction charges paid to Saskatchewan Power Corporation vary from \$250.00 to \$1,100.00, while the operating service charge amounts to \$1.00 per month per connected horsepower. The current used is metered and charged for on a sliding scale.

### New Annex Construction

During the year under review, the Board approved a program designed to provide 9 new annexes with a capacity of 720,000 bushels and 47 Steel Bins with a capacity of 539,400 bushels. The allocation for the 1964 program is as follows:

Crib Annexes	Bushels
Bredenbury.....	65,000
Brownlee "B".....	75,000
Ituna.....	75,000
Kelliher.....	75,000
Mossbank "B".....	75,000
Salvador.....	75,000
Saskatoon.....	75,000
Southey.....	105,000
Wilcox "B".....	100,000

### "Giant" Butler Bins

Alsask.....	2 at 7,700.....	15,400
Arbuthnot.....	2 at 10,000.....	20,000
Bienfait.....	2 at 12,600.....	25,000
Brock.....	2 at 12,600.....	25,000
Colfax.....	2 at 12,600.....	25,000
Dalmeny.....	2 at 12,600.....	25,000
Davin.....	2 at 12,600.....	25,000
East Poplar.....	1 at 10,000.....	10,000
Gerald.....	2 at 12,600.....	25,000
Harpree.....	2 at 12,600.....	25,000
Jedburgh.....	2 at 12,600.....	25,000
Leross.....	1 at 10,000 & 1 at 12,600.....	22,600
McLean.....	2 at 12,600.....	25,000
Maxstone.....	1 at 10,000 & 1 at 12,600.....	22,600
North Portal.....	2 at 12,600.....	25,000
Orcadia.....	2 at 7,700.....	15,400
Otthon "A".....	2 at 12,600.....	25,000
Parkman.....	2 at 7,700.....	15,400
Ruthilda.....	2 at 12,600.....	25,000

Ryerson.....	2 at 12,600.....	25,000
Stockholm.....	2 at 12,600.....	25,000
Stonehenge.....	2 at 10,000.....	20,000
Stranraer.....	2 at 12,600.....	25,000
Wood Mountain.....	2 at 10,000.....	20,000

### Cost of Annexes

#### Crib Type:

45,000 bushel.....	\$30,800.00 ( 68c per bushel)
50,000 bushel.....	31,800.00 ( 64c per bushel)
65,000 bushel.....	37,700.00 ( 58c per bushel)
105,000 bushel.....	58,000.00 ( 55c per bushel)

#### Temporary Annexes:

30,000 bushel.....	10,400.00 (34.7c per bushel)
--------------------	------------------------------

#### "Giant" Butler Bins:

7,700 bushel.....	2,700.00 ( 35c per bushel)
10,000 bushel.....	3,100.00 ( 31c per bushel)
12,600 bushel.....	3,720.00 (29.6c per bushel)

### Elevator Capacity

The following tabulation shows the physical capacity of country elevators and permanent and temporary annexes as it is expected to be on completion of the 1964 building program:

	Bushels
1,235 Country elevators.....	44,435,000
418 Permanent crib annexes.....	14,771,000
441 Permanent frame annexes.....	16,049,000
640 Temporary annexes.....	13,141,400
<b>Total</b> .....	<b>88,396,400</b>

### Repairs and Improvements to Agents' Dwellings

In general, the work included under this heading may be described as follows:

- Additional rooms,
- Concrete basements, complete or partial,
- Oil burners added to old furnaces, or complete new oil or gas furnaces,
- General repairs, including painting,
- Installation of plumbing systems.

### New Dwelling Construction

Five-room cottages were built during the year at: Admiral, Bradwell, Canwood, Dinsmore, Drinkwater, Englefeld, Gainsboro, Grand Coulee, Henribourg, Lancer, Limerick, MacNutt, Macklin and Wolseley.

The average cost of a 5 room dwelling (modern) is about \$11,400.00. This includes provision for oil burning furnace (or gas where available), electric lights and plumbing.

### Warehouses and Handling Equipment

Estimated expenditures have been authorized against the appropriation for Farm Supplies Warehouses and equipment as follows:

10—Permanent Warehouses constructed.....	\$510,060.00
50—Portable plywood warehouses constructed..	76,750.00
22—Portable Butler Steel warehouses constructed.....	48,664.00
1—Portable Butler Steel 18' circular warehouse constructed.....	2,310.00
33—Purchased Buildings for Farm Supplies warehouses.....	54,144.00
37—Company-owned buildings converted to warehouses.....	6,360.00
Equipment purchased.....	51,192.00
Supplementary repairs to warehouses.....	4,675.00
<b>Total</b> .....	<b>\$754,155.00</b>



It is expected that the warehouse construction program will be completed by 22nd February 1965.

#### *Permanent Warehouses Constructed or Under Construction*

		Estimated Cost
Regina.....	50 x 216—10,800 sq. ft.	\$ 57,398.00
Melfort.....	36 x 170— 6,120 sq. ft.	31,495.00
Balcarres.....	40 x 30— 1,200 sq. ft.	6,000.00
Prince Albert.....	39 x 200— 7,800 sq. ft.	37,267.00
Kinistino.....	40 x 30— 1,200 sq. ft.	6,000.00
North Battleford.....	—14,556 sq. ft.	100,000.00
Rosetown.....	—14,556 sq. ft.	100,000.00
Preeceville.....	30 x 40— 1,200 sq. ft.	5,400.00
Yorkton.....	—14,556 sq. ft.	100,000.00
Saskatoon.....	64 x 162—10,368 sq. ft.	66,500.00
<b>Total.....</b>		<b>\$510,060.00</b>

#### *Cost and Availability Survey*

The Dominion Bureau of Statistics Building Cost Index (basis 1935 to 1939 costs at 100.0) has increased over the period under review, from 356.0 to 368.3—a total of 12.3 points—representing an increase of 3.56%.

With one or two exceptions, material deliveries have been good.

The Construction Department was able to procure for new construction, all of its lumber and hardware requirements through co-operatives. Except for three projects, all of the cement was supplied by co-operatives.

#### *Laboratory Service*

For the year ended 31st July 1964, the Country Elevator Division continued to provide free moisture and germination testing service for Pool members. The following figures indicate the number of tests made in the laboratory at Head Office for the past three seasons:

Year	Germination	Moisture
1963-64.....	10,149	440
1962-63.....	15,138	582
1961-62.....	10,300	391

In addition to conducting the tests shown above, the laboratory weighed and graded 1,290 samples of grain in connection with the Junior Co-operative Variety Test Plot program.

In addition to the germination testing work carried on in the laboratory, the Country Elevator Division distributed approximately 8,000 'rag doll' type testers through agents to enable growers to make their own tests. This type of tester has continued to prove popular with the growers in the country.

#### *Terminal Elevator Division*

The statement of operations of the Terminal Elevator Division for the year ended 31st July 1964 appears as Statement No. 6, Page No. 27, of the Auditors' Report submitted separately to delegates.

The net earning of the Terminal Elevator Division in 1963-64 was \$3,008,582.00 compared with \$2,074,635.00 in the previous season, or a net earning per bushel of 1.636c compared with 1.834c a year ago.

Details of the earnings and expenses this year as compared with last year are shown in the Financial Statements submitted by the Treasurer.

The following tabulation shows the Pool handlings by Terminals in 1963-64 as compared with the previous Season:

	1963-1964 (Bushels)	1962-1963 (Bushels)	Increase (Decrease) (Bushels)
Terminal No. 4.....	48,160,438	29,424,256	18,736,182
Terminal No. 5.....	11,858,559	5,860,187	5,998,372
Terminal No. 6.....	36,717,100	19,507,934	17,209,166
Terminal No. 7.....	44,087,815	33,750,165	10,337,650
Terminal No. 8.....	7,354,418	5,741,800	1,612,618
Terminal No. 10.....	3,492,146	—	3,492,146
Terminal No. 11.....	1,996,268	—	1,996,268
Terminal No. 12.....	1,021,521	—	1,021,521
<b>Total—Lakehead</b>			
Terminals.....	154,688,265	94,284,342	60,403,923
Vancouver, No. 2.....	29,258,629	18,803,130	10,455,499
<b>Total.....</b>	<b>183,946,894</b>	<b>113,087,472</b>	<b>70,859,422</b>

The above tabulation shows the increasing importance of Vancouver as a port, for the shipment of grain, and emphasizes the factors that contributed to the decision to build a new five million-bushel terminal at that port.

During the 1963-64 shipping season, the Pool terminal system handled 34.94% of all Lakehead receipts, and 13.34% of all Pacific Coast receipts. The Pool handled 34.43% of outgoing shipments from the Lakehead and 13.17% of outward shipments from the Pacific Coast. No grain was dried at the Company's terminal elevators during the year, as against the previous season's drying operations of 51,698 bushels of damp grain dried at Terminal No. 7 at the Lakehead.

#### *General*

Several records were established during the year for the terminal system. In the first instance, the handling of 183,946,894 bushels was itself a record. The system also enjoyed a record handling of 29,258,629 bushels through its Vancouver terminal. It has become increasingly apparent in recent years that more terminal facilities are required at Vancouver, a fact that influenced the Board materially in its decision to construct a new terminal there.

In recent weeks efforts have been made to obtain a site at North Vancouver for the erection of a new 5 million-bushel terminal. The preliminary engineering work is now proceeding under the direction of the C. D. Howe Company Limited. It is expected it will take two years to complete this project.

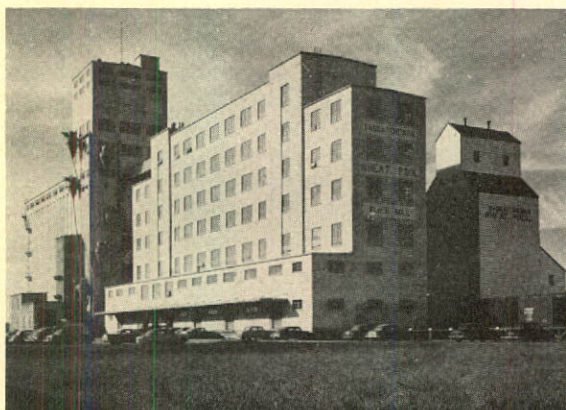


## FLOUR MILL DIVISION

The Statement of Operations of the Flour Mill Division for the year ended 31st July 1964 appears as Statement No. 7, Page No. 29, of the Auditors' Report. The statement shows that the Flour Mill Division had a surplus for the year of \$296,673.00, compared with a surplus of \$205,883.00 for the previous season. This represents an increase of \$90,790.00.

In reviewing the operations of the Flour Mill Division or, for that matter, the whole Canadian milling industry during the 1963-64 season, the sale of flour to Russia must be considered as the outstanding factor affecting the operations for the year. Prior to early September of 1963 there had been no indication through any of the ordinary trade channels that such a deal was pending and it was not until such time as the members of the Canadian National Millers Association were summoned to Ottawa by the Department of Trade and Commerce and The Canadian Wheat Board that the industry obtained any information regarding the possible sale of flour to Russia.

During the month of August 1963, the flour milling industry, in assessing the potential for the ensuing year, had contemplated a year of curtailed operations due to declining markets abroad and also to a continued decrease in the per capita consumption of bread products in the domestic market. In some instances, serious consideration had been given to a cut-back in production facilities as it seemed quite definite at that time that all plants could not be kept in operation even on a curtailed operational basis.



After the first meeting with the Russian trade delegation it was quite apparent to the industry that for the balance of the crop year, it would no longer be thinking in terms of curtailed operations but rather in terms of full-time operations for all active plants and also in reactivating plants which had been idle for a number of years.

The amount of flour involved in the sale depended entirely on the ability of the Canadian mills to produce and, after having had time to assess the capabilities of the various milling firms, the original amount offered by the industry, and accepted by the Russians, was the equivalent of

approximately 30,831,360 bushels of wheat calculated at a 75 per cent extraction basis. This contract is possibly the largest single contract ever negotiated by the Canadian milling industry.

In addition to handling direct shipments the Pool Flour Mill assumed the responsibility for the documentation, quality control and co-ordination of shipments from Ellison Milling and Elevator Company at Lethbridge, Master Baker Flour Mills Ltd. at Vancouver, Harrison Milling and Grain Co. at Holmfield, Manitoba, Kent Flour Mills Ltd., Virden, Manitoba, and the mills at Yorkton and Humboldt, which were working directly on a sub-contract basis with the Pool Mill. The whole operation taxed Pool facilities to the limit in production and administration. There were many and varied problems to be dealt with during the period but the operation was successfully concluded in mid-July and all commitments were met on a basis satisfactory to the buyer.

In reviewing operations in other markets abroad, your Directors regret to advise that downward trend in sales continued in most areas. In some instances this can be attributed to more countries establishing a milling industry of their own and, whenever this happens, it is inevitable that prohibitive tariffs are placed on the imported flour and eventually the imported product disappears from the market. The competitive price structure has also been a factor and with the abolition of the E.F.A. adjustment during the latter part of the season it was very difficult to maintain the Mill's position in the various markets. This was particularly true in the case of Western Canadian mills and your Board is of the opinion that exports will continue to decline during the coming year. Prior to the abolition of the adjustment it was possible for Western Canadian mills to be competitive in many of the markets ex the Atlantic Coast. The number of markets now left to Western Canadian mills is limited and in those markets where the Pool Flour Mill can still be competitive the volume shipped is almost negligible.

The over-all domestic sales operation improved somewhat over the previous season with gains being recorded in some areas and slight decreases in others. In spite of the very heavy demand on mill capacities during the year, the competitive price factor in the domestic market remained quite keen and this was particularly true of Bakers' flour prices in Alberta and British Columbia.

One of the major factors contributing to the success of the operation during the year was the comparatively firm millfeed market throughout the whole season. During the early part of the season, with all mills running at capacity, it had been anticipated a sharp decline in millfeed prices would occur due to the excessive amount of millfeeds placed on the market. Fortunately, however, a very strong demand for millfeeds developed in the Eastern United States and mills were able



to move the surplus production into this market at rather attractive prices. Many of the mills, particularly in Eastern Canada, sold their surplus production forward over a period of three to six months and this in turn had the effect of stabilizing the market in Canada. The average net return on millfeeds to the Mill was approximately \$8.00 per ton below that of the previous season, but millers had expected a decrease in the average return of approximately \$12.00 per ton.

Operations in the plant were at full capacity during the season, but it was impossible to provide the normal amount of time for maintenance work and at the same time meet sales commitments. In order to keep the plant on an efficient basis a system of short four to six hour shut-down maintenance periods was adopted and also at times temporary changes were made in the mill flow in order to service individual units.

### STORAGE

The total wheat receipts for the season amounted to 2,995,113.7 bushels which, when compared with the previous season, is an increase of 462,454 bushels.

The street receipts for the season amounted to 753,220 bushels which, when compared with the previous season, is an increase of 391,344 bushels. There were 165 permit holders delivering to the Mill elevator during the year as compared to 130 during the previous season.

Gristing receipts for the year amounted to 74,780.3 bushels, an increase of 8,297 bushels when compared with the previous year.

There were 1,165 cars of wheat unloaded at the elevator during the season and 54 cars shipped; 52 cars containing 1 Feed Screenings, one car containing Mixed Feed and one car containing uncleaned screenings. There was an increase of 32 cars unloaded and 14 cars shipped as compared to last year. A summary of the wheat receipts is as follows:

	Bushels	Percentage
1 Northern.....	112,396.4	3.75
2 Northern.....	1,620,462.6	54.11
3 Northern.....	1,157,071.6	38.63
4 Northern.....	99,465.4	3.32
Tf. 4 Northern.....	5,717.7	.19
<b>Total.....</b>	<b>2,995,113.7</b>	<b>100.00</b>

### FLOUR MILL

The total operating time for the season amounted to 323 days 4 hours, which is 23 days 4 hours in excess of the average operating year. When compared with the previous season, there was an increase of 46 days 7½ hours.

The flour production for the year amounted to 1,346,897.59 cwt. which, when compared with the previous season, is an increase of 183,645 cwt. The millfeed production for the period was

22,644 tons, which is an increase of 4,049 tons when compared with the 1962-63 season. The total wheat ground was 2,981,118 bushels which, when compared with the previous year, is an increase of 452,217 bushels.

### SALES

The total sales of all grades of flour for the season amounted to 1,353,332.49 cwt. which, when compared with the previous season, is an increase of 203,059 cwt.

Domestic sales for all grades of flour for the year amounted to 383,930 cwt. an increase of 20,196 cwt. over the previous year.

The sales of First Patent flour during the season amounted to 196,239.5 cwt. a decrease of 4,925 cwt. compared to last year.

Saskatchewan sales of First Patent flour amounted to 104,351 cwt., with 40,465 cwt. sold under the Pool brand and 63,886 cwt. sold under the Co-op label.

Sales of Pool brand flour through co-operative outlets amounted to 6,271 cwt. with total sales through co-operative stores amounting to 70,157 cwt. The ratio of co-operative sales to independent sales was 67.4% and independents 32.6%.

First Patent sales were down in all regionals with the exception of Alberta and Quebec, where slight increases were recorded. The major decrease took place in the Province of Saskatchewan where sales are down 5,576 cwt. This total decrease in Saskatchewan sales can be attributed to the lack of sales through independent accounts and it is the opinion of the salesmen in the various territories that this trend will continue as small merchants in the villages throughout Saskatchewan go out of business. This simply means that more purchasing is done in the larger centres and, unless there is a co-operative outlet at the point, it would appear we are losing sales that might have been made in the smaller centres.

Bakers flour sales for the season amounted to 168,998 cwt., which is an increase of 17,512 cwt. when compared with the previous year. Your Board is pleased with the progress made in the bakery trade during the past season. There is no doubt but what the in-store Co-op bakeries have been a factor during the year's operations.

The sale of other secondary grades of flour showed an increase over the previous season.

The total export sales for the season amounted to 969,402.78 cwt., which, when compared with the previous season, is an increase of 182,763 cwt. This increase is due entirely to the Russian contract, and if Russian purchases are deducted from export sales for the season the total exports to all other markets totalled 480,649 cwt. Comparing this figure with the export sales for last year, a decrease of 305,990 cwt. is indicated.

Sales to the United Kingdom during the season showed a decrease from last year's figure. Competitive conditions in the United Kingdom



market were very keen throughout the year and there is no indication there will be a change at least until the close of navigation this year.

Sales in Far Eastern markets showed some improvement during the year, but during the past season mills were built in both Singapore and Thailand and there is no doubt sales to these markets will be reduced in the present crop year.

In summarizing the export operations for the year, and excluding the Russian contract, your Board is somewhat concerned about the decrease in the volume of sales to traditional markets. This is particularly true of the United Kingdom and, unless there is a change in the policy of the principal importers during the coming year, it is expected there will be a further decrease in the shipments to the market. With the total sales of the largest buyer in the United Kingdom in the hands of one mill, competitive conditions are very keen among the large mills in Eastern Canada. Their geographical location gives them a very distinct advantage cost-wise over Western mills and the loss of the E.F.A. adjustment has placed Western Canadian

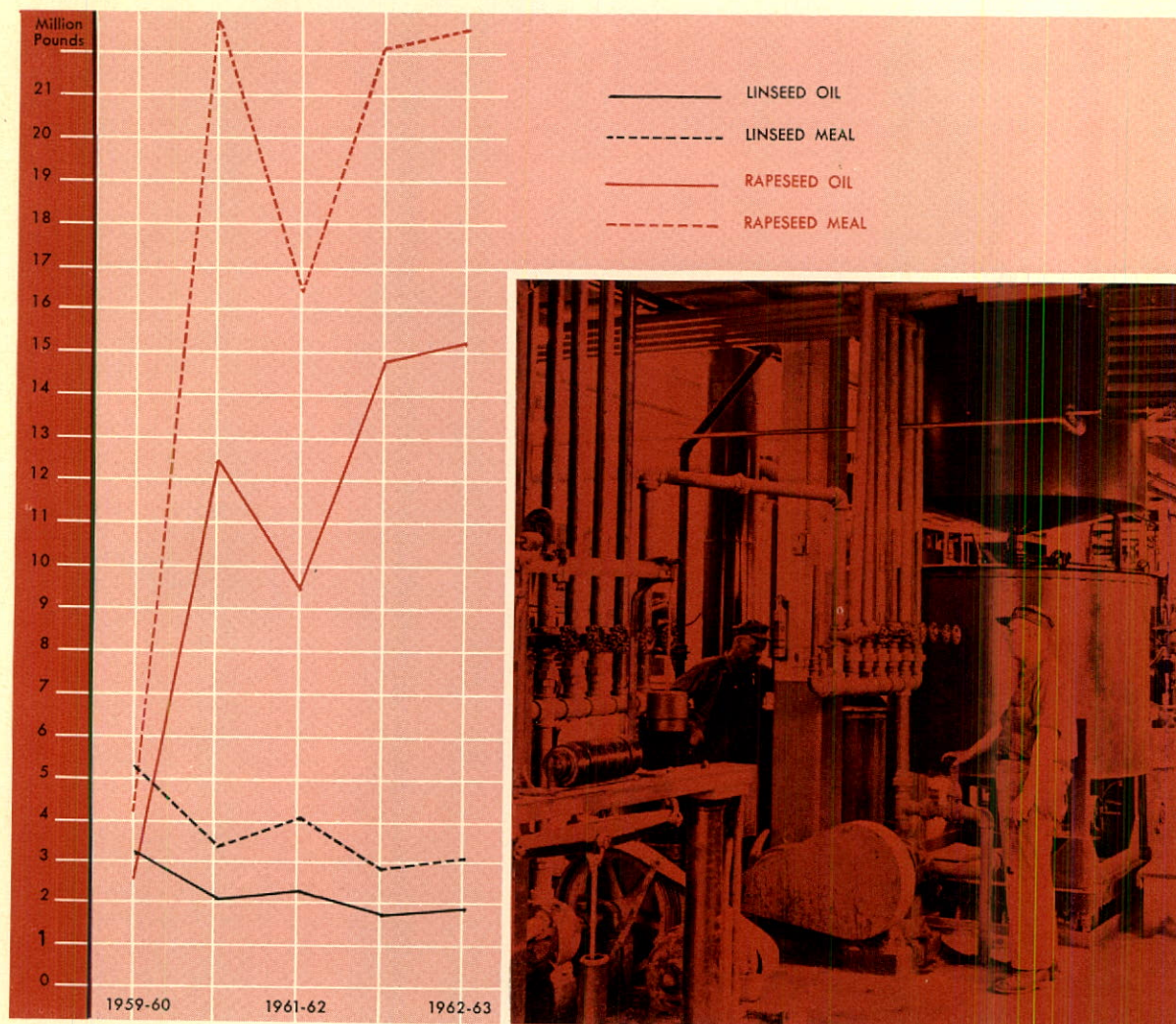
mills at a further disadvantage. It is just possible that unless some stability returns to this market it may be necessary for Western mills to withdraw from the market. This would create quite a problem for the Pool mill inasmuch as it will be very difficult to obtain a sufficient supply of First Patent flour to service our customers on the domestic market.

### VEGETABLE OIL DIVISION

The Operating Statement of the Vegetable Oil Division for the year ended 31st July 1964, appears as Statement No. 8, Page No. 31, of the Auditors' Report. It will be noted that the Vegetable Oil Division had a loss of \$384,359.00 as compared with a loss of \$15,390.00 the previous year. During the year under review, the plant processed flax and rapeseed, with the latter comprising the major portion of the operation.

The financial results of the Vegetable Oil Division for the year were very disappointing. There are two main factors contributing to the

### PRODUCTION of Vegetable Oils and Meal





large operating loss, as compared with the loss for the previous year. The first and largest single factor was the price of rapeseed. The average price for rapeseed during the year was \$2.7279 per bushel, compared with \$2.0448 for the previous year. This is an increase of 68.31 cents per bushel, which amounts to \$536,164.00 on the 784,898 bushels of rapeseed processed. The other factor was the operation on flaxseed, and Management suggests that, in the near future, it will probably be advisable to have a look at this portion of plant operations to see whether or not it is in the best interests of the Wheat Pool membership and the processing plant to continue the operations on flax. The marginal profit on the operation is declining each year due to the highly competitive price factor of the oil, and also the difficulty experienced in finding a market for the meal.

The gross operating profit on flax operations declined from \$39,341.00 during the previous year to \$22,368.00 last year, indicating a decrease of \$16,973.00. This decrease can be attributed to the lower returns for oil and meal.

### FLAX OPERATIONS

The processing plant operated 32 days on flax, which is the same time as for the previous season. The 32 days of operation resulted in the processing of 5,046,230 pounds or 90,111 bushels, which is an increase of 6,396 bushels over the previous season. The plant produced 1,838,712 pounds of linseed oil and 3,027,100 pounds of linseed meal. All sales of linseed oil were made on the domestic market. Volume of sales was the same as the previous year, and it is impossible due to competition to increase linseed oil sales. The average price received for linseed oil was 1.706 cents per pound lower than a year ago. Stocks of linseed oil as at 31st July 1964 amounted to 274,020 pounds, as compared with 414,438 pounds as at 31st July 1963.

#### DISTRIBUTION OF LINSEED OIL SALES BY PROVINCES (Pounds)

	1963/64	1962/63	1961/62
British Columbia	838,626	638,158	801,723
Alberta	289,191	245,944	210,024
Saskatchewan	321,920	303,746	207,448
Manitoba	400,468	283,219	170,676
Ontario	60,000	60,894	637,107
<b>Total</b>	<b>1,910,205</b>	<b>1,531,961</b>	<b>2,026,978</b>

### LINSEED MEAL SALES

There was very little demand for linseed meal throughout the season, and at 31st July 1964 there were 225 short tons of linseed meal in storage. There are no storage facilities at the plant for linseed meal, and the cost of renting warehouse space is quite high. Due to the limited production of linseed meal and the inability of the plant to supply any firm quantities through-

out the year, feed plants use other meals and are reluctant to change their formulas when linseed meal is available. This presents a very difficult problem of disposing of the meal. The majority of linseed meal sales were made at \$75.00 per ton f.o.b. the plant.

The following statement shows the disposition of linseed meal by provinces for the last three seasons:

#### DISTRIBUTION OF LINSEED MEAL SALES

	(Pounds)		
	1963/64	1962/63	1961/62
British Columbia	160,000	220,030	495,960
Alberta	1,030,000	1,216,720	2,136,290
Saskatchewan	1,743,700	990,496	1,322,590
Maritimes	110,000	—	—
Ontario	—	—	6,070
<b>Total</b>	<b>3,043,700</b>	<b>2,427,246</b>	<b>3,960,910</b>

### RAPESEED OPERATIONS

The plant operated 218 days on rapeseed compared with 238 days for the previous season. The 218 days operation resulted in the processing of 39,244,940 pounds or 784,898 bushels, which is an increase of 29,919 bushels over the previous season. The plant produced 15,195,830 pounds of rapeseed oil and 22,799,220 pounds of rapeseed meal. Rapeseed oil was in good demand throughout the season at prices slightly higher than for last season. The Pool's sale price on carload lots for degummed oil ranged from 8.37 cents to 10.43 cents per pound f.o.b. Saskatoon. Prices for 1962-63 ranged from 7.93 cents to 9.64 cents per pound. This increase in price is a result of being able to decrease the discount that rapeseed oil sold previously under soybean oil.

Total stocks of rapeseed oil on hand as at 31st July 1964 amounted to 1,117,400 pounds as compared with 392,893 pounds as at 31st July 1963. The following statements show the types of oil sold and the distribution by provinces as well as export for the past three seasons:

#### TYPES OF RAPESEED OIL SOLD FOR PAST THREE SEASONS (Pounds)

	1963/64	1962/63	1961/62
Degummed	10,476,442	14,177,951	4,555,373
Bleached	—	—	—
Alkali Refined	1,232,060	780,605	1,458,552
Deodorized	2,322,366	659,773	2,159,446
<b>Total</b>	<b>14,030,868</b>	<b>15,618,329</b>	<b>8,173,371</b>

#### DISTRIBUTION OF RAPESEED OIL SALES DOMESTIC AND EXPORT (Pounds)

	1963/64	1962/63	1961/62
Alberta	899,810	346,435	46
Saskatchewan	226,573	407,744	204,278
Manitoba	1,424,000	282,000	601,290
Ontario	3,602,485	3,663,536	2,904,513
Quebec	7,487,240	10,798,574	3,846,184
Export (U.S.A.)	390,760	120,040	617,060
<b>Total</b>	<b>14,030,868</b>	<b>15,618,329</b>	<b>8,173,371</b>



## RAPESEED MEAL SALES

Rapeseed meal was in good demand for the first eight months of the season. With storage facilities now available at the plant, it was possible to stockpile meal during the slack months of April, May and June, and take advantage of the demand during the months of July and August when other processors had no rapeseed available. Rapeseed meal prices were substantially higher this season. This is a result of an increased demand and higher prices for soybean meal, which govern the price of rapeseed meal. This strong trend was reflected in the rapeseed meal market and, as a result, the discount between soybean and rapeseed meal was reduced from \$25.00 per ton to \$20.00 per ton.

### DISTRIBUTION OF RAPESEED MEAL SALES BY PROVINCES

	(Pounds)		
	1963/64	1962/63	1961/62
British Columbia	160,000	570,110	1,284,030
Alberta	6,352,010	6,520,170	7,575,810
Saskatchewan	5,710,580	6,812,550	5,236,170
Manitoba	63,740	—	140,000
Ontario	—	—	60,000
Quebec	4,080,100	3,840,170	480,030
Maritimes	5,622,090	4,085,290	1,430,080
<b>Total</b>	<b>21,988,520</b>	<b>21,828,290</b>	<b>16,206,120</b>

Gross deliveries to the elevator amounted to 963,871 bushels, which compared with the previous season is an increase of 134,548 bushels.

Gross deliveries of flax for the period were 104,921 bushels, made up of 55,552 bushels of street and 49,369 bushels in carlot and truck deliveries from the Country Elevator Division.

Gross deliveries of rapeseed for the period were 858,950 bushels, made up of 123,551 bushels of street and 735,399 bushels in carlot and truck deliveries from the Country Elevator Division.

## LIVESTOCK DIVISION

It is with deep regret that your Board of Directors records the death of Mr. G. E. Northcott who was Manager of the Livestock Division from 1947 until his death in June 1964. Mr. Northcott saw the Division grow from three agencies and a small yard, to five yards and four agencies, and his contribution to the growth and expansion of the Division is a matter of record. He was well respected by the trade all across Canada. He will be missed in the livestock industry.

Statement No. 9, Page No. 33, of the Auditors' Report shows in detail results of the year's operations of the Livestock Division and indicates the financial position of the Division for the year ended 31st July 1964. Surplus for the year amounted to \$85,642.00 as compared with a surplus for the previous year of \$59,593.00.

A summary of operations for all branches is shown below:

	Surplus 1963-64	Surplus 1962-63	Increase (Decrease)
Lloydminster Agency	\$(19,800.00)	\$(13,703.00)	\$ (6,097.00)
Moose Jaw Agency	6,287.00	6,348.00	(61.00)
North Battleford Yard	47,455.00	45,874.00	1,581.00
Prince Albert Agency	23,693.00	6,626.00	17,067.00
Regina Yard	80,188.00	61,070.00	19,118.00
Saskatoon Agency	15,178.00	9,883.00	5,295.00
Swift Current Yard	31,982.00	30,760.00	1,222.00
Yorkton Yard	2,328.00	(4,416.00)	6,744.00
St. Boniface Agency	(8,503.00)	(18,036.00)	9,533.00
	\$178,808.00	\$124,406.00	\$ 54,402.00
Less Administrative and General	121,807.00	101,608.00	20,199.00
	\$ 57,001.00	\$ 22,798.00	\$ 34,203.00
Plus Share of Earnings from C.L.C. (W.) L.	28,641.00	36,795.00	(8,154.00)
<b>Surplus for the Year</b>	<b>\$ 85,642.00</b>	<b>\$ 59,593.00</b>	<b>\$ 26,049.00</b>

The following is a comparison of earnings and expenses with those of a year ago:

	1963-64	1962-63	Increase (Decrease)
Earnings	\$810,978.00	\$771,353.00	\$ 39,625.00
Expenses	725,336.00	711,760.00	13,576.00
<b>Surplus</b>	<b>\$ 85,642.00</b>	<b>\$ 59,593.00</b>	<b>\$ 26,049.00</b>

The Moose Jaw stock yard was destroyed by fire on 11th April 1964 and we accepted an offer to purchase the property from the shareholders. A new building and sales arena are under construction. The structure will be 190 x 280 feet of cindercrete and brick construction with an industrial roof carried on steel joists. Covered pen space will be able to handle up to 600 cattle per day.

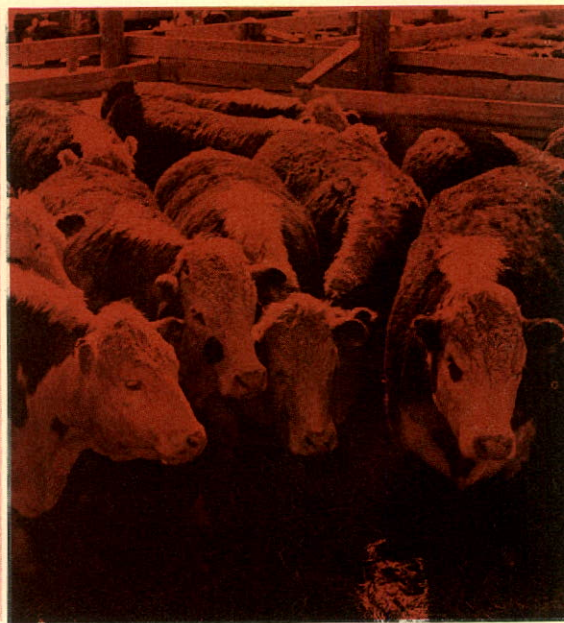
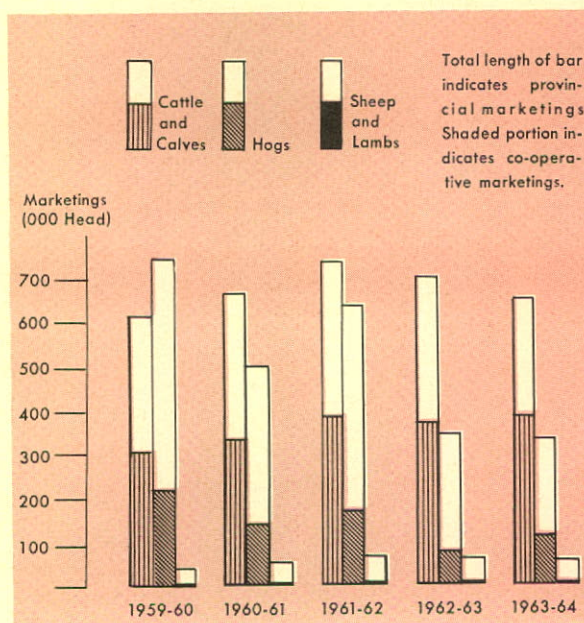
In addition to operating the yards mentioned above the Livestock Division continued to handle cattle sales in conjunction with local agricultural organizations at the points of Meadow Lake, Tompkins, Climax, Consul and Piapot.

The Swift Current branch in the year under review handled a total of 15 country sales, 4 at Climax, 8 at Tompkins, 2 at Consul and 1 at Piapot. The number of cattle and calves sold through the 15 sales totalled 8,446 head.

The North Battleford branch held 17 sales at Meadow Lake during the year and cattle and calf handlings through the 17 sales totalled 5,356 head. Two sales were held at Langenburg in conjunction with the local co-operative association auction and the Yorkton branch. A total of 174 cattle and calves were handled and it was the intention of the Livestock Division to continue these sales through the fall of 1964.



## SASKATCHEWAN Livestock Marketings



### Market Stabilization

The policy of attempting to stabilize the market at uniform price levels at all Saskatchewan markets was continued throughout the year and 38,004 cattle and calves were purchased outright and moved to Eastern Canada and United States markets. This operation helped to clear the markets at periods of heavy volume when other buyers were restricted and had a stabilizing effect. The resultant loss of \$44,739.19 averages \$1.17 per head.

Attached to this report as Statement No. 15 is the comparative statement of handlings at the various branches of the Livestock Division. To complete the livestock statistical position the following information shows provincial deliveries handled co-operatively:

#### STATEMENT OF PROVINCIAL DELIVERIES HANDLED CO-OPERATIVELY

Cattle and Calves:	1959-60	1960-61	1961-62	1962-63	1963-64
Provincial Deliveries.....	623,668	658,820	744,697	703,609	665,469
Handled Co-operatively	312,755	348,514	391,644	388,140	393,478
Percentage of Co-operative Handlings....	50.15%	52.90%	52.59%	55.16%	59.12%
Hogs:					
Provincial Deliveries.....	746,631	502,156	647,520	359,990	438,835
Handled Co-operatively	208,968	142,522	178,944	95,491	115,111
Percentage of Co-operative Handlings....	27.99%	28.38%	27.64%	26.52%	26.23%

### Sheep and Lambs:

Provincial Deliveries.....	47,910	55,410	69,517	68,893	62,946
Handled Co-operatively	18,748	21,077	25,851	24,146	23,319
Percentage of Co-operative Handlings....	39.13%	38.03%	37.18%	34.73%	37.04%

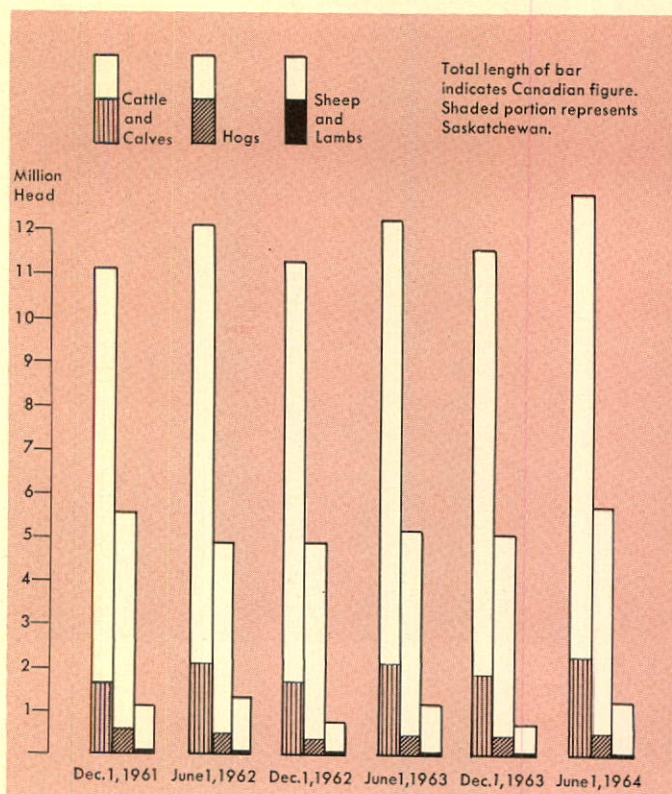
#### LIVESTOCK POPULATION ON FARMS AS SUPPLIED BY DOMINION BUREAU OF STATISTICS

Saskatchewan			
	Cattle and Calves	Hogs	Sheep and Lambs
June 1/59	1,850,000	845,000	187,000
Dec. 1/59	1,678,000	732,000	126,000
June 1/60	1,933,000	585,000	217,000
Dec. 1/60	1,800,000	545,000	132,000
June 1/61	2,090,000	700,000	203,000
Dec. 1/61	1,756,000	620,000	120,000
June 1/62	2,080,000	429,000	174,000
Dec. 1/62	1,833,000	387,000	106,000
June 1/63	2,147,000	423,000	164,000
Dec. 1/63	1,958,000	442,000	107,000
June 1/64	2,300,000	505,000	165,000

Canada			
	Cattle and Calves	Hogs	Sheep and Lambs
June 1/59	11,120,000	6,872,000	1,761,000
Dec. 1/59	10,489,000	6,417,000	1,188,000
June 1/60	11,501,000	5,483,000	1,773,000
Dec. 1/60	10,897,000	5,526,000	1,135,000
June 1/61	12,116,000	5,889,000	1,706,000
Dec. 1/61	11,111,000	5,674,000	1,071,000
June 1/62	12,075,000	4,973,000	1,433,000
Dec. 1/62	11,206,000	4,993,000	870,000
June 1/63	12,305,000	5,210,000	1,340,000
Dec. 1/63	11,552,000	5,348,000	860,000
June 1/64	12,817,000	5,620,000	1,286,500



## LIVESTOCK on Farms—Saskatchewan and Canada



### FEEDING CO-OPERATIVES

During the year three new feeding co-operatives were incorporated at Melville, Saltcoats and Medstead, bringing the total to 40 associations at 31st July 1964.

A total of 20,597 \*(13,947) cattle were purchased during the crop year, which with 10,470 on hand at the beginning of August 1963, made a handling of 31,067 in feedlots during the period. There were 14,162 sold and there were 479 deaths, leaving 16,430 on hand at 31st July 1964. New loans totalling \$2,755,000.00 were granted by the Saskatchewan Co-operative Credit Society and there was \$1,751,000.00 (\$1,259,000.00) outstanding at the year end.

Insurance claims were paid on 479 (228) head which died of varied causes. These deaths amounted to 2.32% of cattle purchased during the year. The insurance premium was increased from \$2.50 to \$2.75 in the spring, and has since been increased to \$3.25.

The 1963-64 season was not a good year for the feeders in the program and some lost money on their cattle feeding enterprise. The adverse price conditions, however, did not discourage those feeding, as is revealed by the above figures. Many feeders have gained confidence and are continually increasing the number of cattle on feed.

Six regional meetings were held, providing

an opportunity for members of feeding co-operatives to review administration policies, and gain information regarding livestock feeding, marketing and management. A one-week course for supervisors was sponsored by the Pool at Western Co-operative College with 21 supervisors in attendance. The livestock Extension Specialist visited a number of associations for discussions with Board of Directors, supervisors and members.

\*Last year's figures in brackets.

### Canadian Livestock Co-operative (Western) Limited

The Balance Sheet of Canadian Livestock Co-operative (Western) Limited, attached to this report as Statement No. 16, sets out the financial position of the Company as at 31st July 1964.

The operating surplus for the period was \$77,054.13, after provision for income tax. This amount was divided as follows,—To Manitoba Pool Elevators, 62.83% or \$48,413.11; to Saskatchewan Wheat Pool, Livestock Division, 37.17% or \$28,641.02.

During the year Canadian Livestock Co-operative (Western) Limited handled 315,839 head of livestock, 200,437 of which originated in Manitoba and 115,402 in Saskatchewan.



The following tabulation shows the breakdown of the figures between Manitoba and Saskatchewan by classes of livestock:

1963-1964			
	Man.	Sask.	Total
Cattle.....	88,117	56,907	145,024
Calves.....	22,221	14,651	36,872
Hogs.....	110,338	71,558	181,896
Sheep.....	78,944	33,731	112,675
	11,155	10,113	21,268
<b>Total.....</b>	<b>200,437</b>	<b>115,402</b>	<b>315,839</b>
1962-1963			
	Man.	Sask.	Total
Cattle.....	77,084	61,056	138,140
Calves.....	18,334	17,747	36,081
Hogs.....	95,418	78,803	174,221
Sheep.....	58,550	30,292	88,842
	10,709	10,553	21,262
<b>Total.....</b>	<b>164,677</b>	<b>119,648</b>	<b>284,325</b>

The gross value of livestock handled by C.L.C.(W).L. amounted to \$33,174,277.00 as compared with \$34,941,503.00 for the previous year.

The 1963-64 handling figure includes the Order Department which handled 19,318 cattle; 4,116 calves; 808 hogs and 386 sheep and lambs for a gross value of \$2,798,561.00.

The following comparative figures cover deliveries to Canadian Livestock Co-operative (Western) Limited, the St. Boniface Stockyards and direct to Winnipeg packing plants, with comparative figures for the previous year:

Canadian Livestock Co-operative (Western) Limited:				
	Cattle	Calves	Hogs	Sheep & Lambs
1964.....	145,024	36,872	112,675	21,268
1963.....	138,529	36,187	88,893	21,302
St. Boniface Union Stockyards:				
1964.....	249,657	118,004		27,956
1963.....	254,899	116,645		28,791

#### Direct Delivery to Winnipeg Packing Plants:

1964.....	162,795	26,677	57,237
1963.....	149,082	28,433	57,235

These figures indicate an increase in all classes of livestock with the exception of lambs handled by Canadian Livestock Co-operative (Western) Limited. While deliveries of livestock to the public markets in St. Boniface are down 2.1% for cattle and up 1.1% for calves, Canadian Livestock Co-operative handlings were up 4.11%. Direct deliveries to Winnipeg packing plants are up 9.1% in cattle and down 6.2% in calves.

During the period under review, Canadian Livestock Co-operative (Western) Limited handled 49.4% of the cattle and calves offered on the public markets, as compared with 43.6% the previous year. The larger share of receipts resulted in more time allotment in the rings. One ring was operated exclusively and the second ring 60% of the time. This fact attracts all buying interests as they can be assured of sufficient volume from which to secure the requirements. The larger the number of buyers, the keener the competition, resulting in generally active trading in the co-operative rings.

During the last year Canadian Livestock Co-operative (Western) Limited entered 194,727 head through the auction rings, of which 9.45% were passed from the first offering to be re-entered for sale at a later time. During the previous period, of the number entered 7.97% were passed. The increase in passed cattle this year is reflected by the fact that during the fall months it was necessary to pool some 2,600 cattle and calves.

The final payment on this pooled stock averaged 44c per hundred, which was returned to the producer-owner over and above what was procurable on the St. Boniface market. The shipments off the yard assisted in clearing the market.





## Printing and Publishing Division

The results of operations of the Printing & Publishing Division for the year ended 31st July 1964 are set out in the Financial Statements and Auditors' Reports submitted separately.

For the year the Division showed a loss of \$95,393.00, made up of a surplus of \$68,313.00 for the Job Printing Department, and a loss of \$163,706.00 for The Western Producer. This represents an improvement of \$73,213.00 when compared with the loss of \$168,606.00 on the combined operations a year ago.

The year 1963-64 was marked by gratifying increases in sales volume in all departments. New records were established in revenues obtained from both advertising and commercial printing sources. Combined revenue from sales in all departments reached \$1,471,529.00, an increase of 14.8 per cent over the previous year. Commercial printing volume during the year totalled \$974,441.00, topping the record high reached in 1960-61 by almost \$100,000.00.

Significant gains were recorded in newspaper revenue due to a large extent to the improvement in the agricultural economy of the prairie provinces. Combined revenue from all newspaper departments reached \$497,087.00, representing an increase of 14.7 per cent over the previous year.

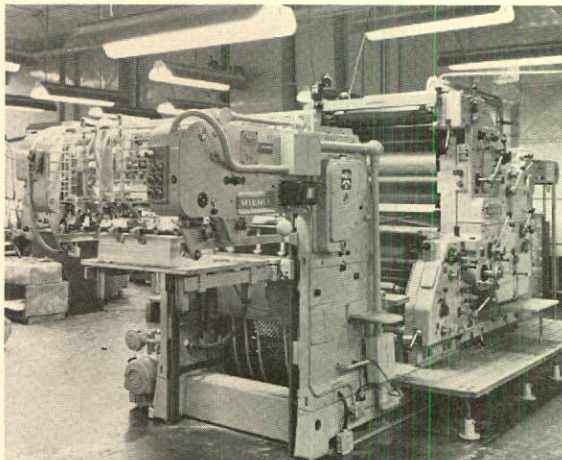
Normal increases in operating expenses resulting mainly from a rise in labour costs, higher average circulation and an increase in the total number of pages published during the year, were offset by an improved credit position in the operation of the insurance service department.

Increased advertising sales accounted for the major portion of the improvement in newspaper revenue. This was partly due to a 10 per cent increase in the display advertising rates, which went into effect on 1st January 1964, but significant gains were also made in the lineage carried, particularly from accounts in Western Canada. Comparative figures on display lineage carried during the year by the five farm papers in the field indicate that gains were recorded by only two. The Western Producer lineage improved by 13.88 per cent, one farm magazine showed a 6.43 per cent increase and the remainder sustained losses ranging from 1.81 per cent to 54.29 per cent.

In looking to the future, there is reason for optimism that further improvement in revenues will be made during the coming year. Revenue from sale of advertising space in the newspaper will reap a full year's benefit from the recent rate increase, as compared with only seven months during 1963-64. Indications point to improvement in space allocation by several national accounts, and Management is optimistic that a greater use of colour will be forthcoming. Management is hopeful that a colour supplement that is being planned for early in 1965 will attract new lineage from advertisers who demand

high fidelity in colour reproduction. However, Management suggests that it would be unwise to anticipate additional revenue to fully cover extra production costs for a period of two years.

New equipment authorized for purchase during the coming year, notably a Webb offset press, will open up new fields in commercial work, and place the plant in a position to specialize in flier publication and booklet production. Emphasis will be placed by the Sales Department on the development of a market for the products of this new equipment.



*Commercial Printing Department*

Gratifying increases were noted in the volume of large orders vital to maximum production in all departments of the plant during the year. Among the larger orders annually produced in our plant were the calendar for Interprovincial Co-operatives Limited, and the Saskatoon Telephone directory. Production of "Pride of the Prairies" calendars and books for the Prairie Books Department provided Commercial Printing revenue of \$15,191.94.

### *The Western Producer*

Circulation of The Western Producer made moderate gains during the first nine months of the year, followed by a slight decline during the remaining months. Net paid circulation of 146,194 for the issue of 30th July 1964, represented a gain of 2,960 during the year. Alberta circulation was substantially increased, but slight declines took place in the other Western provinces. Revenue rose by \$7,799.00 as a result of an increase in the number of subscriptions received direct from readers, a high proportion of long-term orders, and increased rates which became effective on 1st July 1964. A total of 2,236 pages were included in the 52 issues published during the year. This represents an increase of 56 pages over the previous year. The basic cost of newsprint remained unchanged during the year, but an increase in cartage charges in March raised the laid-down cost from \$136.75 to \$137.25 per ton. Printing costs rose approximately one per cent as a result of increased material and labour costs.



### *Prairie Books Department*

A return of \$7,222.00 was realized from the operation of the Prairie Books Department. Book sales showed an 11.6 per cent increase with 3,803 books being sold during the year. New works published include, "Bitter Medicine," and "Dew Upon the Grass." The "Pride of the Prairies" calendar has received encouraging acceptance and is developing into a profitable venture. Sales of the 1964 edition reached 9,191 copies, with a further 494 copies being distributed as premiums.

Distribution of the Western Farm Account Book totalled 11,324 copies, down 710 from the previous year. Of this number, 8,722 copies were sold and the remainder distributed as premiums.

### *Insurance*

The year under review saw further progress in the operation of the Insurance Service Department. Sales of new policies in Saskatchewan declined slightly, but Alberta production figures almost doubled those of 1962-63. Commissions on insurance premiums were sufficient to provide a surplus of \$43,912.00 after allowing for operating expenses of the Department. It will be recalled that the sale of new policies under the original plan was discontinued with the introduction of the new plan in 1961. The number of policyholders under the original plan subsequently declined, reaching the point early in the year under review where it was considered advisable to withdraw the policy entirely.

Annual premium income has been reduced to the extent that it would not carry the risk involved. Withdrawal commenced on 1st March 1964, with policyholders being offered the opportunity of converting to the new policy with no loss of accumulated benefits.

A mid-year review of underwriting results of the consolidated plans indicated a deficit of \$30,373.51 during the first six months of the fiscal year, due mainly to extremely unfavourable claims experience. Further study revealed that the loss ratio was particularly critical in the monthly indemnity benefits, making necessary an upward adjustment in the premium for this section. The increase amounting to \$3.00 became effective on 1st July, and this together with a revision of the claims assessment procedure has resulted in improved performance. The consolidated statement of operations for a complete year indicate a deficit of \$8,242.00, and it is hoped that a surplus position will apply during the coming year.

Renewal performance averaged 74 per cent for Saskatchewan policies and 55 per cent for those held by Alberta residents. It is of interest to note that since the introduction of the original plan in September, 1958, total premiums have amounted to \$1,364,723.00.

### *Editorial*

The policy of providing the fullest possible coverage of events of special interest to Western farmers and, in particular, members of co-operatives, was continued during the year 1963-64. Among the important news events given comprehensive coverage were the sessions of the Royal Commission on Taxation and the Hog Marketing Board campaign in Saskatchewan, with related efforts in other provinces. Other material given extra prominence and coverage were the announcement of the Saskatchewan Pool farm supply service, the continued discussion on branch line abandonment, the St. Lawrence Seaway tolls discussion, and co-operative activities generally.

Last January, The Western Producer co-operated with the C.B.C. Farm Broadcast Division and the provinces of Saskatchewan and Manitoba in the publication of much of the material used on a television series, "This Business of Farming." This proved to be a highly satisfactory means of getting some important technical information through to many farmers in co-operation with another medium of communication. The material was published in time for use along with the television series and reports indicate that it was widely used as reference during the series and, to a large extent, since then.

### *Agriculture Section*

Again this year the broadest possible coverage of agricultural events of major interest to Western farmers was attempted. Every effort was made to keep farm readers advised of new scientific advances being made in the production, management and marketing of crops and livestock. Along with this, efforts were made to spot and define major changes and trends which appear on the farm scene which, more than ever, seems to be subject to rapid change.

Readers' Service Columns (Law, Veterinary Advice, Engineering, etc.) continue to draw heavy mail. The latest column, contributed by the Saskatchewan Wheat Pool's own Field Crops Specialist, fills a very definite need since the paper was obliged to discontinue the University Field Husbandry Department's question and answer service several years ago. The Western Producer now remains as the only farm newspaper giving major coverage to important shows and exhibitions in the West. While the number of purebred breeders who receive publicity by this means is probably a fairly small proportion of the total farming community, it is true that reports of purebred shows provide useful guides as to blood lines and breeders to whom commercial operators may refer when they are in the market for purchases of purebred stock for commercial herd improvement.

### *Women's, Young Co-operators' & 4-H Sections*

Some expansion of coverage of events of interest to farm women generally was found



necessary during the year, as also were youth activities administered in conjunction with the women's department. It is becoming increasingly difficult to find space for all the letters reaching the Women's Editor to the Mail Box and Garden Exchange, and pattern sales were well up from last year. There were 32,652 patterns sold this year compared with the previous year's 30,000, resulting in increased cash returns to the newspaper.

The Young Co-operators' Sections continued to grow in membership and special activities included a colouring contest, a writing contest, and a rally at Saskatoon. The 4-H National Club Week in Toronto was covered directly for the first time since 1959, and Alberta University's special week for rural youth was covered for the first time.

#### *Co-operative Section*

Emphasis in the Co-operative Section this past year was on news relating to Co-operative Taxation and specifically to the hearings of the Royal Commission on Taxation. Staff writers spent considerable time, both in Western Canada and in Ottawa, providing The Western Producer with first-hand reports of the Commission's hearings. In addition to this major project, the Department maintained its coverage of as many annual meetings and newsworthy functions of co-operatives as were found to be within the scope and extent of available personnel and budget.

#### *Magazine Section*

Prominence was again given in the Magazine Section to pioneering stories of the Old West, and articles and fiction on Western Canada in particular. Some fifty photos and features were contributed by staff members, with the rest of the magazine content made up by Canadian free-lance contributors, mat services, and the regular columns on Nature Topics, How Are You medical column, Chess by Mail, and Record and Book Reviews. The serial story, "Hoofprints and Hitching Posts," by Grant MacEwan, carried previously as a serial story, is now in book form and will shortly be on the market. Also in book form after appearing as a serial story in the magazine, is "Dew Upon the Grass," by Billie Lamb. This book has been particularly well received.

Short serials receiving favourable comment from readers were, "Train Robbers of the West," by Frank Anderson, and "Never a Moment to Spare," by Mrs. Wm. Cosh. The current serial, "Along the Old Melita Trail," a story of the homesteaders around Melita, Manitoba, by Isabel Reekie, is likely also to appear in book form since response to publication in The Western Producer has been gratifying.

Last November it was decided to carry C.B.C. schedules covering Saskatchewan, Mani-

toba and Alberta. The response from readers was perhaps greater than to any other single feature we have presented in many years. It was unfortunate that it was found impossible to overcome the difficulties involved in continuing this service in the summer months, but it is hoped that this can be done in the future.

### **Statement of Combined Operations**

Statement No. 3, Page 20, of the Auditors' Report shows the financial result of the combined operations of all Divisions of the Company for the year ended 31st July 1964 as follows:

#### **Operating Surplus:**

Country Elevator Division.....	\$ 7,963,939.00
Terminal Elevator Division.....	3,008,581.00
Flour Mill Division.....	296,673.00
Vegetable Oil Division.....	(384,359.00)
Livestock Division.....	85,642.00
Printing and Publishing Division:	
Job Printing Dept.....	\$ 68,313.00
The Western Producer (163,706.00)	(95,393.00)

**Total Operating Surplus for the Year** \$10,875,083.00

#### *Allocation of Surplus*

Your Board of Directors recommends that the surplus earnings of the organization for the year ended 31st July 1964, amounting to \$10,875,083.00, be allocated as follows:

Excess Charges Refund-Season 1963-64	\$10,206,500.00
Provision for Income Tax-estimated.....	510,000.00
Transfer to Reserve Account-estimated	158,583.00

**Total**.....\$10,875,083.00





Your Board further recommends that the surplus earnings for the year ended 31st July 1964 allocated to Excess Charges Refund, Season 1963-64 and amounting to \$10,206,500.00, be distributed in relation to patronage on all grains delivered by members of the Company, and on agricultural chemicals purchased, during the year ended 31st July 1964, on the following bases:

**Grain:**

(a) Patronage dividend at the rate of .75c per bushel, to be used for the purchase, at face value, of Elevator and Commercial Reserve Deductions of the Company, from members in eligible categories, as previously determined by the Board of Directors, such Deductions to be credited to the persons entitled to the patronage dividend, provided that those members entitled to such dividend whose Elevator and Commercial Reserve Deductions have heretofore been purchased by the Company, shall be paid their share of such amount in cash, estimated.....\$ 1,818,750.00

(b) Patronage dividend at the rate of 3.4c per bushel, to be retained as a special loan from the shareholders of the Company for construction of a terminal at the West Coast in accordance with the Articles of Association, provided that those members entitled to such dividend, whose Elevator and Commercial Reserve Deductions have heretofore been purchased by the Company, shall be paid their share of such amount in cash, estimated..... 8,245,000.00

**Livestock:**

(c) Patronage dividend at the rate per head for cattle 18c; calves 8c; hogs 5c; and sheep and lambs 5c; to be retained as a loan from the shareholders of the Company, in accordance with the Articles of Association, provided that those members entitled to such dividend, whose Elevator and Commercial Reserve Deductions have heretofore been purchased by the Company, shall be paid their share of such amount in cash, estimated..... 60,000.00

**Agricultural Chemicals:**

(d) Patronage dividend at the rate of 10% of the sales price, to be paid in cash to all patrons who purchased herbicides and fungicides, estimated..... 82,750.00

**Total**.....\$10,206,500.00

**INTERPROVINCIAL SUBSIDIARIES**  
**Canadian Co-operative Wheat Producers**  
**Limited**

As in former years, the Annual Report of Canadian Co-operative Wheat Producers Limited contains a comprehensive summary of national and international developments in agriculture and related subjects during the year under review. It is attached to this report.

**Canadian Pool Agencies Limited**

The report of the Directors of Canadian Pool Agencies Limited to its annual meeting of shareholders is also attached to this report for the information of delegates. The Balance Sheet for

the year ended 31st July 1964, the Summary of Surplus Account and the Statement of Income and Expenses, are also attached as Statements Nos. 9, 10 and 11 of this report.

**Pool Insurance Company**

The fiscal year of Pool Insurance Company ends on 31st December each year. The report of operations of this Company for the year ended 31st December 1963, together with the Balance Sheet, the Summary of Shareholders' and Patrons' Equity Account, and the Statement of Income and Expenses, are attached as Statements Nos. 12, 13 and 14 of this report.

In keeping with the procedure of previous years, the Manager of Pool Insurance Company, who also has charge of Canadian Pool Agencies Limited, will be in attendance at this meeting and will discuss with delegates the operations and activities of these companies for the current season.

**Western Co-operative Fertilizers Limited**

Early in 1963 discussions were undertaken by several of the central co-operative organizations concerning the possibility of establishing a co-operatively-owned fertilizer plant in Western Canada. Following a report at the 1963 Annual Meeting, the delegates recommended that the Pool participate in this project.

In February 1964, Western Co-operative Fertilizers Limited was incorporated under the joint ownership of Federated Co-operatives Limited, Alberta Wheat Pool and Saskatchewan Wheat Pool. In April a contract was negotiated with Chemical and Industrial Corporation of Cincinnati, Ohio, for construction of the plant on a site at Calgary. Production capacity will be 225,000 tons of fertilizer annually, and the plant will be designed to produce a full range of fertilizer formulations required in Western Canada. Cost of the complete project is estimated at \$21,000,000.00. It is being financed equally by the three partners. Completion of the plant is scheduled for the fall of 1965.

**Interprovincial Co-operatives Limited**

During the year the Saskatchewan Wheat Pool made application for membership in Interprovincial Co-operatives Limited and subsequently purchased \$10,000.00 of share capital in that organization.

Membership in Interprovincial Co-operatives Limited was deemed advisable in view of the fact that the Pool looked to this organization as a supplier of fertilizers, agricultural chemicals and twine, in connection with the operation of the Farm Sales Department of the Country Elevator Division.

Mr. E. A. Boden, Second Vice-President of the Saskatchewan Wheat Pool, was named as Director of Interprovincial Co-operatives Limited to represent the Saskatchewan Wheat Pool.



### **Co-operative Insurance Services**

For some years the Directors of Co-operative Life Insurance Company and Co-operative Fire and Casualty Company showed concern with the problem of keeping the control of the companies in the hands of the co-operatives and credit unions. Their study of the matter culminated in the incorporation in 1963 of C.I.S. Ltd. (Co-operative Insurance Services) under Part (1) of the Dominion Companies Act.

Co-operative Fire and Casualty Company was also re-incorporated as a joint stock company. C.I.S. Ltd. now owns the Casualty Company and controls the Life Company, while it, itself, is owned by major co-operative and credit union organizations in the six regions of Canada where the Insurance Companies operate.

The Saskatchewan Wheat Pool owns 20 common shares, par value \$10.00 each and 1,925 redeemable preferred shares, par value \$100.00 each, in C.I.S. Ltd. to a total par valuation of \$192,700.00.

Your President, Mr. Chas. W. Gibbings, is a Director of C.I.S. Ltd.

### **Publicity Department**

The Publicity Department has a three-way function in service to the organization and to its members:

1. Through use of the mass media to inform members about their organization and what it is doing. The department has never viewed this function in its narrowest sense. It has, instead, considered it equally important to keep its members alert to general trends in agriculture in Canada and abroad. This broad interpretation was maintained during the year under review.
2. To present the views of the Pool and information about agriculture generally to persons not directly connected with the organization. While most emphasis is placed on people in Saskatchewan, the department has never overlooked its responsibility to carry the Wheat Pool message to persons outside the province.
3. To prepare and place advertising programs for the Wheat Pool and its operating divisions.

These functions have occupied the attention of the department during the year.

### *Television*

The Saskatchewan Wheat Pool began a new series of television programs in October 1963. Six 30-minute programs made up the series. Topics discussed were: "Report on Taxation Commission", "Pool Policy", "Railway Rationalization", "Livestock Marketing", "Food for Peace—Canada's Role", and "The History of the Wheat Pool". These programs were carried on all seven television stations in the province. The series is being continued in 1964-65. The talent

program on CKBI-TV enjoyed another large audience.

### *Radio*

The department made use of all radio stations in the province to advertise commodities offered by the sales department at the appropriate times during the year. High School Curling was broadcast again in 1963-64. Radio farm news programs were broadcast on a twice-a-week basis over six Saskatchewan stations from mid-October to mid-April. The radio news program was continued on a once-a-week basis from April through the balance of the year under review.

### *Newspapers and Periodicals*

The department continued to place advertising on behalf of the country and terminal elevator divisions in *The Western Producer*. Some additional ads were placed in connection with farm supplies on behalf of the sales department. Selected periodicals, published in Saskatchewan, were used for other Wheat Pool advertising, and a limited amount of advertising placed in periodicals published outside the province.

### *Exhibitions and Special Events*

Pool exhibits were displayed at Class "A" and "B" fairs and a float entered in the Travelers' Day Parade in Regina. Float material was made available to committees for other parades. This material was used in 14 parades.

### *Calendars*

Wheat Pool calendars were mailed to members and bulk supplies sent to elevator agents. Many other calendars were distributed to non-members in Saskatchewan and other provinces. About 125,000 calendars were distributed.

### *Flour Advertising*

Nearly 50,000 copies of the Pool Flour coloring book were distributed as a result of flour advertising in *The Western Producer* and on television. A second printing was ordered during the year and is available in the sales program for 1964-65. Co-op Flour advertising is produced and placed by Interprovincial Co-operatives through its regional. The Flour Mill pays advertising costs up to an agreed amount. In the prairie region, Federated Co-operatives sponsored a series of cooking competitions for teenage contestants. The program was exceptionally well received.

### *Public Relations*

An unusual number of journalists from outside the province visited Head Office of the Pool during the year, drawn by interest in the exceptional wheat exports. The department was able to provide useful information about the Saskatchewan farm situation. Many requests for information were received during the year from news media in Saskatchewan.

The Wheat Pool entertained three Wheat Board missions from abroad during the summer.



A number of other visitors from overseas visited Head Office during the year.

#### *Library*

The library continues to perform a useful service to its borrowers. The number of books distributed during the year increased from 8,001 in 1962-63 to 10,860 last year. Much additional reference material was added to the shelves.

#### *Crop Reporting*

The popularity of the crop report among grain men, government officials and news media was evident throughout the 1964 season. The number of reports distributed by the elevator division increased and additional requests for press summaries distributed by the publicity department were fulfilled.

Much of the success of the crop report stems from accurate and conscientious work of the elevator agents who supply the information.

Mr. R. F. Haddrell who has been primarily responsible for compiling the Pool's crop report for 32 years, will retire before another crop reporting season begins. His contribution to this service to the agricultural community has been outstanding.

#### **Research Committee**

Two major projects occupied the attention of the Research Committee during the past year. These were:

(1) Consolidation and the future development of the country elevator system.

This is a complex subject involving factors such as branch line abandonment, grid roads and market centres, the action of competitors, financing, technological improvements, farm supplies distribution, etc. Joint studies undertaken during the past year by the Country Elevator Division and the Research Department have provided useful information to the Committee in its consideration of this subject. As operating costs increase, the question of elevator size and location became increasingly important. These questions must be under constant review in order to maintain an efficient operating system and at the same time offer improved services for Pool members throughout the province.

(2) Research studies on the Saskatchewan livestock industry.

As population and per capita meat consumption rises in North America, new opportunities for expanded livestock production are created. The Committee is attempting to study how these opportunities can best be used for the benefit of Saskatchewan producers. This requires consideration of the role of the Pool organization in relation to cattle and hog production, feeding, marketing, and processing.

#### **Research Department**

The Research Department provides for the Pool, both officials concerned with internal oper-

ations and those with public policies and programs, the service of historical perspective and of contemporary economic analysis. Its terms of reference are to brief those concerned with decision making on "historical and current developments in the production and disposal of farm commodities and similar developments of other political and economic factors affecting them directly and indirectly."

Research Department members remain active in a number of professional associations and during the year organized seminars where Pool officials could participate in the debate of current questions and the study of techniques available for examination of operational and policy issues.

The Department's scope is by definition wide and comprehensive. During the last year it embraced questions relating to grain and livestock production and marketing, Pool facilities, transportation and trade, most of which still remain major concerns of Pool membership.

#### *Grain Research*

As in previous years field tests were supervised by the Research Department, involving this year, oat and flax varieties and fertilizer application to wheat. The tests were conducted by farm boys and girls throughout the province who were appointed by Wheat Pool delegates. In 1964 there were 306 tests, about half of them included varieties and the other half tests of fertilizers applied to a single variety of wheat. A total of 78 tests included five varieties of flax, while 76 tests contained five different oat varieties. The fertilizer tests were of two types. Those on summer-fallow numbering 82, contained 11-48-0 fertilizer at rates ranging from 30 to 60 pounds per acre and with check rows which received no fertilizer. The 70 tests seeded on stubble contained four different applications of various types of fertilizer with check rows which received no fertilizer.

The 306 tests in 1964 compared with 321 in 1963. Seed and instructions were supplied from the Head Office of the Wheat Pool and each supervisor was asked to record rainfall throughout the growing season and to report on the individual rows at various stages of growth. In the fall the tests were harvested and shipped to Regina for threshing and yield calculation. Yield results from the variety tests are supplied to the Saskatchewan Advisory Council on Grain Crops which meets annually to recommend varieties for use in the province the following year. A report summarizing the results of the fertilizer and variety tests will be published early in 1965.

#### **Junior Activities**

##### *4-H Club Program—1963-64:*

The usual \$10,000.00 grant to the Extension Department of the University of Saskatchewan for the promotion of junior activities was paid during the year. The Extension Department reports a very active year. According to a Uni-



versity spokesman, the trends identified in 1962 in the Saskatchewan 4-H Club program continued in 1963-64. These may be listed as follows:

1. Greater breadth of project material and more depth to existing projects.

In 1953 there were 17 projects offered to 4-H Club members. Last year there were 74 projects offered, embracing 30 different subject matters.

Project manuals and record books are now supplied for every project a member carries. In some project areas leaders' manuals are also supplied to facilitate the teaching of project material.

2. Greater numbers of local people providing leadership in 4-H Clubs.

The leadership force in 4-H Clubs has increased from 675 adults in 1953 to 2,200 in 1963-64. General leaders are supervising the administration of the club and project leaders are doing the project teaching.

3. An increased number of boys and girls are availing themselves of the opportunity to experience 4-H Club work.

#### Enrolment Data

	1964	1963	1962
Boys.....	6,098	5,648	5,077
Girls.....	5,772	5,437	4,568
<b>Total.....</b>	<b>11,870</b>	<b>11,085</b>	<b>9,645</b>
Projects Carried.....	14,003	12,700	10,970
Number of Clubs.....	600	615	681
Average Size.....	19.8	18.1	14.3

4. More clubs offering more than one project area within the same club operation. This has resulted in fewer clubs but much larger clubs.

In 1961-62 the administrative framework to enable clubs to operate on a multiple project basis was first offered. There were about 30 clubs that experimented with this idea. Since that time increasing numbers of clubs have changed to this operation and in 1963-64 over half of the 600 clubs are offering more than one project.

This has resulted in a consolidation of club operations in some communities where two or more clubs had been operating. Consequently the total numbers of clubs has been diminishing but the average number of members per club has increased sharply. It is expected that this trend will be stabilized in the next year or two.

5. More club members are receiving an opportunity to travel and participate in educational experiences outside of Saskatchewan through the 4-H Club program.

There have been additional travel awards available to 4-H members during recent years. At the Provincial Selections at Saskatoon in July, 35 major travel awards were presented at the Wheat Pool banquet.

In addition to provincial travel awards, a number of district 4-H Councils are active in exchange programs. Most of these take the form of bus-load exchanges with a district acting as

host one year and travelling to a host province or state the following year.

6. Increased effort by extension people to provide opportunities for leadership development.

The Extension Division provides two main means of giving help to local 4-H leaders.

#### (a) Printed Material:

1. Leader's Handbook
2. Monthly bulletin
3. Project leader's guides
4. Reference lending library
5. Distribution of pamphlets relating to projects.

#### (b) Leader Training Meetings:

1. 4-H Leadership Camp. This training opportunity is designed particularly for junior leaders. One hundred and fifty-eight young people attend the eight-day camp.
2. District Leader Meetings. During the fall and winter thirty-seven meetings were held throughout the province with a total attendance of one thousand leaders.
3. Homecraft Club Week. Eighty-eight leaders attended the homecraft project school at the University in May 1964.
4. Residence Leader School. In March 1964 an intensive training program was held for twelve leaders who are on the Board of Directors of the Saskatchewan 4-H Council. It is hoped that these people will perform a trainer-of-trainers role through the contact with District 4-H Councils.

#### Farm Boys and Girls Camps:

- (a) Attendance at the 1964 Class "A" and Class "B" exhibitions was 700 girls and 739 boys, a total of 1,439 participants. This compared with 847 girls and 729 boys in 1963.
- (b) McPhail Bursaries:  
Saskatoon—Victoria Slywchuk, Crystal Springs, Saskatchewan.  
Regina—Louise Wotherspoon, Melville Saskatchewan.

#### Saskatchewan 4-H Foundation:

The Saskatchewan 4-H Foundation fund has now reached \$68,000.00. This figure represents about half of what is needed to build the 4-H camp facilities at the 4-H campsite on the South Saskatchewan Development reservoir near Birsay.

#### Saskatchewan Wheat Pool Assistance:

The Extension Division of the University of Saskatchewan has gratefully acknowledged the assistance provided for the youth program in Saskatchewan, including the following:



1. *National*—A member of the Canadian Council on 4-H Clubs.
2. *Provincial*:
  - (a) A \$10,000.00 grant to the University of Saskatchewan for 4-H Club work.
  - (b) Sponsorship of banquets for delegates attending Saskatchewan 4-H Council meeting in January; Homecraft Club Week in May; Provincial Selections in July; delegates to National 4-H Club Conference in November; Farm Camp members at Regina Exhibition.
  - (c) Printing of project record books for livestock, grain and garden projects.
  - (d) Representation on the Board of Trustees, Saskatchewan 4-H Foundation.
3. *District*:
  - (a) The supplying of name badges for rallies, tours and camps.
  - (b) Assistance from Wheat Pool fieldmen at district events such as rallies, fairs, selection interviews, etc.
  - (c) Wheat Pool representatives acting on District 4-H Councils.
4. *Local*:
  - (a) Sponsorship of local clubs by Wheat Pool Committees.
  - (b) Provision of leadership talents by local Wheat Pool members and agents.
  - (c) Presentation of trophies and awards to club members at achievement days.

## **BURSARIES AND SCHOLARSHIPS**

### **Geo. W. Robertson Memorial Scholarship**

The Geo. W. Robertson Memorial Scholarship, valued at \$1,200.00, was established by the Board to be used for post-graduate study at an approved university in one of the following fields—any branch of agriculture, cereal chemistry, economics, political science or sociology. It is available to students normally resident in Saskatchewan. For 1964-65 the Scholarship was awarded to Mr. Harvey Douglas Voldeng of Spalding, Saskatchewan, who is undertaking post-graduate work at Oxford University on the physiology of yield of cereals. Prior to this year the Scholarship was awarded to Mr. Harold E. Bronson and Mr. Paul Arthur Phillips. The Scholarship was awarded to Mr. Phillips for a second year.

### **McPhail Memorial Bursaries**

The McPhail Memorial Bursary fund set up in memory of the late A. J. McPhail, first President of the Saskatchewan Wheat Pool, makes provision for two bursaries of \$200.00 each, yearly. The Bursaries are available to girls attending the Farm Girls' Camps at the Exhibitions at Regina and Saskatoon, and are awarded on the basis of the girls' standing at Camp, their scholastic ability, character and leadership ability. Bursaries were awarded during 1964 to Miss Louise Wotherspoon of Melville, Saskat-

chewan, and Miss Victoria Slywchuk of Crystal Springs, Saskatchewan.

### **Saskatchewan Wheat Pool Bursaries, School of Agriculture**

Sixteen bursaries, valued at \$250.00 each, are made available each year to students attending the School of Agriculture at the University of Saskatchewan. The bursaries are made available to first year students on the basis of one in each Wheat Pool district and are renewable for a second year. The selection of students to receive the School of Agriculture bursaries is made by the Scholarship Committee of the School of Agriculture and the awards are made on the basis of merit and need. For award purposes the Committee takes into account the academic standing, community activity, 4-H Club work, and general leadership qualities.

### **Country Organization Department**

The Country Organization Department is the extension agency of the Saskatchewan Wheat Pool. It is the Department's responsibility to see that members are well informed on the services provided by the entire organization. Because of this responsibility, and in order to meet the expanding needs arising through the continuous growth of the organization and its expansion into new fields, the Department found it necessary to increase its personnel. Livestock Extension and Field Crops Specialists were hired during the year. They are supplying information to our personnel and assisting with special programs for the shareholders. In accordance with the recommendation made by delegates at the last Annual meeting, an Assistant has been appointed to the Fieldman in charge of Wheat Pool Districts 3 and 4.

#### *Wheat Pool Committees*

As at 31st July 1964, there were 1,051 Wheat Pool committees active in the province, as compared with 1,059 a year ago. Statement No. 7 shows the total number of committees by district and sub-districts. A total of 10,327 Wheat Pool shareholders are members of Wheat Pool committees.

#### *Committee Banquets*

The annual program for Wheat Pool committee members and their wives was continued this year. As in previous years, invitations were also sent to new members, to agents, and their wives. The program was organized as a social event. The local delegate was master of ceremonies, and the Wheat Pool director addressed the gathering on a topic of special interest to farmers.

#### *Bulletins*

Resolutions passed at the 1963 Annual Meeting of Delegates were published in the form of a committee program, and distributed to all members of Wheat Pool committees in November. Committee newsletters were published under the following headings:



1. The Saskatchewan Wheat Pool and Farm Supplies.
2. Proposed Saskatchewan Hog Producers Marketing Plan.
3. This Business of Farming.
4. Farm Supplies and Hog Marketing Board Campaign.
5. Committee Grant.
6. Where do we go from here?

#### *Visual Aids*

A coloured slide program in two sections, namely,—Operations and Financial Statements, and Wheat Pool Policy—was produced to be used at the annual meetings of shareholders. Another program entitled "Who Speaks for the Farmer?" was produced for the Wheat Pool committee banquets. In addition, slides were obtained on the Operations of the Ontario Hog Marketing Board and the Use of Fertilizer. Films were used at 379 meetings.

#### *Meetings*

During the year, fieldmen attended 2,495 meetings. These included committee meetings and general meetings of shareholders. The total attendance was approximately 85,000 people. Minutes of 5,705 meetings were received and recorded.

#### *Farm Radio Forum*

Support was again given to the Farm Radio Forum program. Wheat Pool delegates, fieldmen, and committees were supplied with discussion guides, and encouraged to organize listening groups. Two broadcasts, namely, "Who will Control Agriculture?" on February 24th, and "AR-DA" on March 9th, were selected for special attention.

#### *Hog Marketing Plan*

The Saskatchewan Wheat Pool assisted in the promotion of a Hog Marketing Board. Wheat Pool delegates and fieldmen helped with 46 planning meetings and 46 workshops conducted throughout the province. District and local meetings were held. Local action committees were established and lists of producers were compiled. A campaign was carried out in co-operation with other farm organizations. An effort was made to bring information on the Marketing Plan and principles of Producer Marketing Boards to all hog producers in the province, and encourage them to turn out at the polls and cast a favourable vote on May 9th. The interest shown varied. In many instances, hogs are only a sideline in the over-all farm operations, and are not important enough to warrant very much interest in marketing methods. A total of 8,426 producers voted on the plebiscite on May 9th—4,177 voted in favour of the plan, 4,179 were opposed, and 60 ballots were rejected.

#### *Co-operative Schools*

Wheat Pool fieldmen and delegates continue to play a leading role in the co-operative school

program. Nine co-operative schools were held during July. The extension staffs of all organizations produced a well co-ordinated program and local organizations selected the students. Schools attended by 773 students were held at Weyburn, Swift Current, Fort Qu'Appelle, Yorkton, Les-sock, Saskatoon, North Battleford, and Prince Albert.

Thirty-three students attended an advanced co-operative seminar. This program is intended to give added training to a selected group of students who have attended a co-operative school. It was held at the Western Co-operative College in Saskatoon.

#### *Livestock Extension*

Contacts were made with persons involved in the extension field in Saskatchewan. These included personnel from the Saskatchewan Department of Agriculture, the Canada Department of Agriculture, and the University of Saskatchewan. It was realized that extension work done by the Saskatchewan Pool should be carried out in co-operation with these established agencies.

Numerous visits were made to feeder co-operatives, and a series of regional meetings was organized. A short course for supervisors was held at the Co-op College. Information was supplied at public livestock meetings arranged by fieldmen.

During the year, the Livestock Extension Specialist was named as convener of a committee to study the possibility of a program with regard to cow-calf production on a provincial basis. Several meetings were held during the year. A final report will be completed early in the new year.

Consideration was also given to the following:

1. Need for co-operation of the Canadian co-operatives in the field of livestock production and marketing.
2. Production of Specific Pathogen Free hogs in Saskatchewan
3. Feed testing needs in the province, and desirability of a provincial feed test laboratory.
4. Livestock research and extension in the United States, and benefits which might be derived from their programs.
5. Feasibility of co-operatively owned feedlots.
6. Livestock health and care of feeders during the first critical three weeks in the feedlot.

A "Pool Livestock Bulletin" was prepared and distributed to delegates, fieldmen, and members of livestock feeding co-operatives. The purpose of this Bulletin is to keep delegates and members of feeding co-operatives aware of certain items of interest in the livestock field.

The year was one of orientation and planning to lay firm foundations for an extension program which will result in greater service to livestock producers in the province.



### *Field Crops Extension*

A promising start was made in providing technical information on field crops through the organization. Major emphasis was placed on developing information sources, contacts, materials, and plans for extension programs in the future.

Staff members of the Country Organization and Country Elevator departments worked together in getting information on field crops out to farmers. Bulletin boards were placed in each elevator. Useful bulletins were selected and sent out to agents for display. Informational circulars were produced and forwarded for staff use and distribution to farmers.

### *Education and Training*

Training is now generally accepted by the organization as a necessary and continuous process. During the year, more employees and elected personnel attended training courses than ever before. These included staff courses at the Western Co-operative College, and agents and committee study group meetings.

### **Staff Training**

This was the third year that formal staff training sessions were conducted at Regina, and the first year for the Divisions in Saskatoon. Areas of study were: the Saskatchewan Wheat Pool, the Co-operative Movement, and Principles of Management. In Regina, one group of employees was involved in a study of the Saskatchewan Wheat Pool and the Co-operative Movement. A second group at Regina and the group in Saskatoon participated in a study of the Principles of Management, dealing with the topics: Human Motivation, Communications, Leadership, Supervision, Developing Staff, Attitudes and Morale, and Discipline. These two groups, 24 in Regina and 23 in Saskatoon, were supervisory personnel.

### **Agents' Training**

With the Saskatchewan Wheat Pool's entry into the farm supply field, there was a need to assist Pool agents to understand the organization's policies and to provide them with some knowledge of the product to be handled, especially fertilizers and chemicals. The travelling superintendents and fieldmen conducted the training sessions with agents. A joint meeting of the two staffs was held in Regina to prepare them for the job. The Co-operative College and Interprovincial Co-operatives provided assistance and technical knowledge. The program with agents was organized by the travelling superintendents on the basis of one or two groups for each Section. There were two meetings held with each group. Objective of the first meeting was to develop understanding of the policies of the organization regarding farm supplies; objectives of the second session were: (1) to develop understanding of fertilizers and chemicals, in-

cluding terminology, identification of the product, and rates of application; (2) to develop skills in interpreting fertilizer information; (3) to develop favourable attitudes towards the farm supply program, including supplying information to farmers, promoting sales, and handling and storage of stocks.

Agents are also encouraged to enroll for the Co-operative Correspondence course. It is prepared by the Co-operative Union of Canada and administered in Saskatoon by the Co-operative College. During the year, forty agents enrolled for this course. In an attempt to improve themselves and to provide better service to growers, many agents are taking a number of other correspondence courses.



### **Travelling and Divisional Superintendents**

A series of three courses has been selected as required training courses for travelling and divisional superintendents. They are: (1) Co-op Information; (2) Basic Adult Education, and (3) Management of personnel. Most supervisory personnel attended one or more courses during the year.

### **Fieldmen**

A series of seven courses has been established as required training for fieldmen and supervisors. The courses are: (1) Co-op Information; (2) Basic Adult Education; (3) Program Planning; (4) Adult Learning; (5) Communications; (6) Continuing Education in a Community; and (7) Human Relations. The first five courses are provided by the Co-operative College, the sixth by the University of Saskatchewan, and the seventh by the Human Relations Institute. During the year, fieldmen and supervisors attended one or two of the above courses.

### **Committee Training**

The program for committees during the year had three objectives:

1. To provide committee men with information regarding the farm supply program, including knowledge of fertilizers and farm chemicals.



2. To study the duties and responsibilities of committee men as set out in Hand Book No. 1.
3. To have each committee man complete a questionnaire designed to provide information which would form the basis for the Committee Training Program for a number of years.

At year end, this program, which is a massive survey, was still in progress.

### Directors and Delegates

A course for Wheat Pool delegates was held at the Western Co-operative College. Seventeen delegates attended. Six were new delegates or had less than one year's experience; the remainder were older, in terms of experience, ranging upward to eighteen years.

Following requests from the Saskatchewan Wheat Pool and other co-operative organizations, the Western Co-operative College developed a senior policy makers' conference, and invited directors from provincial co-operatives in Alberta, Manitoba and Saskatchewan to attend. The course was three days in length. The program consisted of:

1. A study of Co-operatives represented at the course, and ways in which closer co-ordination might be achieved.
2. A study of the roles and functions of the Board of Directors in a central co-operative organization.
3. Analysis of training needs and planning a program of development for Board members in central co-operatives.

Thirty-two directors representing twelve large co-operatives from the three prairie provinces, attended the course. Seven Wheat Pool Board members were present, five representing the Pool, and two representing other co-operatives. Those in attendance at the course expressed a desire for the continuance of this type of training. A similar type of program is being planned for next year.

### Co-operative Associations

As at 31st July 1964, there were 1,517 co-operatives in Saskatchewan, a decrease of 18 compared with last year. These are listed below under the various Acts involved.

Co-operative Associations Act, Saskatchewan	1,177
Co-operative Associations Act, Marketing	23
The Credit Union Act	296
Other Saskatchewan Legislation	16
Dominion Legislation	5

### Enrolment of New Members

For the year under review, 2,995 applications for shares were approved. There were 2,995 transfers in blank, no new shares were allotted.

### International Wheat Agreement

The second year of operation of the fifth International Wheat Agreement concluded 31st

July 1964. During that period total commercial purchases registered under the Agreement with the International Wheat Council amounted to 669,663,117 bushels. Canada's share of this quantity amounted to 244,988,980 bushels or 36.7%. The United States, which stood second from the standpoint of volume of shipments, had registrations totalling 215,655,705 bushels or 32.2%. As at 31st July 1964, there were ten countries classified as exporting countries, but of these ten, two had not registered any sales. Countries registering sales were, Canada, Australia, Argentina, France, Italy, Sweden, the United States of America and the Union of Soviet Socialist Republics. Those which failed to register any sales were, Mexico and Spain.

The following table shows the sales registered by the eight exporting countries for the crop year ended 31st July 1964, with revisions to the 12th September 1964:

	Bushels	% of Total Sales
Canada.....	244,988,980	36.7
Australia.....	87,153,067	13.0
Argentina.....	58,494,811	8.7
France.....	45,861,882	6.8
Italy.....	1,335,119	.2
Sweden.....	3,559,437	.5
U.S.A.....	215,655,705	32.2
U.S.S.R.....	12,614,116	1.9
<b>Total.....</b>	<b>669,663,117</b>	<b>100.0</b>

### Prairie Grain Advance Payments

The seventh year of operation of the Prairie Grain Advance Payments Act closed on 31st July 1964. The following tabulation shows the comparison between statistics for the year under review, compared with those of the previous year:

	Western Canada	
	1963-1964	1962-1963
Number of Applications.....	63,427	39,683
Amount Advanced.....	\$62,135,207.00	\$29,251,526.00
Amount Repaid.....	59,963,335.00	27,202,845.00
Average Advance.....	980.00	737.00
Percentage Repaid.....	96.5%	92.9%
Amount Outstanding—		
31st July 1964.....	2,171,872.00	*2,048,681.00
Amount Outstanding—		
30th September 1964.....	1,844,154.00	83,103.00

	Saskatchewan	
	1963-1964	1962-1963
Number of Applications.....	36,764	21,174
Amount Advanced.....	\$39,929,817.00	\$17,096,452.00
Amount Repaid.....	39,482,610.00	16,431,241.00
Average Advance.....	1,086.00	807.00
Percentage Repaid.....	98.8%	96.1%
Amount Outstanding—		
31st July 1964.....	447,207.00	665,211.00
Amount Outstanding—		
30th September 1964.....	374,844.00	4,919.00

\*As at 31st July 1963.

For the current season to 30th September 1964, a total of 12,089 applications had been made in the three Prairie Provinces, and ad-



vances totalling \$13,148,196.00 had been paid out. For Saskatchewan alone, there were 7,341 applications totalling \$8,657,463.00.

### POLICY STATEMENT

Saskatchewan Wheat Pool was formed 40 years ago as a co-operative association of farmers to help market their wheat. Pool farmers agreed at the outset to be an agricultural organization instituted for mutual help and in particular to improve methods and reduce costs of marketing grain, to reduce speculation, manipulation and waste, to increase consumption, build up new markets and develop new uses for grain, and to improve and preserve for the growers and the public their proper profits and economies.

Pool farmers are still active grain merchants and still press with vigor for the accomplishments of original objectives. They urged establishment of The Canadian Wheat Board and remain among its strongest supporters. They support the International Wheat Agreement. They support Canadian membership in a number of international aid programs and both urged and commend government action in more direct food distribution to countries unable to purchase. They stand firmly behind the Board of Grain Commissioners and support its licensing and regulating authority. They operate elevator and storage facilities capable of handling a major portion of the total grain crops in both country and terminal positions. In more recent years Pool farmers established livestock marketing and handling facilities and remain on the livestock market. Pool farmers operate a flour mill, an oilseed processing plant and more recently have begun to distribute farm supplies required in the production process. They also publish a weekly farm newspaper.

As an agricultural organization the Pool has remained consistently an active spokesman both at home and abroad for policies and programs which will improve not only the market place for farm commodities but also the conditions under which farm commodities are produced and farm people live. The Pool continues to help farmers to help themselves and to assist governments in devising public policies required for problems beyond self-help measures. For some farmers improved market conditions are all that is sought or required; for others more direct assistance in the production process is required and urged.

In the final analysis the welfare of farm people has been the Pool's principal objective. At this time of high production, record marketings and buoyant prices the Pool is aware that all farmers do not share equally in what has come to be called the boom in Canadian agriculture. While total farm income is at record heights, the net income of many individuals on the farm is insufficient to support the farm family. There are many reasons for existing discrepancies and the

Pool is anxious to amend existing policies and programs and to devise new ones to improve the welfare of all of its members.

With this in mind your directors advance the following policy proposals as a program for 1965:

(1) *The Canadian Wheat Board*: Since 1943 the Wheat Board has had full control over the delivery, marketing and pricing of all Western Canadian wheat that moves in interprovincial or export trade. It also controls delivery and marketing of oats and barley. Your directors believe, as they and Pool membership have said on many occasions, that Wheat Board jurisdiction should be extended to cover rye, flax and rapeseed. As Pool members know the Wheat Board has been continuously active in seeking out new markets for Canadian grains, particularly wheat. This activity is appreciated by all farmers and the Board commissioners and staff are to be commended for their excellent performance in this regard. The struggle to retain traditional markets, to acquire new ones and to introduce the use of bread wheats in areas where they have never been used before is a continuous one and must be pursued with determination. Your directors advocate increased vigor in this quest for wheat customers.

(2) *International Wheat Agreement*: The fifth IWA Agreement became effective 1st August 1962, committing buyers to take an agreed percentage of their total wheat imports rather than a fixed amount of wheat and sellers to provide this requirement within the agreed price range. The minimum price was agreed at \$1.62½ and the maximum at \$2.02½ basis No. 1 Northern in store at the Canadian Lakehead, Canadian and U.S. currency considered to be at par. That agreement now is subject to review prior to a new agreement which would become effective on 1st August 1965. Because of discussions about cereal grains at the 1964 GATT Conference there has been some suggestion that the current IWA be extended for one year and perhaps for two on the expected possibility that a general cereals trade agreement might result from the GATT discussions. However, your directors have urged against any arbitrary extension of IWA because they believe to do so would tend to down-grade its vital importance to the Canadian grain industry and in fact to the international trade in grains. Because of the heavy demand for Canadian wheat, especially in the most recent crop years, your directors would expect some upward revision in price levels in the next IWA agreement.

(3) *Board of Grain Commissioners for Canada*: This board is the watch dog over the Canadian grain industry, maintaining grain standards and regulating delivery, storage and shipment. It is the agency which licenses country elevators, terminals, and grain merchants and dealers. Your directors are aware of recent suggestions that revision of grain grading standards may soon come under consideration and that the Board did



make some corrections in moisture standards during the 1963-64 season. While a general review of grain grades has been suggested, your directors would caution against any major changes which might upset the paramount position which export grains from Canada now hold in the international market.

(4) *International Trade:* Because a large portion of Canadian farm production, particularly the cereal grains, must be marketed abroad, the Pool has consistently urged elimination of trading restrictions among all countries. The Pool has supported the principle of the General Agreement on Trade and Tariffs and has urged increased effort to relax barriers to international trade. Your directors will continue to urge increased measures by the Canadian government to allow greater entry of foreign goods and services, particularly from countries anxious to purchase Canadian commodities, and efforts to increase Canadian export, including government support of credit arrangements for foreign purchase in Canada, assistance to Canadian exporters in cultivating markets abroad and direct activity in aid of trade by Canadian government representatives abroad.

(5) *Markets for Wheat:* Your directors continue to be concerned about Canada's position in the world's wheat trade. In Western Europe trade

policies among members of the European Economic Community make it increasingly difficult for the entry of Canadian wheat into what has been traditionally Canada's best market. The large Japanese market would be more secure were Japanese goods allowed freer entry into Canada. Recent markets in Mainland China, the Soviet Union and some countries of Eastern Europe have been especially welcomed but not even the most optimistic observer would expect these to remain unchanged. In other parts of the world Canadian grain meets increasing competition from other exporters especially the United States which has been making increased inroads on commercial markets. Your directors would caution The Canadian Wheat Board, the government of Canada, the grain merchants and dealers and the farmers against any complacency that Canadian wheat will continue to sell without increased effort on the part of all Canadian institutions. Canada must work diligently to hold and increase wheat sales to traditional markets, to seek out new markets and to pioneer the use of wheat in areas where bread has not been a traditional food. Your directors would also urge serious consideration of proposals for the processing of wheat into other forms than bread flour.

(6) *Markets for the Feed Grains:* The Pool has

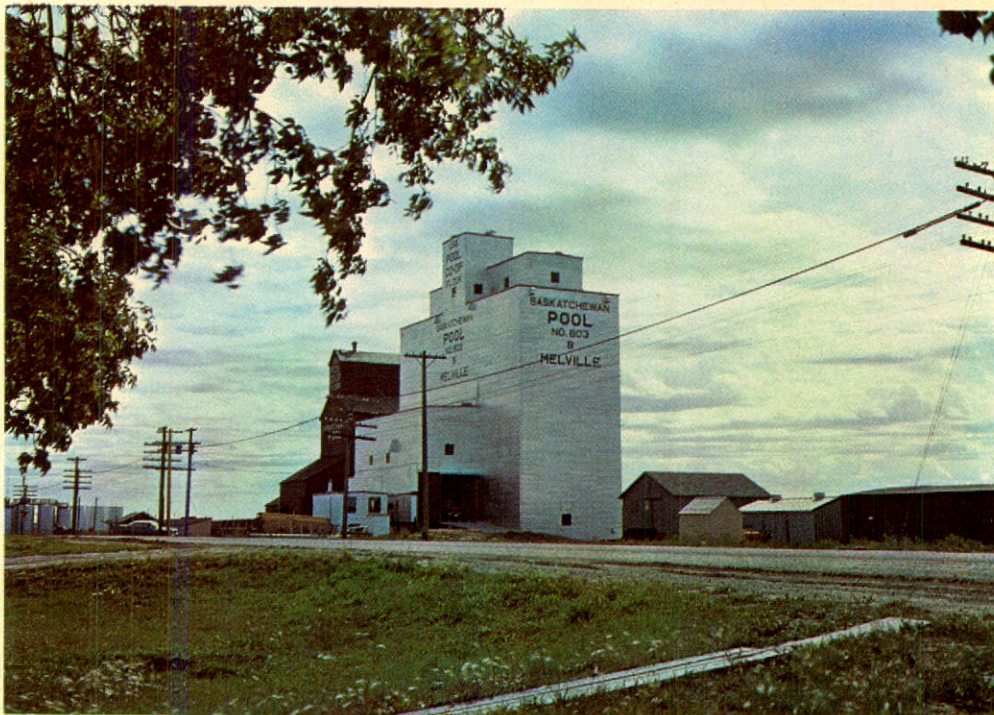






The Board Room, nerve centre of the organization where policy decisions are made.





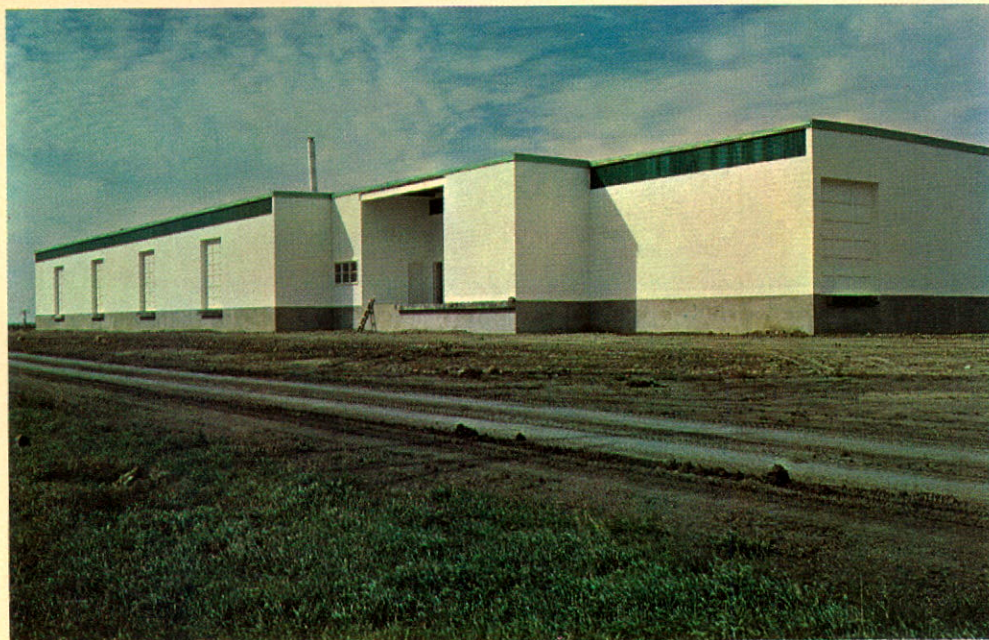
Country elevator at Melville — one of more than 1,200 in the country elevator system.

Pool Terminal No. 7 at Port Arthur, largest structure of its type in Canada.





Pool Farm Service Centre—  
the farmer's own farm sup-  
ply warehouse.

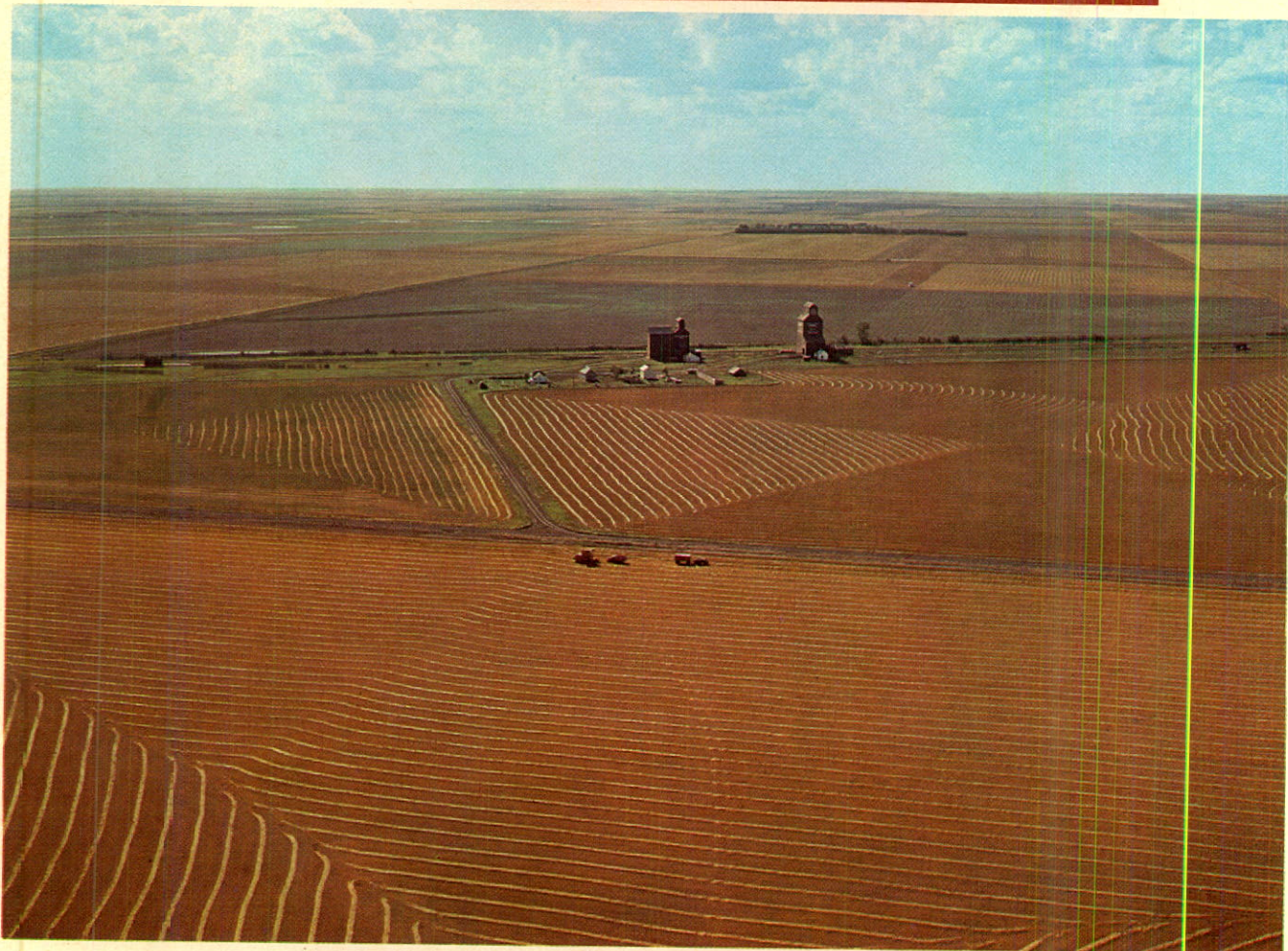


Pool Farm Service Centre  
and seed cleaning plant at  
Moose Jaw.





The farms of Saskatchewan  
form the foundation on  
which the organization  
stands.





traditionally supported measures to maintain a strong domestic market, particularly in Eastern Canada and British Columbia, for Prairie-grown feed grains. Your directors urge continuation of this policy, believing that domestic markets continue to be of major importance to Western grain growers. In view of the long-range forecasts for increased meat demand in Canada and elsewhere your directors would hope that governments and The Canadian Wheat Board will continue to pursue every opportunity to increase sales of Canadian feed grains at home and abroad.

(7) *Markets for Oilseed Crops, Vegetable Oils and Meal:* The Pool has pioneered the Canadian acceptance of rapeseed oil for human consumption and by all accounts has made considerable progress in having the newer vegetable oil accepted. Your directors now urge every attempt be made to promote sales of this produce and urge continuous determination in the quest for new and renewed markets. The meal of both flax and rapeseed make excellent livestock and poultry feed supplements and your directors continue to urge that these be considered along with the other animal feeds whenever market promotion and support is being considered.

(8) *Markets for Flour:* Your directors would urge that those responsible for aid programs take greater account of the availability of Canadian-milled flour when allocating the distribution of Canadian goods and services abroad. Flour exports have been erratic for some years and conditions of this kind do not foster a healthy processing industry of such vital importance to Western farmers.

(9) *Markets for Livestock and Poultry:* Western farmers are increasing their production of beef, hogs and other livestock products. Your directors would urge that every effort be continued to improve the conditions under which these farm products are marketed and that markets for them be promoted with increased vigor. While the proposed hog producers' marketing plan failed to gain required producer support this year in Saskatchewan your directors still support the principle of producer marketing boards and still believe that marketing boards offer opportunities for improving producer welfare if their jurisdiction and powers are sufficient to control an adequate portion of the total market.

(10) *Livestock Production for Market:* The Pool participates in guaranteeing against loss in programs to help finance both individual and co-operative feeding of livestock on Saskatchewan farms. Your directors believe this program has been valuable because it has helped many farmers to improve and stabilize their farm enterprise. Because the position of individual farmers improves in any farm enterprise as he is able to reduce his costs and increase his market returns, your directors favor programs and policies directed to improving the economics

of operation and the quality in both beef and hog raising.

(11) *Transportation:* Since its inception the Pool has worked vigorously to maintain the best possible transportation facilities and rates for the movement of farm produce to market and the shipment into farming areas of the goods and services required by farmers. The continuation of a number of existing facilities and rates now is challenged and your directors have participated actively in the debate. The Pool maintains that the statutory guarantees for existing Crowsnest Pass grain rates and other rail charges for grain continue to be important to agriculture and must be maintained. The Pool has examined railway arguments for the abandonment of Prairie branch lines and holds that if true rationalization is to occur the federal government must participate by assuring that the question is studied by areas rather than line-by-line, that new criteria are necessary to this examination and a new form of agency to its accomplishment. Your directors have examined government proposals contained in current legislation and are prepared to advance Pool views to assist in improving the proposals. The Pool supported construction of the St. Lawrence Seaway but has consistently opposed some of the financing methods. In the last year your directors have argued against maintenance of the present system of financing the capital cost of the Seaway installations through user tolls, have opposed user tolls in any form on the Welland inland canal and have allowed that while tolls may be justified on the international waterway to cover operations and maintenance costs they must not be raised above present levels.

(12) *Prairie Farm Assistance:* The PFAA has since 1939, provided direct financial assistance to grain farmers in areas of the Prairie spring wheat belt suffering a crop failure. Each farmer contributes to the total cost by paying annual premiums based on a one-per-cent levy on actual grain sales with the federal government also making generous contributions. In total, farmers pay about half of PFAA costs. The Pool has supported this program from its outset and your directors pledge continuing support. There is, however, growing concern lest the PFAA program be considered less necessary to Prairie farmers as crop insurance programs become more available for insurable risks. The Pool would emphasize that PFAA is not a substitute for crop insurance and that the great benefit from PFAA is that all farmers contribute to its cost regardless of their insurable risk. Pool farmers have urged on many occasions that both premiums and benefits be increased and there have been a number of changes in the program during the years.

(13) *Food and Foreign Aid:* Pool membership is concerned at the small contribution the Canadian government makes in terms of food to foreign aid programs. In the decade between



1951 and 1960 Canada spent \$55 millions for the shipment of agricultural commodities under the Colombo Plan, another \$35 millions in special gift shipments to India, Pakistan and Ceylon and provided a second \$35 million in shipments covered by long-term loans. This food aid was a small part of our foreign aid commitment which totalled \$752 millions between 1945 and 1960. Canada welcomed the World Food Program initiated by the United Nations but committed only \$5 millions to its operation. Your directors believe Canadian people can support greater participation in this kind of food aid, and would agree willingly to do so were government leaders to take the initiative. The Pool has also urged greater use of food as a stimulant for economic development of under-developed areas and your directors have co-operated with the other Wheat Pools in sponsoring a study on related questions and making its report available to government leaders and others. Among other things the study examines the costs and benefits of various proposals and schemes to use food as a form of aid.

(14) *Land Rehabilitation and Conservation*: The Pool has long supported the operation of PFRA in its attempt to improve water supply and land use in the western provinces and welcomes the recent introduction of the ARDA program aimed at rehabilitating land use. Your directors believe that useful results will follow programs of this nature and that valuable agricultural land can be improved while other uses can be found for marginal and sub-marginal land now in agricultural use. Your directors will continue to do everything in their power to assist these two programs and any similar which may be suggested in the future because the Pool believes that the rational utilization of Canada's land

resource is vital to a prosperous agriculture and the welfare of farmers. Land rehabilitation programs must be accompanied by adequate re-establishment programs for affected farmers.

(15) *Rural Welfare*: The Pool's first interest remains the welfare of all farm people. Your directors pledge themselves anew to maintain a constant vigilance over all matters which affect the living and livelihood of farm people.

(16) *Pool Facilities and Services*: Pool facilities and services have changed in a number of ways in the first four decades since its founding and this annual report pays special attention to recent changes and innovations. Your directors will remain alert to the changing demands of farm people and make every effort to keep the Pool's facilities and services abreast of these demands. However, in the final analysis the Pool is able to change and innovate only as quickly as its membership will accept change and in this respect your directors will continue to maintain a healthy extension service and a vigorous farm newspaper.

## CONCLUSION

Before concluding this report, your Board desires to place on record its sincere appreciation of the loyal and faithful service that has been provided by members of the staff of all branches of the organization during the year. During the forty years that it has been in operation, the Saskatchewan Wheat Pool has been most fortunate in having a loyal and efficient staff, and your Board takes this opportunity to make public the acknowledgment of this recognition of a fine record of service.

All of which is respectfully submitted:

A. G. PEDERSON  
CLARENCE McKEE  
R. B. FULTON  
WALTER MELROSE  
A. E. GRIGG  
J. R. STILBORN  
J. H. HARRISON  
E. J. SJOLIE

ALBERT GREENFIELD  
D. M. LOCKWOOD  
CHAS. W. GIBBINGS  
E. A. BODEN  
WILLIAM CUMMINS  
W. McK. ROSS  
L. A. BOILEAU  
E. K. TURNER



## *Aims and Objectives of Saskatchewan Wheat Pool*

### **AIM**

To be a farm organization dedicated to the improvement of the social and economic conditions of Saskatchewan farm families.

### **OBJECTIVES**

1. To maintain a democratic structure which provides a forum for the development and promotion of agricultural policies.
2. To increase general understanding and knowledge of co-operative philosophy and to assist in the development of the Co-operative Movement in all its phases.
3. To maintain a well informed membership through educational and informational programs dealing with all aspects of agricultural production and marketing.
4. To promote and develop markets at adequate prices for the products of Saskatchewan farms.
5. To promote and provide co-operative and other services required by farmers in the production and marketing of agricultural products, thereby reducing speculation, manipulation and waste.
6. To create working conditions and training opportunities in which staff members will be encouraged to grow and develop with the organization.



**SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES  
CONSOLIDATED BALANCE SHEET AT 31st JULY 1964**

<b>ASSETS</b>		<b>LIABILITIES AND CAPITAL</b>	
Cash.....	\$ 5,185,110	Cheques and Orders Outstanding.....	\$ 26,740,130
Accounts Receivable.....	4,402,327	Bank Loans.....	23,020,000
Prepayment on 1963-64 Income Taxes.....	138,192	Notes Payable.....	10,800,000
Stocks of Grain.....	96,991,881	Provision for 1964-65 Purchase of Deductions.....	1,818,750
Stock in Trade.....	3,034,631	Unallocated Surplus 1963-64.....	9,056,333
Manufacturing Supplies.....	110,632	Accounts Payable.....	27,786,886
Prepaid Taxes, Insurance and other Expenses.....	643,937		
<b>Total Current Assets.....</b>	<b>\$110,506,710</b>	<b>Total Current Liabilities.....</b>	<b>\$ 99,222,099</b>
Accounts Receivable Deferred.....	15,899	Mortgages Payable.....	550,132
Investments and Memberships, at cost.....	883,850	Elevator Deductions.....	21,159,925
<b>Fixed Assets, at cost (Note 1)</b>		<b>Commercial Reserve.....</b>	<b>11,402,480</b>
Sites, Buildings, Machinery and Equipment.....	\$87,970,142	<b>Livestock Excess Charges Credits.....</b>	<b>99,185</b>
Less accumulated allowance for depreciation.....	55,526,867	<b>Capital</b>	
	32,443,275	Authorized	
		200,000 shares of \$1 each.....	\$200,000
<b>Deferred Charges</b>		Allotted and fully paid, 141,227 shares.....	141,227
Stocks of Repair Parts and Supplies.....	245,366	<b>Reserve.....</b>	<b>11,520,052</b>
		<b>Commitments and Guaranties (Notes 2 to 5)</b>	
Approved on behalf of the Board:		The notes to the consolidated balance sheet are an integral part of the balance sheet.	\$144,095,100
CHAS. W. GIBBINGS, Director			
L. A. BOILEAU, Director	\$144,095,100		

**SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES  
NOTES TO CONSOLIDATED BALANCE SHEET**

**31st JULY 1964**

1. Provision for depreciation has been made for a full year on all depreciable assets by the diminishing balance method at the rate of 20% on automobiles and at normal maximum rates allowed under income tax regulations.
2. There are current capital commitments of \$9,862,400 in respect of buildings and work under construction, equipment under purchase and the undertaking of the Company to purchase up to \$7,000,000 of the First Mortgage Bonds of Western Co-operative Fertilizers Limited. In addition Saskatchewan Pool Elevators Limited has entered into an engineering contract for construction of a five million bushel terminal elevator at Vancouver scheduled for completion in the 1966-1967 season.
3. Under the Improved Retirement Plan there is a liability for past services as valued by actuaries requiring annual payments of \$137,000 to Saskatchewan Wheat Pool Retirement Fund for the next eleven years together with annual payments of \$11,600 for approximately five years in respect of hourly employees' past services. As a result of a revision of the Retirement Plans as at 1st January 1964 actuaries estimate that the increased liability for past services will require additional annual payments of approximately \$302,000 for the next nineteen years.
4. There is a liability of undetermined amount in connection with unexpired subscriptions to The Western Producer.
5. There is a continuing guaranty in connection with loans made to livestock feeders by Saskatchewan Co-operative Credit Society Limited and various credit unions.

**AUDITORS' REPORT**

To the Shareholders,  
Saskatchewan Wheat Pool,  
Regina, Saskatchewan.

We have examined the consolidated balance sheet of Saskatchewan Wheat Pool and its subsidiary companies Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, Saskatchewan Co-operative Livestock Producers Limited and Modern Press Limited as at 31st July 1964 and obtained all the information and explanations we required. For each company we have made a general review of the accounting procedures and such examination of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the various companies, the accompanying balance sheet is properly drawn up so as to exhibit in consolidated form a true and correct view of the state of the organization's affairs at 31st July 1964 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. In our opinion, all the transactions of the companies that have come to our notice have been within the objects and powers of the companies.

Regina, 25th September 1964.

TOUCHE, ROSS, BAILEY & SMART,  
Chartered Accountants.



## CONSOLIDATED BALANCE SHEET

Detailed information and explanations of the various items appearing on the Balance Sheet are as follows:

### Cash—\$5,185,110

This includes the following items:

Cash in Banks.....	\$4,758,579
Cash Funds—Payors.....	426,531
	<u>\$5,185,110</u>

### Accounts Receivable—\$4,402,327

This is composed principally of accrued handling charges on grain in store in country and terminal elevators, trade accounts, sundry loans, sales of grain and advances.

### Prepayment on 1963-64 Income Taxes—\$138,192

This amount is made up as follows:

Installments paid on 1963-64 Corporation Taxes of Saskatchewan Wheat Pool.....	\$142,038
Less estimated taxes for 1963-64 for the following Subsidiary Companies:	
Saskatchewan Pool Elevators Limited.....	\$3,170
Saskatchewan Pool Terminals Limited.....	180
Saskatchewan Co-operative Livestock Producers Limited.....	496
	<u>3,846</u>
	<u>\$138,192</u>

### Stocks of Grain—\$96,991,881

This represents the value of grain on hand in various positions at 31st July 1964, less the liability for stored grain. All Board grains have been valued at The Canadian Wheat Board prices, and open market grains at Winnipeg market cash closing prices at 31st July 1964, or open sale contract where applicable. Agency stocks have been valued at cost. Allowance has been made for freight and other charges where necessary.

### Stock in Trade—\$3,034,631

This represents the value of job stock and newsprint on hand and work in process at the Printing and Publishing Division at Saskatoon; stocks of grain, linseed and rapeseed oil on hand at the Vegetable Oil Plant and elevator at Saskatoon; stocks of grain screenings, flour, feeds and rolled oats on hand at the Flour Mill at Saskatoon and on consignment; fertilizers, chemicals and twine on hand at various locations in the Province, and livestock on hand at the various branches of the Livestock Division or in transit at 31st July 1964.

### Manufacturing Supplies—\$110,632

This amount represents the cost of offset films, plates, chemicals, engraving supplies, news ink and mailing supplies on hand at the Printing and Publishing Division at Saskatoon; drums, containers, sacks, sewing twine, refining chemicals and solvent on hand at the Vegetable Oil Plant at Saskatoon; bags, improvers and other ingredients at the Flour Mill at Saskatoon, and bags, tags and hammers on hand at the Feed Mill at Terminal No. 8, at 31st July 1964.

### Prepaid Taxes, Insurance and Other Expenses—\$643,937

This amount represents prepayment of various items chargeable to the operations of succeeding years.

### Accounts Receivable Deferred—\$15,899

This is composed of the following:

Claude Neon Ruddy Kester Ltd.....	\$ 924
Interprovincial Co-operatives Limited—	
Deferred Dividend.....	296
Local Co-operative Associations.....	11,004
Tourinco.....	3,675
	<u>\$15,899</u>

### Claude Neon Ruddy Kester Ltd.—\$924

This sum represents the final six months rental under a five year agreement completed with Claude Neon Ruddy Kester Ltd. for a neon sign on the Head Office Building.

### Local Co-operative Associations—\$11,004

This is composed of the following:

Local Co-operatives—Deferred Dividends....	\$ 276
Federated Co-operatives—	
Deferred Dividends.....	10,728
	<u>\$11,004</u>

### Tourinco—\$3,675

This is the amount of a loan to Tourinco which bears interest at 5%.

### Investments and Memberships—\$883,850

This represents investments in share and memberships at cost, details of which are as follows:

Canadian Co-operative Credit Society		
500 shares (on which there is an uncalled balance of \$25,000).....	\$25,000	
Canadian Livestock Co-operative (Western) Limited—8 Memberships of \$1 each.....		8
Canadian Pool Agencies Limited—		
667 Shares of \$10 each.....		6,670
Co-operative Insurance Services Limited—		
20 Common Shares of \$10 each.....	\$ 200	
1,925 Redeemable Preferred Shares of \$100 each.....	192,500	192,700
Co-operative Trust Company Limited—		
2,742 Shares of \$10 each.....	\$ 27,420	
4½% Guaranteed Farm Credit Securities.....	112,400	
5%—10 Year Guaranteed Investment Certificates.....	5,900	145,720
Federated Co-operatives Limited—		
Share Capital.....		68,314
Interprovincial Co-operatives Limited—		
Share Capital.....		10,147
Lake Shippers' Clearance Association—		
1 Membership.....		3,000
Local Co-operative Associations—		
Sundry Shares.....		138,490
Pool Insurance Company—		
1,250 Shares (on which there is an uncalled balance of \$32,500).....		170,000
Saskatchewan Co-operative Credit Society Limited—		
2,950 Shares of \$10 each.....		29,500
Saskatoon Livestock Exchange—		
3 Memberships.....		300
Vancouver Grain Exchange—		
1 Membership.....		800
Vancouver Merchants' Exchange—		
1 Share.....		1
Western Co-operative Fertilizers Limited—		
50,000 Shares of \$1 each.....		50,000
Winnipeg Grain Exchange—		
6 Memberships.....		30,950
Winnipeg Grain and Produce Exchange Clearing Association Limited—		
10 Shares.....		12,250
		<u>\$883,850</u>

### Fixed Assets—\$32,443,275

Schedule "1A" shows in detail the cost, accumulated allowance for depreciation, and net value of these fixed assets at 31st July 1964.



**Deferred Charges—\$245,366**

This amount represents the cost of stocks of repair parts and supplies on hand at 31st July 1964.

**LIABILITIES AND CAPITAL****Cheques and Orders Outstanding—\$26,740,130**

Details of these items are as follows:

Bank Cheques and Money Orders.....	\$13,040,737
Cash Tickets.....	13,699,393
	<u>\$26,740,130</u>

**Bank Loans—\$23,020,000**

This represents the amount of outstanding borrowings from the lending banks at 31st July 1964.

**Notes Payable—\$10,800,000**

This is the amount of outstanding short term borrowings from commercial organizations other than banks, as at 31st July 1964.

**Provision for 1964-65 Purchase of Deductions—\$1,818,750**

This is the amount provided from the 1963-64 surplus for the purchase of deductions.

**Unallocated Surplus—Season 1963-64—\$9,056,333**

This represents the amount of the surplus for the year, after providing for the 1963-64 purchase of deductions, and is being carried as a current liability pending decision of the Delegates as to distribution.

**Accounts Payable—\$27,786,886**

This amount consists principally of accrued expenses and trade and loan accounts.

**Mortgages Payable—\$550,132**

This sum represents the amount owing to the Fort William Elevator Company Limited in connection with the purchase of Terminals Nos. 10, 11 and 12, after making allowance for the principal payments which are due in the 1964-65 season. Interest at 5½% is being charged on these mortgages.

**Elevator Deductions—\$21,159,925; Commercial Reserve—\$11,402,480**

These are composed of the following:

	Elevator Deductions	Commercial Reserve	Total
Original Deductions retained from proceeds of deliveries by members.....	\$12,188,060	\$ 6,567,851	\$18,755,911
Retained by way of loan from Excess Charges Refund	8,971,865	4,834,629	13,806,494
	<u>\$21,159,925</u>	<u>\$11,402,480</u>	<u>\$32,562,405</u>

These funds have been used for the following purposes:

Invested in capital of Saskatchewan Pool Elevators Limited.....	\$12,835,950	\$	\$12,835,950
Invested in fixed assets, loans, investments, etc....	8,323,975	11,402,480	19,726,455
	<u>\$21,159,925</u>	<u>\$11,402,480</u>	<u>\$32,562,405</u>

**Livestock Excess Charges Credits—\$99,185**

This sum, retained by way of loan from the earnings of the Company, represents a refund of excess charges on livestock deliveries through the Saskatchewan Wheat Pool—Livestock Division, and Canadian Livestock Co-operative (Western) Limited during season 1952-53 to 1961-62 inclusive, and is made up as follows:

Amount retained from Excess Charges Refund	\$1,134,473
Less amounts refunded as follows:	
(A) Within eligible categories.....	\$ 25,362
(B) Credits of \$5.00 and over.....	1,009,926
	<u>\$ 99,185</u>

**Capital—\$141,227**

This represents the allotted capital to 31st July 1964.

**Reserve—\$11,520,052**

This is the amount of the Reserve Account at 31st July 1964.

**SCHEDULE 1A**

**SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES  
CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY, 1964**

	Cost	Accumulated Allowance for Depreciation	Net Value
<b>SASKATCHEWAN WHEAT POOL</b>			
Building, Equipment and Alterations.....	\$ 1,052,427	\$ 134,032	\$ 918,395
Furniture and Equipment.....	129,010	65,398	63,612
Automobiles and Truck.....	70,202	23,715	46,487
Motion Picture and Radio Equipment and Films.....	26,902	20,375	6,527
Site and Parking Lot—Regina.....	124,838	—	124,838
<b>Total—Saskatchewan Wheat Pool.....</b>	<b>\$ 1,403,379</b>	<b>\$ 243,520</b>	<b>\$ 1,159,859</b>
<b>SASKATCHEWAN POOL ELEVATORS LIMITED</b>			
<b>Country Elevators, etc.</b>			
Country Elevators.....	\$ 45,937,858	\$ 31,424,986	\$ 14,512,872
Temporary Bins.....	364,860	209,585	155,275
Agents' Residences.....	4,664,131	2,662,670	2,001,461
Wheat Pool Building—Winnipeg.....	315,541	146,860	168,681
Wheat Pool Building—Saskatoon.....	129,126	50,366	78,760
Sites—Cottages, etc.....	136,344	—	136,344
Warehouses and Sheds.....	623,365	99,742	523,623
Furniture and Equipment.....	607,694	390,345	217,349
Automobiles, Trucks, Trailers and Equipment.....	467,477	247,802	219,675
	<u>\$ 53,246,396</u>	<u>\$ 35,232,356</u>	<u>\$ 18,014,040</u>



## CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY, 1964

	Cost	Accumulated Allowance for Depreciation	Net Value
<b>SASKATCHEWAN POOL ELEVATORS LIMITED (Continued)</b>			
<b>Terminal Elevators</b>			
No. 4 Building, Machinery and Equipment.....	\$ 8,400,986	\$ 6,805,537	\$ 1,595,449
No. 5 Building, Machinery and Equipment.....	1,467,633	976,743	490,890
No. 6 Building, Machinery and Equipment.....	4,650,970	2,205,973	2,444,997
No. 7 Building, Machinery and Equipment.....	6,666,750	5,106,503	1,560,247
No. 8 Building, Machinery and Equipment.....	1,872,679	529,000	1,343,679
No. 10 Building, Machinery and Equipment.....	424,613	33,523	391,090
No. 11 Building, Machinery and Equipment.....	414,217	32,457	381,760
No. 12 Building, Machinery and Equipment.....	80,651	4,441	76,210
Feed Mill Building, Machinery and Equipment.....	71,804	64,581	7,223
Warehouses—Port Arthur and Fort William.....	35,177	28,609	6,568
Sites.....	673,149	—	673,149
	<u>\$ 24,758,629</u>	<u>\$ 15,787,367</u>	<u>\$ 8,971,262</u>
<b>Flour Mill</b>			
Buildings, Machinery and Equipment.....	\$ 3,123,557	\$ 1,867,681	\$ 1,255,876
Flour Sheds.....	58,884	22,455	36,429
Laboratory Equipment.....	18,867	13,768	5,099
Furniture and Equipment.....	32,175	25,414	6,761
Automobiles.....	24,225	5,478	18,747
Plant Tools and Equipment.....	17,494	14,938	2,556
	<u>\$ 3,275,202</u>	<u>\$ 1,949,734</u>	<u>\$ 1,325,468</u>
<b>Vegetable Oil Plant</b>			
Buildings, Machinery and Equipment.....	\$ 1,569,422	\$ 795,997	\$ 773,425
Laboratory Equipment.....	9,551	7,871	1,680
Furniture and Equipment.....	8,505	7,385	1,120
Automobile.....	2,917	1,423	1,494
Plant Tools and Equipment.....	5,316	3,847	1,469
	<u>\$ 1,595,711</u>	<u>\$ 816,523</u>	<u>\$ 779,188</u>
<b>Flour Mill and Vegetable Oil Plant Power Equipment and Sundry</b>			
Boiler House and Substation Building and Equipment.....	\$ 236,841	\$ 173,858	\$ 62,983
Spur Tracks—Saskatoon.....	37,967	17,544	20,423
Site—Saskatoon.....	8,840	—	8,840
	<u>\$ 283,648</u>	<u>\$ 191,402</u>	<u>\$ 92,246</u>
<b>Work Under Construction</b>			
Country Elevators, Agents' Residences and Warehouses.....	\$ 1,043,758	\$ —	\$ 1,043,758
Terminal Elevators.....	30,755	—	30,755
Flour Mill.....	19,150	—	19,150
Vegetable Oil.....	31,005	—	31,005
	<u>\$ 1,124,668</u>	<u>\$ —</u>	<u>\$ 1,124,668</u>
<b>Total—Saskatchewan Pool Elevators Limited.....</b>	<u>\$ 84,284,254</u>	<u>\$ 53,977,382</u>	<u>\$ 30,306,872</u>
<b>SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED</b>			
Stockyards.....	\$ 522,562	\$ 263,395	\$ 259,167
Assembly Yards.....	8,155	4,932	3,223
Country Scales and Sheds.....	10,697	9,386	1,311
Furniture and Sundry Equipment.....	46,737	37,657	9,080
Automobiles, Trucks and Tractors.....	87,130	50,005	37,125
Sites.....	12,325	—	12,325
Work Under Construction.....	54,007	—	54,007
<b>Total—Saskatchewan Co-operative Livestock Producers Limited.....</b>	<u>\$ 741,613</u>	<u>\$ 365,375</u>	<u>\$ 376,238</u>
<b>MODERN PRESS LIMITED</b>			
Buildings, Machinery and Equipment.....	\$ 1,375,773	\$ 820,006	\$ 555,767
Furniture and Equipment.....	56,714	45,682	11,032
Site—Saskatoon.....	15,225	—	15,225
<b>Total—Modern Press Limited.....</b>	<u>\$ 1,447,712</u>	<u>\$ 865,688</u>	<u>\$ 582,024</u>



**SCHEDULE 1A (Continued)**

**CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY, 1964**

	Cost	Accumulated Allowance for Depreciation	Net Value
<b>SASKATCHEWAN POOL TERMINALS LIMITED</b>			
Furniture and Equipment.....	\$ 44,347	\$ 37,859	\$ 6,488
Automobile and Trucks.....	10,427	6,511	3,916
Miscellaneous Equipment.....	38,410	30,532	7,878
<b>Total—Saskatchewan Pool Terminals Limited.....</b>	<b>\$ 93,184</b>	<b>\$ 74,902</b>	<b>\$ 18,282</b>
<b>TOTAL—ALL COMPANIES.....</b>	<b>\$ 87,970,142</b>	<b>\$ 55,526,867</b>	<b>\$ 32,443,275</b>

**STATEMENT No. 2**

**SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES  
NET CAPITAL EXPENDITURES ON FIXED ASSETS—SEASON 1963-64  
AND  
CURRENT CAPITAL COMMITMENTS AS AT 31st JULY, 1964**

	Amount Expended On Fixed Assets Season 1963-64	Current Capital Commitments July 31, 1964
<b>SASKATCHEWAN WHEAT POOL</b>		
Western Co-operative Fertilizer Limited (First Mortgage Bonds).....	\$ —	\$7,000,000
Head Office Building.....	440,840	—
Head Office Parking Lot.....	17,754	—
Furniture and Equipment.....	62,676	10,000
Automobiles, Trucks, Motion Picture and Radio Equipment (Net).....	14,966	—
	<b>\$ 536,236</b>	<b>\$7,010,000</b>
<b>MODERN PRESS LIMITED</b>		
Building.....	\$ —	\$ 16,293
Machinery and Equipment.....	62,421	250,507
Furniture and Equipment.....	5,349	—
	<b>\$ 67,770</b>	<b>\$ 266,800</b>
<b>SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED</b>		
Livestock Yards.....	\$ 73,819	\$ 257,600
Furniture, Equipment, Automobiles, Trucks and Sundry Equipment (Net).....	13,063	—
	<b>\$ 86,882</b>	<b>\$ 257,600</b>
<b>SASKATCHEWAN POOL TERMINALS LIMITED</b>		
Furniture and Equipment.....	\$ 2,717	\$ —
Automobiles and Trucks (Net).....	1,328	—
Miscellaneous Equipment.....	2,635	—
	<b>\$ 6,680</b>	<b>\$ —</b>
<b>SASKATCHEWAN POOL ELEVATORS LIMITED</b>		
Terminals.....	\$ 569,551	\$ 67,745
Country Elevators, annexes, etc.....	1,595,665	1,676,786
Sales Department—Warehouses, Equipment, etc.....	648,806	295,560
Agents' Dwellings.....	341,585	228,898
Furniture and Equipment.....	214,200	30,000
Automobiles and Trucks (Net).....	65,648	—
Flour Mill.....	38,427	21,011
Vegetable Oil Plant.....	69,306	8,000
	<b>\$3,543,188</b>	<b>\$2,328,000</b>
<b>TOTAL—ALL COMPANIES.....</b>	<b>\$4,240,756</b>	<b>\$9,862,400</b>



**SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES**  
**SOURCE OF CAPITAL FUNDS, ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS, AND WORKING**  
**CAPITAL AT 31st JULY, 1964**

<b>SOURCE OF CAPITAL FUNDS</b>	Capital	Com- mercial Reserve	Elevator Deductions	Reserve Account	Livestock Credits	Deferred Account Payable	Total
Stocks Subscriptions.....	\$141,227	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 141,227
Deductions from Pool Payments Retained by Way of Loan From Excess Charges Refund.....	—	6,567,851	12,188,060	—	—	—	18,755,911
Retained From Operations.....	—	4,834,629	8,971,865	—	1,134,473	—	14,940,967
Mortgages Payable to Fort Will- iam Elevator Company Limited	—	—	—	11,520,052	—	—	11,520,052
	—	—	—	—	—	550,132	550,132
<b>TOTAL CAPITAL RECEIPTS</b> .....	\$141,227	\$11,402,480	\$21,159,925	\$11,520,052	\$ 1,134,473	\$550,132	\$45,908,289
<b>ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS</b>							
Deferred Accounts Receivable...\$	—	\$ 15,899	\$ —	\$ —	\$ —	\$ —	\$ 15,899
Investments.....	—	883,850	—	—	—	—	883,850
Fixed Assets—Net.....	141,227	10,257,365	21,159,925	334,626	—	550,132	32,443,275
Expenditures Approved for Com- pletion of Programme of Build- ings and Work under Construc- tion, Equipment under Purchase, and Purchase of \$7,000,000 of First Mortgage Bonds of West- ern Co-operative Fertilizers Ltd.	—	—	—	—	—	—	—
Capital Commitments, Estimated	—	—	—	9,862,400	—	—	9,862,400
Deferred Charges — Stocks of Repair Parts and Supplies.....	—	245,366	—	—	—	—	245,366
Refunded from Working Capital	—	—	—	—	1,035,288	—	1,035,288
	\$141,227	\$11,402,480	\$21,159,925	\$10,197,026	\$ 1,035,288	\$550,132	\$44,486,078
<b>BALANCE— WORKING CAPITAL</b> .....	—	—	—	1,323,026	99,185	—	1,422,211
	\$141,227	\$11,402,480	\$21,159,925	\$11,520,052	\$ 1,134,473	\$550,132	\$45,908,289
<b>TOTAL CURRENT ASSETS</b> .....	—Per Consolidated Balance Sheet—Statement "1".....						\$110,506,710
<b>TOTAL CURRENT LIABILITIES</b> .....	—Per Consolidated Balance Sheet—Statement "1".....						99,222,099
<b>CURRENT POSITION</b> .....							\$ 11,284,611
Less Estimated Capital Expenditures to Complete Programme of Buildings and Work under Construction and Equipment under Purchase, and Purchase of \$7,000,000 of First Mortgage Bonds of Western Co-operative Fertilizers Ltd.....							\$ 9,862,400
<b>BALANCE—WORKING CAPITAL</b> .....							\$ 1,422,211

**STATEMENT OF NET EARNINGS AND CAPITAL GAINS OF SASKATCHEWAN WHEAT POOL AND**  
**SUBSIDIARY COMPANIES—SHOWING AMOUNTS PAID AND CREDITED TO AND PAID ON BEHALF**  
**OF MEMBERS FOR PERIOD 1st AUGUST, 1925, TO 31st JULY, 1964**

	Total 1925-1963	Allocation 1962-63 Surplus	Sundry Adjustments	Season 1963-64	Total 1925-1964
Net Earnings and Capital Gains After Adjusting For Income Taxes and All Company Losses.....	\$116,929,573	—	\$ ( 98,222) A (285,000) B	\$ —	116,546,351
<b>NET EARNINGS FOR SEASON 1963-64</b>					
Saskatchewan Wheat Pool—Before Provision For Income Taxes.....	—	—	—	10,875,083	10,875,083
Saskatchewan Pool Elevators Limited— After Provision for Income Taxes.....	—	—	—	131,006	131,006
Saskatchewan Pool Terminals Limited— After Provision for Income Taxes.....	—	—	—	402	402
Saskatchewan Co-operative Livestock Produc- ers Limited—After Provision for Income Taxes.....	—	—	—	1,704	1,704
Modern Press Limited.....	—	—	—	15,514	15,514
	\$116,929,573	\$ —	\$ (383,222)	\$ 11,023,709	\$127,570,060



## STATEMENT No. 4 (Continued)

DISTRIBUTION	Total 1925-1963	Allocation 1962-63 Surplus	Sundry Adjustments	Season 1963-64	Total 1925-1964
Excess Charges Refund Paid to Growers in Cash as Follows:					
Grain Deliveries.....	\$ 32,860,874	\$ 3,397,840	\$ —	\$ —	\$ 36,258,714
Livestock Deliveries.....	94,165	—	—	—	94,165
Paid for Certificates Purchased in Settlement of Credits.....	29,608,496	1,840,122 (2,020,000)	—	1,818,750	31,247,368
Retained as a Loan and Credited to Members as Follows:					
Commercial Reserve.....	4,191,211	643,418	—	—	4,834,629
Elevator Deductions.....	7,777,863	1,194,002	—	—	8,971,865
Livestock Excess Charges Credits...	1,134,473	—	—	—	1,134,473
Interest on Elevator Deductions.....	3,758,448	—	—	—	3,758,448
Interest on Commercial Reserve.....	742,977	—	—	—	742,977
Farm Storage Paid to Growers.....	306,457	—	—	—	306,457
Payments re 1929-30 Pool Overpayment—					
Principal.....	11,247,533	—	—	—	11,247,533
Interest and Sinking Fund Deficiency.....	8,397,046	—	—	—	8,397,046
Unallocated Surplus—Season 1962-63.....	5,659,893	(5,659,893)	—	—	—
Unallocated Surplus—Season 1963-64.....	—	—	—	9,056,333	9,056,333
Reserve.....	11,150,137	319,511	( 98,222) A	148,626	11,520,052
Estimated 1962-63 Income Taxes.....	—	285,000	(285,000) B	—	—
	\$116,929,573	—	\$ (383,222)	\$ 11,023,709	\$127,570,060

**Note:** Of the above sum of \$1,134,473 shown on the above Statement as "Livestock Excess Charges Credits retained as a loan and credited to members", the sum of \$1,035,288 has been refunded to members and charged to Working Capital, leaving a balance of \$99,185 retained, as shown on the Balance Sheet of the Company.

Sundry adjustments in the third column of this Statement are composed of the following:

(A) Transfer of the following items to Reserve—

Loss on Disposal of Assets.....		\$124,414
Less Transfer of Reserve for Income Taxes—1961-62.....	\$26,142	
Capital Gain on Disposal of Assets.....	50	26,192

(B) Transfer of Estimated Income Taxes for Season 1962-63 to Accounts Payable.

\$ 98,222

**SASKATCHEWAN WHEAT POOL  
STATEMENT OF GRAIN HANDLINGS AT 31st JULY, 1964**

## STATEMENT No. 5

TOTAL HANDLED—ALL GRAINS	Bushels 1924-1963	Bushels 1963-64	Bushels 1924-1964
<b>Country Elevator Division</b>			
Elevators.....	4,313,536,300	244,684,558	4,558,220,858
Platform.....	60,170,305	135,425	60,305,730
<b>Total.....</b>	<b>4,373,706,605</b>	<b>244,819,983</b>	<b>4,618,526,588</b>
<b>Number of Elevators that Received Grain.....</b>		<b>1,179</b>	
(A) <b>Average Handlings per Elevator.....</b>		<b>207,535</b>	
<b>Terminal Elevator Division:</b>			
Terminal No. 4.....	904,717,788	48,160,438	952,878,226
(B) Terminal No. 5 (Old).....	117,258,782	—	117,258,782
Terminal No. 5 (New).....	114,926,974	11,858,559	126,785,533
(C) Terminal No. 6 (Old).....	446,839,261	—	446,839,261
(D) Terminal No. 6 (New).....	119,234,557	36,717,100	155,951,657
Terminal No. 7.....	1,142,586,457	44,087,815	1,186,674,272
(E) Terminal No. 8 (Old).....	28,240,761	—	28,240,761
Terminal No. 8 (New).....	26,470,302	7,354,418	33,824,720
(G) Terminal No. 10.....	—	3,492,146	3,492,146
(H) Terminal No. 11.....	—	1,996,268	1,996,268
(K) Terminal No. 12.....	—	1,021,521	1,021,521
Vancouver Terminal.....	119,705,969	29,258,629	148,964,598
<b>Total.....</b>	<b>3,019,980,851</b>	<b>183,946,894</b>	<b>3,203,927,745</b>
(F) <b>Buffalo Terminal.....</b>	<b>103,949,687</b>	<b>—</b>	<b>103,949,687</b>
<b>Flour Mill Division:</b>			
Street.....	5,682,957	753,850	6,436,807
Carlot.....	29,907,301	2,166,484	32,073,785
Gristing.....	498,090	74,780	572,870
	36,088,348	2,995,114	39,083,462
<b>Vegetable Oil Division</b>			
Street.....	2,750,947	165,592	2,916,539
Carlot.....	5,758,894	738,764	6,497,658
	8,509,841	904,356	9,414,197



**Rapeseed Handlings are Included in the Above Figures.**

- (A) Platform Receipts Not Included.  
 (B) Partially Destroyed by Explosion in 1945. The Annexes Remaining were Integrated with Elevator "4B".  
 (C) Handlings to 1947-48—Lease with C.N.R. Cancelled August 31st, 1948.  
 (D) Purchased from C.N.R. on August 1st, 1957.  
 (E) Handlings to 1932-33—Lease with C.P.R. Expired on July 31st, 1933.  
 (F) Grain Handled from August 1st, 1927, to April 15th, 1933. Operated by Canadian Co-operative Producers Limited in 1926-27 and Grain Handled in That Season was 27,981,088 bushels.  
 (G) Purchased from Fort William Elevator Company on November 4th, 1963.  
 (H) Purchased from Fort William Elevator Company on January 6th, 1964.  
 (K) Purchased from Fort William Elevator Company on October 18th, 1963.

**STATEMENT No. 6****LIBRARY RECORD FOR 1963-1964**

	Books Mailed	Books Re- turned	New Sub- scribers	Postage
<b>1963</b>				
August.....	187	1,545	20	\$ 13.16
September.....	1,086	427	9	66.81
October.....	721	759	9	63.40
November.....	792	802	12	64.28
December.....	874	815	12	72.71
<b>1964</b>				
January.....	1,182	1,123	31	98.11
February.....	1,095	1,024	29	88.17
March.....	1,168	1,130	19	91.93
April.....	1,194	1,206	8	97.18
May.....	893	925	7	70.17
June.....	864	938	2	68.62
July.....	804	837	2	66.31
	<u>10,860</u>	<u>11,531</u>	<u>160</u>	<u>\$860.85</u>

(The Library opened again on 27th August 1963, after  
 being closed since 22nd April 1963)

**STATEMENT No. 7****WHEAT POOL COMMITTEES 1963-1964  
TOTAL NUMBER OF COMMITTEES**

Sub-District	1	2	3	4	5	6	7	8	9	10	11	Total
District 1.....	3	4	5	10	7	6	7	11	6	7	-	66
District 2.....	5	4	5	-	8	5	9	7	7	5	5	60
District 3.....	4	3	3	4	4	2	3	5	3	7	-	38
District 4.....	3	4	7	4	5	6	4	5	3	-	-	41
District 5.....	8	7	5	7	7	3	6	10	8	5	-	66
District 6.....	9	10	7	6	9	12	12	7	6	8	-	86
District 7.....	7	5	3	3	6	5	5	5	7	5	7	58
District 8.....	8	6	10	8	7	7	5	4	4	2	3	64
District 9.....	6	7	5	6	4	8	6	5	6	6	-	59
District 10.....	6	6	3	6	14	7	3	6	4	7	-	62
District 11.....	8	10	11	6	5	7	10	6	8	9	-	80
District 12.....	9	5	9	6	5	6	6	7	10	7	-	70
District 13.....	8	11	4	10	8	7	11	6	9	9	7	90
District 14.....	8	8	6	7	-	6	9	12	7	9	6	78
District 15.....	8	5	7	8	5	7	-	5	7	3	6	61
District 16.....	6	7	7	7	4	11	4	7	6	6	7	72
												<u>1,051</u>

**STATEMENT No. 8****COMMITTEES REORGANIZED**

District 1.....	3	4	5	10	7	5	7	11	6	7	-	65
District 2.....	5	4	5	-	8	5	9	7	7	5	5	60
District 3.....	4	2	3	4	4	2	3	5	3	7	-	37
District 4.....	3	4	7	4	5	6	4	5	3	-	-	41
District 5.....	8	7	5	7	7	3	6	10	8	5	-	66
District 6.....	9	10	7	6	9	10	12	7	6	7	-	83
District 7.....	7	5	3	3	6	5	5	5	7	5	7	58
District 8.....	8	6	9	8	7	7	5	3	4	2	3	62
District 9.....	6	7	5	6	4	8	6	4	5	6	-	57
District 10.....	6	6	3	6	14	7	3	5	4	7	-	61
District 11.....	8	10	11	6	5	7	9	6	8	7	-	77
District 12.....	9	5	9	6	5	6	6	7	10	7	-	70
District 13.....	8	11	4	10	8	7	11	6	9	9	7	90
District 14.....	8	8	6	7	-	6	9	12	7	9	6	78
District 15.....	8	5	7	7	5	7	-	5	7	3	6	60
District 16.....	6	7	7	7	4	11	4	6	6	6	7	71
												<u>1,036</u>

15 Committees not reorganized 31st July 1964  
 11 Committees not reorganized 31st July 1963



## EXHIBIT A

## STATEMENT No. 9

**CANADIAN POOL AGENCIES LIMITED**  
(Incorporated under the Companies Act, Canada)  
Wheat Pool Building—Winnipeg, Manitoba  
**BALANCE SHEET AS AT 31st JULY 1964**

ASSETS		LIABILITIES	
<b>Agency Assets:</b>		<b>Agency Liabilities:</b>	
Cash in agency bank accounts.....	\$ 7,537	Accounts payable.....	\$200,957
Accounts receivable.....	193,790	Due to general funds—per contra.....	370
Total agency assets.....	201,327	Total agency liabilities.....	201,327
<b>Shareholders' and Patrons' Assets:</b>		<b>Shareholders' Liabilities and Reserves:</b>	
<b>Cash:</b>		Miscellaneous accounts payable.....	2,905
In general bank account.....	907	Estimated income tax payable.....	69
<b>Accounts receivable:</b>		Patronage dividend payable.....	75,573
Due from agency funds—per contra.....	370	Total shareholders' liabilities.....	78,547
Pool Insurance Company.....	9,670	<b>General reserve allocated as follows:</b>	
Saskatchewan Wheat Pool—loan.....	100,000	Alberta Wheat Pool.....	5,568
Miscellaneous.....	5,634	Manitoba Pool Elevators.....	3,147
Total accounts receivable.....	115,674	Saskatchewan Wheat Pool.....	11,285
<b>Furniture and Fixtures:</b>		Total general reserve.....	20,000
cost less depreciation.....	1,966	<b>Capital Stock:</b>	
Total shareholders' and patrons' assets.....	118,547	Authorized, issued and fully paid.....	20,000
		(2,000 shares at \$10.00 each)	
<b>TOTAL</b> .....	<b>\$319,874</b>	<b>TOTAL</b> .....	<b>\$319,874</b>

Signed on behalf of the Board:  
CHAS. W. GIBBINGS, *Director*  
W. J. PARKER, *Director*

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have examined the balance sheet of Canadian Pool Agencies Limited as at 31st July 1964, and the statements of margin on operations and income and expenditure for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the company the accompanying balance sheet and statements of margin on operations and income and expenditure are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at 31st July 1964 and the results of its operations for the year ended on that date. In accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. All the transactions of the company that have come within our notice have been within the objects and powers of the company to the best of our information and belief.

Winnipeg, Manitoba, 2nd October 1964.

DELOITTE, PLENDER, HASKINS & SELLS,  
*Chartered Accountants.*

## EXHIBIT B

## STATEMENT No. 10

**CANADIAN POOL AGENCIES LIMITED**  
Wheat Pool Building, Winnipeg, Manitoba  
**ALLOCATION OF MARGIN ON OPERATIONS**  
For the Year Ended 31st July 1964

<b>Patronage Dividends for the Year Allocated as Follows:</b>	
Alberta Wheat Pool.....	\$14,513
Manitoba Pool Elevators.....	8,447
Saskatchewan Wheat Pool.....	52,346
Victoria Elevator Limited.....	267
Total patronage dividends.....	\$75,573
<b>Estimated Income Taxes</b> .....	419
<b>Margin on Operations for the Year</b> .....	<b>\$75,992</b>
(Exhibit C)	



**CANADIAN POOL AGENCIES LIMITED**  
**Wheat Pool Building, Winnipeg, Manitoba**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**For the Year Ended 31st July 1964.**

**INCOME:**

<b>Commissions:</b>	
Fire.....	\$ 61,743
Bonds.....	13,250
Automobile.....	7,551
Lake marine.....	361
Ocean marine.....	3,581
Accident and sickness.....	1,329
Liability.....	6,768
Business interruption.....	3,610
Robbery and burglary.....	315
Floater.....	4,527
Inland transportation.....	419
Steam boiler.....	112
Plate glass.....	43
Composite.....	2,182
Contingent.....	7,000
	<hr/>
	112,791
Deduct brokerage paid.....	199
	<hr/>
	112,592
<b>Other income:</b>	
Interest and miscellaneous.....	4,500
	<hr/>
Total income for the year.....	117,092

**EXPENSES:**

Salaries.....	\$ 30,963
Directors' fees and expenses.....	800
Rent and light.....	3,069
Postage, telephone and telegraph.....	847
Printing and stationery.....	1,225
Taxes and licenses.....	394
Travelling.....	313
Legal and audit.....	900
Staff pensions, group and unemployment insurance.....	1,484
Depreciation.....	491
Miscellaneous.....	914
	<hr/>
	41,400
Deduct recovery from Interprovincial Pool.....	300
	<hr/>
Total expenses for the year.....	41,100

**BALANCE**—Margin on operations for the year carried to Exhibit B.....\$ 75,992

## EXHIBIT A

## STATEMENT No. 12

**POOL INSURANCE COMPANY**  
(Incorporated under Special Act of Parliament of Canada)  
**BALANCE SHEET AS AT 31st DECEMBER 1963**

**ASSETS**

<b>Cash in Bank</b> .....	\$ 520.88
<b>Accounts Receivable:</b>	
Canadian Pool Agencies Limited.....	236,051.37
Alberta Wheat Pool—demand loan.....	202,909.59
Sask. Wheat Pool—demand loan.....	758,303.42
Reinsurance account.....	—
	<hr/>
	1,197,264.38
<b>Investments—at cost: -</b>	
Government of Canada bonds.....	768,075.00
Province of Manitoba bonds.....	50,000.00
Par value—1963 and 1962—\$817,500.00	
Department of Insurance value—1963—\$766,025.00; 1962—\$752,475.00	
Accrued interest thereon.....	12,056.25
	<hr/>
	830,131.25
<b>Automobiles—cost less accumulated depreciation</b> .....	7,963.73
	<hr/>
Signed on behalf of the Board:	
CHAS. W. GIBBINGS, Director	
W. J. PARKER, Director	
	<hr/>
	\$2,035,880.24

**LIABILITIES**

<b>Current Liabilities:</b>	
Miscellaneous accounts payable.....	\$ 3,075.00
Reinsurance accounts payable.....	56,759.01
Losses in process.....	9,732.00
Taxes accrued.....	20,174.53
Dividends payable—Exhibit B.....	1,013,620.51
	<hr/>
	1,103,361.05
<b>Reserve for Unearned Income:</b>	
Unearned premiums.....	264,409.00
Unearned reinsurance commission.....	82,759.00
	<hr/>
	347,168.00
<b>Capital Stock and Surplus:</b>	
<b>Capital stock:</b>	
Authorized—5,000 shares at \$100.00.....	\$500,000.00
	<hr/>
Subscribed—2,500 shares at \$100.00.....	250,000.00
Unpaid thereon.....	65,000.00
	<hr/>
	185,000.00
<b>Surplus:</b>	
Premium of 62% on capital stock.....	155,000.00
Surplus realized on investments sold.....	5,851.19
Transferred from shareholders' and patrons' operating surplus 1949-63 (1949-62)	239,500.00
	<hr/>
	400,351.19
	<hr/>
	\$2,035,880.24



## AUDITORS' REPORT

To the Shareholders of  
Pool Insurance Company:

We have examined the balance sheet of Pool Insurance Company as at 31st December 1963 and the statement of income and expenditure and the summary of operating margin available to shareholders and patrons for the year ended on that date, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and the statement of income and expenditure and the summary of operating margin available to shareholders and patrons are properly drawn up as to exhibit a true and correct view of the state of the affairs of the company as at 31st December 1963 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba, 25th February 1964.

DELOITTE, PLENDER, HASKINS & SELLS,  
Chartered Accountants.

### EXHIBIT B STATEMENT No. 13

#### POOL INSURANCE COMPANY Winnipeg, Manitoba SUMMARY OF OPERATING MARGIN AVAILABLE TO SHAREHOLDERS AND PATRONS For the Year Ended 31st December 1963

##### Analysis of Equity Account:

Operating margin for the year—Exhibit C \$1,048,011.55

##### Deduct:

Transferred to surplus.....	27,000.00
Provision for income tax.....	7,391.04
	34,391.04

Balance allocated.....\$1,013,620.51

##### Allocated as follows:

Shareholders' dividend:	
Alberta Wheat Pool.....\$	.55
Manitoba Pool Elevators.....	.37
Saskatchewan Wheat Pool.....	.93
	1.85

##### Patrons' dividend:

Alberta Wheat Pool.....	189,583.47
Alberta Wheat Pool and Alberta Pool Elevators Limited.....	78,682.21
Manitoba Pool Elevators.....	192,248.61
Saskatchewan Pool Elevators Limited	215,146.66
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited.....	5.56
Saskatchewan Pool Terminals Limited	18.29
Saskatchewan Wheat Pool.....	335,056.07
Saskatchewan Co-operative Livestock Producers Limited.....	2,521.96
Modern Press Limited.....	355.83
	1,013,618.66

Totals allocated.....\$1,013,620.51

### EXHIBIT C STATEMENT No. 14

#### POOL INSURANCE COMPANY Winnipeg, Manitoba STATEMENT OF INCOME AND EXPENDITURE For the Year Ended 31st December 1963

Premiums on Business Written.....\$1,679,236.12  
Less ceded to other companies..... 659,066.41

##### Deduct:

Increase (decrease) in unearned premiums.. 36,118.00

Premiums earned in year..... 984,051.71

Losses and Adjustment Expense..... 413,946.34

Less reinsurance recoveries..... 163,498.91

250,447.43

Net underwriting income..... 733,604.28

Reinsurance Commissions..... 350,776.50

Available for Expenses and to Share-  
holders and Patrons..... 1,084,380.78

##### Expenses:

Taxes, licenses and association dues..... 32,650.47

##### Inspection service:

Salaries..... 26,419.50

Automobile expense..... 7,559.56

Other travelling expense..... 5,011.90

Staff pensions, group and unemploy-  
ment insurance..... 2,580.79

Printing and stationery..... 964.53

Postage, telegraph and telephone..... 204.05

42,740.33

##### Administration:

Salaries..... 15,551.50

Rent and light..... 1,702.17

Directors' fees and expense..... 412.84

Travelling expense..... 253.93

Printing and stationery..... 93.52

Postage, telegraph and telephone..... 451.72

Legal and audit..... 1,050.00

Staff pensions, group and unemploy-  
ment insurance..... 764.49

Miscellaneous expense..... 459.57

20,739.74

Total expenses..... 96,130.54

Interest Earned..... 988,250.24

Operating Margin for the Year.....\$1,048,011.55



## STATEMENT No. 15

**SASKATCHEWAN WHEAT POOL  
LIVESTOCK DIVISION  
COMPARATIVE STATEMENT OF HANDLINGS  
Seasons 1963-64 and 1962-63**

	Season 1963-64	Season 1962-63	Increase (Decrease)
<b>Lloydminster Division:</b>			
Cattle.....	12,315	10,599	1,716
Calves.....	2,258	1,604	654
Hogs.....	509	572	( 63)
Sheep.....	252	543	( 291)
<b>Moose Jaw Division:</b>			
Cattle.....	23,681	21,842	1,839
Calves.....	3,484	4,663	(1,179)
Hogs.....	5,913	4,405	1,508
Sheep.....	372	588	( 216)
<b>North Battleford Division:</b>			
Cattle.....	40,067	36,205	3,862
Calves.....	3,918	5,614	(1,696)
Hogs.....	13,586	10,992	2,594
Sheep.....	2,093	2,326	( 233)
<b>Prince Albert Division:</b>			
Cattle.....	30,046	25,408	4,638
Calves.....	3,655	4,025	( 370)
Hogs.....	24,594	19,935	4,659
Sheep.....	2,101	2,271	( 170)
<b>Regina Division:</b>			
Cattle.....	60,728	56,454	4,274
Calves.....	6,264	7,074	( 810)
Hogs.....	10,911	8,480	2,431
Sheep.....	3,805	3,347	458
<b>Saskatoon Division:</b>			
Cattle.....	45,602	44,782	820
Calves.....	3,296	5,014	(1,718)
Hogs.....	13,692	12,480	1,212
Sheep.....	2,418	1,977	441
<b>Swift Current Division:</b>			
Cattle.....	50,834	52,476	(1,642)
Calves.....	10,616	11,223	( 607)
Hogs.....	8,295	5,712	2,583
Sheep.....	688	682	6

## Yorkton Division:

Cattle.....	21,545	18,503	3,042
Calves.....	3,624	3,881	( 257)
Hogs.....	3,880	2,623	1,257
Sheep.....	1,477	1,859	( 382)

## St. Boniface Division:

Cattle.....	12,342	14,245	(1,903)
Calves.....	6,865	7,666	( 801)
Hogs.....	21,962	19,951	2,011
Sheep.....	4,135	4,184	( 49)

## TOTAL—All Divisions:

Cattle.....	297,160	280,514	16,646
Calves.....	43,980	50,764	(6,784)
Hogs.....	103,342	85,150	18,192
Sheep.....	17,341	17,777	( 436)

## Saskatchewan Handlings at Winnipeg

(Other than Saskatchewan Wheat Pool,  
Livestock Division)

Cattle.....	44,565	46,811	(2,246)
Calves.....	7,786	10,051	(2,265)
Hogs.....	11,769	10,341	1,428
Sheep.....	5,978	6,369	( 391)

## TOTAL HANDLINGS:

Cattle.....	341,725	327,325	14,400
Calves.....	51,766	60,815	(9,049)
Hogs.....	115,111	95,491	19,620
Sheep.....	23,319	24,146	( 827)

(Brackets Denote Decreases)

## TOTAL VALUE OF LIVESTOCK HANDLED:

Through Saskatchewan Branches.....	\$54,284,134.09
Through Winnipeg Country Section.....	3,318,758.09
	\$57,602,892.18

Saskatchewan Livestock Direct to Canadian Livestock Co-operative Limited.....	7,950,911.58
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TOTAL VALUE OF LIVESTOCK  
HANDLED

	\$65,553,803.76
--	-----------------

\*Includes value of cattle pooled.

## STATEMENT No. 16

**CANADIAN LIVESTOCK CO-OPERATIVE (WESTERN) LIMITED**  
(Incorporated under the Laws of Manitoba)  
**BALANCE SHEET AS AT 1st AUGUST 1964**

## ASSETS

<b>Current Assets:</b>	
Cash in bank.....	\$ 4,125.13
Accounts receivable.....	15,781.96
Government of Canada bonds—at cost (market value 1964\$19,800, 1963\$19,700).....	19,750.00
Accrued interest receivable.....	31,052.23
Prepaid operating expenses.....	884.77
Due from trust account.....	22,523.19
<b>Total current assets.....</b>	<b>94,117.28</b>
<b>Trust Assets:</b>	
Cash in bank.....	826,608.60
Sales accounts receivable.....	60,969.41
Inventory—at cost.....	1,952.45
<b>Total trust assets.....</b>	<b>889,530.46</b>
<b>Fixed Assets—at cost</b>	
Office furniture and equipment.....	21,201.07
Less accumulated depreciation.....	17,661.14
<b>Net fixed assets.....</b>	<b>3,539.93</b>
<b>Other Assets:</b>	
Winnipeg Livestock Exchange memberships.....	155.00
<b>Total.....</b>	<b>\$987,342.67</b>

## LIABILITIES

<b>Current Liabilities:</b>	
Bank loan.....	\$ —
Accounts payable and accrued charges.....	5,679.98
Outstanding cheques.....	13,058.07
Due to local associations.....	5,290.91
Surplus payable—Exhibit C.....	37,054.13
Estimated income taxes.....	238.49
<b>Total current liabilities.....</b>	<b>61,321.58</b>
<b>Trust Liabilities:</b>	
Outstanding cheques.....	865,423.79
Deposit on livestock on order.....	712.20
Exchange on outstanding cheques.....	871.28
Due to general account.....	22,523.19
<b>Total trust liabilities.....</b>	<b>889,530.46</b>
<b>Reserves:</b>	
General.....	36,466.63
Supplementary pension payments.....	—
	<b>36,466.63</b>
<b>Memberships Issued—(24).....</b>	<b>24.00</b>
<b>Total.....</b>	<b>\$987,342.67</b>

Signed on behalf of the Board:  
A. GREENFIELD, Director  
G. G. JAMIESON, Director



# ***DIRECTORS' REPORT***

## ***1963-64***

1st October 1964.

To the Shareholders,  
Canadian Co-operative Wheat Producers Ltd.,  
Winnipeg, Manitoba.

Gentlemen:

This report, covering the crop year 1963-64, is the fortieth annual report submitted by the Directors of Canadian Co-operative Wheat Producers Limited. The report in the main deals with grain production and marketing in the crop year 1963-64. It covers also the activities of the Board of Directors, the Wheat Pools and affiliated organizations since the last report.

The supplies of wheat for the 1963-64 crop year reached an all-time high of 1,210.7 million bushels. Production and exports of wheat reached a record. Farm deliveries in Western Canada of the five principal grains amounted to 735.4 million bushels: a near record, resulting in an increase in the carryover of Canadian grain by 37 million bushels. Wheat producers were unable to deliver all the grain produced and wheat stocks on farms at the end of the year were 56 million bushels above those of the year previous. A basic quota of eight bushels per specified acre was provided for by The Canadian Wheat Board; in addition, on 22nd June 1964, a supplementary quota of ten bushels per seeded acre for wheat (other than Durum) was authorized at points in Western Canada when the quota at a delivery point reached eight bushels.

Income from farming operations reached \$3,219.1 million, a new all-time high, while farm net income amounted to \$1,717 million, slightly more than two per cent above the 1962 level and thirty per cent above the average for the five-year period 1958 to 1962. The net income reflects the value of inventory changes of \$306 million. The increase in inventory changes includes \$232 million in Saskatchewan, \$95 million in Alberta, and \$2 million in British Columbia, largely accounted for by the higher stocks of grain held on farms.

Trading in future contracts in rapeseed was provided for by the Winnipeg Grain Exchange, commencing 16th September 1963.

Canada's Gross National Product rose about six per cent between 1962 and 1963 and total output in real terms by more than four per cent. At market prices the volume reached \$43,007 million. The record grain crop contributed greatly to this advance.

Canada's trade with all countries in 1963 reached a record total of \$13,547 million. The large wheat sales helped Canada to reduce its unfavorable international current account balance from \$848 million to 521 million. The value of wheat exported by Canada exceeded that of any other commodity.

Officially it is recognized that grain output may be lower in 1964 than in 1963 but the additional spending power generated in 1963 by record production and exports will act as a stimulus to the over-all economy for some time.

### **Central Board**

The Board of Directors of Canadian Co-operative Wheat Producers Limited is frequently referred to as the Central Board. This term has been in use since 1925, when the organization acted as sales agency for the three Wheat Pools. The constitution provides that the three executive officers of each of the Wheat Pool constitute the Board of Directors. There were no changes on the directorate during the year; the executive officers continued in office. The Board, following the usual practice, met twice during the year, in this way acting as a liaison organization for the three Wheat Pools and a clearing house for matters of concern to each of the Wheat Pool organizations.

In this report we can only report briefly on a number of activities which received the attention of your Board. In April, 1961, we authorized a study in the field of food utilization to developing countries. Since that time we have reported on the progress of the study. The study, conducted by Dr. Walton J. Anderson, has been completed and widely distributed in pamphlet form under the title "Canadian Wheat in Relation to the World's Food Production and Distribution". We have expressed appreciation to Dr. Anderson and his associates. In releasing this publication our President issued the following statement:

Our concern was that a serious study of some of the questions involved in wheat production and marketing might first help our membership better to understand some of the important and related questions and second provide a basis on which our farmer delegates could improve policies relating to the grain industry.

This report has been prepared by Dr. Walton J. Anderson after more than two years of



study by himself and others. We publish it in the expectation that it will stimulate an interest in Canadian wheat production and distribution and related problems. The views expressed are those of the author. We do not necessarily support all of his conclusions; some of them do in fact concern matters about which we have traditionally held sharply differing views. However, we believe its careful study by our own members and by all others interested in the future of the Canadian grain industry and in the welfare of Prairie farmers will benefit both Canada and all Canadians.

The submission made by our organization to the Royal Commission on Taxation, which was part of the joint effort headed by the Co-operative Union of Canada, has been released in booklet form. We believe that the submission contains information which will be of value not only to members and employees of the Wheat Pools but to other students of Canada's grain industry.

We have sponsored, in association with the Co-operative Promotion Board of Manitoba and Federated Co-operatives Limited, fundamental research on co-operation at the University of Manitoba. This research is being conducted by the Economics Division of the Faculty of Agriculture at the University of Manitoba. We have undertaken to support this program on a three-year basis.

Your Board of Directors studied many phases of the transportation problem which may be created by branch line abandonment as proposed by the railway companies. It has been impossible for the Pools to determine a plan of adjustment without knowing what and when certain lines will be discarded.

We submitted a brief on 23rd October 1963, to the St. Lawrence Seaway Authority in which opposition to Seaway tolls was voiced.

### **Interprovincial Pool Meetings**

Frequent contacts were made during the year by the executive officers of the three Wheat Pools, the purpose being the maintenance of harmony and consideration of policy matters. This worthy objective is furthered by the attendance of the full Boards of Directors of the three Wheat Pools at Interprovincial Pool Meetings.

During the year two meetings were held—on 14th and 15th January and 23rd and 24th July, attended by Directors and executive officers. These meetings are devoted to the consideration of Wheat Pool policy, to legislation affecting the agricultural industry, to markets and trade policy. The Interprovincial Pool meetings dealt with a variety of matters which are important to Pool members as primary producers.

The meetings urged that the government's freight assistance policy on feed grains moving from the Prairies to Eastern Canada and British

Columbia be continued. Support was given to the Great Lakes Waterways Development Association in its opposition to tolls on the St. Lawrence Seaway and the Welland Canal. The Pool Directors, in these meetings, urged the Government of Canada to give leadership in the reduction of tariff and other trade barriers between nations; requested the Government of Canada to initiate a conference leading to a new International Wheat Agreement; commended the Government and The Canadian Wheat Board for their aggressive grain sales policy during the past year and urged the extension of credit arrangements and concessional sales. They asked the Government of Canada to enact legislation which would provide for the grading of forage crop seeds under the Board of Grain Commissioners.

### **Western Agricultural Conference**

The Western Agricultural Conference was held in Winnipeg, 16th and 17th January 1964. The Conference, as is usual, was attended by representatives of the Federations of Agriculture in the three provinces, the Wheat Pools and United Grain Growers Limited.

The conference adopted an amended constitution. The amendments set out clearly the objectives of the Western Agricultural Conference and the method by which it is controlled.

The conference serves the very useful purpose of clarifying resolutions dealing with farm policy which emanate from farm organizations affiliated with the Federations. Following this process the resolutions adopted were placed on the agenda for the annual meeting of the Canadian Federation of Agriculture which was to follow. In all, 45 resolutions were considered: these dealt with various matters affecting life on Prairie farms, including grain marketing and sales policy, the International Wheat Agreement, freight assistance, world trade, price support, transportation, farm credit and taxation.

A lengthy report, prepared by Mrs. Connaughty on behalf of rural women of the Prairies, was read by Mrs. Hughes.

D. A. McNabb, of Manitoba, was elected President of the Western Agricultural Conference, and two of our Directors—L. A. Boileau, President of the Saskatchewan Federation of Agriculture, and N. Malm, President of the Alberta Federation of Agriculture, were elected vice-presidents. Five Directors of the Wheat Pools attended as delegates while others attended as observers.

### **Canadian Federation of Agriculture**

The Wheat Pools and the Canadian Federation of Agriculture have been closely associated during the life of the Canadian Federation of Agriculture. This close association has been deliberately cultivated; support to the CFA by the three Wheat Pools has been given in various ways. We value the Canadian Federation of



Agriculture. It is in this organization that the Wheat Pools come in close contact with other segments of the agricultural industry. Its essential service enables the grain producer to give support to and to be supported by the live-stock, dairy and poultry producer in making farm policy and securing its implementation.

The 28th Annual Meeting of the Canadian Federation of Agriculture was held in Charlottetown, Prince Edward Island, 21st to 23rd January 1964. Of the delegates attending seven were Directors of one or other of the Wheat Pools. L. A. Boileau and Nelson Malm, two of our Directors, were elected to the Board of Directors of the CFA, as was G. E. Franklin, a Director of Manitoba Pool Elevators. Other Directors of the Wheat Pools attended the meeting as observers.

In all, 78 resolutions passed the Annual Meeting, many of them having found their way through the Western Agricultural Conference. Wheat Pool policy found general support in the CFA Meeting. Delegates debated at length the matter of trade policy. While grain producers generally support a free trade policy under which purchasing countries may have access to the Canadian market, other producers who look mainly to the domestic market sought a measure of protection. Lengthy debate was finalized in the resolution which we cite:

RESOLVED that the Canadian Federation of Agriculture continue to actively pursue its established policy of urging the government to take aggressive leadership in working for freer and expanding world trade in industrial products; and expansion of agricultural trade based on realistic understanding of the nature of the agricultural problem in the world, and the necessity of making progress through detailed examination of problems, and consultation and agreement among nations; and FURTHER RESOLVED that among the best of the solutions to agricultural trade problems is more effective utilization of food producing capacity in a World Food Program to meet the nutritional and developmental requirements of the poorer nations of the world.

J. M. Bentley gave his first presidential address. He said he had been heartened and encouraged by many expressions of support and goodwill. He emphasized that the sale of 500 million dollars of wheat to the U.S.S.R. had been a great stimulus not only to the agricultural community, but to every part of the Canadian economy. He said that labor, manufacturing, shipping, transportation and business generally had been greatly stimulated by this infusion of extra buying power.

On 26th February, a delegation of thirty representatives met the Prime Minister and ten members of the Cabinet for the purpose of making the annual presentation to the government

in which the views of the CFA are submitted. The Prime Minister termed the annual policy submission, "A very impressive document couched in realistic terms". The CFA reminded the Prime Minister of what it considered to be the role of agriculture in Canada. The CFA said:

As an industry, agriculture has been and remains, in spite of whatever necessary measures that have been taken to improve its position, the most vulnerable, unstable, relatively unprotected industrial sector in the country.

As a group, farmers have shared less in the post-war period in the rising levels of wealth and incomes than any other major group in the country.

The problems of agriculture are the most intractable that the nation has faced.

Most expenditure in agriculture is reflected, in not too long a time, in increasing quality and abundance of food, and lower prices for it. The amount of money spent on agricultural assistance has, while reaching significant levels at particular periods, been overall quite modest, often nearly non-existent, and always abundantly justified in relation to the nature and persistence of the problems farmers face.

The agricultural sector is a vital one to the health of the economy and most measures designed to improve and stabilize agricultural income have contributed to, not been in conflict with, the public interest.

Among advanced nations Canada spends a relatively small proportion of the national budget on agriculture.

On 9th December 1963, the Canadian Federation of Agriculture made a submission to the Royal Commission on Taxation. In a sense this presentation supplemented what the Co-operative Union of Canada and Canadian Co-operative Wheat Producers had submitted in their brief. The Canadian Federation of Agriculture dealt with the taxable position of the farmer and generally with principles and criteria which should be followed when arriving at taxation policy. In dealing particularly with this phase of taxation the CFA said:

On the whole the tax treatment of farmers is not unfair or discriminatory except in the case of property taxes. Neither do tax provisions unreasonably favor the farmer, who has, with the exception noted, been treated fairly but not with special favor.

An excessively high overall level of taxation is not one of Canada's major national problems. We do not see evidence that the reduction of taxation should be a major objective of policy nor do we think tax policy should be formulated on this explicit or implicit assumption.

Trade and economic policy considerations should govern tariff policy. Tariffs should not



be retained for the purpose of collecting revenue. There is in fact a basic case for gradual and continuing reduction of trade barriers.

The planning of taxation and expenditures to counteract excessive fluctuations in the level of economic activity should be accepted as a valid objective of fiscal policy. The conclusion follows from this that a balanced budget in any given year or years must not be regarded as a necessary objective of fiscal policy which overrides the use of fiscal policy in rational economic planning.

It should be accepted as a principle that the burden of taxes should fall as little as possible, directly or indirectly, on food. In the short run at least the incidence of sales and other taxes on food or on farm costs will tend strongly to be on the farmer rather than on the consumer.

Tax policy involves considerations or resource allocation, social equity, welfare, and investment that must all be recognized and taken into account. Purely economic objectives need not always govern over other considerations in decisions regarding tax policy.

There should be no capital gains tax on the property of farmers. To do so would certainly result in inequity and unreasonable disruption of farm enterprises.

In the field of estate taxes our primary concern is to prevent disruption and difficulties in the family transfer of farming enterprises, and specifically:

- a) There is a strong case for raising the level of exemptions.
- b) There should be recognition of the contribution of the farm wife to the estate.
- c) There should be provision for instalment payments of estate taxes on farm property.

In the income tax law, farmers have over the years achieved equitable treatment. There are no "concessions" to farmers of which we are aware, but there are necessary provisions for the proper calculation of taxable income related to the problems and characteristics of the farm business. These should be retained.

On 17th December 1963, the Canadian Federation of Agriculture submitted a formal statement to the Federal-Provincial Agricultural Conference. The statement suggested that farm policy in Canada is generally acceptable and pointed out that the need is mainly to improve the policy rather than to initiate major new fields. We support the Federation of Agriculture in the submission it presented to the Conference, a submission which dealt with farm credit, ARDA, marketing legislation, crop insurance, feed grains.

A separate submission was made to the House of Commons Committee on Agriculture and

Colonization on 10th December 1963, on feed grain prices and related matters. A submission was made by the CFA to the Minister of Agriculture dealing with farm credit.

An important feature of the CFA program was the Canadian Hog Improvement Conference called by the Federation of Agriculture and held in Montreal, 28th and 29th April 1964. This Conference was a producers' one and was open only to invited personnel.

The semi-annual meeting of the Board of Directors of the Canadian Federation of Agriculture was held in Winnipeg on 28th, 29th and 30th July 1964. The meeting endorsed the main proposals contained in a report prepared by the Royal Commission on Health Services. The meeting agreed that Canadians would be able to finance the nation-wide comprehensive health services which the Commission recommends.

The meeting dealt with current international trade negotiations and asked the government to discuss emerging problems of agricultural trade policy with representatives of the CFA.

### **International Federation of Agricultural Producers**

At a special conference of the International Federation of Agricultural Producers held in Rome in January 1964, Herschel D. Newsom, President of the National Grange, was elected the new President of the IFAP. He had held this position since 13th August, when President B. W. Biesheuvel resigned.

The general conferences of the IFAP are held at 18-month intervals. A year ago we reported fully on the last conference. The next general conference will be held in New Zealand from 23rd November to 3rd December. Our President, Chas. W. Gibbings, and Director, E. A. Boden, will attend as members of the Canadian delegation.

The European and North American members of the IFAP held a joint meeting in Washington in May 1964. A digest of the IFAP policy statement which is of particular interest to grain producers is cited as follows:

The basis for IFAP's recommendations is that fundamental differences exist between the situations of the various countries and that, to reconcile these differences, international agreements must be negotiated. It is necessary to clarify fully the deep-rooted causes of the disequilibrium between world production and market outlets for grain. . . .

There is need to review and revise the International Wheat Agreement. A revised Wheat Agreement should: (1) cover concessional sales as well as commercial trade; (2) provide rules or guiding lines for trade in feed wheat; (3) provide for governments to pay more heed to the recommendations emanating from the annual review of national policies of the



International Grains Council whose jurisdiction should cover both wheat and coarse grains.

An international agreement on coarse grains should be concluded to achieve a better balance between world production and market outlets and a more stable and remunerative price for coarse grains entering world trade.

### **Government Policy for Agriculture**

The second session of the 26th Parliament of Canada opened on 18th February 1964. The speech from the throne contained these proposals which deal with subjects of vital interest to the Wheat Pools and their members:

Comprehensive proposals to reform public regulations of the railways, and to facilitate the adaptation of the railway system to present and future needs, will be submitted for your consideration.

A measure will be placed before you to provide for a minister responsible for rural development, in order that my government may carry further its policy of giving increased attention to the needs of agriculture in both eastern and western Canada. You will be asked to consider other measures to assist in the improvement of farms and of farm income.

### *Minister of Forestry*

The Prime Minister, on 13th March 1964, announced in the House of Commons that the government had taken steps to create a Ministry of Forestry and Rural Development. By an Order-in-Council of 5th March 1964, pursuant to the Public Service Rearrangement and Transfer Act, the powers, duties and functions of the Minister of Agriculture under the Agricultural Rehabilitation and Development Act and the Maritime Marshland Rehabilitation Act were transferred to the Minister of Forestry. The same Order-in-Council also transferred to the Minister of Forestry the administration of the program respecting freight assistance and grain storage costs on western feed grain.

On 15th May 1964 the Prime Minister said the government wished to establish the Department of Forestry and Rural Development. Again on 25th June, he said, "It is hoped that we shall be able shortly to bring in legislation which will provide for the appointment of a Minister of Forestry and Rural Development but not for a special minister of eastern agriculture".

### *Transportation*

The diverse problems relating to railway transportation have been of long standing for the grain producers of the Prairies. These problems were highlighted by the efforts of the railways in seeking amendments to the Crow's Nest Pass rates on export grain. In previous reports we have made reference to salient features of the

problems which for grain producers centered on the Crow's Nest Pass Agreement and railway line abandonment. We also reported on the action taken by the Wheat Pools in pointing out the interest that the grain producers on the Prairies had in transportation problems and that this interest must be safeguarded. We have previously referred, in summary, to government action to meet these situations.

On 13th May 1959, the Prime Minister announced in the House of Commons that a Royal Commission had been appointed to inquire into the problems relating to railway transportation and the alleviation of inequities in the freight rate structure. The Commission was empowered to inquire into and report upon the problems related to railway transportation in Canada and the causes thereof and to recommend solutions thereto.

Public hearings held by the Royal Commission were concluded in January 1961. The report of the Commission was released in March 1961 and placed before the House of Commons on 10th April 1961. The Saskatchewan Wheat Pool appeared before the Commission in September 1960, when it presented a comprehensive brief in which an historical analysis of railway policy and development and the importance of wheat in the nation's economy was submitted. The Alberta Wheat Pool, Manitoba Pool Elevators, Saskatchewan Wheat Pool and the United Grain Growers Limited jointly submitted a brief. These organizations were represented by a transportation consultant.

When the 25th Parliament opened on 27th September 1962, the throne speech said Parliament would be asked to approve measures to give effect to recommendations of the Royal Commission on Transportation which had completed its comprehensive analysis of the Canadian railway problem. On the opening of the 26th Session of Parliament on 16th May 1963, the speech from the throne said that Parliament would be asked to continue the existing payments to the railways, pending the approval of long-term measures concerning transportation.

On 15th May 1964, the Prime Minister said it was proposed to amend the Railway Act. The Prime Minister is quoted as saying:

"This last Railway Act amendment is too complex a measure for us to expect to complete it before the autumn but we would at least hope to have it, like the pension bill, ready for the committee stage before then. We also hope to proceed with two other railway matters: the C.N.R. financing bill, which is an annual one, and a measure on the capitalization of the C.N.R."

Pending the adoption of the proposed legislation the position had been stabilized for the time being by Order-in-Council No. P.C. 1964-848, which reads as follows:



His excellency the Governor General in Council, pursuant to subsection (1) of Section 53 of the Railway Act, is pleased hereby to further extend until December 31, 1964, the suspension of paragraph No. 2 of Order No. 103860 of the Board of Transport Commissioners for Canada dated February 23, 1961, and to direct the Board of Transport Commissioners for Canada to continue to suspend tariff amendments filed pursuant to the said Order, and require the railways to continue in force the rates that were in effect on November 30, 1960.

The Government of Canada on 14th September 1964, introduced legislation clarifying its transportation policy when the Minister of Transport presented a bill amending the Railway Act, the Transport Act and the Canadian National Railways Act, and repealing the Canadian National-Canadian Pacific Act.

This legislation had been anticipated by your Board of Directors who recognize that the problem of harmonizing the many interests affected is difficult and involved.

Grain producers on the Prairies will be interested in certain provisions of the legislation now before Parliament, particularly those sections which deal with branch line abandonment, passenger service losses and freight rates. The bill proposes that subsidies amounting to \$500 million over the next 15 years would enable the railways to rationalize their systems.

In introducing the bill, the Minister of Transport pointed out a number of features of the amending legislation which will call for study by farm organizations. He said that the legislation would eliminate freight rate ceilings and substitute minimum rates set by the Board of Transport Commissioners; would establish a branch line rationalization authority to deal with uneconomic lines and special fund for the next 15 years into which \$14 million annually would be diverted; would provide for a five year project to allow the railways to eliminate losses on passenger service; would maintain the Crow's Nest Pass rates and provide for the extension of the principle of the Crow's Nest Pass Agreement to grain shipments to the Atlantic Maritime ports, and a \$16.3 million yearly subsidy on western grain exports will be provided while the rates are frozen, and those to the Maritime ports will continue to be frozen and the railways compensated.

The previous Minister of Transport had acknowledged our request that when the proposed legislation is before the Railway Committee of the House of Commons the Wheat Pools would be allowed to appear and state their views. The executive officers of the three Wheat Pools will welcome this opportunity.

#### *Feed Grain Policy*

The Minister of Forestry on 24th July 1964, said the government was waiting for the report

of the House Committee on Agriculture and the result of certain studies before establishing a permanent feed grain policy, but the government had authorized an interim policy on feed grains. Western grain moved by trucks within eastern Canada will be eligible for freight assistance and the government had decided on a new basis for the payment of freight assistance. The changes now made should therefore permit the most economical transportation of feed grains to their destination. More active competition will lower a number of rates. He said that a permanent feed grain policy must be coherently integrated with overall legislation aimed at the agricultural renovation of eastern Canada.

On 28th August the Minister announced that the amendments would go into effect on 14th September, instead of 31st August as previously announced.

#### *Farm Credit Act*

The Farm Credit Act was amended by the House of Commons when amending legislation was passed on 12th June 1964. By this amendment the capital of the Farm Credit Corporation was increased from \$16 million to \$24 million. This increase will permit the Corporation to borrow up to \$600 million from the Consolidated Revenue Fund. At the present time the limit of such borrowing is \$400 million. The maximum for supervised loans to farmers was increased from the present level of \$27,500 to \$55,000, and for standard loans from \$20,000 to \$40,000.

#### *Farm Improvement Loans Act*

The Farm Improvement Loans Act was amended by Parliament on 15th September 1964. The purpose of the amendment was to increase from \$7,500 to \$15,000 the maximum amount of any loan that may be made under the Act to a borrower together with any amount owing in respect of other guaranteed farm improvement loans. Other purposes of the amendment were to increase from \$400 million to \$500 million the aggregate principal amount of guaranteed loans that may be made in the three year loan period ending 30th June 1965, to provide for a further three-year loan period ending 30th June 1968, and to provide that the aggregate principal amount of guaranteed loans that may be made in that period shall not exceed \$700 million.

#### *Agricultural Rehabilitation and Development Act*

An announcement was made in the House of Commons on 6th July 1964, by the Minister of Forestry, on the number of Agricultural Rehabilitation and Development Act projects in the five western provinces which had received the approval of the federal government. Projects must be initiated and proposed by the provinces before action is authorized by the federal government. The position at the time of the announcement was as follows:



	Projects	
	Proposed	Approved
Ontario.....	28	27
Manitoba.....	59	49
Saskatchewan.....	91	85
Alberta.....	24	24
British Columbia.....	16	16

Your Board recognizes that a great deal of research is required before any project can materialize. We are hopeful that tangible evidence of the benefits to be derived from ARDA will soon be apparent.

#### *Royal Commission on Banking and Finance*

The report of the Royal Commission on Banking and Finance was tabled in the House of Commons on 24th April 1964. The recommendations made by the Commission are, we think, generally acceptable and will have little impact on the banking procedures of the Wheat Pools in their function of merchandising grain. Neither, we believe, will the banking services offered to farmers be extended.

#### *Royal Commission on Taxation*

We reported at length a year ago that Canadian Co-operative Wheat Producers Limited, in association with the Co-operative Union of Canada, had made a submission to the Royal Commission on Taxation. Believing that our submission would have permanent value dealing as it does with the historical development of the grain trade in western Canada, we have made a supply available in booklet form.

The Commission continued its public hearings until late in January 1964. At this time, a year after making our submission, it would be folly for us to predict what the findings of the Commission may be.

#### *Export Credits Insurance Act*

The Export Credits Insurance Act was amended on 29th June 1964. It was originally approved in 1944 and has been amended from time to time to enable the Export Credits Insurance Corporation to provide facilities in line with current demands.

The present amendment exempts the Corporation from paying income tax. The amendment also increased the amount of liability of the Corporation under contracts of insurance from \$400 million to \$600 million. This legislation has been used to facilitate wheat exports on long-term sales of wheat.

#### *St. Lawrence Seaway Tolls*

On 30th June 1964, the Acting Minister of Transport announced in the House of Commons that the governments of Canada and the United States had exchanged notes approving a supplementary agreement between the St. Lawrence Seaway Authority and the St. Lawrence Seaway Development Corporation with respect to the St. Lawrence Seaway tariff of tolls. The supplementary agreement provides that:

The date for the entities to report to their respective governments as to the sufficiency of Seaway tolls will be deferred from 1st July 1964 to 1st July 1966, and the developmental period of the Seaway will thereby be extended by two years and will be deemed to terminate at the end of the 1966 navigation season. Accordingly, no change in tolls will be proposed at the present time.

#### *Agricultural Economics Research Council of Canada*

We reported previously on the organization of the Agricultural Economics Research Council of Canada which was appointed in October 1962, and the fact that Dr. W. J. Anderson had been appointed director of research on 1st September 1963.

Two additional personnel have been appointed, namely, Dr. W. M. Drummond, formerly economic advisor to the Agricultural Stabilization Board, and Desmond Doran, a graduate student at the University of British Columbia. Dr. Drummond will initially devote his time to a study of existing public policies for agriculture in Canada, while Mr. Doran will assist in reviewing the current and recent Canadian research in agricultural economics and rural sociology.

Among its various projects some priority is being given to an analysis of the economic effects of freight assistance on feed grain. Your Board expresses the hope that the study on freight assistance by an independent research personnel may help provide an answer to a controversial question.

#### *Agricultural Stabilization Board*

E. A. Boden, one of our Directors, continues as a member of the Advisory Committee to the Agricultural Stabilization Board.

A year ago A. H. Turner resigned as a member of the Board to accept the position of Deputy Minister of Agriculture for British Columbia and the vacancy was filled by Dr. S. C. Hudson.

The Board policy is now based on providing a deficiency payment whenever necessary rather than by purchase programs. For the first time since the inception of the Stabilization Board stocks held were revalued at estimated market value, showing a loss of about \$50 million.

Subsidy and deficiency payments amounted to \$46,911,793, and the net costs and payments for the fiscal year 1963-64 amounted to \$124,789,915. During the year seventeen agricultural products were supported.

#### *Canada—U. K. Cereals Agreement*

The Minister of Trade and Commerce on 16th April 1964, informed the House of Commons that the Canadian High Commissioner in London had signed an exchange of letters constituting an agreement between the Canadian Government and the Government of the United Kingdom concerning Britain's new production and import policies with respect to cereals. He filed with the



House an explanatory memorandum regarding this agreement. It is agreed that the world market for cereals should be improved through the establishment of a better and more economic balance between world supplies and commercial demand. The new British cereals arrangements were introduced on 1st July, and cover wheat, wheat flour and the major feed grains. Under this arrangement the British will seek to discourage the growth of domestic cereals production above a level consistent with their stated objective. In addition a system of minimum import prices is to be applied designed to prevent prices in the United Kingdom from falling to very low levels. The minimum import prices for Canadian wheat are well below current market prices.

Sir Harold Wolley, President of the National Farmers' Union of Great Britain, has stated that as a "result of the new minimum import prices there is now a floor below which imported cereals cannot enter the U.K. market," and he warned growers that, "If they sold cereals weak they would be doing themselves and their colleagues a disservice". He pointed out that, "A price penalty would be suffered if production is above the standard quantity and the average prices for the cereal year are below £20 per ton for wheat or £19 for barley". He went on to say: "Much hard work has gone into the new arrangements. We think they make sense. It is now up to all of us as individual farmers to conduct our business in an intelligent manner."

#### *International Wheat Agreement*

The Minister of Trade and Commerce informed the House of Commons that the International Wheat Council had made a statement on 25th June about negotiations which are under way leading to a continuation of the International Wheat Agreement. The statement in part reads as follows:

The Council unanimously decided to recommend to member governments that the 1962 International Wheat Agreement, which expires on the 31st July 1965, should be extended in its present form without amendment. The duration of the extension will be discussed by the Council at its November session but will not exceed two years.

This matter was considered in some detail by the Directors of the Wheat Pools in their Inter-provincial Meeting held on 24th July. Your Directors recognize that the world wheat situation can change rapidly and the terms of the Agreement today may be very unsatisfactory in two years: the pattern of production is unpredictable. The following resolution was adopted by the meeting:

BE IT RESOLVED that the Government of Canada be requested to initiate a conference which will be called to negotiate a new International Wheat Agreement which will become effective on August 1, 1965; and

BE IT FURTHER resolved that if the calling of such a conference is deemed inadvisable at this time pending new arrangements which may be made under the General Agreement on Tariffs and Trade, the Alberta Wheat Pool, the Saskatchewan Wheat Pool and Manitoba Pool Elevators will support the Government of Canada in arranging for an extension of the present International Wheat Agreement for a period of one year only.

#### **International Wheat Agreement**

The International Wheat Council reports that total sales of 665,542,000 bushels of wheat were recorded by eight exporting countries for the crop year 1963-64. Canada's sales reported were 244,938,000 bushels, which represents 36.81 per cent of total sales. Of the eight exporting countries the United States of America was the only one increasing its percentage of the total sales. The U.S.A. reported sales of 215,530,000 bushels; Australia 87,145,000; Argentina 58,265,000, and France 42,157,000 bushels. The year under review is the second year of the Agreement now in operation.

#### **Credit Sales of Grain**

It was stated in our last report that agreements for the sale of approximately 400 million bushels of wheat had been concluded between Canada and China, Russia and Yugoslavia, and at that time we commended the Canadian Wheat Board and the Canadian government for executing these agreements. Now, a year later, we are able to report that terms of the agreements have been met in full. All elements in the Canadian grain trade are to be congratulated for making such an achievement possible: that is, the export of approximately 700 million bushels of all grains. We said it is difficult to assess the effect that these credit sales of approximately 400 million bushels of wheat will make in Canada's business circles. Our optimism has been more than justified.

During the year under review agreements for definite quantities of wheat were completed with four other Soviet satellite countries.

On 8th October 1963, the Minister of Trade and Commerce announced the signing of a three-year trade agreement with the People's Republic of Bulgaria, under which Bulgaria would purchase a minimum of 100,000 metric tons of wheat in each of the three years of the agreement.

On 29th October 1963, the signing of a wheat agreement between Canada and Czechoslovakia was announced. The agreement is for a period of five years during which Czechoslovakia will purchase from Canada about 44 million bushels of wheat.

The Minister of Trade and Commerce announced on 5th November 1963, that he had signed a long term wheat agreement with the government of Poland. The agreement was of



three years' duration, during which time Poland will purchase about 44 million bushels of wheat. The credit arrangements were made under the Export Credits Insurance Act.

A long term agreement with East Germany was announced by the Minister of Trade and Commerce on 6th March 1964. He told the House of Commons that the Canadian Wheat Board had concluded a long term wheat agreement with East Germany. The sale of approximately 27.6 million bushels of wheat with shipments over a three-year period from 1st August 1964 to 31st July 1967, were included in the terms of the agreement.

### **World Food Program**

For a number of years we have devoted a section of our report to wheat surplus disposal programs, to the World Food Program, and to schemes designed to make surplus food available to hungry people. It is right and proper that we should include in our annual report a concise summary of efforts being made to raise nutritional standard in many developing countries. The great need that exists has prompted numerous endeavors in seeking a remedy. Your Board has expressed the opinion that while there is great merit in a charitable approach, the solution to such a difficult problem as feeding the hungry millions in the world may be found when all the people of a nation share the responsibility in providing adequate measures to relieve famine and hunger in areas of need and for such a period as would enable a country to bring some stability to its own government and economy.

The Wheat Pools have voiced their support to the World Food Program of the United Nations. This program began operations in January 1963, with pledges of \$91 million in food, services and cash volunteered by over 66 nations. The present three-year phase of the World Food Program will expire by the end of 1965. We are informed that before that time the General Assembly of the United Nations will review, early next year, the projects in operation and the United Nations and the Food and Agriculture Organization conference will later determine whether or not the Program will be continued beyond the time limit originally planned.

We believe that Wheat Pool members are not alone in their humanitarian attitude to the world's needy and that similar support comes from the big majority of Canadians. We further believe that our government would receive overwhelming commendation if it offered continued and expanding assistance to the World Food Program.

Our imagination is stirred by the writings of G. B. Masfield, an Oxford University lecturer, in his book "Famine—Its Prevention and Relief". Of the World Food Program, he says it is "In its early stages, avowedly experimental and it is still too new for critical appraisal". In brief dis-

cussing the FAO Freedom from Hunger Campaign, he states: "The conscience of the world has been awakened as never before to the problem of famine".

Mr. Masfield obviously believes that present efforts are steps in the right direction, but he says in his concluding paragraph that, "The age-old threat of famine cannot be conquered until organized humanity has the courage to embark on more adventurous solutions than in the past".

### *Canadian External Aid*

While we have suggested that greater assistance might be provided by Canada to the World Food Program we do not forget that Canada is contributing substantially to the Colombo Plan and to the United Nations and its specialized agencies. The Department of External Affairs reports that by the end of 1961 the total Canadian expenditure on economic aid programs and contributions to certain special aid programs amounted to \$519.36 million and that Canada has contributed a further sum of \$65.18 million to international development agencies in the form of loans and advances. Each of the 111 members of the United Nations is required to pay an assessment which represents a share of the organization's expenses. Canada's share in 1963 was \$2.5 million or 3.12 per cent of the regular United Nations objective of \$78.6 million. Canada's contribution to the United Nations and its special programs for the fiscal years 1945-46 to 1963-64 amounted to \$166,295,000,

### *The Colombo Plan*

The Colombo Plan, established in February 1950, for co-operative economic development in South and South-east Asia, has been supported consistently by Canada. Up to the end of March 1964, Canada appropriated \$464.7 million all in non-repayable grants and goods, equipment and technical assistance which were available in Canada. Canada's shipments of agricultural products under the Colombo Plan amounted to over \$55 million for the period 1951-52 to 1959-60. All of Canada's assistance under the Colombo Plan has been in the form of grants requiring no repayment although loans have been made to some countries in the area. The general forms of assistance are capital projects, industrial commodities, foodstuffs and technical assistance. The emphasis has shifted from foodstuffs to capital assistance as the plan operates.

The sum of \$41.5 million was included in the government estimates for the Colombo Plan in 1963-64. The 1964-65 program is set out in the following release by the External Aid Office:

Economic assistance to countries of the Colombo Plan will be increasing in 1964-65 under the terms of the expanded Canadian Aid Program. A number of projects already underway will be continued or completed during the present fiscal year and larger allocations of funds, both grants and special



development loans, will make possible the undertaking of a considerable number of new projects. The separate food aid program will permit a restoration of wheat and flour shipments to Colombo Plan countries at the same levels as in 1961-62. Technical assistance will also be growing, through the provision of more Canadian teachers and technical advisers and the bringing of more students to Canada. On the basis of present commitments, for example, 684 Colombo Plan students are expected in Canada in 1964-65, as compared to 564 in 1963-64.

#### Food for Peace

No report on the World Food Program could be seen in its proper perspective if the Food for Peace Program of the United States of America is ignored. In the ten years since the United States passed its Agricultural Trade Development and Assistance Act of 1954 (P.L. 480), a total of \$11.4 billion worth of United States agricultural commodities have been delivered overseas. Conceived largely as a means of disposing of farm surpluses in a constructive way, it has evolved as a major tool in the world's fight against hunger. While the basis of the program is economic and political, we have in previous reports acknowledged the broad humanitarian aspects of this program. Broomhall says:

The future of America's Public Law 480 appears to be in doubt at this moment of writing. Some P.L. 480 contracts lapsed on 1st July and have not yet been renewed. It is known that a powerful block in Congress has been critical of the aid given to many countries under the generous terms of this particular law. Congress is reluctant to continue subsidies on food exports to food deficiency countries under the same terms or to the same extent as heretofore. Against this opposition the government may be reluctant to renew some of the P.L. 480 contracts pending the result of the presidential election.

The value and effectiveness of the program was stated recently by Mr. O. L. Freeman, Secretary of Agriculture of the U.S.A., when he said:

"Under P.L. 480 we have, from its inception, carried out programs to provide food for the hungry and to meet emergencies. We have done this so effectively that famine no longer threatens the free world and further, food supplies provided under this program have been effective in forestalling inflation in nations moving towards industrialization."

#### World Supplies and Exports

In keeping with an established practice your Board of Directors include in this report statistics covering the production and distribution of grain in Canada and the exports made by the principal exporting nations. The information which we

submit in condensed form has been gathered from the Dominion Bureau of Statistics, the Board of Grain Commissioners and other authoritative sources.

#### Supplies

Wheat supplies held by the four traditional major exporters at 1st August 1964, amounted to 2,160.3 million bushels, 6% smaller than the 2,314.3 million bushels available at the same time a year ago. Supplies of wheat in the United States were 1,493.0 million bushels compared with 1,689.8 million on 1st August a year ago. Canada's stock of wheat was approximately 25 million bushels lower at year-end than it was a year earlier.

#### Exports

Exports of wheat and flour in terms of wheat from the same four major exporters amounted to a record 1,822.3 million bushels, an increase of 32% over the previous record for a complete crop year when 1,377.5 million bushels were shipped in 1961-62, 48% greater than the 1962-63 shipments of 1,234.3 million bushels and 89% larger than the average of 961.7 million bushels shipped in the ten-year period, 1952-53—1961-62.

#### Exports of Wheat and Flour in Terms of Wheat

From the Four Principal Exporting Nations  
(Dominion Bureau of Statistics)

Crop Year	Total	Argentina	Australia	United States	Canada	Canada's % of Total
—in million bushels—						
1957-58.....	856.2	77.6	61.9	396.4	320.3	37
1958-59.....	939.0	106.2	82.7	455.6	294.5	31
1959-60.....	984.7	76.5	117.8	513.1	277.3	28
1960-61.....	1,291.6	62.9	198.0	677.5	353.2	27
1961-62.....	1,377.5	95.5	219.8	704.2	358.0	26
1962-63.....	1,234.3	66.3	186.2	650.6	331.2	26
1963-64.....	1,822.3	104.7	274.0	849.5	*594.1	32

\*—The figure given above for Canadian exports includes tagged seed wheat.

#### Canadian Grain Production

The August estimate of the Dominion Bureau of Statistics covering the production of grain in the crop year 1963-64 shows little change from their preliminary estimate issued a year ago.

#### Grain Production 1963

(Dominion Bureau of Statistics Latest Estimate)

	Canada		Prairie Provinces	
	Acres	Bushels	Acres	Bushels
Wheat.....	27.6	723.4	27.0	703.0
Oats.....	9.5	453.1	6.3	304.0
Barley.....	6.2	220.7	5.9	213.0
Rye.....	.65	12.8	.58	11.2
Flaxseed.....	1.7	21.1	1.6	20.3
<b>Total.....</b>	<b>45.65</b>	<b>1,431.1</b>	<b>41.38</b>	<b>1,251.5</b>

The preliminary estimate released by the Dominion Bureau of Statistics on 4th September 1964, but based on conditions which prevailed at



15th August, forecast the production of all wheat at 596.1 million bushels, compared with 723.4 million bushels a year ago, and 479.8 million bushels for the average of the ten-year period 1952-61.

### Grain Production 1964

(Dominion Bureau of Statistics  
Preliminary Estimate)

	Canada		Prairie Provinces	
	Acres	Bushels	Acres	Bushels
	—in millions—			
Wheat.....	29.7	596.1	29.1	573.0
Oats.....	8.3	356.8	5.2	206.0
Barley.....	5.5	169.1	5.2	159.0
Rye.....	.68	12.8	.62	11.2
Flaxseed.....	1.9	19.6	1.9	18.6
<b>Total.....</b>	<b>46.08</b>	<b>1,154.4</b>	<b>42.02</b>	<b>967.8</b>

### Farmers' Marketings

The figure which stands out most prominently when reviewing grain statistics for any crop year is that showing the volume of grain marketed by producers. This figure, farmers' deliveries, reflects not only production for the year, but also the volume moved to markets.

In the year under review producers in the Prairie Provinces marketed 735.4 million bushels of the five principal grains, a volume only exceeded in one previous crop year—the year 1952-53.

### Producers' Marketings at Country, Interior Private and Mill Elevators, Interior Semi-Public Terminals and Platform Loadings

	1963-64	1962-63	1961-62	1960-61
	—in million bushels—			
Wheat.....	568.8	474.3	305.3	396.2
Oats.....	49.5	89.0	28.2	37.6
Barley.....	91.9	80.5	59.3	87.9
Rye.....	7.9	9.4	3.4	5.8
Flaxseed.....	17.3	13.5	12.0	18.1
<b>Total.....</b>	<b>735.4</b>	<b>666.7</b>	<b>408.2</b>	<b>545.6</b>

The Canadian Wheat Board states that approximately 12.7 million bushels of wheat, oats and barley were delivered under their regulations to feed mills.

The Canadian Wheat Board regulations were extended on 26th August 1964, whereby each permit holder is granted permission to deliver grain to feed mills. The order will expire on 31st July 1965.

Approximately 3 million bushels of bagged seed wheat were exported during the year. This figure, based on statistics issued by the Board of Grain Commissioners, is in addition to the volume given in the above table.

### Canadian Grain Exports

The Board of Grain Commissioners in its preliminary review covering the 1963-64 crop season, estimated that 669.2 million bushels of the five principal grains, including flour, were exported. The volume exceeds the previous high of 582.3 million bushels recorded in 1952-53 by some 90 million bushels.

### Total Grain and Milled Products Exported

	1963-64	1962-63	30-Year Average 1933-34 to 1962-63
	—in million bushels—		
Wheat (and flour).....	591.1	327.7	261.2
Oats.....	17.5	20.6	24.8
Barley.....	41.5	10.5	35.2
Rye.....	5.5	7.3	5.6
Flaxseed.....	13.6	12.6	5.5
<b>Total.....</b>	<b>669.2</b>	<b>378.7</b>	<b>332.3</b>

The volume of wheat exported in bulk in the crop year 1963-64 reached 536.7 million bushels, far exceeding the old record of 354.4 million bushels which has stood since 1928-29. Wheat flour exports in the amount of 54.4 million bushels were the highest in the past ten years. The record of 79.5 million bushels of wheat as flour was set in 1946-47.

The Union of Soviet Socialist Republics established itself as Canada's largest export market, with purchases of 212.2 million bushels of bulk wheat and 21.8 million bushels of wheat flour. Britain, with imports of 106.4 million bushels of the five principal grains and wheat flour, placed that country in second place among the buyers of Canadian grain. Japan remained in third position among Canadian grain importers. Her combined imports of wheat, wheat flour, barley and flaxseed amounted to 57.3 million bushels.

### Leading Buyers of Canadian Grain

Sales of Wheat and Wheat Flour, Oats  
Barley, Rye and Flaxseed

	1963-64	1962-63	1961-62	1960-61
	—in million bushels—			
U.S.S.R.....	234.0	—	—	7.5
Britain.....	106.4	103.3	99.7	108.6
Japan.....	57.3	48.6	52.3	58.8
China, Mainland.....	56.0	57.5	91.3	55.1
Germany, Federal Republic of.....	40.6	35.4	47.8	33.5

### Carryover of Canadian Grain

The stocks of the five major Canadian grains in all North American positions at 31st July 1964, have been estimated by the Dominion Bureau of Statistics at 772 million bushels, not greatly changed in total from a year ago. The ten-year average, 1954-1963, is placed at 835.4 million bushels.



### Canadian Carryover as at 31st July

	1964	1963	1962	Average 1954-63
	—in million bushels—			
Wheat.....	461.4	487.2	391.1	579.1
Oats.....	179.4	150.3	79.1	127.2
Barley.....	117.5	89.2	57.8	112.9
Rye.....	7.1	4.2	3.7	11.2
Flaxseed.....	6.6	4.0	5.3	5.0
Total—5 grains.....	772.0	734.9	537.0	835.4
On farms.....	312.4	187.5	144.9	324.05
Commercial.....	459.6	547.4	392.1	510.35

While the stocks in commercial position are lower by approximately 85 million bushels, the stocks held on farms are 125 million bushels greater than a year ago.

### Farm Carryover in Canada

	1964	1963	1962
	—in million bushels—		
Wheat.....	120.6	64.7	59.2
Oats.....	128.9	92.4	56.9
Barley.....	60.0	29.0	26.3
Rye.....	1.6	0.6	1.2
Flaxseed.....	1.3	0.8	1.3
<b>Total.....</b>	<b>312.4</b>	<b>187.5</b>	<b>144.9</b>

### Farm Carryover in the Prairie Provinces

The statistics showing the volume of grain held on Canadian farms point up the fact that practically all the grain was held on farms in the prairies, with Saskatchewan holding over 100 million bushels more grain on its farms than a year ago.

	Mani- toba	Saskat- chewan	Alberta	Total
	—in million bushels—			
Wheat.....	3.0	95.0	20.0	118.0
Oats.....	10.0	60.0	38.0	108.0
Barley.....	3.0	30.0	25.0	58.0
Rye.....	0.1	1.0	0.5	1.6
Flaxseed.....	0.15	1.0	0.15	1.30
<b>Total.....</b>	<b>16.25</b>	<b>187.0</b>	<b>83.65</b>	<b>286.90</b>

### Farm Income

The Dominion Bureau of Statistics sets out the income position of farmers in its bulletin released on 1st June, when it stated that *realized net* income of farmers from farming operations in 1963 amounted to an estimated \$1,410.2 million, down 5.4% from the 1962 total of \$1,490.7 million but up 3.7% from the five-year (1958-62) average of \$1,360.5 million. Although farm cash income from farming operations reached a record level of \$3,219.1 million in 1963, and income in kind advanced, they were more than offset by a continued rise in farm operating expenses and depreciation charges and a sharp drop in supplementary payments.

### Preliminary Estimate of Farm Cash Income in the Three Prairie Provinces

—Dominion Bureau of Statistics—

	1963	1962	1961
	—in thousand dollars—		
Wheat.....	\$576,107	\$511,229	\$468,664
Wheat, CWB Payments	123,968	152,523	122,330
Oats.....	36,256	25,562	15,752
Oats, CWB Payments.....	—	4,301	8,928
Barley.....	66,029	51,019	62,897
Barley, CWB Payments	—	24,244	2,022
Rye.....	7,556	8,580	4,722
Flaxseed.....	35,380	46,662	48,800
Rapeseed.....	11,715	10,127	17,047
Other Crops.....	43,812	31,137	33,500
Net Cash Advance Payments.....	11,203	5,916	34,538
<b>Total Crops...</b>	<b>\$912,026</b>	<b>\$871,300</b>	<b>\$750,124</b>
Cattle & Calves.....	\$291,944	\$329,029	\$318,608
Hogs.....	96,131	116,772	121,769
Sheep & Lambs.....	4,319	4,785	5,624
Other Livestock & Products.....	181,480	173,604	179,648
<b>Total Livestock &amp; Products.....</b>	<b>\$573,874</b>	<b>\$624,190</b>	<b>\$626,649</b>

Total farm *net* income, which takes into account changes in farm inventories of grains and livestock, amounted to \$1,717 million in 1963, slightly more than 2% above the 1962 total of \$1,678.8 million and nearly 30% greater than the 1958-62 average of \$1,326.6 million. Gains in farm *cash* income and income in kind contributed to the rise in total farm *net* income, but most of the increase can be attributed to a significant build-up in farm inventories of grains in western Canada between the beginning and end of the year as a result of larger crops, especially wheat, in 1963. Although that part of farm *net* income which is represented by inventories is not readily available for spending, it forms the basis of cash advances on farm-stored grain in western Canada and is part of total production for which estimated total expenses were incurred during the year.

### Total Net Farm Income

	Three Prairie Provinces	Six Other Provinces	Canada ex. New- foundland
	—in million dollars—		
1957.....	\$ 443.7	\$614.5	\$1,058.2
1958.....	645.3	692.2	1,337.5
1959.....	591.4	607.9	1,199.3
1960.....	718.1	621.9	1,340.3
1961.....	435.2	639.4	1,074.6
1962.....	997.1	681.6	1,678.7
1963.....	1,059.8	657.1	1,716.9

The total of farm operating expenses and depreciation charges in 1963 amounted to \$2,180.2 million, nearly 5% above the previous record high of \$2,079.6 million established a year earlier.



### Prairie Farm Assistance Act

The year 1963-64 was one in which the levies paid under the Prairie Farm Assistance Act exceeded the payments by approximately \$1 million. Total awards made amounted to 38,179, the lowest in eight years. It is a matter of interest that the total payments made under the Prairie Farm Assistance Act exceeded the levy collected by two dollars to one dollar.

#### 1963-64 Crop Year

	1% Levy	Awards	Payments
Manitoba.....	\$ 1,148,704.13	13,656	\$ 3,118,501.50
Saskatchewan..	6,937,953.14	2,834	982,394.50
Alberta, Peace River Block & B.C.....	2,649,635.02	21,689	5,572,500.00
<b>Total.....</b>	<b>\$ 10,736,292.29</b>	<b>38,179</b>	<b>\$ 9,673,396.00</b>

#### 1939-40 to 1963-64

Manitoba.....	\$ 22,093,156.24	155,767	\$ 29,076,641.27
Saskatchewan..	88,840,364.50	817,017	217,605,400.53
Alberta.....	42,505,694.76	409,910	91,792,043.05
British Columbia.....	—	8,379	1,618,145.25
Unallocated.....	4,207.99	—	—
<b>Total.....</b>	<b>\$153,443,423.49</b>	<b>1,391,073</b>	<b>\$340,092,230.10</b>

### Conclusion

In our report we have referred to a number of factors which will make the crop year 1963-64 a memorable one for the members of the Wheat

Pools. A number of records were broken: the crop harvested and sales of wheat were the highest on record; while the volume of deliveries of all grains has been exceeded in two previous crop years. It was a year in which great expansion was made by the Wheat Pools in providing essential services to their farmer members.

The improved financial position of the grain grower contributed greatly to the prosperity which Canada now enjoys, demonstrating that the health of primary industry is basic to the nation's economy.

The Wheat Pools have demonstrated their worth in years of prosperity and in years of depression. Our members have faced many changing and difficult circumstances with courage and conviction. The need for this approach to farm problems was never greater. As industry and commerce in our nation become more highly concentrated it is inconsistent to suggest that agriculture can obtain a full share of Canada's prosperity if based solely on the individualism of each farmer.

The large crop in 1963 and the broad demand for wheat must not lull farmers into apathy. Good markets and good farm legislation must go hand in hand with good productive techniques. This desirable objective can be achieved through effective farm organization which will assure expanding co-operative services. Your Board asserts that efficient and expanding co-operative organization is the way to give bargaining power to agriculture and to bring a fair share of prosperity to farm families.

Respectfully submitted,

CHAS. W. GIBBINGS }  
W. J. PARKER } Executive  
G. L. HARROLD }  
L. A. BOILEAU }  
HAROLD B. SNEATH }  
N. MALM }  
A. J. MACPHERSON }  
E. A. BODEN }  
G. G. JAMIESON }



# ***DIRECTORS' REPORT***

## ***1963-64***

2nd October 1964.

To the Shareholders,  
Canadian Pool Agencies Limited,  
Wheat Pool Building,  
Winnipeg, Manitoba.

Gentlemen:

Your Agency has completed its thirty-sixth year of operations, and we present herewith for your approval the Annual Report and Financial Statements for the year ended 31st July 1964.

The earnings vary from year to year because more three year policies come up for renewal in one year than in another, but the general trend is an increase in the amounts of insurance placed. Increased values and the acquisition of additional properties by the parent organizations will result in continued improvement in earnings.

The profit commission which we receive from the insurance companies is dependent on our loss experience, and is based on a three year average. The reduction in this commission will be evident for another year due to heavy losses suffered by the companies in 1962.

The margin on operations was \$75,992 out of which the sum of \$419 was provided for income tax, leaving \$75,573 available for payment of patronage dividends. This compares with \$94,839 last year.

We receive commissions on business handled by this Agency and placed with various insurance companies, other than Pool Insurance Company, and this provides the bulk of our income. While it is important that the maximum commissions are secured and a surplus on operations produced, it must be mentioned that many services provided are not actually reflected in the year's operations. At all times we endeavour to obtain lower premium charges for the parent organizations, having in mind, of course, the stability of the company with whom we place the business. In this regard we have secured some reductions in rates this year, offset in part by increased rates where the loss experience requires it.

We write all types of insurance available except life insurance. The greatest income is derived from fire and explosion insurance, followed by fidelity bonds and automobile insurance. Fourteen types of insurance were handled this year.

The patrons' equities, in accordance with the usual practice, will be paid out within the next fiscal year as a patronage dividend to the member patrons based on the amount of business contributed. Each member patron will receive the dividends as shown on the allocation of margin on operations, Exhibit B.

The following comments to financial statements may be of interest:

### **BALANCE SHEET**

#### **Agency Assets and Liabilities**

You will observe that the assets included under this heading represent premiums collected, or to be collected, and are offset by the amounts payable to the insurance companies for premiums on business written, and by an amount payable by the agency trust funds to the general funds of the Company.

#### **Shareholders' and Patrons' Assets**

##### *Accounts Receivable*

The amount shown as "Due from agency funds" consists of the sum previously referred to as payable to general funds out of agency trust funds.

##### *Pool Insurance Company Account*

This Agency and Pool Insurance Company are operated by the same management and staff, and the salaries of the office employees are divided between both organizations, on the basis of 75% to the Agency and 25% to Pool Insurance Company, as are other items of expense that are not definitely applicable to either organization. The amount of \$9,670 is the balance due Canadian Pool Agencies Limited on the inter-office account.

##### *Saskatchewan Wheat Pool—Loan*

A favourable interest earning is made on temporary surplus funds, which have been deposited as available with Saskatchewan Wheat Pool on a demand loan basis.

#### **Shareholders' Liabilities and Reserves**

##### *Accounts Payable*

This amount represents miscellaneous accounts included in this year's expenses, but which had not actually been paid prior to the year end.



### General Reserve

This sum was built up over a period of years to provide for the possibility of unusual cancellations, and any other contingencies that may arise. The reserve has remained the same for some years as it is deemed sufficient to take care of our requirements. The amount is allocated to the various shareholders according to their contribution to the reserve.

### Capital Stock

The ownership of the capital stock of the Company is held as follows:

	No. of Shares	Amount
Alberta Wheat Pool.....	663	\$ 6,630.00
Manitoba Pool Elevators.....	663	6,630.00
Saskatchewan Wheat Pool.....	664	6,640.00
Victoria Elevator Limited.....	1	10.00
Directors' qualifying shares.....	9	90.00
	<hr/> 2,000	<hr/> \$20,000.00

## INCOME AND EXPENDITURE STATEMENT

### Income

This statement sets forth the commissions received on the different types of insurance, less brokerage paid.

### Expenses

The various expense items are clearly set out in the statement and represent net figures after charging Pool Insurance Company 25% of those expenses which are applicable to both companies. The deduction from the total expense of \$300 is an allowance from the three provincial Pools for the handling of the Interprovincial Pool Account.

Respectfully submitted,

CHAS. W. GIBBINGS  
W. J. PARKER  
G. L. HARROLD

} Executive

E. A. BODEN  
L. A. BOILEAU  
G. G. JAMIESON

A. J. MACPHERSON  
N. MALM  
H. B. SNEATH



# DIRECTORS' REPORT

## 1963-64

Winnipeg, Manitoba,  
25th February 1964.

To the Shareholders,  
Pool Insurance Company,  
Winnipeg, Manitoba.

Gentlemen:

Once again we report a new record surplus. For the year 1963, the twenty-fifth of your Company, a surplus of \$1,048,011.55 was produced, as compared with \$882,472.68 in 1962. Our premiums written showed a gain of \$297,485.30 from \$1,381,750.82 in 1962 to \$1,679,236.12 this year. The loss ratio this year was 25.45% compared to last year's 26.20%. While we had only two total losses as compared with four total losses last year, one of the losses was the second largest loss ever experienced in the amount of \$243,451.00.

\$27,000.00 was transferred to surplus account and we set up an amount of \$7,391.04 for income tax together with the usual capital stock dividend as required by the Company's Charter. These deductions from the surplus left a balance of \$1,013,618.66 for allocation to the policyholders on the basis of their contribution to the surplus. We partially reinsure all the risks with the exception of dwellings. At present your Company has a 60% participation. After placing reinsurance the net earned premium income was \$984,051.71 as compared with \$847,905.29 last year.

The losses and adjustment expenses amounted to \$413,946.34, the Company's share being \$250,447.43. Two country elevators and their contents were totally destroyed at the following locations:

In Manitoba	—	Rosburn
In Saskatchewan	—	Spring Valley

Nine small fire losses occurred—5 at elevators and 4 miscellaneous; there were also 43 small windstorm losses.

The value of property insured increased approximately forty-eight million dollars over 1962 and reached an all time high. The figures are listed hereunder:

Country Elevators.....	\$106,286,000.00
Grain.....	182,429,000.00
Dwellings.....	9,658,000.00
Miscellaneous.....	5,454,000.00
	<hr/>
	\$303,827,000.00

The total underwriting revenue shown on the statement of income and expenditure is made up of the earned premiums on our percentage of the risks, plus commission on reinsurance, less losses. Interest earned on investments and temporary loans to the parent organizations amounted to \$59,761.31.

The greatest expense is in connection with the inspection service. We have five inspectors engaged in inspecting all the property insured, and we consider this work important in keeping our losses to a minimum. The parent organizations also perform an inspection of properties periodically by their superintendents. Circulars and pamphlets emphasizing the need to be aware of fire hazards are also sent out by ourselves and the parent organizations. We feel that all this activity helps to reduce the number of losses as the loss experience has improved over the years.

The following comments relative to the balance sheet are submitted for your information.

### ASSETS

#### Accounts Receivable

Under this heading is an amount due from Canadian Pool Agencies Limited in respect to business placed with the company through the agency, less the balance in the inter-office account, and temporary surplus cash taken up by the Alberta and Saskatchewan Wheat Pools.

#### Investments

Our investment portfolio consists mainly of Government of Canada Bonds, with a small amount of Province of Manitoba Savings Bonds. There will be fluctuations in values over the years, but we hope to be in the position of being able to hold bonds until maturity when they will be redeemable at par value, unless an opportunity avails itself to switch to other more attractive securities. Temporary funds available are loaned to the parent organizations on a demand basis.

#### Automobiles

Four new automobiles were purchased during the year and after allowing depreciation on this account of \$3,413.03, the asset covering five-automobiles is shown as \$7,963.73. These automobiles are used by the fire inspectors.



## LIABILITIES

### Current Liabilities

Premiums due the reinsurance companies are shown. "Losses in process" represents the liability for losses not paid at the end of the year. The item covering taxes accrued represents premium tax, income tax and fire prevention tax due to the Federal and Provincial governments.

### Reserve for Unearned Income

These reserves are calculated on the basis of one hundred per cent of the unearned premiums on our own retention and one hundred per cent of the unearned portion of the reinsurance commissions as at 31st December 1963.

### Capital Stock

The ownership of the capital stock of Pool Insurance Company is held by the three Provincial Pool organizations as follows:

	Shares	Subscribed	Paid-up	Premiums Paid
Alberta Wheat Pool—	750	\$ 75,000.00	\$ 55,500.00	\$ 46,500.00
Manitoba Pool Elevators—	500	50,000.00	37,000.00	31,000.00
Saskatchewan Wheat Pool—	1,250	125,000.00	92,500.00	77,500.00
	<u>2,500</u>	<u>\$250,000.00</u>	<u>\$185,000.00</u>	<u>\$155,000.00</u>

Out of the above shares three directors of each organization hold twenty-five shares each in trust.

Once again we wish to express the thanks of the directors for the support and co-operation given to the company by the parent organizations, managements and staffs.

Respectfully submitted,

CHAS. W. GIBBINGS	}	Executive
W. J. PARKER		
G. L. HARROLD		

E. A. BODEN  
L. A. BOILEAU  
G. G. JAMIESON  
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