

CANADA PACKERS LIMITED

TORONTO, CANADA

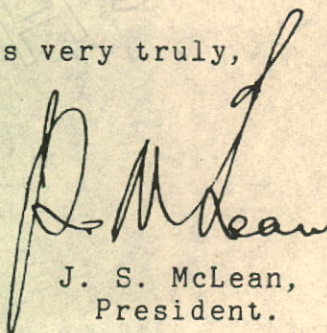
15th September, 1951.

Dear Sir :

The Annual Statement and Report of Directors of Canada Packers Limited is being mailed to Shareholders to-day. The Report includes a discussion of some phases of the Live Stock Industry of Canada, and as Live Stock is one of Canada's most important Industries I have thought you might be interested in reading it.

A copy is therefore enclosed herewith.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'J. S. McLean', written in a cursive style.

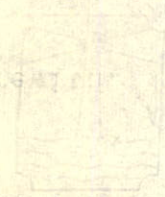
J. S. McLean,
President.

JSM:C.
Encl.

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MADE IN CANADA

DOMINION

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CANADA BUCKETS LIMITED

CANADA PACKERS LIMITED

RAPPORT SOUMIS AUX ACTIONNAIRES

Canada Packers Limited a terminé, le 28 mars 1951, sa 24^{ème} année financière. (Ci-après désignée comme "année fiscale 1951".)

Les ventes (en dollars) ont atteint un nouveau sommet. . . . \$356,000,000.

Ce sommet a été établi en raison de l'augmentation des prix, et non pas en raison d'un volume plus élevé.

Le volume — qui est le poids du produit vendu — a été pratiquement le même qu'au cours des deux années-record précédentes (années fiscales 1945 et 1950).

Le tableau suivant indique le volume et les ventes (en dollars) pour ces trois années ; il fait ressortir de façon spectaculaire l'augmentation rapide des prix durant la période d'après-guerre.

TABLEAU I

	Volume	Ventes (en dollars)	Augmentation sur 1945
Année fiscale 1945.....	1,698,000,000 lbs	\$228,000,000	
Année fiscale 1950.....	1,699,000,000 lbs	\$327,000,000	\$ 99,000,000
Année fiscale 1951.....	1,693,000,000 lbs	\$356,000,000	\$128,000,000

Comparaison entre l'année fiscale 1945 et l'année fiscale 1951, —

Le volume est pratiquement identique;

Les ventes (en dollars) accusent une augmentation de 56%.

Note : 56% est l'augmentation moyenne. Certains produits ont accusé une augmentation beaucoup plus élevée et d'autres une augmentation moins élevée.

Exemple : Les deux produits à 'fort volume' sont le bœuf et les engrais chimiques. Entre mars 1945 et mars 1951,

Le prix du bœuf a augmenté de 178%

Dans les rapports de cette compagnie, on a souvent attiré l'attention sur la faible proportion que représente le profit des salaisons dans le coût de la viande ; et cela, surtout lorsque les prix sont plus élevés.

Au cours de l'année en revue, les ménagères ont payé de .60c à \$1.00 la livre pour le bœuf. Si le profit des salaisons — (soit $\frac{1}{4}$ c par lb) — était complètement enlevé, la ménagère ne s'apercevrait même pas de cette réduction sur les prix.

Pendant la deuxième guerre mondiale, les entreprises de salaison se sont rappelé les événements économiques qui se sont produits pendant et après la première guerre mondiale.

Au cours de la guerre de 1914, les prix des aliments augmentèrent avec régularité, augmentation qui se poursuivit pendant 18 mois après l'Armistice (11 novembre 1918). A partir de juillet 1920, les prix dégringolèrent si rapidement que bien des compagnies de salaison (même des plus importantes) y perdirent la plus grande partie de leur capital de roulement.

Au cours des six années que dura la deuxième guerre mondiale, l'augmentation des prix de la nourriture fut moindre qu'au cours des quatre années de la première guerre mondiale, en raison des contrôles établis par le gouvernement. Les moyens de contrôle furent principalement le plafonnement des prix et les subsides.

Au Canada, les contrôles furent maintenus pendant deux à trois ans après la victoire. Au cours de cette période, les prix des aliments augmentèrent graduellement et l'on espérait qu'à l'abolition des contrôles le coût de la vie se maintiendrait aux niveaux établis à la date de cette abolition. Nous n'imputons à personne la responsabilité du fait que les événements ont démenti ces prévisions. Il était impossible de prévoir les nombreux facteurs qui ont affecté les prix au cours des années d'après-guerre — et apparemment tous ces facteurs concouraient à faire monter les prix.

On notera que les produits suivants accusent une augmentation —

Bouvillons.....	de 32.06c à 33.07c
Porcs.....	de 34.98 à 36.75
Oeufs.....	de 53.75 à 69.00

Sur chacun des produits énumérés ci-dessus, l'augmentation fut saisonnière (car en juillet, ces produits sont plus rares qu'en mars).

Les autres produits au Tableau II marquent un déclin. Pour certains de ces produits, le déclin fut aussi saisonnier. Ainsi :

Agneaux.....	de 40.36c à 36.00c
Beurre de crèmerie.....	de 75.50 à 63.00
Fromage.....	de 39.25 à 37.25

Ces produits sont rares en mars et plutôt abondants en juillet.

Les autres produits appartiennent à une catégorie bien différente — soit :

	Prix par lb mars 28/51	Prix par lb juillet 31/51	Pourcentage du déclin en 4 mois
Laine B Super.....	\$2.55	\$1.15	55%
Peaux de bêtes à cornes..	43c	37c	14%
Peaux de veaux (légères).	87c	55c	37%
Huiles de graines de coton, raffinées, Toronto...	32.66c	21.88c	33%

Ces déclins ne sont pas saisonniers. Ils constituent un écart prononcé dans la montée des prix et peuvent marquer une tendance nouvelle.

Note : Au moment où ce rapport va sous presse (le 22 août) les prix des trois premiers item sont descendus à :

Laine.....	\$1.00
Peaux de bêtes à cornes.....	29½c
Peaux de veaux.....	47c

Le 28 mars, les statistiques semblaient indiquer que les prix de ces quatre produits étaient aussi solidement établis que ceux de n'importe quel autre produit des salaisons.

Existe-t-il une explication de cet écart et cette explication s'applique-t-elle à tous ?

Cependant, il est encore vrai, —

- d) que les principaux pays exportateurs de viande — l'Argentine, l'Australie, la Nouvelle-Zélande, — vendent leurs surplus de bœuf au Royaume-Uni à moins du tiers du prix en cours sur le continent nord-américain pour une qualité analogue. Des niveaux si différents peuvent-ils se maintenir d'une façon permanente pour une nourriture de base ?
- e) qu'une production record de 106 millions de porcs est prédite aux Etats-Unis pour l'année qui s'en vient — du 1er octobre 1951 au 30 septembre 1952.
- f) au Canada, également, on prédit une augmentation sensible dans la production du porc. Il semble peu probable que les arrivages de porcs au cours de l'automne et de l'hiver se vendent aux prix actuels.

Si le prix des porcs diminue sensiblement dans les deux pays, ne détournera-t-il pas le consommateur du bœuf en faveur du porc — et les prix du bœuf marqueront-ils une diminution ?

Note (1) Le facteur le plus important dans le prix de revient de la production du bétail est le prix des grains alimentaires. Au cours de la période de quatre mois (le 28 mars 1951, au 31 juillet 1951) le prix du boisseau des grains au Canada a marqué le déclin suivant :

	28 mars 1951	31 juillet 1951
Avoine, No 3 C.W. Fort William,	de \$1.01	à .78c
Orge No 1, alimentaire	de 1.51	à \$1.18

Note (2) Dans le rapport des deux années précédentes, l'on a prédit (explicitement ou implicitement) que les prix des bêtes à cornes accuseraient plutôt un déclin ; mais au contraire, ils ont continué d'augmenter. L'argument apporté dans la section précédente est plus prudent. Il est à remarquer que l'augmentation des prix des bêtes à cornes n'était pas au niveau de celle des prix des aliments en général et que, à un certain mo-

La réponse est oui.

Les prix phénoménaux,

- a) d'une part stimulent une haute production, — (entraînant une consommation moindre) ;
- b) d'autre part encourageant la vente des substituts.

Le facteur (a) a eu surtout un effet remarquable dans le cas des huiles comestibles. A cause des hauts prix (garantis par le gouvernement) en force au cours des dernières années, on s'attend aux Etats-Unis, cette année, à une production-record d'huiles de graines de coton, d'arachides et de fèves soya. La seule façon d'écouler cette production-record sera de réduire les prix. La probabilité de cet événement se fait déjà pressentir par une forte réduction des prix.

En ce qui concerne la laine et les peaux de bêtes à cornes et de veaux, la chute des prix s'explique par le facteur (b). Au cours des deux dernières années, les substituts pour les tissus de laine et pour le cuir ont été plus en usage qu'à n'importe quelle autre période précédente et cette industrie se développe de plus en plus.

Il semble que ces mêmes facteurs (a) et (b) auront les mêmes répercussions et abaisseront les prix des autres produits au Tableau II, qui sont encore excessivement élevés. En tête de la liste sont les bêtes à cornes. Le prix des bêtes à cornes est encore plus de cinq fois plus élevé qu'à sa période de base. Il est vrai, —

- a) que le prix de la période de base était excessivement bas, —aussi
- b) que la population aux Etats-Unis et au Canada a augmenté beaucoup plus que celle des bêtes à cornes,—aussi
- c) que, lorsque le pouvoir d'achat est élevé (comme il l'est actuellement) les ménagères du continent nord-américain ont une préférence marquée pour le bœuf au détriment des autres viandes.

ment (probablement bientôt) il y aura une baisse dans les prix des bêtes à cornes. Le même argument peut s'appliquer, jusqu'à un certain point, au prix de l'agneau.

Il semble peu probable que puisse se reproduire une baisse des prix comparable à celle de la période 1920-1921, étant donné surtout le programme actuel de défense nationale.

RELATIONS OUVRIÈRES

Les directeurs sont heureux de déclarer que les relations ouvrières ont été agréables et coopératives. Ils sont heureux d'annoncer aux actionnaires que cette coopération a permis de réaliser l'un des plus importants objectifs : l'amélioration constante de la qualité des produits de la compagnie.

Une somme record a été mise de côté pour la participation aux profits, soit \$1,800,000.

De cette somme, approximativement \$1,300,000 ont été distribués en bonis et \$500,000 ont été réservés pour créer un fonds d'épargne qui sera également partagé entre tous les employés.

Suivant les ententes conclues avec le U.P.W.A. il y eut trois augmentations dans les taux des salaires, augmentations basées sur la hausse du coût de la vie.

Toronto, 23 août, 1951.

J. S. McLEAN,
Président.

Des copies supplémentaires de ce rapport seront distribuées, en autant qu'elles seront disponibles, à tous ceux qui en feront la demande. Ecrivez à Canada Packers Limited, Toronto 9.

Le prix des engrais chimiques a augmenté de 40%

Le bénéfice, après dépréciation et déduction faite de l'impôt sur le Revenu était de \$6,926,013

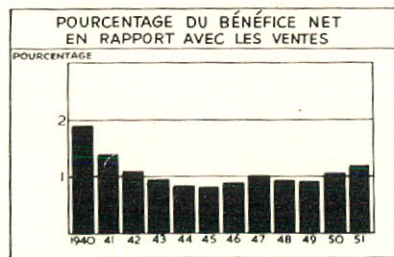
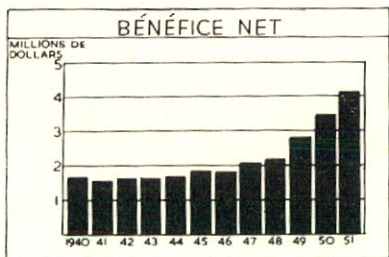
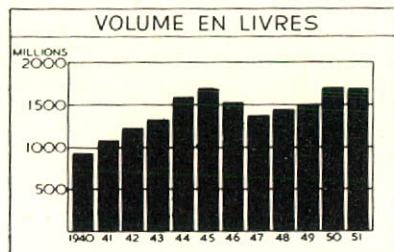
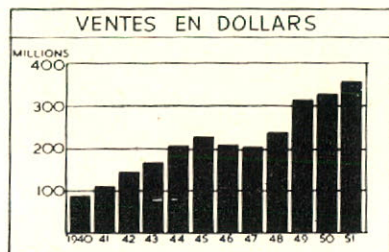
De cette somme on a réservé :

Boni — aux employés de toute catégorie	\$1,800,000	
Réserve d'inventaire	1,000,000	
		2,800,000

Bénéfice net \$4,126,013

Cette somme représente le bénéfice net le plus élevé dans l'histoire de la compagnie.

Il équivaut à 1.16% des ventes
et à 24.4c par 100 lbs
soit un peu moins de 1/4c par lb.



aque année depuis l'abolition des salaisons avait atteint leur plus haut sommet, et, cependant les prix montaient davantage. Dans le tableau II ci-dessous, la colonne 4, révèle le pourcentage de l'augmentation des prix en mars 1951, comparativement aux prix de base dans la période d'avant-guerre 1935-1939.

TABLEAU II

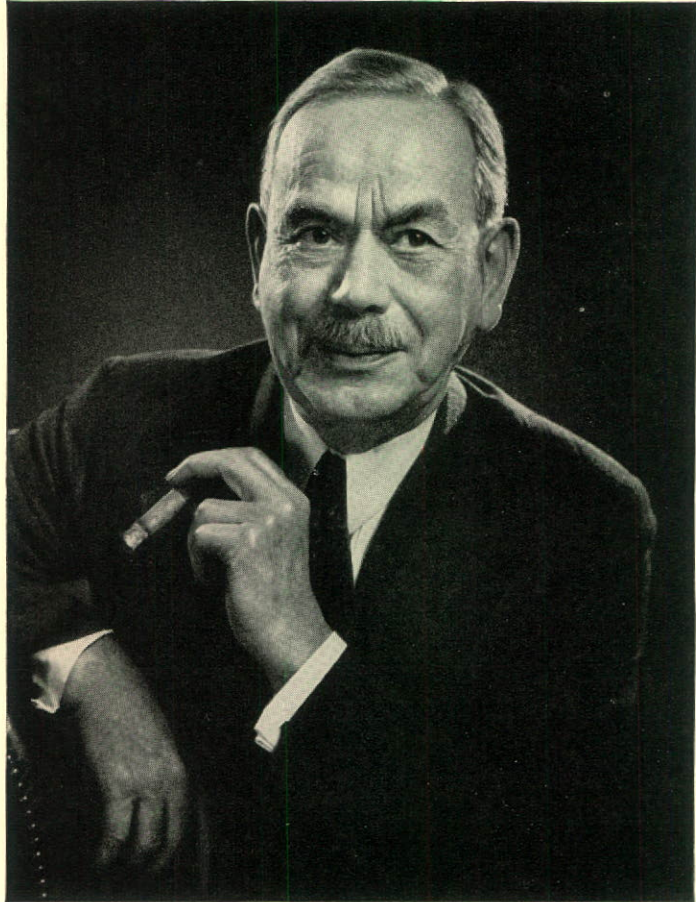
1	2	3	4	5	
Prix par lb mars 1935-39	Prix par lb mars 1945	Prix par lb mars 1951	% d'augmentation 1 à 3	Prix par lb juillet 31 1951	
Bons bouillons, vivants, Toronto..	5.86c	11.54c	32.06c	447%	33.07c
Porcs, B-1 abattus, Toronto.....	11.80	19.42	34.98	196%	36.75
Agneaux, vivants, Toronto.....	8.80	14.95	40.36	359%	36.00
Oeufs, 'A' gros, Toronto.....	22.75	35.00	53.75	136%	69.00
Beurre de Crèmerie, Toronto.....	25.75	43.50	75.50	193%	63.00
Fromage, f.a.b. fromagerie, Ont....	12.35	23.00	39.25	218%	37.25
Laine, B Super, Toronto.....	30.50	46.00	255.00	736%	115.00
Peaux de vaches locales, légères, Toronto.....	10.33	15.00	43.00	316%	37.00
Peaux de veaux, légères, Toronto..	18.16	23.50	87.00	379%	55.00
Huiles comestibles de graines de coton, raffinées, Toronto.....	7.49	18.70	32.66	336%	21.88

L'augmentation phénoménale des prix de la liste ci-dessus se révèle par la comparaison suivante :

En mars 1951 l'augmentation du prix de la vie (1935-1939 équivaut à 100) était de	79.7%
Augmentation du prix de tous les aliments compris dans la computation du coût de la vie	133.9%
Augmentation dans les prix du gros en général	141.8%

Il est très juste de dire qu'en mars 1951 — (soit à la fin de l'année en revue) — la liste complète des produits des salaisons était à leur plus haut sommet de tous les temps. Et, à cette date aucune diminution ne semblait probable. Cependant, quatre mois plus tard, — (soit à la fin de juillet, 1951) — la situation était changée.

On se rendra compte du changement des prix entre ces deux dates en comparant les colonnes 3 et 5 du Tableau II.



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THE RESIDENT'S GOLDEN ANNIVERSARY YEAR

On April 15th, 1951, Mr. J. S. McLean completed fifty years in the Packing Industry. He joined The Harris Abattoir Company (then newly incorporated) on April 15th, 1901. • Twenty-six years later,—in 1927,—The Harris Abattoir Company merged with three other Canadian packing companies to form Canada Packers Limited. Mr. McLean was the chief architect in the formation of Canada Packers, and has been President since its incorporation. • The Annual Report which follows was written by Mr. McLean, as have been all previous Annual Reports since Canada Packers was formed. However, his fellow-Directors have claimed this page in order to pay tribute to his fifty years of service. They feel that, in dedicating this Anniversary Report to him, they will be following the wishes of thousands of Livestock Producers across Canada with whom Mr. McLean has enjoyed personal friendships, as well as the wishes of the Shareholders and Employees of Canada Packers who owe so much to the ability with which he has guided the destinies of the Company.

The Directors

President
J. S. McLEAN

Vice-President
S. G. BENNETT

Vice-President
S. G. BROCK

Vice-President
N. J. McLEAN

DIRECTORS

S. G. BENNETT	N. J. McLEAN
S. G. BROCK	W. F. McLEAN
W. R. CARROLL	H. M. MURRAY
A. G. HALL	C. C. POLKINGHORNE
W. C. HARRIS	G. A. SCHELL
J. P. LABERGE	C. WADGE
J. S. McLEAN	F. A. WIGGINS

PLANT MANAGERS

Canada

G. A. SCHELL <i>Toronto</i>	J. HARRIS <i>Winnipeg</i>
P. C. KELLY <i>Montreal</i>	H. C. FARNSWORTH <i>Hull</i>
G. S. MATTHEWS <i>Peterborough</i>	S. F. McDOUGALL <i>Edmonton</i>
D. M. STEWART <i>Vancouver</i>	G. E. HARTLEN <i>Charlottetown</i>

United States

A. T. SPENCER <i>Chicago, Ill.</i>	R. W. ANDREW <i>Danville, Ill.</i>
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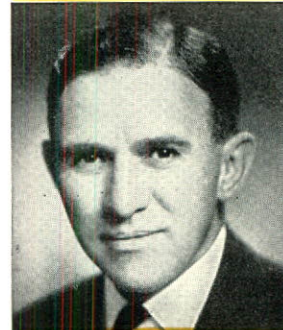
OFFICERS

Secretary and Assistant Treasurer
A. J. E. CHILD

Assistant Secretary
F. E. HAWKINS



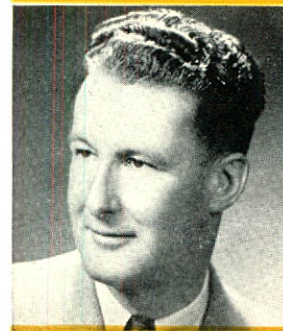
S. G. BENNETT



W. C. HARRIS



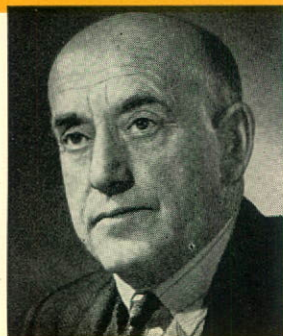
C. WADGE



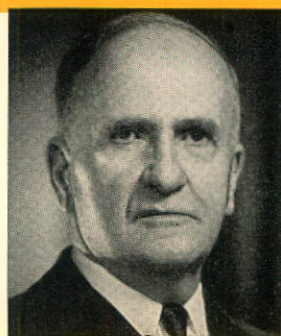
S. F. McDOUGALL



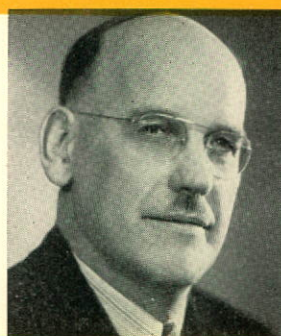
S. G. BROCK



N. J. McLEAN



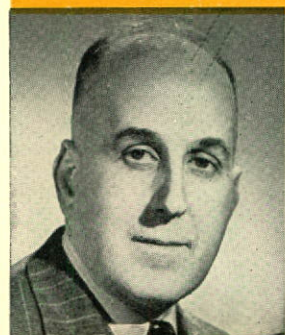
JOS. HARRIS



W. R. CARROLL



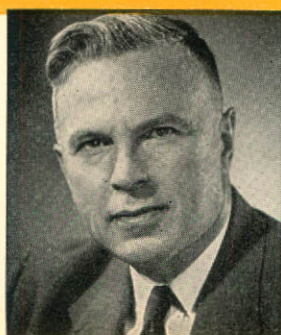
A. G. HALL



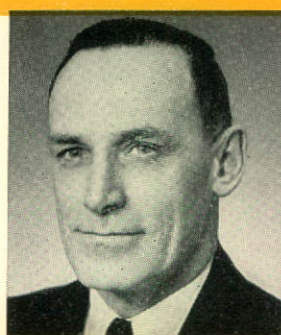
J. P. LABERGE



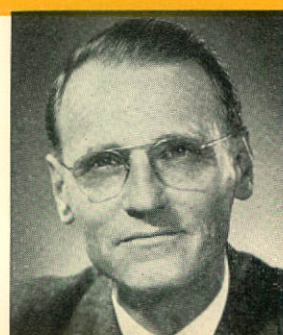
W. F. McLEAN



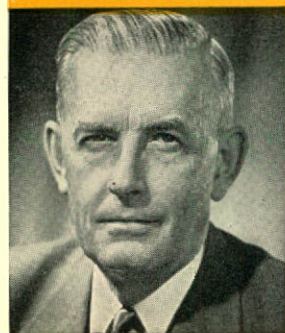
H. M. MURRAY



C. C. POLKINGHORNE



G. A. SCHELL



F. A. WIGGINS



H. C. FARNSWORTH



G. E. HARTLEN



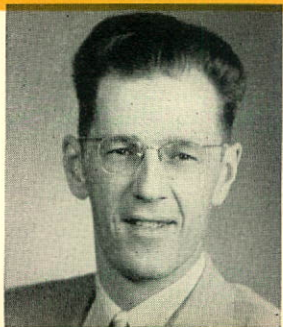
P. C. KELLY



G. S. MATTHEWS



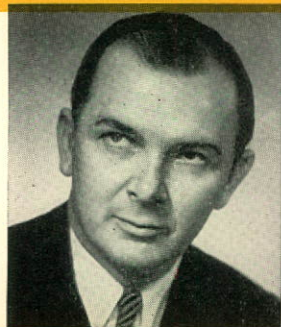
D. M. STEWART



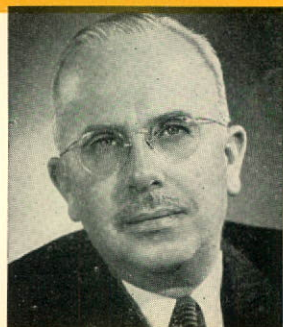
R. W. ANDREW



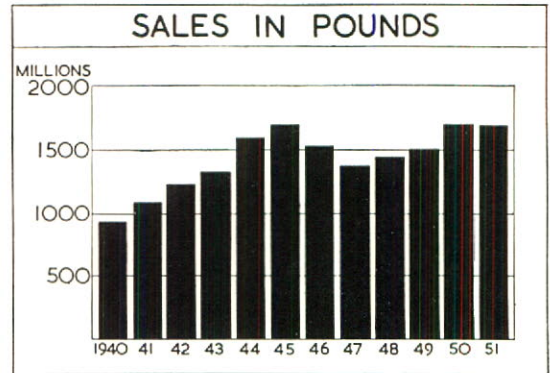
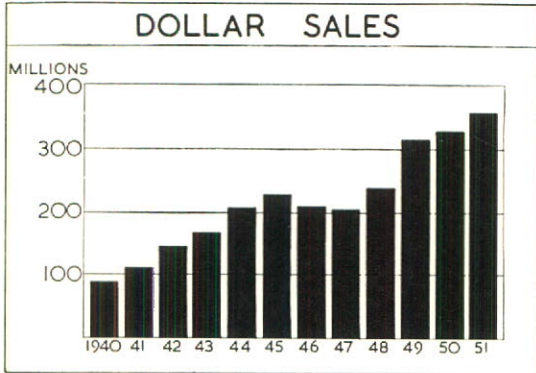
A. T. SPENCER



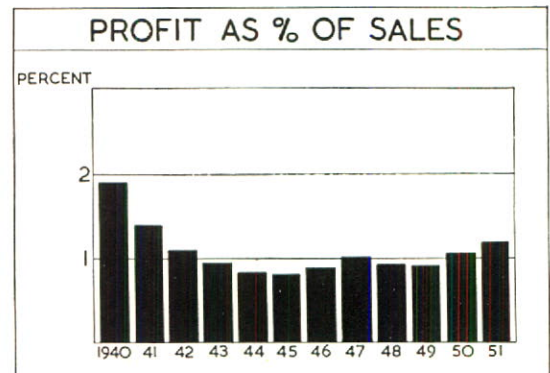
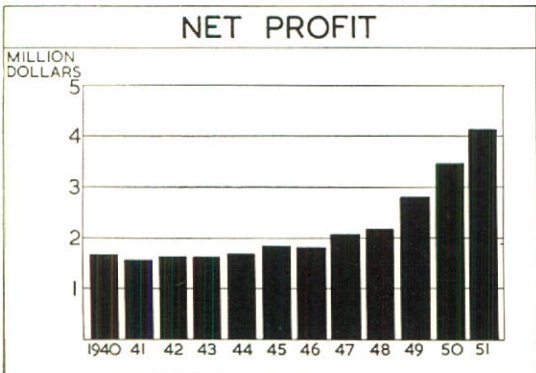
A. J. E. CHILD



F. E. HAWKINS



COMPARATIVE STATISTICS



REPORT TO SHAREHOLDERS

The 24th year of Canada Packers Limited closed March 28th, 1951.

(Hereafter the year is designated 'Fiscal 1951'.)

Dollar Sales set a new high \$356,000,000.

This high was established by reason of advanced prices, not because of a new high volume.

Volume—that is, weight of product sold—was almost identical with two previous record years, viz., fiscal 1945 and fiscal 1950.

The following table of volume and dollar sales for these three years points up dramatically the rapid price advances of the post-war period.

TABLE I

	Volume	Dollar Sales	Increase over Fiscal 1945
Fiscal 1945	1,698,000,000 lbs.	\$228,000,000	
Fiscal 1950	1,699,000,000 lbs.	\$327,000,000	\$ 99,000,000
Fiscal 1951	1,693,000,000 lbs.	\$356,000,000	\$128,000,000

Comparing fiscal 1945 with fiscal 1951,—

Volume is all but identical;

Dollar Sales are up 56% .

Note: 56% is the overall advance. Some products advanced much more, and others much less.

Example: The two 'heavy-volume' products are beef and fertilizer. Between March 1945 and March 1951,

Beef prices advanced 178%
 Fertilizer prices advanced 40%

Profit after Depreciation and Income Tax was . \$6,926,013

Out of this were set aside:

Bonus—to Employees of all ranks . . .	\$1,800,000	
Inventory Reserve	1,000,000	2,800,000
		<hr/>
Net Profit	\$4,126,013	

This is the highest net profit in the history of the Company.

It is equivalent to 1.16% of Sales

and to 24.4¢ per 100 lbs.

i.e., just under ¼ ¢ per lb.

In the reports of this Company, attention has been called many times to the minute role which the packer's profit plays in the cost of meats. This is especially the case in periods of high prices.

During the year under review, housewives have paid for beef cuts from 60¢ to \$1.00 per lb. If the packer's profit—(of ¼¢ per lb.)—were entirely eliminated, the housewife would not even be aware of the reduction.

Throughout World War II, packinghouse operators had constantly in mind the economic events during and following World War I.

In World War I, food prices steadily advanced, and for eighteen months following Armistice Day, (November 11th, 1918), they continued to advance. Then, beginning July 1920, there set in an almost vertical decline in prices which robbed many of the packing companies (including some of the largest) of most of their working capital.

During the six years of World War II, the advance in food prices was less than in the four years of World War I. This was due to government controls. The instruments of control were price ceilings and subsidies.

In Canada, controls were continued for two to three years following V-J Day. During this period, food prices gradually advanced, and it was hoped that when controls were finally removed, cost-of-living prices would carry on approximately at the levels obtaining at the dates of removal. That this did not happen is no reflection upon those responsible for the policy. It was impossible to foresee the multitude of factors which affected prices during the post-war years—seemingly all of them tending to drive prices up.

Year by year, since decontrol, it has seemed that packinghouse prices must surely have reached their peak, and year by year they have continued still to advance. In table II, below, Column 4 reveals the percentage of price advances as at March, 1951, compared with the pre-war base years 1935-1939.

TABLE II

	1 Price per lb. March 1935/39	2 Price per lb. March 1945	3 Price per lb. March 1951	4 Percentage Increase 1 to 3	5 Price per lb. July 31 1951
Good Steers, live, Toronto	5.86¢	11.54¢	32.06¢	447%	33.07¢
Hogs, B-1 dressed, Toronto	11.80	19.42	34.98	196%	36.75
Lambs, live, Toronto	8.80	14.95	40.36	359%	36.00
Eggs, 'A' Large, Toronto	22.75	35.00	53.75	136%	69.00
Creamery Butter, Toronto	25.75	43.50	75.50	193%	63.00
Cheese, f.o.b. factory, Ontario	12.35	23.00	39.25	218%	37.25
Wool, B Super, Toronto	30.50	46.00	255.00	736%	115.00
Hides, Light Native Cow, Toronto	10.33	15.00	43.00	316%	37.00
Calfskins, Light, Toronto	18.16	23.50	87.00	379%	55.00
Edible Oils					
Cottonseed, Refined, Toronto	7.49	18.70	32.66	336%	21.88

The phenomenal advance in the prices of all the above list is revealed by comparison with the following.

As at March 1951 the increase in the cost of living index (1935-1939 equals 100) was		79.7%
Increase in price of all foods included in the cost of living computation		133.9%
Increase in general wholesale prices		141.8%

It is substantially accurate to say that in March, 1951—(that is, at the close of the year under review)—the complete list of packinghouse products stood at an all-time high. And at that date there seemed no sign of recession in any of the products listed in Table II.

However, four months later—(that is, at the end of July, 1951)—such a statement would be far from accurate.

The change of prices as between the two dates is revealed by comparing Column 3 and Column 5 in Table II.

It will be noted that the following products show advances—

Steers	from 32.06¢	to 33.07¢
Hogs	from 34.98	to 36.75
Eggs	from 53.75	to 69.00

In each of the above items, the advance was seasonal; that is, in July the product in question is in much shorter supply than in March.

The remaining products of Table II show declines. Certain of these declines were also seasonal.

They were—

Lambs	from 40.36¢	to 36.00¢
Creamery Butter	from 75.50	to 63.00
Cheese	from 39.25	to 37.25

In the case of these products, March is a month of scarcity and July of relative plenty.

In a quite different category are the other products,—viz. :

	Price per lb. March 28/51	Price per lb. July 31/51	Percentage Decline in 4 months
Wool, B Super.	\$ 2.55	\$ 1.15	55%
Hides	43¢	37¢	14%
Calfskins (light)	87¢	55¢	37%
Cottonseed Oil, refined, Toronto	32.66¢	21.88¢	33%

These declines are not seasonal. They constitute a sharp break in the upward climb of prices, and must be recognized as a *possible* portent.

Note: On the day on which this report goes to press (August 22)

Prices of the first 3 items broke further to:

Wool.	\$ 1.00
Hides.	29½¢
Calfskins	47¢

At March 28th a strong 'statistical' argument could have been advanced that the prices of these four products were as firmly established as any others in the packinghouse list.

Is there an explanation of the break, common to all of them?

The answer is yes.

Phenomenal prices,

- (a) on the one hand stimulate production,—(obversely restricting consumption);
- (b) on the other hand bring substitute products into being.

The factor (a) operated especially in the case of edible oils. The high (government supported) prices of the last few years have resulted in a prospect of record production in U.S.A. this year, of Cottonseed, Peanut, and Soya Bean Oils. The only way to get these anticipated record quantities into consumption will be to reduce prices. This coming event has cast its shadow before it, in the sharp price break which has already occurred.

In regard to wool, hides and calfskins, the explanation of the break lies chiefly in factor (b). In the last two years, substitutes for wool fabrics and for leather have been more extensively used than at any previous period, and are still being developed rapidly.

It would seem that these same factors (a) and (b) will in time operate to bring down the prices of those other products of Table II which still remain abnormally high. At the head of the list is cattle. Cattle prices are still more than five times as high as in the base period. It is true,—

- (a) that the price of the base period was abnormally low,—also
- (b) that human population in U.S.A. and Canada has advanced more rapidly than cattle population,—also
- (c) that, when purchasing power is high (as at present), North American housewives have a strong preference for beef, over other meats.

However, it is also true—

- (d) that the chief meat-exporting countries,—Argentina, Australia, New Zealand,—are selling their surplus beef to the United Kingdom for less than one-third of the North American price for corresponding quality. Can two such widely separated levels for a basic food be permanently maintained?
- (e) that an estimated record crop of 106 million hogs in United States is predicted for the coming hog year—October 1st, 1951 to September 30th, 1952.
- (f) that in Canada, also, a sizable increase in hog production is predicted. It is unlikely that the expected deliveries of hogs during the coming Fall and Winter can go into consumption at present price levels.

If hog prices decline substantially in both countries, will not consumption be diverted from beef to pork meats—thus in turn weakening beef prices?

Note (1) The most important factor in the cost of producing live stock is the price of feed grains. In the four-month period (March 28th, 1951 to July 31st, 1951) feed grains have declined in Canada as follows:

	March 28 1951	July 31 1951
Oats, No. 3 C.W., Fort William,	from \$1.01 per bu.	to 78¢ per bu.
Barley, No. 1 Feed	“ 1.51 per bu.	“ \$1.18 per bu.

Note (2) In the Annual Reports of the last two years, there have been predictions (explicit or implied) that cattle prices were due for a near-by decline. Instead, they have continued to advance. The argument of the above section is a more cautious one. It is that the advance of cattle prices has been out of line with that of general food prices, and that at some time (possibly not long delayed) there must be an adjustment of cattle prices downward. With somewhat less force the same argument applies to lamb prices.

There is no suggestion of a calamitous break such as occurred in 1920–21. With the defence programme in the background, such a break is very unlikely.

EMPLOYEE RELATIONS

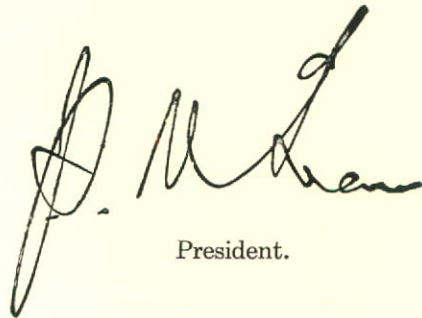
Directors have pleasure in stating that relations with Employees have been harmonious and co-operative. They are pleased to inform the Shareholders that this co-operation found expression in that most important of all objectives;—the steady improvement in the quality of the Company's products.

A record sum was set aside as profit-sharing, viz., \$1,800,000.

Of this sum, approximately \$1,300,000 was distributed as cash bonus, and \$500,000 set aside as the beginning of a savings fund in which all Employees will share equally.

Under the terms of the agreement with the U.P.W.A., there were three increases in wage rates based upon the advancing cost of living index.

Toronto, August 23rd, 1951.



President.

CONSOLIDATED BALANCE SHEET

(Incorporated under The
as at MARCH

ASSETS	COLUMN 1 Including certain wholly- owned subsidiaries consolidated in prior years	COLUMN 2 Including all wholly-owned subsidiaries
CASH ON HAND	\$ 65,332	\$ 66,209
INVESTMENTS:		
Bonds and Shares—at cost less amounts written off (market value \$246,626).	43,609	43,609
ACCOUNTS RECEIVABLE:		
Trade Accounts (after provision for losses).	16,488,873	18,288,405
Due from subsidiary companies.	959,829	50,685
INVENTORIES:		
Products, Materials and Supplies on hand, in transit and committed for —as determined and certified by the Management and valued at the lower of cost or market, less Reserve of \$5,000,000.	40,133,500	44,184,072
Life Insurance (cash surrender value)	753,680	753,680
Prepaid Expenses	542,145	563,047
Sundry Advances and Balances Receivable	359,715	382,232
TOTAL CURRENT ASSETS	59,346,683	64,331,939
Investments in Subsidiary Companies not consolidated herein—at cost:		
Wholly-owned Subsidiaries.	2,250,916	Nil
Partially-owned Subsidiaries	498,000	498,000
Investment in other securities—at cost less amounts written off	107,617	107,617
Portion of Taxes refundable under The Excess Profits Tax Act	103,925	220,844
FIXED ASSETS—Land, Buildings, Plant and Equipment—at cost or at depreciated appraisal values for assets appraised in the years 1919 to 1927	32,051,409	33,782,482
Goodwill	1	1
	<u>\$94,358,551</u>	<u>\$98,940,883</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Canada Packers Limited, including certain wholly-owned subsidiaries consolidated in prior years, as at March 28, 1951 (Column 1 above) and the related statements of consolidated profit and loss and consolidated earned surplus for the year ended on that date. In connection therewith we made a general review of the accounting methods at head office and certain plants, reviewed returns from branches certified by branch officials and examined or tested accounting records and other supporting evidence to the extent we deemed appropriate but we did not make a detailed audit of transactions. We received all the information and explanations we required.

Included in the current liabilities are provisions and reserves which in our opinion are, in the aggregate, some \$2,750,000 in excess of the actual liabilities.

Subject to the foregoing, we report that in our opinion the accompanying consolidated balance sheet of Canada Packers Limited, including certain wholly-owned subsidiaries consolidated in prior years, (Column 1 above) and statements of consolidated profit and loss and consolidated earned surplus have been drawn up so as to exhibit a true and correct view of the state of the affairs of these companies as at March 28, 1951 and

OF CANADA PACKERS LIMITED

(Companies Act, Canada)

8, 1951

LIABILITIES	COLUMN 1 Including certain wholly owned subsidiaries consolidated in prior years	COLUMN 2 Including all wholly-owned subsidiaries
Borrowings from Bankers	\$22,851,581	\$23,189,712
Accounts Payable and Accrued Charges	15,167,363	15,545,086
Amounts due to Subsidiary Companies	672,620	255,692
Provision for Income, Sales, Municipal and Other Taxes	4,087,317	4,450,708
Dividends on Class A and B Shares payable April 2, 1951	900,000	900,000
Funds held under Employees' Profit Sharing Plan	468,300	494,035
TOTAL CURRENT LIABILITIES	\$44,147,181	\$44,835,233
Provision for Depreciation of Fixed Assets	21,640,216	22,585,851
Surplus on Appraisals	5,663,432	5,663,432
Capital:		
Authorized and Issued:—		
400,000 Class A Shares of no par value—	\$ 1,438,284	\$ 1,438,284
800,000 Class B Shares of no par value—		
Earned Surplus	21,469,438	24,418,083
	\$22,907,722	25,856,367

On behalf of the Board.

J. S. McLEAN, *Director*

S. G. BROCK, *Director*

\$94,358,551	\$98,940,883
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of the results of their operations for the year ended on that date, according to the best of our information, the explanations given us and as shown by the books of the companies and returns from the branches.

As required by The Companies Act, 1934, Canada, Section 114, we report that no portion of the profits for the year ended March 28, 1951 of the subsidiary companies not consolidated in the attached statement of profit and loss has been included therein.

We have also examined the consolidated balance sheet of Canada Packers Limited including all wholly-owned subsidiaries as at March 28, 1951 (Column 2 above) and, subject to paragraph two above, we report that in our opinion such balance sheet has been drawn up so as to exhibit a true and correct view of the state of these companies' affairs as at that date, according to the best of our information, the explanations given us and as shown by the books of the companies and returns from the branches.

Toronto, Canada,
August 23, 1951.

CLARKSON, GORDON & CO.
Chartered Accountants.

**CANADA PACKERS LIMITED AND CERTAIN WHOLLY-OWNED
SUBSIDIARIES CONSOLIDATED IN PRIOR YEARS**

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED 28TH MARCH, 1951

		% TO SALES 1951	% TO SALES 1950
Invoice Value of Sales	\$365,234,263		
Less Transport Charges and Duty	8,408,673		
Value of Sales—f.o.b. Plants	<u>\$356,825,590</u>	100.00%	100.00%
Cost of Live Stock and all other Products.	\$293,518,334	82.26%	82.26%
Packages and Materials.	12,370,915	3.46	3.26
Salaries, Wages and Bonus	26,611,912	7.46	7.44
Expenses—Selling, Advertising, Repairs, Renewals and General Operating Costs.	13,428,771	3.76	3.97
Contribution to Employees' Retirement Plan	397,334	.11	.42
(The excess of last year was due to a payment in respect of past service of \$1,000,954.)			
Provision for Taxes:			
Municipal Taxes, etc.	\$ 531,388		
Taxes on Income	3,710,209		
Provision for Depreciation of Fixed Assets	1,268,346	.36	.37
	<u>\$351,837,209</u>	98.60%	98.95%
	<u>\$ 4,988,381</u>	1.40%	1.05%

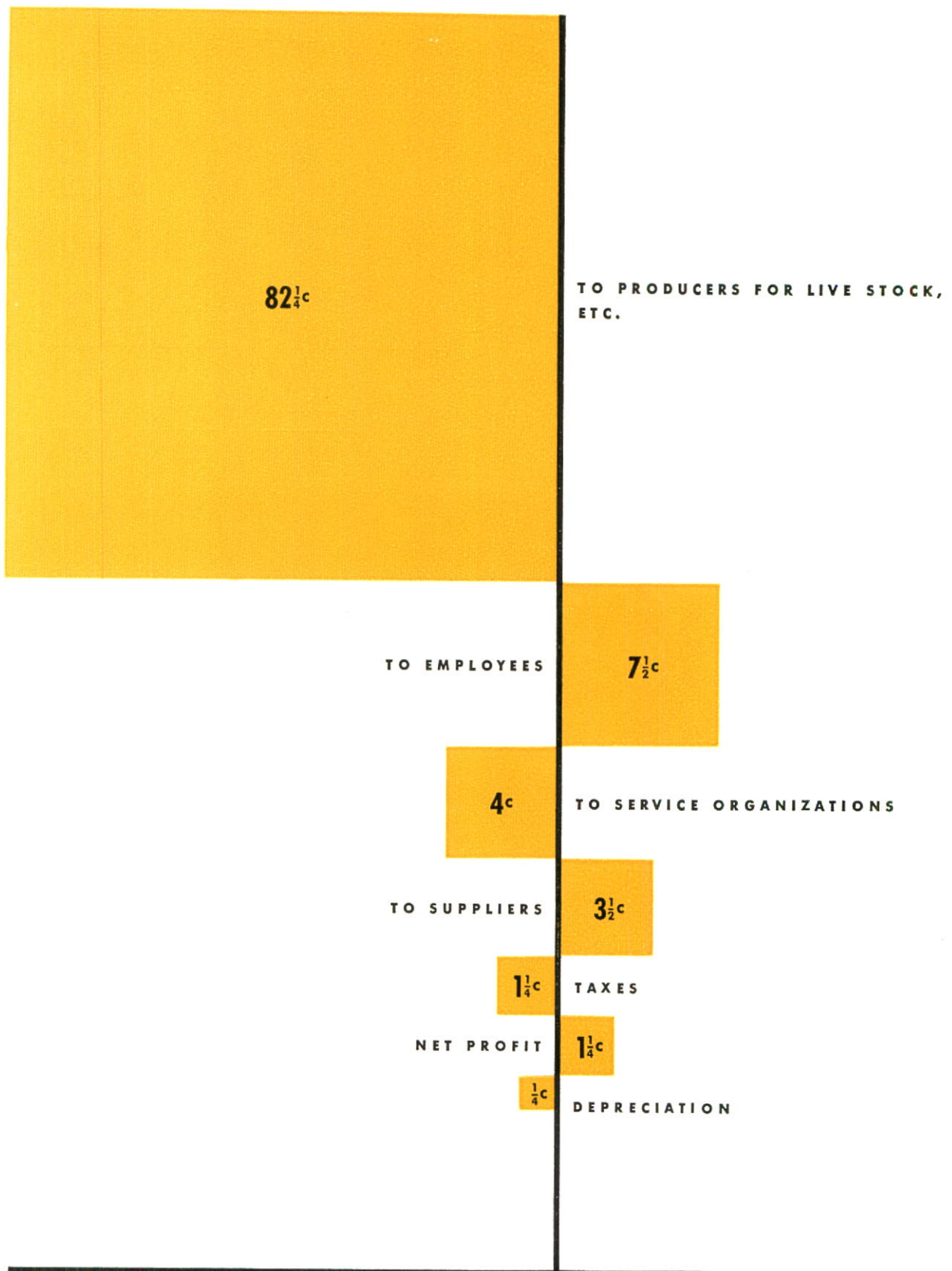
CANADA **P**ACKERS LIMITED

		% TO SALES 1951	% TO SALES 1950
FORWARD	\$ 4,988,381	1.40%	1.05%
Add:			
Income from Investments, less \$8,778 held in reserve	\$47,033		
Profit on disposal of Fixed Assets	90,599	137,632	.04
Net Profit for the Year	\$ 5,126,013	1.44%	1.06%
Appropriation to Inventory Reserve		1,000,000	.28
Balance transferred to Earned Surplus	\$ 4,126,013	1.16%	1.06%
NOTE: The expenditures for the year include the following:			
Directors' Fees		Nil	
Remuneration to Executive Officers and Directors and Legal Fees	\$ 285,815		

STATEMENT OF CONSOLIDATED EARNED SURPLUS

FOR THE YEAR ENDED MARCH 28, 1951

Balance at credit March 29, 1950		\$19,143,425
Balance from statement of Consolidated Profit and Loss		4,126,013
		<u>\$23,269,438</u>
LESS:		
Dividends paid or payable for the year—		
Two Dividends of 75¢ each per share on 400,000 Class A Shares	\$ 600,000	
Two Dividends of 75¢ each per share on 800,000 Class B Shares	1,200,000	1,800,000
Balance at credit March 28, 1951		<u>\$21,469,438</u>



DISTRIBUTION OF SALES DOLLAR 1951

TOTAL CANADA HOG GRADINGS

CALENDAR YEAR	EASTERN CANADA	WESTERN CANADA	TOTAL
1926	1,644,940	1,109,565	2,754,505
1927	1,770,949	1,077,439	2,848,388
1928	1,658,755	1,117,218	2,775,973
1929	1,403,445	1,255,564	2,659,009
1930	1,157,704	1,143,645	2,301,349
1931	1,252,460	1,390,912	2,643,372
1932	1,417,122	1,781,061	3,198,183
1933	1,438,580	1,766,845	3,205,425
1934	1,294,237	1,734,501	3,028,738
1935	1,351,468	1,606,153	2,957,621
1936	1,919,617	1,877,335	3,796,952
1937	2,174,005	1,811,575	3,985,580
1938	1,995,471	1,250,064	3,245,535
1939	2,086,881	1,619,298	3,706,179
1940	2,805,568	2,651,274	5,456,842
1941	2,853,793	3,362,414	6,216,207
1942	2,473,843	3,754,320	6,228,163
1943	2,566,054	4,583,367	7,149,421
1944	3,168,358	5,694,820	8,863,178
1945	2,449,137	3,411,936	5,861,073
1946	2,360,223	2,100,513	4,460,736
1947	2,901,597	1,854,374	4,755,971
1948	2,935,039	1,832,821	4,767,860
1949	2,942,497	1,486,758	4,429,255
1950	3,239,133	1,536,424	4,775,557
1951—6 Months	1,600,964	790,839	2,391,803

TOTAL CANADA SLAUGHTERINGS AT INSPECTED ESTABLISHMENTS

CALENDAR YEAR	CATTLE	CALVES	SHEEP AND LAMBS	HOGS
1926	739,822	374,175	545,769	2,491,425
1927	733,357	414,675	618,057	2,540,342
1928	699,384	415,990	638,752	2,547,024
1929	701,866	414,781	725,004	2,353,161
1930	602,007	376,237	745,119	1,926,325
1931	592,036	371,076	820,891	2,242,765
1932	553,342	383,449	788,222	2,722,825
1933	654,000	438,428	868,679	2,802,377
1934	804,290	542,842	854,222	2,871,980
1935	789,711	586,851	861,228	2,805,825
1936	920,229	602,616	830,975	3,562,534
1937	923,961	702,405	821,758	3,802,141
1938	859,260	676,579	801,679	3,137,203
1939	872,574	679,922	786,274	3,628,369
1940	889,898	703,779	763,982	5,454,930
1941	1,004,101	719,168	830,963	6,273,851
1942	970,315	666,645	825,288	6,196,850
1943	1,021,334	594,385	889,269	7,173,550
1944	1,354,104	660,556	949,096	8,766,441
1945	1,820,127	781,817	1,169,124	5,683,727
1946	1,666,310	752,817	1,209,545	4,253,511
1947	1,293,246	659,701	896,017	4,458,160
1948	1,489,883	787,410	768,943	4,487,649
1949	1,439,489	766,277	629,673	4,098,609
1950	1,284,683	773,205	521,089	4,405,055
1951—6 Months	571,689	343,045	91,376	2,197,883

EXPORTS OF BACON, CANADA TO GREAT BRITAIN

CALENDAR YEAR	POUNDS	IN TERMS OF HOGS
1926	90,843,600	757,030
1927	53,059,100	442,159
1928	37,078,600	308,988
1929	25,822,900	215,191
1930	13,011,400	108,428
1931	10,961,700	91,347
1932	30,693,400	255,778
1933	71,524,700	596,039
1934	119,707,600	997,565
1935	124,327,900	1,036,065
1936	154,768,800	1,289,740
1937	192,058,700	1,600,488
1938	169,463,600	1,412,188
1939	186,473,000	1,553,941
1940	344,147,100	2,867,892
1941	460,800,200	3,840,002
1942	524,951,900	4,374,599
1943	560,304,800	4,669,207
1944	692,310,300	5,769,252
1945	446,069,300	3,656,305
1946	286,029,100	2,364,876
1947	232,001,400	1,917,366
1948	200,138,000	1,667,816
1949	65,577,100	546,476
1950	72,340,300	602,836
1951—6 Months	1,887,500	15,729

CASH INCOME FROM THE SALE OF FARM PRODUCTS*

CALENDAR YEAR	CASH INCOME FROM SALE OF LIVE STOCK EXCLUDING POULTRY	CASH INCOME FROM ALL FARM PRODUCTS	DIRECT† GOVERNMENT PAYMENTS	TOTAL INCLUDING DIRECT GOVERNMENT PAYMENTS
1926	\$193,253,000	\$ 963,423,000	.....	\$ 963,423,000
1927	194,538,000	940,936,000	.....	940,936,000
1928	210,445,000	1,072,478,000	.....	1,072,478,000
1929	214,904,000	936,297,000	.....	936,297,000
1930	157,747,000	640,545,000	.....	640,545,000
1931	111,789,000	450,455,000	.....	450,455,000
1932	79,844,000	388,500,000	.....	388,500,000
1933	83,761,000	402,038,000	.....	402,038,000
1934	111,507,000	491,604,000	.....	491,604,000
1935	131,122,000	519,463,000	.....	519,463,000
1936	149,048,000	580,109,000	.....	580,109,000
1937	186,218,000	639,991,000	.....	639,991,000
1938	156,989,000	660,790,000	.....	660,790,000
1939	178,930,000	717,015,000	\$1,686,000	718,701,000
1940	226,399,000	748,231,000	9,691,000	757,922,000
1941	301,592,000	896,371,000	29,477,000	925,848,000
1942	373,742,000	1,099,216,000	55,362,000	1,154,578,000
1943	444,949,000	1,407,460,000	31,414,000	1,438,874,000
1944	513,838,000	1,829,900,000	17,872,000	1,847,772,000
1945	526,409,000	1,694,739,000	6,440,000	1,701,179,000
1946	502,769,000	1,742,786,000	16,950,000	1,759,736,000
1947	496,386,000	1,967,263,000	11,577,000	1,978,840,000
1948	726,350,000	2,463,148,000	20,748,000	2,483,896,000
1949	754,543,000	2,494,781,000	17,628,000	2,512,409,000
1950	820,981,000	2,223,522,000	13,806,000	2,237,328,000

*Excluding Newfoundland

†Includes payments made under the Wheat Acreage Reduction Act, the Prairie Farm Assistance Act and the Prairie Farm Income Act. (Other farm subsidies paid by Dominion and Provincial Governments are included under "Cash Income from Farm Products".)

PER CAPITA CONSUMPTION OF MEAT IN CANADA BY CIVILIANS

Source: Dominion Bureau of Statistics, Live Stock and Animal Products Statistics

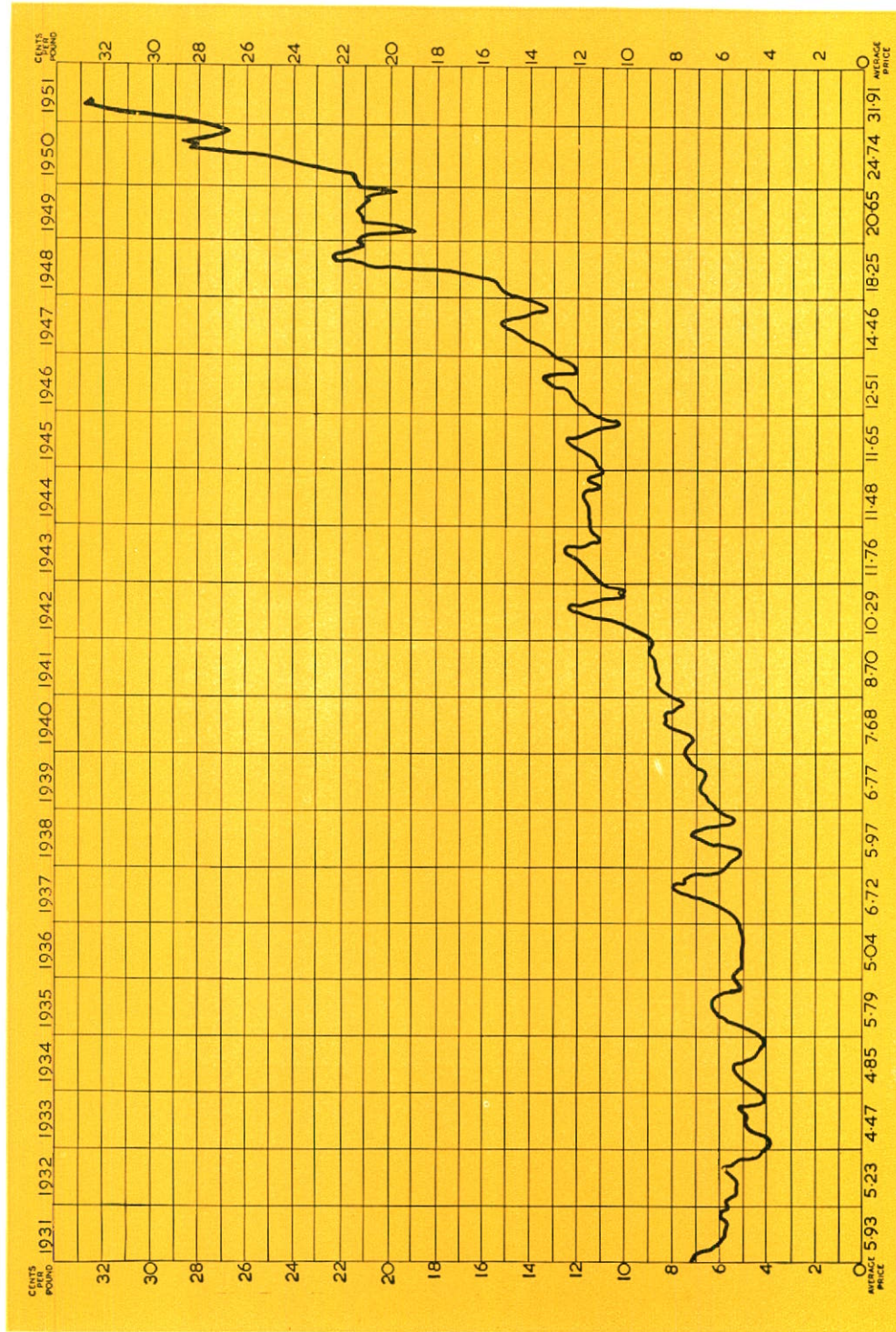
CALENDAR YEAR	BEEF	VEAL	MUTTON AND LAMB		PORK	OFFALS	CANNED MEATS*	TOTAL
			lb.	lb.				
1926	55.2	7.8	4.9	53.5	†	‡	121.4§	
1927	54.5	7.8	5.6	54.5	†	‡	122.4§	
1928	50.5	8.2	5.5	58.4	†	‡	122.6§	
1929	51.1	8.1	5.8	58.0	†	‡	123.0§	
1930	49.1	9.5	6.5	52.8	†	‡	117.9§	
1931	48.5	8.5	5.9	51.9	†	‡	114.8§	
1932	45.5	8.5	6.1	55.3	†	‡	115.4§	
1933	45.8	9.1	5.7	52.0	†	‡	112.6§	
1934	50.6	10.4	6.0	47.4	†	‡	114.4§	
1935	53.6	9.8	6.0	39.3	5.5	1.7	115.9	
1936	55.1	10.2	5.6	41.4	5.9	2.0	120.2	
1937	54.6	11.9	5.6	42.5	6.2	2.0	122.8	
1938	57.2	10.3	5.4	37.7	5.7	1.7	118.0	
1939	53.2	10.4	5.4	38.4	5.1	2.1	114.6	
1940	54.5	10.8	4.5	44.7	5.5	1.5	121.5	
1941	58.3	11.1	4.9	46.3	6.0	3.2	129.8	
1942	60.1	10.8	5.0	53.3	6.4	3.1	138.7	
1943	69.3	10.2	4.6	61.0	7.3	3.1	155.5	
1944	66.6	11.0	4.8	61.4	7.4	2.8	154.0	
1945	64.6	11.9	4.7	50.9	6.0	4.8	142.9	
1946	67.2	10.5	4.8	51.3	5.5	5.9	145.2	
1947	67.2	9.5	4.8	51.9	6.4	5.6	145.4	
1948	57.5	10.9	3.5	53.9	6.0	3.5	135.3	
1949	56.5	9.1	3.0	59.2	5.6	5.1	138.5	
1950	50.5	9.2	2.5	60.8	5.6	5.5	134.1	

*Canned meats expressed in terms of carcass weight.
†Estimate not available.

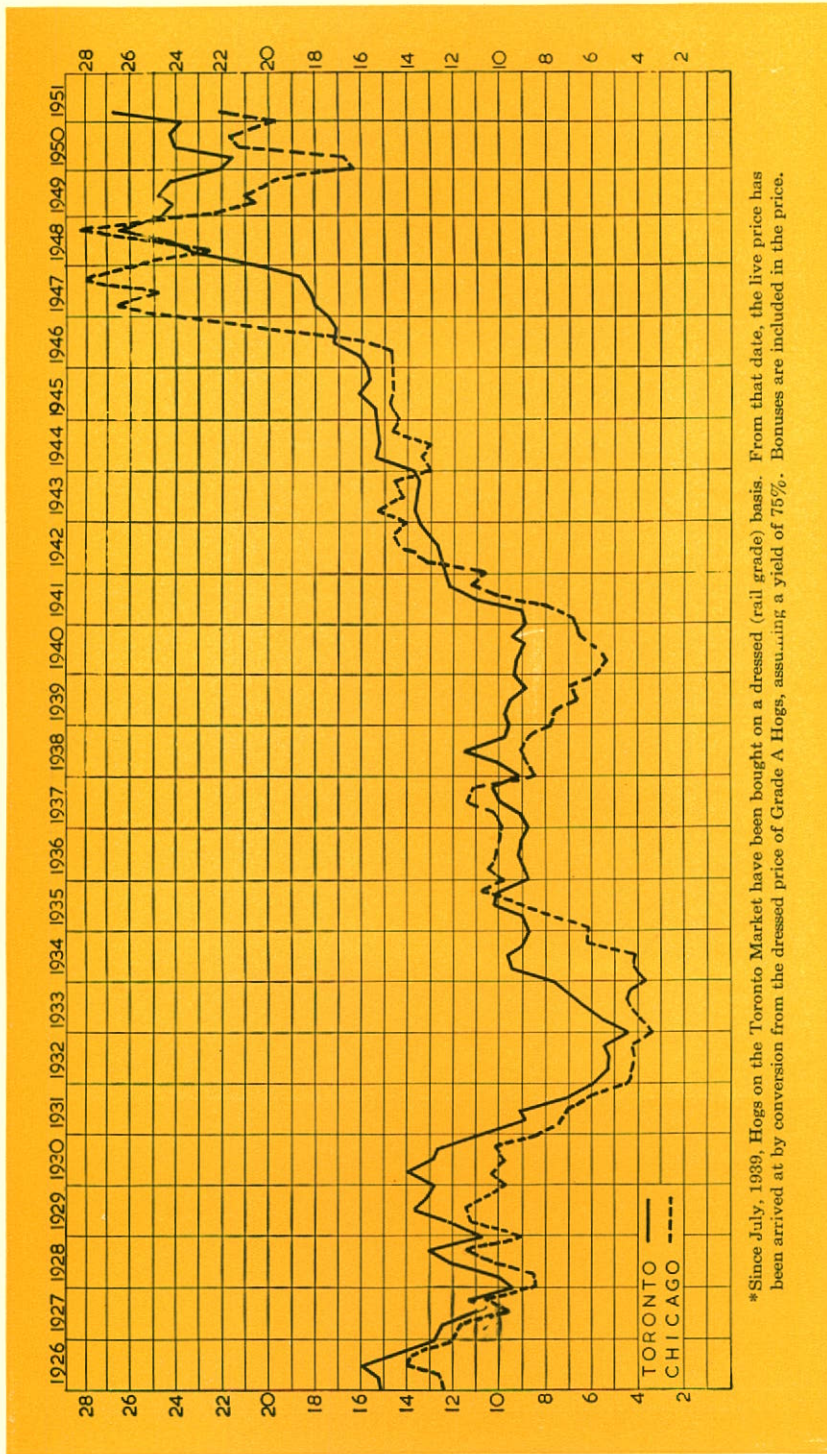
‡Included with other meats.
§Total figures prior to 1935 do not include offals.

GOOD STEERS—1050 POUNDS DOWN, TORONTO

AVERAGE MONTHLY PRICE



COMPARATIVE LIVE HOG PRICES TORONTO* AND CHICAGO — TOP GRADES



*Since July, 1939, Hogs on the Toronto Market have been bought on a dressed (rail grade) basis. From that date, the live price has been arrived at by conversion from the dressed price of Grade A Hogs, assuming a yield of 75%. Bonuses are included in the price.



