

C
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Saskatchewan WHEAT POOL

and subsidiary companies

THIRTY-THIRD
ANNUAL
REPORT



FOR
THE YEAR
ENDED
31st JULY
1957

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REGINA, SASKATCHEWAN

*Proposed Agenda of Business
for Annual Meeting*

1. Invocation
2. Appointment of Chairman.
3. Notice of Annual Meeting
4. Resolution to adopt Agenda
5. Minutes of previous Meeting
6. Report of Resolutions Committee
7. Report of Board of Directors
8. Resolution to receive Directors' Report.
9. Discussion of Directors' Report.
10. Financial Statements and Auditors' Report.
11. Discussion of Financial Statements.
12. Adoption of Directors' Report.
13. Adoption of Financial Statements.
14. Consideration of Resolutions set out in Notice of Meeting
15. Consideration of proposed Amendment to Article 22(c) of the Articles of Association.
16. Consideration of other matters that may properly come before the Meeting, introduced by Delegates.
17. Remuneration of Auditors.
18. Appointment of Auditors.
19. Fraternal Delegates.
20. Adjournment.

Pres. - Saskatchewan Wheat Pool - Dec. 2, 1957

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SASKATCHEWAN WHEAT POOL

DIRECTORS' REPORT

IN MEMORIAM

Before entering upon a review of the business activities of the past year your Board desires to place on record the great loss which the Province of Saskatchewan has sustained in the passing of a number of men who formerly served as delegates of our organization. These include,—

Mr. W. A. Urton of Duck Lake, who passed away on 18th July 1957. The late Mr. Urton was a native son of Saskatchewan, having been born at Moose Jaw and moved at an early age with his family to Duck Lake. He was first elected as a delegate in 1925, serving for one year. He was again elected in 1928 and continued in office until he resigned in 1942. He served as a member of the Board of Directors for ten years, from 1930 to 1940.

Mr. Francis T. Graves of Davis, who died while on a visit to relatives in Wales, in June. The late Mr. Graves acted as a delegate in District 15 from 1927 to 1934 and from 1937 to 1944, when he retired.

Mr. George Burden of Moosomin who was known as an ardent worker for all branches of the co-operative movement in southeast Saskatchewan. Mr. Burden passed away in British Columbia in July. The late Mr. Burden was first elected a delegate in District 7 in November, 1928 and continued in office until the time of his retirement in 1942.

Mr. Wm. H. Clews of Pangman passed away on 24th February. A highly respected pioneer settler in the area west of Weyburn, he served the Wheat Pool organization as a delegate for the ten-year period from 1941 to 1951.

Mr. E. E. Lockwood of Davidson, who died suddenly on 17th May. "Gene" as he was known, was a member of a family whose contribution to the co-operative movement was outstanding in a district in which co-operation represents a normal way of life. He served as a delegate in District 10 from 1947 until his retirement in June, 1951.

Mr. O. J. Halldorson of Wynyard, who served as a delegate from 1926 to 1933 and again from 1938 to 1946. Mr. Halldorson was a well known and highly respected pioneer of the Wynyard district.

Mr. W. G. Botkin of Rouleau who died in November, 1956. Mr. Botkin was one of the original delegates of the organization and served as a delegate continuously from 1924 to 1935.

All of these men have a splendid record of public service to their community and to the Province as a whole. Their epitaph might well be recorded in the words,—

"Life's race well run,
Life's work well done,
Life's crown well won,
Now cometh rest".

In presenting this report to the Thirty-third Annual Meeting of Delegates of the Saskatchewan Wheat Pool your Board of Directors has, as in the past, followed the practice laid down in previous years and now presents a review of the widespread operations of the Pool organization for the year ended 31st July 1957.

As in former years, there are also included the reports of the Board of Directors of Canadian Co-operative Wheat

Producers Limited; Canadian Pool Agencies Limited and Pool Insurance Company, the three interprovincial organizations owned jointly with the Manitoba and Alberta Pools.

Consolidated Balance Sheet

A copy of the Consolidated Balance Sheet, prepared by the Company's Auditors, Messrs. George A. Touche and Company, 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 1957. The usual explanatory notes on the principal items appearing in the Consolidated Balance Sheet are also attached hereto for the information of delegates.

As at 31st July 1957, total current assets for the entire Pool organization amounted to \$97,097,254.21. Total current liabilities amounted to \$89,649,126.69. The difference between these items, namely, \$7,448,127.52 represents the current position of the Company as at the end of the last fiscal year.

It will be noted from the Balance Sheet that provision has been made for an item of capital commitments in respect of buildings and work under construction and terminal facilities under purchase, estimated to cost \$1,956,500.00.

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 Pool fixed assets as at 31st July 1957.

The total original cost of all fixed assets is shown as \$58,989,923.92. Over the years depreciation has been provided to the extent of \$34,755,336.97, leaving the net value of the fixed assets \$24,234,586.95. This compares with a net valuation of \$23,735,411.02 at the end of the previous year, an increase of \$499,175.93.

Consolidated Capital Statement

Statement No. 2 attached to this report sets out in detail the current position of the Wheat Pool organization as a whole at 31st July 1957. After providing for the unexpended portion of the approved program of capital expenditures, estimated at \$1,956,510.00 the working capital for the season 1957-58 is shown as \$5,491,627.52 as compared with \$6,651,069.86 for the 1956-57 season. This is a decrease of \$1,159,442.34, which is accounted for as follows:—

Deductions:

Capital Expenditures on Fixed Assets.....	\$3,250,659.55
Deduct:	
Capital Commitments at 31st July 1956..	\$871,700.00
Gross Amount of Disposals..	\$583,128.36

Less Accumulated Depreciation.....	448,726.24	134,402.12	1,006,102.12
			\$2,244,557.43

Capital Commitments at 31st July 1957.....	1,956,500.00
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Net Capital Expenditures including Capital Commitments.....	\$4,201,057.43
Increase in Deferred Accounts Receivable.....	15,258.59
Increase in Investments and Memberships.....	17,799.95
Increase in Stocks of Repair Parts and Supplies.....	48,391.69
Decrease in Reserve.....	20,764.12
	\$4,303,271.78

Additions:

Surplus Earnings Transferred to Reserve:

Saskatchewan Wheat Pool—

Season 1955-56.....\$ 511,111.62

Saskatchewan Pool Terminals—

Season 1956-57.....140.31

Saskatchewan Co-operative Livestock

Producers Limited—Season 1956-57.....568.86

\$ 511,820.79

Increase in Livestock Excess Charges

Credits.....14,927.15

Liquidation of Capital—Depreciation.....2,617,081.50

Decrease.....**\$1,159,442.34**

The above statement makes provision for the \$1,000,-000.00 payment made to the Canadian National Railways on 1st August 1957 in connection with the purchase of Terminal No. 6, as well as all other capital expenditures approved to 31st July 1957.

Source of Capital Funds, Analysis of Capital Expenditures and Working Capital

Statement No. 3 attached hereto has been prepared to show the composition of capital funds as at 31st July 1957. The items are largely self-explanatory. It will be noted that \$5,410,936.63 of the reserve account, and the balance of the livestock excess charges credits are in liquid form. All other capital funds are non-liquid having been invested in fixed assets, investments, deferred accounts receivable, deferred charges and refunded to members.

Statement of Net Earnings

Statement No. 4 attached hereto shows 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 1957.

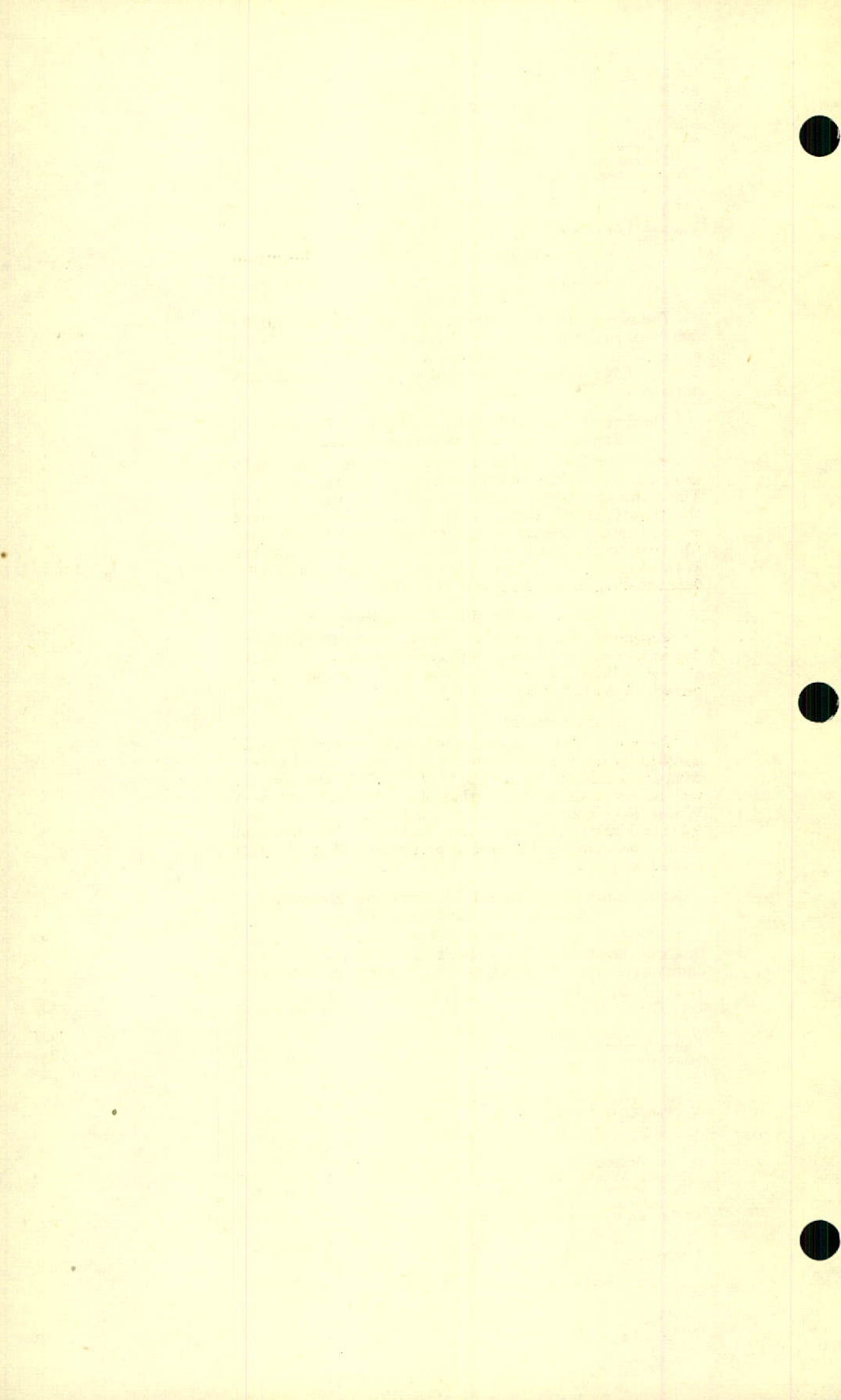
Statement of Grain Handled

Statement No. 5 shows the total amount of grain handled by the Saskatchewan Wheat Pool and subsidiary companies during the period 1924 to 1957, inclusive. It will be noted that since its inception, the Saskatchewan Wheat Pool country elevator system has handled over 3,431,000,000 bushels of grain, while the Pool terminal elevator system has handled approximately 2,345,000,000 bushels of grain.

Statement of Financial Position and Members' Equity as at 31st July 1957

As shown by the Consolidated Balance Sheet, the financial position of the organization and the members' equity as at 31st July 1957, may be summarized as follows:

Total Current Assets.....	\$97,097,254.21
Total Current Liabilities.....	89,649,126.69
Working Capital—subject to Capital Commitments already referred to.....	\$ 7,448,127.52
Other Assets.....	25,033,850.11
	\$32,481,977.63
Less: Reserve for Unearned Subscriptions, The Western Producer.....	10,000.00
Total Net Assets representing Members' Equity.....	\$32,471,977.63
The Members' Equity is represented by:	
Capital (Membership Fees).....	\$ 141,227.00
Elevator Deductions.....	16,244,612.52
Commercial Reserve.....	8,753,781.31
Livestock Excess Charges Credits.....	80,690.89
	\$25,220,311.72
Reserve.....	7,251,665.91
Total.....	\$32,471,977.63



Country Elevator Division

The Financial Statements and Auditor's Reports submitted separately to delegates show in detail the operations of the Country Elevator Division for the year ended 31st July 1957.

Total gross earnings of the Country Elevator Division amounted to \$18,800,129.12, with total expenses of \$15,544,411.11. The difference between these two items, amounting to \$3,255,718.01, represents the surplus arising from the operations of the Country Elevator Division for the year under review.

The following is a comparison of Earnings and Expenses with those of the previous year:

	1955-1956	1956-1957	Increase (Decrease)
Earnings.....	\$17,184,731.74	\$18,800,129.12	\$ 1,615,397.38
Expenses.....	14,094,031.90	15,544,411.11	1,450,379.21
Surplus.....	\$ 3,090,699.84	\$ 3,255,718.01	\$ 165,018.17

Elevator Capacity

As has been pointed out in previous years, the end of the Company's financial year coincides with the period when elevator construction and repair work is at its peak. The following figures show rated capacities of country elevators, permanent and temporary annexes, on completion of the 1957 building program, probably in December.

	Capacity (Bushels)
1,143 country elevators.....	41,829,000
286 cribbed annexes.....	9,105,000
429 frame annexes.....	16,007,000
640 temporary storage bins.....	14,664,000
Total Capacity.....	81,605,000

This represents a net increase of 1,887,000 bushels over the previous year.

Grain Handlings

The following statement provides a comparison of primary grain handlings in Saskatchewan for Season 1956-57, as compared with Season 1955-56:

Total Primary Receipts at Country Elevators in Saskatchewan During Grain Years 1956-57 and 1955-56

	1956-1957 (Bushels)	1955-1956 (Bushels)
All Elevators:		
Wheat.....	221,147,000	223,759,000
Coarse Grains.....	99,853,000	113,276,000
Total—All Elevators.....	321,000,000	337,035,000

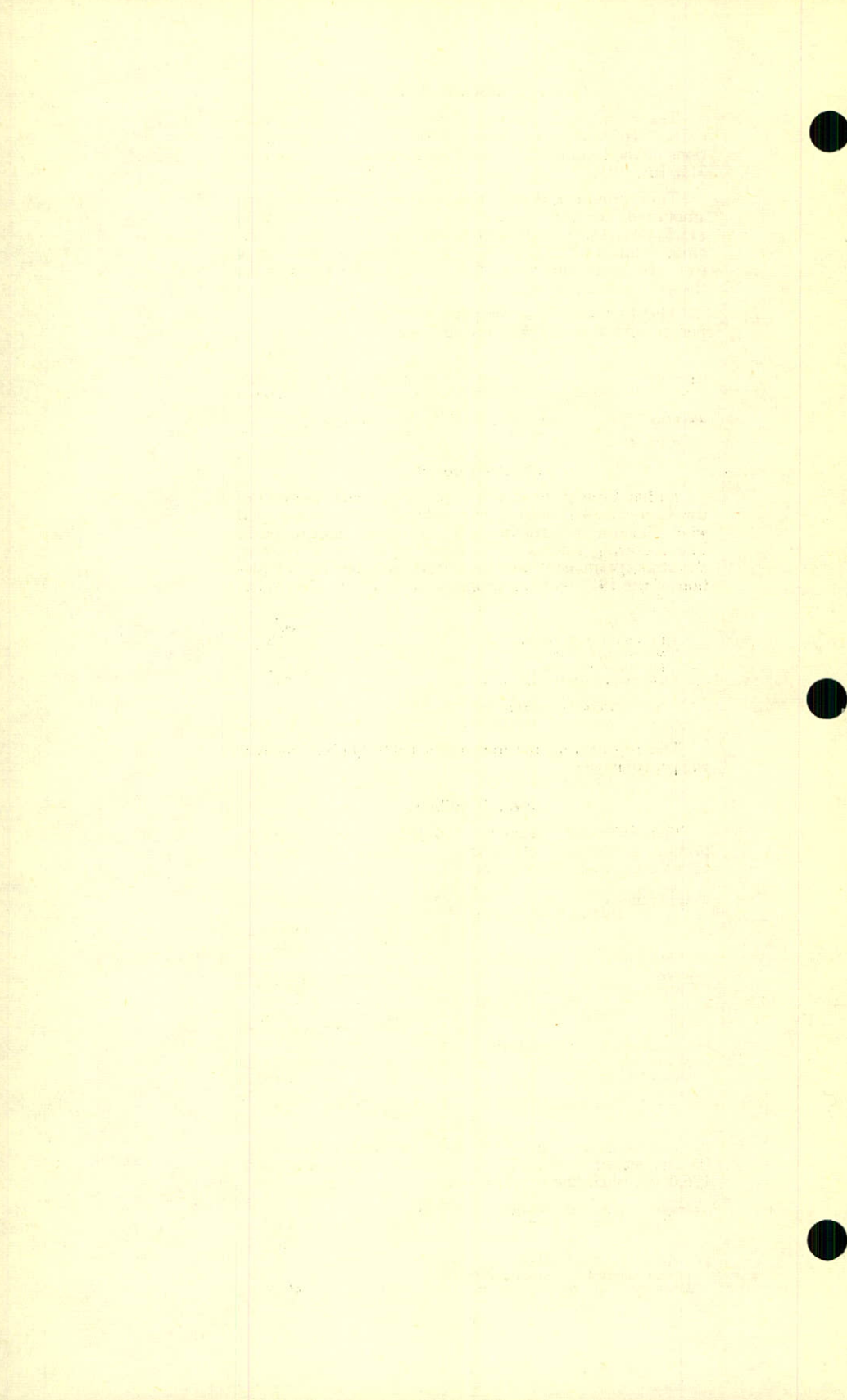
Saskatchewan Pool Elevators:

Wheat.....	104,939,000	106,256,000
Coarse Grains.....	44,140,000	51,768,000
Total—Sask. Pool Elevators.....	149,079,000	158,024,000

The volume of grain handled over loading platforms for the season totalled 77,000 bushels, as compared with 176,000 bushels the previous season.

Average Handled per Elevator (1,141 elevators receiving grain).....	<u>130,700 Bus.</u>	<u>138,000 Bus.</u>
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Percentage of Total Deliveries in Saskatchewan handled by Saskatchewan Pool Elevators (Platform not included).....	<u>46.44%</u>	<u>46.89%</u>
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In addition to the foregoing Pool country elevators handled a total of 105,919,030 lbs. of rapeseed, 88,623,608 lbs. of which were for account of the J. Gordon Ross Syndicate of Moose Jaw. This compares with 45,512,587 lbs. handled in 1955-56 and 14,054,859 lbs. handled two years ago. While no final information is yet available on total rapeseed deliveries in Saskatchewan, the Board of Grain Commissioners estimates for all provinces in the season just ended indicate receipts of 208,258,600 lbs.

The figures quoted above, showing the percentage of total deliveries in Saskatchewan for Season 1956-57 handled by Pool country elevators are interim figures, based on the 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.

Stocks in Country Elevators

Throughout most of the season under review Pool elevators were badly congested and unable to take delivery of all the grain offered. There were very few occasions when stocks in country elevators dropped below the 60,000,000 bushel mark. From 1st November 1956 to the end of the season, stocks in store Pool country elevators were well over 65,000,000 bushels and at 31st July 1957 totalled 71,447,098 bushels, compared with 69,495,761 bushels in store at 31st July 1956.

Country elevator stocks throughout the season averaged 64,944,163 bushels, compared with an average of 58,871,233 bushels in the previous season. This is the highest volume of grain ever stored in the Pool country elevator system. It was only made possible because of uniform production throughout the Province and the dry condition of the grain being offered.

The Canadian Wheat Board shipping requirements continue to make it difficult to ship from areas at times suffering most severely from congestion. The car order book has been of no practical value during the year, partly because of Wheat Board requirements above referred to and partly because of the slowness of quota increases coming into effect.

Receipts of Grain by Months

The following summary showing the receipts of grain by months during the season under review, will indicate the flow of grain to Pool country elevators:

Receipts by Months—Season 1956-1957

	For Month (Bushels)	Monthly % of Total	Cumulative Total (Bushels)	%
1956				
August.....	4,987,000	3.3	4,987,000	3.3
September.....	13,070,000	8.8	18,057,000	12.1
October.....	19,083,000	12.8	37,140,000	24.9
November.....	12,651,000	8.5	49,791,000	33.4
December.....	11,727,000	7.9	61,518,000	41.3
1957				
January.....	9,199,000	6.2	70,717,000	47.5
February.....	7,870,000	5.3	78,587,000	52.8
March.....	7,471,000	5.0	86,058,000	57.8
April.....	7,479,000	5.0	93,537,000	62.8
May.....	14,490,000	9.7	108,027,000	72.5
June.....	18,170,000	12.2	126,197,000	84.7
July.....	22,882,000	15.3	149,079,000	100.0
Total.....	149,079,000	100.0		

The following statement shows the amount of grain unloaded by the Country Elevator Division, by destina-

tions, in Season 1956-57 as compared with the previous season:

	Bushels Unloaded 1956-1957	1955-1956
Saskatchewan Pool Terminals:		
Lakehead.....	85,740,000	77,670,000
Vancouver.....	8,430,000	—
	94,170,000	77,670,000
Manitoba Pool Terminals.....	10,264,000	15,046,000
Other Lakehead Terminals.....	12,598,000	12,632,000
Maltsters.....	1,153,000	1,543,000
Mills:		
Flour Mill Division, Saskatoon.....	1,569,000	1,932,000
Vegetable Oil Division, Saskatoon.....	128,000	112,000
Other Mills.....	11,574,000	14,139,000
Churchill.....	7,493,000	6,359,000
Pacific Coast:		
Alberta Pool Terminals.....	6,226,000	11,469,000
Other Pacific Coast Terminals.....	2,448,000	5,029,000
Interior Terminals.....	1,381,000	1,769,000
Railway Claims.....	19,000	26,000
Total.....	149,023,000	147,726,000

Grading Record

The grading record for the year, based on cut-off valuations, indicates a net debit in grades amounting to \$252,234.00. The position based on cut-off valuations in the previous season indicated a net grade loss of \$39,878.00.

The records show that 197,905 cars of wheat were inspected at all primary inspection points in Canada during the 1956-57 season. Of the cars inspected, 69% were contract grades, compared with 66% in the previous season. Only 3% inspected tough or damp, compared with 8% in Season 1955-56.

The number of cars of wheat passing inspection at all points, with the number that graded tough or damp, is as follows for the seasons indicated:

	Total Cars	Tough Cars	Damp Cars
1956-1957.....	197,905	6,193	41
1955-1956.....	189,272	11,905	14

Wheat Dockage Record

The dockage record for wheat indicates there is a small dockage gain. Average dockage assessed by agents on graded receipts of wheat was 3.11%, while average dockage on outturn of street cars of wheat was 2.91%, or a gain of .20%. As heavy stocks remained in elevators and in transit, final results will not be known until the wheat is shipped and unloaded.

Weigh-Ups

The exceptionally heavy stocks carried throughout the season precluded the conducting of weigh-ups at a large percentage of elevators. A complete weigh-up of stocks was carried out at 287 elevators (25%) and estimated at the remainder, as compared with 379 houses weighed in the previous season. Of the elevators carrying oat stocks, 39% were weighed; similarly, 31% of barley, 77% of flax and 77% of rye.

Travelling Superintendents' grade and dockage was used for closing stock records at all points.

Premiums obtained on consigned shipments of malting barley for the account of growers in the year just closed amounted to \$394,069.48, compared with \$460,900.87, in the preceding year. Premiums obtained on company stocks were \$7,365.49, compared with \$19,970.64 in the previous season.

The quantity for which malting premiums were

obtained totalled 8,028,699 bushels as compared with 9,617,430 bushels in the season 1955-56.

Insurance and Fire Losses

Insurance coverage on country elevators was maintained at 100% of replacement cost, less depreciation. There was a general increase of 5% on insured values at 1st August 1956. The values used in the over-all coverage are believed to be adequate and amount to \$39,189,612.00 for elevators, annexes and bins.

During the season the elevators at Fife Lake "A" and Anglia were destroyed by fire. Facilities at both of these points are being replaced.

Claims for loss by fire on grain elevator buildings amounted to \$138,999.84, and on grain \$283,148.96, making a total fire loss of \$422,148.80, as compared with \$392,409.19 in the previous year.

Details of the premiums paid and the loss ratio for seasons 1956-57 and 1955-56 are as follows:

Season 1956-1957		
Premiums paid on Buildings.....	\$235,389.17	Loss Ratio—59.05%
Premiums paid on Grain.....	581,442.93	Loss Ratio—48.70%
Total.....	\$816,832.10	51.68%
Season 1955-1956		
Premiums paid on Buildings.....	\$216,113.68	Loss Ratio—61.01%
Premiums paid on Grain.....	550,642.70	Loss Ratio—47.33%
Total.....	\$766,756.38	51.18%

It will be observed that the loss ratio for this season is less favorable by .50%.

Pool Insurance Company carried 50% of the foregoing risk. In Season 1957-58 Pool Insurance will carry 50%, the balance being reinsured with the following companies:

Lloyds of London.....	24%	England
Co-operative Insurance Society of Manchester.....	17%	England
Canadian Fire Insurance Company.....	7%	Canada
General Accident Assurance Company.....	2%	Canada

Insurance carried on agents' dwellings with the Pool Insurance Company amounts to \$3,024,704.00 as at the 31st July 1957. During Season 1956-57 damage to cottages by fire amounted to \$108.57. The premium paid for coverage was \$6,227.85, and the loss ratio 1.74%.

Shipping and Export Department

During the year under review total sales of grain by the Shipping and Export Department in all positions amounted to 6,020,517 bushels, as compared with 8,854,079 bushels in the preceding year. A comparison of the sales of each kind of grain, with comparative figures for 1955-56, is set out below:

	1956-57 (Bushels)	1955-56 (Bushels)	Increase (Decrease) (Bushels)
Wheat.....	4,525,472	5,788,303	(1,262,831)
Oats.....	626,587	2,152,088	(1,525,501)
Barley.....	775,469	538,401	237,068
Flax.....	92,989	375,287	(282,298)
Rye.....	—	—	—
Total.....	6,020,517	8,854,079	(2,833,562)
Screenings (Tons).....	1,970	2,492	(522)

This year's operations show a loss of \$61,287.98 compared with a loss of \$47,266.12 last year.

Carlot shipments for the domestic market during season 1956-57 were 289, as compared with 1,111 the pre-

vious year. A breakdown of the total, by grains, is shown below:

	1956-1957	1955-1956	Increase (Decrease)
Wheat.....	137	136	1
Oats.....	56	705½	(649½)
Barley.....	31	189½	(158½)
Screenings.....	65	80	(15)
Total.....	289	1,111	(822)

Churchill

At the close of the 1956 shipping season stocks of wheat in store at Churchill amounted to 4,801,137 bushels. During the season there was shipped to the northern port an estimated total of 13,491,611 bushels. Of this amount the Country Elevator Division of your organization shipped 6,388,012 bushels representing 47.35% of the total. This compares with 46.38% of the total shipments a year ago.

Total stocks available for shipment during the 1957 season are estimated at 18,295,369 bushels. The total amount of wheat actually exported in the 1957 season was 16,633,956 bushels, compared with 16,250,320 bushels the previous year.

Three cargoes, totalling 952,933 bushels, were allotted to the Saskatchewan Wheat Pool Export Department. Altogether 47 cargoes of wheat were shipped from Churchill in the 1957 season, as compared with 48 cargoes in 1956 and 38 in 1955. The balance of wheat left in store at the close of the shipping season is estimated at 1,718,163 bushels.

The following statement shows the vessel clearances from Churchill for the 1957 season. It will be noted that the last vessel cleared the port on 9th October 1957:

Vessel	Date of Clearance	Destination	Cargo (Bushels)
Nordmeer.....	Aug. 1	U.K.	410,666.6
Suerte.....	Aug. 5	U.K.	378,933.3
Gardenia.....	Aug. 6	U.K.	222,133.4
Warkworth.....	Aug. 7	U.K.	358,400.0
Italmare.....	Aug. 9	U.K.	376,320.0
Ramillies.....	Aug. 10	U.K.	339,733.3
Atreo.....	Aug. 12	U.K.	429,333.3
Corcovado.....	Aug. 12	U.K.	388,166.7
Carl Julius.....	Aug. 13	Belgium	349,066.7
Herald.....	Aug. 14	U.K.	378,933.3
Leersum.....	Aug. 15	U.K.	365,866.6
Fernland.....	Aug. 16	Norway	317,333.3
Athamas.....	Aug. 17	U.K.	308,000.0
Pindar.....	Aug. 18	U.K.	405,066.7
Stanthorpe.....	Aug. 20	U.K.	350,933.3
North Anglia.....	Aug. 21	U.K.	362,133.3
La Bahia.....	Aug. 22	U.K.	342,346.7
Corfu Island.....	Aug. 24	U.K.	382,666.7
Nordland.....	Aug. 26	Germany	411,413.3
Cydonia.....	Aug. 30	U.K.	282,613.3
Haulerwijk.....	Aug. 30	U.K.	326,666.6
Pioneer.....	Aug. 31	U.K.	382,666.7
Fernglen.....	Sept. 6	Norway	319,200.0
Elstead.....	Sept. 8	U.K.	344,586.7
Corcovado.....	Sept. 10	U.K.	388,640.0
Suerte.....	Sept. 11	U.K.	382,666.7
Vrontados.....	Sept. 12	Netherlands & Germany	472,266.7
Pindar.....	Sept. 13	U.K.	405,066.6
Gardenia.....	Sept. 14	U.K.	222,133.3
Orient City.....	Sept. 17	U.K.	317,333.3
Anna C.....	Sept. 20	Rotterdam	386,773.3
Britsum.....	Sept. 21	Germany	352,800.0
Pietro Canale.....	Sept. 23	U.K.	388,266.7
Athamas.....	Sept. 26	Bremen	308,000.0
La Bahia.....	Sept. 27	U.K.	343,466.6
Sils.....	Sept. 28	Netherlands	384,160.0
Stanthorpe.....	Sept. 29	U.K.	350,933.4
Warkworth.....	Sept. 30	U.K.	360,640.0
Ramillies.....	Oct. 1	U.K.	343,466.6
Gerard L.D.....	Oct. 2	Antwerp	330,400.0
Eurydamis.....	Oct. 4	Antwerp/ Rotterdam	450,800.0

Vessel	Date of Clearance 1957	Destination	Cargo (Bushels)
John Lyras.....	Oct. 4	—	372,400.0
Nordland.....	Oct. 5	—	411,413.4
Fernland.....	Oct. 6	Norway	316,400.0
Ardglen.....	Oct. 7	U.K.	56,750.0
Corfu Island.....	Oct. 8	—	380,800.0
Ouistreham.....	Oct. 9	—	375,200.0
Total.....			16,633,956.4

Seed Grain Sales

In accordance with policy, all orders received for high quality seed grain during the 1956-57 season were again placed with the Saskatchewan Seed Grain Co-operative Limited at Moose Jaw.

The Seed Grain Co-operative, in its annual report, states that the past season saw by far its largest distribution of Registered and Certified Seed in Saskatchewan since commencing operations nine years ago, but export markets for cereal seeds were, for all practical purposes, non-existent. Although there was a fairly extensive movement of Registered Selkirk wheat to the United States last spring, the bulk of it originated in Manitoba because of their transportation advantage. Credit is again given the freight assistance policy of the Saskatchewan Department of Agriculture and the Wheat Board's over-quota delivery privilege as important factors in the increased use of registered and certified seed this past spring.

The following shows a comparison of the seed grain sales handled by the Pool Country Elevator Division during the past two seasons:

Seed Grains

	1956-1957 (Bushels)	1955-1956 (Bushels)
Wheat.....	157,290	62,412
Oats.....	29,360	39,105
Barley.....	50,124	21,090
Flax.....	47,398	14,626
Rye.....	28	96
Total.....	284,200	137,329
Value of Sales.....	\$802,312.58	\$385,637.05
Commission allowed by Seed Grain Co-operative Ltd., (1 1/2% of total).....	\$12,033.58	\$ 5,784.24

Pool agents received commissions totalling \$9,372.50 for the handling of seed orders through their elevators. Five cents per bushel was paid for the handling of treated Selkirk wheat and 1% on the value of other grains.

Mill Shipments

Mill orders, as well as all other shipping orders, were again allocated entirely by The Canadian Wheat Board during the 1956-57 season. Between 1st August 1956 and 31st July 1957, Pool agents were instructed to ship 7,074 cars of wheat to mills, compared with 7,645 cars during season 1955-56.

The low protein content of such a large percentage of the 1956 crop made it difficult for mills to secure suitable quality. Agents had a very difficult task meeting the requirements of the mills, and even with careful selection and loading, there were many occasions when mill management was disappointed in the percentage of protein received.

Construction Department

The activities of this 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 authorized expenditures as shown in the following table:

<i>Elevator Program</i>			
	Capital	Repair	Total
Construction or Reconstruction of 25 Elevators.....	\$1,532,000.00	\$ —	\$1,532,000.00
Construction or Reconstruction of 30 annexes.....	630,000.00	—	630,000.00
Fire Replacements—			
Fife Lake, Anglia.....	122,000.00	—	122,000.00
Installation of 16 Cleaners..	80,000.00	—	80,000.00
Purchase of Elevator at Grandora.....	12,500.00	—	12,500.00
Repairs and Improvements of Elevators, Annexes, Wiring, Door Openers, etc., Lighting Plants, etc.,	172,953.07	778,717.00	951,670.07
Repairs to Temporary Annexes.....	—	125,000.00	125,000.00
Repainting of Elevators and Annexes.....	—	73,880.00	73,880.00
Totals			
re Elevator and Annexes..	\$2,549,453.07	\$ 977,597.00	\$3,527,050.07
Agents Dwellings:			
Repairs, Renovations and Capital Improvements....	\$ 80,087.82	\$ 95,000.00	\$175,087.82
Painting.....	—	15,750.00	15,750.00
Construction and Purchase of Dwellings.....	175,000.00	—	175,000.00
	\$ 255,087.82	\$ 110,750.00	\$ 365,837.82

Amounts expended as at 31st July 1957, under the above authority, are shown in the following statement:

<i>Elevator Program:</i>			
	Capital	Expense	Total
Construction or Reconstruction of Elevators and Annexes.....	\$1,673,061.78	\$ —	\$1,673,061.78
Repairs to Elevators, Annexes, Wiring, re-wiring, including new cleaners in old elevators.....	108,045.99	486,593.48	594,639.47
Elevator Painting.....	—	33,471.71	33,471.71
Temporary Bin Repairs.....	—	22,738.76	22,738.76
	\$1,781,107.77	\$ 542,803.95	\$2,323,911.72

Agents' Dwellings Program:

Expenditures to 31st July 1957, as follows:			
Construction of New Dwellings.....	\$ 60,345.28	\$ —	\$ 60,345.28
Repairs, Renovations, Electric Wiring, etc.....	31,092.54	65,079.29	96,171.83
Purchase of Dwellings (2)...	14,900.00	—	14,900.00
Purchase of Property and Sundry Additions.....	1,750.00	—	1,750.00
	\$ 108,087.82	\$ 65,079.29	\$ 173,167.11

Elevator Repairs and Improvements

It will be noted that the volume of repairs and improvements to elevators and annexes which it was possible to complete before 31st July 1957, was approximately 56% of the authorized program.

Major replacements of machinery and equipment completed as at 31st July 1957, including the following:

24—Electric motor installations	4—Scales transferred
17—Engines transferred	2—Cleaners installed
3—Engine houses rebuilt	1—Cleaner transferred
1—Driveshed rebuilt	6—Boot Tanks installed
28—Engine houses remodelled	

One hundred and twenty-three elevators and 56 annexes have been repainted (out of a total program of 273 elevators and 123 annexes.)

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

Elevator Construction

A total of 25 construction projects was authorized and is nearing completion at time this report was prepared.

All of these projects represent replacement of existing facilities. Details are as follows:

Alida	Elevator rebuilt to 50,000 bushel capacity, retaining 25,000 bushel crib annex and 35,000 bushel frame annex, all electrically driven.
Bratton	Elevator rebuilt to 50,000 bushel capacity. Diesel engine drive.
Brock	Elevator rebuilt to 75,000 bushel capacity, retaining 25,000 bushel temporary annex. Electrically driven.
Canora	Elevator rebuilt to 90,000 bushel capacity, retaining 35,000 bushel frame annex. All electrically driven.
Conquest	Elevator rebuilt to 50,000 bushel capacity, retaining 22,000 bushel temporary annex. All electrically driven.
Craik	Elevator rebuilt to 82,000 bushel capacity, retaining 50,000 bushel crib annex and two temporary annexes. All electrically driven.
Druid	Elevator rebuilt to 98,000 bushel capacity, retaining one temporary annex. All electrically driven.
Elbow	Elevator rebuilt to 50,000 bushel capacity, retaining 35,000 bushel frame annex. All electrically driven.
Flaxcombe	A 50,000 bushel elevator was built on a new site—electrically equipped. (Old elevator and temporary annex to be demolished at a later date.)
Gull Lake "B"	Elevator rebuilt to 75,000 bushel capacity, retaining 40,000 bushel crib annex. All electrically driven.
Hubbard	Elevator rebuilt to 75,000 bushel capacity, retaining one temporary annex. All electrically driven.
Keppel	Elevator rebuilt to 50,000 bushel capacity, retaining one temporary annex. Diesel engine drive.
Kincaid	Elevator rebuilt to 50,000 bushel capacity, retaining 40,000 bushel frame annex and one temporary annex. All electrically driven.
Lemberg	Elevator rebuilt to 50,000 bushel capacity, retaining 60,000 bushel crib annex and two 20,000 bushel crib annexes and one temporary annex. All electrically driven.
Mawer	Elevator rebuilt to 50,000 bushel capacity. Diesel engine drive.
Mozart	Elevator rebuilt to 50,000 bushel capacity, retaining 45,000 bushel crib annex. All electrically driven.
Ogema	Elevator rebuilt to 50,000 bushel capacity. Electrically driven.
Plassey	Elevator rebuilt to 50,000 bushel capacity. Diesel engine drive. Retaining one temporary annex.
Portreeve	Elevator rebuilt to 82,000 bushel capacity, retaining one temporary annex. Electrically driven.
Rhein	Elevator rebuilt to 75,000 bushel capacity, retaining 34,000 bushel frame annex. Diesel engine drive.
Riverhurst	Elevator rebuilt to 50,000 bushel capacity, retaining 35,000 bushel frame annex. Electrically driven.
Stenen	Elevator rebuilt to 98,000 bushel capacity, retaining 20,000 bushel crib annex. All electrically driven.
Talmage	Elevator rebuilt to 50,000 bushel capacity, retaining 35,000 bushel frame annex. All electrically driven.
Tessier	Elevator rebuilt to 75,000 bushel capacity, retaining one temporary annex. All electrically driven.
Webb	A 50,000 bushel elevator was built on a new site. Electrically equipped. (Old elevator and temporary annex to be demolished at a later date.)

Replacement Fire Losses:

Anglia	1 50,000 bushel elevator. Diesel engine drive.
Fife Lake "A"	A 75,000 bushel elevator, retaining old "A" elevator as permanent annex adjacent to new elevator. All electrically driven.

With the exception of Craik (which will be completed by 25th November) the above program was completed by 15th October 1957. In addition to the foregoing, orders have been placed for 3 elevators for the 1958 program, and these are already under construction.

Cost of Elevators (Electrically driven, including power line construction charges)

50,000 bushel type.....	\$55,000.00	(\$1.10 per bushel)
75,000 bushel composite type....	\$65,000.00	(.87 per bushel)
(This type employs, as a basic unit, the 35,000 bushel elevator which includes hanging bins).		
82,000 bushel composite type....	\$70,000.00	(.86 per bushel)
(This type employs, as a basic unit, the 50,000 bushel elevator which has no hanging bins and is therefore more economical per bushel of capacity).		
90,000 bushel composite type....	\$76,000.00	(.84 per bushel)
(Basic unit, 50,000 bushel elevator).		
98,000 bushel composite type....	\$81,000.00	(.83 per bushel)
(Basic unit, 50,000 bushel elevator).		

The above prices exclude the installation of cleaners, and are based on an average operation, where approxi-

mately 30,000 board feet of old lumber is reinstalled. There is usually very little salvage of machinery from the demolition of an old elevator, with the possible exception of scales and truck hoists. In some cases, the office building is retained. Power line 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 horse power. The current used is metered and charged for on a sliding scale. Where an engine drive is required, there is an increase in cost of approximately \$1,600.00 over the above prices.

New Annexes

During the year under review, the Board approved a construction program to provide thirty annexes. This program was divided up as follows:

- 2—Temporary Frame (One bin, gravel and wood floor, no conveyors)
- 3—Permanent Frame (4 or 6 bins, concrete and wood floor, bottom conveyor)
- 25—Permanent Crib (Mostly 12 bins, a few 16 bins, one 9 bin, concrete and wood floor, conveyors top and bottom)

It is anticipated that all of these units will be completed by 31st October 1957. An allotment of 9 annexes for the 1958 program has already been received and orders are being placed for materials. It is anticipated that these will be completed by 31st December 1957.

The allocations for the 1957 program are as follows:

Crib Annex	Bushels	Crib Annex	Bushels
Abbey "B".....	50,000	Middle Lake.....	50,000
Asquith "A".....	45,000	Neville "A".....	50,000
Canopus.....	30,000	Nokomis.....	45,000
Carmichael.....	40,000	Plenty.....	40,000
Craik.....	50,000	Prud'homme.....	45,000
Denholm.....	45,000	Reford.....	50,000
Disley.....	45,000	Regina.....	50,000
Ebenezer.....	45,000	Riceton.....	50,000
Edenwald.....	45,000	St. Louis.....	45,000
Edgeley.....	45,000	Southey "A".....	45,000
Hardy.....	45,000	Swift Current.....	50,000
Kamsack "A".....	45,000	Willowbunch.....	45,000
Mankota.....	45,000		
Frame Annex		Temporary Frame Annex	
Demaine.....	35,000	Crichton.....	30,000
Resource.....	35,000	Eyebrow.....	35,000
Tribune.....	35,000		

Cost of Annexes:

30,000 Bus. Temporary Frame.....	\$ 6,600.00	(22c per bushel)
35,000 Bus. Temporary Frame.....	\$ 7,400.00	(21c per bushel)
35,000 Bus. Permanent Frame.....	\$14,200.00	(40.5c per bushel)
40,000 Bus. Permanent Crib.....	\$20,000.00	(50c per bushel)
45,000 Bus. Permanent Crib.....	\$22,000.00	(49c per bushel)
50,000 Bus. Permanent Crib.....	\$24,000.00	(48c per bushel)

Repairs and Improvements to Agents' Dwellings

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

- (a) Additional rooms,
- (b) Concrete basement, complete or partial,
- (c) Oil burners added to old furnaces, or new complete oil furnace.
- (d) General repairs, including painting.

New Dwellings

Beaubier.....	5 room	Muscow.....	4 room
Candiac.....	5 room	Rex.....	4 room
Coronach.....	5 room	St. Benedict.....	5 room
Daphne.....	5 room	Senate.....	5 room
Eastend.....	5 room	Sinnett.....	5 room
Elbow.....	5 room	Unity "A".....	5 room
Hodgeville.....	5 room	Vanguard.....	5 room
Major.....	5 room		

Costs are expected to be as follows:

4 room, 24' x 26', 1½ storey.....	\$8,000.00
6 room, 24' x 26', 1½ storey.....	\$9,000.00
5 room, 22' x 40', Bungalow.....	\$9,200.00

The above prices include provision of oil-burning furnaces (or gas where available), electric lights, sink, pump and cistern. Where sewer and water connections are carried out the additional cost is \$1,400.00.

In addition to the above works, cottage crews carried out important works for the Livestock Division, notably at the Regina Yard.

Cost and Availability Survey

The Dominion Bureau of Statistics shows that the over-all costs of construction as at 31st August 1957, are 3.92% higher than those obtaining at 31st August 1956. The major portion of this increase was attributable to wage rate increases of approximately 11%.

The experience of this Department in the field of elevator and annex construction follows generally along the lines of the over-all Canadian picture, as regards wage rate and materials cost increases.

There has been no unusual difficulty in securing supplies, due mainly to pre-purchase of certain bulk goods, such as lumber and cement. Materials for the construction and repair of dwellings were readily obtainable at local points.

Laboratory Service

During the year under review the Country Elevator Division continued to provide moisture and germination tests as an additional service to Pool members. The following figures show the number of tests made in the laboratory at Head Office in the past three seasons:

Year	Germination	Moisture
1956-1957.....	37,701	1,713
1955-1956.....	15,848	1,271
1954-1955.....	44,453	4,206

In addition to these tests the laboratory cleaned, weighed and graded 1,600 samples of grain in connection with the Junior Co-operative Variety Test Plots.

Smut Tests

The service available to Pool members to have seed grain tested for smut by the Associated Laboratory Services at Saskatoon was again continued during the past year. During the season 6,083 samples were submitted and tests made for Pool members. This compares with 4,082 samples submitted during the previous season.

Terminal Elevator Division

The Statement of Operations of the Terminal Elevator Division for the year ended 31st July 1957 appears as Statement No. 6, Page No. 20, of the Auditors' Report submitted separately to delegates.

Total earnings for the year under review amounted to \$5,583,308.37 and expenses to \$4,341,584.39, leaving an operating surplus for the year of \$1,241,723.98. This compares with an operating surplus of \$1,316,390.67 in the previous season.

The following figures show a comparison of the volume of grain handled by the different units of the Terminal Elevator Division for the year under review, as compared with the previous year:

	1956-1957 (Bushels)	1955-1956 (Bushels)
Terminals No. 4A and 4B.....	36,779,921	32,383,076
Terminal No. 5.....	9,043,518	7,769,827
Terminal No. 7.....	40,499,187	40,685,606
Total—Lakehead Terminals.....	86,322,626	80,838,509
Vancouver.....	9,095,564	—
Total.....	95,418,190	80,838,509

As at 31st July 1957 the stocks in store at each of the Saskatchewan Pool terminal elevators were as follows:

	Bushels
Terminals No. 4A and 4B.....	6,927,873
Terminal No. 5.....	2,215,792
Terminal No. 7.....	7,755,725
	<hr/>
Vancouver.....	16,899,390
	899,361
Total.....	17,798,751

Statistics released by the Board of Grain Commissioners for Canada show 183,590 cars as having been unloaded at the Lakehead during the 1956-57 season, representing an increase of 3,623 cars over the number unloaded the previous year.

During the year under review the Saskatchewan Pool Terminal Elevator Division unloaded 46,114 cars at the Lakehead elevators, as compared with 44,204 cars in the previous year, an increase of 1,910 cars.

Saskatchewan Pool Terminal No. 7 maintained its traditional position during the year in handling the largest number of cars unloaded at any elevator at the Lakehead. In the course of the past season this elevator handled 22,116 cars, representing 12.05% of all cars unloaded at the Head of the Lakes. In second place was Saskatchewan Pool Terminal No. 4, which unloaded 18,956 cars, representing 10.33% of the total Lakehead unloads.

Navigation closed officially on 17th December 1956. At that time stocks of grain in store at Saskatchewan Pool terminals amounted to 9,253,853 bushels of all grains. By 21st February 1957 stocks had increased to 17,025,349 bushels and reached their peak on 9th April when stocks in store amounted to 17,985,000 bushels of all grains, representing 87.73% of the rated capacity of Saskatchewan Pool terminals.

Maintenance

The policy of maintaining the terminal plants and equipment in good operating condition was continued throughout the past year. This followed the same practice of having a large percentage of the repair and replacement program carried out during the winter months.

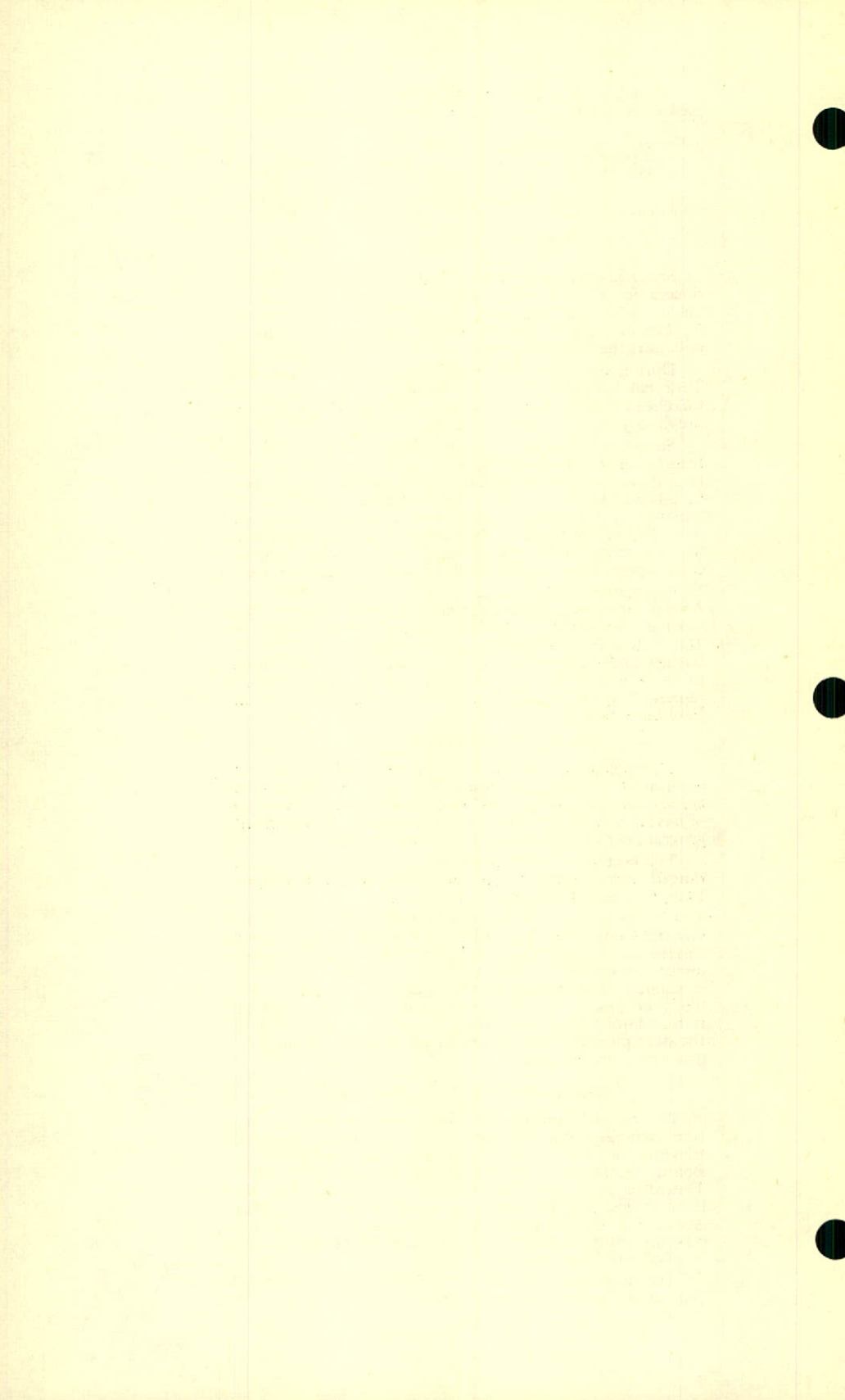
The number of men employed at the Lakehead plants ranged from a high of 470 during the month of August 1956, to a low of 194 during April 1957.

During the year under review the work of the Dust Control Committee was continued. Reports of experiments carried out by the National Research Council have been under consideration and these experiments are being continued. It is anticipated that additional legislation will likely be passed by the Government of Ontario, making it mandatory to remove from terminal elevators, all of the dust picked up by the dust collecting systems and by grain cleaning machinery.

Terminal Elevator No. 2—Vancouver

At the last Annual Meeting delegates were advised that arrangements had been made to lease Terminal Elevator No. 2 at Vancouver from the National Harbours Board. Operations were started on 1st December 1956. The rated capacity of the elevator is 1,650,000 bushels. Experienced key personnel were transferred from Port Arthur and Winnipeg to operate the house. The elevator is now operating steadily and at the end of the season had handled 9,095,564 bushels.

The movement of grain to the West Coast during the year under review set a new record, totalling 141,384,066



bushels. Last year, too, for the first time flax moved in volume to the West Coast to be cleaned and shipped from either Vancouver or Victoria.

Pool Terminal No. 6

It will be recalled that at the last Annual Meeting, following a lengthy discussion on the need for additional terminal space, a resolution was passed recommending that the Saskatchewan Wheat Pool should acquire additional terminal space at the Lakehead. Following the Annual Meeting the Board reviewed various proposals to meet the situation. These proposals included:

- (1) Extensions to the present terminal elevators.

The Board was advised that at Pool Terminals No. 4B and No. 7 there was room to construct combined additional capacity of 3,000,000 bushels of storage space, including 375,000 bushels of cleaning space.

- (2) The construction of a new terminal.

Information available to the Board indicated that there were at least two sites available at the present time.

- (3) Acquisition of an existing terminal elevator, such as Pool Terminal No. 6, providing a satisfactory purchase price could be agreed on.

After reviewing the whole position, the Board decided that it would be in the interest of the organization to acquire a suitable existing plant, rather than to undertake new construction at the present time. Early in January negotiations were opened with the Manitoba Pool in connection with the possible purchase of Pool Terminal No. 6 from the Canadian National Railways. As delegates will recall, Terminal No. 6 was operated by Manitoba Pool Elevators under a lease from the C.N.R. effective until 1960. The Manitoba Pool indicated that they were prepared to co-operate with your organization and would have no objection to our endeavouring to negotiate the purchase of Pool Terminal No. 6 from the Canadian National Railways. If successful, Manitoba Pool would be prepared to vacate the lease at the end of the year.

On 21st May 1957 the Board approved submitting an offer to purchase Terminal No. 6, which offer was accepted by the Canadian National Railways on 30th May 1957 and the transaction completed, effective 1st August 1957.

Following a weigh-up and audit of the house by the Board of Grain Commissioners your organization became responsible for the operation of the house on 17th September, 1957.

In taking over the operation of the elevator under somewhat difficult conditions, the Manitoba Pool Board and staff co-operated wholeheartedly and your Board desires to record their sincere appreciation of the assistance and co-operation of the Manitoba Pool organization in bringing this important transaction to a successful conclusion.

Flour Mill Division

The Statement of Operations of the Flour Mill Division for the year ended 31st July 1957 appears as Statement No. 7, Page No. 22, of the Auditors' Report. It will be noted that the Flour Mill Division ended the year with a loss of \$81,102.41, as compared with a surplus of \$2,768.68 last season. The loss sustained this season resulted chiefly from a decrease in export flour sales, the result of competition from United States subsidized flour exports.

The following statement summarizes the operations of the Flour Mill for Season 1956-57, as compared with Season 1955-56:

	1956-1957	1955-1956	Increase (Decrease)
No. of Days			
Operated.....	221	260	(39)
Flour Production.....	881,171 cwt.	1,044,550 cwt.	(163,379) cwt.
Average Daily Pro- duction.....	3,899 cwt.	4,033 cwt.	(134) cwt.
Mill Feeds Produc- tion.....	14,751 tons	17,157 tons	(2,406) tons
Average Daily Feed Production.....	67 tons	66 tons	1 ton

A recent release by the Bureau of Statistics indicates the average operating time for all Canadian mills during the past year was between 67% and 68% of the possible operating time, based on a 300-day operating year. The Pool Flour Mill figure of 73.65% compares favorably with the over-all average. The total wheat grind for the year under review amounted to 1,939,259 bushels, a decrease from the previous year of 365,612 bushels.

Flour Sales

The domestic flour sales of all grades for the year under review totalled 293,568 cwts., a decrease of 86 cwts. when compared with the previous season. The total first patent sales, including both Pool and Co-op Red Label brands, amounted to 204,210 cwts., a decrease of 7,515 cwts. A summary of domestic sales for the year ended 31st July 1957 is as follows:

	Cwt.
Red Label.....	138,679
Pool.....	65,531
Bakers.....	77,276
Wholewheat and Graham.....	7,442
Wheatlets and Granules.....	2,641
Domestic Low Grade.....	1,999
Total.....	293,568

The total sales of export flour for the year under review amounted to 601,722 cwt. as compared with 728,362 cwt. a year ago. The Philippine Islands continue to provide the best export market. Sales to this country during the year amounted to 304,492 cwt. representing practically 50% of total export sales. A summary of export sales from the Mill for the year under review, as compared with the previous year, is as follows:

	1956-1957 cwt.	%	1955-1956 cwt.	%
Belgian Congo.....	48,925	8.13	29,815	4.09
Bermuda.....	115	.02	180	.03
Barbados.....	—	—	50	.01
Ceylon.....	—	—	2,930	.40
Colombia.....	7,100	1.18	2,500	.34
Costa Rica.....	41,348	6.87	48,878	6.71
Cuba.....	—	—	800	.11
El Salvador.....	24,156	4.01	35,313	4.85
Gold Coast.....	270	.04	210	.03
Grenada.....	3,925	.65	6,575	.90
Guatemala.....	—	—	26,095	3.58
Haiti.....	9,000	1.50	6,000	.82
Honduras.....	—	—	300	.04
Hong Kong.....	32,410	5.39	58,800	8.07
Jamaica.....	25,590	4.25	14,600	2.00
Japan.....	7,000	1.16	8,820	1.21
Macau.....	5,225	.87	8,440	1.16
Malaya.....	274	.05	—	—
Netherlands West Indies.....	10	.01	—	—
Nicaragua.....	1,050	.17	4,800	.66
Nigeria.....	1,455	.24	112	.02
Panama.....	—	—	500	.07
Peru.....	100	.02	700	.10
Philippines.....	304,492	50.61	401,151	55.08
Singapore.....	17,682	2.94	22,096	3.03
Thailand.....	20,000	3.32	11,500	1.58
United Kingdom.....	21,000	3.49	11,060	1.52
Venezuela.....	30,595	5.08	26,136	3.59
Total.....	601,722	100. %	728,361	100. %

Mill Elevator:

The Mill elevator handling operations during the 1956-57 season showed a total of 2,152,295 bushels of wheat handled. Street receipts for the season amounted to 487,487 bushels, representing 22.65% of the total receipts. In addition to the regular street deliveries, 32,467 bushels of wheat were taken in on a gristing basis. The total number of cars unloaded at the Mill elevator during the season was 738, as against 979 during the previous season. A comparison of street and carlot receipts of wheat for the past season is as follows:

	1956-1957 (Bushels)	%	1955-1956 (Bushels)	%
Street Receipts.....	487,487	22.65	446,678	18.52
Carlot Receipts.....	1,632,340	75.84	1,935,841	80.24
Gristing Receipts.....	32,467	1.51	29,873	1.24
Total.....	2,152,294	100.0%	2,412,392	100.0%
Receipts of Other Grains:				
Oats.....	27,486		37,988	
Barley.....	26,201		48,279	

Vegetable Oil Division

The Operating Statement of the Vegetable Oil Division for the year ended 31st July 1957 appears as Statement No. 8, Page No. 24, of the Auditors' Report. It will be noted that the Vegetable Oil Division finished the year with a surplus of \$91,753.82.

During the 1956-57 season the Vegetable Oil Plant operated 112 days on flax and 124 days on rapeseed, a total of 236 days, as compared with 202 $\frac{2}{3}$ days a year ago.

The amount of flax processed during the year under review totalled 244,757 bushels, which resulted in a recovery of 4,955,011 lbs. of oil and 8,403,400 lbs. of meal. In addition to the above amount of flax, a total of 329,276 bushels of rapeseed was processed on a custom basis. The rapeseed operation resulted in the production of 6,049,718 lbs. of oil and 4,752 tons of meal. The rapeseed operations were carried on for account of the J. Gordon Ross Syndicate on the same general basis as last year.

Sales of linseed oil to the domestic market totalled 4,298,657 lbs. as compared with 4,726,508 lbs. in the previous year.

The following statement shows the distribution of linseed oil sales by provinces for the current year:

	1956-1957 (lbs.)	1955-1956 (lbs.)
British Columbia.....	1,258,031	1,376,804
Alberta.....	55,775	225,161
Saskatchewan.....	342,217	264,754
Manitoba.....	355,524	386,543
Ontario.....	2,046,710	2,112,716
Quebec.....	240,400	360,530
Export.....	4,298,657	4,726,508
	424,320	—
Total.....	4,722,977	4,726,508

Linseed meal sales last year totalled 6,209,500 lbs. (approximately 3,105 tons). This was all sold on the domestic market as no export sales were made during the year.

The elevator at the Vegetable Oil plant continues to render a useful service to growers delivering flax and rapeseed. During the past season deliveries of rapeseed to the Vegetable Oil elevator totalled 615,447 gross bushels. Flaxseed deliveries amounted to 322,276 bushels, making

total gross handlings at the Vegetable Oil Plant elevator for the past year of 937,723 bushels.

Livestock Division

Statements No. 9 and 9a, Pages No. 26 and 27, of the Auditors' Report show in detail the results of the year's operation and the financial position of the Livestock Division at the close of the year under review. The year's operations resulted in a surplus of \$143,728.06, as compared with a surplus of \$142,061.07 in the previous year.

Included in the earnings of the Livestock Division is a share of earnings of Canadian Livestock Co-operative (Western) Limited amounting to \$69,749.01.

Livestock Operations

Since livestock marketing statistics are compiled on the basis of the calendar year, a brief reference to the 1956 situation may be worthwhile. A general review by the Marketing Services Branch at Ottawa states that more livestock marketed in 1956, at prices slightly lower for cattle and higher for hogs, brought an increase in livestock revenue of 4½%. Six per cent more meat was moved into domestic use than in the previous year. Sales of cattle in public stockyards, shipped directly to packing plants, and shipped for export, showed an increase of 12% over the previous year at a total of 2,324,223 head. The strong domestic demand absorbed most of the meat production of 1956.

Domestic disappearance of beef amounted to 818,000,000 lbs. and represented the production of close to 37,000 cattle weekly. Pork disappearance into domestic channels amounted to 712,000,000 lbs.

In the period 1st January to 31st July 1957, cattle marketings showed a further increase. This total increase in volume originated in the western provinces with Saskatchewan showing the highest percentage of increase of any province.

The continued high rate of beef consumption, a strong demand for replacement cattle throughout most of the year, and the sharp decline in hog marketings resulting in higher pork prices, were major factors in holding cattle prices at the levels which existed in the period under review.

The following statement shows average monthly livestock prices per cwt. at Saskatoon for cattle (good steers), also for hogs (B1):

MONTHLY LIVESTOCK PRICES AT SASKATOON

	Cattle (Good Steers)				Hogs (B1)			
	per 100 lbs.				per 100 lbs. dressed			
	1957	1956	1955	1954	1957	1956	1955	1954
Jan.	16.92	16.01	17.78	16.36	26.43	18.00	21.82	30.43
Feb.	16.52	16.21	17.82	15.34	28.59	18.00	21.15	31.25
Mar.	16.58	15.68	17.08	15.44	26.07	18.50	20.10	31.60
April	17.38	16.04	17.20	19.95	25.63	18.07	19.50	31.45
May	17.40	16.75	17.83	17.14	26.55	18.95	21.07	33.02
June	17.21	17.92	17.75	17.65	30.02	22.25	24.03	32.31
July	17.17	18.41	18.10	17.87	31.03	23.07	22.71	27.96
Aug.	17.34	19.52	18.47	18.51	31.94	22.63	22.89	23.75
Sept.	16.89	20.25	18.42	18.08	31.05	23.68	22.58	21.60
Oct.		18.75	17.91	17.92		25.50	19.13	20.09
Nov.		17.72	17.44	18.15		25.62	18.55	22.31
Dec.		17.00	17.16	17.99		25.98	18.22	22.48
Monthly Range—								
	.88	4.57	1.39	4.61	6.31	7.98	5.81	12.93

Source: Livestock Market Review; and Livestock and Meat Trade Report.

Domestic disappearance of beef in terms of live cattle from 1st January to 31st July 1957, averaged 37,300 head per week, as compared with 35,300 a year ago. Exports of

cattle and beef in terms of live cattle averaged 1,600 head weekly.

Total provincial cattle and calf marketings for the year under review were 565,291 head, as compared with 475,743 head for the same period a year ago, an increase of 18.82%. The numbers marketed co-operatively were 281,392 head, or 49.77% of the total.

Inspected hog kills in Canada averaged 103,300 head per week, of which 96,400 head were consumed in Canada. Exports in terms of live hogs averaged 6,300 per week. Total provincial hog marketings declined in this period, being 520,212 head, compared with 597,532 head last year, a decrease of 12.94% for the province. There were 164,011 head marketed co-operatively, equal to 31.52% of the total provincial marketings.

Sheep and lamb marketings for the province amounted to 33,939 head, compared with 34,423 head last year, a decrease of 1.4%. Of this number 19,220 head were handled co-operatively, equalling 56.63%.

The total numbers of all classes of livestock marketed co-operatively were 463,623 head, representing a gross value of \$35,048,039.42.

Of the total Pool handlings, 36.85% were marketed through the four yards owned by your organization at North Battleford, Regina, Swift Current and Yorkton; 26.23% through the three Pool agencies operated on yards owned by stockyard companies at Moose Jaw, Prince Albert and Saskatoon; 19.15% was delivered by the Country Section Division to Canadian Livestock Co-operative (Western) Limited at St. Boniface. The remaining 17.77% was delivered to C.L.C. (W.) L. by co-operative shippers and other individuals.

Country Sales

The Livestock Division continued to handle cattle sales in conjunction with local agricultural organizations at Meadow Lake, Tompkins, Climax and Eastend. The North Battleford branch handled fourteen sales at Meadow Lake in the past year, selling a total of 3,579 cattle and calves. The Swift Current branch handled a total of eight sales, one at Eastend, two at Climax and five at Tompkins, selling a total of 4,917 cattle and calves, and 1,925 sheep and lambs.

Construction

In order to provide more adequate yarding space at the Regina yards to handle additional volume, fifteen additional holding pens have recently been constructed. This additional space will accommodate 300 head of livestock. To provide a more suitable and efficient truck washing service, a new wash rack for trucks is also under construction at the Regina yards.

General

Indications for the coming year are that meat supplies in both Canada and the United States will remain at comparatively high levels. It is anticipated that the number of cattle placed on feed this fall will be about the same as a year ago. Forecasts are for increased hog production, both in Canada and the United States, and it is reported that poultry production is also expected to maintain its present high level.

At the present time United States buying interests are purchasing stocker and feeder cattle on Canadian markets in considerable volume. Indications are that the better classes of stocker and feeder cattle will continue to receive buying support during the fall months.

Attached to this report as Statement No. 15 will be found the usual comparative Statement of handlings at the various branches of the Livestock Division.

To complete the livestock statistical position the following information, issued by the Dominion Bureau of Statistics, shows the livestock position on farms during the past five years:

	SASKATCHEWAN			CANADA		
	Cattle and Calves	Hogs	Sheep and Lambs	Cattle and Calves	Hogs	Sheep and Lambs
June 1/52:	1,382,000	646,000	155,000	9,173,000	5,741,000	1,582,000
Dec. 1/52:	1,271,000	560,000	103,000	8,906,000	5,237,000	1,105,000
June 1/53:	1,435,000	469,000	170,000	9,173,600	4,447,000	1,721,300
Dec. 1/53:	1,264,000	433,000	101,000	9,371,000	4,721,000	1,161,000
June 1/54:	1,387,000	539,000	156,000	9,954,000	5,141,000	1,804,400
Dec. 1/54:	1,280,000	550,000	106,000	9,473,000	5,425,000	1,183,000
June 1/55:	1,450,000	715,000	159,000	10,239,000	6,079,000	1,722,700
Dec. 1/55:	1,325,000	646,000	105,000	9,666,000	5,981,000	1,181,000
June 1/56:	1,490,000	645,000	160,000	10,465,000	5,680,000	1,706,000
Dec. 1/56:	1,720,000	515,000	102,000	10,404,000	4,561,000	1,078,000
June 1/57:	1,920,000	633,000	154,000	11,296,000	4,857,000	1,661,000

The following statement shows total provincial deliveries of livestock together with the volume handled co-operatively over the past five years:

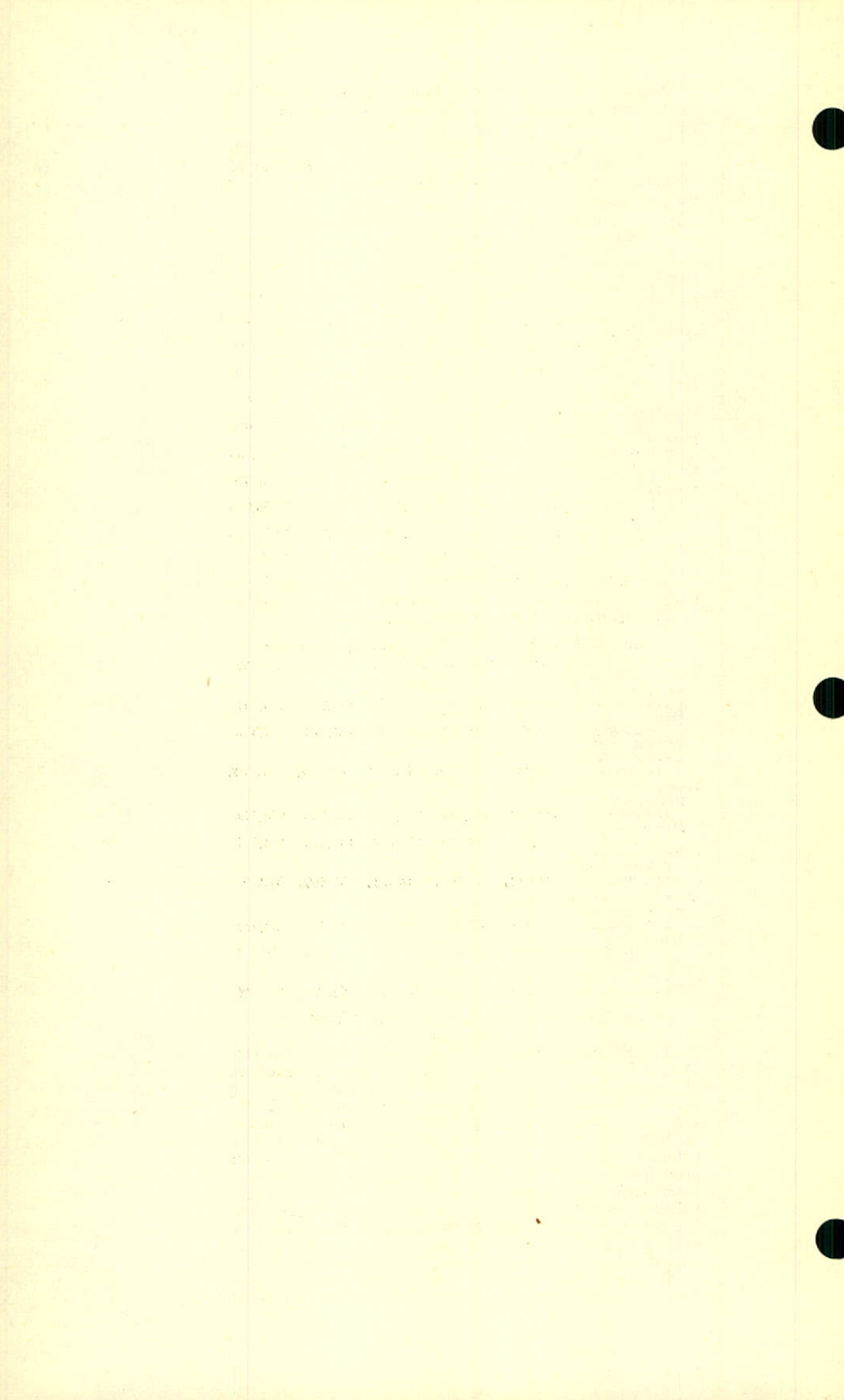
Provincial Deliveries Handled Co-operatively

	1952-53	1953-54	1954-55	1955-56	1956-57
Cattle and Calves:					
Provincial Deliveries.....	394,101	511,951	471,555	475,743	565,291
Handled Co-operatively.....	167,372	202,777	202,039	221,370	281,392
Percentage of Co-operative Handlings.....	42.7%	39.61%	42.85%	46.53%	49.77%
Hogs:					
Provincial Deliveries.....	532,757	390,307	520,282	597,532	520,212
Handled Co-operatively.....	175,156	123,280	168,147	193,846	164,011
Percentage of Co-operative Handlings.....	32.87%	31.58%	32.32%	32.44%	31.52%
Sheep and Lambs:					
Provincial Deliveries.....	47,421	47,580	33,834	34,423	33,939
Handled Co-operatively.....	14,908	15,584	18,467	18,718	18,220
Percentage of Co-operative Handlings.....	31.43%	32.75%	54.58%	54.37%	53.68%

Canadian Livestock Co-operative (Western) Limited

The Balance Sheet of this organization, Statement No. 16 attached to this report, sets out the financial position of the Company as at 31st July 1957. Total operating revenue for the year under review amounted to \$320,274.77, while operating expenses for the period totalled \$185,463.46, leaving an operating surplus for the year before providing for income tax, of \$134,811.31. After provision for Income Tax amounting to \$493.16 there is a net surplus for the year of \$134,318.15. From this amount there has been deducted the sum of \$3,058.00 representing the cost of the past services pension plan for employees, applicable to the current year, leaving a net surplus to be allocated to members amounting to \$131,260.15.

In line with the resolution passed at a meeting of the Directors of Canadian Livestock Co-operative (Western)



Limited, held on 12th July 1957, allocation has been made on the following basis:

(a) Retained as non-interest-bearing loan.....			\$	2,614.76
Alberta Livestock Co-op Ltd.	0.014%	\$	37	
Manitoba Pool Elevators.....	46.848%		1,224.96	
Saskatchewan Wheat Pool—Livestock Division.....	53.138%		1,389.43	
	100. %	\$	2,614.76	
(b) Available for distribution on the basis of revenue contributed to the Sales Agency during the period.....				128,645.39
Alberta Livestock Co-op Ltd.	0.014%	\$	18.01	
Manitoba Pool Elevators.....	46.848%		60,267.80	
Saskatchewan Wheat Pool—Livestock Division.....	53.138%		68,359.58	
	100. %	\$	128,645.39	
				\$131,260.15

During the year under review Canadian Livestock Co-operative (Western) Limited handled 8,221.3 cars of livestock as compared with 7,424 cars in the previous season. The following figures show the distribution of these cars as between provincial livestock organizations.

	No. of Cars	Percentage of Total
Alberta Livestock Co-operative Ltd.....	1	.01%
Manitoba Pool Elevators.....	3,702	45.03%
Saskatchewan Wheat Pool—Livestock Division.....	4,518.3	54.96%
Total	8,221.3	100. %

The above figures are computed on the basis of 25 cattle, 80 hogs and 100 sheep per car.

Printing and Publishing Division

Details of the financial results of the operations of the Printing and Publishing Division for the year ended 31st July 1957, are set out in the Financial Statements and Auditors' reports submitted separately.

The operations of this Division for the year under review resulted in a loss of \$139,523.71, made up of a surplus of \$33,559.37 for the Job Printing Department and a loss of \$173,083.08 for The Western Producer.

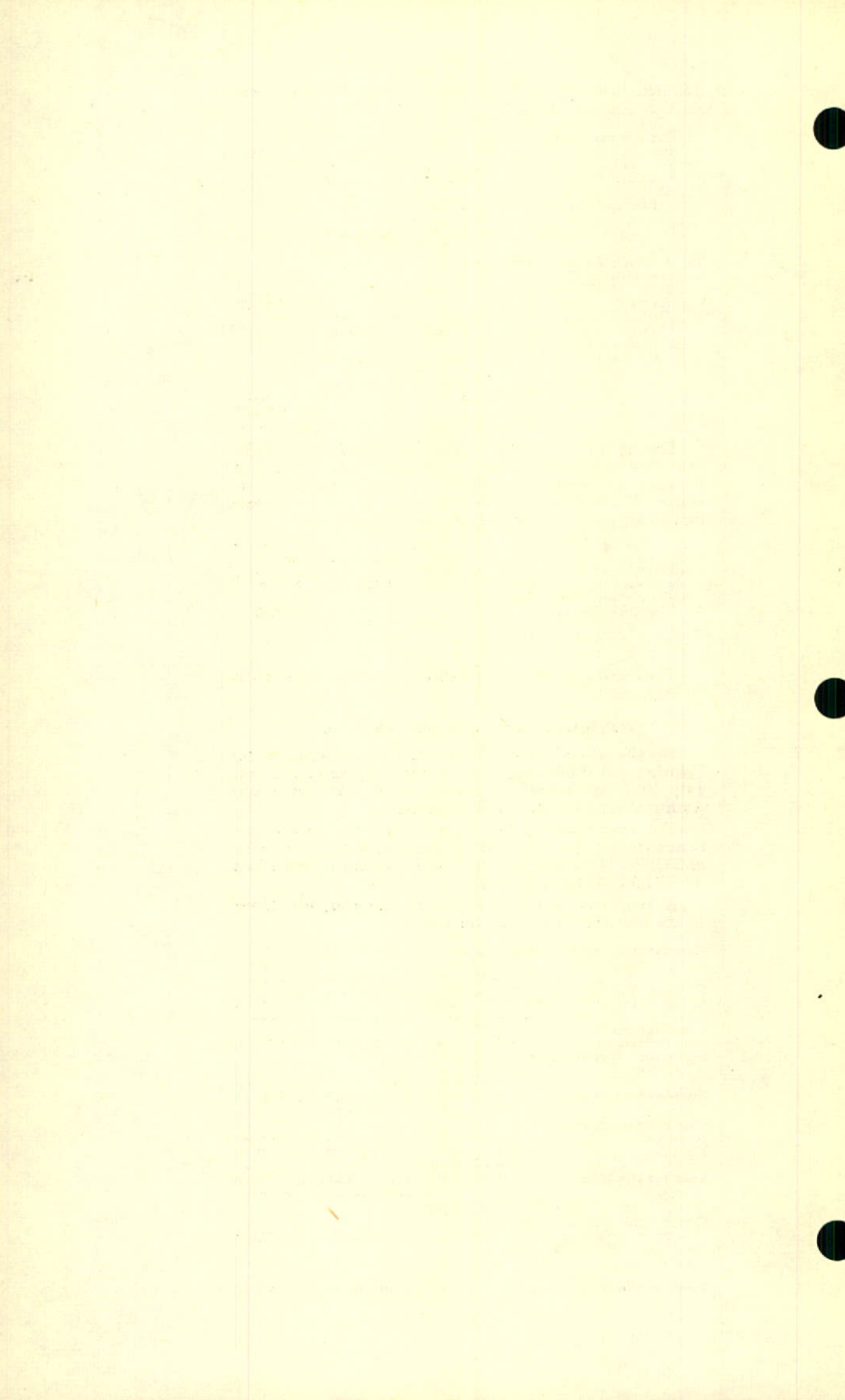
A comparison of the operations for the year, with those of the previous year, is shown below:

Commercial Printing Department

	1956-1957	1955-1956	Increase (Decrease)
Revenue.....	\$ 598,814.98	\$ 579,436.81	\$19,378.17
Cost of Sales.....	473,738.08	467,105.79	6,632.29
Gross Surplus on Operations.....	\$ 125,076.90	\$ 112,331.02	\$12,745.88
Selling and Administrative Expenses.....	91,517.53	84,283.79	7,233.74
Surplus for the Year	\$ 33,559.37	\$ 28,047.23	\$ 5,512.14
The Western Producer			
Revenue.....	\$ 431,914.17	\$ 440,156.33	\$ (8,242.16)
Expenses.....	604,997.25	576,275.75	28,721.50
Loss for the Year	\$ (173,083.08)	\$ (136,119.42)	\$ 36,963.66

SUMMARY

Commercial Printing Department—Surplus.....	\$ 33,559.37	\$ 28,047.23	\$ 5,512.14
The Western Producer—Loss.....	(173,083.08)	(136,119.42)	36,963.66
Loss for the Year	\$ (139,523.71)	\$ (108,072.19)	\$ 31,451.52



Commercial Printing Department

As indicated above, the total revenue of this department showed an increase of \$19,378.17 over the previous year and the net profit margin also showed some improvement. The department turned out a record volume of printing amounting to \$599,000.00, with net earnings of slightly over 5.6%, compared with last year's 4.84%. The Commercial Printing Department continues to make progress in its ability to handle a wider range of work with increasing efficiency.

While the market is highly competitive, a high degree of flexibility enables the plant to operate successfully. The plant is now well equipped to take care of the printing requirements of large institutions such as the Saskatchewan Wheat Pool and other large buyers of printed material, including the University of Saskatchewan and the larger co-operatives.

Sales to co-operatives, including the requirements for all Divisions of the Saskatchewan Wheat Pool, amounted to \$258,480.00 or 43.20% of the total sales. This compares with 36.2% and 36.4% in the two preceding years.

The Western Producer

Circulation

Total net paid circulation at 31st July 1957 was 135,149, as compared with 145,081 at the same time last year. Distribution of circulation by provinces for the year under review, compared with the previous year, is as follows:

	1956-1957	1955-1956	Increase (Decrease)
Saskatchewan.....	78,940	80,607	(1,667)
Alberta.....	30,490	34,413	(3,923)
Manitoba.....	15,569	17,671	(2,102)
British Columbia.....	8,082	10,083	(2,001)
Miscellaneous.....	2,068	2,307	(239)
Total.....	135,149	145,081	(9,932)

These figures show a decrease in circulation of 9,932 from the 1955-56 figures. A total of 54,228 subscriptions were received during the year ended 31st July 1957. This shows an increase of 4,548 subscriptions, compared with the same period last year.

Advertising

A comparison of advertising lineage carried in The Western Producer for the year under review, as compared with the previous year, is as follows:

	1956-1957	1955-1956	Increase (Decrease)
Classified Lineage.....	256,649	243,686	12,963
Display Lineage.....	382,750	417,392	(34,642)
Total Lineage.....	639,399	661,078	(21,679)

Editorial

The year 1956-57 was marked by no outstanding change in the editorial conduct of The Western Producer. The paper continued as in the past to give voice to the views of the western farmer and his opinions on current problems. It continued to publish international, national and Western Canadian news emphasizing events likely to have a bearing on the welfare of Western Canada. Where it was felt necessary and where circumstances permitted, writers were sent to report on the more important events in the agricultural scene. Steps were taken to give fuller coverage to the co-operative movement and to give more extensive coverage to reports of meetings and the activities of the various aspects of co-operation.

In each department the governing policy has been to

improve coverage and appearance over the preceding year so that the newspaper may hold its own against all competitors.

Agricultural Department

An earnest attempt has been made to keep the agricultural pages of *The Western Producer* bright, interesting and informative. It is the hope of the Agricultural Department that producers of all types of farm commodities will more and more look upon *The Western Producer* as their own farm paper.

The Department has endeavoured to bring into the farm home an accurate, up-to-date account of the most important local, regional and national happenings on the farm front. This included coverage of many types of local and national farm meetings, livestock shows and fairs, livestock sales and many other events of interest and value to the farm reader.

As a service to farm organizations of all types, an attempt was made to publicize in advance their meetings, shows or sales, and later to report these events as fully as space would permit.

Magazine Section

Western Canadiana continued to be the theme of the magazine section during the past year and more and more Western Canadian writers are submitting manuscripts. The work of ninety Canadian writers appeared, some of them regularly, in the past year. One serial by a Saskatchewan writer, "The Blackstrap," was also published.

A column for amateur photographers was started this year and has proved popular.

A book review column made its first appearance in the magazine section this year. This column is not intended as a literary criticism of books, but rather to bring to the readers' attention new books being published, and to what type and age of reader they would most likely appeal.

A series of weekly articles by Grant MacEwan entitled "Fifty Mighty Men," began on May 9th. This series will run for another six months.

Women's Section

Attempting to record the activities and keep in touch with the interests of rural women in Western Canada has continued to present a challenge to the Women's Section of *The Western Producer*.

Meeting this challenge has meant the selection of information from home economists, from government services, from commercial sources, publishing that which is new, useful and timely in fields directly concerned with the home and homemaking. Mrs. Oddie continued to answer a great variety of questions in the "I'd Like to Know" page.

The work of a long list of organizations made up of rural women, or in which women have a special interest, was reported. Beginning at the local scene and broadening to the international resulted in the Women's Editor going to Ceylon to report on the first convention to be held in the East by the Associated Country Women of the World, the only international association of rural women to have consultative status with many U.N. agencies.

Reports on film, art and craft festivals have been included. Special attention has been paid to the needs of, and the work for, the crippled, blind and mentally ill.

The 4-H page prepared by the Women's Section continues to meet an encouraging response. In 1956 the Women's Editor attended the first non-competitive National 4-H Club Week to be held at the Toronto Royal.

In the garden section exchange of practical experiences was combined with information from technical horticulturists and the reporting of horticultural meetings and shows across the prairies.

Mrs. V. McNaughton has continued to write "Jottings By the Way," dealing with a wide variety of subjects, sometimes with modern, sometimes with a pioneer flavor.

Youth Section

The Young Co-operator's Club has completed another good year with continued enthusiasm evidenced for all phases of its activities. A total of 5,484 contributions were received, even though the young writers know that only about one article in six can be printed.

A Hallowe'en writing contest was held in 1956 and the response was excellent.

After many months' consideration it was decided to provide felt crests for Y.C. members. These were first sent out in May to some of the most currently active members and go out regularly to all new members. A total of 334 had been mailed as at 31st July 1957. The Y.C.'s take great pride in wearing these crests.

A handsome certificate in four colours was also designed this year by the Y.C. editors and the Art Department. These are sent out only when a member proves himself to be an active Y.C. and writer. The certificate is designed to show by the addition of silver stamps the progress of the member in contributions published and writing awards earned. These are also popular and are an incentive to all to improve their writing in order to have more items appear in the pages.

A Hallowe'en colouring contest is now being run for the junior members and a Y.C. rally has been arranged for Winnipeg this month.

Reader Service

Orders received for patterns of various kinds and for booklets totalled 43,944. This includes 1,600 booklets sold in a beauty service for women which was begun last January, and also 1,717 carpentry patterns. Total sales showed a decrease of 12,406 from the 1955-56 total, possibly partly due to an increase in the price of patterns.

The following statement shows the number of orders filled during 1956-57:

Household Arts.....	20,406
Dress Patterns.....	20,203
Booklets (Beauty and Needlework).....	1,618
Carpentry Patterns.....	1,717
Total.....	43,944

Sports Section

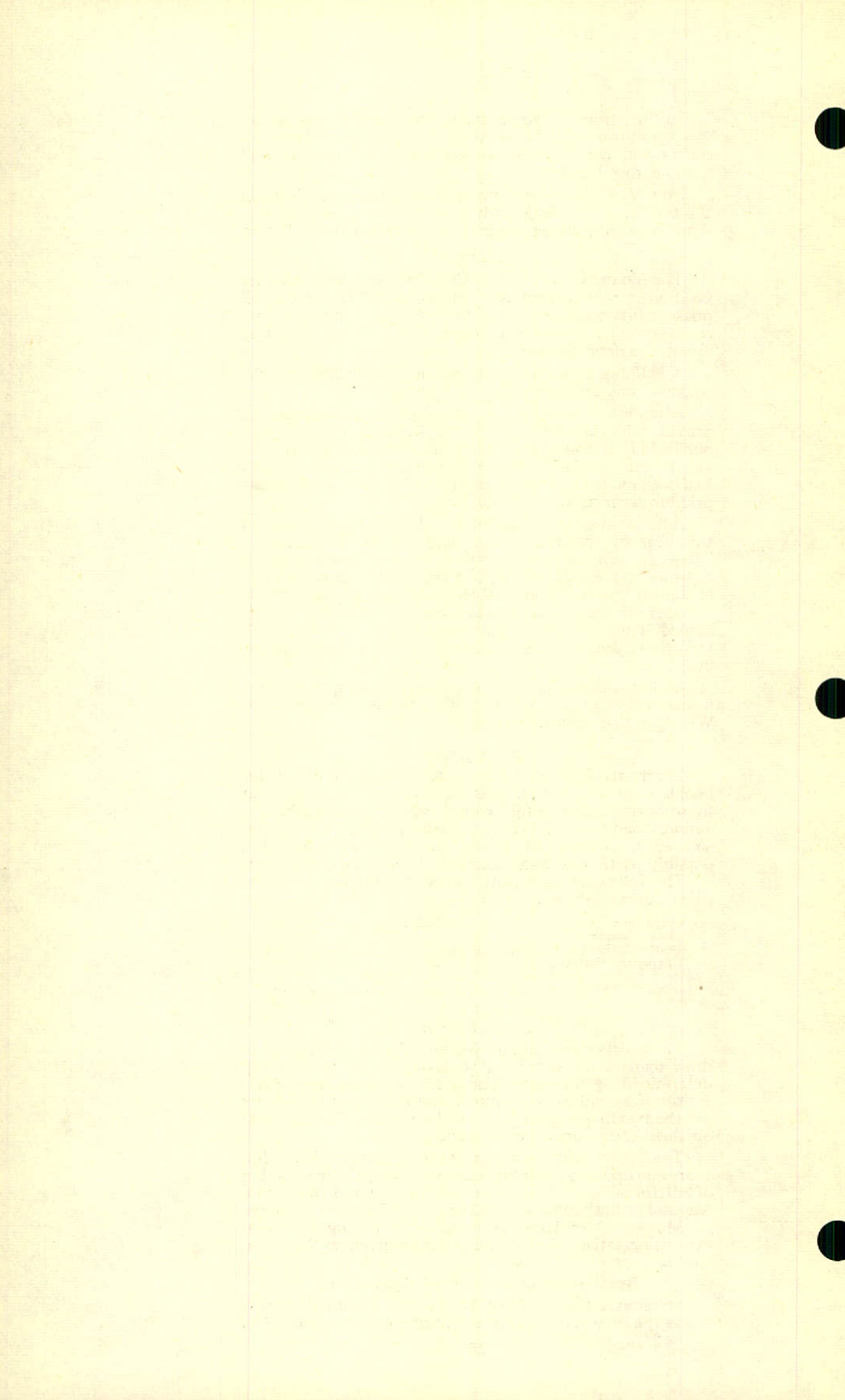
The sports pages of The Western Producer continue to draw increased reader interest. Evidence of this is easily determined by the competitions conducted by the Sports Editor. Baseball in the summer and hockey in the winter are the two major sports enjoyed by readers. Competitions on these sports draw many entries.

The Sports Editor commenced these competitions a few years ago and each year has seen an increase in the number of entries received. Entries are widespread and come from Manitoba, Saskatchewan, Alberta and British Columbia.

Many letters have been received during the year expressing satisfaction at the coverage given to the major sports.

Statement of Combined Operations

Statement No. 3, Page 14, of the Auditors' Report shows the financial result of the combined operations of all



Divisions of the Company for the year ended 31st July 1957 as follows:

Operating Surplus

Country Elevator Division.....	\$3,255,718.01
Terminal Elevator Division.....	1,241,723.98
Flour Mill Division.....	(81,102.41)
Vegetable Oil Division.....	91,753.82
Livestock Division.....	143,728.06
Printing and Publishing Division:	
Commercial Printing Department. \$	33,559.37
The Western Producer.....	(173,083.08)
	(139,523.71)

Total Operating Surplus for the year ended 31st July 1957.....	<u><u>\$4,512,297.75</u></u>
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(Bracketed figures denote loss)

Allocation of Surplus

Your Board recommends that the surplus earnings of the organization for the year ended 31st July 1957, amounting to \$4,512,297.75, be allocated as follows:

Excess Charges Refund—Season 1956-1957.....	\$3,386,400.00
Provision for Income Tax—estimated.....	548,000.00
Transfer to Reserve Account—estimated.....	577,897.75
Total.....	<u><u>\$4,512,297.75</u></u>

Your Board further recommends that the share of surplus earnings for the year ended 31st July 1957 allocated to Excess Charges Refund, Season 1956-1957 and amounting to \$3,386,400.00, be distributed in proportion to patronage on all grain (including rapeseed), and livestock delivered by the members of the Company during the year ended 31st July 1957, on the following basis:

Grain

- (a) Cash patronage dividend at the rate of .5c per bushel, estimated.....\$ 743,500.00
- (b) Patronage dividend at the rate of 1.1c 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..... 1,635,700.00
- (c) Patronage dividend at the rate of .6c per bushel, 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..... 892,200.00

Livestock

- (d) Patronage dividend at the rate per head for cattle 48c; calves 19c; and hogs, sheep and lambs 12c; 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..... 115,000.00
- Total.....**

\$3,386,400.00

In connection with the patronage dividend on livestock deliveries, the Board also recommends that when the retained patronage dividend has accumulated to the sum of \$5.00 or over, the full amount of the dividend should be paid out in cash.

Subsidiary Companies

Saskatchewan Pool Elevators Limited

The Balance Sheet for Saskatchewan Pool Elevators Limited as at 31st July 1957 and the Statement of Income and Expenses for the year ended 31st July 1957, appear as Statements No. 1 and 2, Pages 36 and 37, of the Auditors' Report.

Saskatchewan Pool Terminals Limited

The Balance Sheet and Statement of Income and Expenses for the year ended 31st July 1957 for Saskatchewan Pool Terminals Limited appear as Statements No. 1 and 2, Pages 40 and 41, of the Auditors' Report.

Saskatchewan Co-operative Livestock Producers Limited

The Balance Sheet and Statement of Income and Expenses for the year ended 31st July 1957 for Saskatchewan Co-operative Livestock Producers Limited are shown as Statements No. 1 and 2, Pages 45 and 46, of the Auditors' Report.

Modern Press Limited

The Balance Sheet and Statement of Income and Expenses for the year ended 31st July 1957 for Modern Press Limited are shown as Statements No. 1 and 2, Pages 49 and 50, of the Auditors' Report.

Interprovincial Subsidiaries

Canadian Co-operative Wheat Producers Limited

As in former years, the Annual Report of Canadian Co-operative Wheat Producers Limited as presented to its shareholders, is included in and forms part of this report. The central report presents a comprehensive survey of national and international developments in the field of agriculture during the past year.

Canadian Pool Agencies Limited

The report of the Directors of Canadian Pool Agencies Limited to its Annual Meeting of Shareholders is also attached hereto for the information of delegates. The Balance Sheet for the year ended 31st July 1957 and the Statements of Patrons' Equity and Income and Expenses, are also attached as Statements No. 9, 10 and 11 of this report.

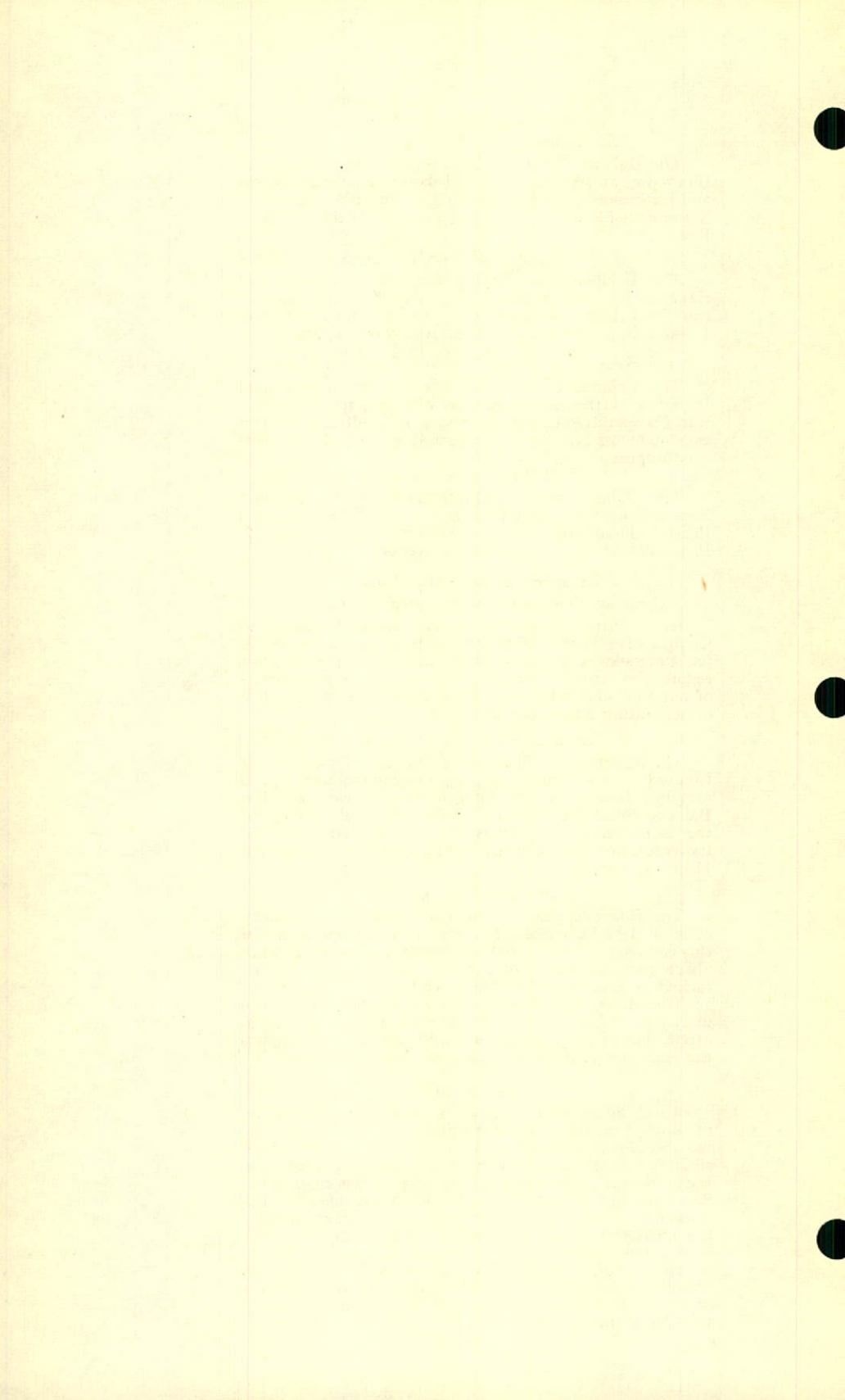
Pool Insurance Company

The financial year of the Pool Insurance Company ends on 31st December. The report of the operations of this company for the year 1956, together with the Balance Sheet and Statements of Income and Expenses, are attached as Statements No. 12, 13 and 14 of this report.

The Manager of Pool Insurance Company, who is also in charge of Canadian Pool Agencies Limited, will be in attendance at this meeting and will discuss with delegates the activities of these companies in the current year.

Publicity

A well informed membership is essential to the welfare of any democratically controlled organization if the membership is to carry out its proper duties and responsibility. For this reason, emphasis is always placed upon the democratic principles that underlie the workings of the Saskatchewan Wheat Pool and all its branches. It has always been the aim of the Publicity Department to keep the membership well informed on the manner in which Pool policy is formulated, and to provide the information on which sound policy decisions can be reached. It has also attempted to keep the general public informed on the objectives of the organization, and the policies formulated to achieve these objectives.



A more detailed report on the work of the Department, under separate headings, is set out below.

Radio

Radio was again used extensively throughout the winter months to bring to members and others news about the Saskatchewan Wheat Pool and its policy. One of the strengths of radio publicity is the speed with which it is possible to get information before the public. Our radio programs have been used to bring information about markets, quota changes and Pool policy to a large audience of farm people.

Programs sponsored during the year were:

- (a) An eight-station service broadcast of livestock and marketing information and general farm news.
- (b) A Sunday news broadcast over CKCK, Regina.
- (c) A series of high school curling broadcasts.
- (d) Curling broadcasts during the Regina bonspiel and the provincial Brier playdowns including broadcasts from the Brier final.
- (e) A series of spot broadcasts announcing shareholders' annual meetings and other meetings.

The farm service broadcast was carried by the following stations: CKRM and CKCK in Regina; CHAB Moose Jaw; CKSW Swift Current; CJNB North Battleford; CKBI Prince Albert; CKOM Saskatoon and CJGX Yorkton. The five minute broadcast was on the air five days a week from mid-October to mid-April. Scripts were prepared in the department and mailed to the stations to be read by local announcers. Daily livestock market reports from the market in each of the communities from which the broadcast originated were incorporated in the program.

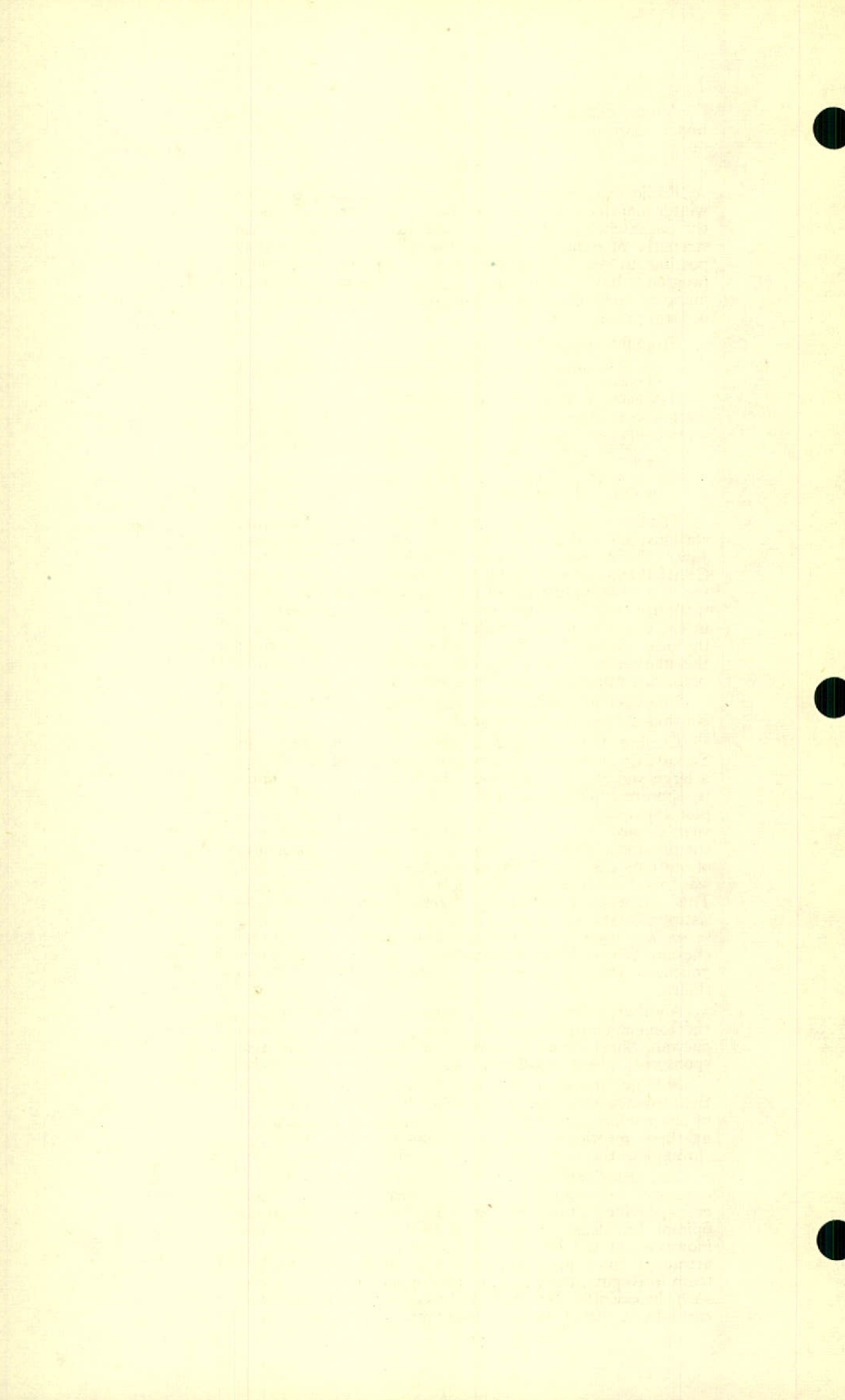
The CKCK Sunday news broadcast from Regina was continued throughout the year.

Curling has achieved a remarkable popularity in Saskatchewan in recent years and curling broadcasts have a large and regular following. The Wheat Pool continued its sponsorship of broadcasts of high school curling championship play. The northern and southern playdowns were carried over stations in Regina and Saskatoon and the provincial final over a three station network consisting of stations CKRM, CFQC and CKSW. One game a day was broadcast from the national finals played in Winnipeg. This was also carried over a three station network consisting of stations CKRM, CFQC and CHAB. The curling series was used to promote goodwill toward the Saskatchewan Wheat Pool, to explain a number of the farm policies which it advocates and to advertise Pool and Co-op flour.

Another series of curling broadcasts was built around the Regina bonspiel and the Brier playdowns in Saskatchewan. Short broadcasts from the Brier final were also sponsored. These broadcasts were carried on CKCK only.

A large number of spot broadcasts over all stations in the province were used to announce local annual meetings of shareholders and to indicate questions to be discussed at these meetings. Spot broadcasts for other meetings throughout the year were also arranged by the department.

The organization has been associated with the broadcasting of hockey games for many years. Hockey broadcasts provided a unique opportunity for a between-periods opinion broadcast, of which the Pool made effective use. However, in the last few years, senior hockey has not attracted much attention and, without a senior hockey team in Regina, there has been no opportunity to sponsor such broadcasts. No hockey broadcast, therefore, was carried out during the year under review.



Television

Television has reached the point where a large number of farm homes are now served by this medium. It is increasingly drawing its late afternoon and evening audience from radio listeners. This factor is considered in setting up the times for the Wheat Pool radio broadcasting program. Last year, on the eve of the Dominion curling championships, the Pool sponsored a television show based on the home life of the Campbell brothers of Avonlea, who represented Saskatchewan in the national finals.

Advertising

The Wheat Pool continued through the year to make use of The Western Producer as its principal newspaper advertising medium. Because of its broad circulation among Western Canadian farm homes, Western Producer advertising was used to stress the importance of the aims and policies of the Saskatchewan Wheat Pool and to promote co-operative principles generally.

The country weeklies continue to be another important medium for Wheat Pool advertising. These local newspapers enjoy much prestige in their own communities and they reach many homes which our advertising would not otherwise enter.

Advertising in a selected number of non-English language weekly newspapers was also continued. Again, these papers reach an audience not readily available to the Pool through other channels.

Wheat Pool advertising was placed in a selected list of monthly and other publications serving special groups in Saskatchewan. Outside the province, we placed ads occasionally in business and financial papers designed to put on record the condition of agriculture in this province. A few ads were also placed in newspapers published in the United Kingdom.

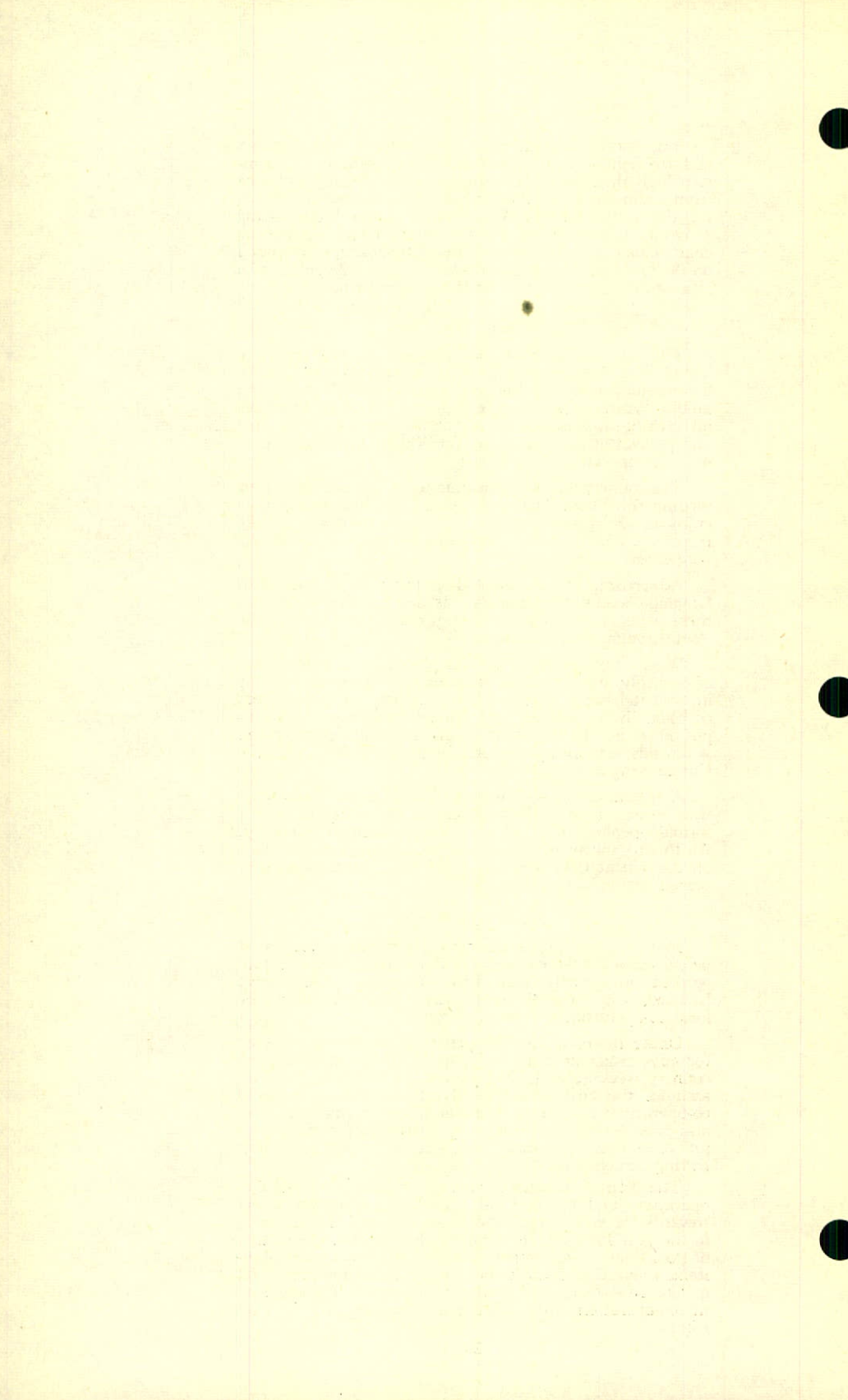
A special effort was made to publicize the Saskatchewan Wheat Pool in Vancouver on the occasion of the formal opening of the Pool terminal there in February. All three Vancouver newspapers published special sections on the Wheat Pool terminal which this organization supported with advertising.

Flour Advertising

Flour advertising is dealt with separately because it belongs in a special category. A flour advertising program worked out jointly with Inter-provincial Co-operative Limited, the regional co-operative wholesales and the local co-operatives is now in effect.

Under the plan the Mill places, and assumes full cost for advertising in daily newspapers, co-operative papers, country weeklies and farm papers. In addition, the Mill assumes the cost of tie-in advertising placed by local co-operatives for special merchandising events. The plan also provides for joint financing of distribution of samples for store openings, local fairs, special events in stores, baking demonstrations, etc.

The plan which was approved by Interprovincial Co-operatives and the regional wholesales, went into effect towards the end of the 1956-57 season, and is continuing in the year 1957-58. The plan provides for the advertising of Pool flour in Saskatchewan and in that portion of Manitoba where Pool flour is sold. In the Maritime provinces, a joint advertising and promotion campaign is carried on in co-operation with Maritime Co-operative Services Limited.



Public Relations

As in former years, all activities of the Publicity Department have been directed towards maintaining good public relations between the Saskatchewan Wheat Pool and the general public, and with the organizations with which the Pool comes in contact.

As in former years, close and friendly relations have been maintained with a large group of organizations, including press and radio, farm and co-operative organizations, agricultural fairs, educational organizations and member-bodies of the Canadian Federation of Agriculture and the International Federation of Agricultural Producers.

The Saskatchewan Wheat Pool has continued to assist the Canadian Wheat Board in promoting the sales of Canadian wheat to overseas markets by acting as host to visiting missions from other countries, and showing them details of harvesting, handling, grading, storing and shipping of grain in Western Canada. As a contribution to this promotion program, visiting delegations have been shown country and terminal elevator operations, and have been taken on inspection tours to the Wheat Pool Flour Mill and Vegetable Oil Plant.

Calendars

The practice of mailing individually wrapped calendars to all members of the Saskatchewan Wheat Pool was continued. Bulk supplies were provided for agents and to branch offices in Saskatoon, Winnipeg, Port Arthur and Vancouver. Approximately 150,000 calendars are distributed each year. They are lithographed at the Printing and Publishing Division in Saskatoon.

Exhibitions

Wheat Pool exhibits were shown at Class A and B fairs and at Moose Jaw and Swift Current.

In addition, assistance was given in providing floats or exhibits for Class C and other sports events at a number of points in the province. Material for exhibits at such events is provided only where local representatives undertake to do the work in the territory.

The Saskatchewan Wheat Pool sponsored the "Wheat Queen" float in the Travellers' Day parade at the Regina Exhibition. The Queen, her two attendants and eight other contestants for the Crown, rode on the float.

Research

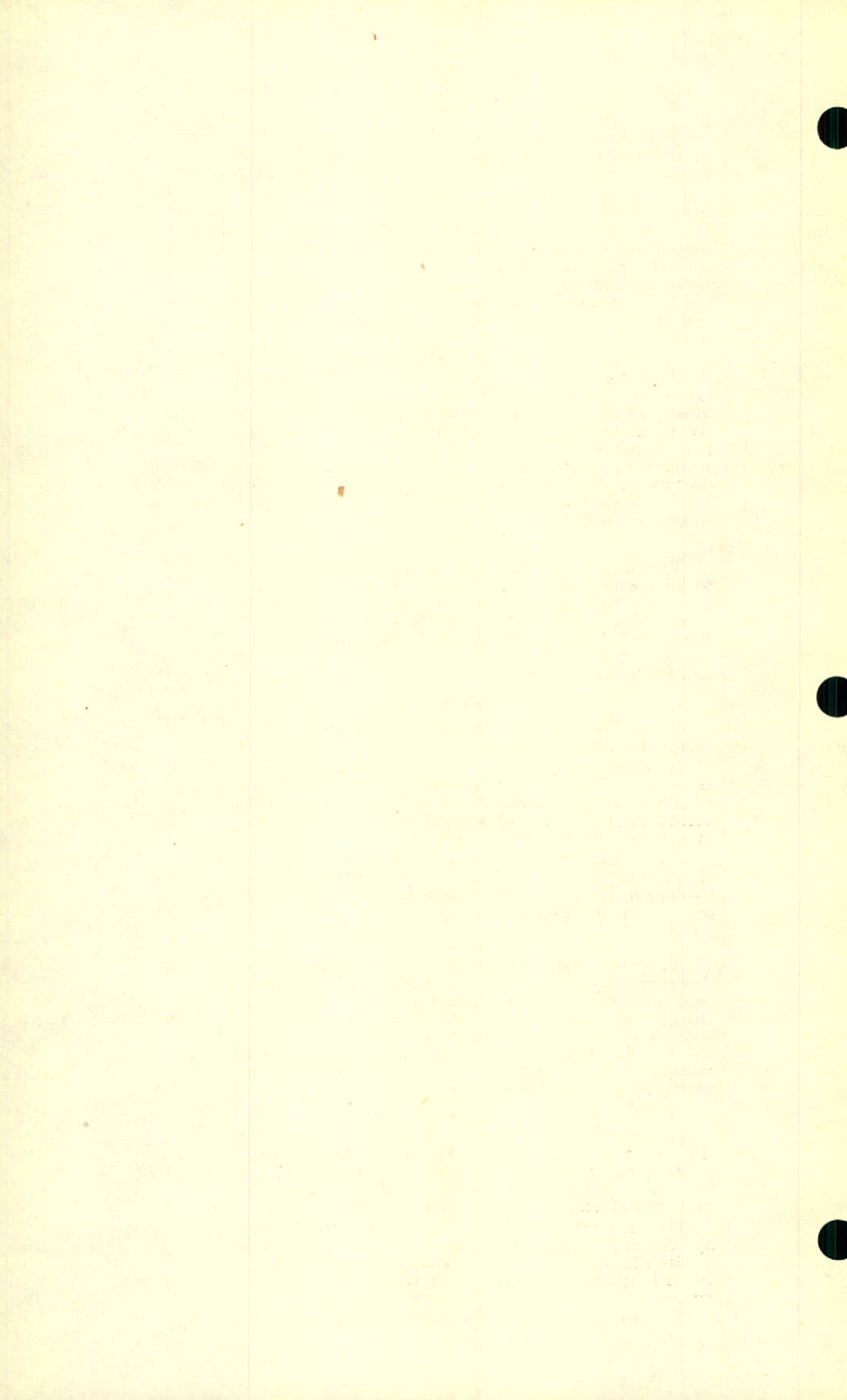
A certain amount of research work is carried on in the department throughout the year. Projects include statistical analyses of farm income and costs, freight rate charges, grain production and marketings, cost-price relationships, deficiency payment data and livestock statistics. Much of the data compiled is used in pamphlets, newspaper releases, and briefs for submission to Governments, Boards and Commissions.

Library

Patronage of the Wheat Pool library declined during the year, dropping by about 1,000 books. The number of books loaned by the library during the year was 7,150 with the largest number going out during January, February and March.

The reference section of the library was widely used by other departments and by students. This section is also available for the use of delegates and members. The library would be pleased to receive more requests for reference service.

The demand for books for boys and girls continued



active throughout the year. New titles are being added to this section frequently.

Library statistics will be found in Statement No. 6 attached to this report.

Crop Reporting

Publication of the Saskatchewan Wheat Pool crop report was continued during the year under review.

With the publication of the final report for the year, there was concluded twenty-five years of crop reporting service, carried on under the direction and supervision of Mr. R. F. Haddrell, assisted by Pool agents in the country who provide the base material from which the report is computed.

A summary of the report is published in The Western Producer, along with similar summaries for Manitoba and Alberta. Similar summaries are released to the daily papers, Canadian Press and radio stations. The report enjoys a high degree of popularity and is regarded as the most authentic information available during the growing season.

Junior Activities

Variety Testing

Each year since 1935 the Wheat Pool has carried on a series of variety tests throughout the province. The main purpose of these tests has been to determine the yielding ability of grain varieties under varying conditions of soil and climate. Over the years there has been a remarkable change in the grain varieties grown and an attempt has been made in this project to compare the new varieties as they appeared, with the older varieties commonly in use. An added value of the project has been the opportunity it offered for farmers in the different communities where tests were located, to compare the different varieties under the growing conditions in their own district.

Approximately 320 tests are conducted each year on the basis of two in each sub-district. The tests are conducted as near as possible to normal field conditions. In the spring seed and supplies for each test were prepared at the Head Office of the Wheat Pool and mailed to the young farm men and women appointed by the delegate in each sub-district. The tests were laid out and seeded according to an approved statistical pattern. Periodic reports were made by the supervisors at various stages of growth during the season, and rainfall records were kept for the four month growing season. In the fall when the grain ripened it was harvested, wrapped in paper and shipped to the Wheat Pool Head Office for threshing and yield calculation.

During 1957 a total of 317 tests were seeded. They were distributed in such a way that only three of the 167 sub-districts in the province were not represented by at least one test. The different types of tests and the varieties included are shown in the following table:

Project	No. of Tests	Varieties
Wheat.....	113	Thatcher, Selkirk, Lake, Rescue, Chinook, Stewart, Ramsey.
Barley.....	148	Husky, Parkland, Traill, Vantmore, Vantage, Montcalm.
Durum Wheat.....	36	Stewart, Pelissier, Ramsey, D21, Selkirk.
Total.....	317	

Five of the seven wheat varieties were included in each test. Thatcher, Selkirk and Lake were included in all wheat tests. ~~Rescue and Chinook were included in all wheat tests.~~ Rescue and Chinook were included only in tests located

in the west, southwest and west-central part of the province. Stewart and Ramsey were used only in those wheat tests located in the east, northeast and northern portions of the province.

Five of the six barley varieties listed were included in each barley test. Husky, Parkland, Traill and Vantmore were used in all barley tests. Vantage was included only in tests located in the west, southwest and west-central portions of the province, while it was replaced by Montcalm in the east, northeast and northern area.

Durum wheat tests were carried on in a limited area in the south of the province and all tests contained the same varieties.

Thatcher—is still the most widely grown variety in Saskatchewan and was included in these tests as a standard of comparison.

Selkirk—has become widely accepted in the eastern and northern parts of the province. It is equal to Thatcher in straw strength, straw length and maturity, less resistant to shattering but more resistant to bleaching. It is resistant to stem rust, to loose and covered smut and moderately resistant to leaf rust.

Lake—this variety has medium tall, strong straw and is somewhat later in maturity than Thatcher, but less resistant to shattering. It is resistant to covered smut but moderately susceptible to loose smut and susceptible to stem and leaf rust.

Rescue—is a solid stemmed, sawfly resistant variety which is slightly later in maturity and has slightly weaker straw than Thatcher. It is susceptible to stem and leaf rust and to loose and covered smut. Rescue is inferior to Thatcher in milling and baking quality.

Chinook—is a solid stemmed sawfly resistant variety, which is higher in milling and baking quality than is Rescue. Compared with Thatcher it has taller, weaker straw, but is equal in maturity. Chinook is susceptible to stem and leaf rust and to loose and covered smut.

Stewart—is a durum variety included in these tests for comparison with the bread wheats. It is a high quality variety which has long, moderately strong straw and is late in maturity. It is resistant to leaf rust, moderately susceptible to loose and covered smut, but very susceptible to stem rust.

Ramsey—is a high quality durum variety with some resistance to stem rust. It is a new variety developed at the North Dakota Agricultural Experiment Station from a cross between Carleton and an unnamed rust resistant variety. It was licensed for commercial distribution in Canada in 1957. It has medium long, medium strong straw and is late in maturity. It is eligible for the top durum grades.

Husky—is a high yielding, six-rowed feed barley which is well adapted to a large part of Saskatchewan. It is late maturing and has medium strong straw. It is resistant to stem rust but susceptible to loose and covered smut.

Parkland—is a six-rowed, smooth-awned malting variety developed at the Brandon Experimental Farm and licensed for distribution in 1956. It is similar in appearance to Montcalm but is higher yielding and has stronger straw. It is resistant to stem rust but susceptible to loose and covered smut.

Traill—is a six-rowed, rough-awned feed variety developed at the North Dakota Agricultural Experiment Station, from a cross between Kindred and Titan. It is resistant to stem rust, but moderately susceptible to loose and covered smut.

Vantmore—is a six-rowed, smooth-awned feed variety. It is equal to Vantage in straw length and strength, but more resistant to some leaf diseases. It is resistant to stem rust, but susceptible to leaf rust and moderately susceptible to smuts and rootrot.

Vantage—is a six-rowed, smooth-awned, medium late feed variety. It is resistant to stem rust but susceptible to loose and covered smut and to leaf rust.

Montcalm—is a six-rowed, smooth-awned, malting variety. It has taller, weaker straw than Parkland. It is fairly late in maturity. Montcalm has some resistance to covered smut but is susceptible to loose smut and to stem and leaf rust.

Pelissier—is a high yielding, drought resistant durum variety which has shorter straw than Stewart and somewhat earlier maturity. It is resistant to leaf rust and rootrot, moderately susceptible to loose and covered smut and susceptible to stem rust. It is inferior to Stewart in macaroni quality and cannot be graded higher than Extra No. 4 C.W.

D-21—this is a code number for an unlicensed durum variety developed in North Dakota. In many respects it resembles Mindum. It matures slightly earlier than Stewart and has shorter stronger straw. It is moderately resistant to stem rust but susceptible to leaf rust. Its macaroni quality has not yet been definitely established in Canada.

The summarized results of all Wheat Pool tests are published each year in the booklet "Saskatchewan Wheat Pool Variety Tests." This booklet contains a summary of each individual test and also an analysis of the results on a cereal variety zone basis. A copy is supplied to each variety test supervisor and copies are distributed to farmers and plant scientists in Western Canada and the northern United States.

In addition the yield results of these tests are supplied each year to the Saskatchewan Advisory Council on Grain Crops. The Council considers this data, together with that supplied by the Experimental Farms and the University of Saskatchewan, in making official recommendations for the best varieties to be grown in the province the following year.

The success of the Wheat Pool's variety testing project over such a long period is due in no small measure to the willingness and enthusiasm of the young farm men and women who carry on the tests on a voluntary basis. In recognition of the contribution made by these supervisors during 1957, tours were arranged for them in all districts. On these tours the supervisors visited Experimental Farms, the University, historical museums, Wheat Pool facilities and other points of agricultural interest. During the tours an opportunity was presented to discuss proper harvesting methods with the supervisors who attended. The tours were arranged by the education committee and the field man in each district. In addition many delegates arranged local meetings of committeemen or shareholders at the location of the tests. These meetings served to remind shareholders of the importance of growing the best varieties available for the conditions in their own district.

In 1957, as in the previous year, the Saskatchewan Wheat Pool and Federated Co-operatives carried on a fertilizer demonstration as a follow-up to the variety testing project. All supervisors who had conducted tests during 1956 were given an opportunity to apply fertilizer with a portion of the seed grain supplied to them as a seed award in the 1957 season. The fertilizer was supplied by Federated Co-operatives. Each supervisor was asked to

complete a questionnaire indicating the difference between the fertilized and the unfertilized portions of the plot. The main value of the project is for demonstration purposes but an attempt is being made to obtain reliable yield comparisons from as many as possible of the plots. These demonstrations have created a good deal of interest in fertilizer in the areas in which they were located.

4-H Clubs

Approximately 12,000 rural youth in Saskatchewan are members of 4-H Clubs for the current 1957 club year. This is the largest club membership of any year since the organization of boys' and girls' clubs in Saskatchewan was started by the Extension Department of the University of Saskatchewan in 1924. Much of the credit for this increasing interest in the 4-H club movement is attributed by the Extension Department to the activities of our organization.

The annual grant of \$10,000.00, approved at the last Annual Meeting of Delegates to assist in this work, has had an important bearing on the progress made and is gratefully acknowledged by the Extension Department authorities.

The University authorities point out that an important factor in the development of an active 4-H club program in any district is the support and attention given such club by its sponsoring organization. It may be noted that 220, or nearly one-third of all the 4-H clubs in Saskatchewan, are sponsored by local Wheat Pool committees.

In January of 1957 the first Saskatchewan 4-H Club Council was organized. The main function of the Council is to act in an advisory capacity to the 4-H club movement, and it has some significance that the first President of this Council is also a delegate of the Saskatchewan Wheat Pool, Mr. Harold Johnson of Norquay.

During the past year several new projects have been added to the list which 4-H members can undertake. These new projects include forestry, bees and sheep. Plans are also underway to start projects in farm management, electricity and conservation.

The following summary sets out in some detail 4-H club projects in 1957, as compared with the projects of 1956 and also with 1936:

Summary of 4-H Club Projects

	Number of Clubs			Members		
	1936	1956	1957	1936	1956	1957
Grain.....	231	229	231	5,100	3,596	3,722
Beef.....	35	256	285	1,028	4,479	4,581
Dairy.....	—	18	19	—	264	271
Poultry.....	5	12	11	52	169	153
Swine.....	30	15	18	657	307	236
Garden.....	—	67	87	—	1,138	1,345
Tractor.....	—	7	4	—	86	48
Forestry.....	—	1	4	—	17	114
Bee.....	—	—	1	—	—	10
Total.....	301	610	660	6,837	10,119	10,480

Variety Grown	No. of Clubs	No. of Members	No. of Acres	Approx. Yield (Bush.)
Wheat Chinook.....	7	119		
Lake.....	10	172		
Selkirk.....	15	310		
Stewart.....	11	187		
Thatcher.....	27	410		
Ramsay.....	1	16		
Total.....	71	1,214	2,428	38,848

Variety Grown	No. of Clubs	No. of Members	No. of Acres	Approx. Yield (Bush.)
Oats				
Eagle.....	2	32		
Exeter.....	1	15		
Garry.....	11	148		
Rodney.....	7	119		
Total.....	21	314	628	18,840
Barley				
Husky.....	3	51		
Montcalm.....	2	28		
Parkland.....	118	1,846		
Total.....	123	1,925	1,983	50,100
Flax				
Norland.....	7	119		
Redwing.....	1	16		
Redwood.....	4	70		
Raja.....	3	48		
Marine.....	1	16		
Total.....	16	269	538	5,380

4-H Homecraft Clubs

The Saskatchewan Wheat Pool has maintained its interest in the 4-H Homecraft Club movement amongst the local girls of the province.

The following summary shows the registrations in 4-H Homecraft Clubs during the year under review.

Project	No. of Clubs	No. of Members
Clothing.....	102	1,385
Food.....	41	388
Home Decoration.....	3	24
Handicraft.....	1	14
Home Nursing.....	2	26
Electricity.....	2	33
Total.....	151	1,870

This compares with 143 Clubs with a combined membership of 1,630 in the previous year.

During 1957 some 1,200 girls showed their completed products at 107 Achievement Days. Members of the Women's Service Division of the Extension Department were present at these Achievement Days to judge the work of the girls and assist with club problems.

The 38th 4-H Homecraft Club Week was held on the University Campus in May. At this gathering 92 leaders and senior members were given leadership training.

Four girls were selected to represent Saskatchewan 4-H Homecraft Clubs at the national group week. The selection was based on club efficiency scores and individual scores in competitions and demonstrations. The four girls representing Saskatchewan are a team of two from Pense and one girl from each of Turtleford and Tuffnell.

A total of 509 girls attended Farm Girls' Camps at ten fair centres during the summer of 1957.

During the past year members of the Women's Service staff took part in four Citizenship Days sponsored by the Saskatchewan Wheat Pool and discussed University extension services for young people. Members of the staff also took part in the program at the Co-op Schools held at Prince Albert and Saskatoon.

Country Organization

Wheat Pool Committees

At 31st July 1957 there were 1,107 local Wheat Pool Committees functioning in the province, which compares with 1,108 at the same date last year, a decrease of one.

Statement No. 7 of this report shows the total number of committees by Wheat Pool districts and sub-districts.

Statement No. 8 indicates that 1,065 of these committees were elected at local shareholders' annual meetings during the period 1st August 1956 and 31st July 1957, leaving 42 that have not reported their annual meetings. This compares with 47 last year and indicates a high percentage of active committees in all Wheat Pool districts. This may be regarded as quite satisfactory.

It is of interest to note that more than 10,000 Wheat Pool shareholders are serving as members of local committees, an average of nine Pool members per committee.

Committee Conventions

The annual program of committee conventions was carried through under generally favourable conditions of weather and roads. Total attendance was slightly higher than last year, while the percentage of committee members who turned out was increased from 42% to 45%.

The agenda was changed to provide that local committee reports were presented by the secretary of each committee or were summarized by the delegate. This optional feature worked quite well and the same method was used by the travelling superintendent in presenting agents' reports. Both the reports of secretaries and agents are improving year by year.

Group discussion, followed by questions presented to a panel, was again used to advantage. Participation by committee men has improved in recent years. Time was given to Junior Co-operative activities, Test Plots, Women's Co-operative Guilds, Co-operative Schools and other education programs. Travelling Superintendents led discussions in connection with elevator business and marketing problems. Both agents and travelling superintendents made valuable contributions. The problems of livestock marketing received attention. There was general agreement that greater efforts should be made to increase the volume of livestock delivered to the Livestock Division.

The Director, in his report, dealt with the policy of the organization. He also outlined the position of the International Wheat Agreement and the operations of the Canadian Wheat Board. Both were strongly endorsed at all conventions. The Director also reported on the operation of each Division of the Saskatchewan Wheat Pool.

During the year under review 130 Committee Conventions were held, as compared with 127 the previous year. Of these, 95 were single sub-district conventions, 33 were joint meetings of two sub-districts, while two included committees from three sub-districts. Total attendance was 7,242, an average of 56. This compares with an attendance of 7,220 last year. Of the total attendance, 4,617 were Wheat Pool committee members, 903 were elevator agents, and 1,539 were visitors. Four hundred and thirty-six of the visitors were ladies. As indicated above, 45% of all committee men attended these meetings. While this is not a high percentage, it is a distinct improvement, and efforts will be made to increase the percentage in the coming year.

Committee Programs

During the year under review committee programs were distributed to all Wheat Pool committee members, elevator agents, travelling superintendents and many other people, who either requested them or are known to be interested.

The following is a list of topics:

- (1) Highlights of Committee Conventions.
- (2) Highlights of the 32nd Annual Meeting.
- (3) Resolutions Passed at the 32nd Annual Meeting of Wheat Pool Delegates.
- (4) The Wheat Pool at Work.

These programs are intended to provide timely in-

formation, which will help all Pool workers to perform their duties in the interest of the Wheat Pool.

Visual Education

In spite of increasing competition from television and other sources, motion pictures continue to be an effective means of securing attendance at Wheat Pool country meetings.

These picture show meetings are also a very effective means of passing on information on Pool activities to thousands of people who would not attend an ordinary meeting.

The department views new material and is searching for good films continuously. Several new films of a general nature were purchased during the year under review. The two on livestock, "Raising Hogs the Market Wants" and "Why Grow Fat Hogs," are appreciated at country picture show meetings.

Films with a good co-operative message are not easy to find. In this connection "Episode in Valleydale," produced by Manitoba Pool Elevators, has been widely shown all over the province and proved to be popular. The Alberta Wheat Pool film, "Sunrise in the West" has also been shown extensively.

During the year motion pictures were shown at 742 meetings with an estimated attendance of 65,000.

Co-operative Education

The program of one-day Co-operative Schools, Citizenship Days, Farm Days and Rallies was continued during the year. Valuable assistance in this program was received from the University of Saskatchewan, the Department of Co-operation, the Department of Education, the Department of Agriculture and the Co-operative Union of Saskatchewan.

In addition to programs specifically organized by the Wheat Pool, fieldmen assist other organizations in their programs, such as Co-operative Guilds, Agricultural Representative Services, Extension Department of the University of Saskatchewan, and others.

Co-operative Schools

Six regional Co-operative Schools were operated during the second week in July, with a combined attendance of 497 students. Of these, 206 were girls and 291 were boys. The average age was 16 years and 6 months and the average education was Grade 10.3.

This program is developing a high degree of efficiency and is probably the outstanding feature of the program of education carried on by the co-operative movement in Saskatchewan. Wheat Pool fieldmen continue to play a leading role in promoting and organizing these schools.

Agents' Study Groups

Employee training is one of the urgent problems facing the co-operative movement as a whole. The most successful project developed so far by the Wheat Pool has been a program of studies for Pool elevator agents. A committee has been established to prepare study material, to set up procedure and establish regulations, and to supervise the operation of the program. Personnel of this committee is drawn from the Management of the Country Elevator Division, the Country Organization Department, the Publicity Department and the Education Committee of the Board.

Reports of each meeting are submitted to Head Office by Travelling Superintendents, the field staff, delegates and directors who attend. These reports are carefully

studied and changes are made from time to time as a result of recommendations and the previous year's experience. The pattern developed last year follows:

- (a) The program in the country was under the direction of each travelling superintendent, who was responsible for organizing the groups in his section. He set dates for each meeting and conducted the study.
- (b) Two studies were conducted on the basis of small groups (two or three to each section). The third study was on the basis of a full sectional meeting.
- (c) All expense in connection with these meetings was borne by the organization, including out-of-pocket expense to agents.
- (d) Directors, delegates and fieldmen worked closely with the travelling superintendents and gave all the help they could, including leading the discussion on some parts of each study.

The teamwork of agents, travelling superintendents, field staff and elected personnel in the operation of this program represents an important advance in this field.

The statistical report for last year shows that 255 meetings were held—108 in the first series, 107 in the second, and 40 in the third. Total attendance of agents was 2,899; first series 946; second 947; third series 1,006. A study of reports indicate a favourable year. Various suggestions for the improvement of the program have been advanced by the participants in these meetings. These will receive careful consideration by the committee in the preparation of next year's study material.

Flour Mill

The Country Organization Department has continued its active work in promoting the sale of Pool and Co-op Flour. A number of local events were organized for this purpose. The most successful of these was a series of baking demonstrations, under local sponsorship and conducted by Women's Co-operative Guilds. This evidence of practical co-operation by the Guilds has been greatly appreciated by the Mill management and by your Board.

Co-operative Marketing of Livestock

The Country Organization Department has continued to give assistance to Wheat Pool committees and Livestock Pool shippers in organizing and assembling shipments to markets operated by the Livestock Division. Marketing problems have been discussed more widely at regular Pool meetings and, as already mentioned, livestock marketing received special attention at committee conventions, with definite recommendations that deliveries of livestock to Wheat Pool facilities should be encouraged.

Meetings

During the year under review, Wheat Pool fieldmen attended 3,215 meetings of all types, with an estimated attendance of 135,867. This compares with 3,092 meetings last year and an attendance of 122,028. Fieldmen provided current information in connection with the Pool organization. Marketing problems were explained and the policy of the Wheat Pool was outlined.

In addition to the foregoing there were personal visits by fieldmen to 4,152 farmers, 1,707 business men were interviewed and there were 3,318 visits to Pool elevator agents.

The number of Wheat Pool meetings of all types held throughout the province continues to increase. During the year under review Wheat Pool committee secretaries reported 5,574 meetings, an increase of 523 over the previous year.

The following table shows the number of meetings by Wheat Pool districts:

District	No. of Meetings	District	No. of Meetings	District	No. of Meetings
1	316	7	347	13	526
2	362	8	357	14	410
3	194	9	321	15	315
4	220	10	326	16	421
5	351	11	343		
6	365	12	400		5,574

Co-operative Associations

During the year, thirty-four new Co-operative Associations were organized, twenty-nine under the Co-operative Associations Act and five new Credit Unions. During the same period forty-one Associations were removed from the register, some by amalgamation with other co-operatives and some because they had ceased to operate.

The number of Co-operative Associations operating at the date of this report was 1,479, made up as follows:

Under the Co-operative Associations Act.....	1,140
Under the Co-operative Marketing Associations Act.....	33
Under the Credit Union Act.....	285
Under other Saskatchewan Legislation.....	15
Under Dominion Legislation.....	6
Total.....	1,479

Enrolment of New Members

For the year under review 4,386 applications for shares were received, as compared with 4,573 in the previous year. In addition, during July, 1,011 applications for shares were received, as compared with 1,106 in July 1956.

The following statement shows the number of applications received since February 1934 when the policy of accepting new members by way of application for share was initiated:

Year Ended	Applications
31st July 1934.....	515
31st July 1935.....	695
31st July 1936.....	869
31st July 1937.....	1,016
31st July 1938.....	370
31st July 1939.....	887
31st July 1940.....	3,477
31st July 1941.....	3,040
31st July 1942.....	5,616
31st July 1943.....	5,946
31st July 1944.....	7,704
31st July 1945.....	6,304
31st July 1946.....	5,484
31st July 1947.....	8,529
31st July 1948.....	6,609
31st July 1949.....	3,817
31st July 1950.....	3,322
31st July 1951.....	3,866
31st July 1952.....	5,746
31st July 1953.....	6,612
31st July 1954.....	6,108
31st July 1955.....	5,039
31st July 1956.....	4,573
31st July 1957.....	4,386

International Wheat Agreement

The crop year 1956-57 was also the first year of the third International Wheat Agreement. Membership in the third I.W.A. includes 42 importing countries and six exporting countries, Sweden having been added to the exporters.

The guaranteed quantities in the new agreement were fixed at 293,618,000 bushels of which Canada's share was 99,739,000 bushels. The third agreement provides for a price range from \$1.50 at the floor to \$2.00 at the ceiling basis No. 1 Northern wheat in bulk, in store, Fort William-Port Arthur. The international price of wheat during the year remained well within the price range of the agreement

so that no calls were made either at the floor or at the ceiling.

While Canada's guaranteed quantity for 1956-57 was established at 99,739,000 bushels, importers registered purchases of only 58,011,000 bushels or 58.16 per cent. However, many countries in the I.W.A. purchased more wheat from Canada than they registered with the result that Canada's total sales to importing members of the I.W.A. amounted during the year to 135,247,000 bushels, or 35 per cent more than they undertook to purchase under the agreement.

The following table records the relationship between guaranteed quantities and purchases for a number of Canada's customers in thousands of bushels:

	Guaranteed Quantity (000 Bus.)	Canadian Purchases Registered (000 Bus.)	Total Purchases From Canada (000 Bus.)
Austria.....	3,674	90	2,126
Belgium.....	16,535	1,759	16,559
Germany (West).....	55,116	17,309	36,401
Japan.....	36,744	16,049	35,138
Netherlands.....	25,721	2,193	11,194
Philippines.....	6,063	2,780	5,510
Switzerland.....	6,981	4,798	10,754

(Note: Guaranteed quantity means the amount to be imported from ALL exporters).

It is evident that, while prices remain within the range of the I.W.A. floor and ceiling, importing nations do not register all their purchases with the International Wheat Council. The experience of all exporting countries under the I.W.A. during 1956-57 is summarized in the following table in thousands of bushels:

	Guaranteed Quantities (000 Bus.)	Sales Registered (000 Bus.)	% of Guaranteed Quantities Registered %
Canada.....	99,739	58,011	58.16
Argentina.....	14,246	919	6.45
Australia.....	29,329	26,185	89.28
France.....	16,027	—	—
Sweden.....	6,233	5,890	94.50
U.S.A.....	128,044	122,775	95.89
Total.....	293,618	213,780	72.81

Cash Advances

At the last Annual Meeting delegates approved the policy of cash advances against farm stored grain to provide:

- That cash advances should be made by elevator companies operating under a special line of credit guaranteed by the federal Department of Finance.
- That elevator companies should be prepared to assume responsibility for a share of any loss which might develop in the repayment of such advances.
- That the amount of the advances should be based on a rate of \$4.00 per specified acre, with a maximum of 800 acres.
- That these advances should carry the lowest possible interest rate.

At the time this report was prepared it had been indicated by the Government of Canada that legislation would be introduced early in the present session of Parliament to provide for cash advances. It is the understanding of your Board that the new legislation will follow generally along the lines of last year's recommendation.

Future Policy

The major problem facing western agriculture today continues to be centred on declining farm income while farm costs remain at high levels or continue to advance.

The following table has been prepared to show a comparison covering the past ten years, between Western

Canadian farm costs and Saskatchewan farm prices, with 1935-1939 equal to 100.

	Farm Costs (Western Canada excluding living costs) (1935-1939 equal 100)		Farm Prices (Saskatchewan) (1935-1939 equal 100)	
	Index	% of 1947	Index	% of 1947
1947.....	166.0		226.1	
1948.....	190.2	114.6	247.1	109.3
1949.....	199.2	120.0	248.8	110.0
1950.....	207.0	124.7	251.5	111.2
1951.....	225.5	135.8	268.7	118.8
1952.....	238.6	143.7	245.9	108.8
1953.....	237.3	143.0	228.7	101.1
1954.....	235.7	142.0	208.7	92.3
1955.....	234.7	141.4	203.5	89.8
1956.....	243.3	146.6	210.3 (E)	93.0

(E)—Estimated by Saskatchewan Wheat Pool.

From the foregoing it will be noted that on the basis of 1935-1939 equalling 100, while the farm cost index shows an increase to 146% of the 1947 farm costs, the Saskatchewan farm prices index is actually lower than in 1947. The index figure of 210.3 estimated by your organization represents only 93% of the 1947 index.

The following table has been compiled to illustrate just what has happened to wheat prices in Saskatchewan in relation to western farm costs.

	Average Farm Wheat Price (Saskatchewan)		Farm Costs (Western Canada— excluding living costs) Index 1935-39 =100	
	Price	% of 1947	Index =100	% of 1947
1947.....	\$1.63		166.0	
1948.....	1.63	100.0	190.2	114.6
1949.....	1.61	98.8	199.2	120.0
1950.....	1.49	91.4	207.0	124.7
1951.....	1.52	93.3	225.5	135.8
1952.....	1.59	97.5	238.6	143.7
1953.....	1.33	81.6	237.3	143.0
1954.....	1.21	74.2	235.7	142.0
1955.....	1.38	84.7	234.7	141.4
1956.....	1.29 (E)	79.1	243.3	146.6

(E)—Estimated by Saskatchewan Wheat Pool.

From the foregoing it will be noted that the average farm price for wheat in Saskatchewan has declined from \$1.63 in 1947 to an estimated \$1.29 for the year just ended. The 1956 estimate of \$1.29 represents only 79.1% of the 1947 price, while the farm costs index figure of 243.3 represents 146.6% of the 1947 index.

This situation was fully recognized at the last Annual Meeting when the delegates recommended that the Board should place before the Government of Canada those problems, the solution for which called for action by the federal government.

On 9th March 1957 the Executive Members of your Board, together with representatives of the Manitoba and Alberta Pools, met with a group of federal Cabinet Members and discussed the various problems affecting the economic conditions of western farmers, a solution for which could only be met by federal action. The Pools' submission emphasized that the problems facing agriculture had reached such proportions as, "to demand unusual and extraordinary measures in their solution."

The matters discussed with the Cabinet Members were based on discussions of the last Annual Meeting of Delegates and included:

- (1) Proposals for the provision of deficiency payments by the Government of Canada as a method for securing for farmers a more equitable share of the national income.
- (2) The establishment of a domestic price for wheat for domestic consumption which should be based on production costs and

Canadian living standards, rather than on export market prices.

- (3) Payment by the Treasury of carrying charges on all grain in commercial storage positions at the end of each crop year.
- (4) An adjustment payment by the Treasury in compensation for the discount on grain prices arising from the exchange rate between the Canadian and United States dollar.
- (5) Greater use of the Agricultural Prices Support Act in maintaining adequate floor prices for farm commodities.
- (6) A reduction of interest rates on grain loans.
- (7) A continuation of an aggressive sales policy for Canadian wheat, including national policies to stimulate a high level of international trade. The provision of adequate credit facilities to prospective wheat buyers who find themselves short of Canadian dollars, and support for international relief and development schemes abroad.

Following a lengthy discussion, the Pool representatives were advised that the Ministers fully recognized the need for action in the interests of agriculture and it was agreed that further discussions would take place later in the season when 1957 crop conditions were more clearly defined.

With a change in Government taking place after the election on 10th June, it was deemed advisable that a meeting should be held with the new Government at the earliest possible moment. Arrangements were completed for holding a meeting on 31st July between the Prime Minister and Members of the new Government, and representatives of The Canadian Federation of Agriculture, including representatives of all three Pools.

In the submission then made a resolution passed by The Canadian Federation of Agriculture for presentation to the Government was quoted. This reads in part, as follows:

WHEREAS The Canadian Federation of Agriculture endorsed a policy of deficiency payments being made on products, the marketing of which has resulted in unreasonably low returns to producers; and

WHEREAS the present situation of western grain growers and the importance of their industry to the national economy both demands and justifies support from the nation as a whole during a period of emergency; and

WHEREAS such assistance finds further justification in low prices for foodstuffs which have prevailed to Canadian consumers, in the burdens arising from the present exchange situation and in the costs of carrying large stocks of grain in public storage;

RESOLVED that such assistance can most conveniently be given through adequate deficiency payments to be established at an early date on 1955-56 deliveries of wheat, oats and barley to the Wheat Board (on which the final Wheat Board settlement was made in May 1957).

In addition to the foregoing it was urged that the Government of Canada should implement this recommendation with the understanding that negotiations on the adequacy of returns to 1956-57 grain deliveries should take place when results of marketing that crop are better known.

Sympathetic consideration was promised by the Prime Minister and Members of the Government to the various recommendations submitted.

With the approval of this meeting it will be the intention of your Board to bring all possible pressure to bear in their effort to implement those measures which they believe are essential if farmers are to secure a fair share of the national income.

Your Board recommends endorsement of the following policy for the coming year:

- (1) That we urge the federal Government to adopt a policy which will provide for deficiency payments being made on farm products, the marketing of which has resulted in unreasonably low returns to producers.
- (2) That as an immediate measure of assistance to the grain growers of Western Canada, deficiency payments should be

provided in the immediate future on deliveries of wheat, oats and barley made to the Wheat Board in the crop year 1955-56 and on which the final Wheat Board settlement was made in May 1957.

- (3) That the domestic price for wheat in Canada should be based on production costs and Canadian living standards, rather than on export market prices. In this connection it is suggested that the recommendation of former years should be endorsed, namely, that the domestic price for wheat should be established at a level not less than the existing maximum price (\$2.00 per bushel) under the terms of the International Wheat Agreement.
- (4) That we recommend to the Government that carrying charges on all grain in commercial storage positions at the end of each crop year should be absorbed by the Government of Canada.
- (5) That we recommend that serious consideration should be given by the Government of Canada to the British proposal for the establishment of a free trade area between Canada and the United Kingdom.
- (6) That we urge the Government of Canada to provide leadership in developing international co-operation in the disposal of surplus food to the end that the needs of deficiency areas be met and the interests of food producers be protected.
- (7) That we recommend to the Government of Canada that they give serious consideration to increasing support for international relief and development schemes such as the Colombo Plan.
- (8) That we recommend a more realistic use of the Agricultural Prices Support Act as a means of maintaining adequate floor prices for agricultural products.
- (9) Your Board reaffirms its belief that producers' marketing boards under provincial and federal legislation can provide a practical method of marketing farm commodities other than grain. With respect to livestock, it is the opinion of your Board that best results can be secured through the operations of a national marketing scheme rather than a provincial one. In the meantime, until such time as a Livestock Marketing Board is available, the increased use of existing co-operative livestock marketing facilities would be valuable to livestock producers.
- (10) That we recommend to the federal Government that the national agricultural policy should provide for—
 - (a) An adequate scheme of crop insurance, the cost to be borne jointly by the federal and provincial governments and the producers.
 - (b) Increased co-ordination of federal and provincial government programs for the maximum use of our soil and water resources to the end that producers may be assured adequate returns to enable them to improve their farms, diversify their products and plan their crops and rotations on a long-term basis.
- (11) An Interprovincial Committee of representatives of the three Pool Boards has had the matter of box car allocation under consideration during the past season. Following the appointment of a new Minister of Trade and Commerce the Committee met with the Minister for a discussion of this problem.

Your Board recommends that we continue to urge the need for amendments to the Canada Grain Act to provide for the placing of box cars at country elevators in accordance with the farmers' preference, to the end that farmers may be able to deliver their grain to the country elevator of their choice.
- (12) Your Board recommends to the Government of Canada that a Transport Controller should be appointed immediately.
- (13) Adequate farm credit is one of the greatest needs facing the farm industry today. Credit for young men with limited capital, starting to farm, is urgently required. There are also many experienced farmers who are unable to expand their farm operations to a sound economic unit because of inability to secure adequate credit through ordinary channels. Your Board recommends that the Government of Canada be asked to institute a system of agricultural credits in accordance with the policy proposed by the Canadian Federation of Agriculture.
- (14) That we continue to urge the need for a Board of Livestock Commissioners to administer the Livestock and Livestock Products Act and to regulate trade practices where necessary.

Conclusion

This review of this year's operations would not be complete without a special tribute to the officials and members of the staff in all Divisions of the organization. They have continued to demonstrate the same fine spirit

of co-operation and of loyalty to the objectives of the Pool organization which has been characteristic of the Saskatchewan Wheat Pool staff since its inception.

The contribution they have made to the progress of the organization by their efficient service is well recognized and greatly appreciated.

All of which is respectfully submitted:

A. G. PEDERSON
CLARENCE McKEE
R. B. FULTON
JAMES McCALLUM
T. G. BOBIER
C. J. STRAYER
J. H. HARRISON
E. J. SJOLIE

A. GREENFIELD
W. F. McLEOD
CHAS. W. GIBBINGS
E. A. BODEN
WILLIAM CUMMINS
W. McK. ROSS
L. A. BOILEAU
J. H. WESSON

GEORGE A. TOUCHE & CO.

Chartered Accountants



356 Main Street

WINNIPEG

27th September 1957.

To the Shareholders,
Saskatchewan Wheat Pool,
Regina, Saskatchewan

We have examined the balance sheets of Saskatchewan Wheat Pool, Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, Saskatchewan Co-operative Livestock Producers Limited and Modern Press Limited as at 31st July 1957 and have reported on each in statutory form.

The liability for past services under the Improved Retirement Plan as valued by actuaries is estimated to amount to \$962,000.00 and during the year the second payment was made to the Saskatchewan Wheat Pool Retirement Fund in respect of this liability amortized over twenty years.

At 31st July 1957 an agreement was entered into for the purchase of additional terminal facilities at a cost of \$4,000,000.00. The amount of capital commitments shown on the Balance Sheet includes the first payment of \$1,000,000.00 made on 1st August 1957.

We report that we have obtained all the information and explanations we have required and, in our opinion, the appended Balance Sheet is properly drawn up so as to present in consolidated form a true and correct view of the state of the organization's affairs at 31st July 1957 according to the best of our information and the explanations given and as shown by the books of the various companies; 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.

GEORGE A. TOUCHE & CO.,
Chartered Accountants.

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AT 31st JULY 1957

ASSETS

Cash.....	\$ 5,948,984.32
Accounts Receivable.....	2,697,125.62
Prepayment on 1956-1957 Canadian and Ontario Corporation Taxes.....	260,230.05
Stocks of Grain.....	86,555,193.07
Stock in Trade.....	1,189,515.34
Manufacturing Supplies.....	94,854.64
Prepaid Taxes, Insurance and Other Expenses.....	351,351.17
Total Current Assets.....	\$ 97,097,254.21
Accounts Receivable Deferred.....	183,404.53
Investments and Memberships, at cost (Including amount paid on shares on which there is an uncalled balance of \$57,500.00).....	326,532.91
Fixed Assets, at cost	
Sites, Buildings, Machinery and Equipment.....	\$58,989,923.92
Less accumulated allowance for depreciation.....	34,755,336.97
	24,234,586.95
Deferred Charges	
Stocks of Repair Parts and Supplies.....	289,325.72

Approved on behalf of the Board,

J. H. WESSON, *Director*
T. G. BOBIE, *Director*\$122,131,104.32

LIABILITIES AND CAPITAL

Cheques and Orders Outstanding.....	\$ 18,717,574.35
Bank Loans.....	59,557,500.00
Unallocated Surplus 1956-1957.....	4,512,297.75
Accounts Payable.....	6,861,754.59
Total Current Liabilities.....	\$ 89,649,126.69
Reserve for Unearned Subscriptions.....	10,000.00
Elevator Deductions.....	16,244,612.52
Commercial Reserve.....	8,753,781.31
Livestock Excess Charges Credits.....	80,690.89
Capital	
Authorized 200,000 shares of \$1.00 each.....	<u>\$200,000.00</u>
Allotted and fully paid, 141,227 shares.....	141,227.00
Reserve.....	7,251,665.91
Capital Commitments	
In respect of buildings and work under construction and terminal facilities under purchase	
Estimated.....	<u>\$1,956,500.00</u>
	<u>\$122,131,104.32</u>

This is the Balance Sheet referred to in our report of 27th September, 1957.
GEORGE A. TOUCHE & CO., Chartered Accountants, Auditors.

CONSOLIDATED BALANCE SHEET

Detailed information and explanations of the various items appearing on the Balance Sheet follow:

Cash—\$5,948,984.32

This includes the following items:

Cash in Banks.....	\$5,167,421.26
Cash Funds—Payors.....	781,563.06
	<u>\$5,948,984.32</u>

Accounts Receivable—\$2,697,125.62

This item is composed principally of accrued handling charges on grain in store in Country and Terminal Elevators, Trade Accounts, Sundry Loans, Advances, Sales of Grain, etc.

Prepayment on 1956-57 Canadian and Ontario Corporation Taxes—\$260,230.05

This amount is made up as follows:

Installments paid on 1956-57 Corporation Taxes of Saskatchewan Wheat Pool.....	\$269,925.00
Less estimated taxes for 1956-57 for the following Subsidiary Companies:	
Saskatchewan Pool Elevators Limited	
Estimated Total Taxes.....	\$14,437.93
Less Amount Prepaid.....	5,467.62
	<u>\$8,970.31</u>
Saskatchewan Pool Terminals Limited.....	150.86
Saskatchewan Co-operative Livestock Producers Ltd.	573.78
	<u>9,694.95</u>
	<u>\$260,230.05</u>

Stocks of Grain—\$86,555,193.07

This amount represents the value of grain on hand in various positions at 31st July 1957, less the liability for stored grain. All Board grains have been valued at Canadian Wheat Board prices, and open market grains at Winnipeg market closing prices at 31st July 1957, or open sale contracts where applicable. Agency stocks have been valued at cost. Allowance has been made for freight and other charges where necessary.

Stock in Trade—\$1,189,515.34

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, screenings, linseed oil and meal 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, and livestock on hand at the various branches of the Livestock Division or in transit at 31st July 1957.

Manufacturing Supplies—\$94,854.64

This amount represents the cost of offset films and chemicals, engraving supplies, news ink and mailing supplies on hand at the Printing and Publishing Division at Saskatoon; drums, containers, sacks, sewing twine and refining chemicals on hand at the Vegetable Oil Plant at Saskatoon; bags, improvers and other ingredients at the Flour Mill at Saskatoon, and bags on hand at the grinding mill at the Terminals at 31st July 1957.

Prepaid Taxes, Insurance and Other Expenses—\$351,351.17

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

Accounts Receivable Deferred—\$183,404.53

This is composed of the following accounts:

Alberta Co-operative Wholesale Association Limited.....	\$ 40,707.16
Canadian Livestock Co-operative (Western) Limited.....	31,463.56
Co-operative Fire and Casualty Company.....	85,000.00
Local Co-operative Associations.....	40,073.93

	<u>\$197,244.65</u>
Less Allowance for Doubtful Accounts.....	13,840.12

\$183,404.53

Alberta Co-operative Wholesale Association Limited—\$40,707.16

This is the balance owing on sales of flour, feeds, linseed oil and meal made by the Flour Mill and Vegetable Oil Plant to the Alberta Co-operative Wholesale Association in 1950 and 1951. The Wholesale Association completed an agreement with its major creditors on 16th January 1952, for the repayment of its indebtedness over a period of years. This agreement calls for annual payments of \$9,144.00 to Saskatchewan Wheat Pool on 31st December of each year. The first four

payments have been made in accordance with the agreement, and subsequent payments of \$9,144.00 are payable on 31st December 1957 to 1961 inclusive, with a final payment of \$9,145.27 on 31st December 1962. Interest at the rate of 4½% is being collected on this account.

Canadian Livestock Co-operative (Western) Limited—\$31,463.56

This represents \$22,246.59 of surplus earnings of Canadian Livestock Co-operative (Western) Limited owing to the Livestock Division of Saskatchewan Wheat Pool, which has been set aside in Members' Equity and Loan Accounts during Seasons 1946-47 and 1956-57 inclusive, plus an additional sum of \$9,216.97 which was retained by Canadian Livestock Co-operative (Western) Limited from 1952-53 surplus earnings. This latter amount represents the balance owing on Saskatchewan Wheat Pool's share of an interest-free loan of \$28,966.09 to C.L.C. by the three provincial member organizations. This amount was required to cover the balance of the cost of past service pensions in connection with the superannuation plan for C.L.C. employees, which came into effect on 1st January 1953. At least one-tenth of this loan is repayable each year.

Co-operative Fire and Casualty Company—\$85,000.00

Of the above sum, \$30,000.00 was contributed in 1951, \$30,000.00 paid upon guarantee in 1953, and a further \$25,000.00 contributed in 1956. These sums may be repaid out of accumulated surpluses at such times and in such installments as the Directors of the Co-operative Fire and Casualty Company may from time to time determine, and until so repaid the Directors may pay interest thereon at such a rate as they may from time to time determine, but not exceeding three per cent per annum.

Local Co-operative Associations—\$40,073.93

This is composed of the following:

Local Co-operatives—Deferred Dividends.....\$15,758.50
Federated Co-operatives—Deferred Dividends. 24,315.43

\$40,073.93

Investments and Memberships—\$320,532.91

This represents investments in shares 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 \$25,000.00).....	\$ 25,000.00
Canadian Livestock Co-operative (Western) Limited	
8 Memberships of \$1.00 each.....	8.00
Canadian Pool Agencies Limited	
667 Shares of \$10.00 each.....	6,670.00
Co-operative Trust Company Limited	
1,000 Shares of \$10.00 each.....	10,000.00
Federated Co-operatives Limited	
Share Capital.....	8,134.84
Lake Shippers' Clearance Association	
1 Membership.....	3,000.00
Local Co-operative Associations	
Sundry Shares.....	29,919.07
Pool Insurance Company	
1,250 Shares (on which there is an uncalled balance of \$32,500.00).....	170,000.00
Saskatchewan Co-operative Credit Society Limited	
2,950 Shares of \$10.00 each.....	29,500.00
Vancouver Grain Exchange	
1 Membership.....	800.00
Vancouver Merchants' Exchange	
1 Share.....	1.00
Western Stockyard Exchange	
Membership.....	300.00
Winnipeg Grain Exchange	
6 Memberships.....	30,950.00
Winnipeg Grain and Produce Exchange Clearing Association Limited	
10 Shares.....	12,250.00
	<u>\$326,532.91</u>

Fixed Assets—\$24,234,586.95

Schedule "IA" shows in detail the cost, accumulated allowance for depreciation, and net value of these fixed assets at 31st July 1957.

LIABILITIES AND CAPITAL

Cheques and Orders Outstanding—\$18,717,574.35

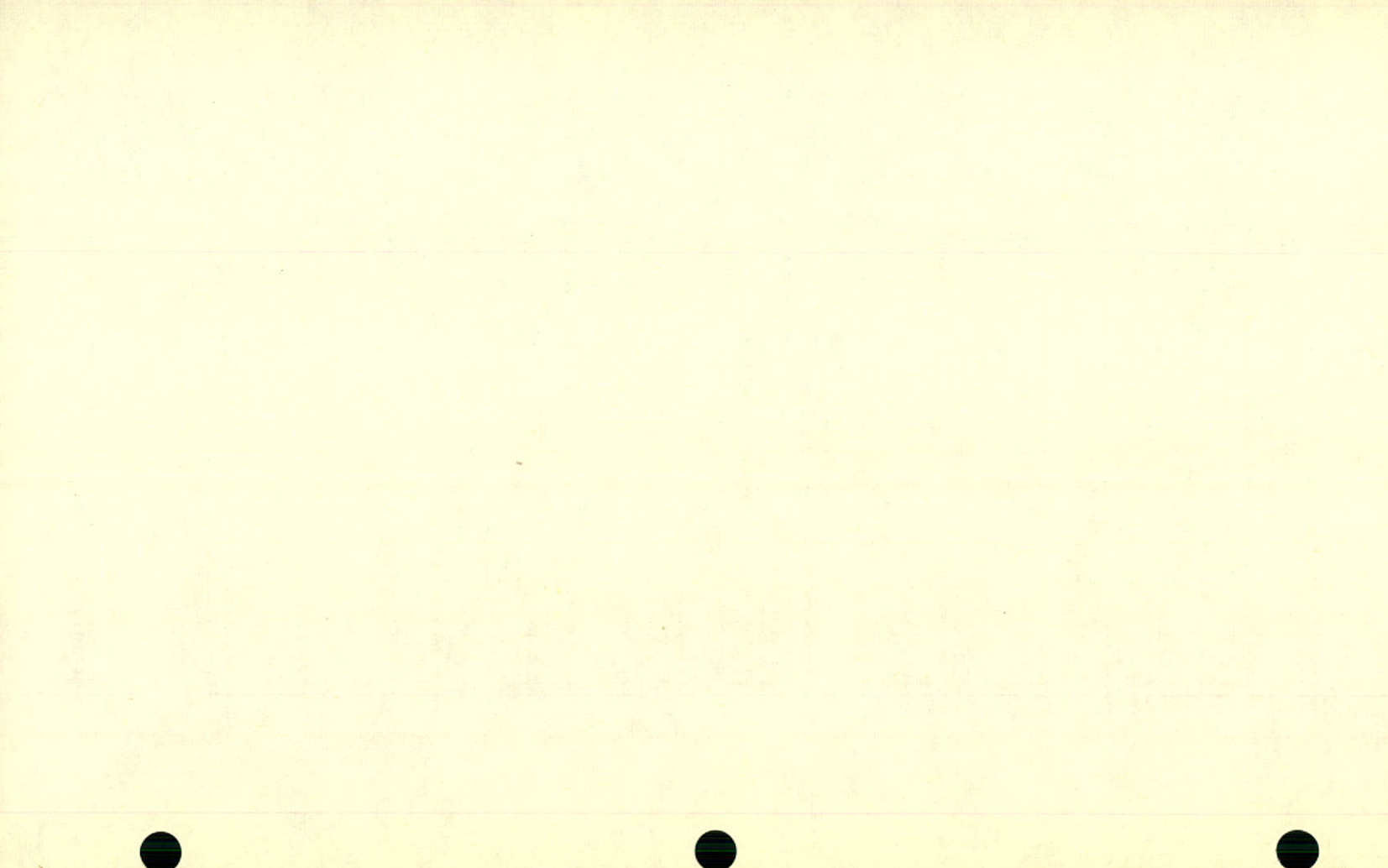
Details of these items are as follows:

Cheques and Money Orders.....\$10,938,513.32
Grain and Expense Orders..... 792,630.98
Cash Tickets..... 6,986,430.05

\$18,717,574.35

Bank Loans—\$59,557,500.00

This represents the amount of outstanding borrowings from the lending banks at 31st July 1957.



Unallocated Surplus—1956-57—\$4,512,297.75

This represents the full amount of the surplus for the year, and is being carried as a current liability pending decision of the Delegates as to distribution.

Accounts Payable—\$8,861,754.59

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

Reserve for Unearned Subscriptions—\$10,000.00

This item represents a partial provision for unexpired subscriptions to The Western Producer at 31st July 1957.

Elevator Deductions—\$16,244,612.52: Commercial Reserve—\$8,753,781.31

These are composed of the following amounts:

	Elevator Deductions	Commercial Reserve	Total
Original Deductions retained from proceeds of deliveries by Members.....	\$12,188,060.07	\$ 6,567,851.17	\$18,755,911.24
Retained by way of loan from Excess Charges Refund.....	4,056,552.45	2,185,930.14	6,242,482.59
	<u>\$16,244,612.52</u>	<u>\$ 8,753,781.31</u>	<u>\$24,998,393.83</u>

These funds have been used for the following purposes:

Invested in Capital of Saskatchewan Pool Elevators Limited.....	\$12,835,950.00	\$ —	\$12,835,950.00
Invested in Fixed Assets, Loans, Investments, etc.....	3,408,662.52	8,753,781.31	12,162,443.83
	<u>\$16,244,612.52</u>	<u>\$ 8,753,781.31</u>	<u>\$24,998,393.83</u>

Livestock Excess Charges Credits—\$80,690.89

This sum, retained by way of a loan from the earnings of the Company, represents a refund of Excess Charges on livestock deliveries through Saskatchewan Wheat Pool, Livestock Division, and Canadian Livestock Co-operative (Western) Limited during Seasons 1952-53 to 1955-56 inclusive, and is made up as follows:

Amount retained from Excess Charges Refund.....	\$285,351.01
Less amounts refunded as follows:	
(a) Within eligible categories.....	\$ 4,972.57
(b) Credits of \$5.00 and over.....	199,687.55
	<u>204,660.12</u>
	<u>\$ 80,690.89</u>

Capital—\$141,227.00

This represents the subscribed capital to 31st July 1957.

Reserve—\$7,251,665.91

This is the amount of the reserve account at 31st July 1957.

SCHEDULE 1A

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES
CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY 1957

	Cost	Accumulated Allowance for Depreciation	Net Value
SASKATCHEWAN WHEAT POOL			
Building, Equipment and Alterations.....	\$ 366,641.09	\$ 237,266.16	\$ 129,374.93
Furniture and Equipment.....	180,053.80	163,713.18	16,340.62
Automobiles and Truck.....	64,351.06	16,593.42	47,757.64
Motion Picture and Radio Equipment.....	22,404.55	18,551.11	3,853.44
Site and Parking Lot—Regina.....	60,568.03	373.76	60,194.27
Total—Saskatchewan Wheat Pool.....	\$ 694,018.53	\$ 436,497.63	\$ 257,520.90
SASKATCHEWAN POOL ELEVATORS LIMITED			
Country Elevators, etc.			
Country Elevators and Coal Sheds.....	\$30,589,168.30	\$19,299,994.20	\$11,289,174.10
Temporary Bins.....	268,729.80	93,886.21	174,843.59
Agents' Residences.....	2,626,058.85	1,422,479.14	1,203,579.71
Work Under Construction.....	1,872,545.59	—	1,872,545.59
Wheat Pool Building—Winnipeg.....	259,901.16	85,168.34	174,732.82
Wheat Pool Buildings—Saskatoon.....	116,191.05	17,603.88	98,587.17
Sites—Cottages, etc.....	100,910.72	—	100,910.72
Warehouse—Regina.....	19,250.76	5,981.41	13,269.35
Furniture and Equipment.....	407,677.89	305,206.78	102,471.11
Automobiles, Trucks and Trailers.....	292,420.25	152,466.35	139,953.90
Payors' Safes.....	15,547.11	14,693.65	853.46
Total.....	\$36,568,401.48	\$21,397,479.96	\$15,170,921.52

Terminal Elevators

No. 4A Building.....	\$ 2,432,447.67	\$ 1,532,234.34	\$ 900,213.33
No. 4A Machinery and Equipment.....	2,233,991.49	1,676,541.06	557,450.43
No. 4B Building.....	1,622,696.33	554,978.46	1,067,717.87
No. 4B Machinery and Equipment.....	2,062,014.76	1,710,375.91	351,638.85
No. 5 Building.....	750,434.75	185,822.73	564,612.02
No. 5 Machinery and Equipment.....	651,372.50	404,106.80	247,265.70
No. 7 Building.....	2,475,558.29	1,680,843.54	794,714.75
No. 7 Machinery and Equipment.....	2,504,417.93	2,089,331.82	415,086.11
No. 7 Storage Annex Building.....	919,114.34	320,026.06	599,088.28
No. 7 Storage Annex Machinery and Equipment.....	170,177.75	142,126.31	28,051.44
Feed Mill Building.....	27,515.00	15,670.69	11,844.31
Feed Mill Machinery and Equipment.....	44,288.65	36,858.24	7,430.41
Warehouses—Port Arthur and Fort William.....	35,177.51	21,445.01	13,732.50
Sites.....	242,502.76	—	242,502.76
Work Under Construction.....	154.89	—	154.89
	<u>\$16,171,864.62</u>	<u>\$10,370,360.97</u>	<u>\$ 5,801,503.65</u>

Flour Mill

Mill Building.....	\$ 871,282.93	\$ 146,139.40	\$ 725,143.53
Mill Machinery and Equipment.....	882,689.43	650,006.12	232,683.31
Grain Elevator Building.....	747,094.10	125,627.78	621,466.32
Grain Elevator Machinery and Equipment.....	422,626.98	323,356.68	99,270.30
Flour Sheds.....	31,456.56	3,788.13	27,668.43
Laboratory Equipment.....	12,138.98	6,082.49	6,056.49
Furniture and Equipment.....	23,358.17	13,108.78	10,249.39
Automobiles.....	28,136.59	5,627.32	22,509.27
Plant Tools and Equipment.....	13,838.53	9,286.53	4,552.00
	<u>\$ 3,032,622.27</u>	<u>\$ 1,283,023.23</u>	<u>\$ 1,749,599.04</u>

CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY 1957

SCHEDULE 1A (Continued)

SASKATCHEWAN POOL ELEVATORS LIMITED (Continued)

Vegetable Oil Plant

	Cost	Accumulated Allowance for Depreciation	Net Value
Building.....	\$ 113,678.69	\$ 23,883.96	\$ 89,794.73
Machinery and Equipment.....	215,706.11	181,666.74	34,039.37
Refinery Building.....	32,357.72	5,392.92	26,964.80
Refinery Machinery and Equipment.....	143,486.46	87,786.34	55,700.12
Storage Tank Building.....	23,377.43	3,995.22	19,382.21
Storage Tank Machinery and Equipment.....	37,974.43	17,356.95	20,617.48
Grain Elevator Building.....	61,123.01	12,190.00	48,933.01
Grain Elevator Machinery and Equipment.....	34,224.21	14,223.83	20,000.38
Laboratory Equipment.....	4,972.65	3,139.32	1,833.33
Furniture and Equipment.....	7,236.24	4,471.92	2,764.32
Automobile.....	3,326.90	1,463.84	1,863.06
Work Under Construction.....	3,133.47	—	3,133.47
	<u>\$ 680,597.32</u>	<u>\$ 355,571.04</u>	<u>\$ 325,026.28</u>

Flour Mill and Vegetable Oil Plant Power Equipment and Sundry

Boiler House and Sub-Station Building.....	\$ 80,043.71	\$ 13,649.40	\$ 66,394.31
Boiler House Equipment.....	81,835.15	61,780.80	20,054.35
Sub-Station Equipment.....	72,663.03	55,204.57	17,458.46
Spur Tracks—Saskatoon.....	35,726.71	11,186.59	24,540.12
Site—Saskatoon.....	8,840.53	—	8,840.53
	<u>\$ 279,109.13</u>	<u>\$ 141,821.36</u>	<u>\$ 137,287.77</u>
Total—Saskatchewan Pool Elevators Limited.....	<u><u>\$56,732,594.82</u></u>	<u><u>\$33,548,256.56</u></u>	<u><u>\$23,184,338.26</u></u>

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED

Stock Yards.....	\$ 232,295.43	\$ 121,231.70	\$ 111,063.73
Assembly Yards.....	8,154.72	1,416.67	6,738.05
Feed Lot Buildings and Equipment.....	15,478.40	2,215.68	13,262.72
Country Scales and Sheds.....	10,000.99	6,055.66	3,945.33
Tattoo Equipment.....	7,593.81	7,271.02	322.79
Sundry Equipment.....	1,020.27	621.73	398.54
Furniture and Equipment.....	27,964.74	20,114.60	7,850.14
Automobile, Trucks and Tractors.....	56,185.97	34,433.94	21,752.03
Sites.....	12,670.00	—	12,670.00
Work Under Construction.....	2,779.98	—	2,779.98
Total—Saskatchewan Co-operative Livestock Producers Limited.....	\$ 374,144.31	\$ 193,361.00	\$ 180,783.31

MODERN PRESS LIMITED

Buildings, Machinery and Equipment.....	\$ 1,074,294.55	\$ 507,249.40	\$ 567,045.15
Furniture and Equipment.....	38,905.13	27,810.31	11,094.82
Sites—Saskatoon.....	15,225.00	—	15,225.00
Total—Modern Press Limited.....	\$ 1,128,424.68	\$ 535,059.71	\$ 593,364.97

SASKATCHEWAN POOL TERMINALS LIMITED

Furniture and Equipment.....	\$ 31,176.80	\$ 22,792.37	\$ 8,384.43
Automobile and Trucks.....	8,930.44	5,021.49	3,908.95
Miscellaneous Equipment.....	20,634.34	14,348.21	6,286.13
Total—Saskatchewan Pool Terminals Limited.....	\$ 60,741.58	\$ 42,162.07	\$ 18,579.51
TOTAL—ALL COMPANIES.....	\$58,989,923.92	\$34,755,336.97	\$24,234,586.95

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

STATEMENT No. 2

CONSOLIDATED CAPITAL STATEMENT AT 31st JULY 1957

Capital Receipts

Capital.....	\$ 141,227.00
Commercial Reserve.....	8,753,781.31
Elevator Deductions.....	16,244,612.52
Livestock Excess Charges Credits.....	80,690.89
Reserve for Unearned Subscriptions.....	10,000.00
Reserve.....	7,251,665.91

Capital Expenditures

Fixed and Sundry Assets

Fixed Assets, less accumulated allowance for depreciation.....	\$24,234,586.95
Investments and Memberships.....	326,532.91

Deferred Accounts

Accounts Receivable Deferred.....	183,404.53
Stocks of Repair Parts and Supplies.....	289,325.72

Approved programme of Building and Work under Construction and Machinery under purchase—Estimated

Head Office.....	\$ 69,092.06
Country Elevators & Annexes, etc.....	2,549,453.07
Agents' Dwellings.....	255,087.82
Office Equipment, etc.....	107,117.71
Flour Mill.....	41,686.76
Vegetable Oil Plant.....	13,224.76
Terminals.....	1,028,673.27
Saskatchewan Co-operative Livestock Producers Limited.....	41,028.53
Modern Press Limited.....	26,694.48
Saskatchewan Pool Terminals Ltd.....	9,171.68

Less Paid on Account.....	\$ 4,141,230.14
	2,184,730.14

1,956,500.00

Balance available for Working Capital for

Season 1957-58..... 5,491,627.52

\$32,481,977.63

\$32,481,977.63

CURRENT POSITION PER CONSOLIDATED BALANCE SHEET AT 31st JULY 1957

Current Assets.....	\$97,097,254.21
Current Liabilities.....	89,649,126.69
Current Position per Balance Sheet.....	\$ 7,448,127.52

Less Estimated Capital Expenditure to Complete Programme of Building and Work Under Construction, and Terminal Facilities under Purchase.....	1,956,500.00
---	--------------

Balance—Available for Working Capital for Season 1957-58..... \$ 5,491,627.52

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

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

At 31st JULY 1957

SOURCE OF CAPITAL FUNDS	Capital	Commercial Reserve	Elevator Deductions	Reserve Account	Reserve for Unearned Subscriptions	Livestock Credits	Total
Stock Subscriptions.....	\$141,227.00	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 141,227.00
Deductions from Pool Payments.....	—	6,567,851.17	12,188,060.07	—	—	—	18,755,911.24
Retained by way of Loan from Excess Charges Refund.....	—	2,185,930.14	4,056,552.45	—	—	285,351.01	6,527,833.60
Retained from Operations.....	—	—	—	7,251,665.91	10,000.00	—	7,261,665.91
TOTAL CAPITAL RECEIPTS.....	\$141,227.00	\$ 8,753,781.31	\$16,244,612.52	\$ 7,251,665.91	\$10,000.00	\$285,351.01	\$32,686,637.75

ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS

Deferred Accounts Receivable.....	\$ —	\$ 183,404.53	\$ —	\$ —	\$ —	\$ —	\$ 183,404.53
Investments.....	—	326,532.91	—	—	—	—	326,532.91
Fixed Assets—Net.....	141,227.00	7,838,747.43	16,244,612.52	—	10,000.00	—	24,234,586.95
Expenditures Approved for Completion of Programme of Building and Work Under Construction, and Terminal Facilities Under Purchase.....	—	—	—	—	—	—	—
Capital Commitments—Estimated.....	—	115,770.72	—	1,840,729.28	—	—	1,956,500.00
Deferred Charges: Stocks of Repair Parts and Supplies.....	—	289,325.72	—	—	—	—	289,325.72
Refunded From Working Capital.....	—	—	—	—	—	204,660.12	204,660.12
BALANCE—WORKING CAPITAL.....	<u>\$141,227.00</u>	<u>\$ 8,753,781.31</u>	<u>\$16,244,612.52</u>	<u>\$ 1,840,729.28</u>	<u>\$10,000.00</u>	<u>\$204,660.12</u>	<u>\$27,195,010.23</u>
				<u>5,410,936.63</u>	<u>—</u>	<u>80,690.89</u>	<u>5,491,627.52</u>
	<u>\$141,227.00</u>	<u>\$ 8,753,781.31</u>	<u>\$16,244,612.52</u>	<u>\$ 7,251,665.91</u>	<u>\$10,000.00</u>	<u>\$285,351.01</u>	<u>\$32,686,637.75</u>

TOTAL CURRENT ASSETS—Per Consolidated Balance Sheet—Statement "I".....	\$97,097,254.21
TOTAL CURRENT LIABILITIES—Per Consolidated Balance Sheet—Statement "I".....	89,649,126.69

CURRENT POSITION.....	\$ 7,448,127.52
Less: Estimated Capital Expenditures to Complete Programme of Building and Work Under Construction, and Terminal Facilities Under Purchase.....	1,956,500.00
BALANCE—WORKING CAPITAL.....	\$ 5,491,627.52

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 1957

	Total 1925-1956	Allocation 1955-1956 Surplus	Sundry Adjustments	1956-1957	Total 1925-1957
Net Earnings and Capital Gains After Adjusting for Income Taxes and All Company Losses.....	\$80,195,876.37	\$ —	\$(20,737.67) (B) \$(530,000.00) (A)	\$ —	\$79,645,138.70
Net Earnings for Season 1956-1957:					
Saskatchewan Wheat Pool—Before Provision for Income Taxes.....	—	—	—	4,512,297.75	4,512,297.75
Saskatchewan Pool Elevators Limited—After Provision for Income Taxes.....	—	—	—	—	—
Saskatchewan Pool Terminals Limited—After Provision for Income Taxes.....	—	—	—	140.31	140.31
Saskatchewan Co-operative Livestock Producers Limited—After Provision for Income Taxes.....	—	—	—	568.86	568.86
Modern Press Limited.....	—	—	—	—	—
	<u>\$80,195,876.37</u>	<u>\$ —</u>	<u>\$(550,737.67)</u>	<u>\$ 4,513,006.92</u>	<u>\$84,158,145.62</u>

DISTRIBUTION

Excess Charges Refund Paid to Growers in Cash as Follows:					
Grain Deliveries.....	\$ 21,719,911.92	\$ 1,659,266.17	\$ 18.35 (C)	\$ —	\$23,379,196.44
Livestock Deliveries.....	51,187.96	4,073.66	—	—	55,261.62
Paid for Certificates Purchased in Settlement of Credits.....	16,215,026.00	1,764,404.15	—	—	17,979,430.15
Retained as a Loan and Credited to Members as Follows:					
Commercial Reserve.....	2,185,930.14	—	—	—	2,185,930.14
Elevator Deductions.....	4,056,552.45	—	—	—	4,056,552.45
Livestock Excess Charges Credits.....	179,625.44	105,717.47	8.10 (C)	—	285,351.01
Interest on Elevator Deductions.....	3,758,448.20	—	—	—	3,758,448.20
Interest on Commercial Reserve.....	742,976.43	—	—	—	742,976.43
Farm Storage Paid to Growers.....	306,456.74	—	—	—	306,456.74
Payments re 1929-1930 Pool Overpayments: Principal.....	11,247,532.70	—	—	—	11,247,532.70
Interest and Sinking Fund Deficiency.....	8,397,046.08	—	—	—	8,397,046.08
Unallocated Surplus—Season 1955-1956.....	4,574,573.07	(4,574,573.07)	—	—	—
Unallocated Surplus—Season 1956-1957.....	—	—	—	4,512,297.75	4,512,297.75
Reserve.....	6,760,609.24	511,111.62	(20,737.67) (B)	—	—
Estimated 1955-1956 Income Taxes.....	—	530,000.00	(26.45) (C)	709.17	7,251,665.91
			(530,000.00) (A)	—	—
	<u>\$80,195,876.37</u>	<u>—</u>	<u>\$ (550,737.67)</u>	<u>\$4,513,006.92</u>	<u>\$84,158,145.62</u>

Note: Of the sum of \$285,351.01 shown on the preceding page as "Livestock Excess Charges Credits retained as a loan and credited to members," the sum of \$204,660.12 has been refunded to members and charged to Capital, leaving a balance of \$80,690.89 retained, as shown on the Balance Sheet of the Company.

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

(A)—Transfer of Estimated Income Taxes for Season 1955-56 to Accounts Payable.

(B)—Transfer of the following items to Reserve:

Livestock Division Account Receivable Written Off.....	\$88,463.57
Growers' Accounts Receivable Written Off.....	3,987.42
	<u>\$92,450.99</u>
Less: Capital Gains.....	\$50,750.39
Profit on Disposal of Assets.....	9,558.13
Outstanding Growers' Certificates Written Off.....	4,780.50
Surplus on Feed Lot Operations.....	6,624.30
	<u>71,713.32</u>
	<u>\$20,737.67</u>

(C)—Adjustments on Prior Year's Excess Charges Refunds which have been Charged to Reserve.

SASKATCHEWAN WHEAT POOL

STATEMENT No. 5

TOTAL HANDLED ALL GRAINS
COUNTRY ELEVATOR DIVISION

STATEMENT OF GRAIN HANDLINGS AT 31st JULY 1957

	Bushels 1924-1956	Bushels 1956-1957	Bushels 1924-1957
Elevators.....	3,220,351,316	151,197,575	3,371,548,891
Platform.....	59,841,326	77,127	59,918,453
Total	3,280,192,642	151,274,702	3,431,467,344
Number of Elevators that Received Grain.....		1,141	
Average Handlings Per Elevator*.....		132,513	
TERMINAL ELEVATOR DIVISION			
Terminal No. 4.....	692,583,092	36,779,921	729,363,013
Terminal No. 5 (Old).....	117,258,782	—	117,258,782
Terminal No. 5 (New).....	60,522,628	9,043,518	69,566,146
Terminal No. 6.....	446,839,261	—	446,839,261
Terminal No. 7.....	904,073,524	40,499,187	944,572,711
Terminal No. 8.....	28,240,761	—	28,240,761
Vancouver Terminal.....	—	9,095,564	9,095,564
Total	2,249,518,048	95,418,190	2,344,936,238
FLOUR MILL DIVISION:			
Street.....	2,559,109	540,251	3,099,360
Carlton.....	13,362,759	1,632,341	14,995,100
Cristing.....	44,510	32,467	76,977
	15,966,378	2,205,059	18,171,437
VEGETABLE OIL DIVISION:			
Street.....	726,229	481,682	1,207,911
Carlton.....	2,866,027	276,162	3,142,189
	3,592,256	757,844	4,350,100

* Platform Receipts NOT Included.
Rapeseed Handlings Included in above figures.

LIBRARY RECORD FOR 1956-57

STATEMENT No. 6

	Books Mailed	Books Returned	Requests		Postage
			Books	Catalogues	
1956					
August.....	418	453	15	3	\$ 29.32
September.....	375	387	27	4	24.45
October.....	482	473	24	12	40.06
November.....	576	552	48	23	47.92
December.....	487	470	52	19	39.72
1957					
January.....	856	777	137	88	112.32
February.....	827	749	191	57	76.06
March.....	796	797	89	36	69.04
April.....	744	787	33	5	60.99
May.....	593	587	19	3	51.89
June.....	503	540	20	3	44.47
July.....	493	493	29	1	42.06
Totals.....	7150	7065	684	254	\$638.30

STATEMENT No. 7**WHEAT POOL COMMITTEES**

1956-1957

TOTAL NUMBER OF COMMITTEES

<i>Sub-District</i>	1	2	3	4	5	6	7	8	9	10	11	<i>Total</i>
District 1.....	3	4	7	10	7	6	8	11	6	8		70
District 2.....	6	4	5	8	3	5	9	8	7	5	5	65
District 3.....	4	3	3	4	5	2	3	5	3	7		39
District 4.....	4	2	8	4	5	2	4	6	3	6		44
District 5.....	9	7	5	7	7	3	6	10	8	5		67
District 6.....	9	10	7	7	9	12	7	7	8			88
District 7.....	8	5	5	5	6	8	6	5	7	5	7	67
District 8.....	8	9	10	8	7	7	5	6	4	3	3	70
District 9.....	6	7	5	7	4	8	6	5	6	7		61
District 10.....	6	6	3	6	14	8	3	6	4	9		65
District 11.....	9	10	11	5	5	7	12	7	10	9		85
District 12.....	9	5	9	7	5	6	6	7	10	8		72
District 13.....	8	12	4	10	8	7	11	6	9	9	7	91
District 14.....	5	8	6	9	3	6	9	12	7	9	7	81
District 15.....	8	6	8	8	6	5	2	3	7	3	6	62
District 16.....	7	7	9	7	4	11	5	8	7	7	8	80
												<u>1,107</u>

STATEMENT No. 8**COMMITTEES REORGANIZED**

District 1.....	3	4	5	10	7	6	8	10	6	8		67
District 2.....	6	4	5	8	3	5	9	7	7	5	4	63
District 3.....	4	3	3	3	5	2	3	5	3	7		38
District 4.....	3	2	8	4	5	2	4	6	3	5		42
District 5.....	9	7	5	7	7	2	6	10	8	5		66
District 6.....	9	10	7	6	9	10	11	7	7	8		84
District 7.....	8	5	5	5	6	8	6	5	7	5	7	67
District 8.....	8	6	10	8	6	7	5	6	4	3	3	66
District 9.....	6	7	4	6	3	8	6	5	6	6		57
District 10.....	6	6	3	6	14	8	3	6	4	8		64
District 11.....	8	9	11	5	5	7	8	7	10	6		76
District 12.....	9	5	9	7	4	6	6	7	10	7		70
District 13.....	8	11	4	10	8	7	11	6	8	9	7	89
District 14.....	5	8	5	9	3	5	9	12	7	9	6	78
District 15.....	8	4	7	8	6	5	2	3	7	3	6	59
District 16.....	7	7	9	7	4	11	5	7	7	7	8	79
												<u>1,065</u>

42 Committees not reorganized 31st July 1957

47 Committees not reorganized 31st July 1956

EXHIBIT A

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building, Winnipeg, Manitoba

STATEMENT No. 9

BALANCE SHEET
As at 31st July 1957

ASSETS

Agency Assets		
Cash in Agency Bank Accounts.....	\$ 1,799.11	
Accounts Receivable.....	156,441.01	
		\$158,220.12
Shareholders' and Patrons' Assets Cash		
In general bank accounts.....	\$ 2,560.60	
Accounts Receivable		
Commissions—per contra.....	\$120,349.31	
Loan Accounts.....	7,343.85	
Pool Insurance Company.....	4,645.83	
Miscellaneous.....	2,395.84	
		\$134,734.83
Furniture and Fixtures		
Cost—less depreciation.....	1,538.71	
		138,834.14
		<u>\$297,054.26</u>

LIABILITIES

Agency Liabilities		
Accounts Payable.....	\$ 37,870.81	
Commissions—per contra.....	120,349.31	
		\$158,220.12
Shareholders' Liabilities and Reserves		
Miscellaneous accounts payable.....	\$ 1,448.89	
Reserved for income tax.....	98.12	
Patronage dividend payable.....	97,287.13	
		\$ 98,834.14
General reserve for unearned income—		
Allocated as follows:		
Alberta Wheat Pool.....	\$ 5,568.12	
Manitoba Pool Elevators.....	3,146.82	
Saskatchewan Wheat Pool.....	11,285.06	
		\$ 20,000.00
		118,834.14
Capital Stock		
Authorized, issued and fully paid (2,000 shares at \$10.00 each).....	20,000.00	
Signed on behalf of the Board:		
JOHN H. WESSON, <i>Director</i>		<u>\$297,054.26</u>
W. J. PARKER, <i>Director</i>		

AUDITORS' REPORT

We have audited the accounts of Canadian Pool Agencies Limited for the year ended 31st July 1957 and have received all the information and explanations we have required. Bank balances have been confirmed by certificate direct from the Company's bankers. Accounts receivable and payable have been confirmed by circularization.

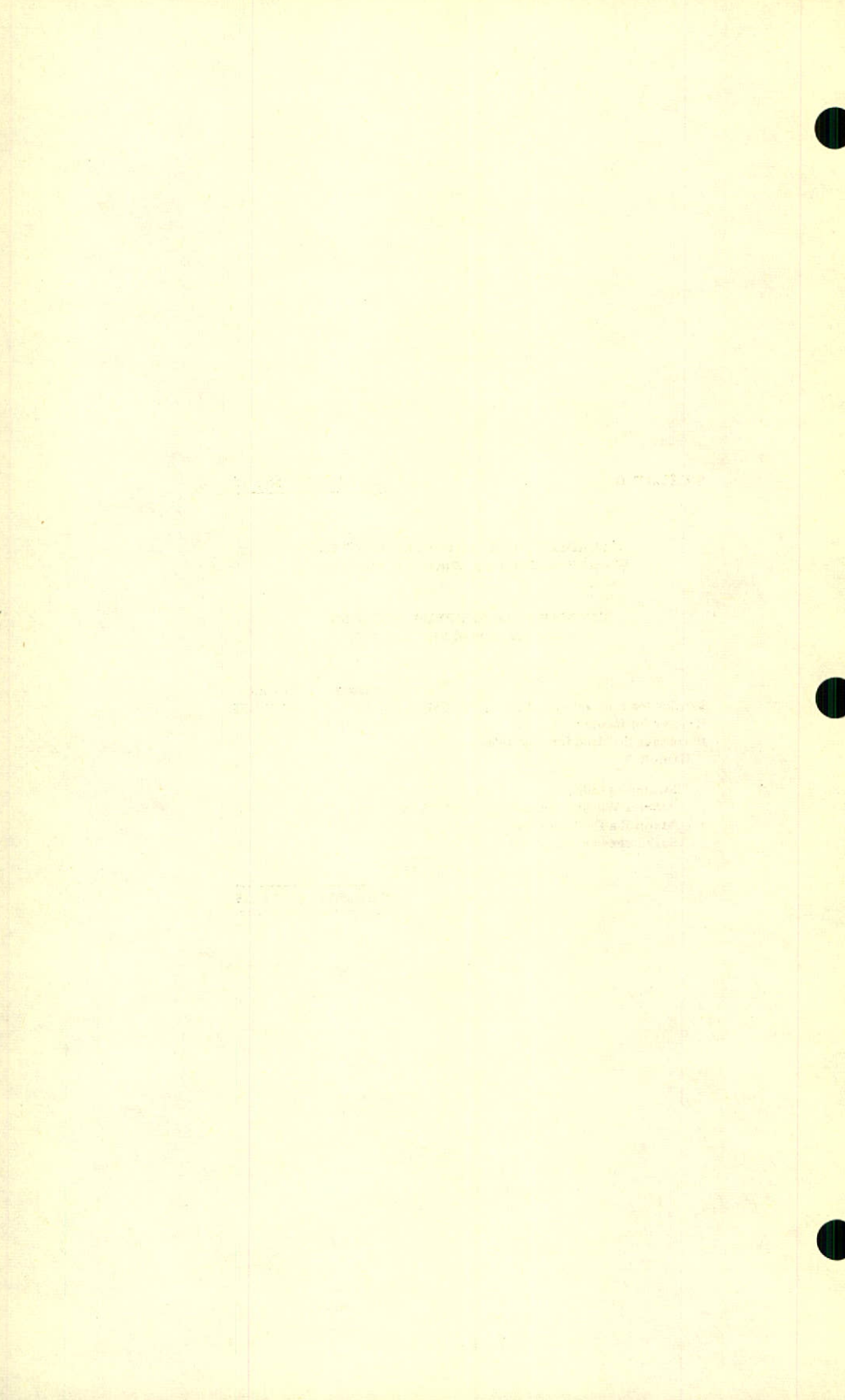
We certify that, in our opinion, the above Balance Sheet and related statements are properly drawn up so as to exhibit, respectively, a true and correct view of the financial position of Canadian Pool Agencies Limited as at 31st July 1957, and the results of operating for the year ended that date, according to the best of our information, the explanations given to us, and as shown by the records of the Company. All transactions coming under our notice have been within the powers and objects of the Company to the best of our information and belief.

Winnipeg, Manitoba, 17th September 1957.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS *Chartered Accountants*

EXHIBIT B**STATEMENT No. 10****CANADIAN POOL AGENCIES LIMITED**
Wheat Pool Building, Winnipeg, Manitoba**SUMMARY OF SURPLUS ACCOUNT**
For the year ended 31st July 1957

	<i>Debit</i>	<i>Credit</i>
Surplus for the year ended 31st July 1957: Exhibit C.....		\$97,785.25
Reserve for income tax.....	\$ 498.12	
Patronage dividend for year 1956-57:		
Exhibit A.....	97,287.13	
Allocated as follows:		
Alberta Wheat Pool.....	\$26,458.99	
Manitoba Pool Elevators.....	11,212.59	
Saskatchewan Wheat Pool.....	59,615.55	
	<u>\$97,287.13</u>	
		<u>\$97,785.25</u>
		<u>\$97,785.25</u>



CANADIAN POOL AGENCIES LIMITED

Wheat Pool Building, Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31st July 1957

Income:

Commissions:		
Fire.....	\$ 68,582.86	
Bonds.....	22,322.90	
Lake Marine.....	145.22	
Ocean Marine.....	2,019.11	
Automobile.....	4,759.39	
Accident and sickness.....	517.86	
Liability.....	248.29	
Use and occupancy.....	3,085.55	
Robbery and burglary.....	566.66	
Inland Marine.....	824.07	
Inland transportation.....	289.25	
Steam boiler.....	508.59	
Plate Glass.....	50.44	
Forgery and alteration.....	15.00	
Composite.....	891.71	
Contingent.....	10,624.22	
	<u>115,451.12</u>	
Deduct: Brokerage paid.....	487.08	
		\$114,964.04
Other income:		
Interest.....		6,579.10
Total Income for the Year.....		\$121,543.14

Expenses

Salaries.....	\$ 16,804.51	
Directors' fees and expenses.....	541.88	
Rent and light.....	2,399.90	
Telephone and telegraph.....	302.62	
Printing, postage and stationery.....	1,429.82	
Taxes and licenses.....	308.78	
Travelling.....	223.87	
Legal and audit.....	855.92	
Insurance.....	23.01	
Annuities, group and unemployment insurance.....	345.88	
Depreciation.....	384.68	
Miscellaneous expense.....	437.02	
	<u>24,057.89</u>	
Deduct: Recovery from Interprovincial Pool.....	300.00	
Total Expenses for the year.....		23,757.89

Balance—Surplus for year ended 31st July 1957,
 carried to Exhibit B.....\$ 97,785.25

POOL INSURANCE COMPANY
Wheat Pool Building, Winnipeg, Manitoba

BALANCE SHEET

As at 31st December 1956

ASSETS

Cash in Bank	\$ 298,177.39	
In Bank of Montreal—Current Account.....	\$298,075.93	
—Savings Account.....	101.46	
	<u>\$298,177.39</u>	
Accounts Receivable		239,605.64
Canadian Pool Agencies Limited.....	\$214,938.68	
Reinsurance Accounts.....	24,666.96	
	<u>\$239,605.64</u>	

LIABILITIES

Current Liabilities	\$ 775,383.61	
Miscellaneous Accounts Payable.....	\$ 2,775.00	
Reinsurance Accounts Payable.....	84,431.20	
Taxes Accrued.....	11,724.56	
Dividends payable as per Exhibit B.....	676,452.85	
	<u>\$775,383.61</u>	
Reserve for Unearned Income		225,532.82
Unearned Premiums.....	\$154,803.30	
Unearned Reinsurance Commissions.....	70,729.52	
	<u>\$225,532.82</u>	

Investments—at Cost		903,627.50
	<u>Par Value</u>	
Government of Canada Bonds.....	\$915,000.00	
Listed Value.....	<u>\$857,850.00</u>	
Interest thereon.....		5,076.05
Due.....	\$ 487.50	
Accrued.....	4,588.55	
	<u>\$ 5,076.05</u>	
Automobiles		4,736.86
 <i>Signed:</i>		
	J. H. WESSON, <i>Director</i>	
	W. J. PARKER, <i>Director</i>	<u>\$1,451,223.44</u>

Capital Stock		185,000.00
Authorized: 5,000 shares at \$100.00.....	<u>\$500,000.00</u>	
Subscribed: 2,500 shares at \$100.00.....	<u>\$250,000.00</u>	
Paid thereon.....	<u>\$185,000.00</u>	
Capital Surplus		265,307.01
Premium at 62% on Capital Stock.....	<u>\$155,000.00</u>	
Surplus Realized on Investments Sold.....	11,807.01	
Transferred from Shareholders' and Patrons' Equity		
Account—1949-56.....	98,500.00	
	<u>\$265,307.01</u>	
		<u>\$1,451,223.44</u>

AUDITORS' CERTIFICATE

In our opinion the above balance sheet and related statements of Pool Insurance Company are properly drawn up so as to exhibit a true and correct view of the state of affairs of the Company as at 31st December 1956 and the result of its operations for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company. All transactions coming within our notice were, in our opinion, within the powers and objects of the Company.

Winnipeg, Manitoba, 13th February 1957.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS, *Chartered Accountants.*

POOL INSURANCE COMPANY

Wheat Pool Building, Winnipeg, Manitoba

SUMMARY OF SHAREHOLDERS' AND PATRONS'
EQUITY ACCOUNT

As at December 31st, 1956

	Debit	Credit
Surplus for year ended 31st December 1956—Exhibit C.....		\$698,002.95
Transferred to Capital Surplus.....	\$ 17,500.00	
Reserve for Income Tax.....	4,050.10	
Balance Carried Down.....	676,452.85	
	<u>\$698,002.95</u>	<u>\$698,002.95</u>
Balance Brought Down.....		\$676,452.85
Allocated as follows:		
Shareholders' Dividend.....	\$ 1.85	
Alberta Wheat Pool.....	.55	
Manitoba Pool Elevators.....	.37	
Saskatchewan Wheat Pool.....	.93	
	<u>\$ 1.85</u>	
Patrons' Dividend.....	\$676,451.00	
Alberta Wheat Pool.....	\$128,488.28	
Alberta Pool Elevators Ltd.....	51.82	
Alberta Wheat Pool and Al-		
berta Pool Elevators Ltd.....	52,608.14	
Manitoba Pool Elevators.....	107,448.16	
Saskatchewan Pool Elevators		
Limited.....	125,144.09	
Saskatchewan Pool Elevators		
Limited and Saskatchewan		
Pool Terminals Limited.....	9.64	
Saskatchewan Wheat Pool.....	260,009.84	
Saskatchewan Co-operative		
Livestock Producers		
Limited.....	2,413.85	
Modern Press Limited.....	277.18	
	<u>\$676,451.00</u>	
	<u>\$676,452.85</u>	<u>\$676,452.85</u>

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POOL INSURANCE COMPANY

Wheat Pool Building, Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE

For the Year Ended 31st December 1956

Premiums on Business Written.....	\$1,353,321.10	
Less: Ceded to Other Companies.....	750,595.72	
		\$602,725.38
Deduct: Increase in Unearned Premiums...		41,409.22
Premiums Earned in 1956.....		561,316.16
Deduct: Losses and Adjustment Expense..\$	529,575.10	
Less: Reinsurance Recoveries.....	343,838.72	
		185,736.38
Net Underwriting Income.....		375,579.78
Add: Earned Reinsurance Commission....		374,217.72
Balance, Available for Expenses and to Shareholders and Patrons.....		749,797.50
Expenses:		
Taxes, Licenses and Association Dues.....\$	22,737.88	
Inspection Service:		
Salaries.....	\$17,921.60	
Automobile Expenses.....	6,984.41	
Other Travelling Expenses.....	4,938.49	
Staff Pension, Group and Unemployment Insurance.....	2,054.23	
Printing and Stationery.....	966.79	
Postage, Telegrams, Telephones.....	255.03	
		33,120.55
Administration		
Salaries.....	\$16,105.50	
Rent and Light.....	2,125.42	
Directors' Fees and Expenses	501.89	
Travelling Expenses.....	292.98	
Printing and Stationery.....	121.08	
Postage, Telegrams		
Telephones.....	561.70	
Legal and Audit.....	737.40	
Staff Pension, Group and Unemployment Insurance.....	341.45	
Miscellaneous.....	457.83	
	21,245.25	77,103.68
		\$672,693.82
Add: Interest Earned.....		25,309.13
Balance, Surplus for the Year 1956—		
Carried to Exhibit B.....		<u>\$698,002.95</u>

SASKATCHEWAN WHEAT POOL

Livestock Division

COMPARATIVE STATEMENT OF HANDLINGS

Seasons 1955-1956 and 1956-1957

	Season 1955-1956	Season 1956-1957	Increase (Decrease)
Moose Jaw Division:			
Cattle.....	13,676	17,620	3,944
Calves.....	1,849	2,476	627
Hogs.....	6,148	6,630	482
Sheep.....	706	585	(121)
North Battleford Division:			
Cattle.....	19,149	24,717	5,568
Calves.....	1,693	2,057	364
Hogs.....	18,945	17,494	(1,451)
Sheep.....	1,691	1,513	(178)
Prince Albert Division:			
Cattle.....	11,725	13,303	1,578
Calves.....	1,518	1,866	348
Hogs.....	24,766	20,498	(4,268)
Sheep.....	1,425	1,427	2
Regina Division:			
Cattle.....	32,029	38,782	6,753
Calves.....	3,466	4,538	1,072
Hogs.....	9,508	9,609	101
Sheep.....	1,082	1,255	173
Saskatoon Division:			
Cattle.....	25,298	32,123	6,825
Calves.....	2,652	3,373	721
Hogs.....	22,850	20,263	(2,587)
Sheep.....	1,624	1,427	(197)
St. Boniface Division			
Cattle.....	20,425	21,888	1,463
Calves.....	11,300	12,410	1,110
Hogs.....	62,614	50,552	(12,062)
Sheep.....	3,818	3,940	122
Swift Current Division:			
Cattle.....	18,019	28,555	10,536
Calves.....	2,151	3,961	1,810
Hogs.....	9,641	9,845	204
Sheep.....	2,449	2,615	166
Yorkton Division:			
Cattle.....	12,369	16,207	3,838
Calves.....	4,278	4,967	689
Hogs.....	4,088	3,145	(943)
Sheep.....	1,399	1,600	201
TOTAL—ALL DIVISIONS:			
Cattle.....	152,690	193,195	40,505
Calves.....	28,907	35,648	6,741
Hogs.....	158,560	138,036	(20,524)
Sheep.....	14,194	14,362	168
Saskatchewan Handlings at Win- nipeg (other than Saskatchewan Wheat Pool, Livestock Division)...			
Cattle.....	33,153	43,537	10,384
Calves.....	6,620	9,012	2,392
Hogs.....	35,466	25,975	(9,491)
Sheep.....	4,524	4,858	334
TOTAL HANDLINGS:			
Cattle.....	185,843	236,732	50,889
Calves.....	35,527	44,660	9,133
Hogs.....	194,026	164,011	(30,015)
Sheep.....	18,718	19,220	502

* Note: Figures in brackets denote decreases.

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EXHIBIT A

CANADIAN LIVESTOCK CO-OPERATIVE (WESTERN) LIMITED

STATEMENT No. 16

BALANCE SHEET — As at 3rd August 1957

ASSETS

Current Assets

Cash in The Royal Bank of Canada.....	\$ 25,748.85	
Accounts receivable—Schedule 1.....	\$1,410.24	
Less: Allowance for doubtful accounts.....	50.00	
	1,360.24	
Government of Canada bonds—at cost.....	20,000.00	
(market value—\$18,490)		
Accrued interest receivable.....	4,530.84	
Due from Trust Account.....	30,024.61	
		\$ 81,664.54

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Trust Assets:

Sales accounts receivable.....	\$114,672.28	
Inventory of feed and livestock— at the lower of cost or market.....	1,936.75	
		116,609.03

Other Assets

Winnipeg Livestock Exchange memberships (5).....		5.00
Office furniture and equipment.....	\$ 14,082.03	
Less: Accumulated depreciation.....	9,535.14	
		4,546.89
Automobile.....	\$ 3,269.00	
Less: Accumulated depreciation.....	1,805.48	
		1,463.52
Prepaid operating expenses.....		670.74
Portion of past service pension costs.....		15,290.01
(ratably chargeable to future years)		
		<u>\$220,249.63</u>

LIABILITIES

Current Liabilities

Accounts payable.....	\$ 2,164.04	
Deposit account.....	3,500.00	
Surplus payable.....	38,645.39	
Income taxes payable (estimated).....	493.16	
		\$ 44,802.59

Trust Liabilities

Bank overdraft—The Royal Bank of Canada.....	\$58,306.09	
Due to Local Associations.....	6,054.06	
Producers' Livestock Pooling Fund.....	11,037.92	
Transit compensation fund.....	7,689.81	
Exchange on outstanding cheques.....	1,109.60	
Deferred hog operating.....	2,386.94	
Due to General Account.....	30,024.61	
		116,609.03

General reserve.....	4,999.06	
Loans from members.....	53,814.95	
Memberships issued (24).....	24.00	
		<u>\$220,249.63</u>

Approved on behalf of the Board,
A. GREENFIELD, Director
H. B. SNEATH, Director

(Signed) DELOITTE, PLENDER, HASKINS & SELLS
Chartered Accountants

Winnipeg, Manitoba
26th September 1957.

Canadian Co-operative Wheat Producers
Limited

DIRECTORS' REPORT
1956-1957

To the Shareholders,
Canadian Co-operative Wheat Producers Limited,
Winnipeg, Man.

Gentlemen:

This report of your Central Board reviews events of the 1956-57 crop year which are of prime interest to the 200,000 members of our Pool organizations; to all Western farm people; and, basically, to all Canadians.

During the twelve months under review the trend of events has brought into sharp focus economic facts and consequences which had been submerged in years of general prosperity.

One such fact is that competitive business (by governments as by individuals) has failed to move abundant farm production into use at adequate prices.

A second stark fact which has re-emerged is that Canadians who work the nation's farms cannot carry on efficiently and contribute fully to the national prosperity, unless they are enabled to operate on a basis of equality with workers in other parts of our booming economy.

The natural and inevitable consequences of rising costs and falling farm prices make it impossible, today, for Canadian farmers to keep step with Canadians who work in other industries in the parade of our national development.

Prompt, decisive action is needed to meet the immediate emergency confronting Western farm people. Solution of their basic problems depends upon action which shall enable them to achieve a position of balance for agriculture; and, thus, help build durability into our national prosperity.

Central Board

This is the thirty-third annual report of your Central Board. Canadian Co-operative Wheat Producers Limited was incorporated in August, 1924. The shareholders are our three provincial Pool organizations. Each of these nominates three directors to the Central Board of nine.

This Central Pool organization was designed to be a centre for cohesive action by our three provincial Pools, in all matters of common concern to Pool members. A generation ago, as today, a transcendent common concern of Western farmers was marketing the grain they produce; and getting fair returns from the sale.

To carry out this prime purpose, a Central Selling Agency was established by the Pools. It was operated under the Central Board to market grain delivered by Pool members through Pool elevators and forwarded to Pool terminals; and to return proceeds on a "crop pool" basis through our provincial Pools to their farmer-members. Central advanced initial payments on grain delivered—using cash borrowed on the grain in store. As grain was sold, interim payments were made. Settlement was completed to each Pool member in a final payment when crop-year deliveries were cleared out.

This is the familiar procedure in use by the Canadian Wheat Board today, with certain exceptions. Originally, Pool members contracted with each other to deliver their

grain to their own organization. Today, members deliver voluntarily to their Pool elevators (except where prevented by unsatisfactory distribution of boxcars). Again, the C.S.A. established "direct sales" to users of grain. This by-passed (and incurred the bitter opposition of) middlemen at all levels of the intricate mechanism of world grain trade.

Despite all opposition, sales of Pool grain by the CSA rose from 81 million bushels in 1924-25 to over 288 million bushels in 1928-29; and, over those five crop years, totalled above a billion bushels. Most significant was the response of Western farmers. After five years' experience in Pool marketing, when their original contracts expired they re-signed more acres than ever. As at 1st June, 1930, 142,807 Pool farmers had contracted over 20.6 million acres—representing 60 percent of all wheat acreage and 33 percent of all acreage growing coarse grains in our Canadian west.

But—disaster had already engulfed the world economy!

Universal collapse carried grain prices to the lowest levels in centuries. Proceeds from Pool sales failed to repay all the money borrowed (and advanced to members in initial payments) on 1929-30 deliveries. In fact, Pool initial payments put into the hands of Western producers on grain they delivered some \$22 million more than was realized from the sale of the grain at disaster prices. Financing the export of Canada's wheat—in those days the major item in the nation's trade—proved to be beyond the resources of Western farmers alone.

The Government of Canada undertook to market Canada's wheat; and, to do the job, took over the C.S.A. from the Pools. The provincial Pools carried on their work of assembling grain through country and terminal elevators. Under provincial guarantees, in due time they repaid—in full, with interest—the \$22 million overpayment.

Canadian Co-operative Wheat Producers Limited carried on as the "centre for cohesive and united action by the three Pools in all matters of common concern to Pool members". The Central Board established Canadian Pool Agencies in 1928—to place insurance on Pool properties and grain; and, in 1940, set up Pool Insurance Company—to carry a share of such insurance. These enterprises have earned cash returns of \$6.4 million for the members of our Pool organizations.

During the crop year under review, Mr. H. B. Sneath became a director on your Central Board—replacing Mr. G. N. McConnell on the latter's appointment to the Board of Grain Commissioners. The Central Board met on 4th October 1956, and 26th February 1957. The directors reviewed the full range of problems facing Western farm people. The presidents of our three Pool organizations—as the Central Executive—maintained close contact with all these problems; and provided constant liaison between Pool directors and officials in working for practical solutions.

Today (as a generation ago) world developments have thrown marketing into the forefront among the vital problems facing our Western farm people. It is essential that the full strength of Western producers be mobilized to reinforce the Canadian Wheat Board in overcoming marketing problems which today challenge the resources of our entire Canadian nation.

In recent years, the grainfields of our Canadian West have produced abundant crops. Now, better methods of moving abundant production into use must be developed. This must be done, largely, in the arena of world affairs.

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At the same time, prompt and adequate action is required on the home front.

Ways and means must be found to build farm income into balance with costs—and leave a margin for fair farm living. Efficient farm operation must be supplemented by adequate credit provisions. Required action extends even further.

Fifty years ago the farmer's right to deliver his grain through facilities of his own choosing was confirmed by law. In recent years this right has been abrogated by arbitrary boxcar distribution. It must be restored—as a moral right and as an economic necessity.

Most vital, perhaps, is the necessity to fight the increasing costs imposed on farming Canadians, resulting from various forms of "protection" accorded Canadians who work elsewhere. If our economy is to remain democratic, durable and prosperous, all Canadians must have equal status—whether they farm or follow other occupations.

In carrying forward the fight on all these fronts, your Central Board is the spearhead of action for our Pool organizations.

Interprovincial Pool Meetings

As a further measure of working together, the full boards of directors of our three provincial Pool organizations met in Winnipeg on 16th and 17th January, and again on 12th and 13th July 1957.

From their January meeting, the Pool directors forwarded a long list of resolutions to the Western Agricultural Conference—for submission to the annual meeting of the Canadian Federation of Agriculture. These resolutions urged that initial payments on 1957-58 grain deliveries be not lower than in 1956-57; that the domestic price of wheat be fixed at \$2.00 a bushel; and that deficiency payments be provided by the nation, to assure efficient producers returns which shall balance costs of production. Other resolutions endorsed the International Wheat Agreement and the Canadian Wheat Board; recommended amendments to regulations covering specified acreage, quotas, shipping orders and boxcar allocation; and urged interim payments on current pools at the earliest possible date. A Joint Pool Committee on Farm Finance was instructed to carry on its work—to promote better farm credit at lower interest rates; increased efforts to build trade in farm products; and the establishment of a world food bank.

Recommendations called on the Government of Canada to create a Board of Livestock Commissioners; appoint a Transport Controller; nationalize the Canadian Pacific Railway; and operate the St. Lawrence Seaway in the interests of all Canadians. Further, the Pool directors endorsed the 100 pound unit for grain handling; and a national plan for land-and-water conservation. Action by the Government of Canada was recommended, also, to provide for settlement by legal process of management-labor disputes which threaten our national welfare.

At their meeting in July, the directors of our three provincial Pools dealt primarily with recommendations to the Board of Grain Commissioners re annual tariffs to be set by the latter for grain handling in country and terminal elevators. Discussion emphasized alarming and persistent increases in costs of construction, maintenance and operation; and the necessity for higher handling charges with lower storage tariffs—so that each service shall pay its just share of these costs. The meeting discussed insurance for Pool members; and also the feasibility

1. The first part of the report is a general
description of the project and its objectives.
2. The second part is a detailed description of the
methodology used in the study.

3. The third part is a description of the results
of the study, including a discussion of the
limitations of the study.

4. The fourth part is a conclusion and
recommendations for future research.
5. The fifth part is a list of references.

6. The sixth part is a list of appendices.
7. The seventh part is a list of figures and tables.

8. The eighth part is a list of abbreviations.
9. The ninth part is a list of symbols.
10. The tenth part is a list of units.
11. The eleventh part is a list of definitions.
12. The twelfth part is a list of acronyms.
13. The thirteenth part is a list of initialisms.
14. The fourteenth part is a list of contractions.
15. The fifteenth part is a list of colloquialisms.

16. The sixteenth part is a list of idioms.
17. The seventeenth part is a list of proverbs.
18. The eighteenth part is a list of sayings.
19. The nineteenth part is a list of maxims.
20. The twentieth part is a list of aphorisms.
21. The twenty-first part is a list of adages.
22. The twenty-second part is a list of maxims.
23. The twenty-third part is a list of aphorisms.
24. The twenty-fourth part is a list of adages.
25. The twenty-fifth part is a list of maxims.

of establishing a Wheat Pool bank to service Pool financing. Plans were made for the Central Executive Committee to discuss with the Prime Minister boxcar allocation and other items affecting farm income.

Problems of marketing and more equitable allotment of shipping orders were discussed with the Wheat Board. Alberta directors announced that the forage seed marketing organization in their province was now a division of the Alberta Wheat Pool. Officials of Northern Canadian Seed Sales discussed central selling operations.

The Pool directors, by resolution, urged that as an emergency measure for immediate use, advances on farm stored grain under the Prairie Grain Producers Interim Financing Act be made available not later than 1st September 1957; that a share of Canada's defence budget be used in a surplus disposal program for farm products; and that an adjustment payment be made on 1955-56 deliveries—as a step toward bringing grain prices more into line with costs of production.

Western Agricultural Conference

Delegates representing the farmer organizations of British Columbia, Alberta, Saskatchewan and Manitoba assembled in the Western Agricultural Conference on 18th and 19th January 1957, in Winnipeg.

The Conference considered (for submission to the annual meeting of the Canadian Federation of Agriculture) some 68 resolutions. These resolutions emerged as the thinking of Western farm people on general farm policies; on grain, poultry, dairy and livestock production and marketing; on prices, farm finance, trade and tariffs—as well as on Prairie Farm Assistance, better use of land and water, transportation, education and taxes.

Mr. R. H. Dahl, Alberta, was elected president of the Conference for the ensuing year—with T. G. Bobier, Saskatchewan, J. A. McAllister, Manitoba, and A. Swenson, British Columbia, vice-presidents; and Mrs. C. T. Armstrong, Alberta, women's representative.

A feature of this meeting was a recommendation of an Alberta committee that the Western Agriculture Conference be reorganized—with broadened activities aiming at a more decisive and effective organization having "undisputed power to speak for the Western farmer". The Conference accepted the recommendation for further study by the executive and by provincial bodies.

The Conference assembled, again, in special session, at Winnipeg on 23rd July 1957. Resolutions debated—and forwarded to the forthcoming CFA meeting—called for prompt proclamation of the Prairie Grain Producers Interim Financing Act—with interest rates "not higher than paid by the Canadian Wheat Board".

A further resolution declared that the present situation of Western grain growers and the importance of their industry to the national economy both demands and justifies support from the national treasury; and that such assistance can most conveniently and equitably be given by adjusted payments on wheat, oats and barley delivered to the Canadian Wheat Board during the crop years 1955-56 and 1956-57.

Canadian Federation of Agriculture

During the year under review the Canadian Federation of Agriculture registered the decision that, to permit agriculture to survive as an efficient part of a balanced Canadian economy, a share of the general prosperity must be used for deficiency payments on under-priced farm products.

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The twenty-first annual meeting of the C.F.A. assembled at Winnipeg on 21st to 25 January 1957. Directors attended from nine provinces, the United Grain Growers, the Dairy Farmers of Canada, the Canadian Horticultural Society and the National Women's Committee. The board approved administrative reports; studied and referred to the executive a proposal for amalgamating the Inter-provincial Farm Union Council and the C.F.A.

The new board—made up of 26 nominees of regional and national organizations—elected H. H. Hannam president; W. J. Parker and J. B. Lemoine vice-presidents; and nine members to the national executive. Resolutions debated in public sessions of the annual meeting (and confirmed by the board) called for higher support prices on selected commodities; better farm credit; improved marketing; and an international food bank under the Food and Agriculture Organization. In all, the board registered the thinking of Canada's organized farmers in 58 resolutions—dealing with multiple problems of production, income, costs, marketing, co-operation, conservation and farm living.

On 15th February 1957, the C.F.A. executive made its customary annual presentation to Prime Minister St. Laurent and members of his Cabinet. The submission stressed the necessity for fair farm income. It stated that "operations of the Agricultural Prices Support Act and the Canadian Wheat Board have protected agriculture from some of the worst price collapses." To help farmers secure enough income to meet persistently rising production and living costs, the C.F.A. urged that support price levels be raised; that domestic prices for wheat be fixed at the I.W.A. ceiling; that farm credits be made more widely useful at lower interest costs; and that all farm equipment be allowed free entry into Canada. National and provincial aid to municipalities was urged, to relieve the excessive tax load on farmlands.

Following the national election of a new government, the C.F.A. executive on 31st July 1957, presented a brief urging emergency action for agriculture, to Prime Minister Diefenbaker and his Cabinet.

The brief featured a history-making recommendation for deficiency payments. Study by a Committee, directors and meetings led to the C.F.A. decision that deficiency payments on specified under-priced farm products should be used to correct farm income shortages. The principal cause of too little income to meet production and living costs, the brief emphasised, was neither reduced exports nor low delivery quotas—but "entirely inadequate prices which the producer receives for what he does deliver."

Therefore, it was recommended that the Government of Canada provide adequate deficiency payments on 1955-56 Wheat Board deliveries of wheat, oats and barley; and negotiate adequate returns on 1956-57 deliveries—without affecting feed grain costs. The Government was urged to initiate extraordinary measures to market more Canadian grain; to set fair support prices for Ontario winter wheat; and to make the Prairie Grain Producers Interim Financing Act effective—with reduced interest rates.

The C.F.A. brief urged, further, that Canada provide a strong lead toward empowering an F.A.O. committee on surplus disposal to decide the fairness of all deals on surpluses; and to give world publicity to their decisions. The Government was urged, also, to develop revised facilities to provide more adequate farm loans at lower costs; and to provide leadership for a comprehensive program of land-and-water conservation.

International Federation of Agricultural Producers

For the first time, the I.F.A.P. met in the United States, in May 1957. Delegates representing 35 million farm families in 25 countries assembled at Purdue University in the Tenth Anniversary meeting of this world farm organization.

The assembly charged that, in moving abundant farm production into use, results have been disappointing, because "governments are not prepared to impair their sovereign right to do as they please . . . The more governments become involved in national programs, the less they . . . co-operate with each other." The conference declared that government-against-government trade warfare in farm products is becoming a reality, because of unco-ordinated national farm programs. "One of the greatest needs," the delegates stated, "is the effective co-ordination of bilateral agreements on an international basis."

To help achieve such essential co-ordination, the assembly urged that the Surplus Sub-Committee of F.A.O. recommend to the member-nations of F.A.O. a set of principles for surplus disposal; and that the Committee be empowered to review all surplus transactions, decide whether any are unfair and give world publicity to their decisions.

I.F.A.P. delegates reaffirmed faith in the International Wheat Agreement. They stated that it has "a strong influence on the pricing of wheat sold outside, as well as within, the terms of the Agreement." Hence, "the price of wheat traded internationally has been more stable than the price of other grains."

The conference urged a militant advance in the co-operative movement—including a permanent international institute of agricultural co-operation.

Mr. John Andrew, New Zealand, was re-elected I.F.A.P. president. Vice-presidents named were Nils Westermarck, Finland; James Patton, United States; and A. Conix, Belgium. The eight additional members of the Executive Committee included H. H. Hannam, Canada.

C.C.W.P. directors attending the I.F.A.P. meeting included W. J. Parker, T. G. Bobier, C. W. Gibbings, G. L. Harrold and H. B. Sneath.

International Wheat Agreement

Through the 1956-57 crop year the International Wheat Agreement sustained, perhaps, its severest test because of the highly subsidized wheat disposal policy of the U.S. Government. While the amount of wheat moving in world trade increased substantially (about 17%) considerably decreased quantities moved under the Agreement.

Of the 42 importing signatories, 36 bought wheat under the Agreement during the year. The six countries which did not take any of their guaranteed quotas included Brazil, Egypt, Korea, Mexico, Spain and South Africa. The combined quotas of these six countries represented 34.3 million bushels—or 11.7% of the total quantities guaranteed under the Agreement.

Twenty-six countries bought wheat from Canada through I.W.A. during the year. Many countries which, traditionally, are good customers for Canadian wheat bought unusually small shares of their total Agreement purchases from Canada. As in former years, however, Switzerland bought Canadian wheat for her entire purchases under the Agreement.

Twelve countries bought their full quotas guaranteed

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under the Agreement. All purchases under the Agreement totalled 214.7 million bushels—representing some 73% of the 293.6 million bushels guaranteed.

One feature of this year's operation was the appearance as an exporter, of Sweden—which country sold practically its full quota of 6.2 million bushels. Another feature was the sale by the United States of more than 96% of their quota of 128 million bushels. France was prevented by crop failure from supplying any of her quota of 16 million bushels. Argentina was able to deliver only some 6% of the 14.2 million bushels guaranteed. Canada's sales under the Agreement totalled 58.3 million bushels—being 58.5% of our quota of 99.7 million bushels.

Canadian Grain Production

Revised estimates of the Dominion Bureau of Statistics for 1956 production of wheat, oats, barley, rye and flaxseed in Canada reach 1,409 million bushels. These five principal grains were sown on 46.4 million Canadian acres. This is about 1% below the total acreage six years earlier, in 1950. Some 22.8 million acres were sown to wheat in 1956—a reduction of 15.6% from the 27 million acres growing wheat in 1950. Yields per acre in 1956 were high for all five grains. Seeded acreages and production for Canada and for Alberta, Saskatchewan and Manitoba are compared below:

GRAIN PRODUCTION 1956

(Dominion Bureau of Statistics revised estimate)

	Canada		The West	
	Acres	Bushels (in millions)	Acres	Bushels
Wheat.....	22.8	573.0	22.0	551.0
Oats.....	11.7	524.4	8.6	400.0
Barley.....	8.4	269.0	8.2	262.0
Rye.....	.5	8.6	.4	6.5
Flaxseed.....	3.0	34.5	3.0	34.1
Totals.....	46.5	1,409.6	42.3	1,253.6

For purposes of comparison, similar data for 1957 (as forecast by D.B.S. on 15th August) are set out in the following table:

GRAIN PRODUCTION 1957

(Dominion Bureau of Statistics preliminary estimate)

	Canada		The West	
	Acres	Bushels (in millions)	Acres	Bushels
Wheat.....	21.0	359.6	20.3	338.0
Oats.....	11.0	383.2	7.8	240.0
Barley.....	9.4	223.4	9.2	216.0
Rye.....	.5	8.4	.4	6.1
Flaxseed.....	3.5	25.6	3.4	25.3
Totals.....	45.5	1,000.4	41.3	825.4

On the forecast date the estimate for Canada's 1957 wheat crop was 37% below the 1956 outturn; 26% lower than the ten-year (1947-56) average; and, with the exception of 1954, the smallest in ten years.

With a record crop of flaxseed in 1956, Canada's production of oilseeds multiplied $3\frac{1}{2}$ times in the four crop years since 1953. Most of this remarkable increase was on Western farms. It resulted, largely, from increased acreage to meet the producer's need for cash income; and from rising world demand.

Canadian Grain Exports

Preliminary statistics from the Board of Grain Commissioners report Canada's exports of the five principal grains during the 1956-57 crop year as set out below:

TOTAL GRAIN AND MILLED PRODUCTS EXPORTED

	1956-57	1955-56	30 Year Average 1926-27 to 1955-56
		(in million bushels)	
Wheat (and flour).....	262.8	308.1	253.9
Oats (meal, etc.).....	18.7	4.1	27.7
Barley.....	76.9	64.3	27.9
Rye.....	5.4	12.9	5.9
Flaxseed.....	21.6	11.6	2.5
Totals.....	385.4	401.0	317.9

The amount of Canadian grain exported during the crop year ended 31st July 1957, represented about 27.3% of the estimated 1,409.6 million bushels produced. Exports were 15.6 million bushels (or 3.8%) below export sales for 1955-56; and 67 million (21.4%) above average exports for the thirty years 1926-27 to 1955-56.

Canada's exports of wheat, oats, barley, rye and flaxseed averaged 33.8% of production during the five crop years 1945-46 to 1949-50; and 37% of production in the succeeding five years. During this latter five years (1950-51 to 1954-55, inclusive) average disposition of the five grains was as set out in the following tabulation:

DISPOSITION OF CANADIAN GRAIN

(in million bushels)

Carryover, inward.....	498.1
Production.....	1,201.3
Total supply.....	1,716.9
Exports.....	444.9
Domestic use:	
Human food.....	56.5
Seed requirements.....	71.7
Industrial use.....	17.1
Loss in handling.....	1.7
Animal feed and waste.....	505.3

Exports of wheat (including flour) for 1956-57 were down 45.3 million bushels (14.3%) from the preceding year; and 16.5 million bushels higher than the 30-year average. Sales to the United Kingdom were 17% less than for the preceding year. Germany, Japan, the Netherlands and Switzerland bought more Canadian wheat; but Russia and Czechoslovakia (after buying 27.6 million bushels the year before) were not customers for Canadian wheat in 1956-57. Export sales of flour continued their general decline from the post-war peak of 79.5 million bushels (wheat equivalent) in 1946-47, to less than half that total. The United Kingdom, Philippines and Central American countries remain major buyers of Canadian flour.

Exports of oats (including oatmeal and rolled oats) in 1956-57 were 4½ times the previous year's clearance; but 1/3 less than the 30-year average. United States customers, who took only 1.9 million bushels the preceding year, bought 17.6 million in 1956-57.

Heavier buying by the United Kingdom, Japan and Germany increased exports of Canadian barley, substantially. Rye exports fell to a ten-year low, with little shipment overseas. Export sales of flaxseed, on the other hand, raised the old 1913-14 record of 18 million bushels to 21.6 million. Total exports of oilseeds in 1956 were nearly four times those of 1953; and reached a value of \$54.4 million. Canada, traditionally a net importer of fats and oils, has become a net exporter. The United Kingdom, the Netherlands and Japan were major buyers.

The United Kingdom, United States, Japan and Germany were the biggest buyers of Canadian grain (wheat, oats, barley, rye and flaxseed) during the crop year under review. These four customers bought 63.5% of Canadian grain exports in 1955-56; and 72.5% of our total export

sales in 1956-57. The following tabulation lists sales to these countries, compared to their 1955-56 purchases:

LEADING BUYERS OF CANADIAN GRAIN

Sales of Wheat, Oats, Barley, Rye and Flaxseed

	(in million bushels)	1955-56	1956-57
United Kingdom.....	136.0	136.0	130.5
United States.....	43.0	43.0	51.2
Japan.....	37.9	37.9	50.1
Germany.....	37.1	37.1	47.8

A record 139.0 million bushels of grain was exported through Canada's Pacific ports during the crop year ended 31st July 1957. This total included 104.1 million bushels of wheat; and a record 31.2 million bushels of barley. Forty-eight wheat cargoes, totalling 16.2 million bushels, cleared through Churchill. Atlantic ports cleared 145.2 million bushels of export grain—compared with 193 million in the year previous.

The following tabulation, based on U.S. Department of Agriculture reports, shows how world trade in wheat has recovered from the 1953-54 low; increases in recent U.S. sales; and Canada's percentage of total exports—for the past ten crop years:

WHEAT EXPORTS From Four Principal Exporting Nations

Crop Year	Total	Argentina	Australia	United States	Canada's % of Total
				(in million bushels)	
1947-48.....	809	66	78	486	179 22.1
1948-49.....	828	46	70	504	208 25.0
1949-50.....	638	65	66	299	208 32.6
1950-51.....	717	68	74	366	209 29.1
1951-52.....	839	4	47	475	313 37.3
1952-53.....	752	29	64	318	341 45.3
1953-54.....	544	58	35	217	234 43.0
1954-55.....	647	78	62	275	232 35.8
1955-56.....	755	60	67	346	287 38.0
1956-57.....	910	60	63	547	240 26.3

World trade in grain may be further disrupted by continued operation of U.S. Public Law 480. Acceptance of local currencies (and its local reinvestment); barter; and give-aways—all subsidized by U.S. taxpayers—have lured importers from their traditional suppliers. During the three crop years ending 30th June 1957, some 529 million bushels of wheat and feed grains—which cost U.S. government agencies \$1,457.5 million—were exported for \$855.6 million. In those three years, farm exports aggregated \$11,337 million. Of that total, 26% moved under P.L. 480. It may be a mistake to view the situation as temporary. Extension has been voted for this legislation. In 1954-55, some 13% of all U.S. agricultural exports moved under its beneficence; in 1955-56, 28%; and in 1956-57, 32%!

Carryover of Canadian Grain

The Canadian carryover of wheat, oats, barley, rye and flaxseed at 31st July 1957, is estimated by D.B.S. to total 1,108.2 million bushels. This is the biggest carryover in Canadian history. It is one-third higher than at the end of the previous crop year; and is 2 1/3 times the average annual carryover for the ten preceding years.

Estimated carryovers at the close of recent crop years and the annual average of the ten crop years 1947-56 are tabulated below:

CANADIAN CARRYOVER AS AT 31st JULY

	1957	1956	1955	1954	Average 1947-56
				(in million bushels)	
Wheat.....	723.0	579.6	499.7	582.7	290.3
Oats.....	223.0	119.1	84.0	125.8	90.0
Barley.....	140.9	110.9	91.5	145.9	70.3
Rye.....	14.0	15.3	18.5	19.3	10.1
Flaxseed.....	7.3	2.5	1.2	2.6	3.3
Total—5 grains.....	1,108.2	827.4	694.9	876.2	464.0
On farms.....	584.4	335.4	207.1	413.8	181.1
Commercial.....	423.8	492.0	487.8	428.6	272.9

It is to be noted that the 1957 estimate of farm-held grain was increased sharply after data became available from the 1956 census; and, for the first time, exceeds the total held in commercial positions.

The 1957 estimate places the carryover of wheat at a record high. Previously the biggest volume of wheat on hand at the close of a crop year was 594.6 million bushels at 31st July 1943. On that date, carryover of the five grains reached 832.0 million bushels—with 342.4 million in farm bins and 489.6 million bushels in commercial positions.

Prairie Farm Assistance

Net farm income (as calculated by D.B.S.) includes "supplementary payments" under the Prairie Farm Assistance Act. These P.F.A.A. payments totalled some \$5 million in 1956, whereas in 1955 they exceeded \$33 million.

Listed below are the amounts of 1% levy on all grain sold by Western farmers, the number of awards and amounts paid under P.F.A.A.—for the past crop year and since its inception.

1956-57 Crop Year			
	1% Levy	Awards	Payments
Manitoba.....	\$ 864,573	3,921	\$ 605,666
Saskatchewan.....	3,680,339	3,582	605,846
Alberta.....	1,732,861	5,201	954,977
Totals.....	\$ 6,277,862	12,794	\$ 2,173,968

1939-40 to 1956-57			
Manitoba.....	\$ 15,221,688	84,583	\$ 12,194,507
Saskatchewan.....	57,184,518	560,345	128,825,263
Alberta.....	28,823,159	242,784	45,009,630
Totals.....	\$101,268,429	891,444	\$186,558,676

Of total payments made under P.F.A.A., Western producers have provided \$101.2 million through the 1% levy. The balance of \$85.2 million has been paid from the national treasury.

With generally good harvests over the Canadian West, the 1% levy paid by farmers on grain deliveries in 1956-57 exceeded payments under P.F.A.A. by \$4,103,894.

Western Farm Income

The Dominion Bureau of Statistics reports (in "Farm Cash Income, 1956") that the cash income to Canadian farm people from the sale of farm products in the calendar year 1956, plus participation payments on grain delivered in previous years, is estimated to total \$2,662.1 million. This total is some 13% higher than the revised estimates for 1955. Sales of grain, livestock, poultry and eggs returned more cash to farmers in every province.

The share of these total cash returns to farm people of Alberta, Saskatchewan and Manitoba is set out in the following tabulation—which also compares Western returns for the last three years.

ESTIMATED CASH RETURNS TO WESTERN FARMERS (in million dollars)

	Grain, etc.	Livestock	Total
1954.....	\$591.2	\$313.2	\$1,046.5
1955.....	510.2	302.2	963.3
1956.....	759.9	320.2	1,239.7

It is seen from the foregoing that gross returns to Western farmers in 1956 were 28.7% above 1955; and were 18.7% higher than in 1954. The increase was largely from sales of grain. Returns from livestock have been notably consistent.

The D.B.S. report on "Farm Net Income 1956" estimates that net income from Canadian farm operations

in 1956 totalled \$1,573 million. This total is 10.5% higher than the estimated net income for 1955; 35.5% above the post-war low of \$1,161 million for 1954; and on a level with the average of \$1,547.4 million for the ten years 1946-55. D.B.S. estimates of total net farm income for the seven years 1950-56 are tabulated below for all Canada, as well as for our three grain-growing provinces and six other provinces:

TOTAL NET FARM INCOME			
	The West	6 Other Provinces	Canada
	(in million dollars)		
1950.....	\$ 630.1	\$ 817.9	\$1,448.0
1951.....	1,127.3	1,027.3	2,154.5
1952.....	1,083.2	817.5	1,900.7
1953.....	883.4	813.4	1,696.9
1954.....	405.1	755.9	1,161.0
1955.....	638.3	784.9	1,423.2
1956.....	790.0	783.0	1,573.0

The foregoing indicates that the total net income to Western farmers from their operations in 1956 was 23% above 1955; and 95% higher than in 1954. This is gratifying—from an accounting, or statistical, viewpoint. To arrive at actual cash results of Western farm operation, however, further analysis is necessary.

Some difficulty is encountered in comparing D.B.S. estimates for 1956 with preceding years. Bureau officials have interpreted data assembled in the 1956 census as necessitating revised estimates of grain production; and sharply increased estimates of grain held on Western farms. Some authorities claim that D.B.S. estimates of farm-held wheat are upwards of 100 million bushels too high. This brings into question the "Net Farm Income" totals tabulated above—since any increase in the amount of grain held in farm bins is charged against farmers as income, under "Value of Inventory Changes".

D.B.S. data, as national statistics with a record of validity, provide the only acceptable basis for calculating Canadian farm income. Nevertheless, for practical purposes, the calculation most significant to Western farm people is one that: (1) totals cash received from farm operation; (2) subtracts from this total the cost of operation; and (3) gives the cash results. On this basis, the following table (comparing cash results for the past seven years) shows that Western farm operations in 1956 yielded 26% more net cash income than in 1955—but less than in any other year back to 1950.

WESTERN FARM NET CASH INCOME

Year	(1) Cash received from operations	(2) Cost of operation	(3) Net Cash income
	(in million dollars)		
1950.....	\$ 973.1	\$479.3	\$493.8
1951.....	1,361.8	540.3	821.5
1952.....	1,466.5	608.9	857.5
1953.....	1,448.7	569.3	879.4
1954.....	1,048.1	509.0	539.0
1955.....	958.2	553.3	404.9
1956.....	1,244.6	733.1	511.5

In the costs of 1956 operation, Western farmers paid \$75.2 million for hired labor. Operation of machinery cost them \$224.8 million. This is 13% higher than for 1954. For the four years, 1953-56, the total exceeds \$828.7 million. If estimated depreciation is added, total machinery costs to Western farmers in these four years was above \$1,164.5 million!

While production costs have persistently risen, Canadian grain prices have fallen steadily since 1952. The income of Western farmers is determined by world compe-

The following information was obtained from the records of the
 Department of the Interior, Bureau of Land Management, at
 Washington, D. C., on the date of the above mentioned
 examination.

Section	Range	County	State
1	1	1	1
2	2	2	2
3	3	3	3
4	4	4	4
5	5	5	5
6	6	6	6
7	7	7	7
8	8	8	8
9	9	9	9
10	10	10	10

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10	10	10	10

The following information was obtained from the records of the
 Department of the Interior, Bureau of Land Management, at
 Washington, D. C., on the date of the above mentioned
 examination.

tition, to a far greater degree than is the income of Canadians who do other parts of the nation's work; and, indeed, to a far greater degree than is the income of farm people of other nations. Canadians have established processes and authorities whereby various components of our economy (labor, transport, finance, manufacturing, etc.) have their incomes arbitrarily adjusted by assessments upon the public. Farm costs are raised by these devices; but prices received by Canadian farmers for their products are, largely, beyond the scope of such devices.

In many countries governments have acted decisively to maintain farm income. For example, a Pool presentation to Federal Cabinet ministers on 9th March 1957, pointed out that Western Canadian grain growers may expect final returns averaging \$1.29 per bushel for 1956 wheat deliveries; whereas, in January 1957, U.S. farmers (a few miles south) got prices 53.5% higher. The same submission quoted from IFAP sources the following approximate support prices guaranteed by various governments to their wheat growers during 1955-56:

Ireland.....	\$2.06	Germany.....	\$2.73
United Kingdom.....	2.31	Brazil.....	2.85
Belgium.....	2.56	Italy.....	3.05
Japan.....	2.59	Norway.....	3.43
Austria.....	2.63	Switzerland.....	4.03

The imperative need for agriculture in our Canadian West is for cash income adequate to meet costs—including fair living standards.

Conclusion

The existing situation threatens Western farm people with disaster; and our national economy with disruptive unbalance.

The basic economics of this situation are simple. If Western farm families are to develop best use of land and water resources; and to make their full vital contribution to Canada's continued prosperity, they must have increased income, reduced costs—or both.

Some authorities see a measure of hope for agriculture in Canada's growing population. The number of Canadians has risen from 8.7 million in 1921 to 16.6 million on 1st June 1957. This number is increasing at record and accelerated rates. By 1980 (the Gordon Commission estimated) there will be from 25 to 27 million Canadian consumers. While the amount of grain used for food per capita declines as earnings rise, the consumption of meat increases. The average Canadian ate 133 pounds of meat per annum before 1950; and today, 154 pounds. Canada's consumption of meat increased from 1951 to 1956 by an estimated 75%. This represents a tremendous increase in the total domestic disappearance of grain. With all this, however, it remains certain that grain export must continue to be essential to Canada's prosperity.

In 1956, again, Canadians traded more per capita than any other people on earth. Nevertheless, prices of our farm exports continue to be shaped, largely, by economic and political competition on world markets.

Competitive business (by governments as by individuals) has failed to move farm products from people who have more than they need to people who need more than they have. This is no surprise to Co-operators. Inherent in Co-operative philosophy—and, indeed, a fundamental reason for the development of Co-operative business—is the certainty that competitive methods are limited in their usefulness; and, periodically, disrupt economies—unless balanced by Co-operative development.

Co-operative faith is that producers and consumers can cut costs and raise income, for themselves, by using the simple principles of Co-operation in more of their buying, selling and financing.

Canadians did business through their Co-operatives to a total of \$1 billion in 1956. This is a considerable volume. But—it is no increase on Co-operative business done in 1950, seven years earlier. In that seven years, Canada's population increased by 2.9 million, from 13.7 million to 16.6 million—or about 21%. The nation's business (as represented by the Gross National Product) expanded from \$18.2 billion to \$29.8 billion—that is by \$11.6 billion, or more than 63%!

Such calculations cannot present the entire story. They do emphasise, nevertheless, that Co-operative development must be tremendously expanded to provide vital balance to Canada's booming competitive business. To solve their problems of high costs and low income, the most effective means western farm people possess is to do their buying, selling and financing through their own Co-operatives. Producers and consumers—in Canada and the world over—can solve the problems of producing abundantly and moving abundance into use, by working together in direct and practical Co-operation.

Respectfully submitted,

<i>Executive</i>	{	JOHN H. WESSON
		W. J. PARKER
		BEN S. PLUMER
		CHAS. W. GIBBINGS
		THOS. G. BOBIER
		G. L. HARROLD
		W. J. BLAIR
	T. H. WILSON	
	H. B. SNEATH	

1953年11月14日

Canadian Pool Agencies Limited

DIRECTORS' REPORT, 1956-1957

4th October 1957.

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

Gentlemen:

This Agency has completed its twenty-ninth year of operation, and we present herewith for your approval the Annual Report and Financial Statements for the year ended 31st July 1957.

A surplus of \$97,785.25 was produced, and out of this sum \$498.12 was provided for income tax, leaving \$97,287.13 available for patronage dividends, compared with \$71,676.62 last year.

The earnings vary from year to year and follow the experience of the parent organizations to some extent depending on the price and volume of grain stored. The increase in surplus this year is mainly due to the recurrence of fire insurance written for a three year term.

At the present time we have no investments. Any excess money can be readily taken up by the parent companies and we receive a favourable rate of interest.

Although we refer to the Agency's earning capacity, we have not departed from the principle for which the Agency was originally organized, that of securing for the parent organizations the utmost protection for the least possible premium commensurate with security, and in this regard we have secured some reductions in rates this year.

We can handle every type of insurance except life. The greatest income is derived from fire insurance, followed by fidelity bonds, then automobile insurance.

The patrons equities, in accordance with the usual practice will be paid out within the next fiscal year as a patronage dividend to the three Provincial Pools based on the amount of business contributed. Each Pool will receive the dividends as shown on Surplus Account, Exhibit "B".

The following comments relative to the Balance Sheet and Operating Accounts may be of interest:

BALANCE SHEET

Agency Assets and Liabilities

You will observe that the Assets included under this heading represent Trust Funds collected, or to be collected, and are offset by the amount due to the insurance companies for business written, and to Canadian Pool Agencies Limited for commissions earned.

Shareholders' and Patrons' Assets

Accounts Receivable: Under this heading is an item of "Commissions Receivable," previously referred to as being due by the Agency Trust Funds.

Loan Accounts: Fourteen new loans were made during the year and eleven were repaid, leaving the total number now outstanding at eleven. Eight loans were made to finance the purchase of automobiles. Interest is thus earned on a part of our surplus funds without tying them up for any lengthy period. The Agency secures insurance on automobiles and property financed thereby, and insurance once obtained in this manner is usually renewed.

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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 split between both organizations, as are other items of expense that are not definitely applicable to either organization. The amount of \$4,645.83 is the balance due Canadian Pool Agencies Limited on the inter-office account.

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 year end.

Reserve: This sum was built up over a period of years to provide for the possibility of unusual cancellations; for investment losses, 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 by the Provincial Pool organizations as follows:

	No. of Shares	Values
Alberta Wheat Pool.....	664	\$ 6,640.00
Manitoba Pool Elevators.....	663	6,630.00
Saskatchewan Wheat Pool.....	664	6,640.00
Directors' Qualifying Shares.....	9	90.00
	<hr/> 2,000	<hr/> \$20,000.00

INCOME AND EXPENDITURE STATEMENT

Income: This statement sets out the original sources of commission earnings in the belief that the information may be of interest.

Expenses: The various expense items are clearly set out in the statement and represent net figures after charging Pool Insurance Company 50% of the expenses which are equally applicable to both companies.

The deduction from the total expenses of \$300.00 is an allowance from the three Provincial Pools for the handling of the Interprovincial Pool Account.

Respectfully submitted,

Executive

{ JOHN H. WESSON
W. J. PARKER
BEN S. PLUMER
THOS. G. BOBIER
T. H. WILSON
H. B. SNEATH
CHAS. W. GIBBINGS
G. L. HARROLD
W. J. BLAIR

Pool Insurance Company
DIRECTORS' REPORT
1956-57

Winnipeg, Manitoba,
26th February 1957.

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

Gentlemen:

Your Company has completed eighteen years of service to the parent organizations, and we have pleasure in submitting herewith, for your approval, the Annual Report and Financial Statements for the year ended 31st December 1956.

The results for the year show excess of income over expenditure of \$698,002.95 as compared with \$643,126.11 last year, thus reflecting an increase of \$54,876.84. As we had a higher loss ratio this year of 30.22% as compared with 26.12% previous year, the increase in surplus is directly attributable to the increase in our retention from 35% to 50% as from 1st August 1956 and to not having any sizeable losses since that date.

After transferring \$17,500.00 to Capital Surplus Account and setting up the usual Capital Stock Dividend as required by the Company's Charter and a reserve of \$4,050.10 for Income Tax, the balance of \$676,451.00 has been allocated to the policyholders on the basis of their contribution to the surplus. The total premium income amounted to \$1,353,321.10 as compared with \$1,316,376.18 last year. Fifty percent of all risks are now reinsured, with the exception of dwellings which are fully carried by your Company. The net earned premiums amounted to \$561,316.16 as compared with \$393,266.38 last year.

The gross losses amounted to \$529,575.10 as compared with \$358,145.26 last year. The Company's share of the losses being \$185,736.38.

Six elevators and one large annex and their contents were totally destroyed, and the losses occurred when substantial grain stocks were in store. They were located as follows:

In Alberta	Hussar (annex) Rose Lynn
In Manitoba	Millwood
In Saskatchewan	Quill Lake "A" Valparaiso Dummer "A" and "B"

In addition to these total losses 19 small losses were sustained at elevators; six by fires and 13 by windstorms. Six dwellings suffered partial damage.

Inspection of all property insured by the Company is carried on by four permanently employed fire inspectors, which is in accordance with our agreement with the reinsurers, and we do consider it a most important feature of our operations. The parent organizations and ourselves periodically send out circulars and pamphlets to the elevator agents keeping fire prevention suggestions before them. We feel that the efforts of the agents, parent organizations and our own fire inspectors help to keep our losses to a minimum.

The value of the property insured has increased nearly four million dollars over last year, which is an all time high, and we list the figures hereunder. Building values change

from time to time, and the values shown are as at 31st December 1956. The value of the grain is the daily average for the year.

Country Elevators.....	\$ 70,757,821.00
Grain.....	142,401,876.00
Dwellings.....	7,044,903.00
Miscellaneous.....	2,814,035.00
	<u>\$223,018,635.00</u>

The records of your Company are annually examined by the Federal Government's Insurance Department and this provides added assurance that the operations are carried on in accordance with government regulations and good practice.

The total underwriting revenue shown in the Statement of Income and Expenditure is made up of the earned premiums on our percentage of the risks, plus commission earned on the reinsurance, less losses. We also had interest earnings of \$25,309.13.

The greatest expense is in connection with the operation of the inspection service. This service provides inspection of each elevator approximately twice a year.

As the management and staff are employed jointly by this Company and Canadian Pool Agencies Limited, the salaries, rent, telephone and other indirect expenses are split between the two companies.

The following comments relative to the Balance Sheet may be of interest.

ASSETS

Cash on Hand and in Bank

Under this heading the current and savings bank accounts are shown.

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 a balance due to the agency on inter-office account; also amounts due from our reinsurers.

Investments

You will notice the listed value of the Company's investments is less than cost. Our investment portfolio consists entirely of Government of Canada bonds. While there will be fluctuations over the years, we expect to be able to hold all bonds until maturity when they will be redeemable at par value. You will note that we are able to invest considerably more than our capital and surplus.

Automobiles

One new automobile was purchased during the year, and after allowing depreciation on this account of \$2,030.08 at standard rates, the asset covering four automobiles is shown as \$4,736.86. These automobiles are used by our fire inspectors.

LIABILITIES

Current Liabilities

Premiums due the reinsurance companies are shown. The item covering taxes accrued represents premium tax, income tax and fire prevention taxes due respectively to the Federal and Provincial Governments.

Reserve for Unearned Income

These reserves are calculated on the basis of one hundred percent of the unearned premiums on our own

retention and one hundred percent of the unearned portion of the reinsurance commissions as at 31st December 1956.

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	Premium 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.

As of May 1956, the premium on capital stock was increased by a further \$75,000.00 to provide the necessary surplus to permit our increased retention. It is a requirement of the Insurance Act that we maintain a surplus at least equal to our unearned premiums before refund of excess charges are made.

We have also increased our surplus by \$17,500.00 out of this year's earnings which further strengthens the Company.

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,

J. H. WESSON
W. J. PARKER
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