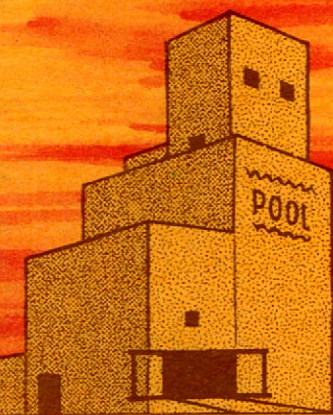


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# SASKATCHEWAN WHEAT POOL

*and subsidiary companies*



# Forty-Sixth Annual REPORT

FOR  
THE  
YEAR  
ENDED  
31st JULY

1960



Regina, Saskatchewan



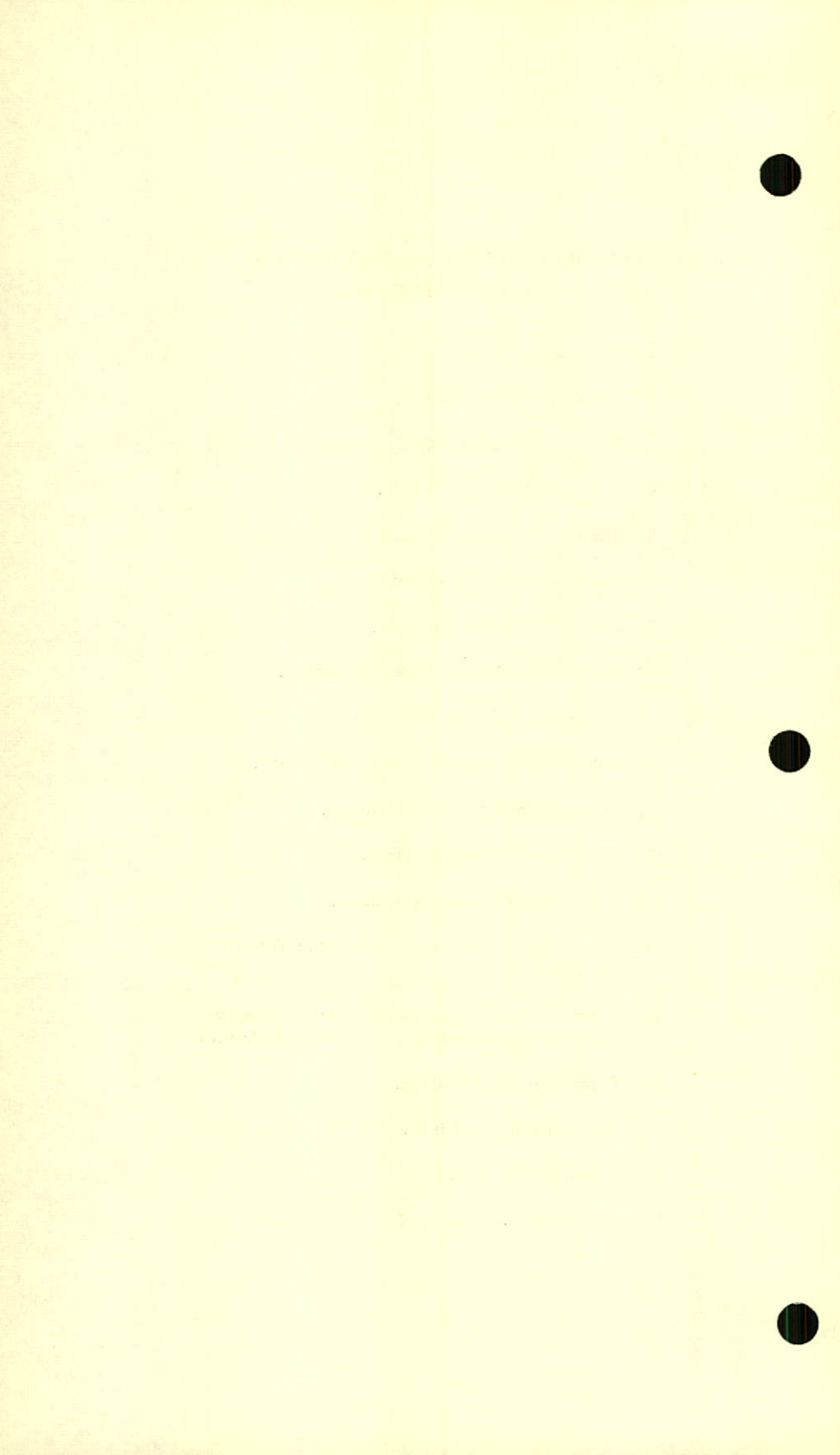




**PROPOSED AGENDA OF BUSINESS FOR  
ANNUAL MEETING**

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 other matters that may properly come before the Meeting, introduced by Delegates.
16. Remuneration of Auditors.
17. Appointment of Auditors.
18. Fraternal Delegates.
19. Adjournment.







## SASKATCHEWAN WHEAT POOL DIRECTORS' REPORT

### IN MEMORIAM

Thirty-six years have passed since the inception of the Saskatchewan Wheat Pool. This represents a substantial part of the life span of the average individual. It is not surprising therefore that it becomes necessary to set down, for the record, the passing of many of those who were out in the forefront when the Pool was being organized. Theirs must have been a singular satisfaction to see the organization grow and expand from an idea in the minds of a group of forward looking individuals to a co-ordinated instrument of men and machines dedicated to the service of agriculture and to the men and women who work the land.

It is with a sense of deep regret that your Board records the name of former delegates whose death has been reported since the last Annual Meeting.

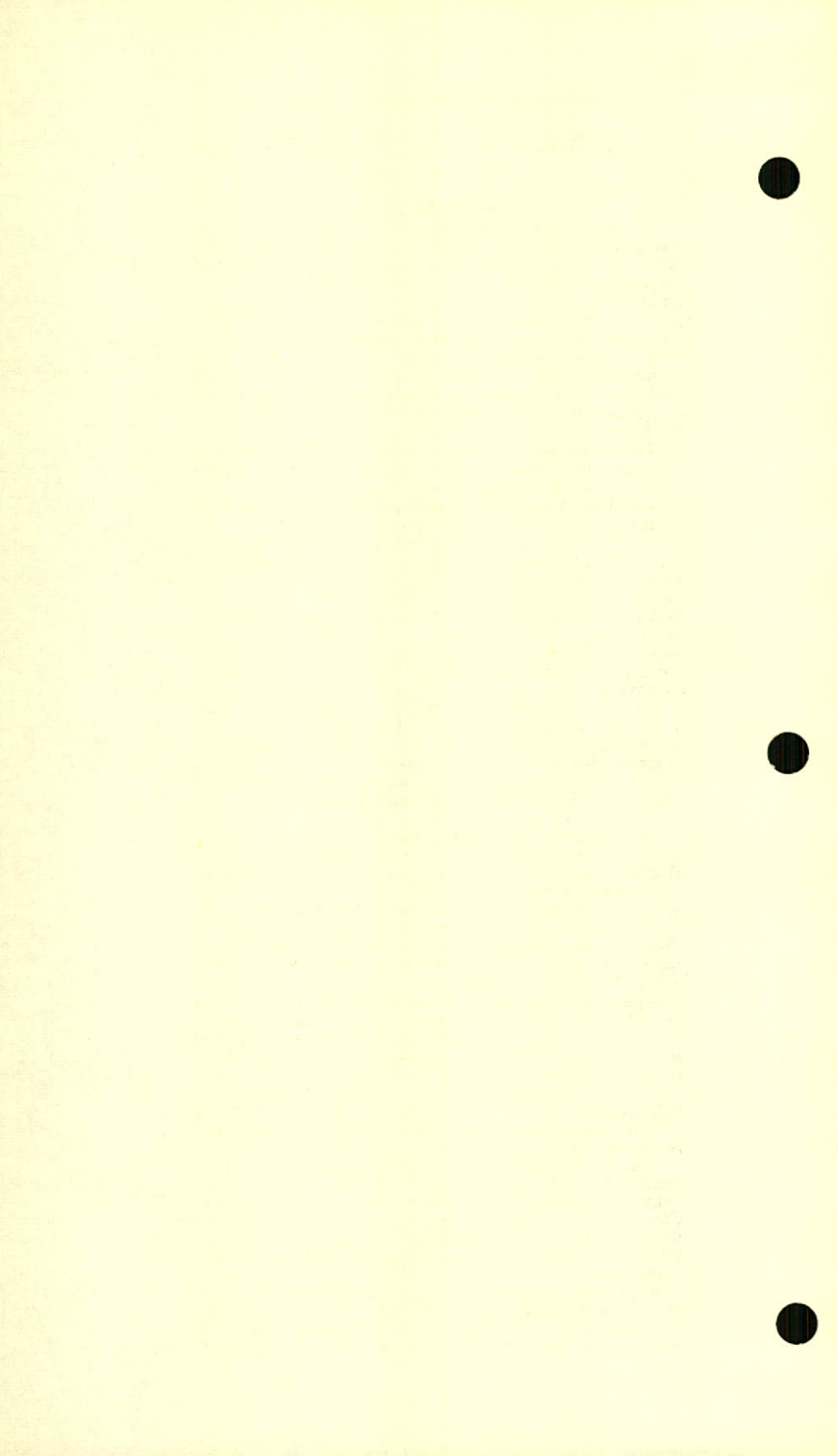
Mr. Olaf Nyland of Shaunavon, who served the Pool as delegate for twenty-three years, and as Director for District 3 for fourteen years, died at his home September 5th, 1960. He was born in Sweden and emigrated to the United States and settled at Cooperstown, N.D. in 1903. He homesteaded in the Shaunavon district in 1908. Mr. Nyland was active in agricultural matters for many years in the Shaunavon district. He was a member of the Saskatchewan Grain Growers' Association and was secretary-treasurer of Thompson Valley School District for twenty-five years.

Mr. W. M. (Moss) Thrasher of Wiseton died in August 1960. Mr. Thrasher was one of the provisional directors of the Saskatchewan Wheat Pool and for a time served as delegate. For many years he was secretary of the U.F.C. (Saskatchewan Section), forerunner of the Saskatchewan Farmers' Union. He devoted almost a lifetime to advancing the cause of organized agriculture.

Mr. Joseph Burton was delegate for District 13, sub-district 10, from 1930 to 1933. He died in August 1960. Mr. Burton was a member of the Legislature for Humboldt constituency from 1938 to 1943; a member of the House of Commons from 1943 to 1949, and was then elected to the Saskatchewan Legislature for another term, and served as Provincial Secretary from 1952 to 1956. He was active in the U.F.C. and was instrumental in organizing the Fulda Rural Telephone Company. Mr. Burton was one of the province's early pioneers. When he was six years old, he moved with his family by covered wagon from Kansas to North Dakota. In the spring of 1904 the Burtons emigrated to Canada and took up a homestead four miles from Humboldt. Mr. Burton had to his credit a very active career in the interests of agriculture. He was President of the Humboldt Agricultural Society for a number of years, and made an outstanding contribution to the welfare of the Humboldt community.

Mr. P. J. Hoffman was delegate for District 14, sub-district 4, from 1931 to 1942. Mr. Hoffman came to the United States from Germany in 1899 and emigrated to Canada and took up a homestead in 1903. He was secretary-treasurer of the Canadian Red Poll Association for thirty years. In 1927 he was commissioned by the Government of Saskatchewan, along with a group of others, to tour England, Germany, Denmark and Norway to study the livestock industry in those countries. He took a very keen interest in the affairs of the Saskatchewan Wheat Pool and was also active in the Humboldt Agricultural Society,







of which he was an executive member. He died at his home in Humboldt in September 1960.

Mr. W. L. Marjerison of Neville died in September 1960. He served for a number of years as Wheat Pool delegate, from 1925 to 1929 as delegate for District 3, sub-district 4, and after the reorganization of districts he served as delegate for District 5, sub-district 3 for 1929-30 and again from 1937 to 1943, and for season 1955-56. Mr. Marjerison was known as a strong supporter of the Saskatchewan Wheat Pool and made a worthwhile contribution to the agricultural life of the community in which he lived.

Mr. J. C. Wightman of Waldeck died February 12th, 1960. Mr. Wightman served as delegate from 1928 until his retirement in 1958. He was a staunch supporter of all worthwhile community activities and his loyalty to the co-operative movement was beyond question.

Mr. J. H. Hawkins of Hoosier served as Wheat Pool delegate for District 11, sub-district 10 from 1949 to the date of his death, on 7th December 1959. He was also a director of the Hoosier Co-operative Association. Mr. Hawkins came to Saskatchewan from Ontario and settled in the Hoosier district about forty years ago. He was known as a staunch supporter of the co-operative movement.

Mr. J. B. Blain, formerly of Prud'homme, Saskatchewan, served on three different occasions as delegate in District 13, sub-district 8. He was first elected in 1930 and served until 1936. He again served for the 1939-40 term and for 1941-42. Mr. Blain took a very active interest in all phases of the co-operative movement in his community and also in the local school, municipal and other community affairs. He was an outstanding leader in the community and made a very great contribution to the welfare of the district.

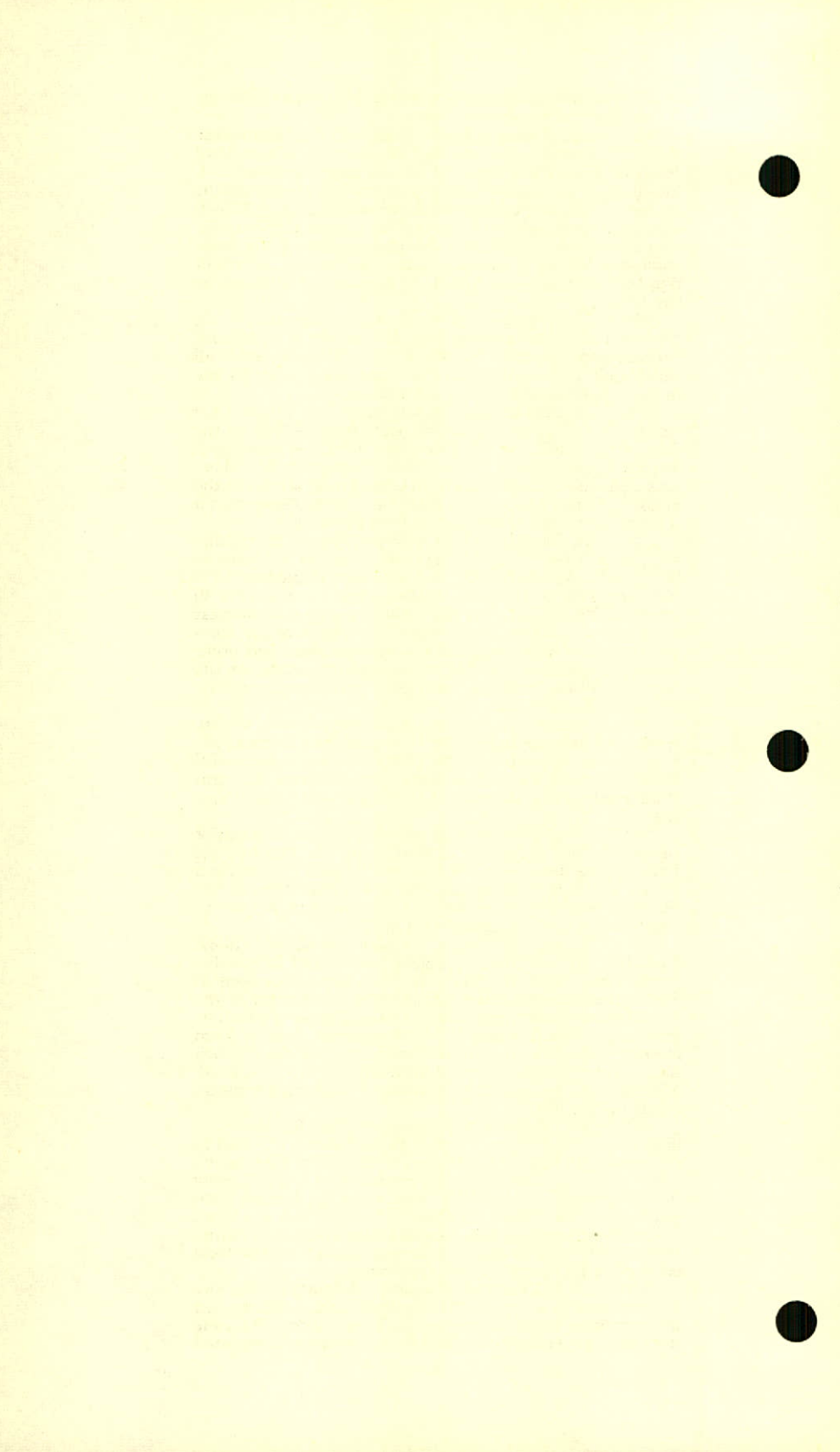
Mr. George Preece, formerly of Bolney, Saskatchewan, served as a delegate in District 16, sub-district 7, from 1933 to 1940 and again in 1941 and 1942. He was a successful mixed farmer and took a very keen interest in community affairs. He died in the latter part of 1959 at Paradise Hill.

Mr. William Haywood served as delegate for District 14, sub-district 6, for the 1946-47 term. He died in June 1959 but his death was not reported in time for inclusion in last year's Annual Report. He was active in the establishment of the Pool elevator at Somme and helped to organize the district agricultural fair.

Mr. Thomas Watchman, formerly of Crane Valley, Saskatchewan, served as delegate for District 2, sub-district 8, from 1930 to 1941. Mr. Watchman was born in Scotland and came to Canada in 1908. He farmed in the Wheatstone district from 1919 to 1921, following which he moved to Crane Valley. Mr. Watchman took a keen interest in community affairs and served on the Council and as Reeve of the Rural Municipality in which he lived. More recently he resided in Regina and died at his home on August 20th, 1960.

Mr. Harry M. Graham, a pioneer Plato farmer and a delegate in 1932-33 for District 11, Sub-district 2, died in retirement at Eston on December 6th, 1959. He was 85. He was born in Iowa and after coming to Canada early in the century, returned to Iowa where he farmed until 1920, when he settled at Plato. He remained a United States citizen to his death. He was active at Plato in formation of the local Pool elevator and served on the local committee for about twenty-five years.

Mr. W. A. S. Tegart of Weirdale, a delegate for District 15, sub-district 10, from 1942 to 1944, and a writer, died in retirement at his home at Qualicum Beach, B.C. He died on July 11th, 1959, but his death was not reported





in time for the publication of last year's Annual Report. After 1944 he became a writer with the Saskatchewan Government's Travel and Information Department and later retired to the Coast. His story, "In the Face of the Winds," appeared recently in The Western Producer.

These were men who dedicated their lives to the service of their fellow men in an effort to raise the status of agriculture to the honoured position to which it is entitled. They found through helping each other they were able also to help themselves. Their record of service and the works which they have helped to build will stand forever as an inspiration to those who have been entrusted with the task of carrying on.

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Your Board of Directors is pleased to present the 36th Annual Report covering operations of all branches of the Saskatchewan Wheat Pool for the year ended 31st July 1960. As in former years, the report presents a review of the widespread operations of all divisions.

In keeping with the practice of former years 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 by the Manitoba, Saskatchewan and Alberta Pools, are included.

#### **Consolidated Balance Sheet**

A copy of the Consolidated Balance Sheet, approved by the Company's auditors, Messrs. Ross, Touche & 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 1960. The usual explanatory notes on the principal items appearing in the Consolidated Balance Sheet are attached for the information of delegates.

As at 31st July 1960, total current assets of the entire Pool organization amounted to \$108,742,175.74. Total current liabilities amounted to \$101,640,435.09. The difference between these two items, namely \$7,101,740.65, represents the current position of the company at the end of the fiscal year, 31st July 1960.

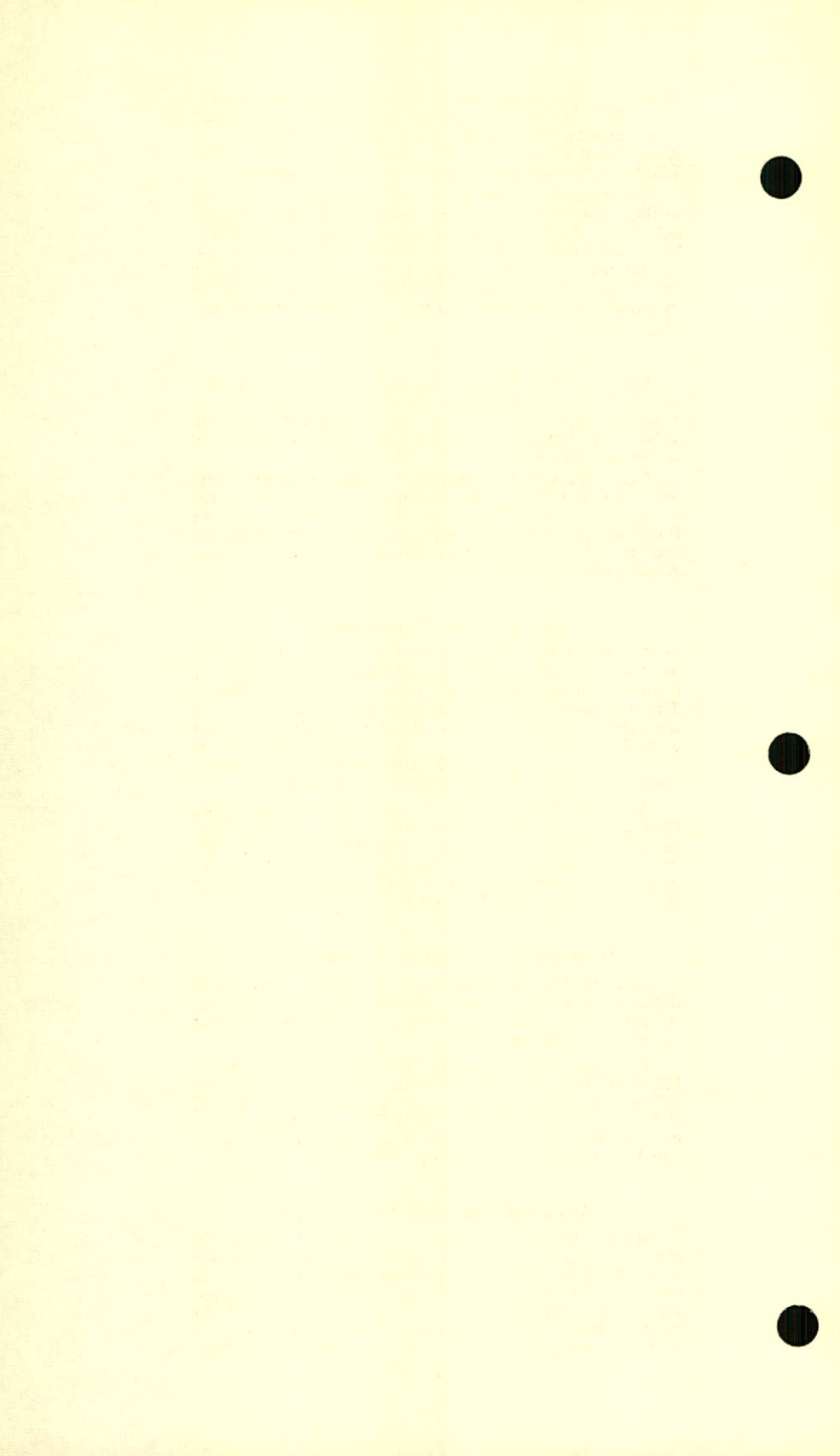
#### **Consolidated Schedule of Fixed Assets**

Schedule No. 1A attached to this report sets out in detail the cost, the accumulated allowance for depreciation set up against each item, and the net value of all fixed assets as at 31st July 1960.

The total original cost of all fixed assets is shown as \$76,868,872.42. Over the years depreciation amounting to \$43,641,549.24 has been provided, leaving the net value of the fixed assets at \$33,227,323.18. This compares with a net valuation of \$29,416,846.01 for the previous year, which represents an increase of \$3,810,477.17.

#### **Consolidated Capital Statement**

Statement No. 2 attached to this report sets out in detail the current position of the Wheat Pool organization as at 31st July 1960. After providing for the unexpended portion of the approved program of capital expenditures, estimated at \$1,986,700.00, the working capital for the season 1960-61 is shown as \$5,115,040.65, as compared with the working capital for season 1959-60 of \$6,240,-





471.46, or a decrease of \$1,125,430.81, which is accounted for as follows:

<b>Deductions:</b>	
Additions to Fixed Assets.....	\$7,558,880.57
Less Capital Commitments of 31st July 1959.....	1,744,800.00
Capital Commitments at 31st July 1960.....	\$5,814,080.57
	1,986,700.00
	<u>\$7,800,780.57</u>
<b>Deduct:</b>	
Gross Amount of Disposals.....	\$ 512,186.76
Less Accumulated Depreciation.....	346,545.44
	<u>165,641.32</u>
	\$7,635,139.25
Less Mortgages payable to Ogilvie and Lake of the Woods Milling Companies.....	<u>1,146,560.00</u>
<b>Net Capital Expenditure, including</b>	
Capital Commitment.....	\$6,488,579.25
Payment re Terminal No. 6.....	600,689.02
Increase in Investments.....	<u>125,691.74</u>
	<u>\$7,214,960.01</u>
<b>Additions:</b>	
Surplus Earnings Transferred to Reserve:	
Saskatchewan Wheat Pool—	
Season 1958-59.....	\$ 594,372.47
Saskatchewan Pool Elevators Limited—Season 1959-60.....	16,870.90
Saskatchewan Co-operative Livestock Producers Limited—Season 1959-60..	12.50
	<u>\$ 611,255.87</u>
Increase in Commercial Reserve.....	642,657.90
Increase in Elevator Deductions.....	1,192,616.11
Increase in Livestock Excess Charges	
Credits.....	12,163.20
Increase in Reserve.....	3,012.48
Decrease in Deferred Accounts	
Receivable.....	5,355.83
Liquidation of Capital:	
Depreciation on Fixed	
Assets.....	\$3,582,762.08
Decrease in Deferred	
Charges.....	39,705.73
	<u>3,622,467.81</u>
	<u>6,089,529.20</u>
<b>Decrease.....</b>	<u><u>\$1,125,430.81</u></u>

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

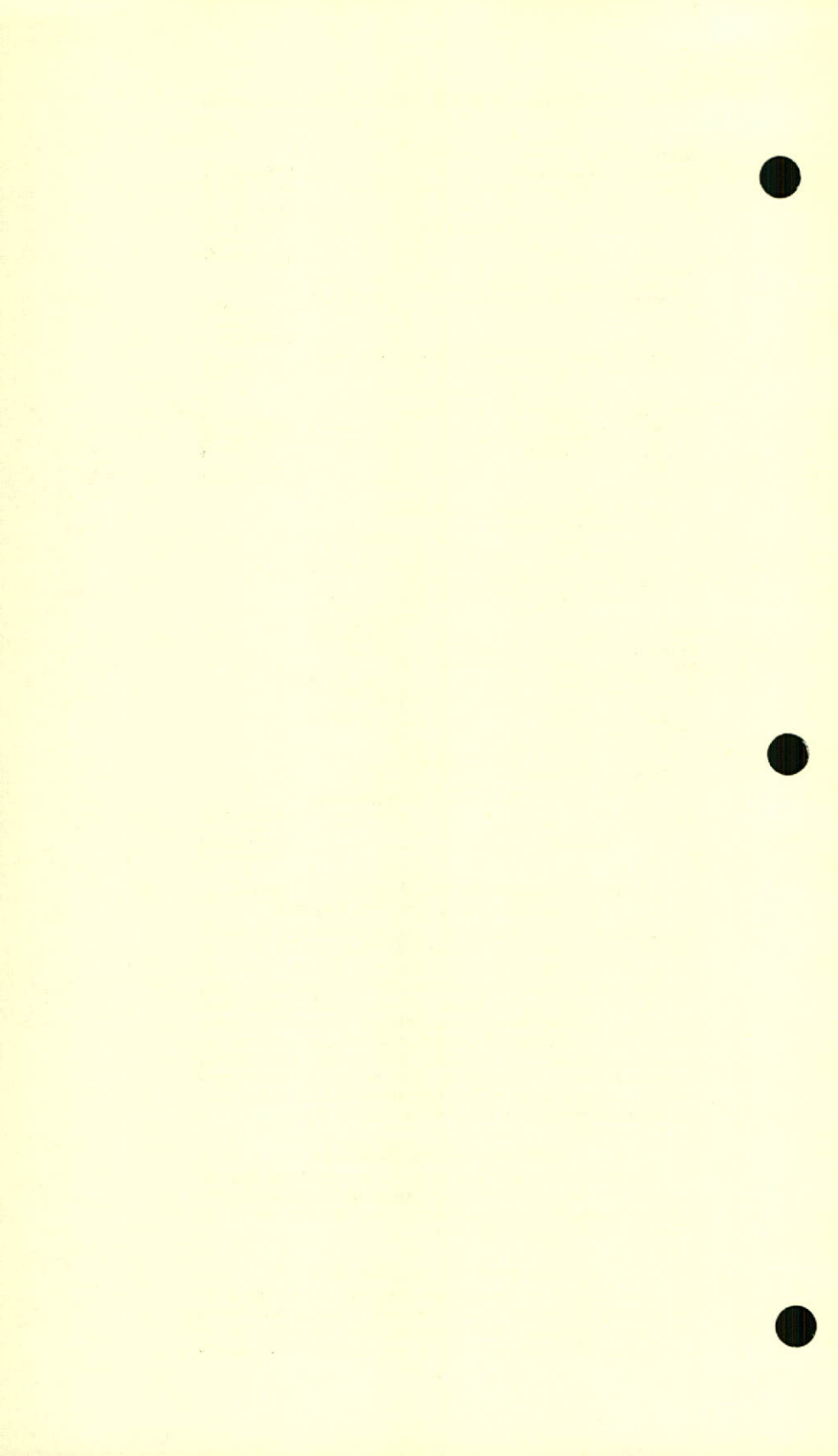
Statement No. 3 attached hereto shows the composition of capital funds as at 31st July 1960. It will be noted that \$5,021,706.95 of the reserve account and the balance of the livestock excess charges credits are in liquid form. All other capital funds are non-liquid, having been invested in fixed assets, investments, deferred accounts receivable and deferred charges. Capital commitments as at 31st July 1960 for completion of the program of building and work under construction, and machinery under purchase, estimated at \$1,986,700.00, have been taken into account in arriving at the working capital figure.

#### Statement of Net Earnings

Statement No. 4 attached 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 1960.

#### Statement of Grain Handled

Statement No. 5 which is attached, shows the total amount of grain handled by the Pool organization during the period 1924 to 1960, inclusive. The statement shows that since the inception of the organization the country



elevator system has handled 3,882,929,000 bushels and the terminals have handled 2,674,398,000 bushels.

The following statement shows the salaries, wages and taxes paid by all branches of the organization for the year ended 31st July 1960. It indicates a total wage and salary bill of nearly \$12,000,000 and a total tax bill of more than \$2,000,000.

**SASKATCHEWAN WHEAT POOL  
SALARIES AND WAGES—SEASON 1959-60**

	Salaries	Wages	Total
Head Office.....	\$ 441,821.59	\$ —	\$ 441,821.59
Country Elevator			
Division.....	6,275,700.79	—	6,275,700.79
Terminal Elevator			
Division.....	183,936.14	2,180,133.23	2,364,069.37
Flour Mill Division.....	202,066.69	233,423.35	435,490.04
Vegetable Oil Division.....	133,111.76	2,114.61	135,226.37
Livestock Division.....	203,887.71	94,103.74	297,991.45
Printing and Publishing			
Division.....	237,996.38	335,806.33	573,802.71
Construction and Repairs, etc.—all divisions.....	207,325.63	1,116,930.60	1,324,256.23
	\$ 7,885,846.69	\$ 3,962,511.86	\$ 11,848,358.55

**TAXES—SEASON 1959-60**

	Property Tax	Business Tax	Total
Municipal			
Head Office.....	\$ 12,436.15	\$ 7,632.69	\$ 20,068.84
Country Elevator			
Division.....	*661,656.81	141,582.19	803,239.00
Terminal Elevator			
Division.....	*439,265.00	109,284.16	548,549.16
Flour Mill Division.....	24,846.49	4,147.66	28,994.15
Vegetable Oil Division	5,706.76	744.28	6,451.04
Livestock Division.....	6,902.26	1,613.72	8,515.98
Printing & Publishing			
Division.....	8,148.27	4,029.16	12,177.43
Wheat Pool Building, Winnipeg and Sask- atoon.....	8,545.29	—	8,545.29
	\$ 1,167,507.03	\$ 269,033.86	\$ 1,436,540.89

**Canada and Provincial**  
Income and Corporation Taxes—Estimated.....\$ 598,861.85

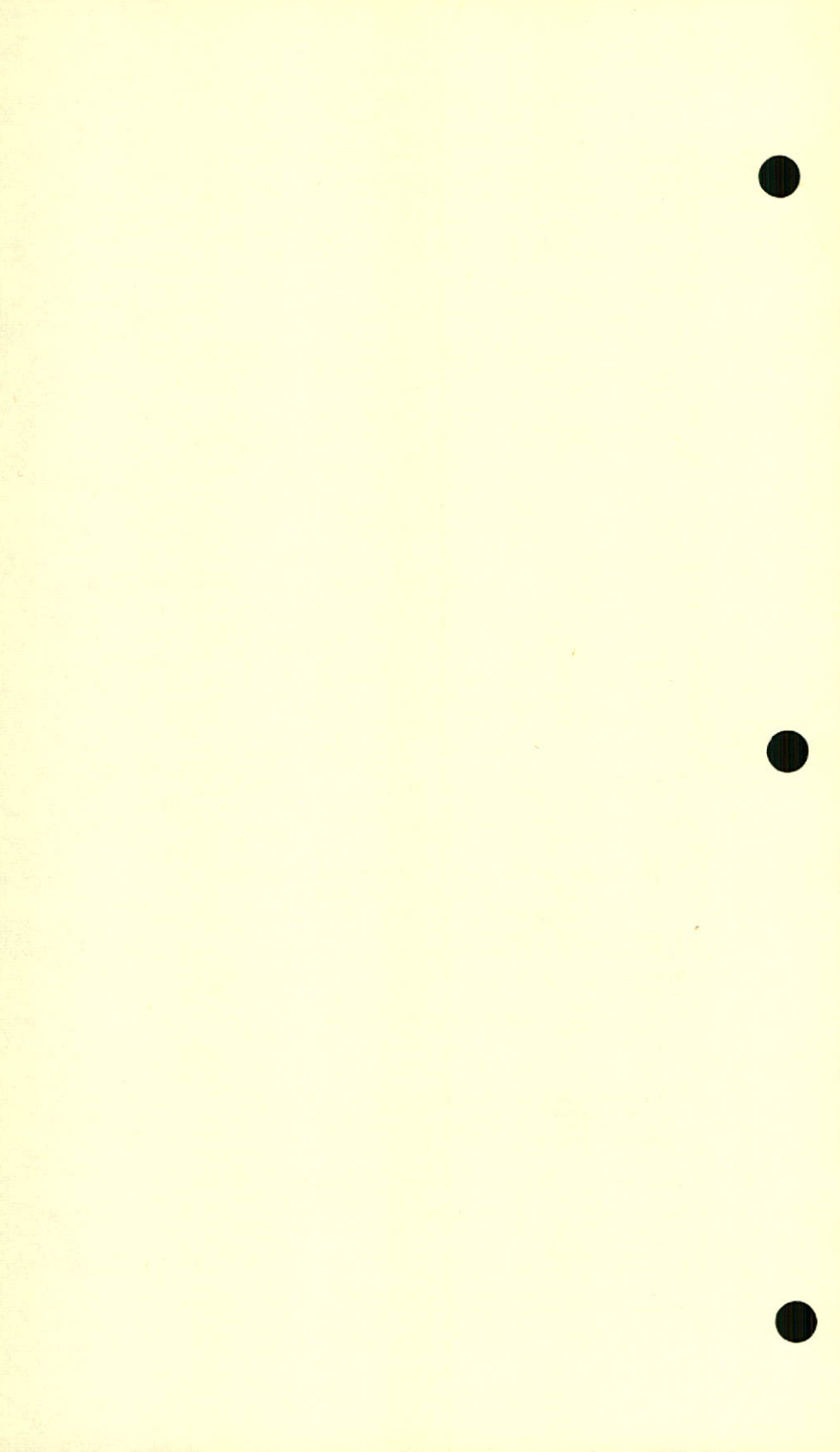
\*Estimated as to proportion of total represented by  
Business and Property Taxes.

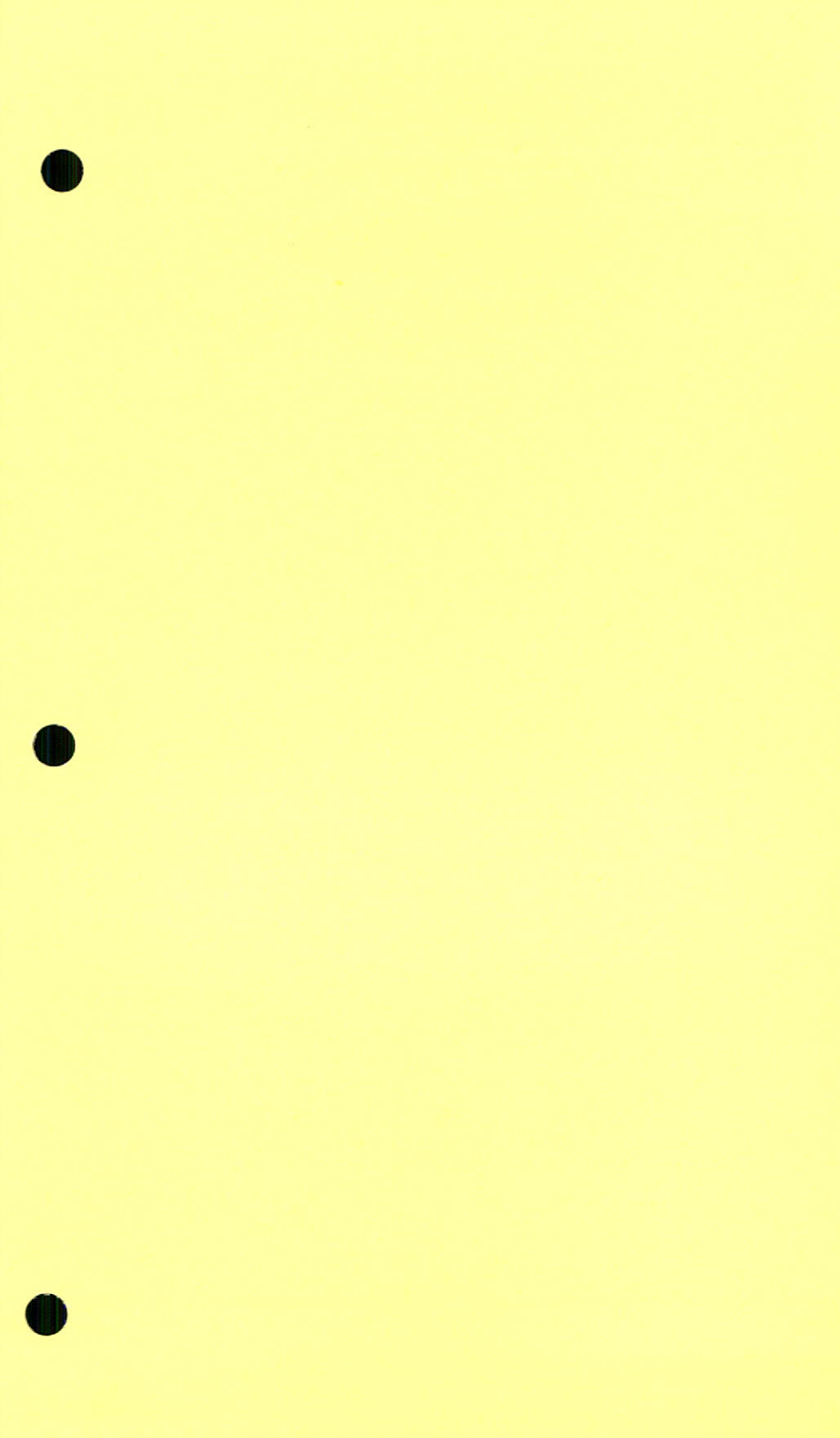
**Statement of Financial Position and Members'  
Equity as at 31st July 1960**

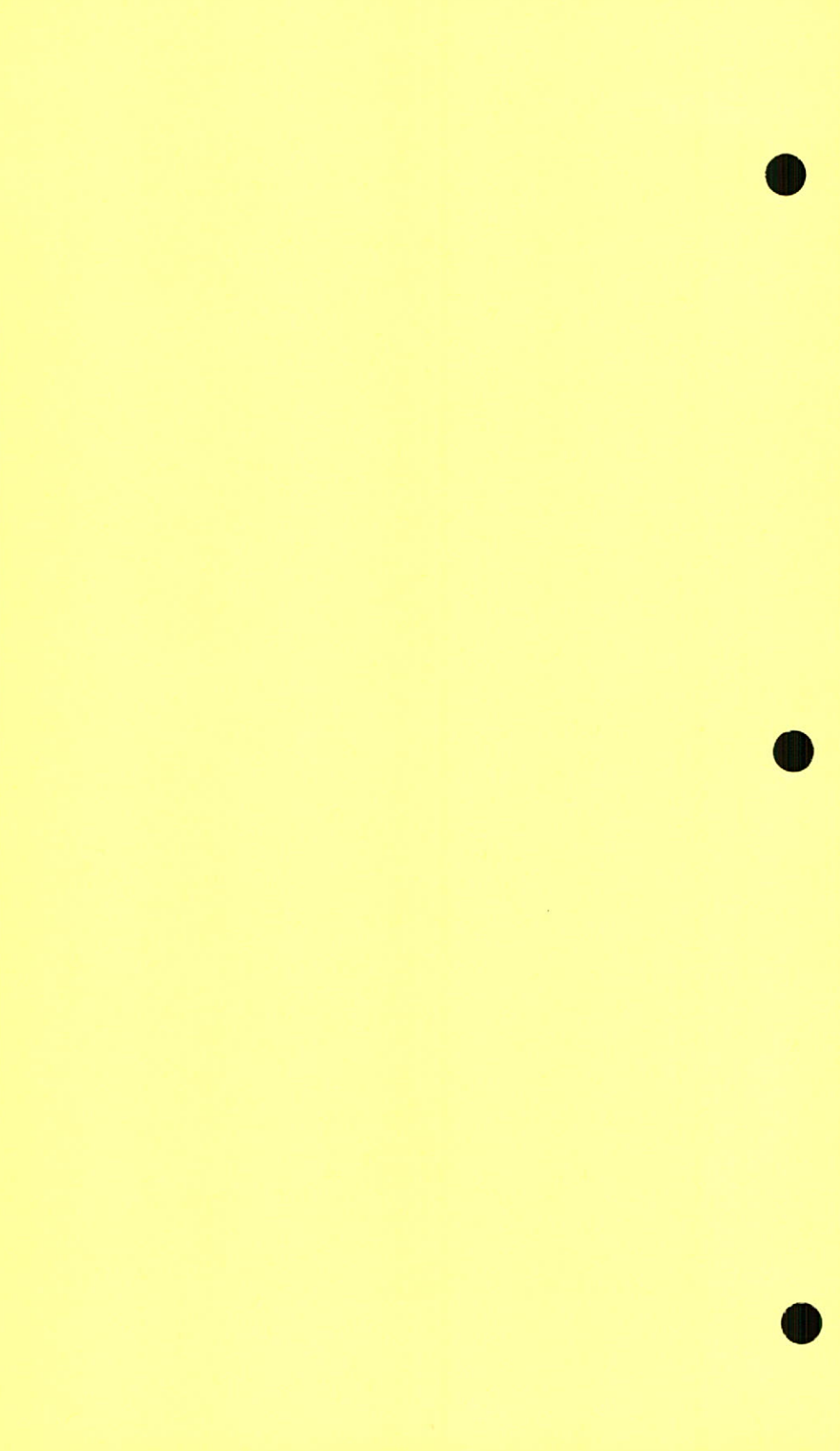
The Consolidated Balance Sheet shows the financial position of the organization and the members' equity as at 31st July 1960. It may be summarized as follows:

Total Current Assets.....	\$ 108,742,175.74
Less Current Liabilities.....	101,640,435.09
Working Capital—subject to Capital Commitments already referred to.....	\$ 7,101,740.65
Other Assets.....	34,142,768.17
	\$ 41,244,508.82
Less:	
Reserve for Unearned Subscriptions, The Western Producer.....	\$ 10,000.00
Saskatchewan Co-op Credit Society..	1,288,331.53
Mortgages Payable.....	1,146,560.00
	2,444,891.53
Total Net Assets representing Members' Equity.....	\$ 38,799,617.29
The Members' Equity is represented by:	
Capital (Membership Fees).....	\$ 141,227.00
Commercial Reserve.....	10,210,498.65
Elevator Deductions.....	18,947,924.12
Livestock Excess Charges Credits.....	93,333.70
Amount contributed by and allocated to Members.....	\$ 29,392,983.47
Reserve (unallocated).....	9,406,633.82
Total.....	\$ 38,799,617.29











## Country Elevator Division

The Financial Statements and Auditors' Reports submitted separately to delegates show details of the operations of the Country Elevator Division for the year ended 31st July 1960.

Total net earnings of the Country Elevator Division for the year amount to \$3,840,202.59, or a net earning per bushel of 2.63c, as compared with net earnings of \$4,505,549.33 for the previous year or 3.14c per bushel.

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

	1959-60	1958-59	Increase (Decrease)
Earnings.....	\$21,318,259.53	\$20,464,400.89	\$ 853,858.64
Expenses.....	17,478,056.94	15,958,851.56	1,519,205.38
<b>Surplus.....</b>	<b>\$ 3,840,202.59</b>	<b>\$ 4,505,549.33</b>	<b>\$ (665,346.74)</b>

### Grain Handlings

The following tabulation provides a comparison of primary grain handlings in Saskatchewan for the Season 1959-60 as compared with 1958-59:

#### Total Primary Receipts at Country Elevators in Saskatchewan During Grain Years 1959-60 and 1958-59

	1959-60 (Bushels)	1958-59 (Bushels)
All Elevators:		
Wheat.....	236,127,441	222,270,889
*Coarse Grains.....	52,628,658	80,891,739
<b>Total—All Elevators.....</b>	<b>288,756,099</b>	<b>303,162,628</b>
Saskatchewan Pool Elevators:		
Wheat.....	122,001,458	107,818,679
*Coarse Grains.....	23,834,147	35,421,262
<b>Total—Sask. Pool Elevators.....</b>	<b>145,835,605</b>	<b>143,239,941</b>

\* Rapeseed included.

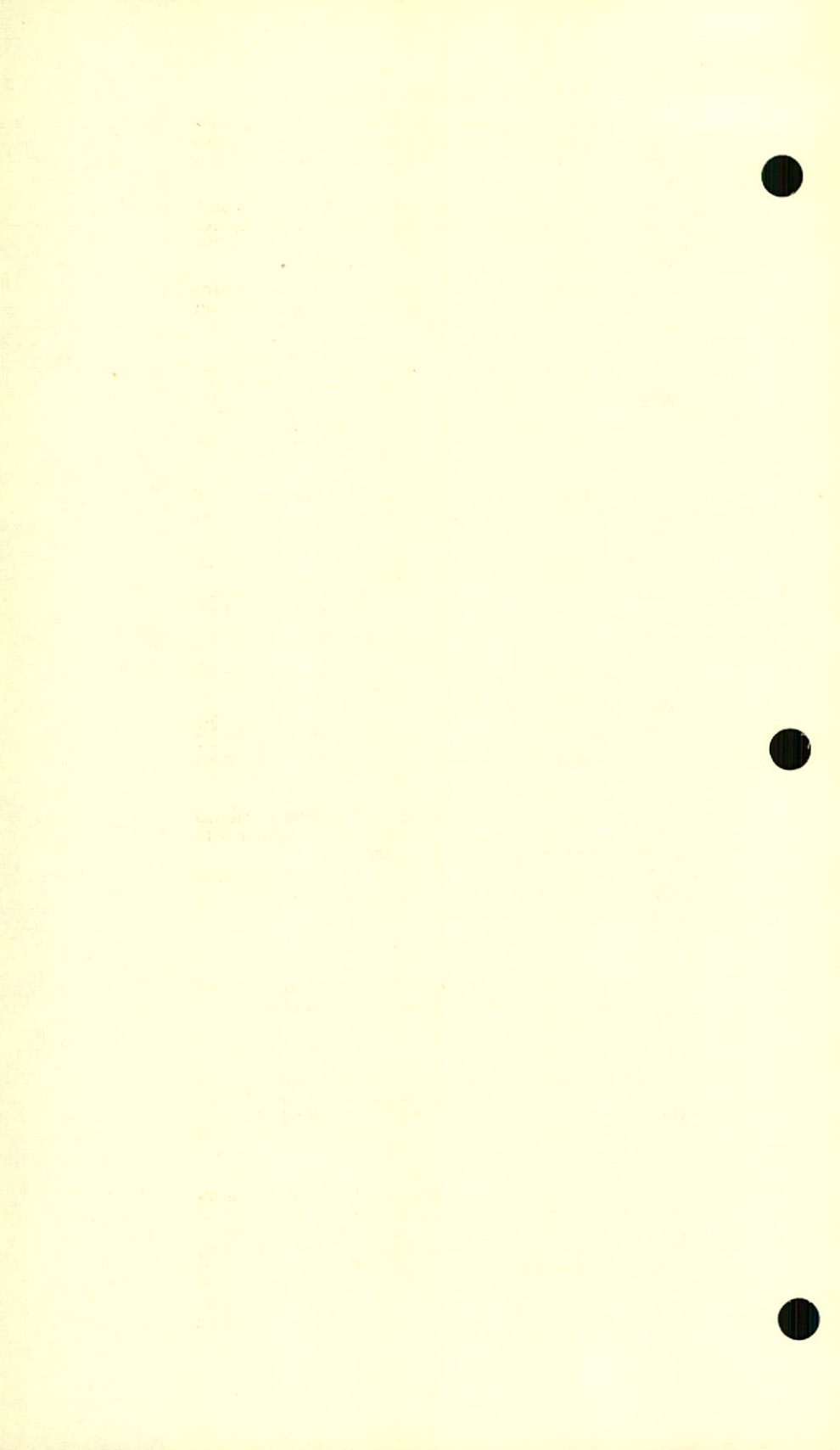
The volume of grain handled over loading platforms for the season totalled 37,660 bushels, as compared with 33,744 bushels for the previous season.

The average handled per elevator (1,237 elevators receiving grain in 1959-60 and 1,127 elevators receiving grain in 1958-59) was as follows:

	1959-60	1958-59
	117,894 bushels	127,098 bushels
Percentage of total deliveries in Saskatchewan handled by Pool elevators (platform loadings not included):		
1959-60	50.50%	47.25%
1958-59		

The above handling and percentage figures for the Season 1959-60 are interim figures, based on the information available at the time this report was being prepared. They will be subject to adjustment when the final report of the Board of Grain Commissioners for Canada becomes available. The 1958-59 figures are final.

This year, as in the previous season, Pool country elevators were badly congested, and unable to receive all grain offered. The year began with stocks in store of 74,823,432 bushels of all grains. With the exception of very short periods of time, the elevator system carried in store grain in excess of 60 million bushels, and there were 76,868,958 bushels in store on 31st July 1960. In addition to the average stocks quoted, small amounts of rapeseed were carried in each season.



### Receipts of Grain by Months

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

Receipts by Months—Season 1959-60				
	Receipts for Month	(Bushels) Monthly % of Total	Cumulative Total	Cumulative %
<b>1959:</b>				
August.....	3,352,988	2.3	3,352,988	2.3
September.....	9,037,891	6.2	12,390,879	8.5
October.....	9,984,186	6.8	22,375,065	15.3
November.....	14,291,164	9.8	36,666,229	25.1
December.....	14,727,435	10.1	51,393,664	35.2
<b>1960:</b>				
January.....	6,375,084	4.4	57,768,748	39.6
February.....	5,176,281	3.5	62,945,029	43.1
March.....	5,857,100	4.0	68,802,129	47.1
April.....	10,386,251	7.1	79,188,380	54.2
May.....	16,109,438	11.1	95,297,818	65.3
June.....	23,520,708	16.1	118,818,526	81.4
July.....	27,017,079	18.6	145,835,605	100.0
	<u>145,835,605</u>	<u>100.0</u>		

The following statement shows the amount of grain unloaded by the Country Elevator Division, by destinations, in Season 1959-60, as compared with the previous Season:

	Bushels Unloaded	
	1959-1960	1958-1959
<b>Saskatchewan Pool Terminals:</b>		
Lakehead.....	95,943,303	83,276,359
Vancouver.....	11,749,256	14,153,705
<b>Total—Sask. Pool Terminals.....</b>	<b>107,692,559</b>	<b>97,430,064</b>
Manitoba Pool Terminals.....	538,313	14,151
Other Lakehead Terminals (incl. spec. bin).....	3,455,039	7,429,223
Maltsters.....	313,911	463,496
<b>Mills:</b>		
Flour Mill Division, Saskatoon.....	2,695,644	2,638,506
Vegetable Oil Division, Saskatoon.....	34,246	199,410
Other Mills.....	14,079,624	13,228,280
Churchill.....	10,433,745	9,064,003
<b>Pacific Coast:</b>		
Alberta Pool Terminal.....	4,552,240	2,499,120
Other Pacific Coast Terminals.....	1,993,927	2,237,865
Interior Terminals.....	181,934	1,094,194
Railway Claims.....	39,306	58,419
<b>Total.....</b>	<b>146,010,488</b>	<b>136,356,731</b>

### Grading Record

The grading record for the year, based on cut-off valuations, indicates a net credit in grades amounting to \$519,515.00. The position based on cut-off valuations in the previous season indicated a net credit of \$253,305.00.

The records indicate that 197,556 cars of wheat were inspected at all primary inspection points in Canada during the 1959-60 season. Of the cars inspected, 67% were contract grades, compared with 77% in the previous season, and 19% inspected tough or damp, compared with only 8% in 1958-59.

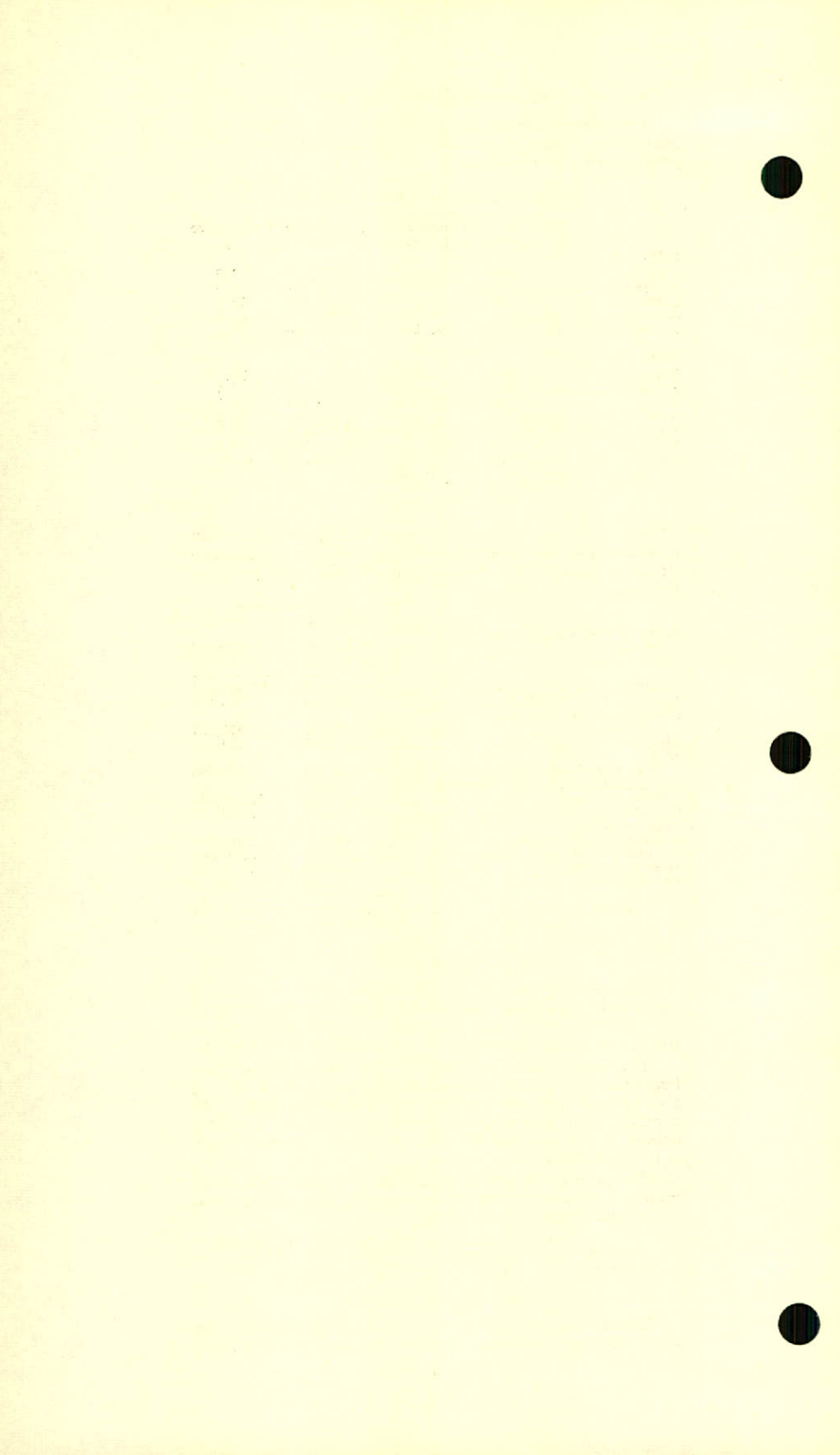
The number of cars of wheat passing inspection at all points, with the number that graded tough or damp, is as follows for the season indicated:

	Total Cars	Tough Cars	Damp Cars
1959-60.....	197,556	25,038	12,136
1958-59.....	184,636	14,370	933

### Wheat Dockage Record

The dockage record for wheat indicates a small dockage gain. Average dockage assessed by agents on graded





receipts of wheat was 2.60%, while average dockage on outturn of street cars of wheat was 2.32%, or a gain of .28%. As heavy stocks remain in elevators and in transit, final results will not be known until the wheat is shipped and unloaded.

#### *Weigh-ups or Cut-offs*

Although the exceptionally heavy stocks carried throughout the season again precluded the weighing up of a large percentage of our elevators, a complete weigh-up of stocks was carried out at 463 elevators (37%), and estimated at the remainder, as compared with 248 houses (22%) weighed in the previous season. Travelling Superintendents' grade and dockage were used for closing stock records at all points.

#### *Malting Barley Premiums*

Premiums obtained on consigned shipments of malting barley for the account of growers for the year just closed amounted to \$75,646.27, compared with \$215,347.03 in the preceding year. No premiums were obtained on company stocks during the 1959-60 season. The quantity for which malting premiums were obtained totalled 2,521,542 bushels, compared with 4,332,057 bushels in the season 1958-59.

Out of approximately 11,814 samples received by our barley department in Winnipeg, approximately 2,711, or 22.94%, were accepted by maltsters and other buyers.

#### *Adjustments on Special Bin Shipments*

Adjustments to growers on special bin shipments for non-preservation of identity in the season just completed amounted to \$993.43, as compared with \$1,092.89 in the Season 1958-59.

#### *Insurance Coverage and Fire Losses*

Insurance coverage on country elevators was maintained at 100% of replacement cost less depreciation. The values used in over-all coverage are believed to be adequate and amount to \$46,485,259.00 for elevators, annexes and bins.

During the year 1959-60, no serious fire losses were experienced. Claims on grain elevator buildings amounted to \$1,872.45, and on grain to \$580.21, for a total loss of only \$2,452.66, compared with claims totalling \$226,825.76 in the previous season.

Details of the premiums paid and the loss ratio for the two seasons under review are as follows:

<b>1959-60</b>		
Premiums on Buildings.....	\$270,880.17	Loss Ratio..... .69%
Premiums on Grain.....	529,977.99	Loss Ratio..... .11%
Premiums on Bldgs. & Grain.....	\$800,858.16	Loss Ratio..... .31%
<b>1958-59</b>		
Premiums on Buildings.....	\$253,314.55	Loss Ratio..... 31.93%
Premiums on Grain.....	529,361.50	Loss Ratio..... 27.57%
Premiums on Bldgs. & Grain.....	\$782,676.05	Loss Ratio..... 28.98%

Pool Insurance Company carries 50% of the insurance risk, the balance being re-insured as follows:

Canadian Fire Insurance Co.....	7%
Co-operative Insurance Society Ltd. (Manchester).....	21%
General Accident Assurance Co. of Canada.....	2%
Lloyds of London.....	20%

As at 31st July 1960, the insurance carried on agents' dwellings with Pool Insurance Company amounted to \$3,903,164.00. Premiums paid for coverage in 1959-60 amounted to \$5,216.61. Claims during the season amounted to \$133.03 for a loss ratio of .025%.





### *Acquisition of Ogilvie and Lake of the Woods Elevators*

During the year the Saskatchewan Wheat Pool purchased 103 elevators, 22 cribbed annexes, 49 balloon-type annexes and 19 lockstave annexes from the Ogilvie Flour Mills Co. Limited and the Lake of the Woods Milling Company. Total capacity of the above facilities is 5,570,000 bushels. The Company also purchased, along with the other assets, 89 flour sheds, 10 coal sheds, 18 cottages and 30 modern cleaners.

### *Rapeseed Pool*

July 31st, 1960 marked the close of the first year of operation of the Saskatchewan Wheat Pool Rapeseed Pool.

Seed was purchased only from growers who signed a pooling contract. The contract provided for an initial payment of 2c per lb. or \$1.00 per bushel. 1,724 growers signed contracts, covering 73,785 acres seeded to rapeseed.

Effective 15th October 1959, the initial payment was increased to 3c per lb. or \$1.50 per bushel for Canada Rapeseed and, by way of an interim payment, was made retroactive to 1st August 1959.

On 28th March 1960 approval was given for an interim payment to be made of 30c per bushel, and the initial payment became \$1.80 per bushel. The Pool was closed out on 27th June 1960 and a final payment made as follows:

Final Payment per Bushel	Grade	Increasing Final Price to Per Bus. or Per Lb.
22½c	Canada Rapeseed	\$2.05½ 4.11c
33½c	2 Canada Rapeseed	\$1.97½ 3.95c
44½c	3 Canada Rapeseed	\$1.86½ 3.73c
62½c	Sample Canada Rapeseed	\$1.62½ 3.25c

All seed was sold through the Central Selling Agency, less a small amount inventoried to the 1960-61 Rapeseed Pool.

Seeded acreage in Saskatchewan in 1959 was only 165,000 acres. Rapeseed marketed in Saskatchewan in 1959-60 totalled 2,092,716 bushels. The Rapeseed Pool handled 831,484 bushels, or 39.7% of Saskatchewan deliveries.

Poor threshing weather during the 1959 autumn and early snow resulted in some rapeseed being threshed with a high moisture content. A portion of the crop was not threshed until the spring of 1960. As a result, there was a substantial proportion of the crop graded other than Canada Rapeseed.

The experience of the personnel of the Saskatchewan Wheat Pool, Export Department, proved most helpful as sales were made and documents processed. The head of that department maintains daily contact with the Central Selling Agency and the Regina office.

As this was the Wheat Pool's first venture into the pooling of rapeseed, the experience gained in handling a relatively small amount of grain should prove useful in the future. Average prices were good and, as indicated, stocks moved to export markets readily.

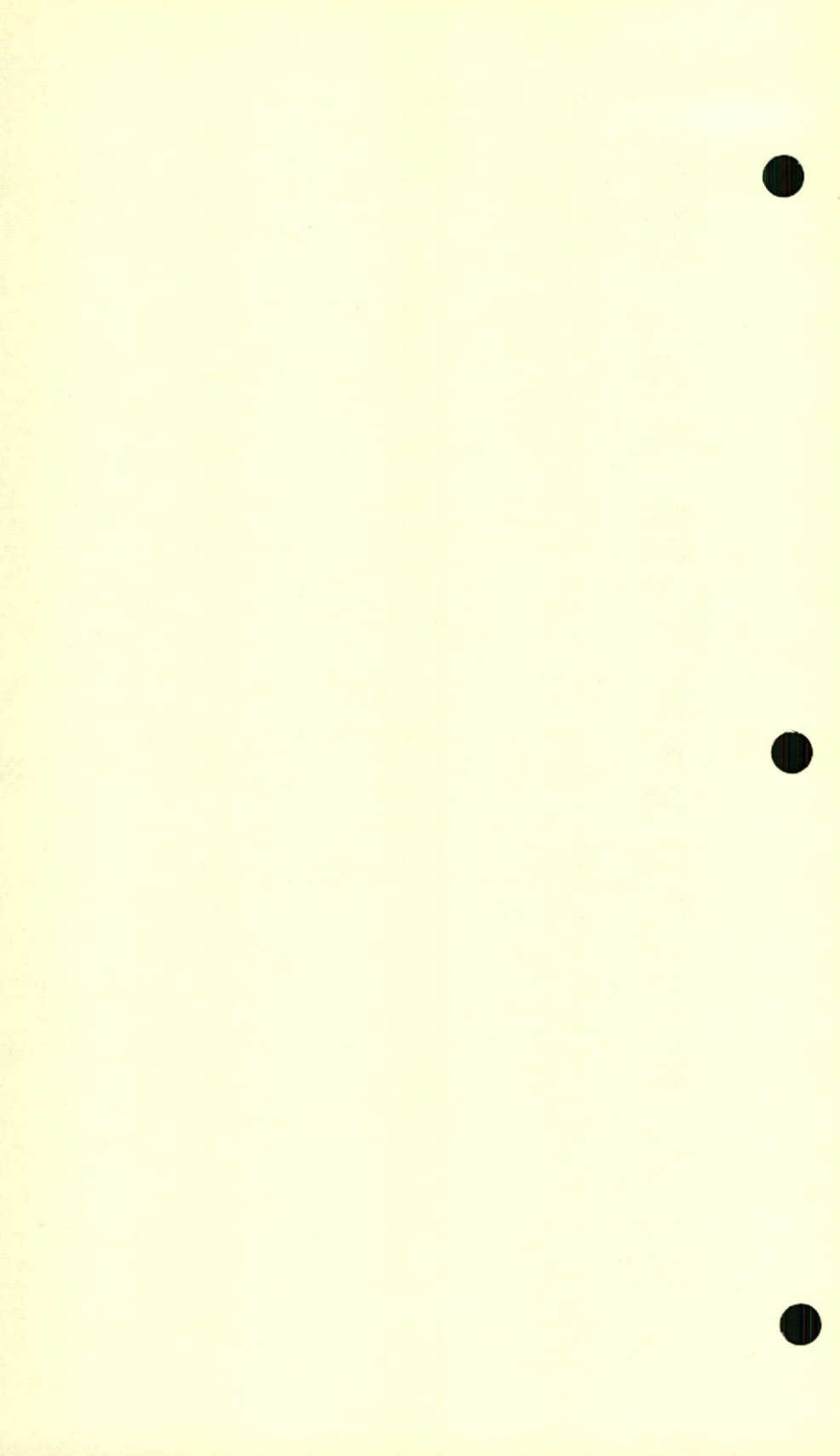
The Statement of Operations of the Rapeseed Pool for the year ended 31st July 1960 follows:

Proceeds from Sales of Rapeseed and Screenings.....	\$2,129,328.83
Value of Stocks on hand 31st July 1960.....	125,654.80
	<u>\$2,254,983.63</u>

Paid to Producers for Rapeseed delivered to the Pool.....\$1,641,439.44

#### **Expenses:**

Country Elevator Handlings and Storage Charges.....	\$69,822.72
Inward Freight and Interior Terminal Charges.....	248,197.45
Outward Freight and Export Charges.....	237,069.75



**Administration and General Expense**

Central Selling Agency Commission.....	\$37,381.52		
Administration Charges: Sask. Wheat Pool.....	3,603.60		
Interest Paid.....	16,548.23		
Exchange.....	609.01		
Printing and Stationery.....	311.91	\$58,454.27	\$ 613,544.19

**Cost of Rapeseed Acquired by Pool.....\$2,254,983.63**

The Balance Sheet of the Rapeseed Pool as at 31st July 1960 follows:

<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash in Bank.....	\$ 39,899.13	Cheques Outstanding.....	\$ 72,573.78
Accounts Receivable....	43,130.96	Accounts payable—Sask. Wheat Pool	135,074.99
Stocks of Rapeseed.....	125,654.80	Accrued Expenses....	1,036.12
	<u>\$208,684.89</u>		<u>\$208,684.89</u>

**Export Department**

For the year under review total sales of grain by the Export Department amounted to 2,388,084 bushels, compared with 4,989,158 bushels for Season 1958-59. A comparison of sales with those of the previous year, is set out below:

	1959-1960 (bushels)	1958-1959 (bushels)	Increase (Decrease) (bushels)
Wheat.....	2,182,013	3,846,292	(1,664,279)
Oats.....	177,500	514,538	( 337,038)
Barley.....	28,571	459,362	( 430,791)
Flax.....	—	168,966	( 168,966)
Rye.....	—	—	—
<b>Total.....</b>	<u>2,388,084</u>	<u>4,989,158</u>	<u>(2,601,074)</u>
Screenings (Tons)....	<u>270</u>	<u>60</u>	<u>210</u>

The year's operations of the department show a loss of \$112,834.22 compared with a loss of \$50,678.38 for the previous year.

Carlot shipments for the domestic market during Season 1959-60 were 78, as compared with 92 for the previous year. A breakdown of the total, by grains, is shown below:

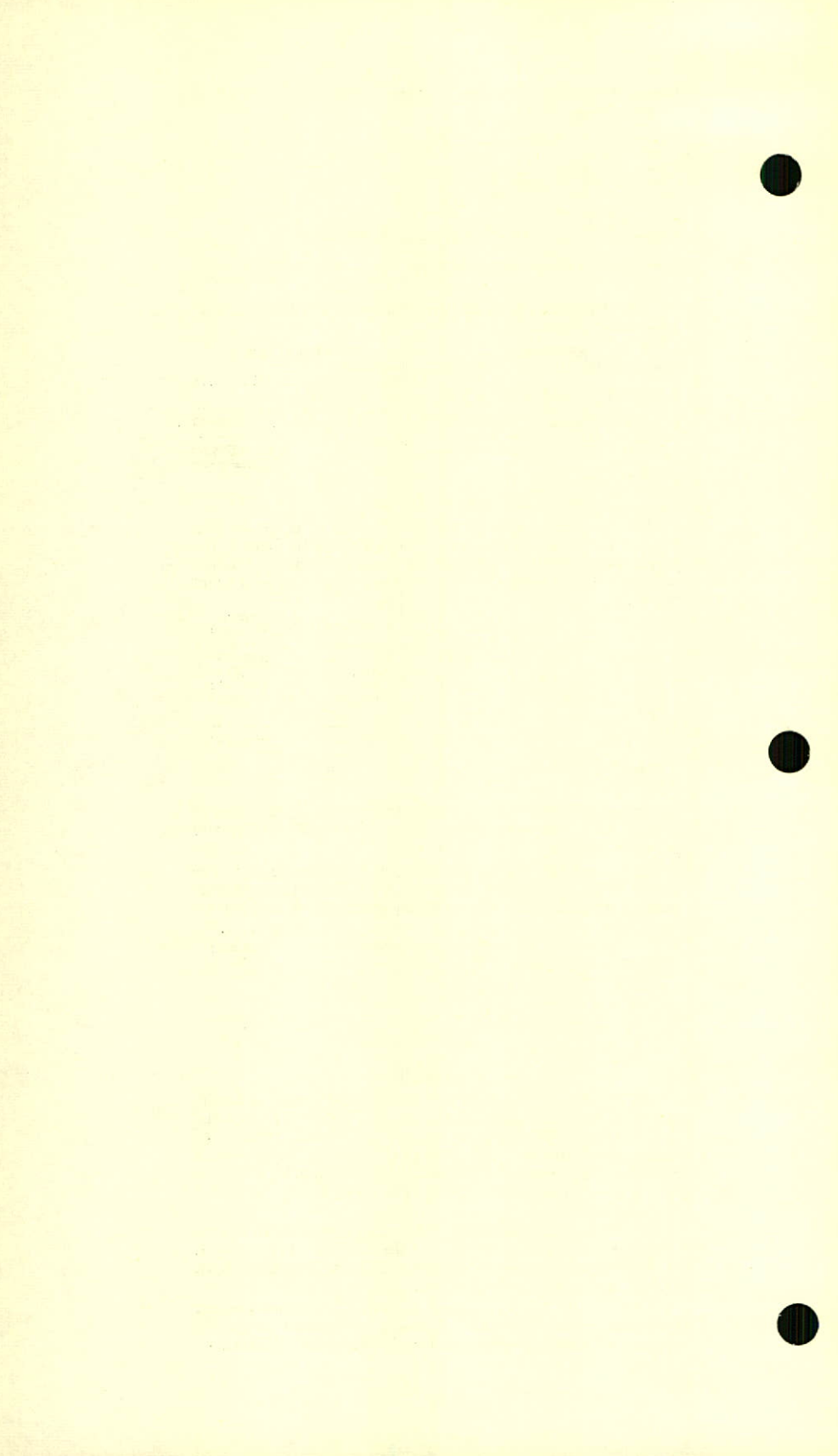
	1959-1960	1958-1959	Increase (Decrease)
Wheat.....	27 $\frac{1}{2}$	31 $\frac{1}{2}$	( 4)
Oats.....	25	44	(19)
Barley.....	17 $\frac{1}{2}$	14 $\frac{1}{2}$	3
Screenings.....	8	2	6
<b>Total.....</b>	<u>78</u>	<u>92</u>	<u>(14)</u>

**Churchill**

At the close of the 1959 shipping season stocks of wheat in store at Churchill amounted to 4,870,871 bushels. During the 1960 shipping season 16,817,662 bushels of wheat were shipped into the port, making total stocks available for shipment of 21,690,510 bushels, after allowing for adjustments and drying loss amounting to 1,977 bushels.

Of the total amount shipped to the port, Saskatchewan Wheat Pool country elevators shipped 7,827,415 bushels, or 46.54% of the total shipments. This compares with 51.94% for the previous season.

During the 1960 shipping season, 48 cargoes cleared port carrying 19,582,490 bushels, compared with 58 cargoes of wheat shipped in the 1959 season. Balance of





wheat in store at the close of the season was estimated at 2,108,020 bushels.

The last vessel cleared the port on 12th October 1960.

The following is the breakdown of grades of the total shipments from the port: One Northern wheat—225,866.7 bushels; Two Northern wheat—9,815,578.7 bushels; Three Northern wheat—7,174,520.9 bushels; Four Northern—2,171,324.9 bushels; No. 5 wheat—40,581.3 bushels; Rejected One Northern Mixed Heated wheat—18,239.6 bushels; Rejected Two Northern Mixed Heated wheat—64,529.2 bushels; Rejected Three Northern Mixed Heated wheat—71,849 bushels.

### Seed Grain Sales

As in previous years, all orders received by the Saskatchewan Wheat Pool for high quality seed grain during the 1959-60 season were placed with the Saskatchewan Seed Grain Co-operative Limited at Moose Jaw. Approximately 45% of registered and certified seed sales made by this Association were distributed through the Pool organization.

The following is a comparison of the seed grain sales handled by the Country Elevator Division in the last two seasons:

	1959-1960 (bushels)	1958-1959 (bushels)
Wheat.....	28,394	49,224
Oats.....	32,331	31,076
Barley.....	22,474	24,804
Flax.....	25,176	6,418
Rye.....	230	96
Rapeseed.....	10,408	578
<b>Total.....</b>	<b>119,013</b>	<b>112,196</b>
Value of Sales.....	\$386,889.30	\$227,773.50
Commission: Office.....	\$ 8,749.12	\$ 5,711.93
Agents.....	8,734.28	5,676.55

In 1959 the Saskatchewan Seed Grain Co-operative completed arrangements with the University of Saskatchewan to handle the contract production of Arlo rapeseed. In the spring of 1960 this seed was distributed to growers at cost by the Seed Co-operative and the Saskatchewan Pool agreed to forego its commission on the distribution of this new variety. Of the 10,408 bushels of rapeseed sold through the Pool, 4,404 bushels were of the Arlo variety.

### Mill Shipments

All mill orders in Season 1959-60 were again allocated by The Canadian Wheat Board. Between 1st August 1959 and 31st July 1960 mill orders covering 8,208 cars of wheat were issued to Pool agents, compared with orders for the shipment of 8,198 cars in the previous season.

### 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:



### *Elevator Program*

	Capital	Repair	Total
Construction or Reconstruction of 22 elevators.....	\$1,572,000.00		
Plus Shipman (Fire Loss Replacement).....	70,000.00	—	\$1,642,000.00
Construction or Reconstruction of 20 Annexes.....	525,500.00	—	525,500.00
Repairs and Improvements of Elevators, Annexes, Wiring, Door Openers, etc., Lighting Plants, etc.....	339,240.00	\$533,675.00	872,915.00
Repainting of Elevators and Annexes.....	—	91,000.00	91,000.00
Repairs to Temporary Annexes.....	—	65,000.00	65,000.00
	<u>\$2,506,740.00</u>	<u>\$689,675.00</u>	<u>\$3,196,415.00</u>

#### **Agents' Dwellings**

Repairs, Renovations & Capital Improvements.....	\$ 184,500.00	\$45,500.00	\$ 230,000.00
Painting.....	—	18,785.00	18,785.00
Construction and Purchase of Dwellings.....	152,000.00	—	152,000.00
	<u>\$ 336,500.00</u>	<u>\$ 64,285.00</u>	<u>\$ 400,785.00</u>

Amounts expended as at 31st July 1960, under the above authority, are shown in the following statements:

<b>Elevator Program</b>	Capital	Repair	Total
Construction or Reconstruction of Elevators and Annexes.....	\$1,357,141.53	\$ —	\$1,357,141.53
Repairs to Elevators, Annexes, Wiring and re-wiring.....	184,433.63	325,051.53	509,485.16
Repainting of Elevators.....	—	56,700.00	56,700.00
Repairs to Temporary Annexes.....	—	31,031.25	31,031.25
	<u>\$1,541,575.16</u>	<u>\$412,782.78</u>	<u>\$1,954,357.94</u>

#### **Agents' Dwellings Program**

Expenditures to 31st July 1960 as follows:

Construction of New Dwellings.....	\$ 47,339.56	\$ —	\$ 47,339.56
Repairs, Renovations, Electric Wiring, Painting, etc.....	66,953.59	16,508.88	83,462.47
Purchase of Dwellings.....	2,460.00	—	2,460.00
Purchase of Property.....	2,650.23	—	2,650.23
Sundry Additions.....	—	—	—
Expended July 31, 1960.....	<u>\$ 119,403.38</u>	<u>\$ 16,508.88</u>	<u>\$ 135,912.26</u>
Warehouse (Regina) Authorized.....	\$ 140,000.00		
Amount Expended July 31, 1960.....	\$ 23,835.14		\$ 23,835.14

### *Elevator Repairs and Improvements*

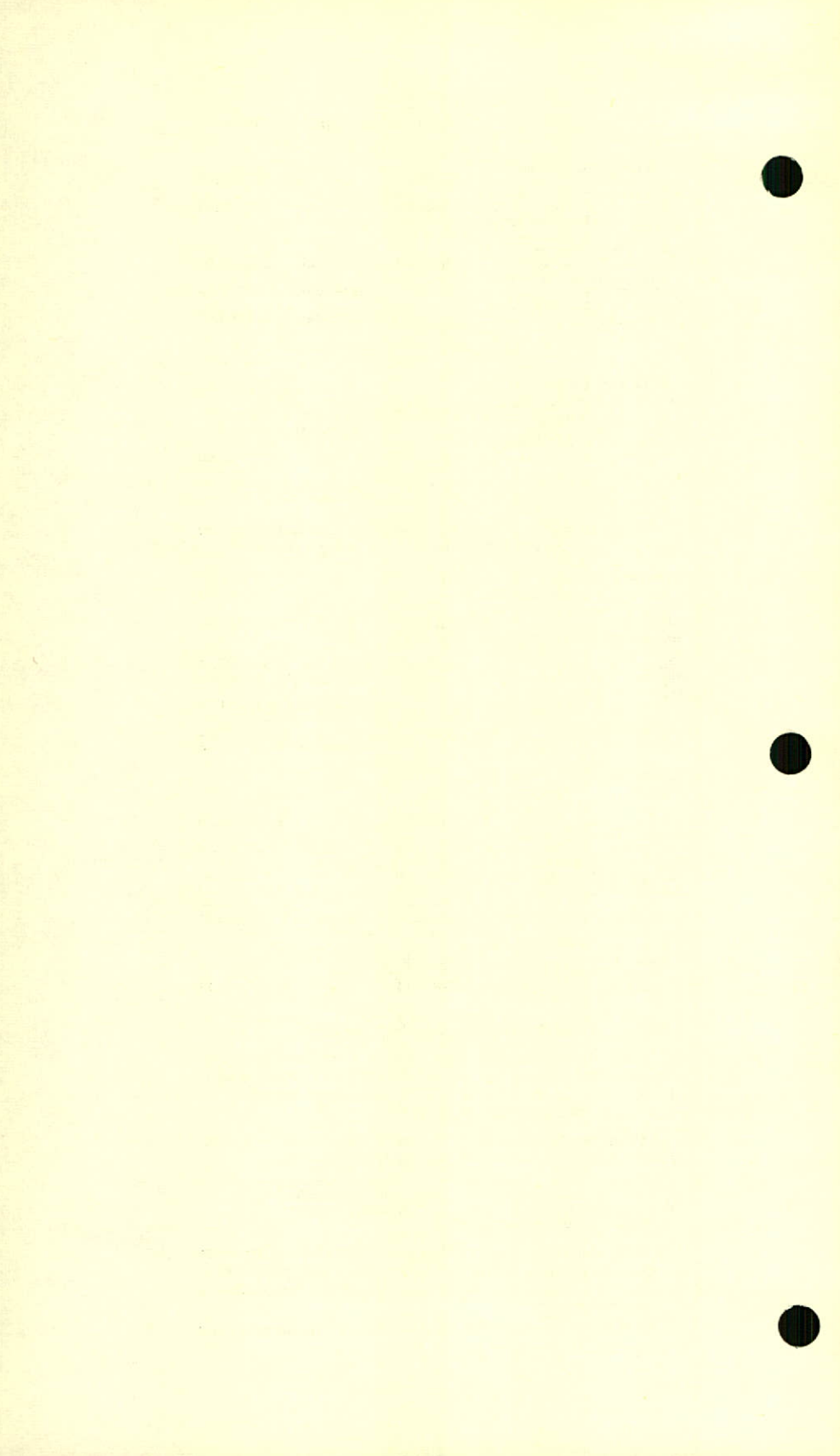
It will be noted that the volume of repairs and improvements to elevators and annexes which it was possible to complete before 31st July 1960, was approximately 58 per cent of the authorized program.

Major replacements of machinery and equipment completed as at 31st July 1960 include the following:

8—Electric Motor Installations	8—Engine Houses remodelled
4—New Engines installed	1—Driveshed rebuilt
6—Engines transferred	1—Scale transferred
1—Engine House rebuilt	

One hundred and thirty-five elevators and eighty-three annexes have been repainted (out of a total program of two hundred and fifty-four elevators and one hundred and seventy-three annexes).

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





## Elevator Construction

A total of 22 construction projects was authorized, of which 20 were allocated and nearing completion at the date this report was prepared. In general, the new elevators represent replacement of existing facilities, but in a few instances the new plant was built on a new site, retaining the existing elevator temporarily. Details are as follows:

Battleford.....	New 80,000 bushel elevator on new site—all electrically driven.
Birsay.....	Elevator rebuilt to 50,000 bushel capacity, retaining 40,000 bushel Crib Annex—all electrically driven.
Dewar Lake.....	Elevator rebuilt to 50,000 bushel capacity, retaining 25,000 bushel temporary annex—all electrically driven.
Edam.....	Elevator rebuilt to 35,000 bushel capacity, retaining 20,000 bushel crib annex and 35,000 bushel frame annex—all electrically driven.
Fairmount.....	Elevator rebuilt to 65,000 bushel capacity, retaining 22,000 bushel temporary annex—diesel engine drive.
Ft. Qu'Appelle.....	New 50,000 bushel elevator on new site. Old 24,000 bushel elevator retained as permanent annex—all electrically driven.
Hazenmore.....	Elevator rebuilt to 50,000 bushel capacity, retaining 35,000 bushel frame annex—all electrically driven.
Kelvington "A".....	Elevator rebuilt to 65,000 bushel capacity, retaining 20,000 bushel crib annex—all electrically driven.
Kinistino "A".....	Elevator rebuilt to 65,000 bushel capacity, retaining 18,000 bushel crib annex and 18,000 bushel temporary annex—all electrically driven.
Melfort "B".....	New 65,000 bushel elevator on new site, electrically driven. ("A" elevator, frame annex and temporary annex to be retained for time being).
Millerdale.....	Elevator rebuilt to 65,000 bushel capacity, retaining 14,000 bushel temporary annex—all electrically driven.
Paynton.....	Elevator rebuilt to 35,000 bushel capacity, retaining 22,000 bushel crib annex and 35,000 bushel frame annex—all electrically driven.
Penzance.....	Elevator rebuilt to 65,000 bushel capacity, retaining 25,000 bushel temporary annex—all electrically driven.
Pinkham "B".....	New 65,000 bushel elevator on new site—diesel engine drive. (Old 27,000 bushel elevator and two 24,000 bushel temporary annexes to be retained for the time being).
Plenty.....	Elevator rebuilt to 50,000 bushel capacity, retaining 40,000 bushel crib annex and two temporary annexes (temporary annexes to be reduced in length by 10 feet each)—all electrically driven.
Primate.....	Elevator rebuilt to 50,000 bushel capacity—diesel engine drive.
Sceptre "B".....	New 80,000 bushel elevator on new site—electrically driven. (Old 25,000 bushel elevator, two 20,000 bushel crib annexes, 35,000 bushel frame annex and 25,000 bushel temporary annex, to be retained for time being).
Scott.....	Elevator rebuilt to 50,000 bushel capacity, retaining 40,000 bushel crib annex—all electrically driven.
Unity "B".....	Elevator rebuilt to 65,000 bushel capacity, retaining 24,000 bushel temporary annex—all electrically driven.
Venn "B".....	New 65,000 bushel elevator on new site—electrically driven. (Old 26,000 bushel elevator and two temporary annexes to be retained for time being).

It is expected that all of the above plants will be completed by 30th November 1960.

## Cost of Elevators

(Electrically driven, including power line construction charges)	
35,000 bushel type.....	\$57,000.00 (\$1.63 per bushel)
50,000 bushel type.....	70,000.00 (\$1.40 per bushel)
65,000 bushel type.....	78,000.00 (\$1.20 per bushel)
80,000 bushel type.....	85,000.00 (\$1.06 per bushel)
95,000 bushel type.....	94,500.00 (\$0.99 per bushel)

The above prices exclude the installation of cleaners and are based on an average operation, where approximately 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. Construction charges paid to Saskatchewan Power Corporation vary from \$250.00 to \$1,100.00, while the operating service charge amounts to \$1.00 per month per connected horsepower. The current used is metered and charged for on a sliding scale. 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 program designed to provide 20 new annexes. Many of these replaced temporary annexes. All of the annexes were built of cribbing. The allocations for the 1960 program are as follows (only 18 appropriated):

<b>Crib Annexes</b>	<b>Bushels</b>	<b>Crib Annexes</b>	<b>Bushels</b>
Allan "B".....	50,000	Frenchman Butte.....	40,000
Aneroid "B".....	50,000	Goodwater.....	45,000
Bateman.....	40,000	Linacre.....	40,000
Beechy "B".....	50,000	Luseland "B".....	50,000
Cando.....	45,000	Maple Creek.....	55,000
Chelan.....	40,000	Milepost 102.....	40,000
Coleville "B".....	50,000	Rockhaven "B".....	50,000
Colgate.....	50,000	Verlo.....	40,000
Dinsmore "B".....	55,000	Zenon Park.....	40,000

It is expected that all of these units will be completed by 30th November 1960.

#### *Cost of Annexes* (Crib type)

40,000 bushel type.....	\$25,000.00 (62.5c per bushel)
45,000 bushel type.....	26,000.00 (57.8c per bushel)
50,000 bushel type.....	27,000.00 (54c per bushel)
55,000 bushel type.....	28,000.00 (51c per bushel)
65,000 bushel type.....	28,500.00 (43.8c per bushel)

#### *Elevator Capacity*

It is worth re-stating, what has been reported many times before, that the end of the Company's fiscal year comes at a time when elevator construction and repair work is at its peak. Consequently, it is always difficult to determine the exact capacity position of the system as at 31st July.

The following tabulation shows the rated capacity of country elevators and permanent and temporary annexes as it will be on completion of the 1960 building program.

	<b>Capacity (bushels)</b>
1,264 country elevators.....	43,464,000
391 crib annexes.....	13,015,000
438 frame annexes.....	16,068,000
630 temporary bins.....	13,097,000
<b>Total Capacity.....</b>	<b>85,644,000</b>

These figures include the elevators purchased from Ogilvie Flour Mills Limited and Lake of the Woods Milling Company.

#### *Repairs and Improvements to Agents' Dwellings*

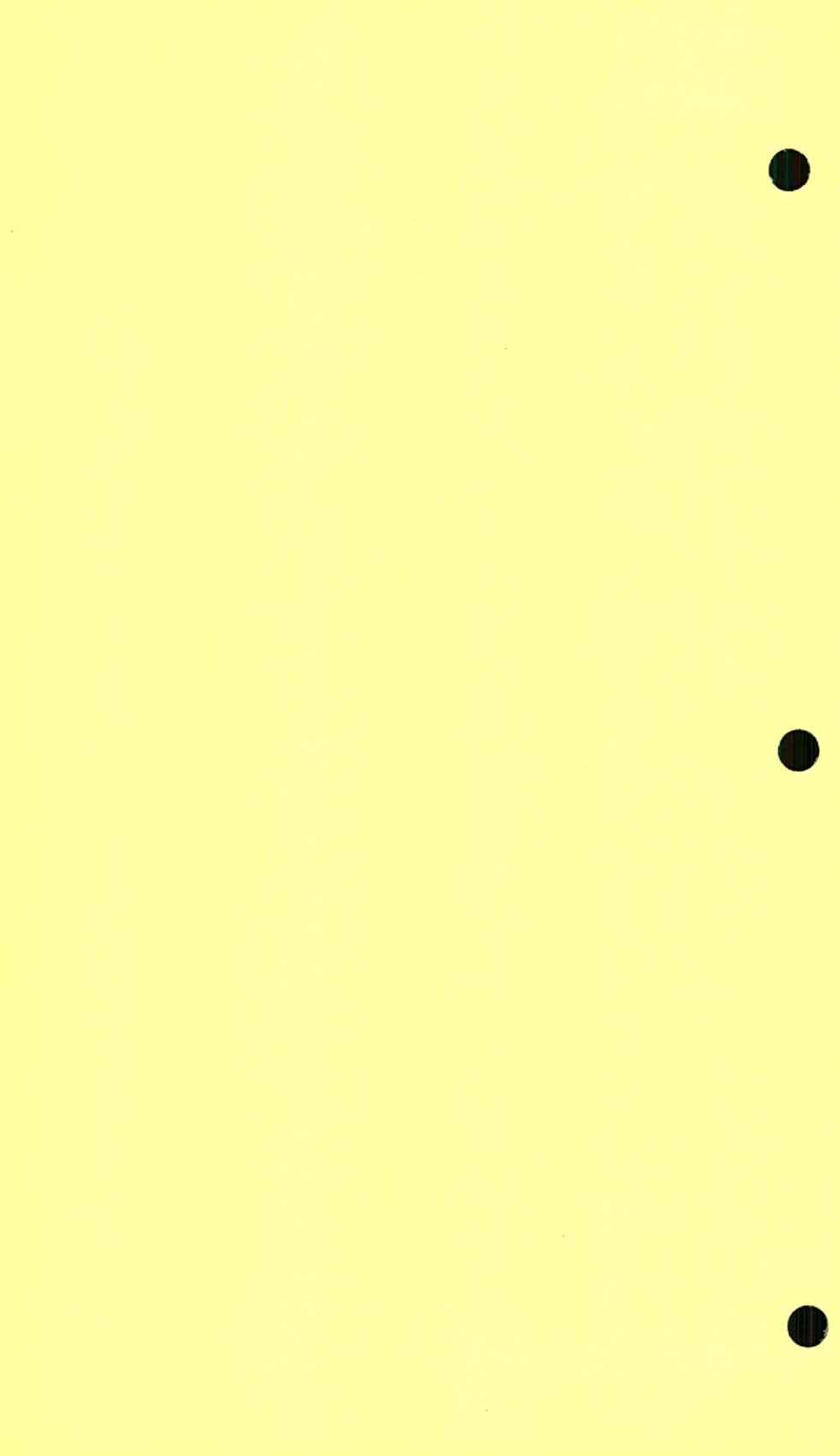
In general the work included under this heading may be described as follows:

- Additional rooms.
- Concrete basement, complete or partial.
- Oil burners added to old furnaces, or new complete oil furnace.
- General repairs, including painting.









### New Dwellings

Abernethy.....	5-room	Kindersley.....	5-room
Battleford.....	5-room	Parkbeg.....	5-room
Cudworth.....	5-room	Peterson.....	5-room
Fox Valley.....	5-room	Prairie River.....	5-room
Gerald.....	5-room	Preeceville.....	5-room
Guernsey.....	5-room	St. Brieux.....	5-room
Halbrite.....	5-room	Tallman.....	5-room
Hinchliffe.....	5-room	Vibank.....	5-room
Invermay.....	5-room	Willows.....	5-room
Kincaid.....	5-room		

The average cost of a 5-room dwelling (unmodern) is expected to be \$9,600.00. This includes provision for oil-burning furnace (or gas where available), electric lights, sink, pump and cistern. Where sewer and water connections are carried out, the additional cost is \$1,500.00.

### Additional Major Works for Other Divisions

- (1) During the period under review works were carried out for the Livestock Division at their branches located in Regina, Swift Current and North Battleford.
- (2) At Saskatoon the Department is presently constructing a new steel elevator and a solvent extraction plant for use by the Vegetable Oil Division. The elevator and annex (the former wooden elevator) are in partial operation at the present time, but the new solvent plant is not expected to begin operations until 30th November 1960.
- (3) At Regina, the Department is constructing a warehouse for storage of new and used repair parts and building materials. The cost will be in the neighborhood of \$100,000.00. The building is located at 500 Arcola Avenue, immediately west of the Regina Pool elevator.

### Cost and Availability Survey

A recent report contained in the Maclean Building Guide for September 1960 indicates an increase of 3.25% in the costs of construction since 31st August 1959. The department's experience has followed this very closely.

### Laboratory Service

For the year ended 31st July 1960 the Country Elevator Division continued the free moisture and germination testing service for Pool members. The following figures indicate the number of tests made in the laboratory at Head Office for the past three seasons:

	Germination	Moisture
1959-60.....	17,168	1,573
1958-59.....	12,510	1,850
1957-58.....	20,439	1,041

In addition to the tests shown above, the laboratory weighed and graded 1,325 samples of grain in connection with the Junior Co-operative Variety Test Plot program.

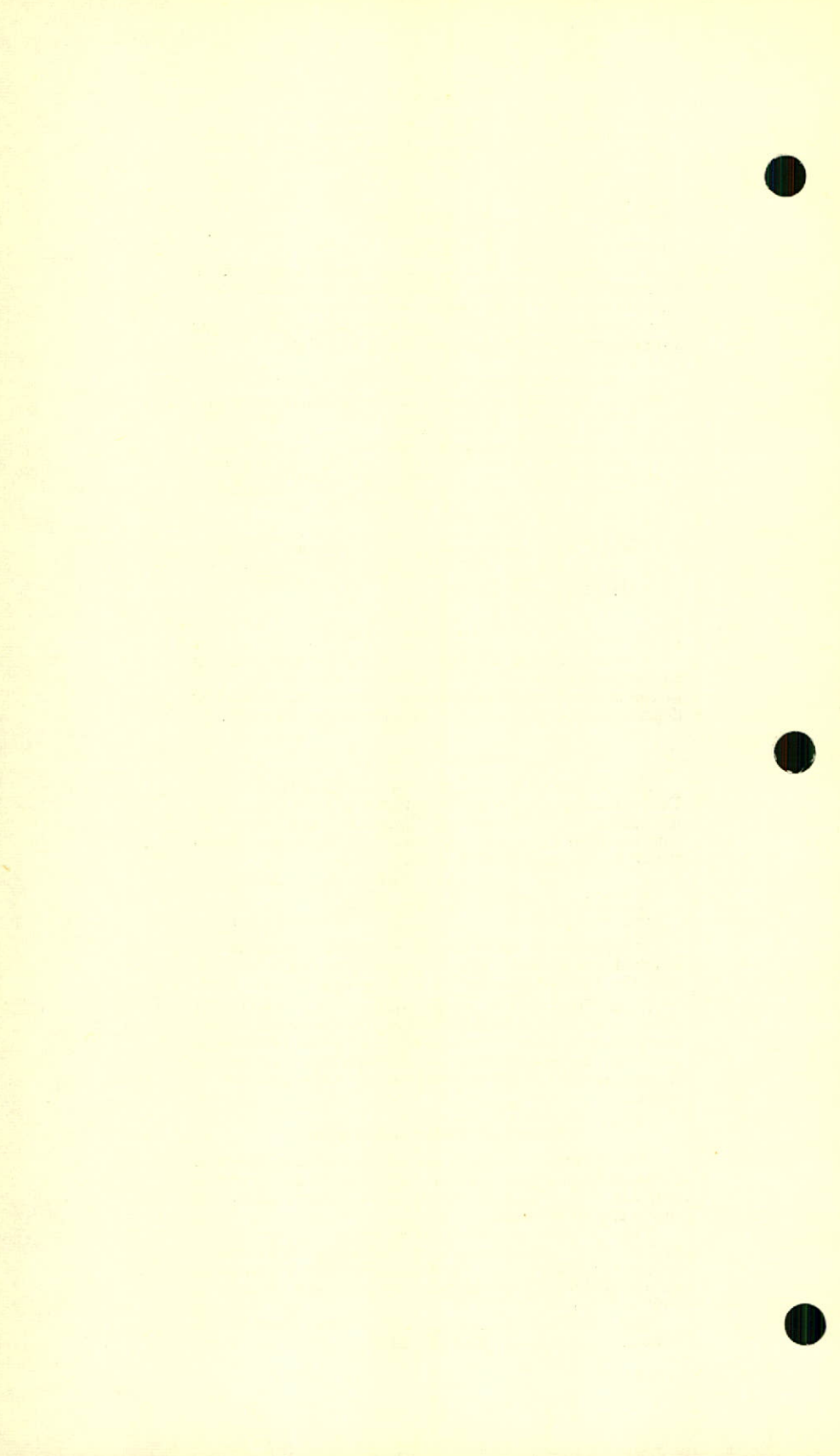
In addition to the germination testing which was carried on in the laboratory, the Country Elevator Division distributed "rag doll" testers to agents who made them available to growers to enable them to do their own testing. Approximately 18,300 of these testers were sent out to agents.

### Terminal Elevator Division

The statement of operations of the Terminal Elevator Division for the year under review appears as Statement No. 23, Page No. 6 of the Auditors' Report submitted separately to delegates.

The Division showed total earnings for the year of \$7,510,941.15 and expenses were \$6,451,252.31, leaving an operating surplus for the year of \$1,059,688.84, as compared with \$1,464,951.15 for the previous year, or a decrease of \$405,262.31.

The following tabulation shows a comparison of the volume of grain handled by the different terminal units of





the Division for the year under review, as compared with the previous year.

	1959-1960 (bushels)	1958-1959 (bushels)
Terminals No. 4A and 4B.....	28,248,227	28,255,471
Terminal No. 5.....	8,836,690	7,598,329
Terminal No. 6.....	20,866,987	18,591,354
Terminal No. 7.....	34,723,077	30,785,717
Terminal No. 8.....	6,572,042	—
<b>Total—Lakehead Terminals.....</b>	<b>99,247,023</b>	<b>85,230,871</b>
Vancouver.....	11,907,266	15,431,857
<b>Total.....</b>	<b>111,154,289</b>	<b>100,662,728</b>

As at 31st July 1960 the stocks in store at each of the Saskatchewan Pool Terminals were as follows:

	(bushels)
Terminals No. 4A and 4B.....	5,988,494
Terminal No. 5.....	2,321,690
Terminal No. 6.....	5,579,142
Terminal No. 7.....	6,663,495
Terminal No. 8.....	2,135,475
<b>Total.....</b>	<b>22,688,296</b>
Vancouver.....	892,834
<b>Total.....</b>	<b>23,581,130</b>

Figures released by the Board of Grain Commissioners for Canada show 153,363 cars as having been unloaded at the Lakehead during the 1959-60 season. This represents an increase of 6,486 cars in relation to the number unloaded the previous year. Pool terminals unloaded 51,936 cars at the Lakehead which represented an increase of 6,901 over the 1958-59 unloads. There were 101,427 cars unloaded at other terminals at the Lakehead, which represented a reduction of 415 in relation to the previous year.

At the Saskatchewan Pool's Vancouver terminal 6,386 cars were unloaded, out of a total of 72,239 cars unloaded at all West Coast terminals. The Saskatchewan Pool percentage was 8.84.

The 1959 crop harvested in Saskatchewan was of moderate proportions and much of it was of particularly high moisture content. The reported average protein content was 14.6%. Toughs and damps of the four top grades of wheat represented 18.05% of the wheat handled by Pool terminals. The four top grades represented 61.88% of the wheat handled, compared with 69.11% of those grades the previous year. The predominant grade of wheat handled at the Vancouver terminal was Two Northern, the percentage of that grade being 33.9.

#### *Grain Dried to Straight Grade*

The driers in the Pool Lakehead terminals were operated at maximum capacity during much of the season and this involved three-shift drying operations, seven days per week. Three-shift drying operations at Vancouver also were required for about three months but there the operations were limited to six days per week. Quite a substantial percentage of the grain was of very high moisture content necessitating its being put through the driers at least twice, in some instances three times. It was a very slow class of grain to unload from box cars, elevate and handle generally. During the season 1,117,793 bushels of damp grain and 1,725,871 bushels of tough grain were dried at Terminal No. 4; 2,554,851 bushels of damp grain and 1,351,111 bushels of tough grain at Terminal No. 6; 3,472,282 bushels of damp grain and 1,031,079 bushels of tough grain at Terminal No. 7, and 8,225 bushels of damp grain and 2,832 bushels of tough grain at Terminal No. 8. The driers at the Lakehead were utilized to dry a total of 7,153,151 bushels of damp grain and 4,110,893



bushels of tough grain. At Vancouver 965,859 bushels of damp wheat and 482,359 bushels of tough wheat were dried. The combined figures for the Lakehead and Vancouver were 8,119,010 bushels of damp grain and 4,593,252 bushels of tough grain, or a total of 12,712,262 bushels of high moisture content grain dried to straight grade.

#### *Special Selections—Barley*

Barley of malting quality was handled on a special bin basis at three of the Pool Lakehead plants for three exporting companies. The total quantity special binned was 423,041 bushels, of which 275,262 bushels were handled at Terminal No. 4; 102,927 bushels at Terminal No. 5 and 44,852 bushels at Terminal No. 7. This was 183,552 bushels less than was handled on a special bin basis the previous year. Again this year practically all of this barley would represent over-quota deliveries by producers to Pool country elevators and the organization co-operated in these special binning practices in efforts to encourage the exporting companies to supply premium bids for the over-quota carlots. Unfortunately, during a very large part of the season, little interest was shown in Canadian malting barley by American processors or importers, owing to most of their requirements being taken care of by barley produced in their own country.

#### *High Protein Wheat*

A directive which was issued by the Board of Grain Commissioners for Canada on 21st April 1959 notified the terminal elevator companies operating at the Lakehead that the practices of special binning wheat and selecting wheat, basis protein content, had to be discontinued. The terms of the directive remained in effect during the crop season under review and Pool terminals were therefore precluded from selecting and special binning wheat of better than average protein content. However, Pool terminals shipped 238,967 bushels of wheat which had been segregated prior to the Board order banning that practice and collected premiums of \$3,521.25. It may be recollected that during the previous season 969,937 bushels of wheat which had been selected on account of its protein content were shipped and premiums of \$20,662.71 were obtained for it.

There would appear to be little likelihood of terminals again being permitted to bin and select wheat on a protein basis in the foreseeable future.

#### *Official Audits*

Official government audits were carried out at Terminals No. 4 and No. 5. The audit made at Pool Terminal No. 4 was started on 22nd December 1959 and was completed on 8th January 1960. It covered operations for the two-year period from 20th December 1957. At Pool Terminal No. 5 the audit was started on 8th December and completed on 12th December and covered operations from 17th December 1957.

#### *New Equipment and Replacements*

The usual practice of maintaining Lakehead plants and equipment in satisfactory operating condition was continued throughout the year, with much of the repair and replacement work being done during the winter months. The repair programs at Pool terminals included relining and replacing spouting of various kinds and the overhauling of cleaners, screw conveyors, motors, starters and control equipment, etc. New belting was installed where and when necessary.

A considerable amount of exterior work was done to





Pool terminals, more particularly at Terminals No. 4 and No. 7, and at Terminal No. 6 the work of installing the bin top slab and changes in equipment in Annex No. 1 made necessary by that installation, were completed. Excellent progress was made in installing a bin top slab in Annex No. 2 and in hopping the tanks of that annex.

Most of the repairs to machinery and equipment in the plant at Vancouver were of a fairly minor nature. The drier had to be repaired on a number of occasions and arrangements were made to have an oil burner installed in the boiler. The cost of installing the oil burning unit was paid by the Company and later collected from the National Harbours Board. Rental for the plant was increased slightly as a result of this installation.

### *Staff*

During the year the number of men employed at Pool terminals at the Lakehead ranged from a high of 545 in the month of May to a low of 315 during January. At Vancouver a maximum of 52 men were employed during August and September and a minimum of 28 in October.

### *Foundation Surveys*

Your Board decided that efforts should be made to determine the stability of Saskatchewan Wheat Pool plants at the Lakehead. Arrangements were made to have underwater surveys made of the docks at Terminals No. 4, No. 6 and No. 7 by Superior Diving and Salvaging Company under the supervision of C. D. Howe Company Limited. Reports were recently received from the latter company which were prepared after studies had been made of the initial reports which had been based on the underwater surveys.

With reference to Pool Terminal No. 4 the report points out that all that would be needed in the near future would be minor repairs to a few cracks in the revetment wall. The report emphasizes that before dredging the slip adjacent to the dock to 27 feet, to be able to take full advantage of the Seaway, it would be necessary to strengthen the dock wall.

The sheet pile revetment and crib wall section of the dock wall, including the tie rod connections at the top at Terminal No. 6 are reported as being in sound condition with some rather minor defects due to ordinary wear and tear.

At Terminal No. 7 the sheet pile revetment and out-shore crib wall section of the dock wall, including the tie rod connections at the top, are all reported as being in sound condition with any defects found in the survey being of a minor nature and due to ordinary wear and tear.

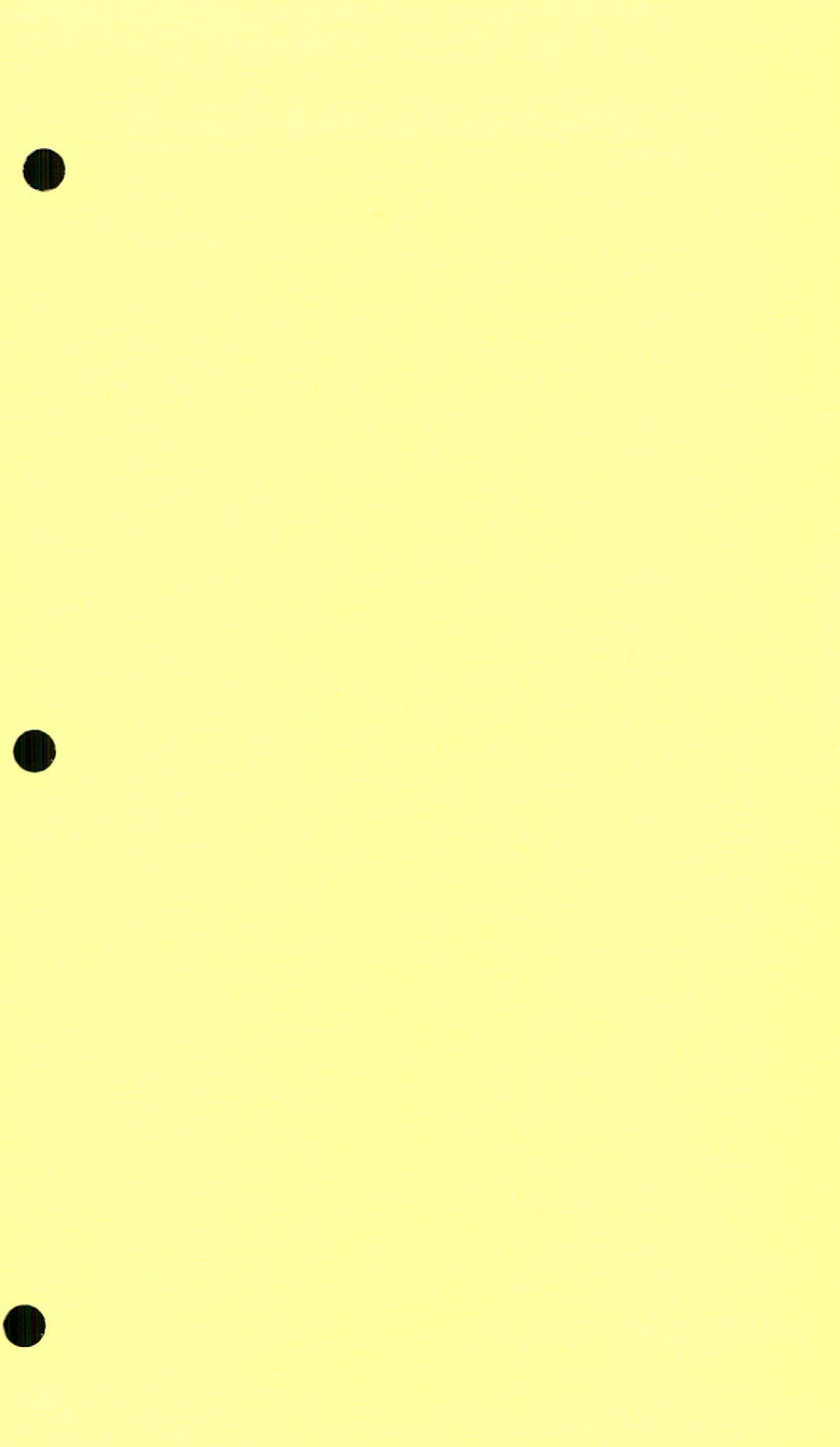
Consideration is being given to having stability checks made at Pool Terminal No. 7 and to have underwater surveys made of the docks at Terminal No. 5 and Terminal No. 8 at some future date. The underpinning of Annex No. 3 of Terminal No. 5 will also be examined.

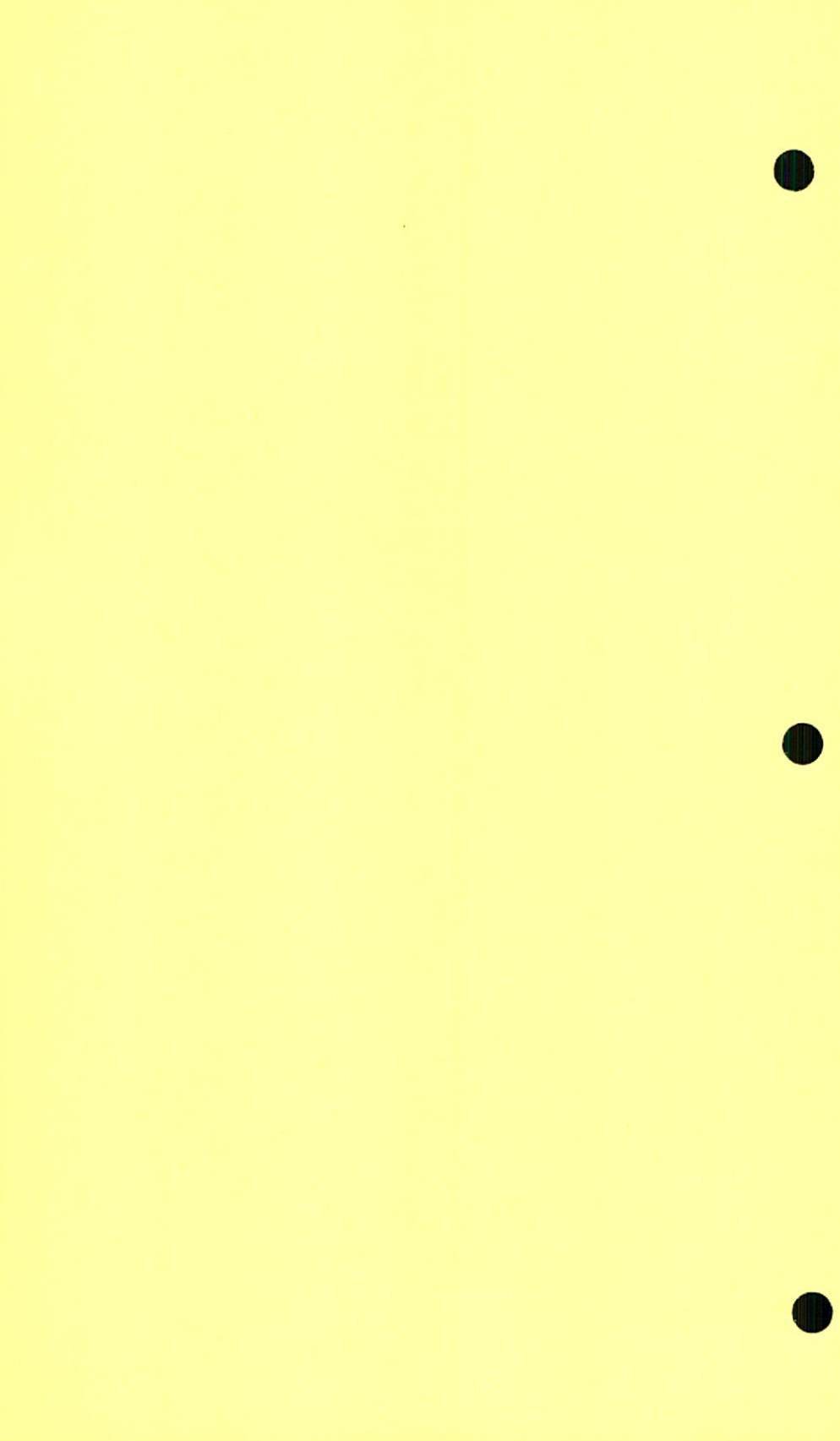
### *St. Lawrence Seaway*

Since navigation opened this spring there have been noticeably fewer complaints reported in connection with boats being delayed in the canals forming part of the St. Lawrence Seaway than there were last year. Apparently the improvements made, which included tie-up walls providing tie-up facilities above and below some of the locks, having noticeably speeded up the ship movement.

Comparatively few of the ocean vessels calling at Pool terminals at the Lakehead for grain have presented difficult loading problems, however, some of the larger ocean vessels and a few of the smaller ones of peculiar construction have









proven awkward to load. When the Seaway depth is increased to 27 feet it appears likely there will be fewer small ocean vessels and more of the really large variety in the grain traffic.

#### *Demurrage*

After some months of silence the Canadian Pacific Railway Company has indicated its intention of continuing efforts to collect demurrage from the grain companies which it had billed for demurrage in the spring of 1959, and more particularly from Manitoba Pool Elevators. Reports indicate that the railway company is proceeding with its court action to collect demurrage from Manitoba Pool Elevators and presumably that action will be regarded as a test case.

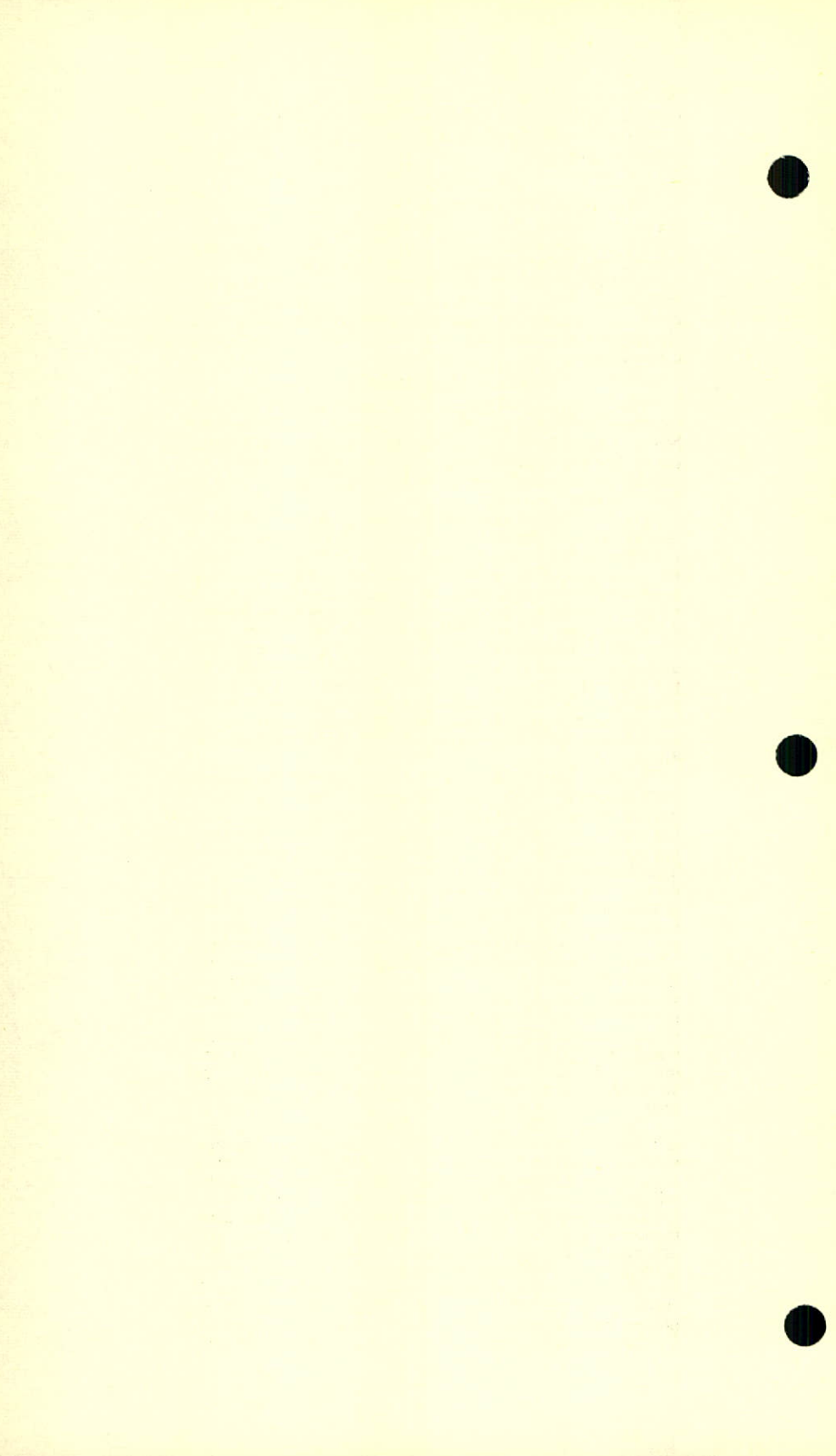
#### **Flour Mill Division**

The Statement of Operations of the Flour Mill Division for the year ended 31st July 1960 appears as Statement No. 7, Page No. 25 of the Auditors' Report. It will be noted that the flour mill had a surplus for the year of \$18,664.62, as compared with a surplus of \$132,268.16 for the previous year.

The 1959-60 season was another year of full time operations with the plant running at capacity and averaging through the year  $6\frac{1}{2}$  operating days per week. During the early part of the season a reduction in operations had been anticipated and the sales program had been geared to take care of the production on the basis of a 300-day operating year. There were a number of factors, particularly in the foreign markets, which entered the picture during the season which made it impossible to adhere to the original plans. Consequently, the mill was at times working under extreme difficulties in an attempt to meet commitments on time and take care of the maintenance work necessary to keep the plant in proper operating condition.

Market conditions varied greatly during the season with abnormally high peak demands at times, followed by periods when shipment from the mill could not be made without incurring demurrage at seaboard due to the time lag between shipping date and loading date of the vessels. This lack of continuity in the shipping schedules for the export flour made it impossible to arrange the production of sufficient first patent flour to meet the demand during the early part of the season and, consequently, many of the regionals were at times out of stock. There is no doubt but what a certain amount of first patent business was lost during this period but unfortunately the circumstances were such that a balanced production sufficient to take care of both the domestic and export demands could not be maintained. Provision has been made for the present season by carrying heavier inventories in consignment and mill warehouses, whereby the mill will be able to service all domestic accounts within three days of the receipt of orders during the peak periods.

There are indications that changes in marketing conditions, not only abroad but also on the domestic market, which were evident last year, will continue and will have a far-reaching effect on the present pattern of the Canadian milling industry. It is possible there may be a further consolidation and in some cases mergers of the larger companies with a shift to Eastern Canada of a greater percentage of the production. There is no doubt the industry is facing one of its most crucial periods with many of the former major markets either closed, or in the process of closing. Due to industrialization abroad, adjustments in present capacities which are now far in excess of demand, will be necessary. It appears inevitable that these adjust-



ments will result in even more competitive conditions on the domestic market than exist at the present time and that mills may be forced to confine their marketing efforts to areas which can be serviced most economically. It would appear Western mills will feel the impact of these changing conditions first but it is too early to determine the effect these changes will have on the Pool's sales program. The Flour Mill Division hopes to continue servicing all co-operative regionals in the country but some adjustment may be necessary to meet changing conditions.

#### Storage

The total wheat receipts for the season amounted to 3,163,751 bushels, which, when compared with the previous year, is a decrease of 24,110 bushels.

The street receipts for the period amounted to 371,114 bushels which is a decrease of 24,573 bushels when compared with the previous season. There were 190 permit holders delivering to the mill elevator during the season as compared with 170 during the previous year. The decrease in street deliveries can be attributed to the lower crops of contract grade harvested in the mill area during the year. Another factor contributing to the lighter deliveries was that a good many producers in the area did not have any surplus grain from previous seasons to deliver and, consequently, were not able to deliver up to the authorized quotas.

The gristing receipts for the season amounted to 63,572 bushels which, when compared with the previous year, is a decrease of 624 bushels. The gristing service continues to be quite popular with producers in the area and although there was a slight decrease in total deliveries on a gristing basis, actually there were a greater number of individual transactions.

Cars unloaded at the elevator this season amounted to 1,473 as against 1,470 last season. This amount included four cars of flax delivered to the mill elevator for storage to the Vegetable Oil account, and which were later transferred to the Vegetable Oil Plant.

Following is a summary of receipts for the year, showing a comparison with the previous year:

	1959-1960 (bushels)		1958-1959 (bushels)	
Street Receipts	371,114	11.7%	495,688	15.55%
Carlot Receipts	2,729,065	86.3%	2,627,977	82.44%
Gristing.....	63,572	2.0%	64,197	2.01%
<b>Total.....</b>	<b>3,163,751</b>	<b>100. %</b>	<b>3,187,862</b>	<b>100. %</b>
Receipts of Other Grains:				
Oats.....	1,204		3,339	
Barley.....	265		937	

#### Flour Mill

The flour mill operated 344 days, 9  $\frac{3}{4}$  hours during the season, which represented full time operations for the period plus 44 days, 9  $\frac{3}{4}$  hours of overtime operations based on a 300-day operating year. Operations were 4 days, 9  $\frac{3}{4}$  hours in excess of the previous year and established a new peak for operations in any one year since the mill was built.

The flour production for the year amounted to 1,388,898 cwt. which, when compared with the previous year, indicates a decrease of 7,672 cwt. The production of mill feeds during the season amounted to 23,618 tons which, when compared with the previous season, is a decrease of 571 tons. The decrease of both flour and millfeed production during the year can be directly attributed to the installation program which necessitated a reduction in the load on the mill in order to complete the change-over during periods of operation.





The total amount of wheat ground during the season amounted to 3,116,652 bushels which, when compared with the previous year, indicates a decrease of 75,370 bushels. Milling wheat returned to the elevator as broken wheat or screenings amount to 48,740 bushels, representing 1% of all wheat transferred to the mill.

#### *Maintenance*

In spite of the very tight production schedules during the year, the plant maintenance work was kept up to date and the machinery in both elevator and flour mill is in reasonably good mechanical condition. This was accomplished through a planned program whereby all preparatory maintenance work was done prior to the actual shut down period and, while in some instances, the costs were slightly higher, this increase was more than offset by the additional production time made available. Greater stress was also placed on preventative maintenance and this proved to be a very important factor in maintaining the production schedules during the year.

The major installation projects undertaken during the year were the installation of eight Simon Purifiers, a new dust filtering system, and a pneumatic bulk loading system for millfeeds. The first two installations were completed during the season and the last item was 80% complete at the year end.

The installation of the filtering system and the purifiers was carried out during the normal operations of the plant and very little operating time was lost during the installation. It was necessary at times to reduce the load on the mill by 100 to 200 hundredweight per day when purifier units were being interchanged, and a great deal of credit is due to both the millers and millwrights for the efficient manner in which the installation was carried out under difficult circumstances. When the installation was completed, an inspection of the equipment was made by the technical representative of the Simon Company, who expressed complete satisfaction with the installation.

#### *Sales*

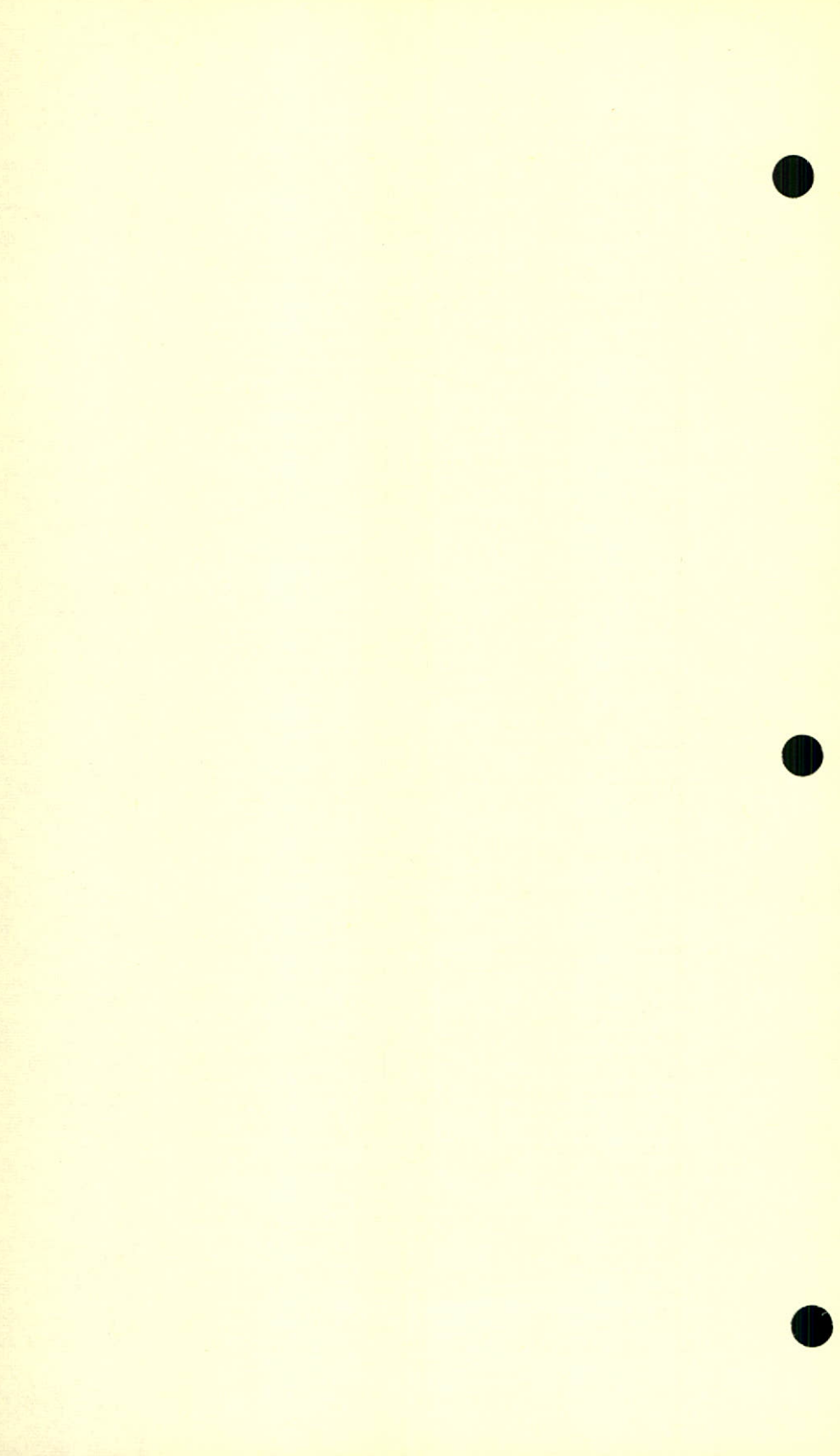
The total sales of all grades of flour for the year showed a decrease when compared with the previous season.

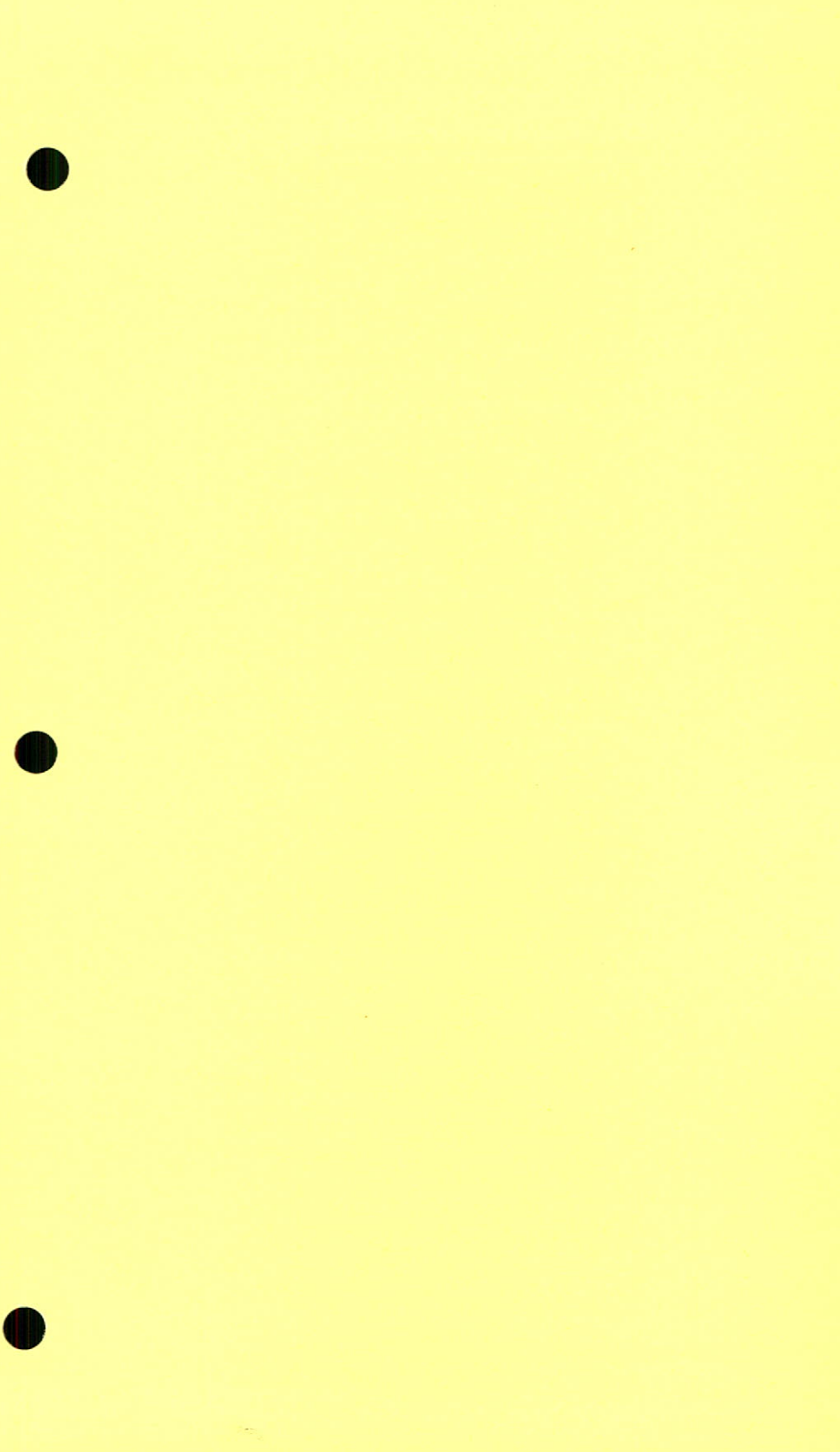
The domestic price levels showed an increase over the previous year and there was far more stability in bakers' prices than had prevailed for some time. There was a period during January and February when first patent prices were slashed \$1.00 per cwt. in certain areas in Manitoba, Saskatchewan and Alberta. This resulted in some heavy losses for the period.

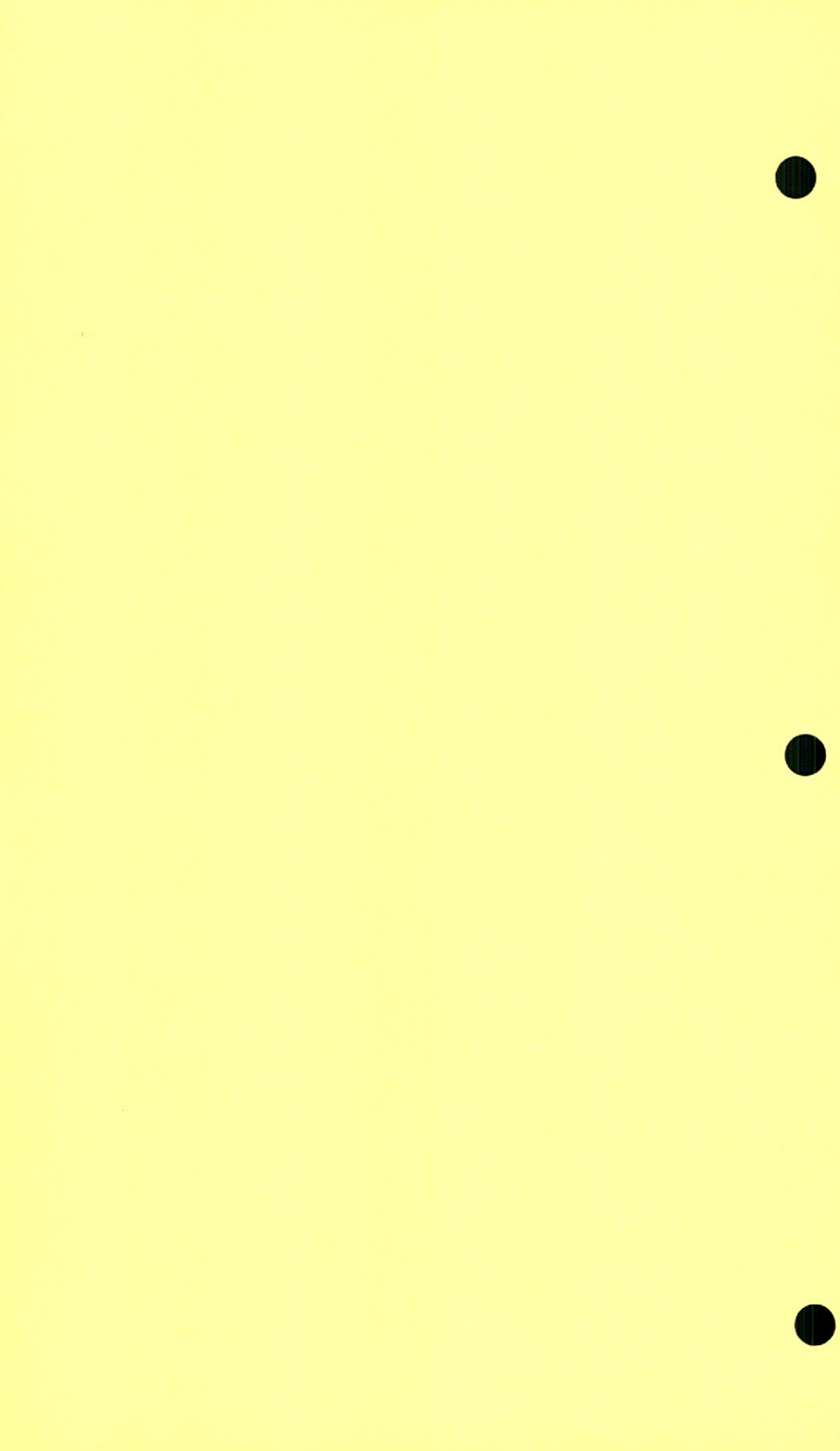
Canadian flour exporters fared somewhat better than had been expected during the season and it would appear exports for the year will be slightly in excess of the previous year. Exports of Canadian flour were stimulated somewhat through the Department of Defence contracts and other contracts awarded under NATO, UNRRA, Chilean Relief, and other such programs. If the volume of flour sold under these programs were deducted from the total exports, sales to foreign markets would likely be less than during the previous season.

These programs have assisted both eastern and western mills during the past season and it would appear mills can expect some continuity of this type of business during the present year.

In spite of the contraction of some of the export markets for flour, shipments from the Pool mill went to many countries of the world. These included the United Kingdom, Phillipine Islands, Hong Kong, Malaya, Singapore, Macau, Japan, Thailand, El Salvador, Venezuela, Central









America, Belgian Congo, Nigeria, Nyasaland, Jamaica, Barbados, Bermuda, Ceylon, Chile, Fiji, Ghana and others.

### Vegetable Oil Division

The Operating Statement of the Vegetable Oil Division for the year ended 31st July 1960 appears as Statement No. 8, Page No. 27, of the Auditors' Report. It will be noted that the Vegetable Oil Division finished the year with a surplus of \$7,570.70 as compared with a surplus of \$117,663.66 for the previous year. Major items accounting for the marked decrease in the surplus earnings include:

- (a) A substantial decrease in the volume of linseed oil sales. Higher oil selling prices to compensate for the increased price of flax were not acceptable to the paint industry and less costly oils were substituted. This decline was partly offset by additional street receipts and higher prices obtained for linseed meal.
- (b) A substantial reduction in rapeseed earnings owing to the smaller quantity of rapeseed processed.
- (c) A decrease in elevator earnings for cleaning, due to the reduction in rapeseed handlings.
- (d) An increase in selling and administrative expenses.

All linseed oil was sold on the domestic market. Operations this year covered 73 days as compared with 106 days last year. In operating 73 days, 158,772 bushels of flaxseed were processed, resulting in a recovery of 3,165,943 lbs. of oil and 5,321,100 lbs. (2,660 short tons) of meal. There was a poor demand for linseed oil in both tank carlots and less than carlots and this can be attributed to the higher prices of flax throughout the season which resulted in higher prices for linseed oil. Paint manufacturers' purchases were down from the previous season and it is reported that cheaper oils were substituted for linseed.

The following statement shows the distribution of linseed oil sales by provinces for the year under review, as compared with the previous year:

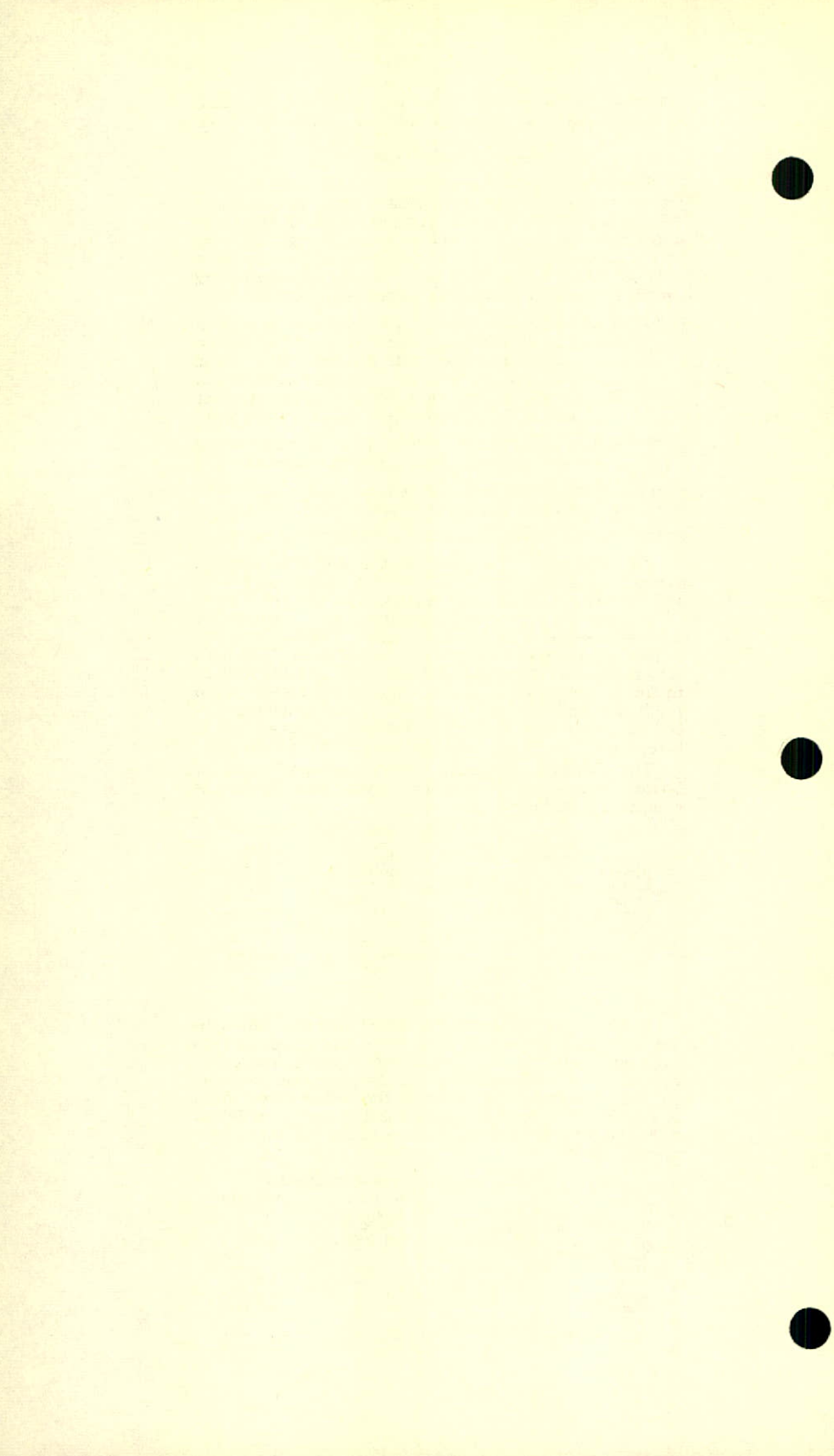
	1959-1960 (lbs.)	1958-1959 (lbs.)
British Columbia.....	918,005	1,267,170
Alberta.....	136,144	107,267
Saskatchewan.....	296,653	361,387
Manitoba.....	452,353	671,463
Ontario.....	931,078	2,073,300
Quebec.....	120,000	—
<b>Total.....</b>	<b>2,854,233</b>	<b>4,480,587</b>

### Linseed Meal Sales

There was keen demand for linseed meal sales throughout the entire season and at no time was it necessary to store any quantity. The general policy was to make forward sales for delivery at the time the plant was operating on flax and make shipments of the orders direct from production. The price of linseed meal ranged from \$65.00 to \$70.00 per ton f.o.b. the plant, with the majority of the sales at \$70.00.

#### Distribution of Domestic Linseed Meal Sales

	1959-1960 (lbs.)	1958-1959 (lbs.)
British Columbia.....	1,224,000	2,987,000
Alberta.....	2,160,000	2,425,000
Saskatchewan.....	1,510,700	1,706,800
Manitoba.....	6,000	73,000
Ontario.....	312,000	286,000
Quebec.....	—	120,000
Maritimes.....	240,000	840,000
<b>Total.....</b>	<b>5,452,700</b>	<b>8,437,800</b>



### *Rapeseed*

The plant operated 56 days on rapeseed as compared with 194 days for the previous season. The 56 days' operation resulted in the processing of 7,391,840 lbs. of rapeseed, producing 2,639,840 lbs. of rapeseed oil and 4,340,330 lbs. (2,170 short tons) of rapeseed meal. All rapeseed was processed for the account of the J. Gordon Ross Syndicate under an agreement which covered the period 1st August 1959 to 31st July 1960. During the year the full amount of processing provided in the agreement was not undertaken.

The chief reason for the Syndicate not processing the full amount was due to the export price for rapeseed being more attractive than the price of rapeseed oil and meal.

### *Elevator*

Gross deliveries to the elevator amounted to 165,450 bushels of flaxseed and 306,981 bushels of rapeseed for a total handling of 472,431 bushels. This is a decrease of 334,526 bushels from the 1958-59 season. Street handlings of flax were up from the previous season by 27,033 bushels and carlot receipts were down by 139,801 bushels. It was policy during the year to pay 15c per bushel over regular street price for dry 1 C.W. and 2 C.W. flax and 5c per bushel over for tough grades, as well as allowing free storage from date of delivery to 31st July 1960. Flax screenings commanded the same price as last year. In addition to regular operations, 107,000 bushels of tough and damp rapeseed were received by truck direct from growers and shipped in carload lots to the Government Elevator for drying. In November 1959, arrangements were made to lease 56,000 bushels of storage for flax in the Government Elevator which was in effect until 15th February 1960, at the rate of 1/45c per bushel per day. Several carloads of flax were dried by the Government Elevator before going into storage.

### *Capital Expenditures*

Capital expenditures were authorized during the year amounting to \$650,000.00 to cover the building of a new elevator and the installation of a solvent extraction unit. The capacity of the new elevator, which is of steel construction, will be 76,000 bushels. The old elevator has been moved and is being used as a permanent annex.

### *Major Repairs*

All repairs were kept at a minimum throughout the season due to the anticipated new construction. The only major repairs consisted of tipping and reinstalling the flues in the two main boilers and the replacement of the flues in the deodorizer boiler.

### *Freight Rates*

Last year application was made to both railways for a reduction in rates on carload lots of oil to both Eastern and Western Canada. Negotiations have now been completed and rates on both linseed oil and rapeseed oil have been reduced on carload lots as follows:

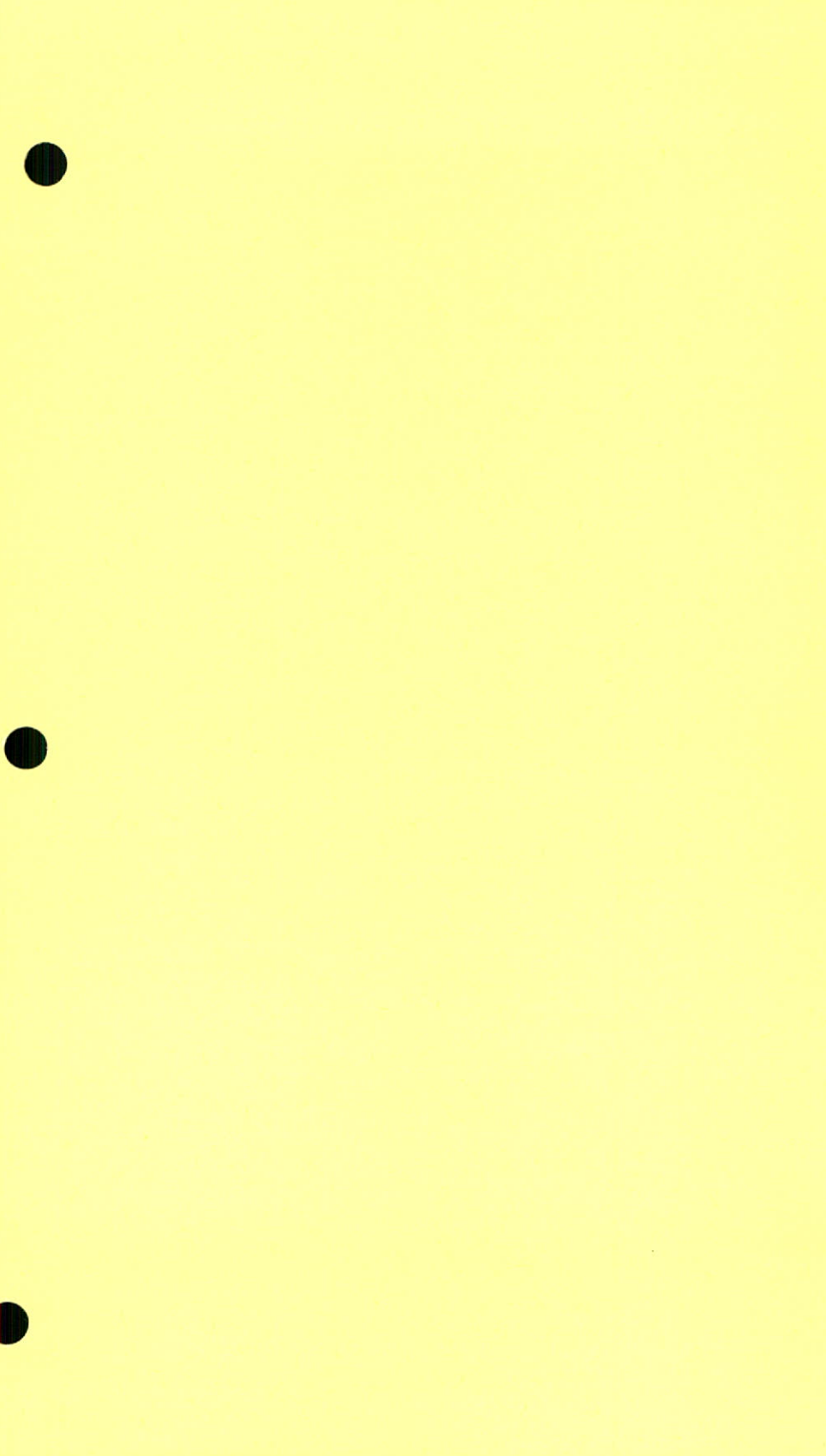
- (a) From Saskatoon to Toronto, Montreal, Hamilton, London, etc. rate reduced from \$1.95 per cwt. to \$1.57 per cwt.
- (b) From Saskatoon to Vancouver, rate reduced from \$2.22 per cwt. to \$1.40 per cwt.
- (c) From Saskatoon to Victoria, rate reduced from \$2.22 per cwt. to \$1.50 per cwt.

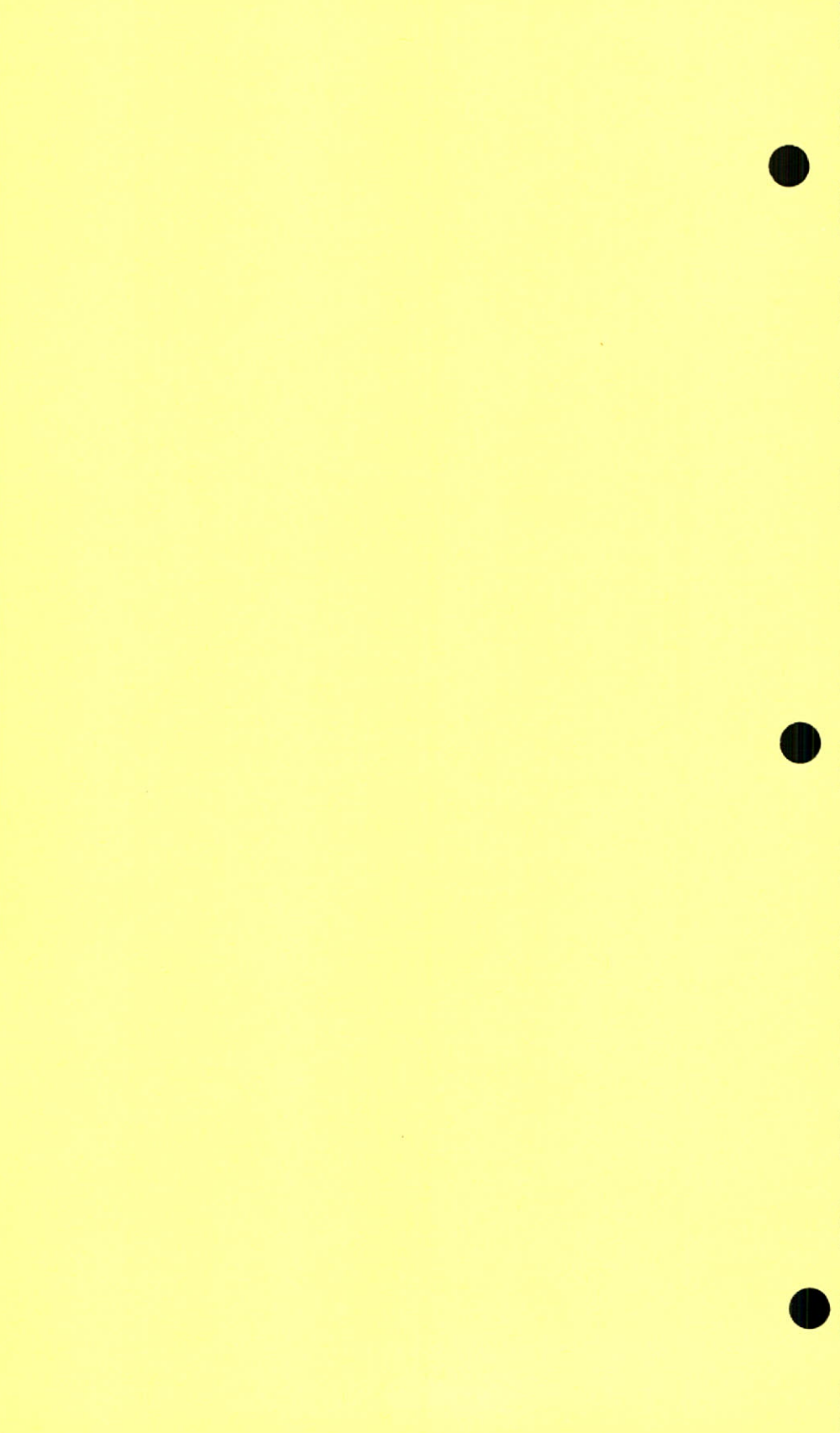
These reductions in freight rates have been passed on to the purchasers of carload lots of oil, with the result











that our sale price is now more competitive with other processors located in Eastern Canada and in other provinces.

### **Livestock Division**

Statement No. 9, Page 29, of the Auditors' Report show in detail the results of the year's operations and the financial position of the Livestock Division for the year ended 31st July 1960. The year's operations resulted in a surplus of \$171,277.32. This represents a decrease of \$37,962.60 in relation to the previous year's surplus. The major portion of the decrease is attributable to the substantial reduction in the volume of hogs handled at all branches, together with a decrease in the share of earnings received from Canadian Livestock Co-operative (Western) Limited. The earnings accruing to the Saskatchewan Wheat Pool, Livestock Division, from C.L.C. (W). L. for the year amounted to \$54,367.34 as compared with \$61,065.66 for the previous year.

### *Livestock Marketings*

Livestock marketings in Canada during the calendar year 1959 were sharply lower, except for hogs. Cattle marketings showed a 14.8% decrease as compared with 1958. Calf marketings declined 11% and sheep and lamb marketings were slightly under the previous year.

Hog marketings were sharply higher as gradings at inspected plants totalled 8,568,217, the second highest on record, being exceeded only by the all-time record of 8,863,178 established in 1944. Total hog marketings, including deliveries to yards, plants and direct on export, showed an increase of 32.5% over 1958.

Market prices for all classes and grades of cattle in 1959 averaged \$1.12 per cwt., above the 1958 level. The price trend was reversed from the previous year, opening at higher levels and closing on a lower basis. Export demand for stock calves and light-weight feeders declined in the last quarter of the year and prices on these classes broke sharply from the high level being obtained early in the season. Sheep and lamb prices averaged approximately 70c per cwt. lower than the previous year, selling down to "support" levels in the fall months. Hog prices remained at or close to "support" prices in effect throughout the year, the average price for the year being \$24.80 basis Grade A's dressed, \$4.35 per cwt. lower than the 1958 average.

In the period 1st January to 31st July 1960, cattle marketings increased 10% as compared with the same period in 1959. Slaughter cattle exports at approximately 20,000 head were down 35%; feeder cattle exports at 70,000 head were down 30%. While marketings increased and exports declined, domestic consumption of beef in Canada increased by 12% in this period, averaging 37,800 head per week. The increase in domestic consumption together with the continuing broad demand for stocker and feeder cattle in Canada, plus well regulated deliveries, were major factors in maintaining cattle prices at favourable levels in this period.

Hog marketings in the above period declined from a weekly average of 171,000 head in January to approximately 150,000 in February, March and April; 135,000 in May; 117,000 in June and 108,000 in July. Domestic disappearance averaged 133,400 head per week in the seven-month period, an increase of 1%. Exports averaged 11,600 head per week, an increase of 6%.

In the period October 1958 to 9th January 1960, the date the Government surplus pork purchase policy was discontinued and the deficiency payment plan came into effect, the Agricultural Price Stabilization Board pur-





chased a total of 303 million pounds of pork equivalent to approximately 2.3 million hogs. Due to the sharp decline in hog marketings in recent months, the Board's disposal program has been effective in reducing storage holdings to approximately 50 million pounds at July. Recent hog marketing forecasts covering the period October 1960 to June 1961, indicate average weekly marketings well under the present rate of domestic consumption and exports. It would, therefore, appear that present storage stocks could be cleared by this fall without seriously affecting current sales.

A revision in hog carcass grades became effective 5th October 1959. For comparison purposes, the following statement shows percentages of Grades A, B and C graded in Canada and Saskatchewan, in the period 1st January to 31st July 1959, under the original grade standards and for the same period in 1960 under the revised grades:

	Original Grades 7 Months 1959			Revised Grades 7 Months 1960		
	A	B	C	A	B	C
Canada.....	29.4%	49.2%	10.1%	30.1%	46.6%	11.1%
Saskatchewan...	29.5%	46.3%	9.3%	31.2%	44.9%	7.7%

Total cattle and calf handlings by the organization show an increase of 7,075 head, while the number of hogs handled co-operatively decreased 61,351 head in this period.

Total provincial cattle and calf marketings for the year under review were 623,668 as compared with 684,436 head for the same period a year ago, a decrease of 8.88%. The numbers marketed co-operatively were 312,755 head or 50.15%.

Total provincial hog marketings decreased in this period being 746,631 head compared with 909,436 last year, a decrease of 17.90% for the province. There were 208,968 head marketed co-operatively or 27.99% of the total provincial marketings.

Total sheep and lamb marketings for the province were 47,910 head compared with 46,221 last year, an increase of 3.65%; 18,748 head were handled co-operatively or 39.13%.

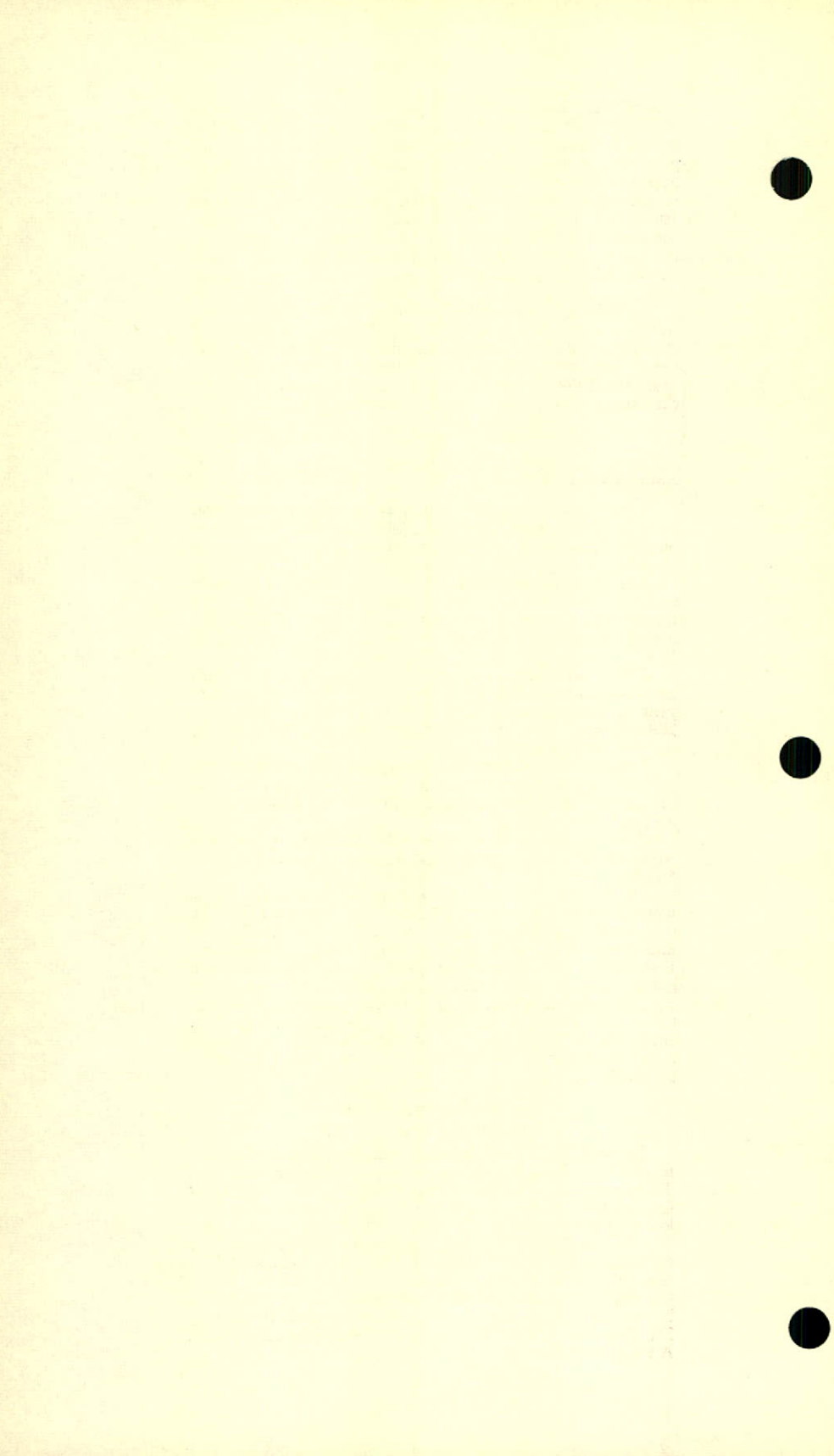
Total numbers of all classes marketed co-operatively were 540,471 head representing a gross value of \$51,611,558.80.

Of the Livestock Division's total handlings, 38.6% were marketed through the four yards owned by the organization at North Battleford, Regina, Swift Current and Yorkton; 28.83% through the Livestock Division's three agencies operated on yards owned by stockyard companies at Moose Jaw, Prince Albert and Saskatoon; 17.67% were delivered by the country section division to Canadian Livestock Co-operative (Western) Limited at St. Boniface. The remaining 14.9% were delivered to Canadian Livestock Co-operative by Co-operative Shippers and individuals.

## Cattle Feeding Policies

### Individual Feeding Policy

In November, 1959, a policy was established, designed to assist in financing the growing cattle feeding industry. The organization proposed that it would guarantee Credit Unions against loss to the extent of 25 per cent on any loans extended for the purchase of feeder cattle under certain conditions. Credit Unions participating in the agreement would lend funds on the usual basis and at regular interest rates. The cattle would be purchased through the facilities of the Livestock Division and would be re-sold through the Division when finished. As at July 31, 1960, 21 Credit Unions had signed the agreement. A total of 28 loans had been made, involving \$60,961.68.



### *Feeding Co-operatives*

During the past year a program was initiated for the establishment of cattle feeding co-operatives. Under this program farmers in a community may be assisted to buy cattle for feeding on their own farms. By working together in a co-operative, financial assistance and technical supervision is made available at reasonable cost. The program is based on the following principles:

1. All Feeding Co-operatives shall be organized under the Co-operative Associations Act.
2. Membership shall be limited to individuals whose primary occupation is farming.
3. Each Co-operative shall have a minimum of 10 members.
4. Each member who contracts to feed cattle shall agree to feed a minimum of 10 head.
5. The maximum cost of cattle placed with any member at any time shall not exceed \$5,000.
6. Financing shall be arranged through the Co-operative Credit Society.
7. Saskatchewan Wheat Pool shall guarantee 25% of any losses incurred by the Credit Society.
8. Livestock shall be purchased and sold through marketing service of the Saskatchewan Wheat Pool Livestock Division.

Assisting in the program are the provincial Department of Agriculture, and the Department of Co-operation and Co-operative Development. An Organizing Committee, consisting of the Wheat Pool fieldman, the Department of Co-operation fieldman, and the Agricultural Representative, is available in each district to assist farmers who wish to investigate the details of this program.

### *Operating Surplus*

After providing for full depreciation and the necessary expenditures to maintain yards, buildings and equipment in a good state of repair, the four yards owned by the organization showed an operating surplus of \$114,512.24. The three agencies operated by the organization on yards owned by stockyard companies showed a surplus of \$39,031.70.

The Country Section Division shipping to Canadian Livestock Co-operative (Western) Limited, St. Boniface, handled a total of 27,088 cattle and calves; 64,656 hogs and 3,761 sheep and lambs. After paying all operating costs, this division showed a surplus of \$43,162.04. The above figures do not allow for a share of head office administrative expenses.

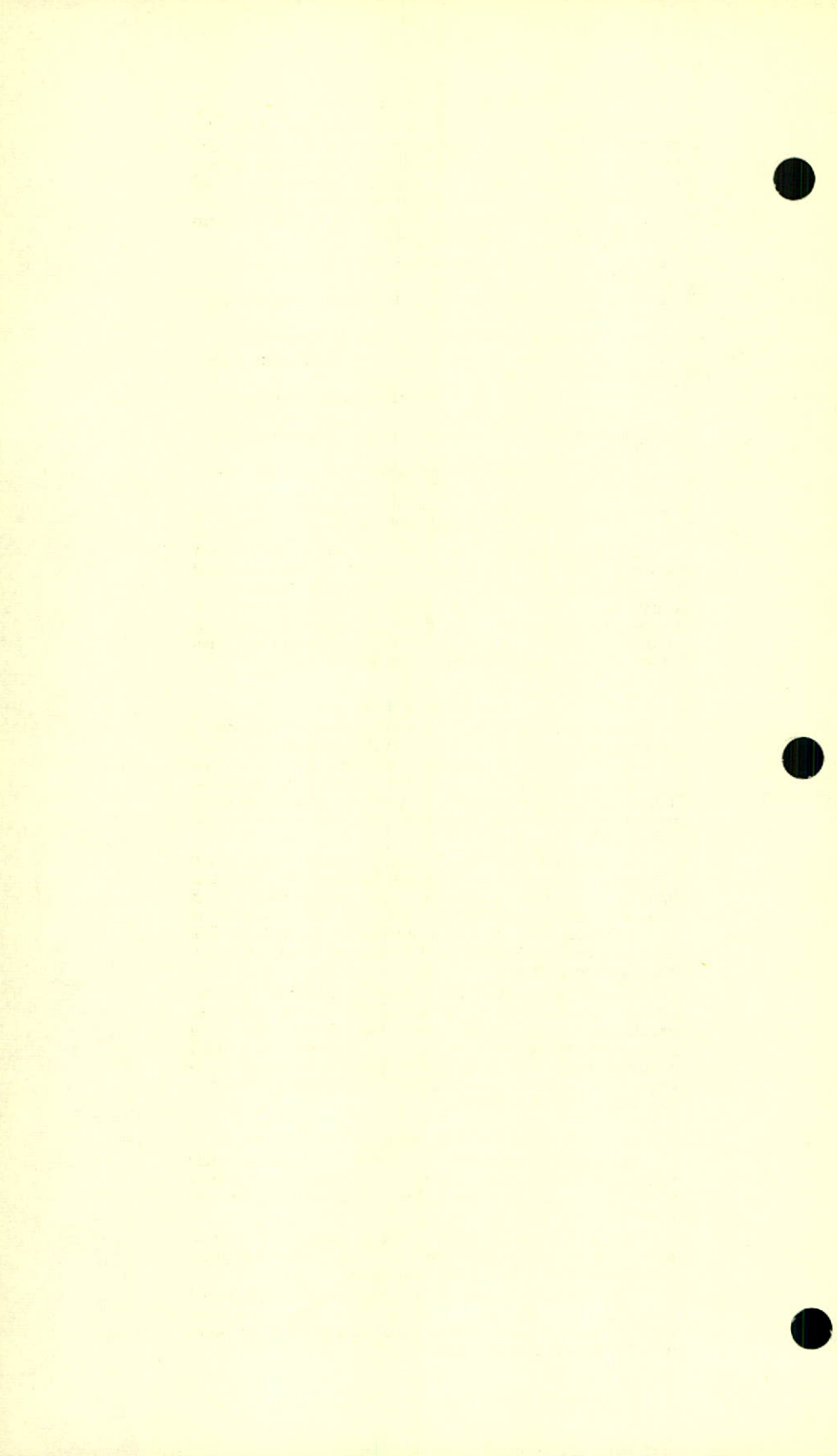
In order to maintain price levels as uniformly as possible at all Saskatchewan markets, Pool livestock branches purchased outright 18,500 cattle and calves, these being shipped on consignment for resale at Eastern and United States markets. While this action was effective in stabilizing prices on the classes concerned, the operation resulted in a loss of \$27,000.00.

### *Cattle Sales*

The Livestock Division continued to handle cattle sales in conjunction with local agricultural organizations at the points of Meadow Lake, Tompkins, Climax and Eastend.

The Livestock Division's North Battleford branch handled seventeen sales at Meadow Lake in the past year, selling a total of 3,360 cattle and calves.

The Livestock Division's Swift Current branch handled a total of ten sales, one at Eastend; four at Climax and five at Tompkins. Total numbers sold through the ten sales were 7,371 cattle and calves.





Construction work this year consisted of an addition at the Regina yards that provides five carload holding pens, also an extension to one of the covered alleys. The extension provides separate unloading, yarding and weighing facilities for hogs and, if necessary, can be used for handling all classes of livestock.

### General

Hog marketings in the current year are expected to remain substantially under last year's volume in both Canada and the United States with prices averaging higher. As the demand appears to be increasing for feeder hogs and breeding stock, this combined with ample feed supplies, would indicate that hog production is again on the increase.

While cattle prices have held at generally favourable levels in both Canada and the United States, a gradual downward trend has occurred in the past year. Recent reports show that the cattle population in both Canada and the United States is now at record levels. In view of the sharp increase in cattle population which has taken place in the past three years, forecasters are predicting an increase in cattle marketings with the gradual downward trend in prices for fed cattle expected to continue through 1961.

Due to the present level of the cattle population in the United States, export demand for stocker and feeder cattle and calves is expected to be further restricted this fall, leaving a higher percentage of our marketings of these classes available for feeding in Canada. The expected increase in the numbers available, together with the decline anticipated in fed cattle prices, will no doubt result in lower price levels for all classes of replacement cattle this fall.

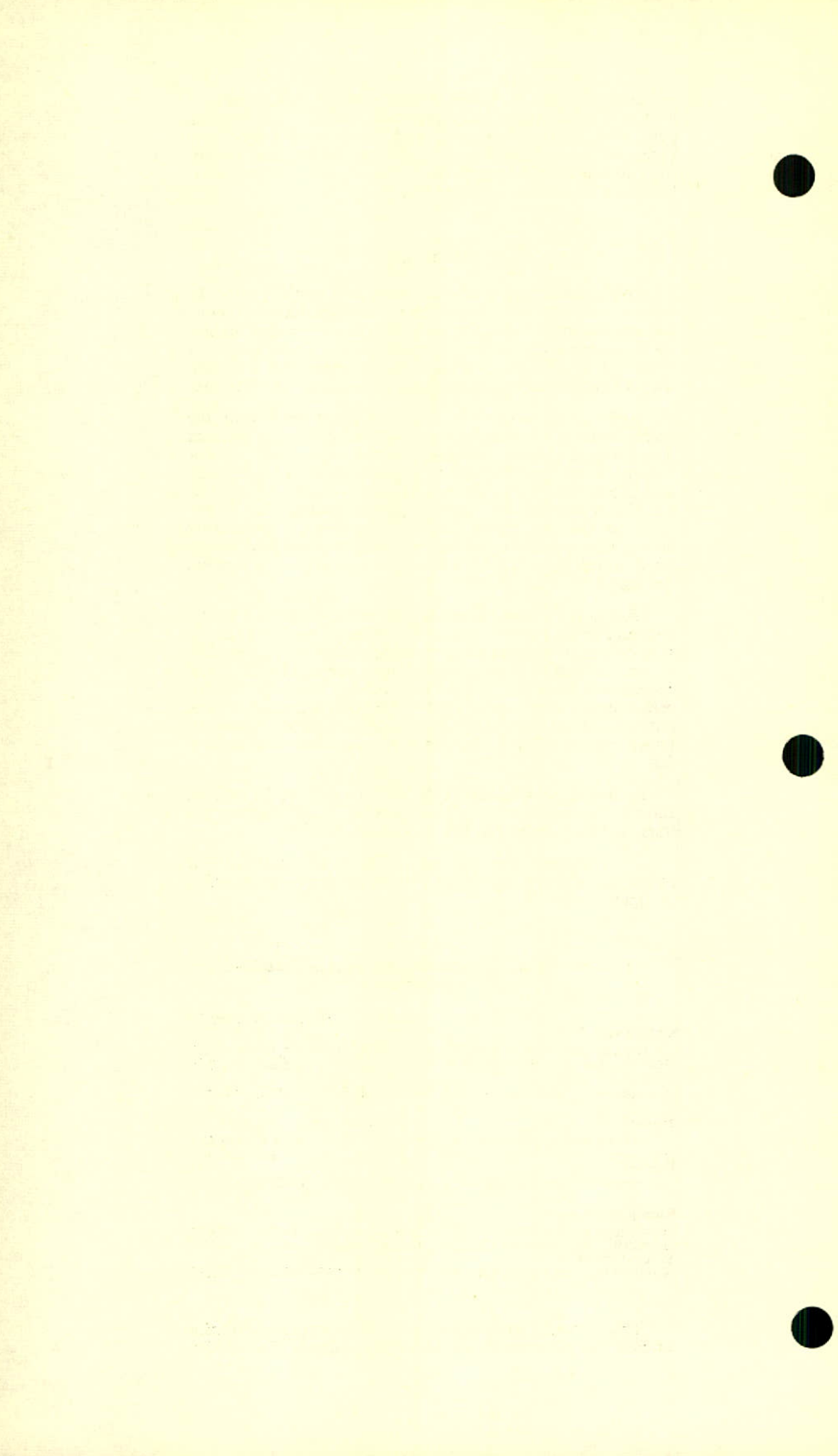
Attached to this report as Statement No. 15 will be found the comparative Statement of Handlings at the various branches of the Livestock Division.

To complete the livestock statistical position, the following information shows provincial deliveries handled co-operatively:

#### Statement of Provincial Deliveries Handled Co-operatively

	1955-56	1956-57	1957-58	1958-59	1959-60
<b>Cattle and Calves:</b>					
Provincial Deliveries.....	475,743	565,291	727,139	684,436	623,668
Handled Co-operatively	221,370	281,392	328,795	305,680	312,755
Percentage of Co-operative Handlings	46.53%	48.77%	45.22%	44.66%	50.15%
<b>Hogs:</b>					
Provincial Deliveries.....	597,532	520,212	592,564	909,437	746,631
Handled Co-operatively	193,846	164,011	180,792	270,319	208,968
Percentage of Co-operative Handlings	32.44%	31.52%	30.51%	29.72%	27.99%
<b>Sheep and Lambs:</b>					
Provincial Deliveries.....	34,423	33,939	34,164	46,221	47,910
Handled Co-operatively	18,718	18,220	18,702	18,038	18,748
Percentage of Co-operative Handlings	45.37%	53.68%	54.75%	39.02%	39.13%

The following statement shows the livestock population on farms as reported by the Dominion Bureau of Statistics:



# Livestock Population on Farms as Supplied by Dominion Bureau of Statistics

## SASKATCHEWAN

	Cattle and Calves	Hogs	Sheep and Lambs
June 1/55.....	1,450,000	715,000	159,000
Dec. 1/55.....	1,325,000	646,000	105,000
June 1/56.....	1,490,000	645,000	160,000
Dec. 1/56.....	1,720,000	515,000	102,000
June 1/57.....	1,920,000	633,000	154,000
Dec. 1/57.....	1,705,000	630,000	106,000
June 1/58.....	1,860,000	890,000	175,000
Dec. 1/58.....	1,635,000	900,000	115,000
June 1/59.....	1,850,000	845,000	187,000
Dec. 1/59.....	1,678,000	732,000	126,000
June 1/60.....	1,933,000	585,000	217,000

## CANADA

	Cattle and Calves	Hogs	Sheep and Lambs
June 1/55.....	10,239,000	6,079,000	1,722,700
Dec. 1/55.....	9,666,000	5,981,000	1,181,000
June 1/56.....	10,465,000	5,680,000	1,706,000
Dec. 1/56.....	10,404,000	4,561,000	1,078,000
June 1/57.....	11,296,000	4,857,000	1,661,000
Dec. 1/57.....	10,293,000	5,160,000	1,112,000
June 1/58.....	11,001,000	6,164,000	1,696,000
Dec. 1/58.....	10,112,000	6,880,000	1,140,000
June 1/59.....	11,120,000	6,872,000	1,761,000
Dec. 1/59.....	10,489,000	6,417,000	1,188,000
June 1/60.....	11,501,000	5,483,000	1,773,000

The following statement shows the average monthly livestock prices per cwt. at Saskatchewan and Toronto for cattle (good steers) and for hogs (Grade A).

## Average Monthly Livestock Prices at Saskatoon and Toronto

	Average Price Good Steers		Total Marketings of Cattle in Canada
	Toronto	Saskatoon	
1959			
August.....	\$25.69	\$23.54	189,066
September.....	25.98	24.13	245,517
October.....	24.50	23.82	216,351
November.....	25.33	23.51	220,120
December.....	23.64	21.94	174,122

1960			
January.....	22.77	20.52	187,202
February.....	21.73	19.80	167,751
March.....	21.90	19.93	230,256
April.....	22.38	20.74	175,230
May.....	22.50	20.87	191,464
June.....	22.65	21.21	233,389
July.....	23.50	21.51	177,597

	Average Price Grade A Hogs		Total Marketings of Hogs in Canada
	Toronto	Saskatoon	
1959			
August.....	\$25.00	\$21.50	570,792
September.....	25.00	21.35	866,441
October.....	23.77	20.15	633,024
November.....	23.65	20.15	696,213
December.....	23.69	20.15	839,427

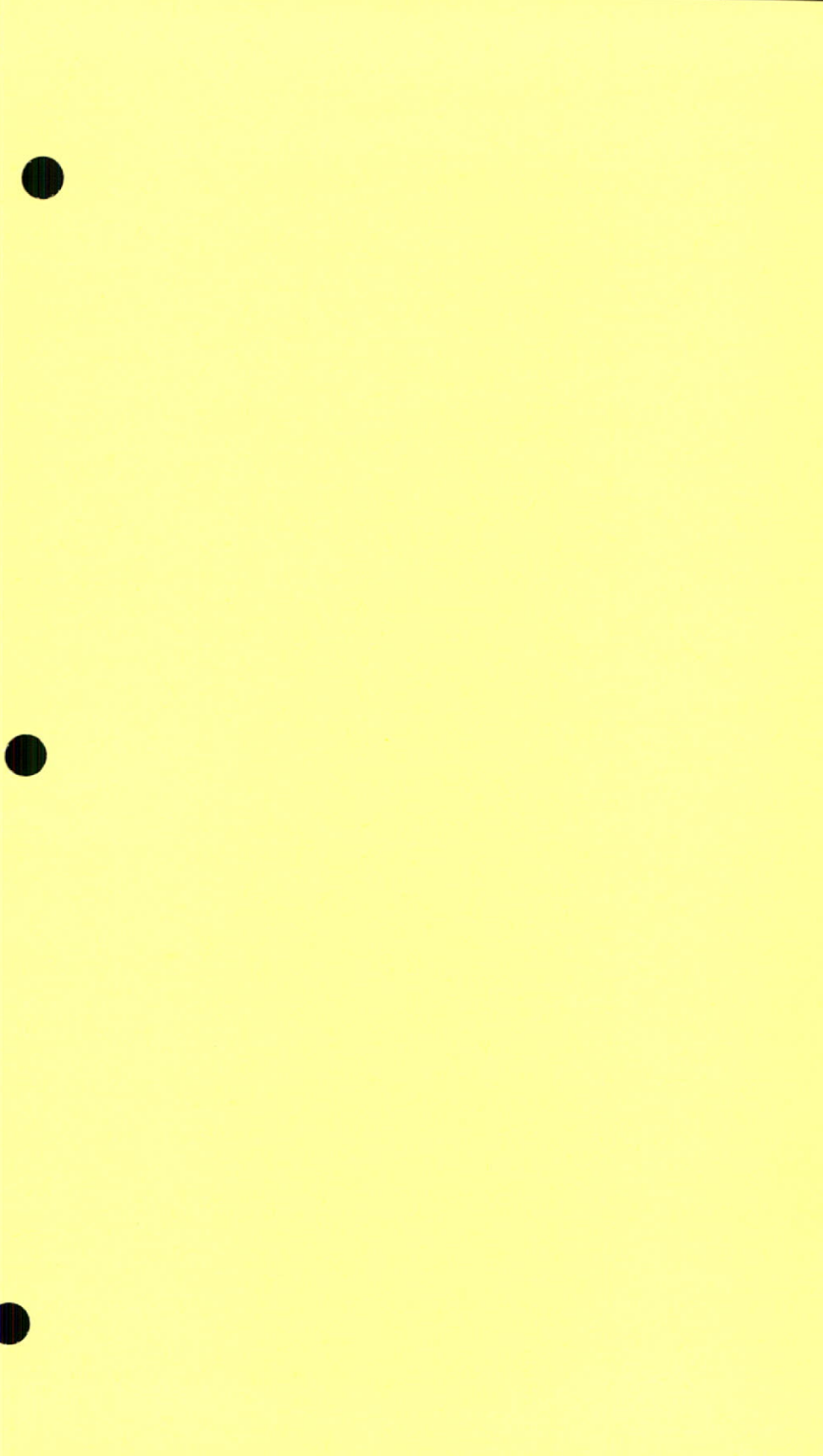
1960			
January.....	23.29	19.23	684,249
February.....	22.32	17.88	594,459
March.....	20.65	17.75	754,607
April.....	21.20	18.61	600,986
May.....	22.94	20.51	540,619
June.....	26.03	23.04	585,068
July.....	25.81	22.99	434,917

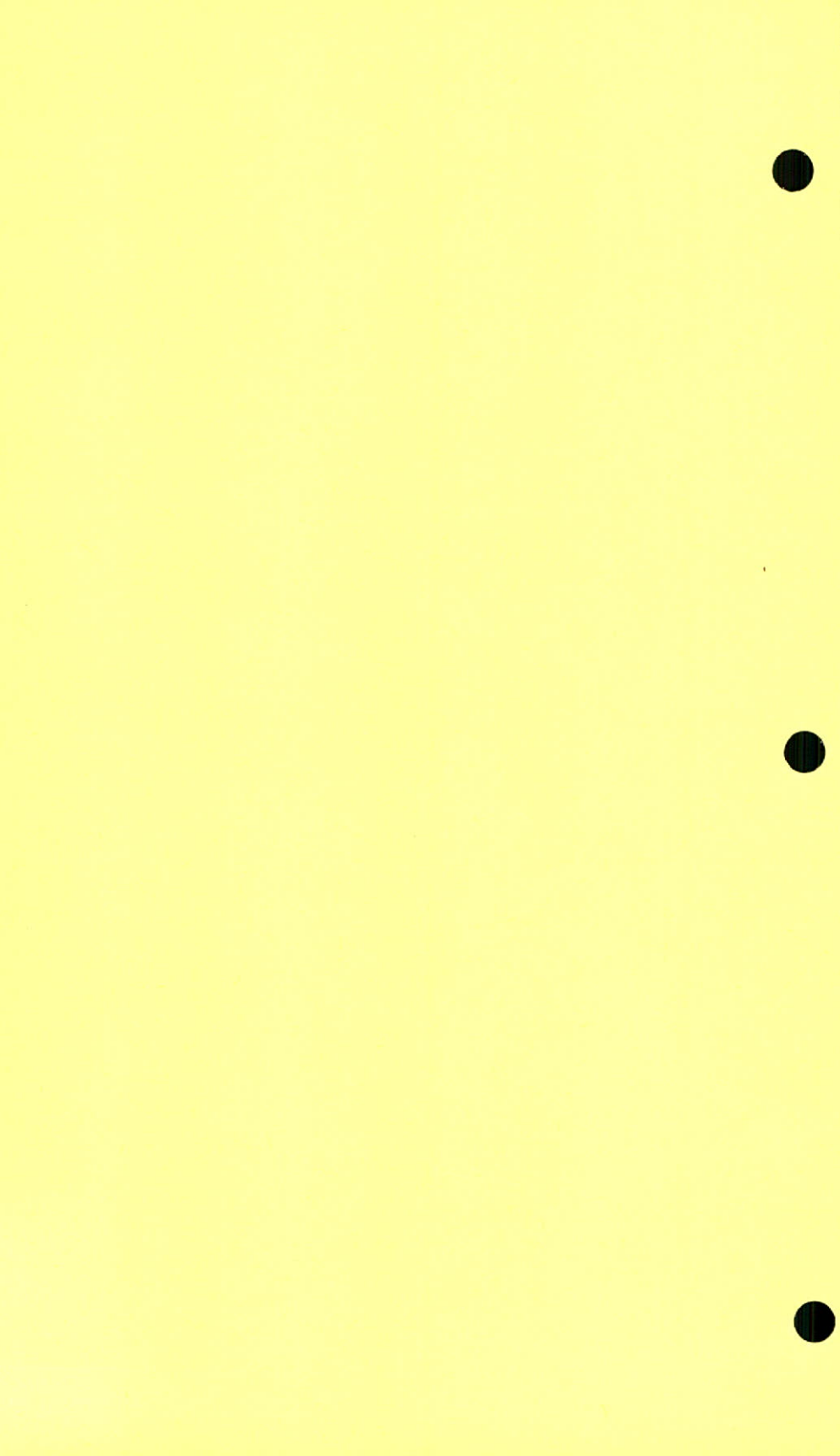
## Canadian Livestock Co-operative (Western) Limited

Your Board desires to pay tribute to the late T. L. Dodsworth, who for the past seven years has been Manager









of Canadian Livestock Co-operative (Western) Limited. Mr. Dodsworth died in July 1960. By his death, Livestock Producers of Manitoba and Saskatchewan lost a loyal servant and staunch friend. His death leaves a vacancy that is difficult to fill.

The Balance Sheet of Canadian Livestock Co-operative (Western) Limited attached to this report as Statement No. 16, sets out the financial position of the Company as at 31st July 1960.

Total operating revenue for the year as shown by the operating statement, amounted to \$343,695.93, while operating expenses totalled \$226,011.00, leaving a net operating surplus for the year of \$117,684.93. From this figure has been deducted the sum of \$443.07 for income tax, leaving a net surplus for allocation to members of \$117,251.86.

In line with a resolution passed at a meeting of the Board of Directors on 15th July 1960, allocation of the surplus has been provided for on the following basis:

	Manitoba Pool Elevators	Saskatchewan Wheat Pool Livestock Division	Total
Percentage basis: Revenue contributed to the Sales Agency for the period.....	53.632%	46.368%	100.000%
Net Surplus allocated to Members.....	\$62,884.52	\$54,367.34	\$117,251.86
Less: Retained by way of non-interest bearing loan.....	1,001.93	866.22	1,868.15
Available for distribution.....	\$61,882.59	\$53,501.12	\$115,383.71
Paid on Account.....	40,000.00	40,000.00	80,000.00
Balance Payable.....	\$21,882.59	\$13,501.12	\$ 35,383.71

During the fiscal period 1st August 1959 to 31st July 1960, Canadian Livestock Co-operative (Western) Limited handled 133,723 cattle, 39,291 calves, 180,960 hogs, and 16,236 sheep and lambs, for a total gross value of \$28,258,667.01; as compared with the previous fiscal year of 124,520 cattle, 38,491 calves, 218,777 hogs, and 15,291 sheep and lambs; with a total gross value of \$31,365,757.51. The above figures include the Order Buying Department, which for the fiscal year ended 31st July 1960, handled 15,524 cattle, 1,836 calves, and 764 sheep and lambs.

The trend to truck delivery to St. Boniface is spreading ever more into Saskatchewan areas. Of the stock handled by the St. Boniface agency which originated in Saskatchewan, this past fiscal year's figures indicate the following percentages delivered via truck—(the bracketed figures indicate the percentage delivered in the fiscal year 1956-57): cattle—36.2% (13%); calves—18% (5.8%); hogs—7% (7%); sheep and lambs—13.9% (6.6%). The change from rail to truck delivery had progressed much more rapidly in Manitoba, so that while the following percentage comparisons show a change, it is to a lesser degree than in Saskatchewan. Manitoba deliveries to Canadian Livestock Co-operative (Western) Limited via truck comprised: cattle—85.8% (79.7%); calves—75.7% (62.3%); hogs—62% (65.4%); sheep and lambs—62.6% (56.1%).

#### Printing and Publishing Division

Details of the financial results of operations of the Printing and Publishing Division for the year ended 31st July 1960 are set out in the Financial Statements and Auditors' reports submitted separately.

While the Commercial Printing Department showed a substantial improvement in the surplus earnings for the year, The Western Producer losses showed a small increase over last year, with the result that the Division ended the





year with a net loss of \$74,655.80 as compared with \$90,613.85 for the previous year. This represents an improvement of \$15,958.05.

The following is a summary of revenue and expenses as compared with those of last year. Bracketed figures denote losses in the first two columns and decreases in the third column.

<b>Commercial Printing Department</b>		Increase (Decrease)
	1958-1959	1959-1960
Revenue.....	\$ 702,798.79	\$ 765,980.58
Cost of Sales.....	539,221.30	572,681.66
Gross Surplus on Operations.....	\$163,577.49	\$193,298.92
Selling & Administrative Expenses.....	106,111.71	112,305.42
<b>Surplus for the Year.....</b>	<b>\$57,465.78</b>	<b>\$80,993.50</b>
<b>The Western Producer</b>		
Revenue.....	\$486,091.21	\$478,592.92
Expenses.....	634,170.84	634,242.22
<b>Loss for the Year.....</b>	<b>\$(148,079.63)</b>	<b>\$(155,649.30)</b>
		<b>\$ 7,569.67</b>

#### SUMMARY

Commercial Printing Department Surplus.....	\$57,465.78	\$80,993.50	\$23,527.72
The Western Producer—Loss.....	(148,079.63)	(155,649.30)	7,569.67
	<u>\$ (90,613.85)</u>	<u>\$ (74,655.80)</u>	<u>\$ (15,958.05)</u>

#### Commercial Printing Department

The revenue of this department increased \$63,181.79 as the result of a larger volume of job sales and an increase in chargeable rates. These rates were increased to offset rising costs of materials and adjustments in union wages.

Manufacturing costs for this season were \$594,973.04 as compared with \$543,354.76 a year ago. The increase of \$51,618.28 is accounted for by variations in the following expense items:

	Increase (Decrease)
Cost of stock used.....	\$32,054.46
Salaries and Wages.....	20,886.15
Other items.....	(1,322.33)
<b>Total.....</b>	<b>\$51,618.28</b>

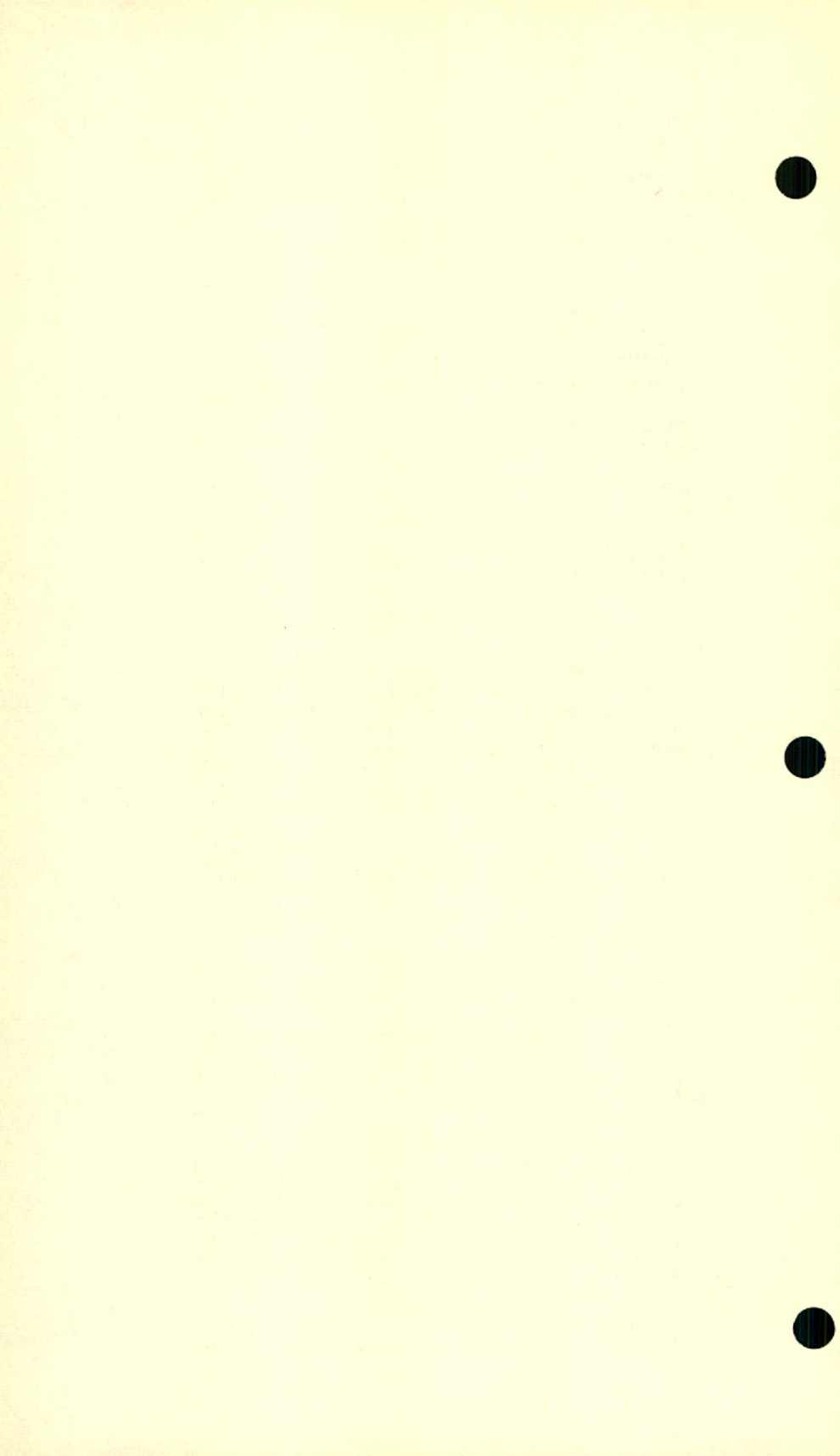
The larger volume of sales, together with an increase in the cost during the latter part of the season, mainly accounts for the increase of \$32,054.46 in the cost of stock used.

Increased union wage rates, the general increase of 4% in salary rates, higher rates paid to apprentices as they approach journeyman status, and an increase in overtime owing to the larger number of printing orders processed, mainly accounts for the increased cost of salaries and wages.

Sales to co-operatives, including the Saskatchewan Wheat Pool, the Dairy Pool, The Co-operative Union of Saskatchewan, Federated Co-operatives Limited, Canadian Co-operative Implements Limited, Co-operative Hail Insurance Company, Interprovincial Co-operatives Limited, and other smaller co-operative companies amounted to \$347,504.30, or 45.41% of total sales. This compares with 43.18% and 47.95% in the two preceding years.

#### Insurance

The past year represented one full year of operation of the Western Producer readers' insurance plan. At the



end of the fiscal year since the institution of the insurance plan, 8,818 written policies had been issued. In addition, because of the system of giving 5% each year to a maximum of 25% to five years, certain renewals were re-issued on their original policy number. This means since the inception of the insurance plan there has been issued and re-issued a total of 13,419 applications.

Total amount paid in claims for policies issued since the inception of the plan is \$12,725.00. Policies now in force at the end of our fiscal year are 8,023, new policies issued during the fiscal year were 3,422, and policies renewed 4,601. Renewal results have been very high, the percentage being 83.03%.

At the present time an attempt is being made to supplement the coverage so Western Producer readers will have the opportunity of buying larger blocks of insurance as a safeguard for accidents. This, of course, is intended as a lump sum which can be taken by farmers as an indemnity, subsidy or recompense for additional staff on their farm in view of the coming complete Government medical plan.

### *Editorial*

The year under review was marked by an effort to place increased reliance on The Western Producer staff for direct accurate coverage of events of importance to the Western farm economy, and in particular to the co-operative section of the farm economy. In addition, the attempt was made to widen the range of editorial comment, to take in foreign and domestic matters which are now or ultimately will be of direct importance to the agricultural economy of Western Canada. While the connection may seem remote in some cases, matters dealt with, in the estimation of the editors, will some day be of vital importance to the agricultural industry of the country.

A special attempt was made to keep government members aware of their responsibilities to farm constituents. There have been times when farmer interest in these matters has appeared to be at a low ebb. The Western Producer has acted on the theory that at such times there has been a greater need for frequent repetition of the farmers' case, and has acted accordingly. To what degree government decisions have been influenced by this is difficult to say. The fact remains, however, that no other medium seems to be prepared to give continuing support to the farmers' case, and without vigorous support of some kind the farmers' case for economic justice cannot be kept in the forefront. This emerges more clearly than ever as the primary function of The Western Producer.

In carrying out this function, your newspaper seeks to become known as a medium of widely diversified interests. Such an objective results in a publication which attempts to appeal to all age groups. The attempt is made to cultivate the interest of every member of the farm family, to the end that our main objective, the welfare of the Western farm family, will be recognized and understood by the farm family.

### *Staff*

Increased reliance has been placed on staff reports of major events in the fields of agriculture, farm organization, women's topics and co-operation by staff members. Staff conditions have progressed to the point that we now have a group of extremely stable, competent, and conscientious individuals on the job, a condition that it is hoped will continue. The year under review has been marked by diminishing reliance on the reports of "stringers" or casual reporters who are employed, generally speaking, by media





which do not share the point of view of The Western Producer.

Direct and extensive coverage was given to such events as the annual meeting of The Canadian Federation of Agriculture and the various Western provincial federations; annual meetings of the Farm Unions; The Royal Commission on Transportation; provincial meetings of Rural Municipal Associations; annual meetings of various co-operative institutions and organizations; the Federal-Provincial agricultural conference; and many others. In addition, a continuing liaison is maintained with all these organizations and others, through editors of the various departments.

#### *Agricultural Department*

An effort has been made, subject again to budget and space limitations, to provide Western agriculture with material which was believed to be helpful in matters of farm management, production and marketing. Research reports from federal, provincial and university sources were presented in a form calculated to be clearly understandable by the majority of readers.

In addition, local, provincial and national meetings were attended and reported upon in person wherever possible. The agricultural editor reports that "the courtesy afforded The Western Producer at such meetings spoke well for the high regard in which the newspaper is held at all levels."

A special effort was made this year to arrange staff coverage of as many as possible fairs and exhibitions in the Prairie region. From the point of view of our relations with the livestock fraternity and the many thousands of readers who are involved with these events, we believe this to be important. This year, special magazine photo-feature coverage was arranged, making possible the use of many photographs which could not be used with individual reports of the events. This proved to be a popular feature, judging by unsolicited comments from readers, and the intention is to develop this to a greater extent in years to come.

The veterinary, legal and engineering columns, all of which embody question and answer service, continue to be widely used by readers. As in the past, our agricultural department continues to maintain close contact with all sources of expert information, with a view to publishing material obtained from such sources on the basis of best possible timing for the farmer.

#### *Co-op Section*

Over the past year we have attempted to develop a much closer liaison with sources of live co-operative news. Good results of this would seem apparent in the pages of The Western Producer devoted to co-operative matters. The attempt is made to place emphasis on the achievements of the co-operative movement, and on its economic and cultural advantages wherever the opportunity presents itself. An important function of this section would appear to be to capture the interest of those of our readers who are not now involved in the movement, or who have only a limited or casual interest.

#### *Farm Organization Section*

Farm organizations were made the specific responsibility of a staff member more than a year ago. Most of a page, sometimes a greater amount of space, is devoted to news from farm organizations in each issue. Material of genuine news interest to a majority of readers now appears regularly in this section, much of it the result of direct personal interview with farm organization officials.



It is policy also to arrange direct interviews with all visiting cabinet ministers and politicians of lesser rank who may have something to say with a bearing on farm policy, or on government policy that may affect farmers directly or indirectly. Such interviews have been made the responsibility of the individual in charge of farm organization news.

#### *Women's Section*

Coverage, as much as possible personally by staff members with the aid of the camera, has been given the activities of rural women's organizations, to welfare organizations, to organizations such as those dealing with the mentally ill, retarded and crippled children, education, international understanding, to groups concerned with consumer problems. Sometimes it has been possible to single out local community activities of special interest. Every attempt is made to make rural women feel this section belongs to them and readers, through their contributed articles and letters to the Mail Box, continue to write much of the section, even though this involves much editing and correspondence.

Problems of the homemaker have been answered; leisure time needs are remembered in articles on hobbies, books, handicraft. Readers' services included dress, embroidery, knitting and crochet, and carpentry patterns, of which some 24,000 were sold.

The horticultural section continues to include practical hints from gardeners, coverage of important meetings and shows, and information from technical horticulturists.

The weekly 4-H Club page, prepared by the staff of this section, gave wide coverage to 4-H activities and continues to draw a growing response from members and leaders.

The flow of contributions and new members for the Young Co-operators Pages continues. Many new members are the sons and daughters of earlier YC's.

#### *Magazine Section*

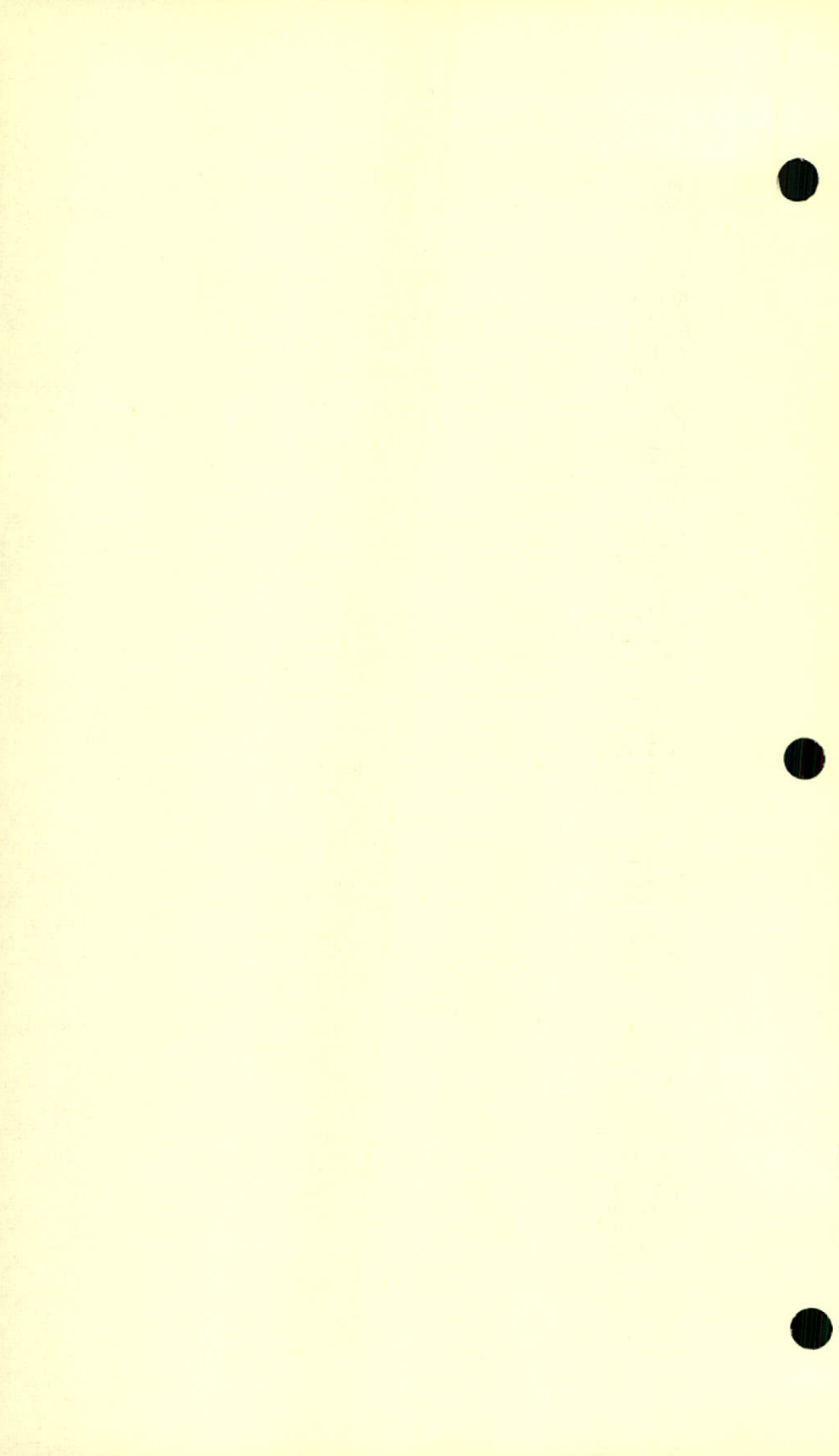
Continued encouragement is given by the magazine section to Canadiana and Western Canadian writers. The works of more than one hundred Western Canadians appeared including writers, artists and photographers, some of them regularly.

As well, there were many staff-written features on timely topics with several Western Producer photo story pages. Two serials of the Prairies have been published, both written by Westerners—"Land of Hope", written by Clara Hoffer and F. H. Kahan, and "In the Face of the Winds" by the late W. A. S. Tegart. These have both evoked much favourable comment, and the first has been published in book form. A decision will have to be made about the latter.

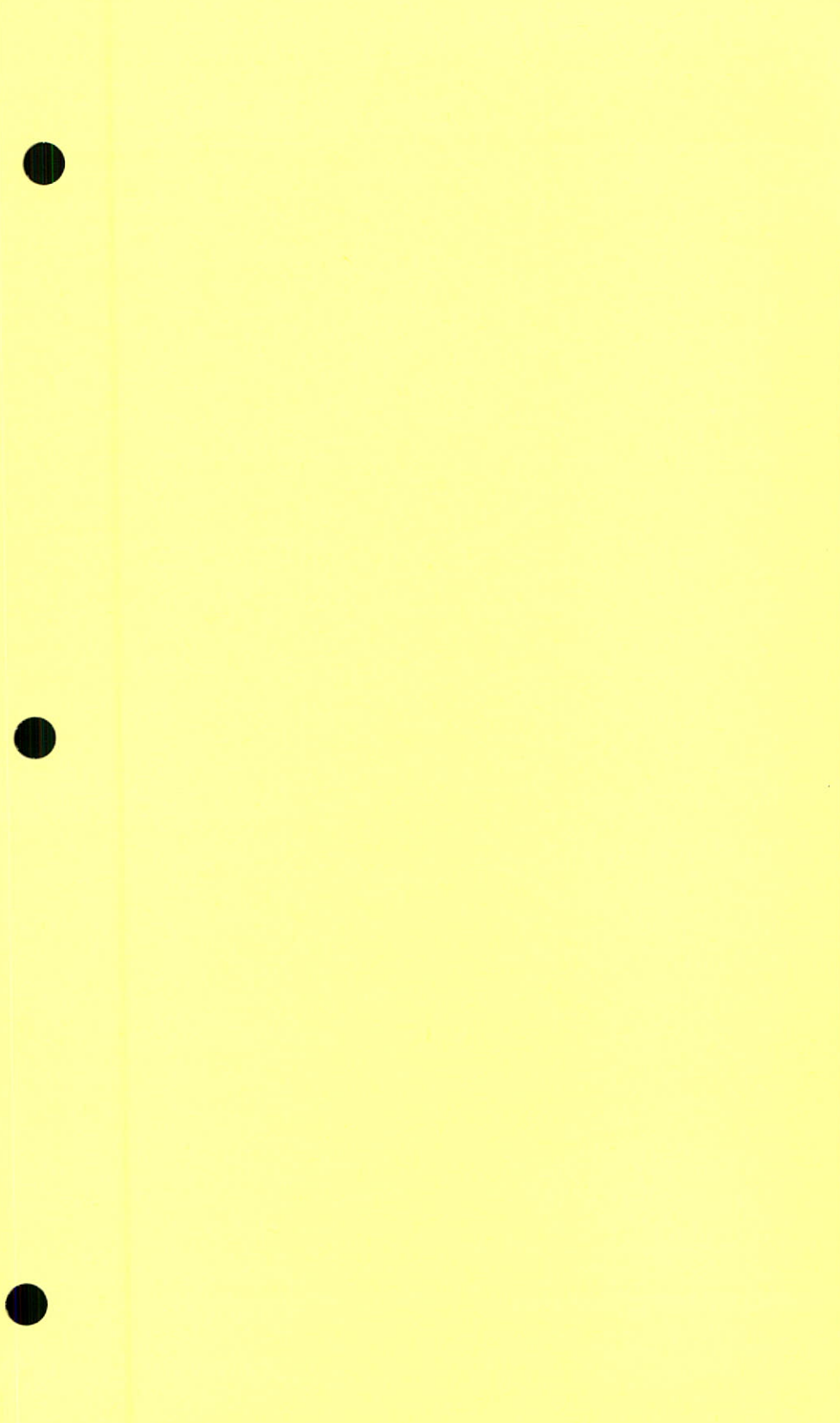
Special features in the magazine for the year under review included—Discoverers and Explorers in Canada, covering the period 1497-1763, a Canadian history series which ran for nine weeks. A further series in Canadian history is planned for this fall covering the period 1763-1911; Young Canada Book Week received special attention in November. Education Week was featured in March. Western Canadian vacations were promoted in May in two issues.

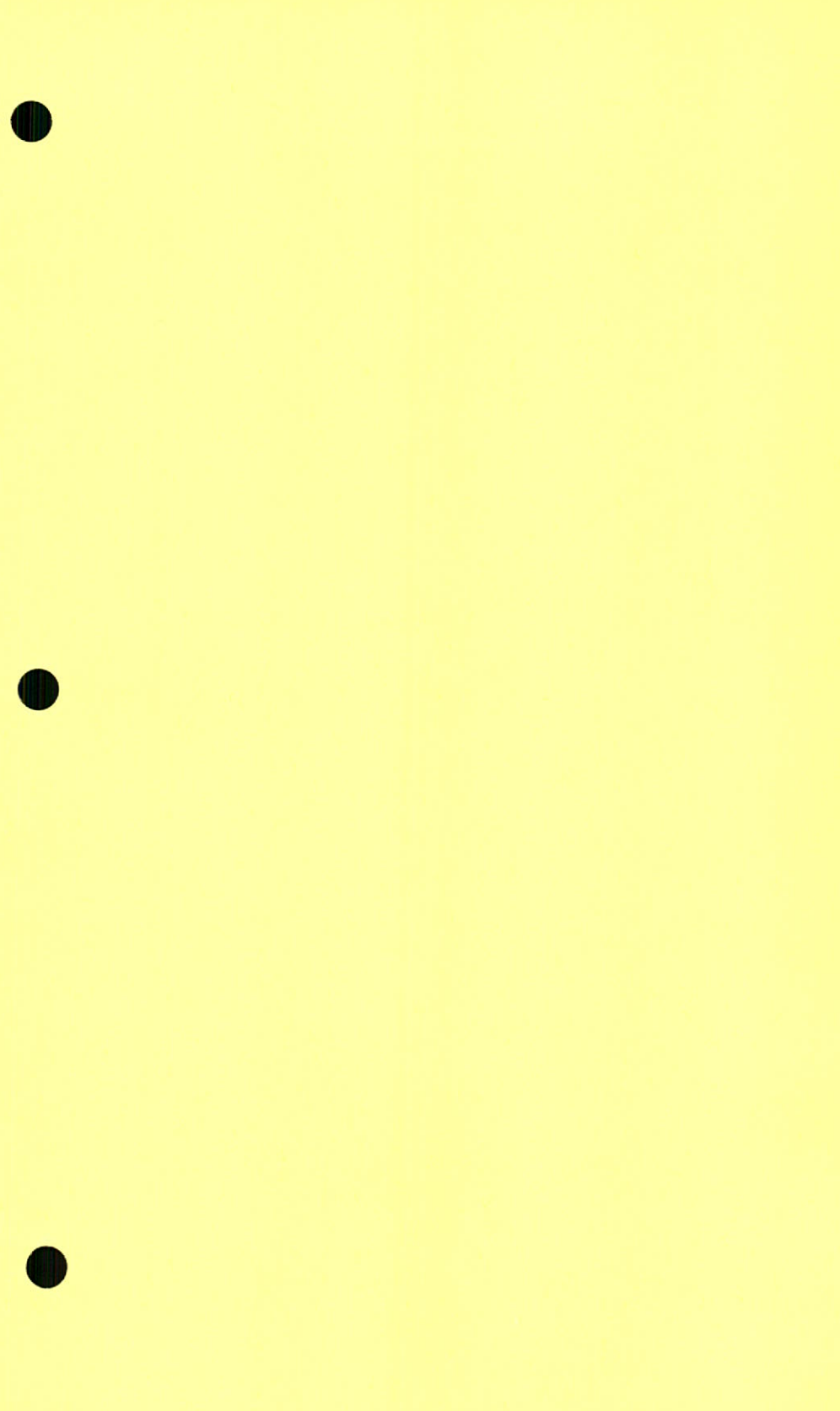
An insert in the magazine section of eight pages covering Water for the Family Farm ran in the June 16th issue. Western summer fairs, shows and exhibitions were given extensive coverage throughout the summer months.

The Western Producer has received a certificate of merit from the Canadian Historical Association in recog-









nition of the policy of publishing articles on the subject of Western history. Meeting in Kingston, Ontario, this summer, the decision was made to award the certificate to The Western Producer for what were described as "outstanding accomplishments in furthering the study of local history in Canada."

### Statement of Combined Operations

Statement No. 3, Page 17, of the Auditors' Report shows the financial result of the combined operations of all Divisions of the Company for the year ended 31st July 1960 as follows:

<b>Operating Surplus:</b>	
Country Elevator Division.....	\$3,840,202.59
Terminal Elevator Division.....	1,059,688.84
Flour Mill Division.....	18,664.62
Vegetable Oil Division.....	7,570.70
Livestock Division.....	171,277.32
Printing and Publishing Division:	
Commercial Printing Department..\$	80,993.50
The Western Producer.....	(155,649.30)
	<u>(74,655.80)</u>
<b>Total Operating Surplus for the year ended 31st July 1960.....</b>	<b><u>\$5,022,748.27</u></b>

(Bracketed figures denote loss).

### Allocation of Surplus

Your Board recommends that the surplus earnings of the organization for the year ended 31st July 1960, amounting to \$5,022,748.27, be allocated as follows:

Excess Charges Refund—Season 1959-1960.....	\$3,923,900.00
Provision for Income Tax—estimated.....	595,000.00
Transfer to Reserve Account—estimated.....	503,848.27
<b>Total.....</b>	<b><u>\$5,022,748.27</u></b>

Your Board further recommends that the share of earnings for the year ended 31st July 1960 allocated to Excess Charges Refund, Season 1959-1960 and amounting to \$3,923,900.00, be distributed in relation to patronage on all grains (including rapeseed), and livestock delivered by members of the Company during the year ended 31st July 1960, on the following bases:

#### Grain:

- (a) Cash patronage dividend at the rate of 1c per bushel, estimated.....\$1,454,000.00
- (b) Patronage dividend at the rate of 1.2c 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.....1,744,800.00
- (c) Patronage dividend at the rate of .4c 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.....581,600.00

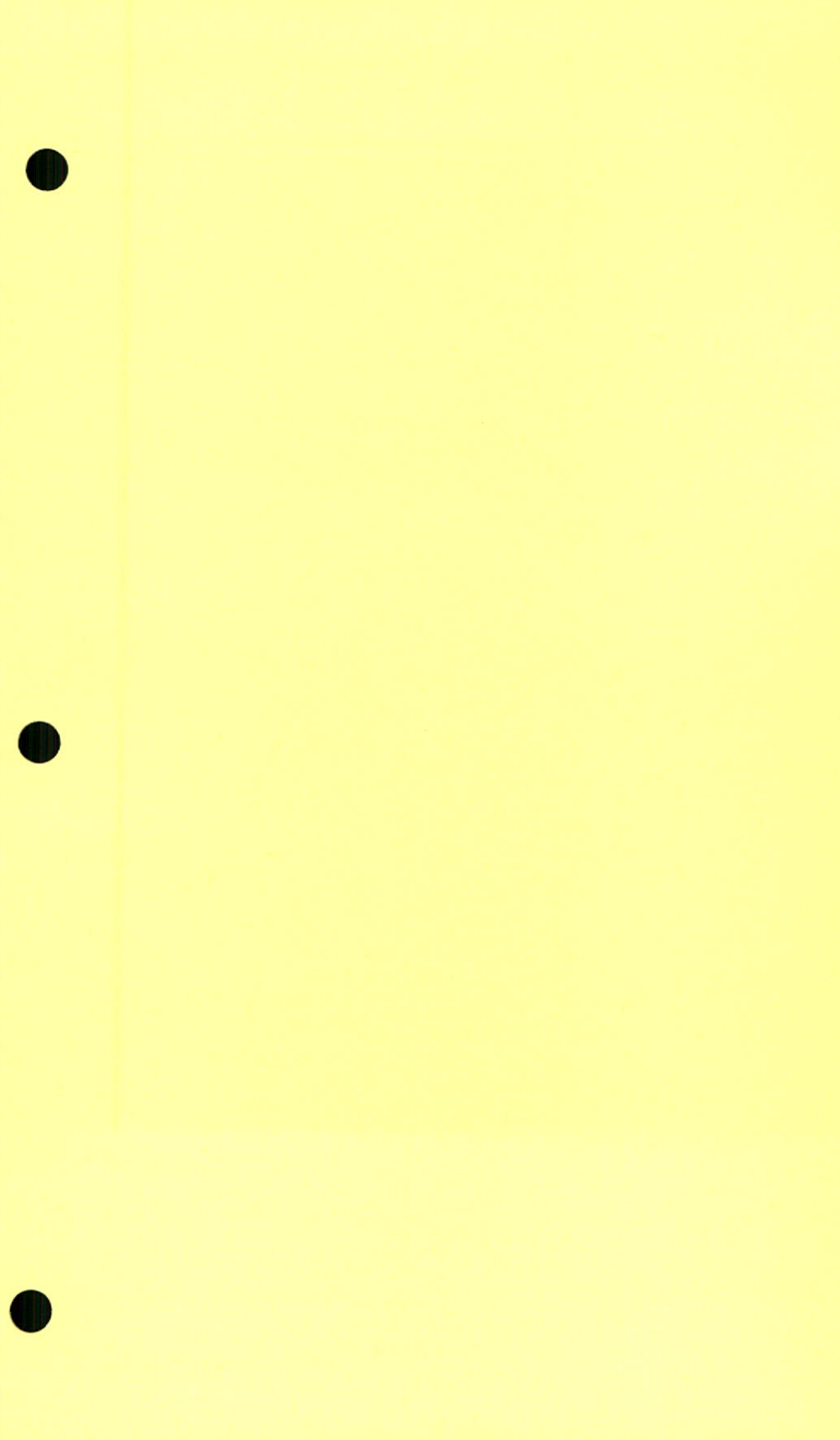
#### Livestock:

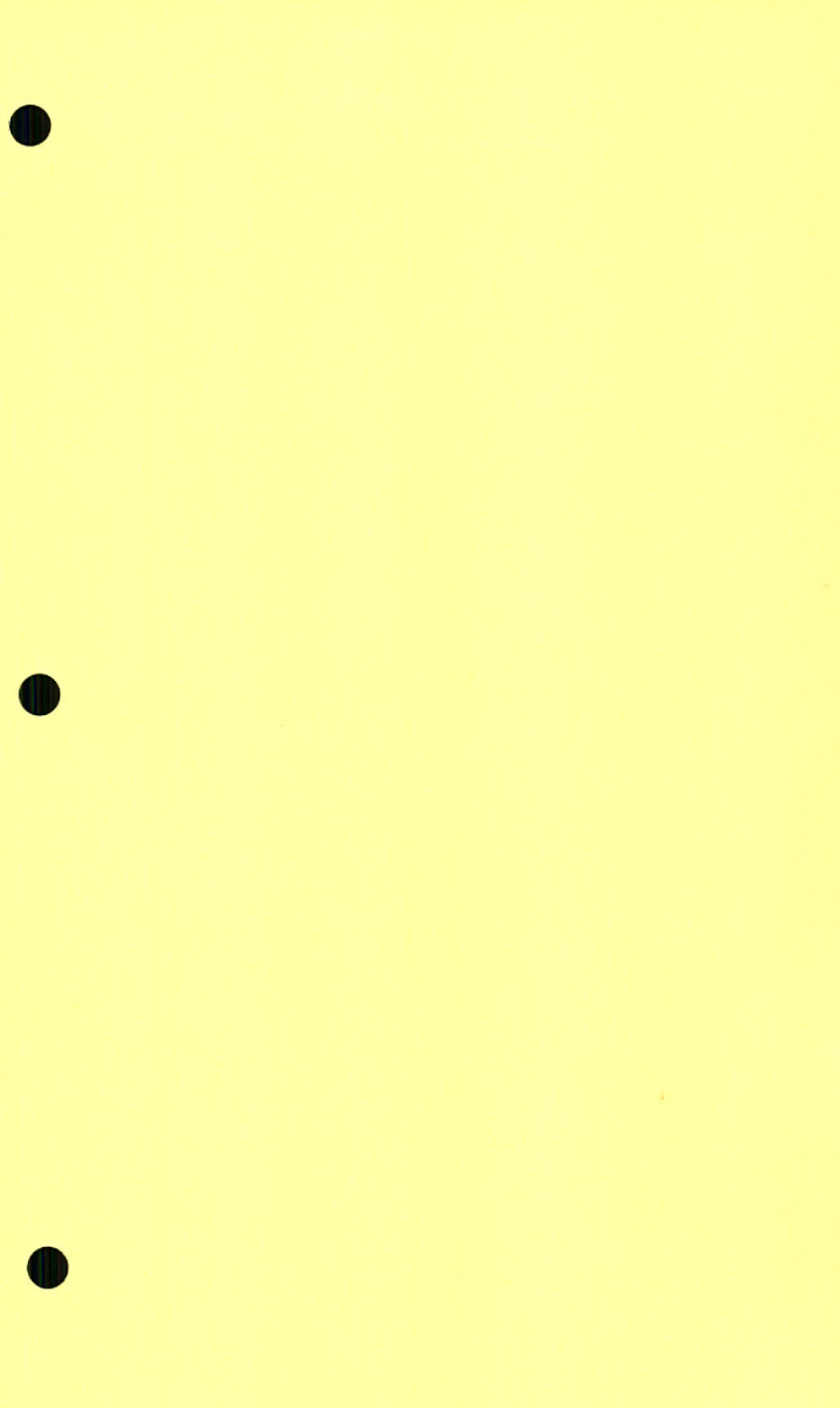
- (d) Patronage dividend at the rate per head for cattle 51c; calves 20c; and hogs, sheep and lambs 12c; to be retained as a loan from the shareholders of the Company, in accordance with the Articles of Association, provided that those members entitled to such dividend, whose Elevator and Commercial Reserve Deductions have heretofore been purchased by the Company, shall be paid their share of such amount in cash, estimated.....143,500.00

**Total.....**\$3,923,900.00









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 be paid out in cash.

### **Interprovincial Subsidiaries**

#### *Canadian Co-operative Wheat Producers Limited*

As in previous 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 contains a comprehensive summary of national and international developments in agriculture during the year under review.

#### *Canadian Pool Agencies Limited*

The report of the Directors of Canadian Pool Agencies Limited to its annual meeting of shareholders is also attached to this report for the information of delegates. The Balance Sheet for the year ended 31st July 1960, the Summary of Surplus Account and the Statement of Income and Expenses, are also attached as Statements Nos. 9, 10 and 11 of this report.

#### *Pool Insurance Company*

The fiscal year of Pool Insurance Company ends on 31st December. The report of operations of this Company for the year ended 31st December 1959, together with the Balance Sheet, the Summary of Shareholders' and Patrons' Equity Account, and the Statement of Income and Expenses, are attached as Statements Nos. 12, 13 and 14 of this report.

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

### **Publicity**

The Publicity Department continued to distribute information about farm problems and about the Saskatchewan Wheat Pool through as many avenues as were available to it. There was a shift in emphasis in advertising from radio to television, with satisfactory results in the size and character of the audience reached.

The Department continues to investigate new media through which essential information may be distributed to members and to the public generally. The use of various kinds of media must continue to change to match changes in the interests of the audience.

It is evident, the Department feels, that more attention must be paid to non-farm people in both advertising and publicity. The lack of information about the nature of farm problems and about policies designed to help solve these problems becomes more apparent from year to year. Even in Saskatchewan, the close link which once existed between urban and rural people is not now so close. Elsewhere in Canada, the gap between farm and city people is much wider.

This situation offers new challenges to farm organizations in all parts of the country. Increasingly, the Saskatchewan Wheat Pool must play its part as an interpreter between farm and non-farm groups in its own area. The Publicity Department has been making a modest beginning in this job with its television programs and its advertising in national financial papers.





### *Television*

The Saskatchewan Wheat Pool sponsored a weekly newscast on five of the six stations operating in the province. On the sixth station (CKBI-TV, Prince Albert) the Pool sponsored a 30-minute talent program broadcast both by radio and TV on 14 occasions. Three special programs dealing with phases of farm problems were prepared and broadcast on all six stations.

### *Radio*

Radio programming underwent a major change last year with the cancellation of the daily five-minute news broadcast over most of the private radio stations in the province. In its place, the Department produced a weekly 10-minute program of news interviews and comment, which was broadcast on five stations. It is felt that a program of considerably greater interest resulted. This program was also carried in translation on the French stations.

Radio announcements of annual shareholders' meetings were continued during the early winter. High school curling covering provincial semi-final and final games were broadcast as well as direct reports from the national finals.

### *Newspapers and Periodicals*

Advertising was continued at the same level as in previous years in *The Western Producer*, Saskatchewan weekly newspapers and in some issues of a selected list of magazines published by various groups in the province. Together, these publications give the Pool very broad coverage of rural Saskatchewan.

Some advertising has been done in financial papers in Eastern Canada in order to present the position of agriculture to the Canadian business community. Some advertising has also been placed in papers published in the United Kingdom in special issues relating to Canadian affairs.

Attention of young people has been directed to the opportunities in the co-operative movement by placing advertisements in a number of High School year books in the last two years.

### *Exhibitions and Special Events*

The Saskatchewan Wheat Pool has continued to provide special displays for Class A and B fairs, and the float for the Wheat Queen in the travellers' parade in the Provincial Exhibition at Regina.

Display material has been made available to decorate elevator openings and for other meetings in which the Wheat Pool is involved. Special displays have been provided for the use of local committees which wished to be represented in Class C fairs in their communities.

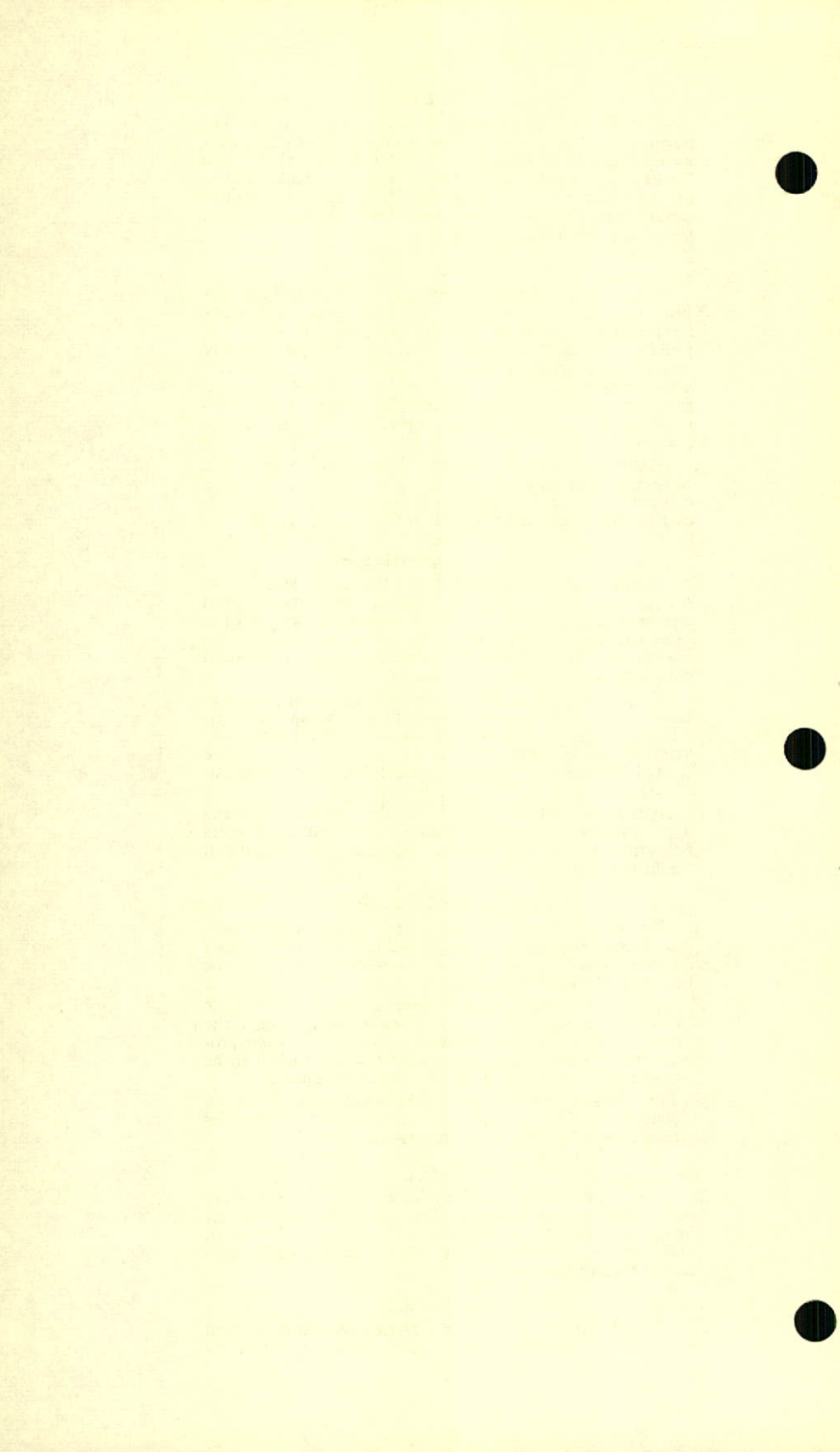
Special attention was paid to the opening of the all-steel elevator at Kenaston in co-operation with companies which supplied construction materials.

### *Calendars*

About 140,000 copies of the Wheat Pool calendar were distributed to members and through Wheat Pool agents in the province. Other distribution was arranged through Head Office to a selected list of individuals and organizations and upon request.

### *Flour Advertising*

Pool Flour advertising was carried on television and radio and in *The Western Producer* during the year. In-



creasing use was made of television with good results in flour sales in this province.

Co-op Flour advertising was placed by co-operative outlets and paid for by the Mill up to a maximum agreed upon by the Mill and Interprovincial Co-operatives.

Flour advertising was carried as part of other Wheat Pool advertising programs.

#### *Public Relations*

In addition to its advertising program, the Publicity Department continues to carry out an extensive public relations program, aimed at informing other groups and individuals about the aims and objectives of the Saskatchewan Wheat Pool. Through the publication of pamphlets, by assembling and distributing information about farm problems, the Department has attempted to demonstrate the interest of the Saskatchewan Wheat Pool in many community activities.

The Department has been able to maintain close associations with newspapers, radio and television outlets, and is frequently called upon by these media for special information. The Wheat Pool has also worked closely with the Canadian Wheat Board, Colombo Plan officials and technical assistance administrations in providing services and information for visitors from abroad.

#### *Research*

Research programs to assemble materials for briefs, memoranda, and special articles in newspapers and magazines, have been carried on throughout the year. The demand for this kind of information is steadily growing and more attention is being devoted to a variety of subjects.

#### *Library*

Library patronage continued to decline during the year under review. The library sent out 5,753 books in 1959-60 as compared with 6,005 the previous year. The extension of library services in the province is providing our members, as well as others, with alternative sources of reading material.

The reference section of the library continues to grow as much new material is being constantly added. This section demands an increasing amount of time and attention to assure its maximum usefulness.

The statistical report will be found in Statement No. 6.

#### *Crop Reporting*

The Saskatchewan Wheat Pool crop report was issued during the growing and harvesting season. It proved to be particularly useful during the fall of 1959 when so much grain was unfortunately left in the fields.

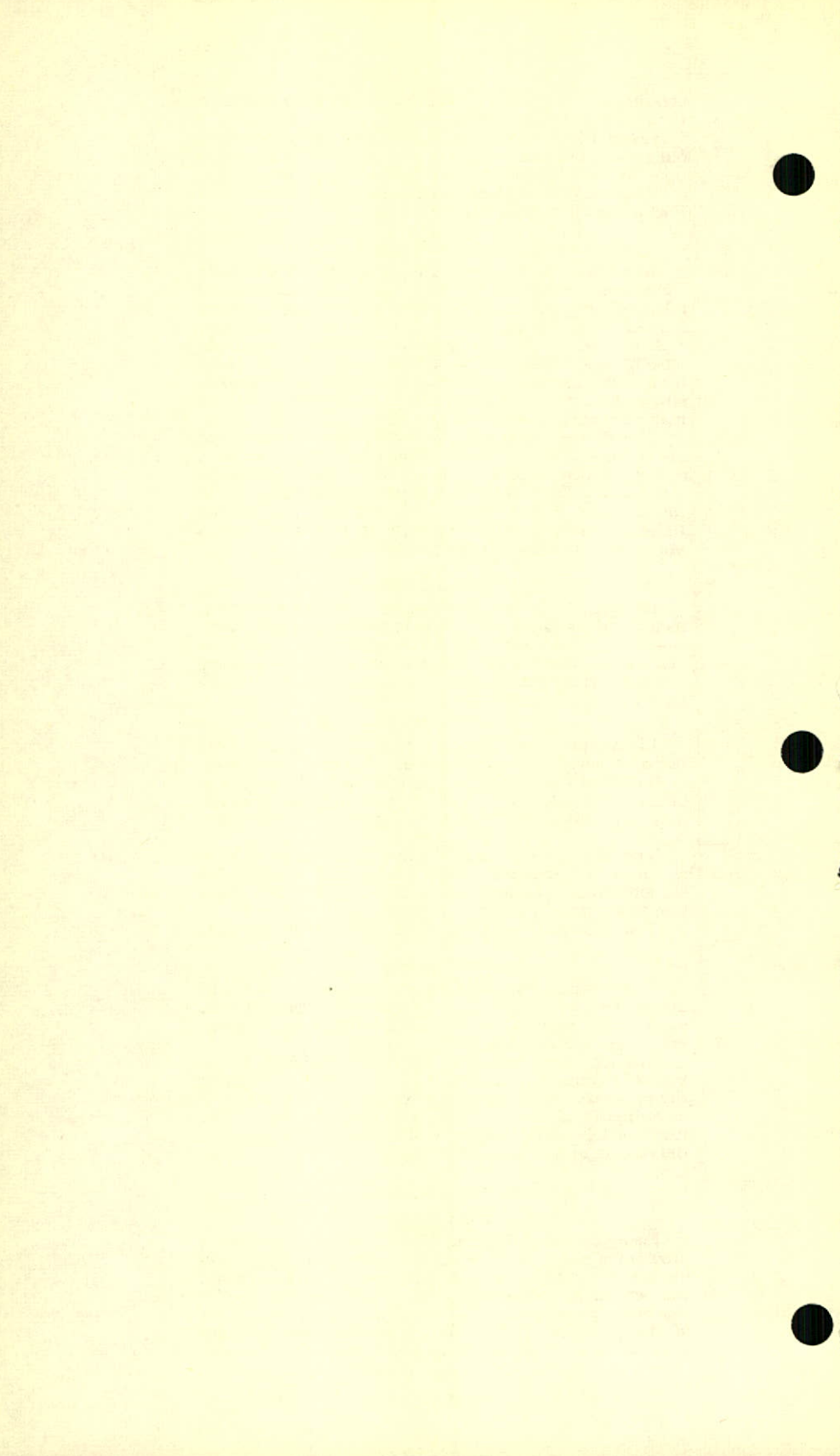
The report was compiled by R. F. Haddrell on the basis of information received from Pool agents throughout the province. Summaries of the report were distributed to news media through the Publicity Department. The Elevator Division continues to distribute large numbers of the reports to individuals and organizations.

#### *Junior Activities*

##### *Variety Testing*

Each year since 1935 the Wheat Pool has carried on a program of cereal variety tests throughout the grain growing area of the province. The tests are designed to compare the performance of several grain varieties grown side by side under growing conditions which exist in different parts of the province. The project is planned and varieties selected with the advice of the Field Husbandry Depart-







ment, University of Saskatchewan. Individual tests are supervised by young farm men and women selected for the work by Wheat Pool delegates. These young people do the work on a voluntary basis, and their interest and enthusiasm contribute greatly to the success of the program.

Seed and other equipment for the tests is prepared at the Wheat Pool Head Office in Regina, and mailed to the supervisors with complete instructions for seeding. Tests are laid out in a randomized block pattern, designed to give each variety an equal chance with all other varieties in the same test. They are designed to duplicate field conditions as nearly as possible. The aim of the project is to locate two tests in each sub-district to achieve maximum distribution. The table below shows the number of tests of each type seeded in 1960, and the varieties used.

Project	No. of Tests	Varities
Wheat.....	122	Thatcher, Canthatch, Selkirk, Pembina, Lake
Oats.....	49	Garry, Rodney, Exeter, Glen, Russell
Barley.....	115	Husky, Jubilee, Hannchen, Betzes, Palliser
Rape.....	29	Golden, Regina II, R-1, Arlo, Polish
Total.....	<u>315</u>	

During the growing season supervisors were asked to complete three progress reports, comparing the varieties at different stages of growth, and to keep a record of rainfall during the four summer months.

When the grain ripened, the rows were harvested separately, dried, wrapped in paper, and shipped to Head Office for threshing and yield calculation.

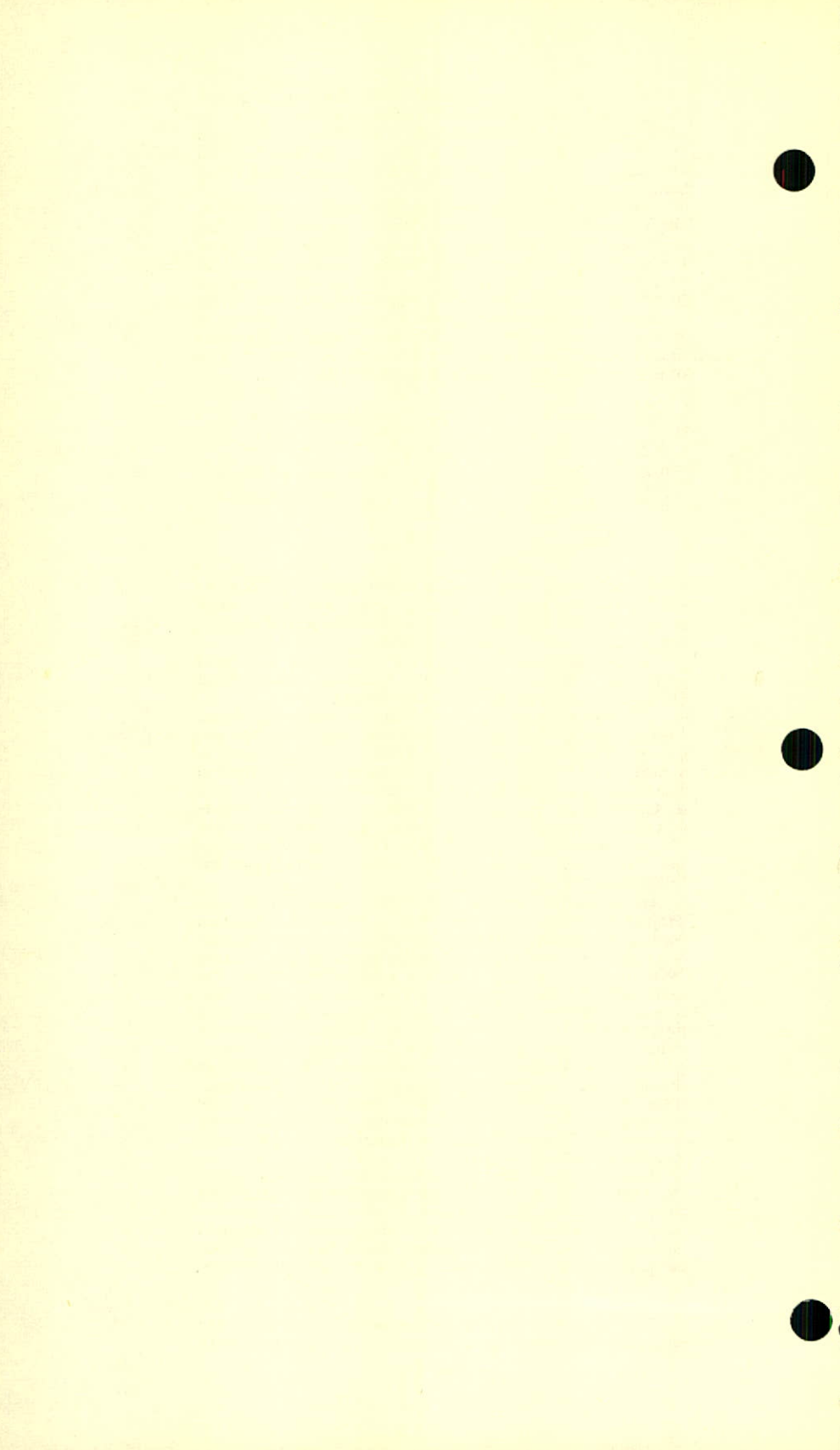
The yield results, together with information obtained from reports completed by supervisors and delegates, are combined in a report which is printed and distributed to supervisors, farmers and plant scientists. Yield information is also submitted to the Saskatchewan Advisory Council on Grain Crops. This Council, after considering the results of tests conducted by experimental farms, the University of Saskatchewan and the Wheat Pool, recommends the best varieties for use in different areas of the province the following year.

In recognition of the voluntary contribution to this project made by the variety test supervisors, education committees in many districts arranged tours in which the supervisors visited points of agricultural interest. During 1960, visits were made to several experimental farms, the University of Saskatchewan, Wheat Pool facilities, historical museums, and various industrial facilities. At nearly all these tours, provision was made to discuss the value of the variety testing project and the importance of proper harvesting. In addition, a considerable number of delegates arranged committee meetings at the location of tests in their sub-districts. These meetings, held shortly before harvest, provide an opportunity for committee men and shareholders to compare the varieties under conditions in their own community.

In many cases the young farm people who conduct these tests make a notable contribution to agriculture and to the community in later life. Their names appear frequently in the lists of graduates of the School or College of Agriculture, winners of bursaries or scholarships, participants in special 4-H activities, or similar accomplishments.

#### *4-H Agricultural Clubs for Boys*

The number of 4-H clubs operating in Saskatchewan declined again this year, as did the total enrolment, both



probably indicative of the general decline in the province's farm population. The number of clubs dropped to 598, down from 623 last year and 661 in 1958, to the lowest number in at least the last five years. Total enrolment of 9,185 was down from last year's 9,744 and considerably reduced from the 10,480 of 1957.

The change in club activity was also indicative of the changing agricultural scene. Grain clubs, traditionally the largest in number and size, numbered 156 with 2,088 members, compared with 174 and 2,299 members in 1959. In 1957 there were 231 grain clubs with 3,722 members, while back in 1936 there were 231 grain clubs with a membership of 5,100. Membership in clubs relating to livestock remained high with an improvement in the numbers of both beef and sheep clubs, although membership for each was down slightly in total.

In the grain clubs, 16 varieties were grown this year, the same number as in 1959. Thatcher and the new variety, Canthatch, were the most popular, while some clubs within the designated area received one bushel of Pembina wheat which they grew as a special club project.

#### Summary of 4-H Agricultural Club Activities

	Number of Clubs					Membership				
	1936	1957	1958	1959	1960	1936	1957	1958	1959	1960
Grain.....	231	231	199	174	156	5,100	3,722	2,890	2,299	2,088
Beef.....	35	285	301	295	298	1,028	4,581	4,677	5,404	5,205
Dairy.....	—	19	21	20	20	—	271	280	263	270
Poultry.....	5	11	9	7	5	52	153	112	80	45
Swine.....	30	18	20	17	16	657	236	253	204	208
Garden.....	—	87	99	96	91	—	1,345	1,410	1,247	1,208
Tractor	—	4	3	1	2	—	48	31	10	19
Conservation.....	—	—	—	7	3	—	—	—	115	41
Bee.....	—	1	2	1	1	—	10	20	9	8
Sheep.....	—	—	3	5	6	—	—	44	113	93
Forestry.....	—	4	4	—	—	—	114	110	—	—
	301	660	661	623	598	6,837	10,480	9,827	9,744	9,185

There were eighteen different projects which a boy or girl might undertake within the 4-H club program, the same number as last year. During the year there was some change in the program. Project record books now are being scored by a judge at a local improvement day and count for a possible 100 points in the club's efficiency total. The club's total possible efficiency score has become 1,000 rather than 500, as previously.

The Lemberg 4-H grain club received the Saskatchewan Wheat Pool trophy for winning the grain efficiency competition for the province for their 1959 program.

Saskatchewan Wheat Pool again made the \$10,000.00 grant to the Extension Department of the University of Saskatchewan for use in promotion of 4-H club work, as recommended by the delegates. Locally the Wheat Pool sponsors 196 clubs or 25 per cent of the total number of clubs. The Wheat Pool sponsors 110 beef clubs, 68 grain clubs, one conservation club, 13 garden clubs, 3 swine clubs and one poultry club. Many Wheat Pool agents, delegates and directors serve as leaders of these 4-H clubs. Wheat Pool fieldmen again assisted in organizing new clubs, giving guidance to older clubs and in assisting with special evenings, meetings, rallies and tours.

Provincially the Wheat Pool continued its active support in many ways. It sponsored a number of banquets, including those held during the Provincial 4-H Inter-club Competitions at the University; 4-H Homecraft Club week; breakfast to the delegates to National Club Week, and the noon banquet for campers at the annual Regina Exhibition Farm Boys' and Farm Girls' Camps.

Harold Johnson of Norquay, a Wheat Pool delegate, was again President of the Saskatchewan 4-H Council.





The Wheat Pool continued its support in other ways. It continued to print project record books, adding to the list a record book for the garden clubs. It also made awards for the best member record books.

Club members to make the 4-H award trips were all selected this year in July during Inter-club Competitions. Trip winners included fourteen to National Club Week, two to Chicago, two to Alberta Club Week, two to Great Britain and one to Washington. In earlier years the selections were made at different times of the year.

For the first time the Saskatchewan 4-H Council printed a 4-H Review which contains summaries and pictures of 4-H club activities during the year. The 4-H calendar was printed again this year and proved popular.

Twelve leadership schools are planned during November and December at various points throughout the province.

The three major Beef Breed Associations again made a joint financial contribution to the 4-H movement. Part of this was used to provide transportation assistance to club members bringing calves to the Provincial Beef Heifer Sweepstakes Competition during the Saskatoon Exhibition.

The Saskatchewan branch of the Holstein-Friesian Association of Canada made a grant to the provincial 4-H Dairy Sweepstakes Competition.

#### *4-H Homecraft Clubs for Girls*

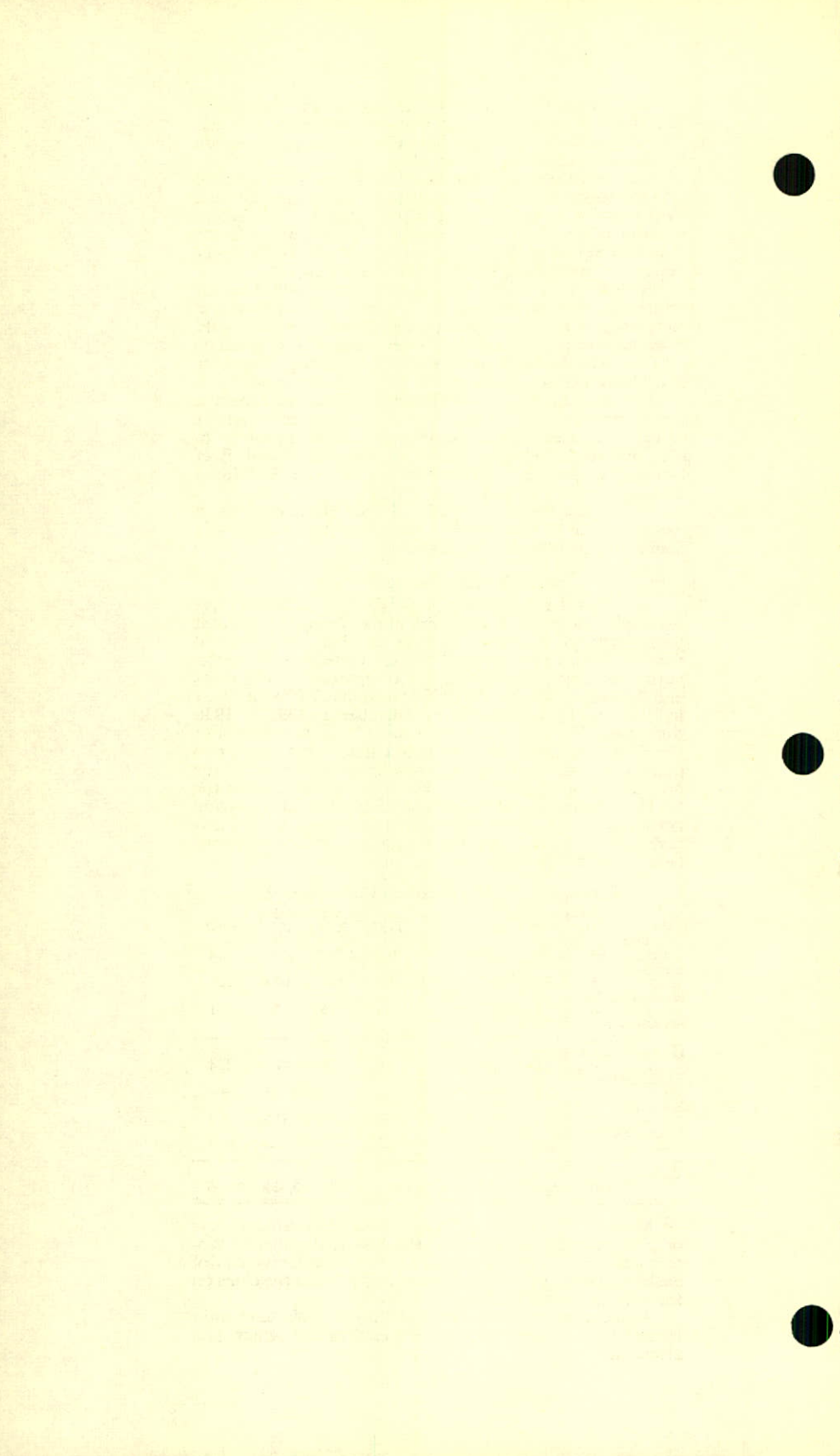
As with the boys' clubs, the girls' homecraft clubs have declined in numbers of clubs and in membership in the last year, although both are up over numbers of clubs and membership two years ago. This year there were 145 clubs, with a total membership of 2,095, compared with 154 clubs and 2,339 members in 1959; 138 clubs and 2,000 members in 1958, and 151 clubs and 1,870 members in 1957. In 1936 there were 130 girls' clubs with some 2,000 members. For the first time there were multiple clubs within the homecraft framework where girls were able to engage within the one club in a variety of activities. They also enable the beginner to remain with the one club although changing activities as she grows older. These multiple clubs numbered 48, a third of the total, and had 892 members or nearly half of the total membership.

#### *Summary of 4-H Homecraft Club Activities*

	Number of Clubs				Membership			
	1957	1958	1959	1960	1957	1958	1959	1960
Clothing—								
102	84	96	59		1,385	1,243	1,245	774
Food—								
41	35	62	25		388	482	683	265
Home Decoration—								
3	6	11	2		24	76	76	21
Handicraft—								
1	2	—	—		14	50	—	—
Home Nursing—								
2	4	12	10		26	39	125	134
Electricity—								
2	—	1	—		33	—	7	—
Knitting—								
—	7	12	1		—	110	103	9
Multiple Clubs—								
—	—	—	48		—	—	—	892
<b>Total—</b>								
151	138	154	145		1,870	2,000	2,339	2,095

Most of this year's 145 clubs held achievement days or planned them later in the fall. A staff member of Women's Service of the Extension Department, University of Saskatchewan, judges the projects and advises the clubs on the various phases of their work.

A leadership week was held in May to assist and train leaders for 4-H club work and 59 leaders and senior girls attended.



During Inter-Club Competitions, four Homecraft girls were selected to attend National Club Week in Toronto. They were chosen on the basis of club efficiency score, Achievement Day score, activities participated in, and scores obtained in other competitions and demonstrations. This year's representatives were from Carrot River, Pense and Aylesbury clubs.

The Carrot River Homecraft Club won the fourth annual 4-H Radio Competition this year and produced their program over CKBI, Prince Albert, during April, which was 4-H Radio Month.

Saskatchewan Wheat Pool interest and support of Homecraft Clubs continued during the year. Locally the Pool sponsored eight Homecraft Clubs or about 6 per cent of the total.

Eleven farm girls' camps were held with 631 girls attending to compete in sewing and baking competitions. At the Saskatoon and Regina camps the top ten girls were eligible to apply for McPhail bursaries, provided by the Wheat Pool for girls attending a Canadian university for degree or diploma courses. The girls are selected on the basis of camp standing, mental ability, character and leadership.

### **Bursaries and Scholarships**

#### *George W. Robertson Scholarship:*

At the Annual Meeting of Delegates in 1958 a resolution was passed recommending the establishment of a postgraduate scholarship at the University of Saskatchewan, to be known as the George W. Robertson scholarship.

Acting on the recommendation contained in the resolution your Board made arrangements through the University of Saskatchewan for the establishment of the scholarship. The field of study covered by the scholarship is postgraduate study in any of the following—any branch of Agriculture, Cereal Chemistry, Economics, Political Science or Sociology. The scholarship is available to students normally resident in Saskatchewan, and is tenable only at the University of Saskatchewan.

No scholarship was awarded last year and up to the date of writing this report, no award has been made for the current year.

#### *McPhail Memorial Bursaries*

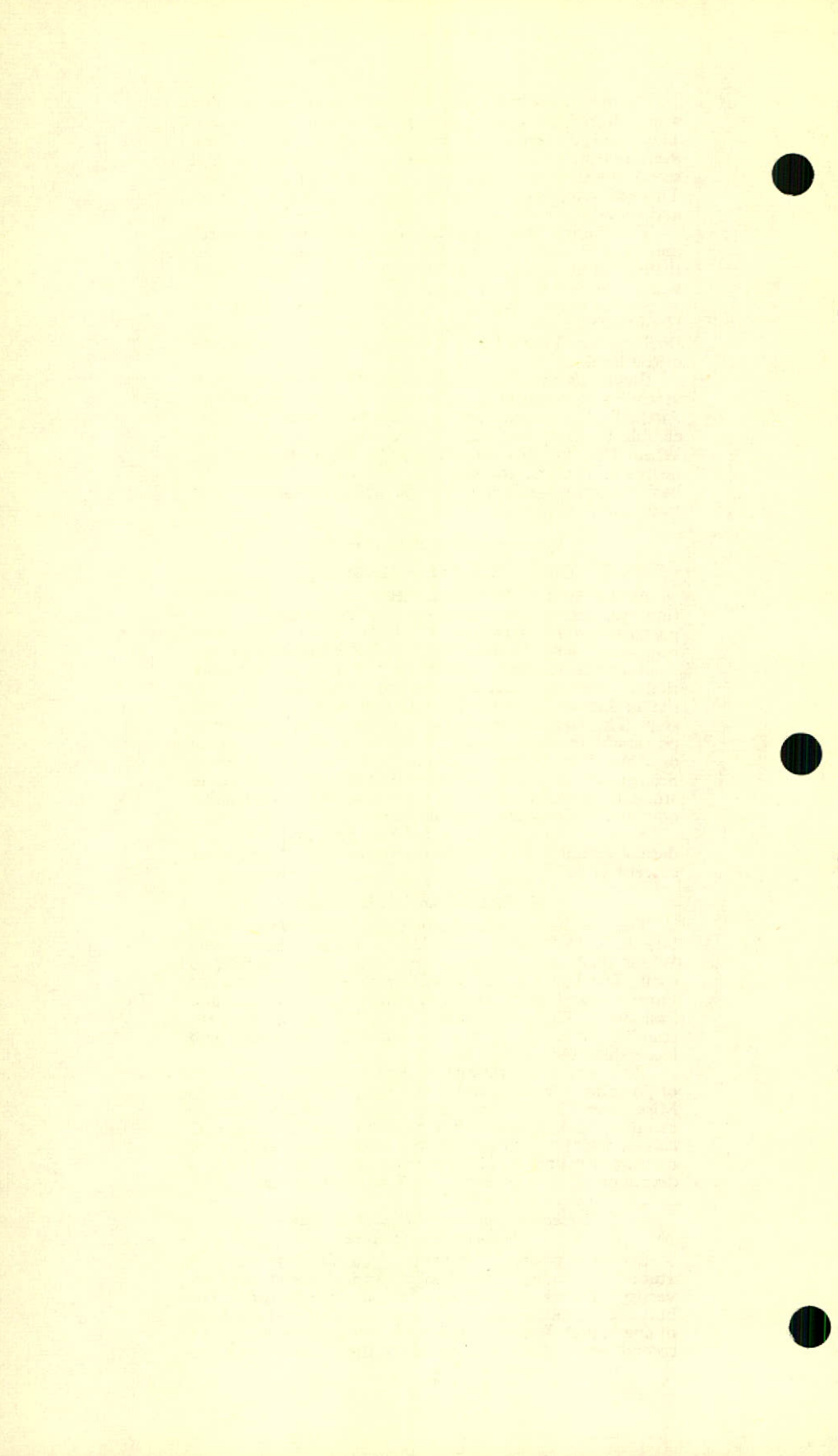
The McPhail Memorial Fund, set up in memory of the late A. J. McPhail, first President of the Saskatchewan Wheat Pool, provides for two bursaries valued at \$200.00 each. The bursaries are available to girls attending the Farm Girls' Camps at the Exhibitions at Regina and Saskatoon. They are awarded on the basis of the girls' standing at camp, their scholastic ability, character and leadership ability.

Bursaries were awarded in 1960 to Miss Sandra Steen of Aylesbury, who attended the camp at Regina, and to Miss Janet Campbell of Carrot River, who attended the camp at Saskatoon. Both girls are attending Grade 12 classes during the 1960-61 school term. The award may be used at any time within five years, upon enrolment in a degree or diploma course at any Canadian university.

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

Sixteen bursaries are made available each year to students attending the School of Agriculture at the University of Saskatchewan, valued at \$250.00 each. The bursaries are available to first-year students on the basis of one in each Wheat Pool district and are renewable for a second year. Selection is made by the Scholarship Com-







mittee of the School of Agriculture. The awards are made on the basis of merit and need. In making the awards, the Scholarship Committee takes into account academic standing, community activity, 4-H Club work and general leadership qualities.

### **Country Organization**

#### *Wheat Pool Committees*

As at 31st July 1960 there were 1,090 local Wheat Pool committees functioning in the province. This compares with 1,093 at the same date last year, a decrease of three.

Statement No. 7 of this report shows the total number of committees by Wheat Pool districts and sub-districts. Statement No. 8 indicates that 1,077 of these committees were elected at local shareholders' annual meetings during the period of August 1, 1959 to July 31, 1960, leaving 13 that have not reported their annual meetings. This compares with 15 last year and indicates a high percentage of active committees in all Wheat Pool districts.

It is of interest to note that 10,400 Wheat Pool shareholders are serving as members of local committees which is an average of about nine per committee.

#### *Committee Conventions*

The annual program of Committee Conventions was carried through under generally favourable conditions. Every effort was made to maintain the percentage of attendance at about the same level as one year ago, but the result was a decrease from 45% to 44%. It may be of interest to note that 50 conventions were held prior to seeding. The average attendance at the early conventions was over 60%. The attendance fell down badly during the later period. It is hoped that more districts will accept the idea of early conventions in the coming year.

Reports indicated that the changed agenda and the new method of presentation using prepared, mimeographed material, blackboard, and flannelgraph, was well received. The use of the flannelgraph, particularly, was considered to be a tremendous help in explaining vertical integration. Group discussions were used to good advantage. Almost without exception, a good discussion took place on the "Present Trends in Agriculture", and the solutions offered by the Saskatchewan Wheat Pool, as explained by the director. The contribution by the director on the economic problems facing Western agriculture was appreciated by all. Some interesting opinions and solutions were proposed by the committee men themselves. Seventy-four per cent of the groups were of the opinion that the trend to larger farms was inevitable; 85% agreed that co-operatives should do the integrating themselves; and 70% said that co-operatives should be selective. Eighty-eight per cent were in favour of Producer-Controlled Marketing Boards of farm products other than wheat.

As partial solutions to the farmers' problems, a number of interesting ideas were offered by the 500 participating groups:

"More determined support of the existing co-operatives, expansion to other fields of co-operative endeavour and more intensive co-operative education". —400 groups

"Improve management ability by organizing Farm Management Clubs". —140 groups

"Strict enforcement of delivery quotas by everybody". —75 groups

"More diversification and more living on the farm". —60 groups

"Production of high quality goods to meet market demands". —50 groups

One hundred and twenty-five groups said that "the



Government should reinstate the Prices and Trade Board; the Two-Price System was mentioned by 100 groups." "The establishment of an International Food Bank and the operation of food disposal policies" was mentioned 60 times.

During the year under review 135 committee conventions were held, compared with 129 the previous year. Of these, 105 were single sub-district conventions, 25 were joint meetings of two sub-districts, while five included committees from three sub-districts. Total attendance was 7,450, an average of 55. This compares with an attendance of 7,500 last year. Of the total attendance, 4,542 were Wheat Pool committee members, 882 were elevator agents and 1,154 were visitors. Five hundred and twenty-one of the visitors were ladies.

#### *Committee Programs*

Four Wheat Pool committee programs were published during the year and made available to all committee members, Wheat Pool delegates, Pool Elevator agents, travelling superintendents and other Wheat Pool workers.

The following is a list of topics of Committee Programs:

1. Box car allocation.
2. Highlights of the 35th Annual Meeting.
3. Resolutions passed at the 35th Annual Meeting of Wheat Pool Delegates.
4. Saskatchewan Wheat Pool (Why it was organized and how it operates.)

#### *Visual Aids*

During the year sound motion pictures were shown at 623 meetings with an estimated attendance of 50,800 people.

The Department attempts to keep a well balanced film library which will satisfy the people in the country and at the same time convey a co-operative message. This is not always possible, but some progress has been made during the year. Sixteen copies of the "On to Ottawa" film were used to very good advantage. Additional copies of a film which portrays the effects of vertical integration, called "Revolution on the Land", were purchased during the year and were very favourably received in the country. It should be pointed out that good films in the hands of fieldmen always increase the number of meetings at which films are shown.

Picture show meetings continue to be an effective means of passing on information on Pool policy or activities to thousands of people.

#### *Co-operative Education*

The Wheat Pool program of Co-operative Education was continued during the year. Valuable assistance 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*

Two new Co-operative Schools were established this year. These were at Weyburn and Outlook. The Weyburn school is servicing Districts 1 and 2 and the school at Outlook is servicing Districts 10 and 11. This made a total of seven schools in operation during the period





July 4 to July 9. The school at Weyburn was held a week later from July 11 to July 16. The combined attendance was 644 students. Of these 347 were girls and 297 were boys. The average age was 16.3 years and the average education was grade eleven. This attendance was by far the highest in the history of Co-operative Schools.

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.

**Students by Districts:**

District	No. of Students	District	No. of Students
1.....	30	9.....	54
2.....	33	10.....	50
3.....	24	11.....	45
4.....	28	12.....	35
5.....	29	13.....	111
6.....	19	14.....	58
7.....	33	15.....	39
8.....	22	16.....	34
<b>Total All Districts.....</b>		<b>644</b>	

*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.

Forty sectional study group meetings were held during the year. These were attended by 958 agents. Reports from fieldmen and officials of the Elevator Division indicate a high rate of interest and participation in group discussions by all elevator agents. In addition to operational problems, the Pool agents this year studied other topics of interest to the farming communities. This is all to the good because it makes the Pool elevator agent the best informed elevator agent in the country. In view of the increased competition in the handling of grain, this is as it should be.

The topics studied this year were:

- "Committee Program on Box Car Allocation".
- "Farm Credit Act" (Federal).
- "Crop Insurance Act" (Bill C-66)
- "Family Farm Credit Act" (Provincial)

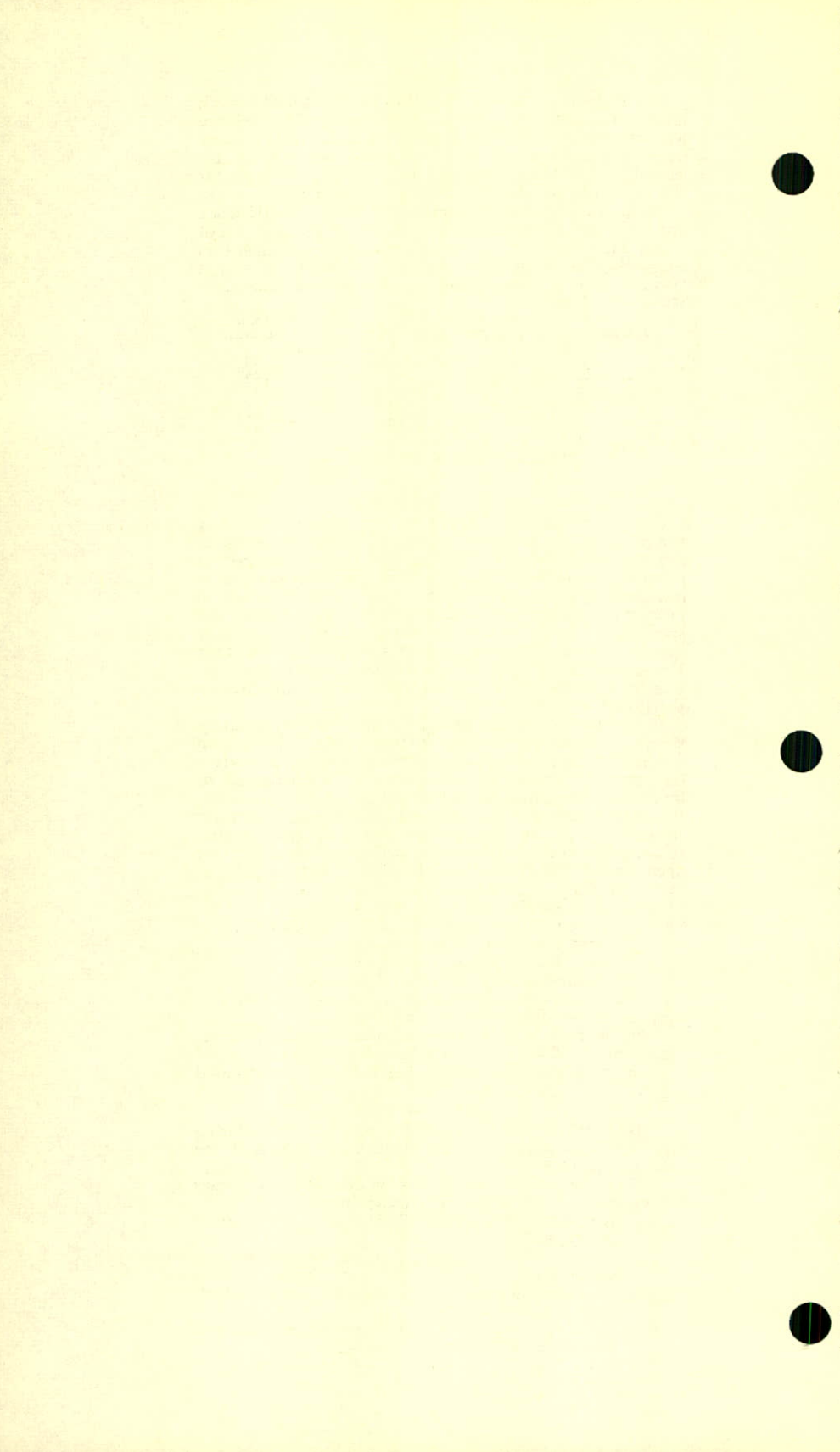
It has been reported that the agents appreciated this opportunity to widen their sphere of interest.

The teamwork of elevator agents, travelling superintendents, field staff and elected personnel in the operation of this program represents a highlight in co-ordinated effort.

*Delegates' School*

The third Annual Delegates' School was held during the period January 25 to 29, 1960. The purpose of the school is as follows:

- (a) To help new delegates to understand fully their responsibility with particular reference to:
  - 1. responsibility in connection with formulating policy; and
  - 2. responsibility in the matter of organization and education in their respective sub-districts.
- (b) To assist delegates in developing the necessary skills for their work.
- (c) To understand how to handle problems which will face them as Wheat Pool delegates.



It seems very clear that delegates appreciate this course and in their opinion it should be an annual event.

The Co-operative Institute helped to prepare the agenda and assisted in the general direction and conduct of the school.

The Department is now considering a refresher course for delegates who had attended the first course three years ago. The intention is to plan an agenda which would also benefit experienced delegates who may wish to attend a more advanced course.

#### *Other Activities*

##### *Schools for Committee Chairmen and Secretaries*

In an attempt to meet the increasing demand for additional training for our committee men, an interesting experiment was successfully carried out in District 12. After careful planning and sound preparation, the Education Committee of the district arranged and carried through four schools for chairmen and secretaries. Our own delegates, Mr. Harry Marsh and Mr. Frank Werry lectured at these schools. Total attendance at the four schools was 158. Reports from participating secretaries have been very favourable. It is expected that other districts will consider this or a similar educational program.

##### *Study of Committee Program No. 4*

A fine educational program, initiated in District 8, was accepted by all districts in the province. The idea was the study of Handbook No. 1 by all Wheat Pool committees. The Handbook was summarized and Committee Program No. 4 was written in time to be available for study during the early part of January and throughout the winter months. It is estimated that this program was studied by 920 Wheat Pool committees. Some committees held two meetings to complete the study. A few held three meetings. Many delegates invited young people to these study group meetings. Others decided to invite local old-timers to tell their story of the early twenties.

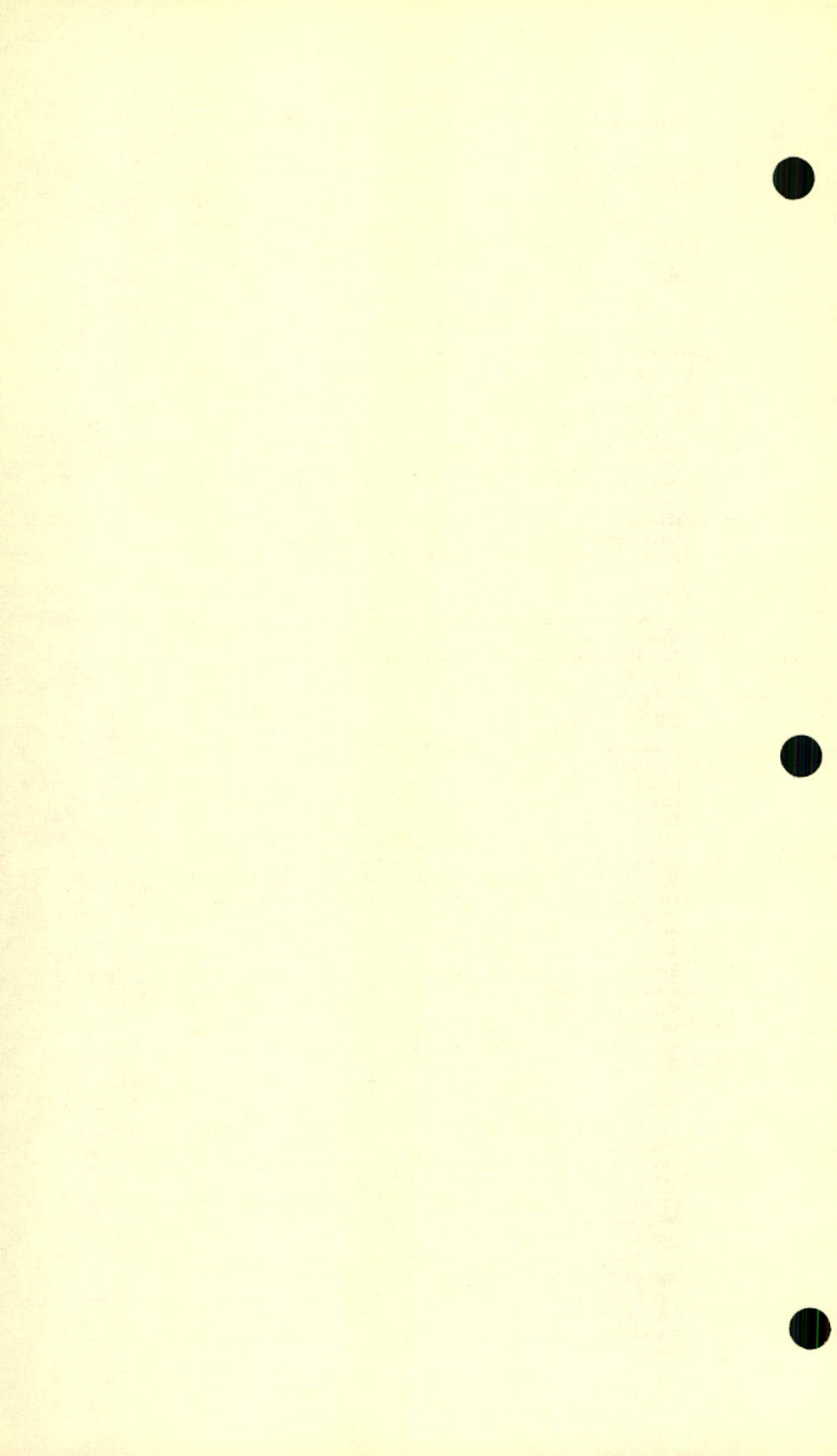
Some of the study group meetings discussed marketing conditions as they existed prior to the organization of the Wheat Pool. Others discussed the methods of financing of the Wheat Pool in the past and at present, and the present congestion in country elevators. In most instances the discussion led to considering the role of the Saskatchewan Wheat Pool as a farm organization of the future and its importance in the development of sound agricultural policies. Reports by Wheat Pool committees would indicate that committee members are of the opinion that many of these policies should be implemented by farm organizations and many others may have to be implemented by governments.

##### *University Jubilee Fund*

This year the Country Organization Department was privileged to help in the organization of the drive for the University Jubilee Fund Campaign for the University of Saskatchewan. Five district fieldmen were directly involved and were appointed district chairmen for the campaign. A number of other fieldmen became involved later and did much to generate interest in this worthwhile project.

The contribution of the Department in the campaign was of a positive nature and the public relations value of our involvement in a campaign of this nature should not be underestimated. The new experience gained by the members of the field staff in dealing with people other than farmers was also a positive feature.







### 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 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 2,960 meetings of all types with an estimated attendance of 115,000 people. This compares with 2,950 meetings last year and an attendance of 125,000 people. Fieldmen provided information in connection with operations of 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 3,354 farmers, 1,817 business men were interviewed, and there were 3,070 visits to Pool Elevator agents.

The number of Wheat Pool meetings of all types held throughout the province and reported to this office remains fairly steady from year to year. During the year under review Wheat Pool committee secretaries reported 5,546 meetings. The following table set up by Wheat Pool districts shows the number of meetings which were reported during the year by secretaries of Wheat Pool committees:

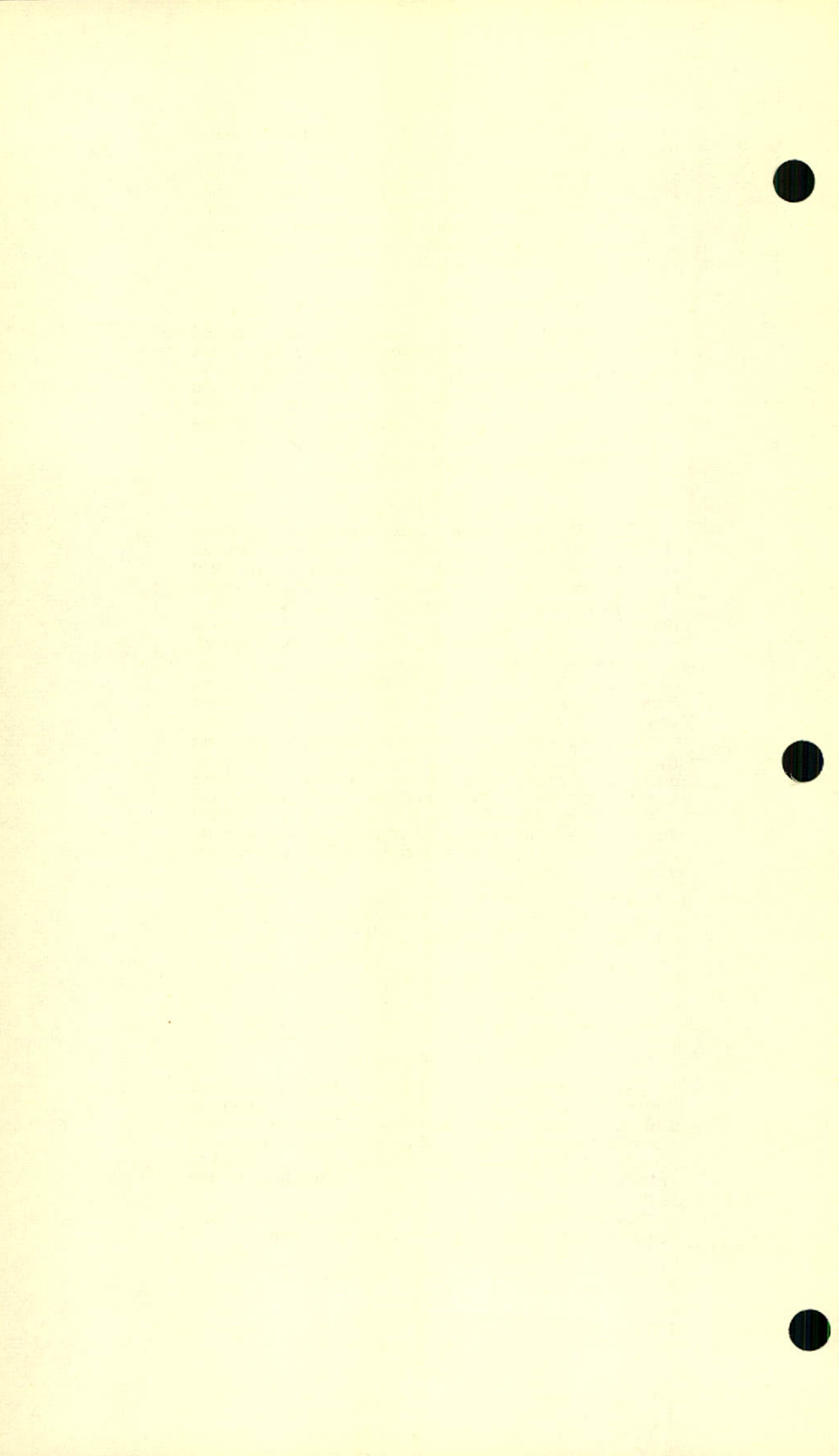
District	No. of Meetings	District	No. of Meetings
1.....	346	10.....	321
2.....	328	11.....	425
3.....	196	12.....	351
4.....	226	13.....	476
5.....	333	14.....	446
6.....	376	15.....	351
7.....	324	16.....	364
8.....	347		
9.....	336	Total.....	5,546

### Co-operative Associations

During the year, new co-operatives were organized under the various Co-operative Acts of the province. During the same period, a number of Associations were removed from the register, some by amalgamation with other co-operatives, and some because they had ceased to operate. There was a net gain of three associations for the year.

The total number of Co-operative Associations operating 31st July 1960 was 1,501, made up as follows:

Under the Co-operative Associations Act.....	1,184
Under the Co-operative Marketing Associations Act.....	21
Under the Credit Union Act.....	278
Under other Saskatchewan Legislation.....	13
Under Dominion Legislation.....	5
Total.....	1,501



### Enrolment of New Members

For the year under review, 3,236 applications for shares were received. There were 3,236 transfers in blank, no new shares were allotted. In addition, during July, 733 applications for shares were received. All were transferred in blank. No new shares were issued.

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	Applica-tions	Total Shares Issued	Year Ended	Applica-tions	Total Shares Issued
31st July 1934..	515	104,354	31st July 1948..	6,609	133,298
31st July 1935..	695	104,942	31st July 1949..	3,817	136,668
31st July 1936..	869	105,717	31st July 1950..	3,322	138,167
31st July 1937..	1,016	106,640	31st July 1951..	3,866	139,036
31st July 1938..	370	106,889	31st July 1952..	5,746	139,036
31st July 1939..	887	107,492	31st July 1953..	6,612	139,678
31st July 1940..	3,477	110,715	31st July 1954..	6,108	141,227
31st July 1941..	3,040	113,139	31st July 1955..	5,039	141,227
31st July 1942..	3,616	117,935	31st July 1956..	4,573	141,227
31st July 1943..	5,946	121,742	31st July 1957..	4,836	141,227
31st July 1944..	7,704	127,058	31st July 1958..	3,653	141,227
31st July 1945..	6,304	129,412	31st July 1959..	3,214	141,227
31st July 1946..	5,484	129,412	31st July 1960..	3,236	141,227
31st July 1947..	8,529	130,688			

### International Wheat Agreement

July 31st, 1960 marked the close of the first year of operation of the Fourth International Wheat Agreement.

Total commercial purchases registered under the Agreement by the International Wheat Council amounted to 548,135,550 bushels. Canada's share of this quantity amounted to 237,765,141 bushels, or 43.38 per cent. The United States which was the next highest from point of sales, had registrations totalling 132,762,196 bushels, or 24.22 per cent.

As at 31st July 1960 there were nine exporting countries and thirty-six importing countries signatory to the Agreement, counting Belgium and Luxembourg, and Rhodesia and Nyasaland, as one each. In addition, there were three importing countries committed to purchase for dependent territories—the United Kingdom, the Netherlands and Portugal.

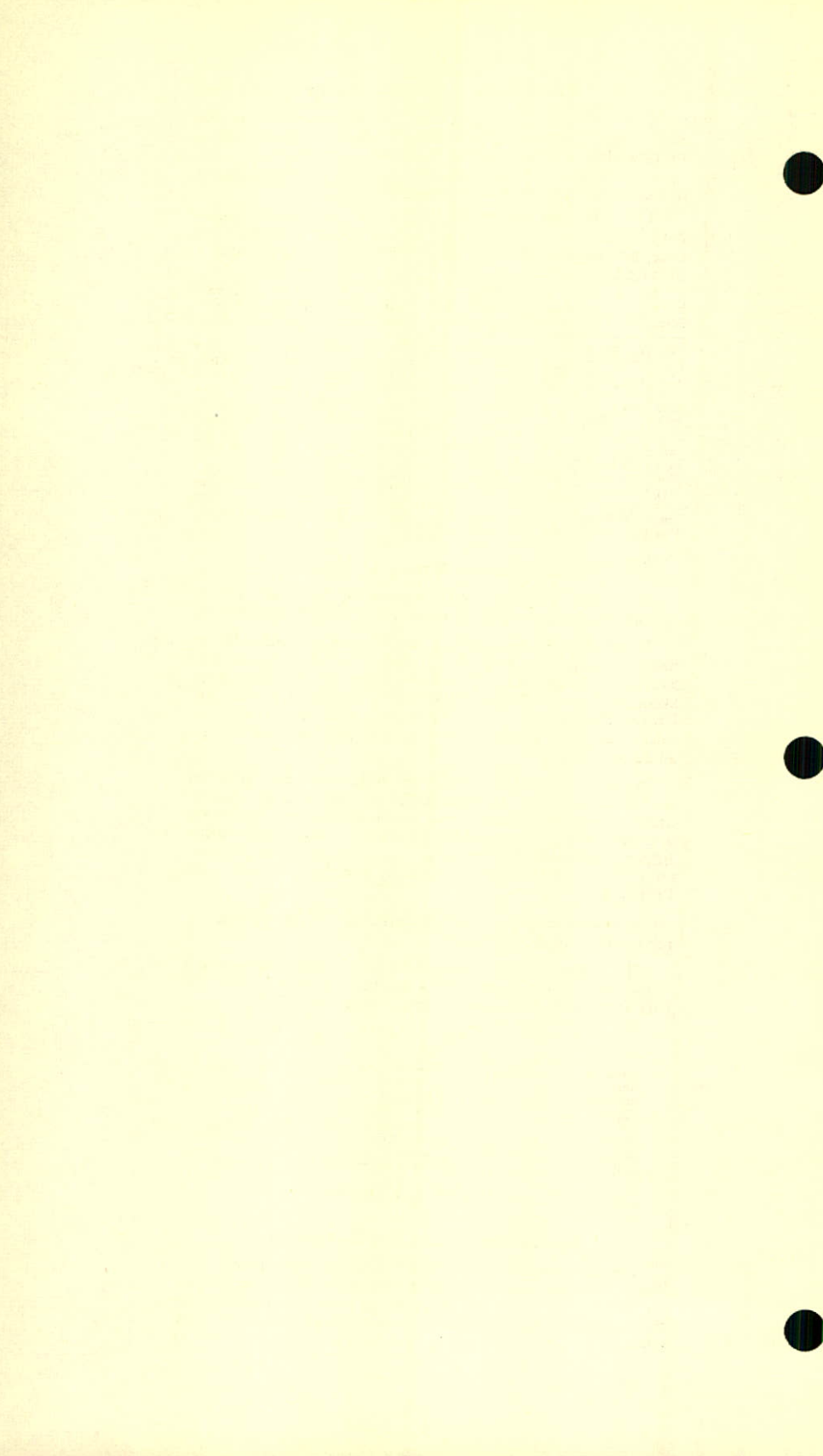
Of the nine exporting countries, only one—Mexico—recorded no registered sales.

The following table shows the sales registered by eight of the nine exporting countries for the crop year ended 31st July 1960, with revisions to 23rd September 1960:

		Percentage of Total Sales
Canada.....	237,765,141 bushels	43.38%
Argentina.....	51,671,821 bushels	9.34%
Australia.....	80,339,571 bushels	14.64%
France.....	33,575,247 bushels	6.13%
Italy.....	9,535,968 bushels	1.74%
Spain.....	524,566 bushels	.10%
Sweden.....	1,960,990 bushels	.36%
United States.....	132,762,196 bushels	24.22%
<b>Total.....</b>	<b>548,135,550 bushels</b>	<b>100.0%</b>

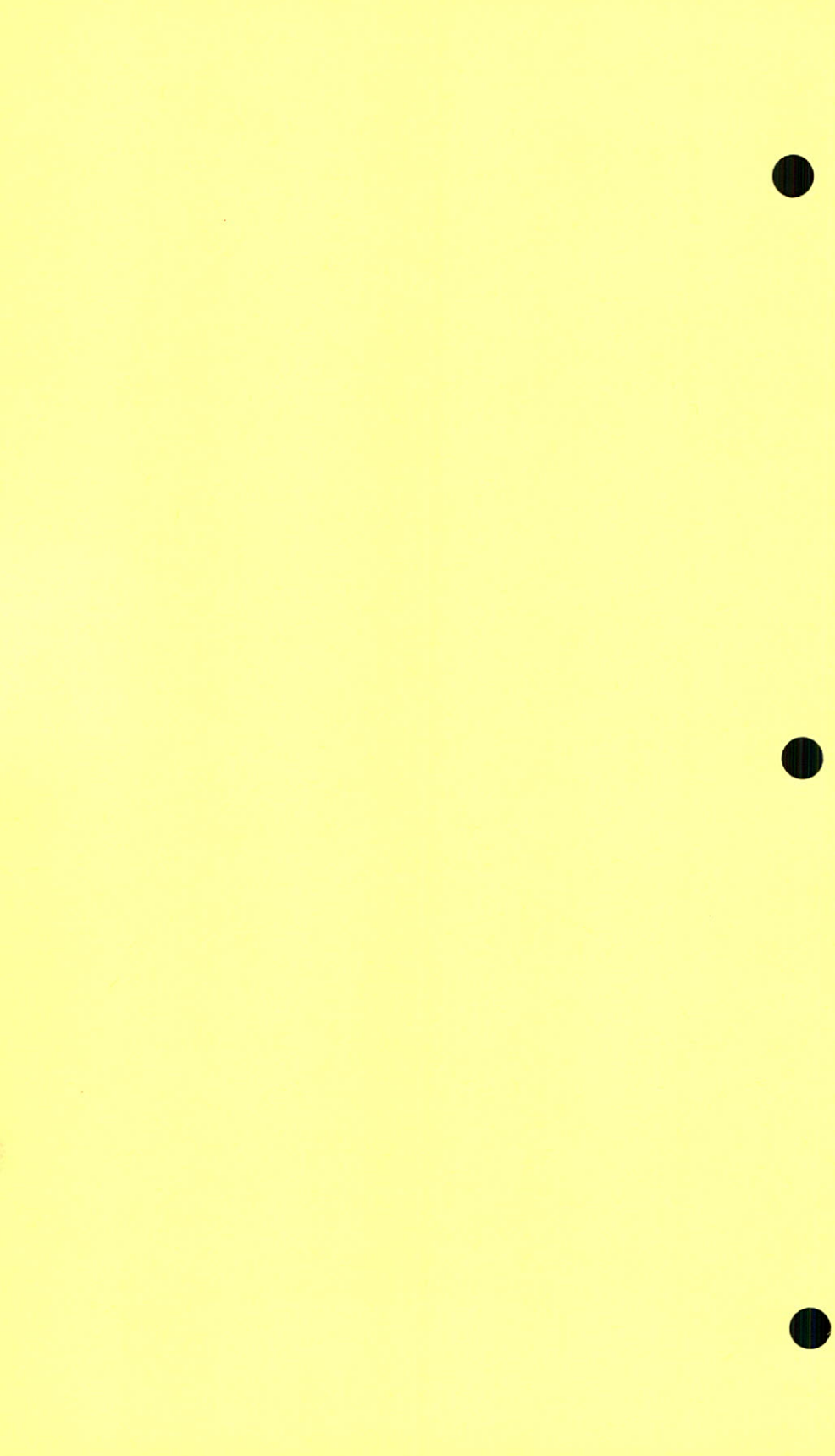
### Prairie Grain Advance Payments

The third year of operation of the Prairie Grain Advance Payments Act closed on 31st July 1960. The following tabulation shows the comparison between statistics for the year under review, compared with those of the previous year:









WESTERN CANADA		
	1959-1960	1958-1959
Number of Applications.....	50,047	45,341
Amount Advanced.....	\$38,492,505.00	\$34,369,653.00
Amount Repaid.....	\$37,560,190.00	\$34,264,844.00
Average Advance.....	\$ 769.00	\$ 758.00
Percentage Repaid.....	97.5%	99.7%
Amount Outstanding.....	\$ *932,315.00	\$ *104,809.00

SASKATCHEWAN		
	1959-1960	1958-1959
Number of Applications.....	24,867	22,855
Amount Advanced.....	\$20,914,816.00	\$18,406,112.00
Amount Repaid.....	\$20,682,745.00	\$18,383,321.00
Average Advance.....	\$ 841.00	\$ 805.00
Percentage Repaid.....	98.9%	99.8%
Amount Outstanding.....	\$ *232,071.00	\$ *22,791.00

\* As at 30th September 1960.

For the current season to 11th October 1960, a total of 29,022 applications had been made in the three Western provinces, and advances totalling \$28,228,481.00 had been paid out. For Saskatchewan alone there were 18,863 applications, totalling \$19,794,386.00.

### Box Car Allocation

Effective 1st August 1959 on instructions from the Minister of Trade and Commerce, The Canadian Wheat Board established a procedure whereby elevator agents could apply to their railway agent for "out-of-order" cars when elevators became congested. Briefly, the plan operates as follows:

The physical capacities of all elevators were established. Each elevator (or elevators) operated by one agent is considered a unit. The total physical capacity of each unit is reduced by 4,000 bushels to determine the working capacity for purposes of allocation procedures.

Applications for box cars "out-of-order" for relief of a congested elevator may be filed with the railway agent immediately stocks in store in all facilities owned by any company at a shipping point come within 4,000 bushels of that company's working capacity at the station. Each application completed is for two cars and the first application made has priority on cars supplied at the shipping point.

If the agent holds specific shipping orders at the time the cars are placed, such orders must be used and in accordance with the Wheat Board preference list. If no specific shipping orders are on hand the cars may be shipped on Shipping Order No. 1000, loadings of grain to be in accordance with Wheat Board preference lists in effect at the time.

It is the general opinion of Management that after one year's operation, the system has provided a measure of relief at points where there is continued congestion and a fairly regular car supply.

### Future Policy

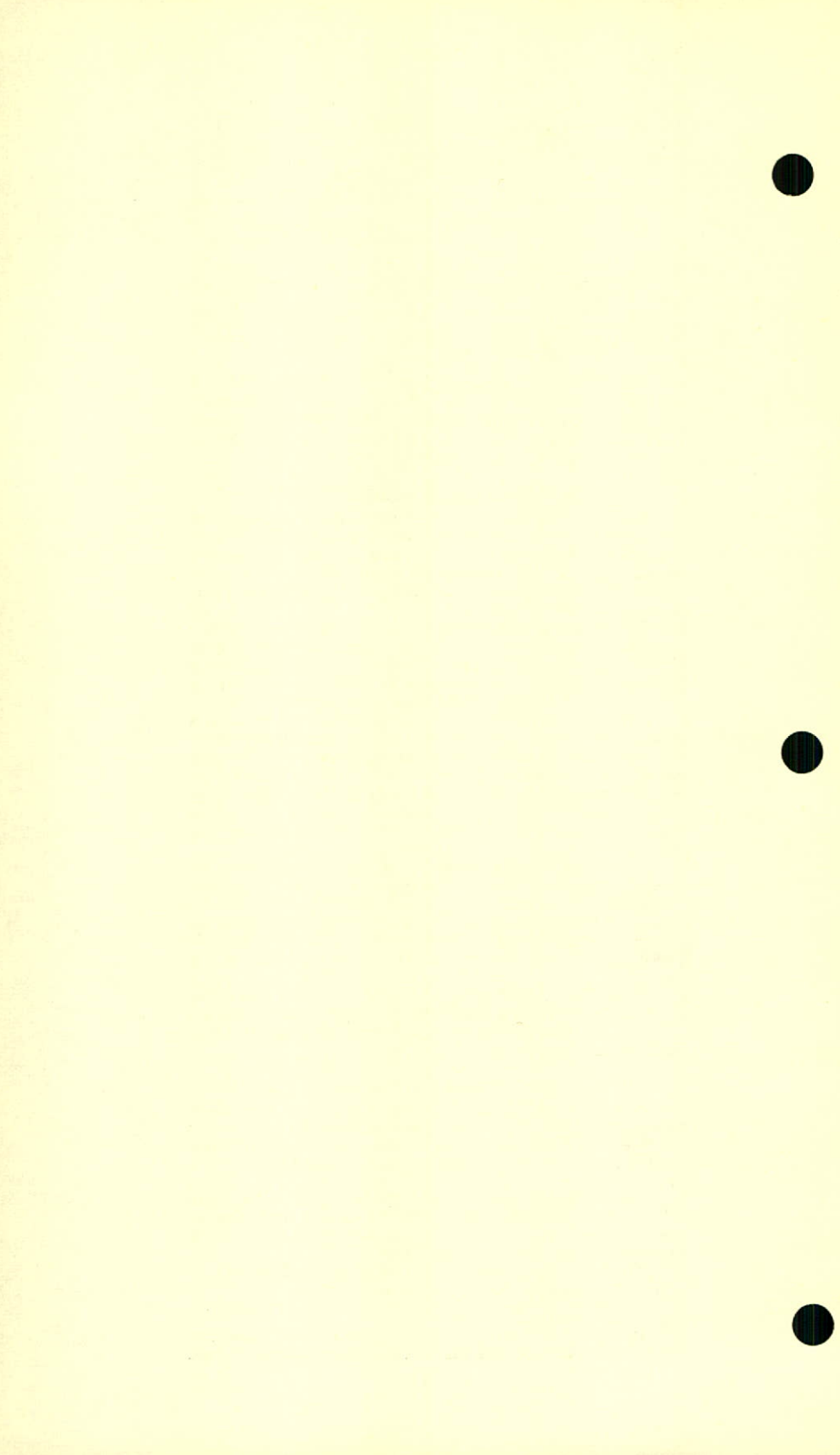
Notwithstanding the expansion of oil and mineral production, and the development of secondary industries in Western Canada, wheat is still the most important single factor in the economies of the three prairie provinces.

Because this is true the adverse cost-price relationship that developed after the war, and which continues to become more aggravated, remains as the No. 1 economic problem facing prairie agriculture.

This has given rise to specific needs in two directions:

- More money for the commodities sold, and
- More markets to provide for the disposition of production, both actual and potential.

It was in an attempt to solve the first of these two problems that the ten major farm organizations joined





forces in support of an appeal to the government of Canada for recognition of the problem through provision of deficiency payments on grain deliveries to The Canadian Wheat Board.

It was in partial recognition of this problem that the government in 1958 and again in 1960 provided for an acreage payment of \$1.00 per acre up to a maximum of 200 acres. The 1960 acreage payment was definitely tied to the unit price of wheat, in that the Government of Canada indicated that the payment was being made in lieu of the implementation of the two-price system. In other words it was recognition on the part of the government that the unit price per bushel in Canada did not bear its proper relationship to other costs in Canada—particularly the cost of production on the farm.

This has been very forcefully demonstrated by tabulations of figures which show the relationship between the purchasing power of an hour's labor in 1958 as compared to the period 1948-50 expressed in terms of agricultural commodities.

A few items will serve as examples:

Product	Hour's Labor Could Purchase	
	1948-50	1958
Bread (Loaves).....	6.8	7.5
Milk (Quarts).....	5.6	7.2
Butter (Pounds).....	1.5	2.4
Pork (Pounds).....	1.9	2.3
Beef (Pounds).....	1.9	2.3

It should be borne in mind, that since these figures were computed the prices of a number of agricultural commodities have dropped substantially while wage levels of labor generally have gone higher.

While these price changes have been taking place in the post-war period, there have been major changes in the pattern of Western Canada's agriculture, directed at meeting changing conditions both internationally and domestically.

In this evolution, prairie agriculture has made some major adjustments with the result that today there are fewer farms and fewer farmers, more commercial ventures, greater diversification among farmers and the application of many kinds of technological development. For some individual farmers this evolution has brought much hardship and for others considerable economic gain.

Your Directors have tried to keep abreast of the new demands and the new techniques available to meet these demands. They have recognized the difficulty often of reconciling the two and have realized that many members of the Wheat Pool have themselves suffered great hardship in this process. This has been evidenced by the variety of resolutions from country meetings which indicate mounting concern. They have realized that many of the attempts at reaching solutions themselves fall short of what is demanded today.

However, your Directors are concerned that many problems remain unsolved. Many calls on government leaders and others have failed so far to impress upon Parliament and the people of Canada that the prairie economy needs short-run help of a major nature to meet the challenge. It may be that one of the reasons these appeals have failed is because they fall short of convincing those in position to help that the aid sought is for the short-run only and that farmers and their organized associations are taking steps to effect long range changes which will help to meet the demands effectively without permanent aid. Because of this, further study of the whole area of prairie agriculture is needed that there may be brought forth a better understanding of the problems and possible



consolidation of available solutions into more effective policies with which to meet the problems of the industry.

In this quest your Board believes the Saskatchewan Wheat Pool must take the lead. The Pool's members are engaged in that form of agricultural activity which still produces the largest portion of farm income to the west and without question their principal product remains the most important agricultural product going into international trade. This all makes it a matter of national concern.

Your Board considers that there is need for direct research and study of the prairie farm problem as it affects grain growers on two levels:

**1. External Study:**

That the Saskatchewan Wheat Pool take the lead in calling together representation of sectors of the prairie economy involved in the production and marketing of grains and that provision be made for such body to conduct a detailed study of production and marketing, and for providing finances for such staff as may be necessary to carry on the work. Such study could be integrated with studies which may be undertaken as a result of the proposed establishment of a fund for research purposes by the deduction of 1/10th of a cent per bushel on all grain marketed through The Canadian Wheat Board for one year.

**2. Internal Study:**

Your Board has already established an internal committee with Director representation, charged with the responsibility of examining the entire operation of Saskatchewan Wheat Pool in all its phases with a view to recommending changes to provide better and more efficient service. Your Board pledges its support for these studies in the hope that they may bring forth recommendations, the application of which will prove advantageous to the organization.

But in the short run the problems of agriculture become even more acute. The prairie grain producer faces the same two major problems this year as he did last year and the year before that: he continues to grow more grain than he can sell in any one season and his net returns continue to decline.

Improved grain varieties and the bounty of nature have contributed greatly to the supply side of the picture and despite greater diversification in the industry as a whole the grain producer's surpluses mount because the market opportunities have not improved at as great a rate as his productive capacity. Mounting costs and falling farm returns for grain have accentuated the cost-price squeeze. Those who seek solutions to these twin problems tend to equate the solutions in the simple terms of markets and money.

On the market side the Saskatchewan Wheat Pool has advanced a variety of proposals aimed at:

**1. Increasing commercial exports to countries now using bread wheat:**

This type of disposal is becoming more difficult. Many countries once Canada's best wheat customers are encouraging more wheat production of their own and are extending restrictions on imports to support their own producers. Trading groups like the European Common Market tend to reduce the demand for Canadian wheat among traditional customers. The only apparent solution is increased vigor in the Canadian sales campaign and this your Board presses at every opportunity.





**2. Introducing the use of bread wheat into countries which do not now use it:**

The major area for this kind of disposal lies in Asia and Africa. Because the United States promoted the use of bread flour in Japan and introduced the widespread use of bread through subsidized school lunch programs, a new market was produced for us almost ready-made. Now Japan is Canada's second largest customer for bread wheats. Your Board believes the Government of Canada ought to engage in this sort of technological development, perhaps through funds earmarked for Colombo Plan use and similar plans which might be introduced for African nations.

**3. Research into utilization of wheat in other food forms than bread:**

Your Board believes there is a real challenge to find other food forms into which wheat may be transformed to make it attractive to countries whose culture does not include the use of bread as a major foodstuff. Wheat Pool spokesmen proposed to the government when the Western Farm Liaison Committee met the Prime Minister in September that research to this end ought to be undertaken with despatch. Your Board believes that the prairie grain producers ought to include this as an urgent research project for undertaking by those organizations which eventually will take over administration of the 1/10th cent deduction fund already proposed to be used for research into wheat utilization. The question as to whether wheat can be processed at little expense into a valid substitute for meat, especially in view of the high protein content of prairie wheat, is believed to be worthy of study.

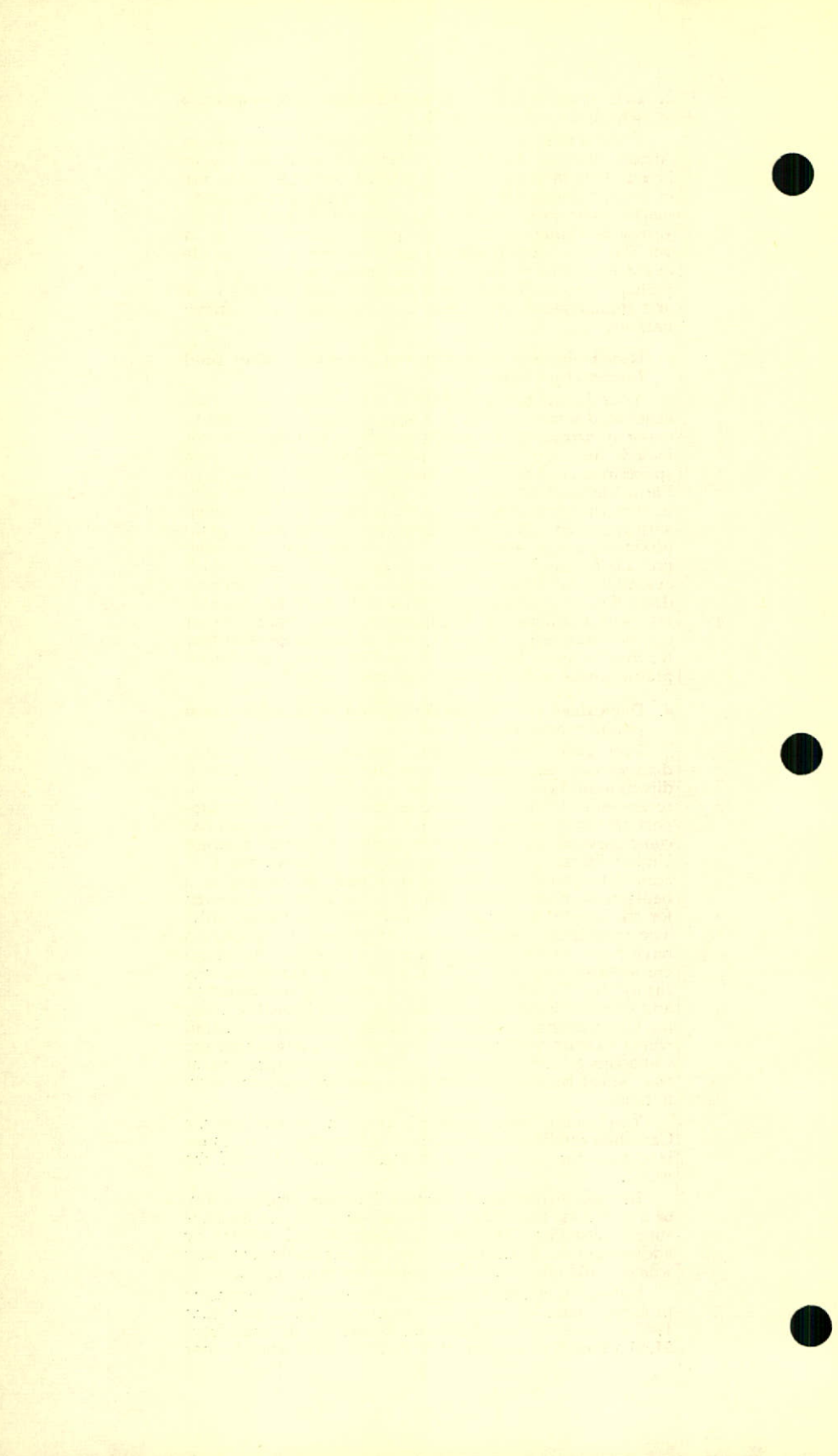
**4. Organized surplus food disposal to countries and peoples who need food:**

Your Board has urged time and again that the Canadian government promote a program for the international direction and control of surplus food disposal for those in real need of food. Statements by the Prime Minister support this in principle but so far no concrete proposal has come forward for its implementation. Recently a senior United States government spokesman indicated the U.S. administration might for the first time, be coming to a belief that international control would be desirable even for the surplus food the U.S. now disposes of bilaterally. The presidential candidates in the United States election have both stated on many occasions that they favor increased food disposal for the hungry. Your Board believes firmly that Canada ought to take a lead in this direction and that she ought at the outset to commit herself to offering for international disposal a sufficient amount of bread wheat to start a worthwhile program and further that the Canadian government ought to finance the entire cost of that wheat by itself without any expectations from fellow nations.

Your Board believes there is every indication that the Canadian public would support wholeheartedly an organized plan for surplus food disposal to the needy of the world.

But the disposition of surplus Canadian wheat by any or all of these four methods would serve only to ease the supply situation. The grain producer would benefit by additional sales to the extent that surplus stocks disappear which would result in an over-all saving in storage costs.

But many efficient producers contend that the income problem would still remain. The simple fact is that since 1947 the average farm price for wheat has declined from \$1.63 a bushel to an estimated \$1.29 for 1959 while in that



same period the index of farm costs has risen from 166 in 1947 to 265 in 1959.

There are adjustments to be made within the grain growing sector of the agricultural industry. Many sections of this report attest to the switch from cereal grain crops to other forms of agricultural production. The number of farmers in the west is decreasing and the size of their farms is increasing, indicating a real move towards a more economical grain growing operation with its accompanying production efficiencies. But the move is slow and many farmers anxious to adjust are simply not able to make the change quickly enough to effect real economies.

Prairie grain producers through their advocacy of income payments on a bushel basis have aimed at creating an economic climate in which an efficient agricultural industry could thrive and expand. They have frowned on policies which provide for relief handouts as being not in the long-term interest of the industry because they hold out no hope of ultimate solution of the farm income problem.

**Your Board has considered a wide range of measures which taken together would contribute to the solution of the grain producers' major problems and urges:**

**Food Disposal:**

That the Canadian Government take the lead in the establishment of an international surplus food disposal plan under the direction of the United Nations. That the Government of Canada assume the cost of Canadian wheat distributed under the plan, with the United Nations responsible for its transportation and distribution to the countries in need of food. Until such time as this becomes operative your Board urges the Government of Canada to assume by itself the responsibility for food disposal.

**Commercial Markets:**

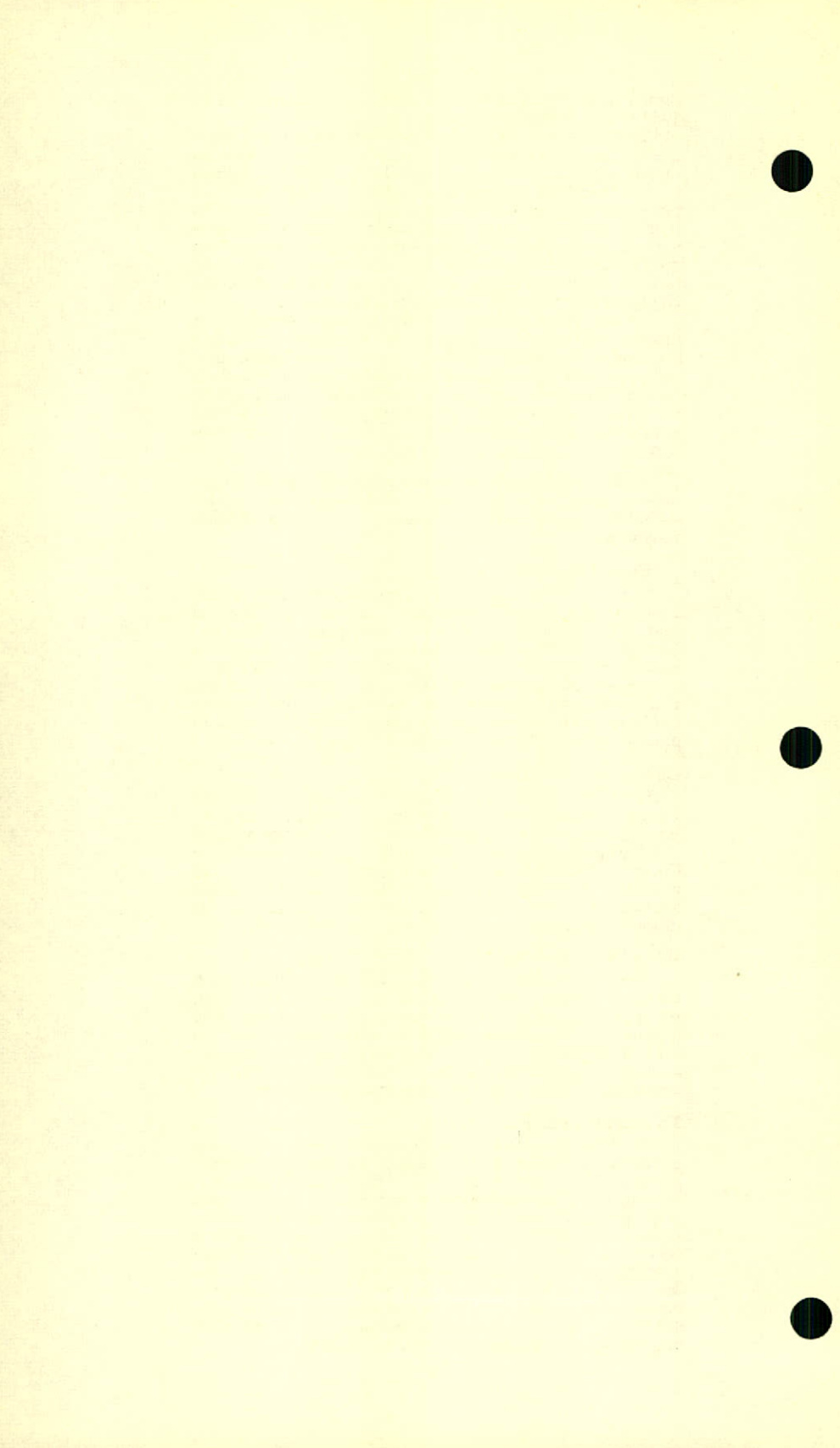
Retention of The Canadian Wheat Board as the sole marketing agency for prairie grains and an extension of its jurisdiction to cover all grains moving into interprovincial and international trade. Your Board supports strongly the Canadian Wheat Board as it is presently constituted and urges that it explore with ever-increasing vigor all possible avenues of commercial market disposal both among traditional customers and among potential customers.

**Wheat Utilization:**

That there are other food forms in which wheat might be made available to the various countries of the world, many of which do not know how to bake or use bread. The unusually high protein quality of prairie wheat for one thing suggests that some formula might be developed for a product that could be distributed as a substitute for meat, and at a lower cost to the eventual consumer.

**Two-price System:**

That there ought to be a two-price system in Canada providing a higher price for wheat for domestic human consumption related to the level of the domestic economy, leaving the price for export wheat related to the world price level. It was a matter of disappointment that the Government of Canada did not accept this proposal as it was advanced but it was encouraging when the Prime Minister related the recent acreage payments to what the farmers themselves claimed they might realize from the higher price of wheat sold domestically for human consumption. This was partial acceptance of the principle organized farmers have long been advocating.





### **Delivery Quotas:**

Your Board has supported the delivery quota system as providing for a considerable degree of equity in delivery opportunity among grain producers. However, considerable concern has been felt as a result of the failure of growers to live up to the spirit of quota regulations. Your Board believes that a study of the administration of quotas should be instituted forthwith with a view to finding methods of improving the administration of quota regulations.

### **Income Payments:**

The Saskatchewan Wheat Pool and other farm groups have failed in their attempt to convince the Federal Government of the urgency for income payments of the order proposed in the recent deficiency payment campaign. The reply from the government was the recent acreage payment proposal granting \$1 an acre to each prairie farmer to a maximum of \$200 for each, involving in total an estimated \$42,000,000. Your Board reaffirms its faith in the principle of deficiency payments on grain as recommended to the government by the Western Farm Delegation that waited upon the government in Ottawa, 10th March, 1959. However, it recognizes that the government has rejected the proposal and has countered with an acreage payment plan. Your Board is concerned that the cost-price squeeze which deficiency payments were planned to alleviate has become more aggravated and believes that the adverse effects should be subjected to intensive study. Your Board believes that this is one area in which the proposed research body might give immediate attention.

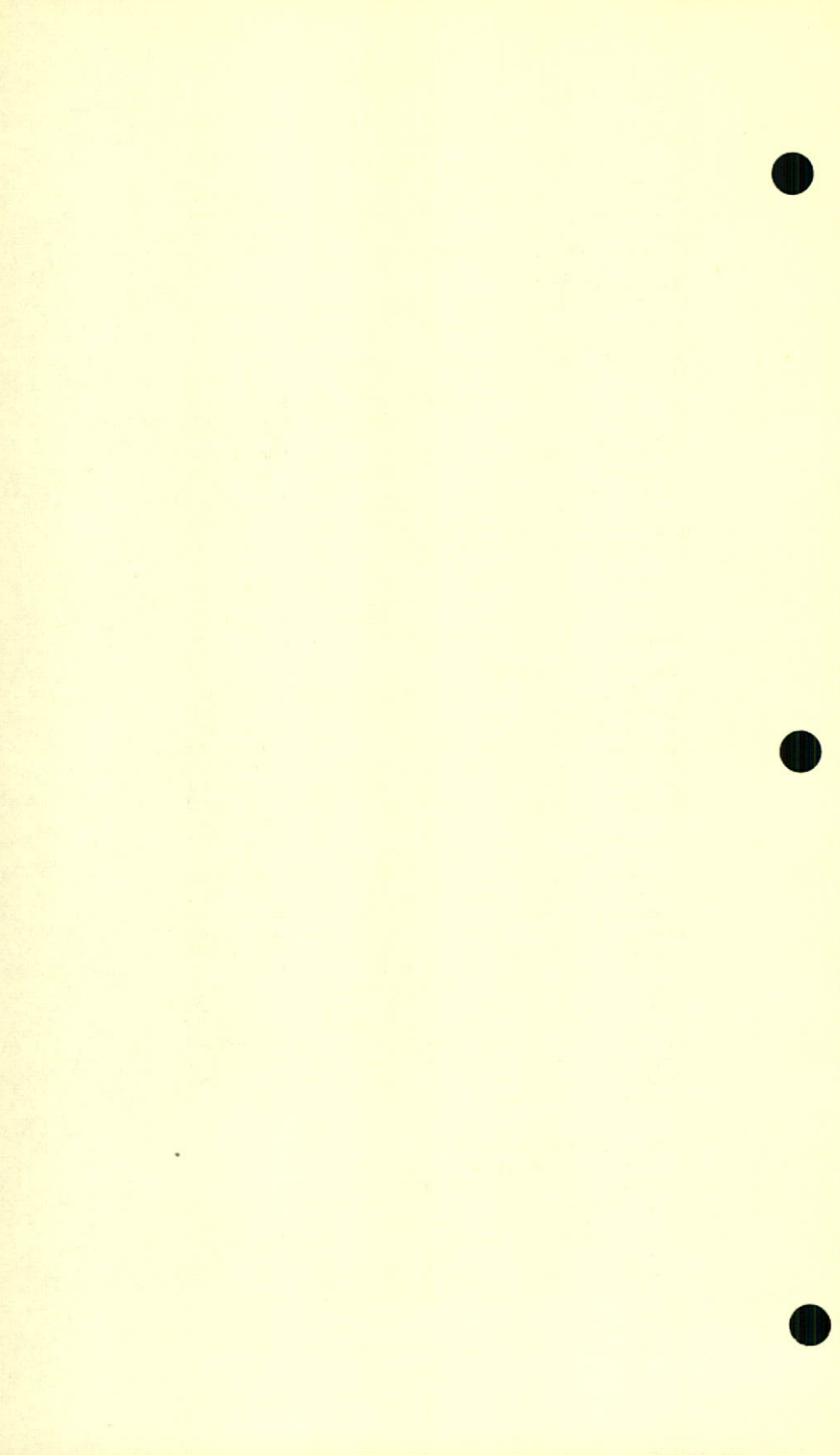
### **Farmer Adjustment:**

Your Board is aware of the many challenges of the changing agricultural picture and is convinced that the only real salvation for the prairie grain growing industry is to meet them squarely with real adjustments in the whole pattern of rural organization, grain production and grain marketing. Diversification into other forms of agricultural production, particularly livestock, is a solution for some but must be considered carefully when proposed for the industry as a whole. The difficulty is that the Canadian market for agricultural products is not large enough to absorb quickly alternative production from enough acres to make any real impact on the wheat surplus. Western farmers have moved toward diversification about as far and as fast as the market will permit. It is obvious that adjustments in grain production take time. Your Board pledges itself to take every opportunity to impress governments with the fact that in the short-run the grain producers need income transfers to supplement their current income. Your Board believes that direct cash payments to grain producers are necessary but that their distribution must be made in the light of the adjustments underway and must in no way upset the gradual change in land use, production patterns and marketing procedures already in process.

### **Wheat Pool Adjustment:**

Your Board is convinced that the Saskatchewan Wheat Pool itself has major adjustments to make both in its own interests and towards real benefit for its farmer members. To this end an internal committee has been established containing Directors and others to study the entire internal operation of the Pool to determine how much, in what direction and at what speed adjustments must be made.

In the general area of operational integration the Wheat Pool has in the past year concluded its first rapeseed pool, has helped to organize the first livestock feeder co-operative in the province and has erected its first all-steel



country elevator. These are adjustments to the changing agricultural pattern which your Board believes will help the farmer to meet the increasing demands for him to adjust and diversify and integrate. Your Board believes firmly in the value of self-help but recognizes that within the framework of existing fiscal policies and other factors beyond control of the industry, some of the agricultural problems have reached such magnitude as to be beyond solution without assistance from outside sources.

### **Special Challenges:**

During the year at least two challenges arose to give your Directors special concern. The Federal Royal Commission on Transportation considered various proposals affecting Canadian transportation. Some proposals, as did the submission from the Saskatchewan Wheat Pool, recommended reorganization of the railway companies. It seems safe to assume that the Commission itself when it brings in its report some time next year will find in its recommendations proposals which could vitally affect Wheat Pool country elevator operation. A Saskatchewan government body has been considering a variety of proposals involving reorganization of the Rural Municipalities in the province and its report is expected early in the new year. Indications in advance are that the traditional number of rural municipalities will be reduced drastically which again could affect Wheat Pool operations. Your Board holds that Saskatchewan Wheat Pool must be ready to adjust to proposed changes.

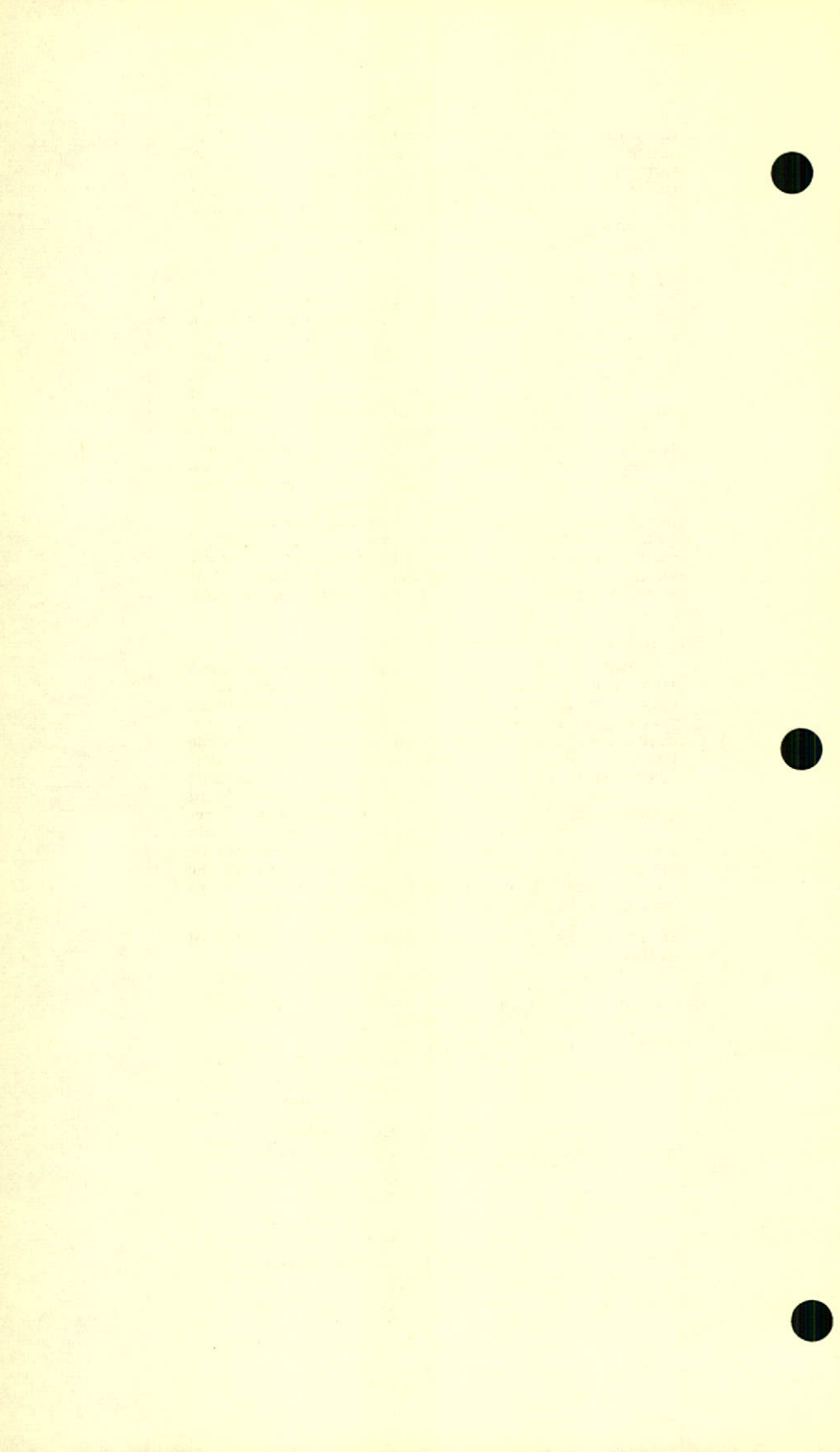
### **Threats from outside:**

There appears to be a continuing advocacy of increased trade restrictions by many sectors of the Canadian economy. These threats your Board will resist on all occasions, believing firmly that the best interests of the grain producers and the whole of the economy will be served by the freest possible trade between Canada and all countries. Your Board will also take every opportunity to continue its unwavering support of The Canadian Wheat Board system of marketing prairie grains and any effort to re-open the wheat futures market of the Winnipeg Grain Exchange will be resisted with all the force that can be mustered. Your Board also reaffirms its support for the International Wheat Agreement and for other moves to establish orderly marketing of agricultural produce.

### **In summary, your Board proposes as a matter of policy to:**

- (1) Maintain leadership by Saskatchewan Wheat Pool in the farm community towards attaining greater realization of the full scope of the many and interwoven problems facing agriculture and to seek solutions best for the industry itself and for the country as a whole.
- (2) Encourage the broad recognition that continuing adjustments within the agricultural industry are necessary to meet changing conditions and techniques.
- (3) Promote at all levels of government the realization that in the short-run the grain producers need help from outside to meet effectively the adjustments and that they need income assistance while the adjustments are being effected.
- (4) Promote expansion of markets in the long run to the end that all production is distributed at prices adequate to meet the costs of production.
- (5) Press for increased vigor in the promotion of sales of wheat to known commercial markets and to potential commercial markets.
- (6) Press for international distribution under the United Nations of the world's surplus food products, particularly Canadian wheat.
- (7) Press for research into possible utilization of wheat in other food forms than bread, particularly in view of the high protein of prairie grain.
- (8) Encourage the full adoption of the two-price system for Canadian wheat to provide a domestic price geared to the high purchasing power of the Canadian economy.
- (9) Reaffirm belief in the freest possible trade and to continue







without respite the battle against any and all attempts to increase restrictions on trade between Canada and all other countries.

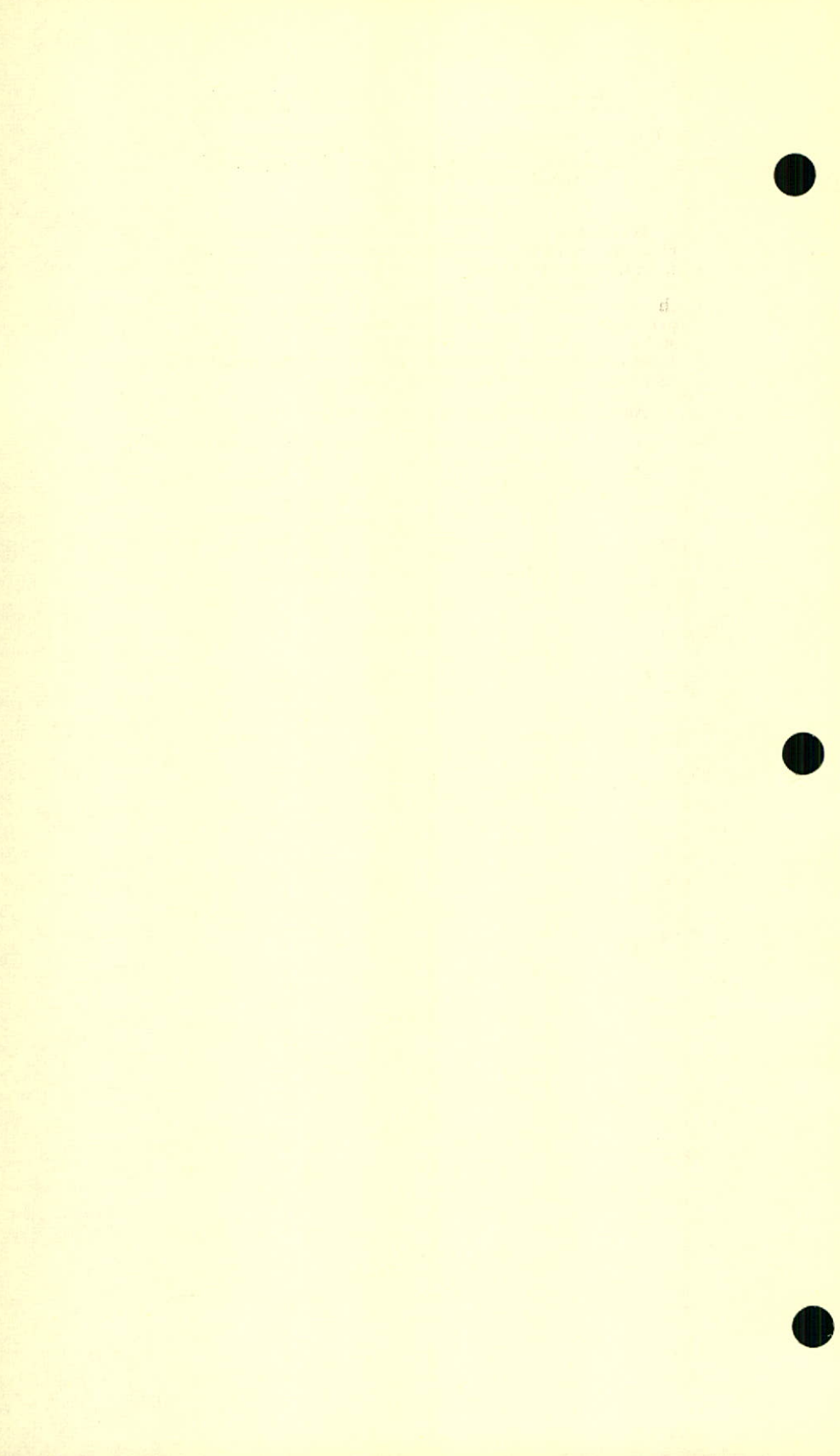
- (10) Reaffirm support for The Canadian Wheat Board system of marketing prairie grains, support for the International Wheat Agreement and for all other measures for the orderly marketing of agricultural produce.

### Conclusion

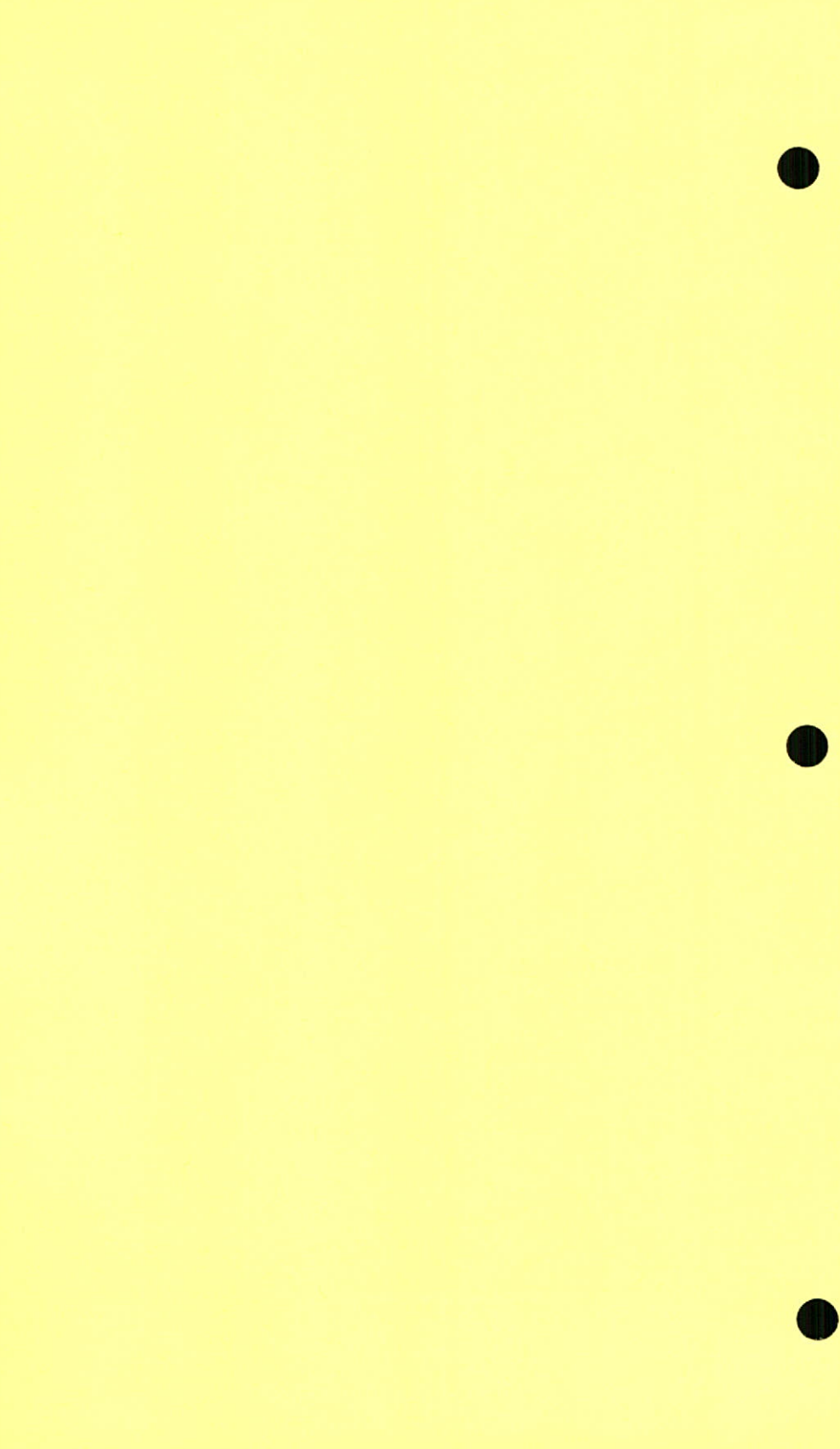
Before concluding this report, your Board desires to place on record its sincere appreciation of the loyal and faithful service that has been given by members of the staff of all branches of the organization. Throughout the year the staff has continued to live up to the high standard of performance that has been characteristic of Wheat Pool staffs since the inception of the organization. Your Board takes this opportunity to make public acknowledgment of its recognition of this fine record of service.

All of which is respectfully submitted:

A. G. PEDERSON	ALBERT GREENFIELD
CLARENCE McKEE	W. F. McLEOD
R. B. FULTON	CHAS. W. GIBBINGS
JAMES McCALLUM	E. A. BODEN
T. G. BOBIER	WILLIAM CUMMINGS
J. R. STILBORN	W. McK. ROSS
J. H. HARRISON	L. A. BOILEAU
E. J. SJOLIE	J. H. WESSON









SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES  
CONSOLIDATED BALANCE SHEET AT 31st JULY 1960

## ASSETS

Cash	\$ 5,239,808.15
Accounts Receivable	3,092,775.63
Prepayment on 1959-1960 Canadian and Ontario Corporation Taxes	280,019.67
Stocks of Grain	98,505,719.74
Stock in Trade	1,126,152.90
Manufacturing Supplies	98,919.70
Prepaid Taxes, Insurance and Other Expenses	398,779.95
<b>Total Current Assets</b>	<b>\$108,742,175.74</b>
Accounts Receivable Deferred	164,606.72
Investments and Memberships, at cost (including amount paid on shares on which there is an uncalled balance of \$7,500.00)	525,059.56
Fixed Assets at cost	
Sites, Buildings, Machinery and Equipment	\$ 76,868,872.42
Less accumulated allowance for depreciation	43,641,549.24

## Deferred Charges

Stocks of Repair Parts and Supplies	33,227,323.18
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Approved on behalf of the Board:

J. H. WESSON, Director  
THOS. G. BOBIER, Director

## LIABILITIES AND CAPITAL

Cheques and Orders Outstanding	\$ 20,359,796.71
Bank Loans	58,927,500.00
Notes Payable	3,750,000.00
Unallocated Surplus 1959-1960	5,022,748.27
Accounts Payable	13,580,390.11
<b>Total Current Liabilities</b>	<b>\$101,640,435.09</b>
Deferred Account Payable	
Saskatchewan Co-operative Credit Society Limited	1,288,331.53
Mortgages Payable	1,146,560.00
Reserve for Unearned Subscriptions	10,000.00
Elevator Deductions	18,947,924.12
Commercial Reserve	10,210,498.65
Livestock Excess Charges Credits	93,333.70
Capital	
Authorized: 200,000 shares of \$1.00 each	\$200,000.00

Allotted and fully paid, 141,227 shares.

Reserve	141,227.00
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## Capital Commitment

In respect of buildings and work under construction and machinery under purchase—Estimated	\$ 1,986,700.00
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\$142,884,943.91\$142,884,943.91

## AUDITORS' REPORT

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

We have examined the consolidated balance sheet of Saskatchewan Wheat Pool and its subsidiary companies Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, Saskatchewan Co-operative Livestock Producers Limited and Modern Press Limited as at 31st July 1960 and obtained all the information and explanations we required. For each company we have made a general review of the accounting procedures and such examination of accounting records and other supporting evidence as we consider necessary in the circumstances.

Under the Improved Retirement Plan there is a liability for past services as valued by actuaries requiring annual payments of \$137,000.00 to Saskatchewan Wheat Pool Retirement Fund for the next fifteen years. In addition there is a further liability for hourly employees' past services estimated to require annual payments of \$11,600.00 for approximately nine years.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the various companies, the accompanying balance sheet is properly drawn up so as to exhibit in consolidated form a true and correct view of the state of the organization's affairs at 31st July 1960, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. In our opinion, all the transactions of the companies that have come to our notice have been within the objects and powers of the companies.

ROSS, TOUCHE &amp; CO., Chartered Accountants.

Winnipeg, 23rd September 1960.

THE UNIVERSITY OF CHICAGO  
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## CONSOLIDATED BALANCE SHEET

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

### Cash—\$5,239,808.15

This includes the following items:

Cash in Banks.....	\$4,597,592.93
Cash Funds—Payors.....	642,215.22
	<u>\$5,239,808.15</u>

### Accounts Receivable—\$3,092,775.63

This item is composed principally of accrued handling charges on grain in store in Country and Terminal Elevators, Trade Accounts, Sundry Loans, Sales of Grain and Advances, including outstanding balance of advances to the Rapeseed Pool in connection with its 1959-60 operations.

### Prepayment on 1959-60 Canadian and Ontario Corporation Taxes—\$280,019.67

This amount is made up as follows:

Installments paid on 1959-60 Corporation Taxes of	
Saskatchewan Wheat Pool.....	\$292,200.00
Less estimated taxes for 1959-60 for the following	
Subsidiary Companies:	
Saskatchewan Pool Elevators Limited:	
Estimated Taxes.....	\$17,347.32
Less Amount Prepaid.....	6,720.00
	\$10,627.32
Saskatchewan Pool Terminals Limited....	187.07
Saskatchewan Co-operative Livestock	
Producers Limited.....	1,365.94
	<u>12,180.33</u>
	<u>\$280,019.67</u>

### Stocks of Grain—\$98,505,719.74

This represents the value of grain on hand in various positions at 31st July 1960, less the liability for stored grain. All Board grains have been valued at The Canadian Wheat Board prices, and open market grains at Winnipeg market cash closing prices at 29th July 1960, 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—\$1,126,152.90

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 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 1960.

### Manufacturing Supplies—\$98,919.70

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; car lining paper, bags, improvers and other ingredients at the Flour Mill at Saskatoon, and bags on hand at the Feed Mill at Terminal No. 8, at 31st July 1960.

### Prepaid Taxes, Insurance and other Expenses—\$398,779.95

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

### Accounts Receivable Deferred—\$164,606.72

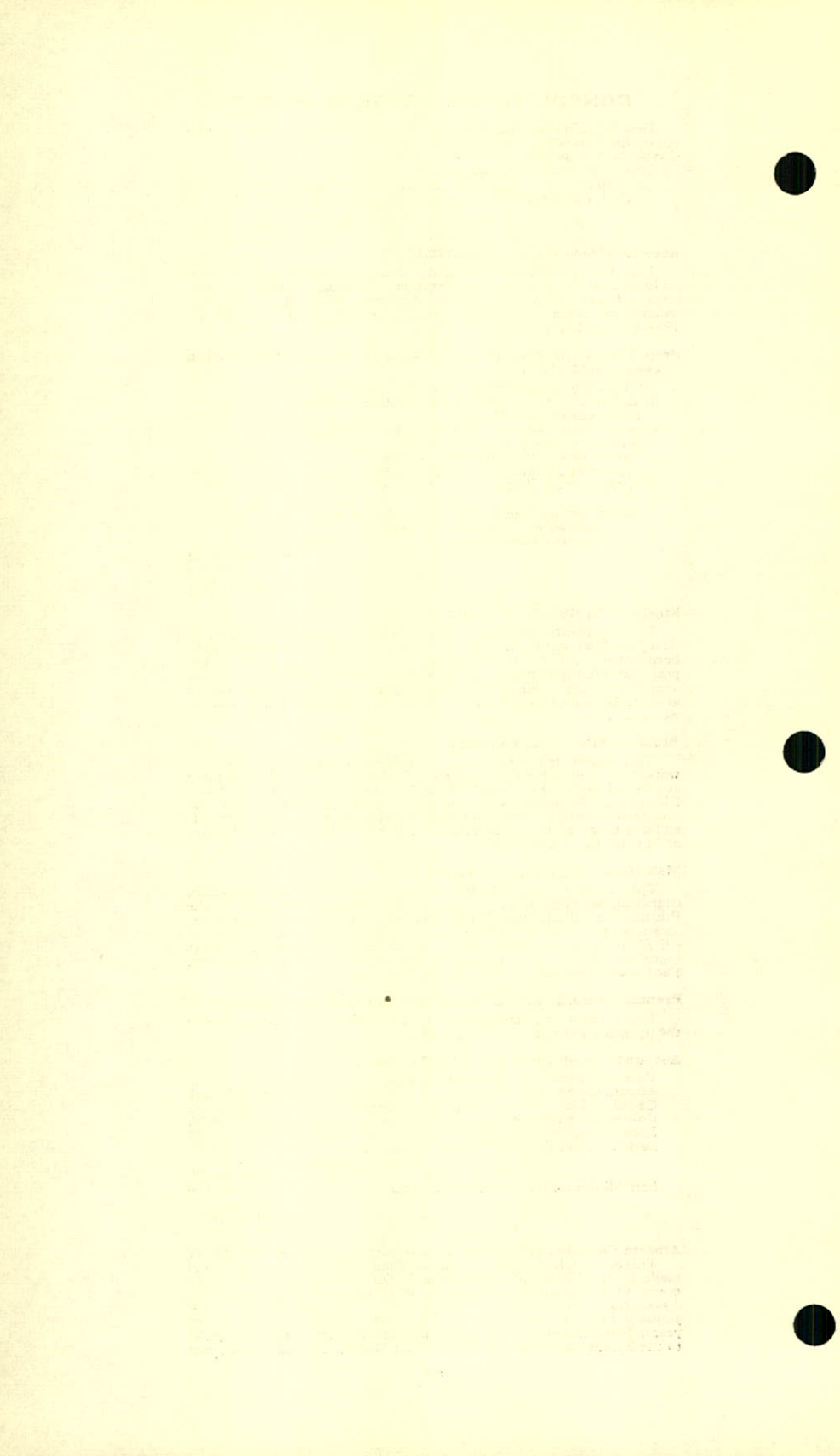
This is composed of the following accounts:

Alberta Co-operative Wholesale Association Limited.....	\$ 12,935.41
Canadian Livestock Co-operative (Western) Limited....	21,217.82
Co-operative Fire and Casualty Company.....	110,000.00
Local Co-operative Associations.....	15,453.49
Saskatchewan Farmers' Union.....	10,000.00
	<u>\$169,606.72</u>
Less Allowance for Doubtful Accounts.....	5,000.00
	<u>\$164,606.72</u>

### Alberta Co-operative Wholesale Association Limited—\$12,935.41

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 1953, for the payment of its indebtedness over a period of years. This agreement provides for nine annual payments of \$9,144.00 to the Saskatchewan Wheat Pool on 31st December of each year, and







a final payment of \$9,145.27 due on 31st December 1962. The aggregate payments received are \$14,497.86 in excess of the amount required to be paid under the agreement, thus reducing the outstanding balance to the amount shown. Interest at the rate of 4½% is being collected on this account.

#### Canadian Livestock Co-operative (Western) Limited—\$21,217.82

This represents the amount 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' loan account during seasons 1949-50 to 1959-60 inclusive.

#### Co-operative Fire and Casualty Company—\$110,000.00

Of the above sum, \$30,000.00 was contributed in 1951, \$30,000.00 paid under guarantee in 1953, \$25,000.00 contributed in 1956, and a further \$25,000.00 contributed in 1959. 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 six percent (6%) per annum. Interest at the rate of five percent (5%) was paid by the Co-operative Fire and Casualty Company during the year under review.

#### Local Co-operative Associations—\$15,453.49

This is composed of the following:

Local Co-operatives—Deferred Dividends.....	\$ 2,173.51
Federated Co-operatives—Deferred Dividends.....	13,279.98
	<u>\$15,453.49</u>

#### Saskatchewan Farmers' Union—\$10,000.00

This amount is composed of two loans of \$5,000.00 each, made to the Saskatchewan Farmers' Union on 15th September 1956, and 25th August 1958, respectively.

#### Investments and Memberships—\$525,059.56

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

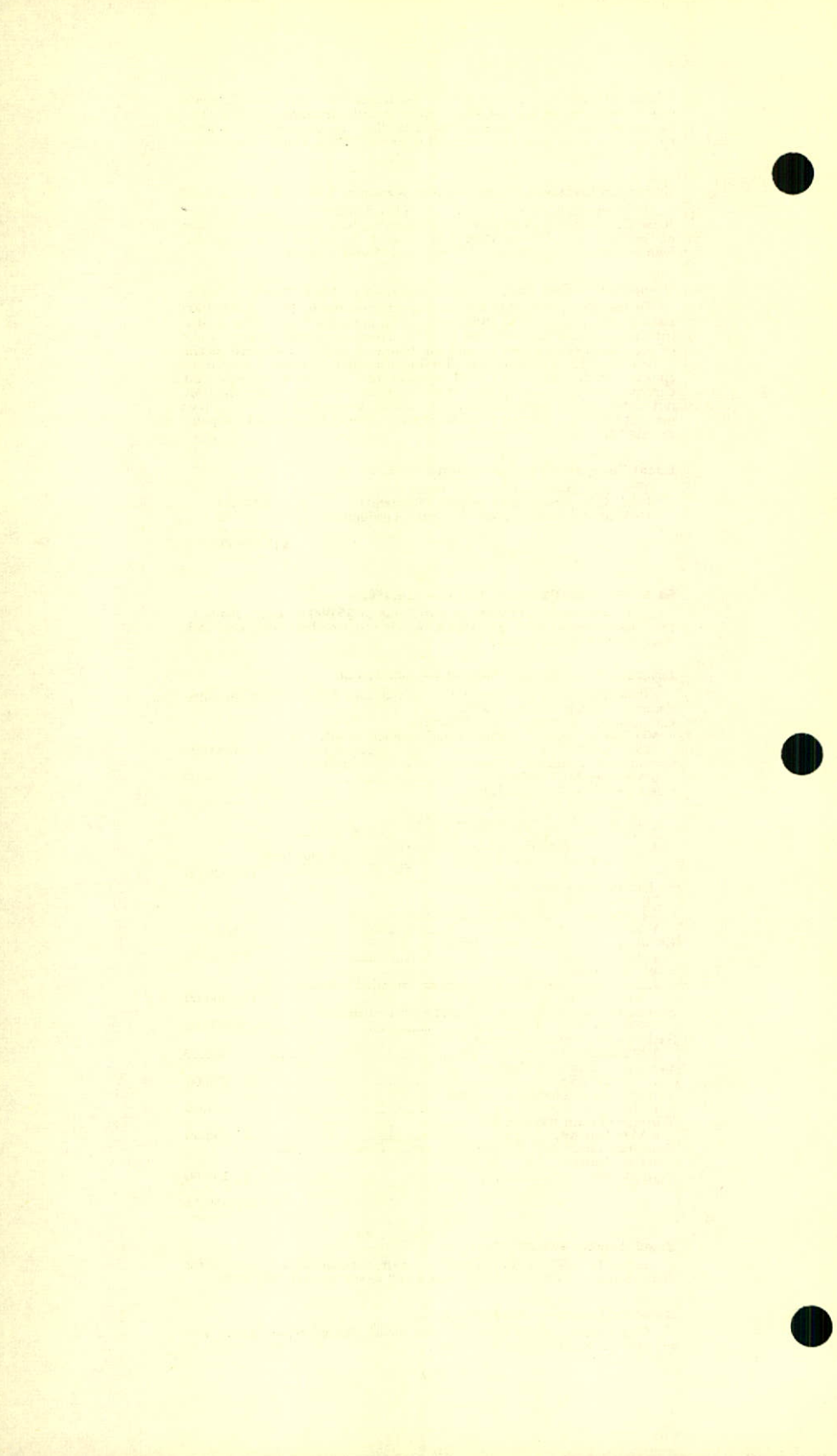
Canadian Co-operative Credit Society	
500 Shares (on which there is an uncalled balance of \$25,000.00).....	\$ 25,000.00
Canadian Livestock Co-operative (Western) Limited	
8 Memberships of \$1.00 each.....	8.00
Canadian Pool Agencies Limited	
667 Shares of \$10.00 each.....	6,670.00
Co-operative Trust Company Limited	
2,612 Shares of \$10.00 each.....	\$ 26,120.00
4½% Guaranteed Farm Credit Security due 19th May 1980.....	100,000.00
	<u>126,120.00</u>
Federated Co-operatives Limited	
Share Capital.....	30,947.75
Lake Shippers' Clearance Association	
1 Membership.....	3,000.00
Local Co-operative Associations	
Sundry Shares.....	89,512.81
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
Saskatoon Livestock Exchange	
3 Memberships.....	300.00
Vancouver Grain Exchange	
1 Membership.....	800.00
Vancouver Merchants' Exchange	
1 Share.....	1.00
Winnipeg Grain Exchange	
6 Memberships.....	30,950.00
Winnipeg Grain and Produce Exchange Clearing Association Limited	
10 Shares.....	12,250.00
	<u>\$525,059.56</u>

#### Fixed Assets—\$33,227,323.18

Schedule "IA" shows in detail the cost, accumulated allowance for depreciation, and net value of these fixed assets at 31st July 1960.

#### Deferred Charges—\$225,778.71

This amount represents the cost of stocks of repair parts and supplies on hand at 31st July 1960.



## LIABILITIES AND CAPITAL

### Cheques and Orders Outstanding—\$20,359,796.71

Details of these items are as follows:

Bank Cheques and Money Orders.....	\$13,472,706.77
Cash Tickets.....	6,887,089.94
	<u>\$20,359,796.71</u>

### Bank Loans—\$58,927,500.00

This represents the amount of outstanding borrowings from the lending banks at 31st July 1960.

### Notes Payable—\$3,750,000.00

This is the amount of outstanding short term borrowings from commercial organizations other than banks as at 31st July 1960.

### Unallocated Surplus—Season 1959-60—\$5,022,748.27

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—\$13,580,390.11

This amount consists principally of accrued expenses, trade and loan accounts, and the amount of the principal payments due to the Ogilvie and Lake of the Woods Milling Companies in November 1960, in connection with the purchase of their country and terminal elevator facilities.

### Deferred Accounts Payable

#### Saskatchewan Co-operative Credit Society Limited—

\$1,288,331.53

On 1st January 1959, arrangements were completed with the Saskatchewan Co-operative Credit Society to take over the balance owing under the Agreement for Sale with the Canadian National Railways in connection with Terminal No. 6. This amounted to \$2,462,470.69, to be amortized over a period of four years with interest at 4½%. The amount shown above represents the balance owing to the Credit Society after allowing for the principal payments that were due and paid on 31st July 1959, and 31st July 1960.

### Mortgages Payable—\$1,146,560.00

This sum represents the amount owing to the Ogilvie and Lake of the Woods Milling Companies in connection with the purchase of their country and terminal elevator facilities after making allowance for the principal payment which is due and payable in November 1960. This remaining balance is due and payable in equal annual payments of \$573,280.00 in November 1960 and 1962. Interest at 5½% is being charged on these mortgages.

### Reserve and Unearned Subscriptions—\$10,000.00

This item represents a partial provision for unexpired subscriptions to The Western Producer at 31st July 1960.

### Elevator Deductions — \$18,947,924.12; Commercial Reserve—\$10,210,498.65

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.....	6,759,864.05	3,642,647.48	10,402,511.53
	<u>\$18,947,924.12</u>	<u>\$10,210,498.65</u>	<u>\$29,158,422.77</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.....	6,111,974.12	10,210,498.65	16,322,472.77
	<u>\$18,947,924.12</u>	<u>\$10,210,498.65</u>	<u>\$29,158,422.77</u>

### Livestock Excess Charges Credits—\$93,333.70

This sum, retained by way of 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 1958-59 inclusive, and is made up as follows:

Amount retained from Excess Charges Refund.....	\$769,475.30
Less Amounts Refunded as follows:	
(a) Within Eligible Categories.....	\$ 11,133.71
(b) Credits of \$5.00 and over.....	665,007.89
	<u>676,141.60</u>
	<u>\$ 93,333.70</u>

### Capital—\$141,227.00

This represents the allotted capital to 31st July 1960.

### Reserve—\$9,406,633.82

This is the amount of the Reserve Account at 31st July 1960.



**SCHEDULE 1A**

**SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY, 1960**

	Cost	Accumulated Allowance for Depreciation	Net Value
<b>SASKATCHEWAN WHEAT POOL</b>			
Building, Equipment and Alterations.....	\$ 404,858.85	\$ 259,329.87	\$ 145,528.98
Furniture and Equipment.....	145,214.19	132,032.00	13,182.19
Automobiles and Truck.....	69,639.32	16,573.55	53,065.77
Motion Picture, and Radio Equipment and Films.....	20,264.19	15,333.19	4,931.00
Site and Parking Lot—Regina.....	69,374.78	1,637.44	67,737.34
<b>Total—Saskatchewan Wheat Pool.....</b>	<b>\$ 709,351.33</b>	<b>\$ 424,906.05</b>	<b>\$ 284,445.28</b>
<b>SASKATCHEWAN POOL ELEVATORS LIMITED</b>			
Country Elevators, etc.			
Country Elevators and Coal Sheds.....	\$40,469,976.83	\$24,203,219.36	\$16,266,757.47
Temporary Bins.....	318,636.58	146,056.19	172,580.39
Agents' Residences.....	3,798,251.53	1,968,477.51	1,829,774.02
Work Under Construction.....	1,598,366.30	—	1,598,366.30
Wheat Pool Building—Winnipeg.....	259,956.36	110,047.77	149,908.59
Wheat Pool Building—Saskatoon .....	128,315.86	32,472.38	95,843.48
Sites—Cottages, etc.....	112,665.37	—	112,665.37
Warehouse—Regina.....	26,070.75	11,505.83	14,564.92
Furniture and Equipment.....	416,918.45	333,971.85	82,946.60
Automobiles, Trucks, Trailers and Equipment.....	351,814.16	184,291.65	167,522.51
Payors' Safes.....	14,269.38	13,840.80	428.58
	<b>\$47,495,241.57</b>	<b>\$ 27,003,883.34</b>	<b>\$ 20,491,358.23</b>



**Terminal Elevators**

No. 4A Building.....	\$ 2,432,447.67	\$ 1,660,627.27	\$ 771,820.40
No. 4A Machinery and Equipment.....	2,235,778.33	1,949,264.24	286,514.09
No. 4B Building.....	1,622,696.33	707,261.72	915,434.61
No. 4B Machinery and Equipment.....	2,074,934.11	1,885,802.84	189,131.27
No. 5 Building.....	750,434.75	266,350.52	484,084.23
No. 5 Machinery and Equipment.....	672,375.11	533,174.61	139,200.50
No. 6 Building.....	2,511,963.72	344,439.05	2,167,524.67
No. 6 Machinery and Equipment.....	1,681,630.01	806,829.85	874,800.16
No. 7 Building.....	2,481,218.29	1,793,978.98	687,239.31
No. 7 Machinery and Equipment.....	2,537,216.86	2,293,996.07	243,220.79
No. 7 Storage Annex Building.....	919,114.34	405,471.02	513,643.32
No. 7 Storage Annex Machinery and Equipment.....	170,177.75	155,815.41	14,362.34
No. 8 Building.....	1,534,303.75	76,715.19	1,457,588.56
No. 8 Machinery and Equipment.....	226,889.06	45,377.81	181,511.25
Feed Mill Building.....	27,515.00	18,880.50	8,634.50
Feed Mill Machinery and Equipment.....	44,288.65	40,484.28	3,804.37
Warehouses—Port Arthur and Fort William.....	35,177.51	25,166.53	10,010.98
Sites.....	419,224.05	—	419,224.05
Work Under Construction.....	28,326.56	—	28,326.56
	<u>\$22,405,711.85</u>	<u>\$13,009,635.89</u>	<u>\$ 9,396,075.96</u>

**Flour Mill**

Mill Buildings.....	\$ 874,846.29	\$ 198,630.19	\$ 676,216.10
Mill Machinery and Equipment.....	959,933.30	781,507.88	178,425.42
Grain Elevator Building.....	747,094.10	170,453.42	576,640.68
Grain Elevator Machinery and Equipment.....	439,016.15	377,839.35	61,176.80
Flour Sheds.....	53,182.29	9,928.76	43,253.53
Laboratory Equipment.....	16,078.92	9,636.01	6,442.91
Furniture and Equipment.....	25,244.85	18,678.05	6,566.80
Automobiles.....	27,242.97	6,672.77	20,570.20
Plant Tools and Equipment.....	15,825.43	12,001.42	3,824.01
Work Under Construction.....	8,383.07	—	8,383.07
	<u>\$ 3,166,847.37</u>	<u>\$ 1,585,347.85</u>	<u>\$ 1,581,499.52</u>

**CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY, 1960**

**SCHEDULE 1A (Continued)**

	Cost	Accumulated Allowance for Depreciation	Net Value
<b>SASKATCHEWAN POOL ELEVATORS LIMITED (Continued)</b>			
<b>Vegetable Oil Plant</b>			
Building.....	\$ 113,678.69	\$ 30,704.67	\$ 82,974.02
Machinery and Equipment.....	221,083.90	200,213.96	20,869.94
Refinery Building.....	32,357.72	7,334.37	25,023.35
Refinery Machinery and Equipment.....	147,189.77	116,210.90	30,978.87
Storage Tank—Building.....	23,377.43	5,397.87	17,979.56
Storage Tank—Machinery and Equipment.....	37,974.43	22,944.29	15,030.14
Grain Elevator Building.....	66,523.68	22,168.54	44,355.14
Grain Elevator Machinery and Equipment.....	34,114.21	23,539.51	10,574.70
Laboratory Equipment.....	8,315.34	5,616.13	2,699.21
Furniture and Equipment.....	8,264.28	6,340.54	1,923.74
Automobile.....	3,065.28	1,103.50	1,961.78
Plant Tools and Equipment.....	4,343.40	2,034.49	2,308.91
Work Under Construction.....	349,986.34	—	349,986.34
	<u>\$ 1,050,274.47</u>	<u>\$ 443,608.77</u>	<u>\$ 606,665.70</u>
<b>Flour Mill and Vegetable Oil Plant Power Equipment and Sundry</b>			
Boiler House and Substation Building.....	\$ 80,043.71	\$ 18,452.01	\$ 61,591.70
Boiler House Equipment.....	83,131.89	72,200.13	10,931.76
Substation Equipment.....	72,663.03	63,724.29	8,938.74
Spur Tracks—Saskatoon.....	35,726.71	14,015.18	21,711.53
Site—Saskatoon.....	8,840.53	—	8,840.53
	<u>\$ 280,405.87</u>	<u>\$ 168,391.61</u>	<u>\$ 112,014.26</u>
<b>Total—Saskatchewan Pool Elevators Limited.....</b>	<u><u>\$74,398,481.13</u></u>	<u><u>\$42,210,867.46</u></u>	<u><u>\$32,187,613.67</u></u>

**SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED**

Stockyards.....	\$ 345,294.70	\$ 170,191.41	\$ 175,103.29
Assembly Yards.....	8,154.72	3,242.68	4,912.04
Country Scales and Sheds.....	11,750.07	8,544.06	3,206.01
Tattoo Equipment.....	7,593.81	7,428.55	165.26
Sundry Equipment.....	1,421.42	932.39	489.03
Furniture and Equipment.....	32,048.48	24,235.98	7,812.50
Automobile, Trucks and Tractors.....	72,997.54	45,737.13	27,260.41
Sites.....	12,324.80	—	12,324.80
Work Under Construction.....	16,095.43	—	16,095.43

**Total—Saskatchewan Co-operative Livestock Producers Limited.....** \$ 507,680.97 \$ 260,312.20 \$ 247,368.77

**MODERN PRESS LIMITED**

Buildings, Machinery and Equipment.....	\$ 1,111,420.93	\$ 650,644.48	\$ 460,776.45
Furniture and Equipment.....	44,307.32	34,650.86	9,656.46
Sites—Saskatoon.....	15,225.00	—	15,225.00

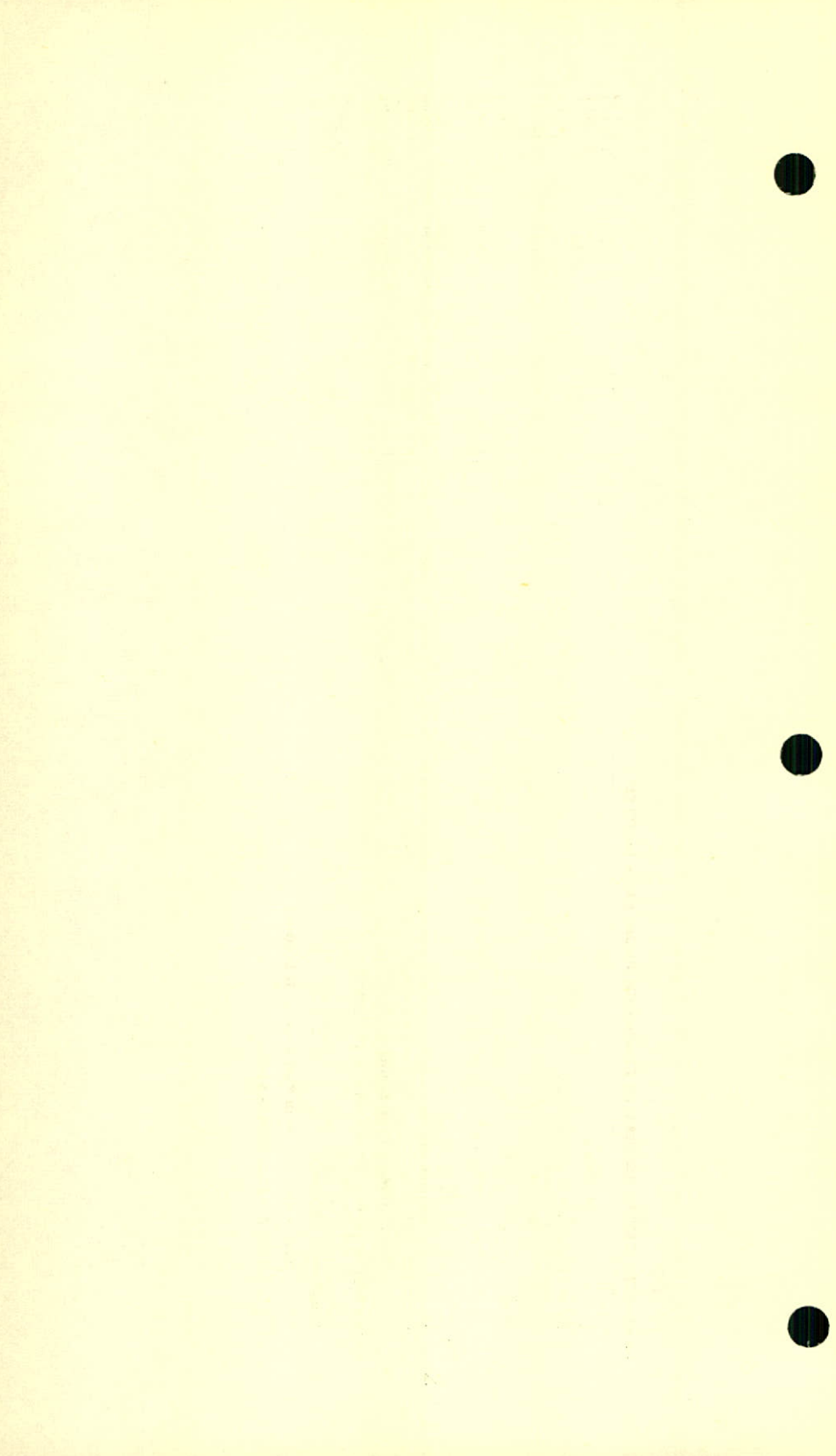
**Total—Modern Press Limited.....** \$ 1,170,953.25 \$ 685,295.34 \$ 485,657.91

**SASKATCHEWAN POOL TERMINALS LIMITED**

Furniture and Equipment.....	\$ 40,029.98	\$ 30,727.33	\$ 9,302.65
Automobile and Trucks.....	9,135.44	6,838.71	2,296.73
Miscellaneous Equipment.....	33,240.32	22,602.15	10,638.17

**Total—Saskatchewan Pool Terminals Limited.....** \$ 82,405.74 \$ 60,168.19 \$ 22,237.55

**TOTAL—ALL COMPANIES.....** \$76,868,872.42 \$43,641,549.24 \$33,227,323.18





## SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

## CONSOLIDATED CAPITAL STATEMENT AT 31st JULY, 1960

<b>Capital Receipts</b>	
Capital.....	\$ 141,227.00
Commercial Reserve.....	10,210,498.65
Elevator Deductions.....	18,947,924.12
Livestock Excess Charges Credits.....	93,333.70
Reserve.....	9,406,633.82
Reserve for Unearned Subscriptions.....	10,000.00
Deferred Accounts Payable—	
Saskatchewan Co-operative Credit Society.....	1,288,331.53
Mortgage Payable.....	1,146,560.00
<b>Capital Expenditures</b>	
<b>Fixed and Sundry Assets</b>	
Fixed Assets, less accumulated allowance for depreciation.....	\$33,227,323.18
Investments and Memberships.....	525,059.56
<b>Deferred Accounts</b>	
Accounts Receivable Deferred.....	164,606.72
Deferred Charges.....	225,778.71
<b>Approved programme of Building and Work under Construction and Machinery under purchase—Estimated</b>	
Head Office.....	\$ 101,461.36
Country Elevators & Annexes, etc.....	4,326,611.36
Agents' Dwellings.....	351,523.88
Office Equipment, etc.....	67,331.61
Flour Mill.....	81,700.15
Vegetable Oil Plant.....	650,975.69
Terminals.....	2,153,399.97
Sask. Co-operative Livestock	
Producers Ltd.....	50,022.17
Modern Press Limited.....	13,806.60
Saskatchewan Pool Terminals Ltd.....	3,947.78
	\$7,800,780.57
Less Paid on Account.....	5,814,080.57
	1,986,700.00
<b>Balance available as Working Capital for Season 1960-61.....</b>	<b>5,115,040.65</b>

\$41,244,508.82   \$41,244,508.82

## CURRENT POSITION PER CONSOLIDATED BALANCE SHEET

AT 31st JULY, 1960

Current Assets.....	\$108,742,175.74
Current Liabilities.....	101,640,435.09
<b>Current Position per Balance Sheet.....</b>	<b>\$ 7,101,740.65</b>
Less: Estimated Capital Expenditure to complete programme of Building and Work under Construction and Machinery under purchase..	1,986,700.00

**Balance available as Working Capital for Season 1960-61.....\$ 5,115,040.65**

## SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

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

AT 31st JULY, 1960

	Capital	Commercial Reserve	Elevator Deductions	Reserve Account	Reserve for Unearned Subscriptions	Livestock Credit	Deferred Account Payable	Total
<b>SOURCE OF CAPITAL FUNDS</b>								
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.....	—	3,642,647.48	6,759,864.05	—	—	769,475.30	—	11,171,986.83
Retained from Operations.....	—	—	—	9,406,633.82	10,000.00	—	—	9,416,633.82
Ogilvie and Lake of the Woods Milling Companies—								
Mortgages.....	—	—	—	—	—	—	1,146,560.00	1,146,560.00
Saskatchewan Co-operative Credit Society Limited.....	—	—	—	—	—	—	1,288,331.53	1,288,331.53
<b>TOTAL CAPITAL RECEIPTS.....</b>	<u>\$141,227.00</u>	<u>\$10,210,498.65</u>	<u>\$18,947,924.12</u>	<u>\$9,406,633.82</u>	<u>\$10,000.00</u>	<u>\$769,475.30</u>	<u>\$2,434,891.53</u>	<u>\$41,920,650.42</u>

# ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS

Deferred Accounts Receivable.....	\$	—	\$	164,606.72	\$	—	\$	—	\$	—	\$	—	\$	—	\$	164,606.72
Investments.....				525,059.56												525,059.56
Fixed Assets—Net.....	141,227.00		9,295,053.66		18,947,924.12		2,398,226.87		10,000.00		—		2,434,891.53		33,227,323.18	
Expenditures Approved for Completion of Programme of Buildings and Work Under Construction, and Machinery Under Purchase—																
Capital Commitments—Estimated.....	—		—		—		1,986,700.00		—		—		—		—	1,986,700.00
Deferred Charges—Stocks of Repair Parts and Supplies.....	—		225,778.71		—		—		—		—		—		—	225,778.71
Refunded from Working Capital.....									676,141.60		—		—		—	676,141.60

<b>BALANCE—WORKING CAPITAL</b> .....	\$141,227.00	\$10,210,498.65	\$18,947,924.12	\$4,384,926.87	\$10,000.00	\$676,141.60	\$2,434,891.53	\$36,805,609.77
	—	—	—	5,021,706.95	—	93,333.70	—	5,115,040.65

	\$141,227.00	\$10,210,498.65	\$18,947,924.12	\$9,406,633.82	\$10,000.00	\$769,475.30	\$2,434,891.53	\$41,920,650.42
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<b>TOTAL CURRENT ASSETS</b> —Per Consolidated Balance Sheet—Statement "1".....	\$108,742,175.74
<b>TOTAL CURRENT LIABILITIES</b> —Per Consolidated Balance Sheet—Statement "1".....	101,640,435.09

<b>CURRENT POSITION</b> .....	\$ 7,101,740.65
Less Estimated Capital Expenditures to Complete Programme of Buildings and Work Under Construction, and Machinery Under Purchase.....	1,986,700.00

<b>BALANCE—WORKING CAPITAL</b> .....	\$ 5,115,040.65
--------------------------------------	-----------------

**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, 1960**

	Total 1925-1959	Allocation 1958-1959 Surplus	Sundry Adjustments	Season 1959-1960	Total 1925-1960
85 Net Earnings and Capital Gains After Adjusting for Income Taxes and All Company Losses.....	\$96,111,636.60	\$ —	\$ 19,973.17 (B) (585,000.00) (C)	\$ —	\$ 95,546,609.77
Net Earnings for Season 1959-60:					
Saskatchewan Wheat Pool—Before Provision for Income Taxes.....	—	—	—	5,022,748.27	5,022,748.27
Saskatchewan Pool Elevators Limited—After Provision for Income Taxes.....	—	—	—	—	—
Saskatchewan Pool Terminals Limited—After Provision for Income Taxes.....	—	—	—	—	—
Saskatchewan Co-operative Livestock Producers Limited—After Provision for Income Taxes	—	—	—	—	—
Modern Press Limited.....	—	—	—	—	—
	<u>\$96,111,636.60</u>	<u>\$ —</u>	<u>\$ (565,026.83)</u>	<u>\$5,022,748.27</u>	<u>\$100,569,358.04</u>



**DISTRIBUTION**

Excess Charges Refund Paid to Growers in Cash as Follows:	Grain Deliveries.....	\$26,117,350.81	\$1,702,481.55	\$	45.31 (A)	\$	—	\$ 27,819,877.67
	Livestock Deliveries.....	68,820.61	6,738.35		17.16 (A)		—	75,576.12
Paid for Certificates Purchased in Settlement of Credits.....		21,171,345.29	1,448,729.89		—		—	22,620,075.18
Retained as a Loan and Credited to Members as Follows:	Commercial Reserve.....	2,999,989.58	642,657.90		—		—	3,642,647.48
	Elevator Deductions.....	5,567,247.94	1,192,616.11		—		—	6,759,864.05
	Livestock Excess Charges Credits.....	602,998.38	166,462.10		14.82 (A)		—	769,475.30
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 1929-30 Pool Overpayment —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 1958-59.....		6,339,058.37	(6,339,058.37)		—		—	—
Unallocated Surplus—Season 1959-60.....		—	—		—		5,022,748.27	5,022,748.27
Reserve.....		8,792,365.47	594,372.47		19,973.17 (B)		—	9,406,633.82
					(77.29) (A)		—	—
Estimated 1958-59 Income Taxes.....		—	585,000.00		(585,000.00) (C)		—	—
		<u>\$96,111,636.60</u>	<u>—</u>		<u>\$ (565,026.83)</u>		<u>\$5,022,748.27</u>	<u>\$100,569,358.04</u>

Note: Of the sum of \$769,475.30 shown on the above Statement as "Livestock Excess Charges Credits Retained as a Loan and Credited to Members" the sum of \$676,141.60 has been refunded to members and charged to "Capital", leaving a balance of \$93,333.70 retained, as shown on the Balance Sheet of the Company.

Sundry Adjustments Shown in the Third Column of this Statement are composed of the following:

(A) Adjustments on Prior Season's Excess Charges Refund which have been Charged to Reserve.

(B) Transfer of the following items to Reserve:

Capital Gain on Disposal of Assets.....	\$16,883.40
Profit on Disposal of Assets.....	3,089.77
	<u>\$19,973.17</u>

(C) Transfer of Estimated Income Taxes for Season 1958-59 to Accounts Payable.



**SASKATCHEWAN WHEAT POOL  
STATEMENT OF GRAIN HANDLED AT 31st JULY, 1960**

**STATEMENT No. 5**

**TOTAL HANDLED—ALL GRAINS**

	Bushels 1924-1959	Bushels 1959-1960	Bushels 1924-1960
Country Elevator Division: Elevators.....	3,677,056,690	145,835,605	3,822,892,295
Platform.....	59,999,245	37,660	60,036,905
<b>Total.....</b>	<b>3,737,055,935</b>	<b>145,873,265</b>	<b>3,882,929,200</b>
Number of Elevators that received Grain.....		1,237	
(a) Average Handlings per Elevator.....		117,894	
<b>Terminal Elevator Division:</b>			
Terminal No. 4.....	788,880,414	28,248,227	817,128,641
(b) Terminal No. 5 (Old).....	117,258,782		117,258,782
Terminal No. 5 (New).....	87,182,802	8,836,690	96,019,492
(c) Terminal No. 6 (Old).....	446,839,261		446,839,261
(d) Terminal No. 6 (New).....	40,010,042	20,866,987	60,877,029
Terminal No. 7.....	1,009,006,506	34,723,077	1,043,729,583
(e) Terminal No. 8 (Old).....	28,240,761		28,240,761
Terminal No. 8 (New).....		6,572,042	6,572,042
Vancouver Terminal.....	45,826,096	11,907,266	57,733,362
<b>Total.....</b>	<b>2,563,244,664</b>	<b>111,154,289</b>	<b>2,674,398,953</b>
(f) Buffalo Terminal.....	103,949,687	—	103,949,687
<b>Flour Mill Division:</b>			
Street.....	4,173,681	372,584	4,546,265
Carlot.....	20,034,554	2,729,065	22,763,619
Gristing.....	181,810	63,572	245,382
	24,390,045	3,165,221	27,555,266
<b>Vegetable Oil Division:</b>			
Street.....	1,957,008	260,936	2,217,944
Carlot.....	3,919,053	167,110	4,086,163
	5,876,061	428,046	6,304,107

**Rapeseed Handlings are included in above figures.**

- (a) Platform Receipts not included.  
 (b) Partially destroyed by explosion in 1945. The annexes remaining were integrated with Elevator No. 4B.  
 (c) Handlings to 1947-48—lease with C.N.R. cancelled August 31st, 1948.  
 (d) Purchased from C.N.R. August 1st, 1957.  
 (e) Handlings to 1932-33—lease with C.P.R. expired July 31st, 1933.  
 (f) Grain handled from August 1st, 1927, to April 15th, 1933. Operated by Canadian Co-operative Producers Ltd. in 1926-27 and grain handled in that season was 27,981,088 bushels. ....





STATEMENT No. 6

LIBRARY RECORD FOR 1959-60

	Books Mailed	Books Re- turned	Requests Books	Cata- logues	Postage
<b>1959</b>					
August.....	344	385	27	1	\$24.75
September.....	382	394	29	6	29.02
October.....	414	427	35	14	40.85
November.....	434	429	39	20	33.02
December.....	432	430	33	12	40.11
<b>1960</b>					
January.....	560	528	51	28	46.08
February.....	702	602	141	46	52.42
March.....	750	711	110	26	55.82
April.....	525	563	34	4	48.37
May.....	469	494	26	3	38.03
June.....	413	471	20	3	34.54
July.....	328	343	22	2	26.65
	<u>5,753</u>	<u>5,777</u>	<u>567</u>	<u>165</u>	<u>\$469.66</u>



## STATEMENT No. 7

## WHEAT POOL COMMITTEES

1959-1960

## TOTAL NUMBER OF COMMITTEES

Sub-District	1	2	3	4	5	6	7	8	9	10	11	Total
District 1.....	3	4	5	10	7	6	8	11	6	8	—	68
District 2.....	6	4	5	7	3	5	9	7	7	5	5	63
District 3.....	4	3	3	4	5	2	3	5	3	7	—	39
District 4.....	3	3	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	6	9	12	12	7	7	8	—	87
District 7.....	8	5	5	5	6	8	6	5	7	5	7	67
District 8.....	8	7	10	8	7	7	5	6	4	3	4	69
District 9.....	6	7	5	6	4	8	6	5	6	6	—	59
District 10.....	6	6	3	6	14	8	3	6	4	8	—	64
District 11.....	8	10	11	6	5	7	11	7	10	9	—	84
District 12.....	9	5	9	6	5	6	6	7	10	7	—	70
District 13.....	8	11	4	10	8	7	11	6	9	9	7	90
District 14.....	5	8	6	9	3	6	9	12	7	9	7	81
District 15.....	8	5	7	8	5	6	2	4	7	3	6	61
District 16.....	7	7	8	7	4	11	4	7	7	7	8	77
												<u>1,090</u>

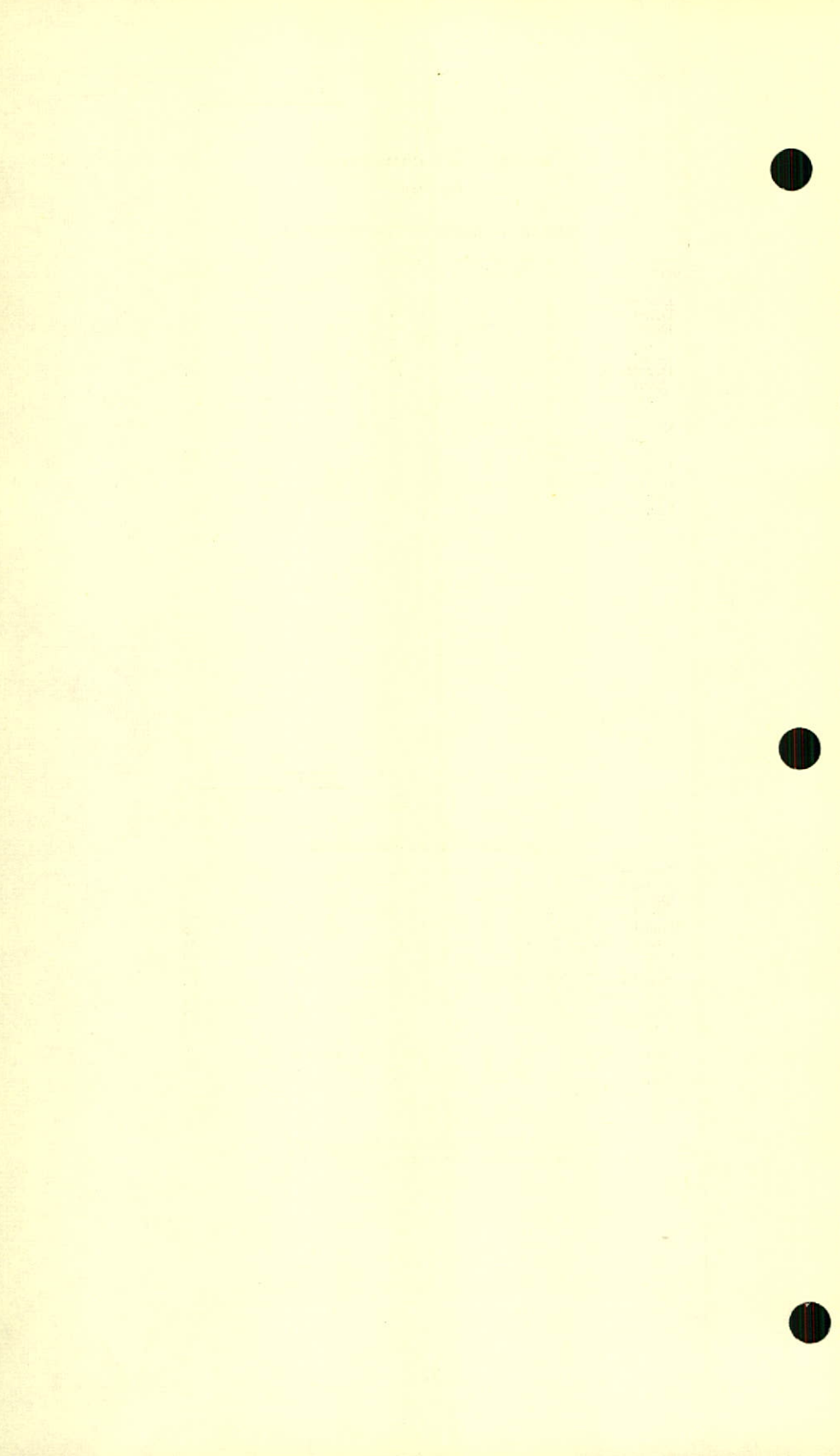
## STATEMENT No. 8

## COMMITTEES REORGANIZED

District 1.....	3	4	5	10	7	6	8	11	6	8	—	68
District 2.....	6	4	5	7	3	5	9	7	7	5	5	63
District 3.....	4	3	3	4	5	2	3	5	3	7	—	39
District 4.....	3	2	7	4	5	2	4	6	3	6	—	42
District 5.....	8	7	5	7	7	3	6	10	8	5	—	66
District 6.....	7	10	7	6	9	11	12	7	7	8	—	84
District 7.....	7	5	5	5	6	8	6	5	7	5	7	66
District 8.....	8	5	10	8	7	7	5	4	4	2	3	63
District 9.....	6	7	5	6	4	8	6	5	6	6	—	59
District 10.....	6	6	3	6	14	8	3	6	4	8	—	64
District 11.....	8	10	11	6	5	7	11	7	10	9	—	84
District 12.....	9	5	9	6	5	6	6	7	10	7	—	70
District 13.....	8	11	4	10	8	7	11	6	9	9	7	90
District 14.....	5	8	6	9	3	6	9	12	7	9	7	81
District 15.....	8	5	7	8	5	6	2	4	7	3	6	61
District 16.....	7	7	8	7	4	11	4	7	7	7	8	77
												<u>1,077</u>

13 Committees not reorganized 31st July 1960

15 Committees not reorganized 31st July 1959





**CANADIAN POOL AGENCIES LIMITED**  
Wheat Pool Building, Winnipeg, Manitoba

**BALANCE SHEET**  
As At July 31, 1960

ASSETS			LIABILITIES		
<b>Agency Assets</b>			<b>Agency Liabilities</b>		
Cash in Agency Bank Accounts.....	\$ 36,707.28		Accounts Payable.....	\$ 99,747.44	
Accounts Receivable.....	181,117.47	\$217,824.75	Due to General Funds—Per Contra.....	118,077.31	\$217,824.75
<b>Shareholders' and Patrons' Assets</b>			<b>Shareholders' Liabilities and Reserves</b>		
Cash			Miscellaneous Accounts Payable.....	\$ 1,546.21	
On Hand.....	\$ 10.00		Reserved for Income Tax.....	66.82	
In General Bank Account.....	6,743.11	\$ 6,753.11	Patronage Dividend Payable.....	99,241.85	\$100,854.88
<b>Accounts Receivable</b>			General Reserve for Unearned Income:		
Due from Agency Funds—Per Contra	\$118,077.31		Allocated as follows:		
Pool Insurance Company.....	11,908.29		Alberta Wheat Pool.....	\$ 5,568.12	
Miscellaneous.....	3,016.36	133,001.96	Manitoba Pool Elevators.....	3,146.82	
			Saskatchewan Wheat Pool.....	11,285.06	20,000.00
<b>Furniture and Fixtures</b>			<b>Capital Stock</b>		
Cost—Less Depreciation.....	1,099.81	140,854.88	Authorized, issued and fully paid (2,000 shares at \$10.00 each).....		20,000.00
			Approved on behalf of the Board:		
			JOHN H. WESSON, <i>Director</i>		
			W. J. PARKER, <i>Director</i>		
		<u>\$358,679.63</u>			<u>\$358,679.63</u>

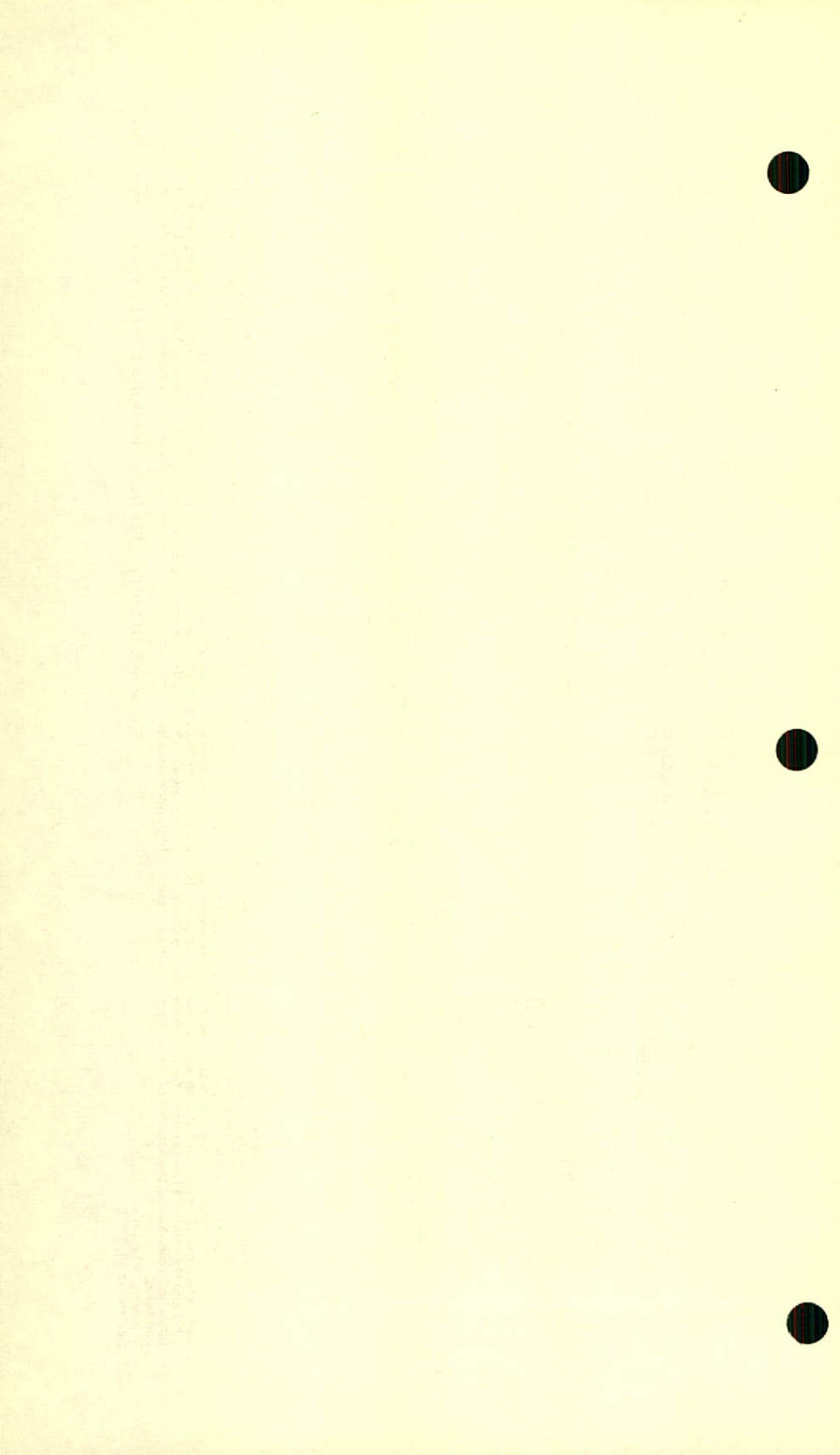
**AUDITORS' REPORT**

We have examined the balance sheet of Canadian Pool Agencies Limited as at July 31, 1960 and the statements of surplus and income and expenditure for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. Bank balances have been confirmed by certificate direct from the Companies' bankers. Accounts receivable and payable have been confirmed by circularization.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the Company the accompanying balance sheet and statements of surplus and income and expenditure are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at July 31, 1960 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. All the transactions of the Company that have come within our notice have been within the objects and powers of the Company to the best of our information and belief.

Winnipeg, Manitoba,  
September 30, 1960.

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



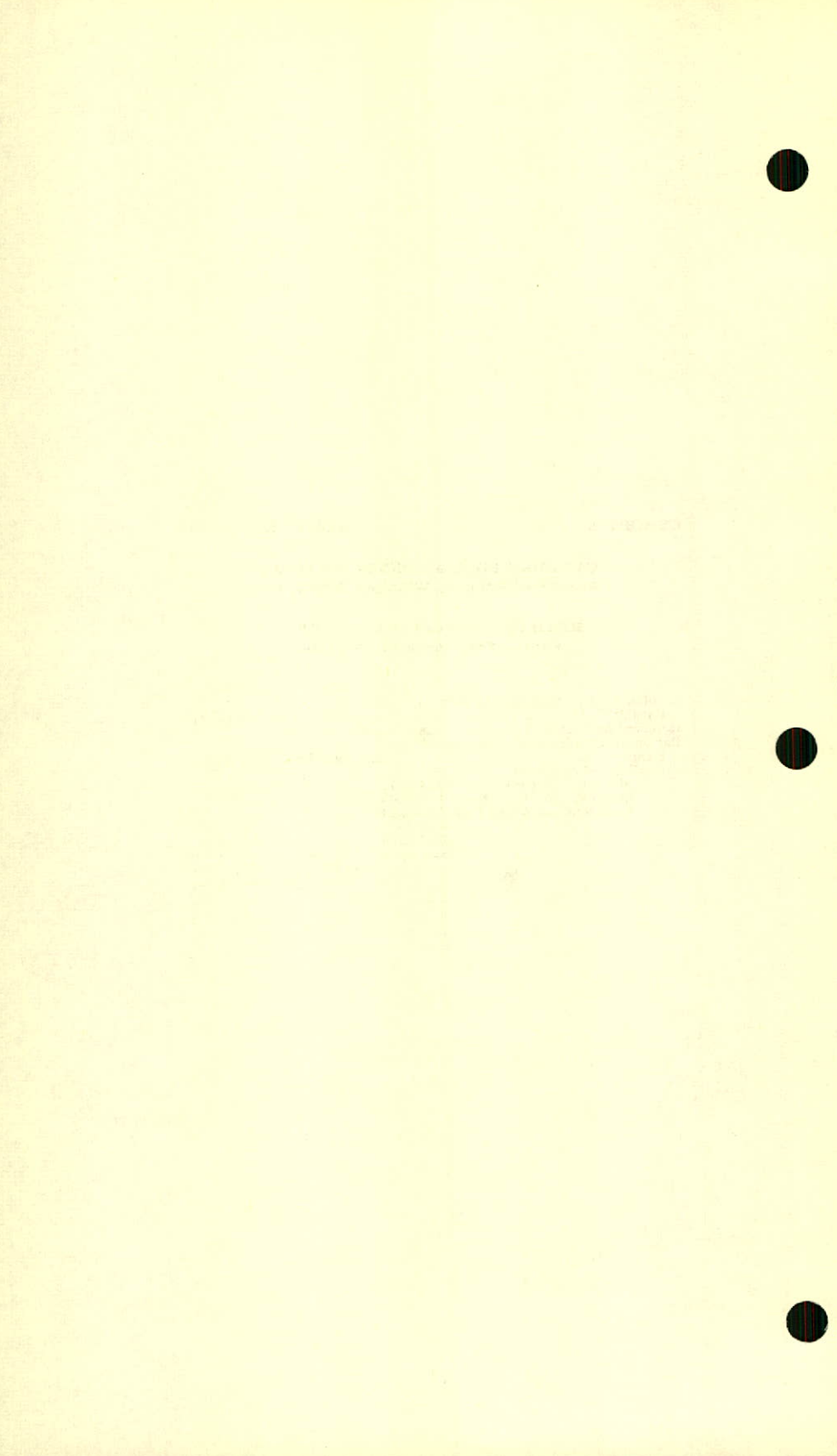
## EXHIBIT B

## STATEMENT No. 10

**CANADIAN POOL AGENCIES LIMITED**  
**Wheat Pool Building, Winnipeg, Manitoba**

**SUMMARY OF SURPLUS ACCOUNT**  
**For the Year Ended July 31, 1960**

	<i>Debit</i>	<i>Credit</i>
Surplus for the Year Ended July 31, 1960—		
Exhibit C.....		\$99,725.47
Reserved for Income Tax.....	\$ 483.62	
Patronage Dividend for Year 1959-60—		
Exhibit A.....	99,241.85	
Allocated as follows:		
Alberta Wheat Pool.....	\$34,459.12	
Manitoba Pool Elevators..	11,302.49	
Saskatchewan Wheat Pool	53,480.24	
	<u>\$99,241.85</u>	
	<u>\$99,725.47</u>	<u>\$99,725.47</u>





**CANADIAN POOL AGENCIES LIMITED**  
**Wheat Pool Building, Winnipeg, Manitoba**

**STATEMENT OF INCOME AND EXPENDITURE**  
**For the Year Ended July 31, 1960**

**Income**

## Commissions:

Fire.....	\$ 60,401.59
Bonds.....	21,499.37
Automobile.....	6,954.18
Lake Marine.....	715.91
Ocean Marine.....	3,195.44
Accident and Sickness.....	985.06
Liability.....	269.35
Use and Occupancy.....	3,355.20
Robbery and Burglary.....	525.14
Inland Marine.....	6,162.68
Inland Transportation.....	159.08
Steam Boiler.....	1,198.07
Plate Glass.....	26.46
Composite.....	1,382.80
Contingent.....	14,414.95

121,245.28

Deduct: Brokerage Paid..... 243.10

\$121,002.18

## Other Income:

Interest..... 3,661.41

**Total Income for the Year..... 124,663.59****Expenses**

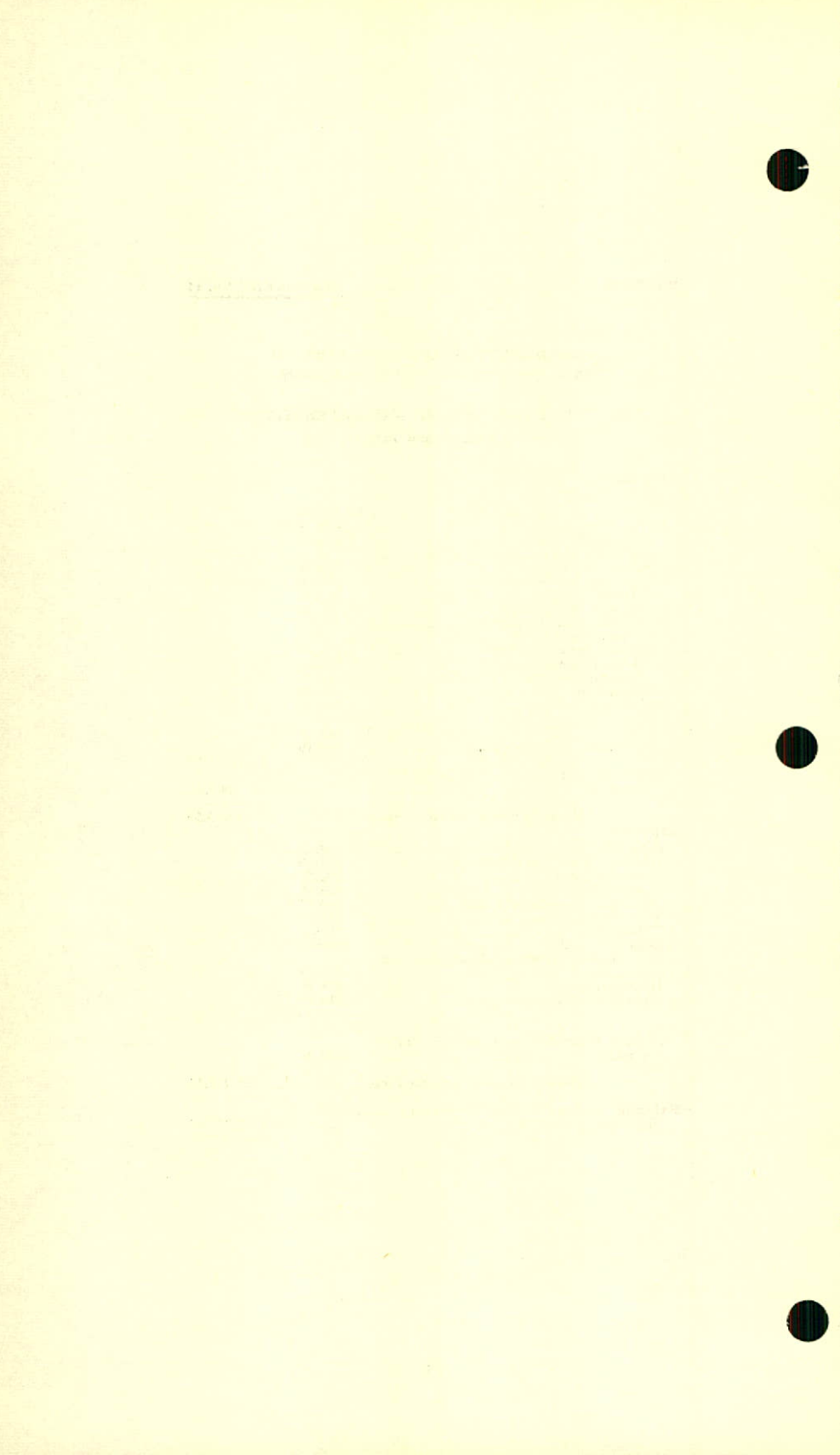
Salaries.....	\$ 17,330.00
Directors' Fees and Expenses.....	511.65
Rent and Light.....	2,700.57
Postage, Telephone and Telegraph.....	558.88
Printing and Stationery.....	1,244.77
Taxes and Licenses.....	352.08
Travelling.....	192.98
Legal and Audit.....	1,800.00
Staff Pension, Group and Unemployment Insurance.....	755.79
Depreciation.....	274.95
Miscellaneous Expense.....	516.45

25,238.12

Deduct: Recovery from Interprovincial

Pool..... 300.00

**Total Expenses for the Year..... 24,938.12****Balance—Surplus for the Year Ended July 31, 1960—**Carried to Exhibit B..... \$ 99,725.47



**POOL INSURANCE COMPANY**

STATEMENT No. 12

Winnipeg, Manitoba  
BALANCE SHEET as at 31st December 1959

## ASSETS

<b>Cash in Bank:</b>		
Bank of Montreal.....		\$ 786,483.14
<b>Accounts Receivable:</b>		
Canadian Pool Agencies Limited.....	\$132,716.08	
Reinsurance Accounts.....	2,380.23	135,096.31
		<hr/>
<b>Investments—at Cost:</b>		757,283.75
Government of Canada Bonds		
Par Value.....	767,500.00	
		<hr/>
Listed Value.....	649,575.00	
		<hr/>
Accrued Interest Thereon.....		7,707.30
<b>Automobiles—Cost less Depreciation.....</b>		5,180.63

Signed on behalf of the Board:

J. H. WESSON, *Director*

W. J. PARKER, *Director*

## LIABILITIES

<b>Current Liabilities:</b>		
Miscellaneous Accounts Payable.....	\$ 3,924.55	
Reinsurance Accounts Payable.....	59,606.84	
Losses in Process.....	31,262.61	
Taxes Accrued.....	14,159.16	
Dividends Payable as per Exhibit B.....	814,331.55	\$ 923,284.71
<hr/>		
<b>Reserve for Unearned Income:</b>		
Unearned Premiums.....	178,514.50	
Unearned Reinsurance Commission.....	88,266.98	
		266,781.48
<hr/>		
<b>Capital Stock and Surplus:</b>		
<b>Capital Stock:</b>		
Authorized—5,000 shares at \$100.00.....	500,000.00	
Subscribed—2,500 Shares at \$100.00.....	250,000.00	
Paid thereon.....		185,000.00
<hr/>		
<b>Surplus:</b>		
Premium of 62% on capital stock.....	155,000.00	
Surplus realized on investments sold.....	18,184.94	
Transferred from Shareholders' and Patrons' Equity		
Account 1949-1959.....	143,500.00	316,684.94
		<hr/>
		\$1,691,751.13

## AUDITORS' REPORT

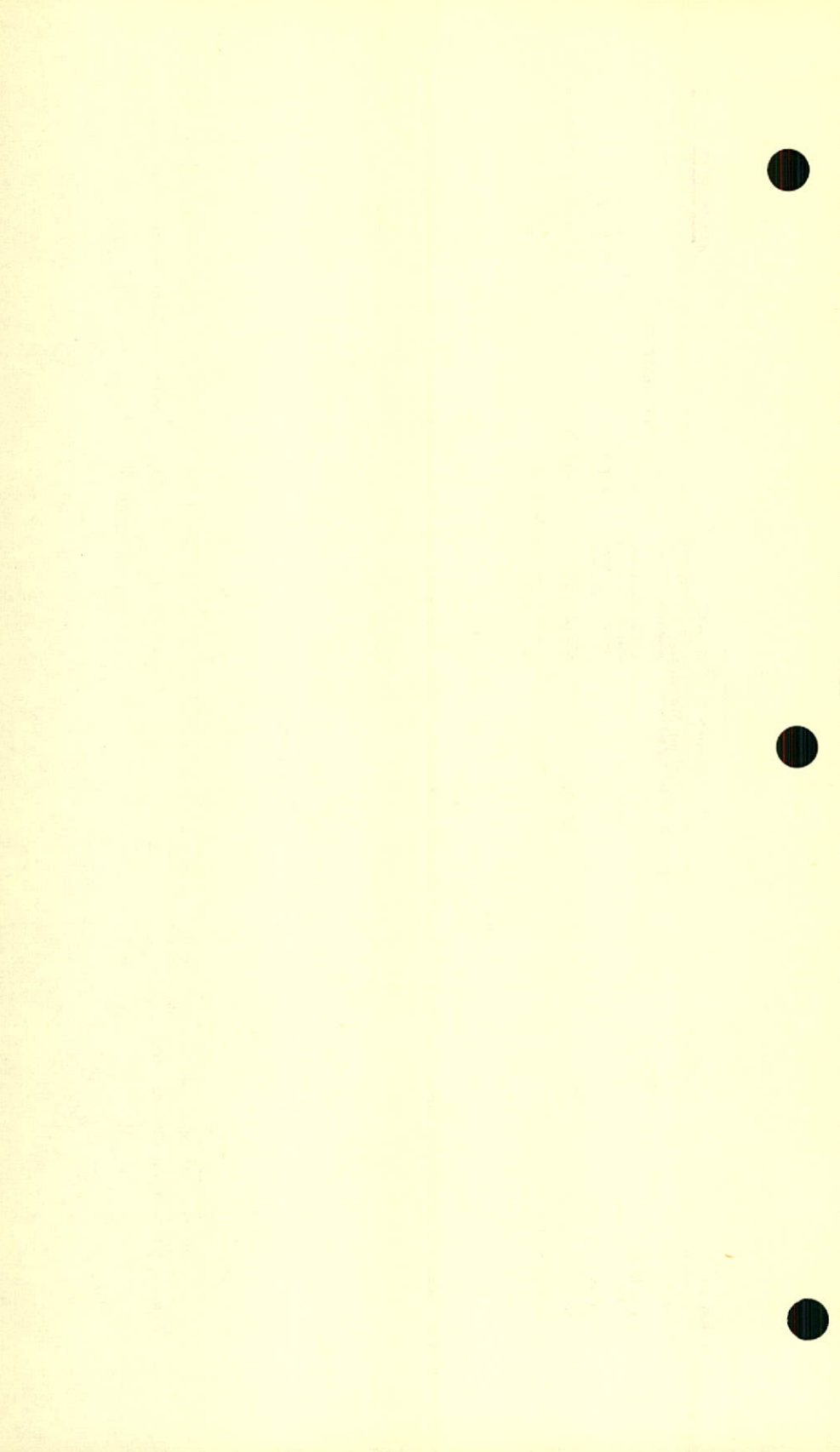
**To the Shareholders of Pool Insurance Company:**

We have examined the Balance Sheet of Pool Insurance Company as at 31st December 1959 and the Statement of Income and Expenditure and the Summary of Shareholders' and Patrons' Equity Account for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the Company, the accompanying Balance Sheet and Statement of Income and Expenditure and the Summary of Shareholders' and Patrons' Equity Account 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 1959 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

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

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





## POOL INSURANCE COMPANY

Winnipeg, Manitoba

## SUMMARY OF SHAREHOLDERS' AND PATRONS'

## EQUITY ACCOUNT

As at 31st December 1959

	Debit	Credit
<b>Analysis of Equity Account:</b>		
Surplus for the year ended 31st December 1959, Exhibit C.....		\$833,259.19
Transferred to surplus.....	\$ 15,000.00	
Provision for income tax.....	3,927.64	
Balance carried down.....	814,331.55	
	<u>\$833,259.19</u>	<u>\$833,259.19</u>
<b>Balance brought down.....</b>		<u>\$814,331.55</u>
Allocated as follows:		
<b>Shareholders' Dividend:</b>		
Alberta Wheat Pool.....	\$ .55	
Manitoba Pool Elevators.....	.37	
Saskatchewan Wheat Pool.....	.93	
	<u>\$ 1.85</u>	
<b>Patrons' Dividend:</b>		
Alberta Wheat Pool.....	\$146,494.15	
Alberta Pool Elevators Ltd.....	59.45	
Alberta Wheat Pool and		
Alberta Pool Elevators Ltd.....	66,889.12	
Manitoba Pool Elevators.....	144,871.45	
Sask. Pool Elevators Ltd.....	161,953.65	
Sask. Pool Elevators Ltd. and		
Sask. Pool Terminals Ltd.....	7.17	
Sask. Wheat Pool.....	290,422.71	
Sask. Co-operative Livestock		
Producers Limited.....	3,313.60	
Modern Press Limited.....	318.40	
	<u>814,329.70</u>	
	<u>\$814,331.55</u>	<u>\$814,331.55</u>

1. The first part of the report is a general introduction to the subject of the study.

2. The second part of the report is a detailed description of the methods used in the study.

3. The third part of the report is a discussion of the results of the study.

4. The fourth part of the report is a conclusion and a list of references.

5. The fifth part of the report is a list of references.

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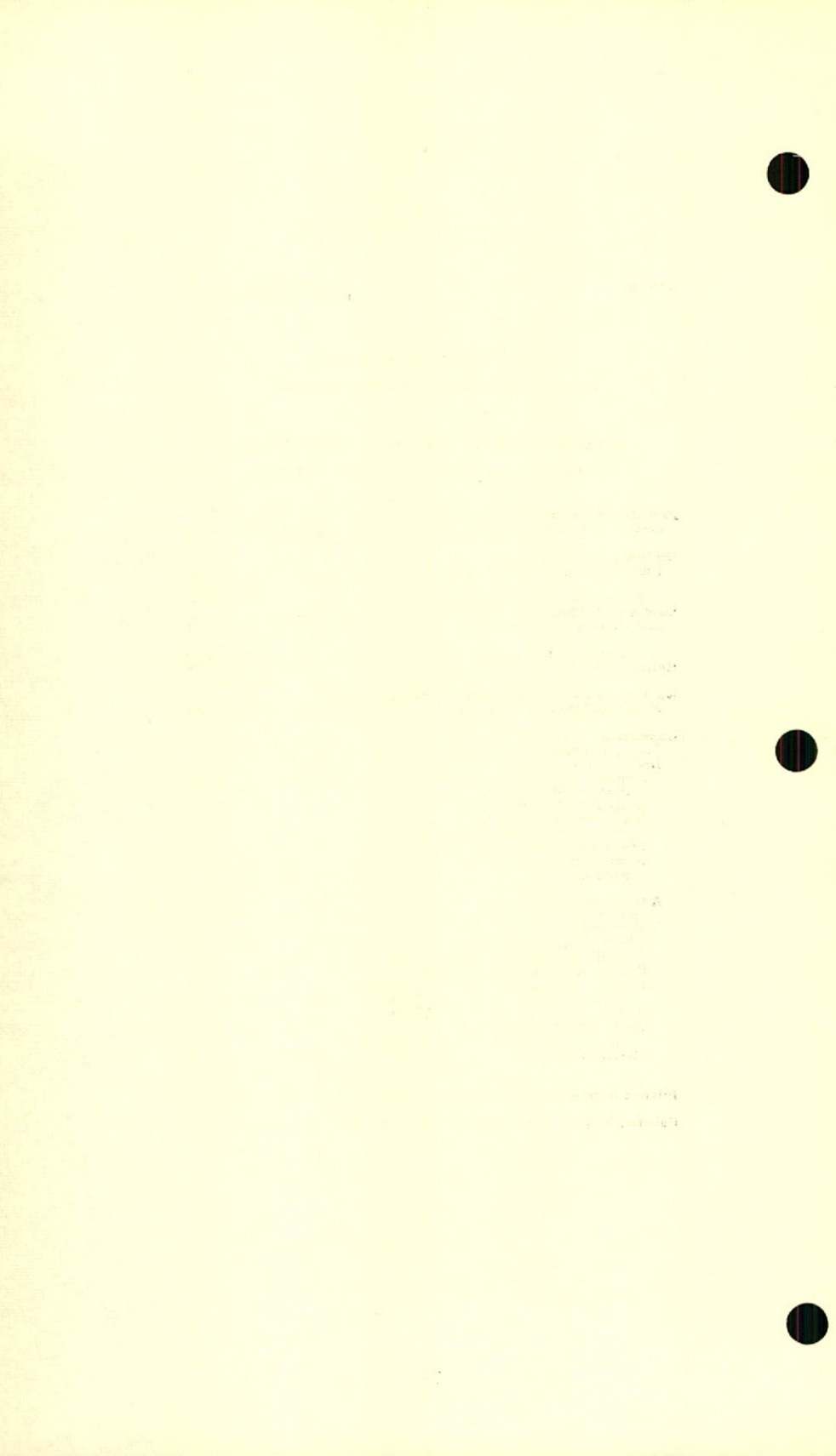
## POOL INSURANCE COMPANY

Wheat Pool Building, Winnipeg, Manitoba

## STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31st December 1959

<b>Premiums on Business Written</b> .....	\$1,427,387.95	
<b>Less: Ceded to other companies</b> .....	713,186.71	\$714,201.24
<b>Deduct:</b>		
Increase in unearned premiums.....		2,013.50
<b>Premiums earned in 1959</b> .....		712,187.74
<b>Losses and Adjustment Expense</b> .....	436,379.42	
<b>Less: Reinsurance recoveries</b> .....	218,189.71	218,189.71
Net underwriting income.....		493,998.03
<b>Reinsurance Commission</b> .....		384,718.88
<b>Balance available for expenses and to Shareholders and patrons</b> .....		878,716.91
<b>Expenses:</b>		
Taxes, licenses and association dues.....		27,009.44
<b>Inspection Service:</b>		
Salaries.....	\$17,727.02	
Automobile expenses.....	6,559.55	
Other travelling expenses...	4,910.36	
Staff pension, group and unemployment insurance	2,001.39	
Printing and stationery.....	162.05	
Postage, telegraph & telephone.....	237.69	31,598.06
<b>Administration:</b>		
Salaries.....	16,775.50	
Rent and light.....	2,362.14	
Directors' fees & expenses...	440.59	
Travelling expenses.....	262.11	
Printing and stationery.....	265.06	
Postage, telegraph & telephone.....	515.01	
Audit.....	750.00	
Staff pension, group & unemployment insurance...	643.31	
Miscellaneous expense.....	574.52	22,588.24
		81,195.74
<b>Interest Earned</b> .....		797,521.17
		35,738.02
<b>Balance, Surplus for the year 1959 carried to Exhibit B</b> .....		\$833,259.19





**SASKATCHEWAN WHEAT POOL**  
**Livestock Division**

**COMPARATIVE STATEMENT OF HANDLINGS**  
**Seasons 1958-1959 and 1959-1960**

	Season 1958-1959	Season 1959-1960	Increase (Decrease)
<b>Moose Jaw Division:</b>			
Cattle.....	21,250	20,210	(1,040)
Calves.....	4,919	3,652	(1,267)
Hogs.....	12,714	8,510	(4,204)
Sheep.....	512	1,045	533
<b>North Battleford Division:</b>			
Cattle.....	29,346	27,591	(1,755)
Calves.....	2,765	2,742	(23)
Hogs.....	27,321	20,734	(6,587)
Sheep.....	1,703	1,620	(83)
<b>Prince Albert Division:</b>			
Cattle.....	15,580	15,241	(339)
Calves.....	1,705	1,891	186
Hogs.....	32,131	30,911	(1,220)
Sheep.....	2,064	1,613	(451)
<b>Regina Division:</b>			
Cattle.....	43,229	43,953	724
Calves.....	6,344	5,338	(1,006)
Hogs.....	18,514	14,364	(4,150)
Sheep.....	1,273	1,805	532
<b>Saskatoon Division:</b>			
Cattle.....	34,685	40,721	6,036
Calves.....	3,698	4,369	671
Hogs.....	32,857	26,015	(6,842)
Sheep.....	1,476	1,646	170
<b>St. Boniface Division:</b>			
Cattle.....	17,406	16,987	(419)
Calves.....	10,225	10,101	(124)
Hogs.....	82,945	64,656	(18,289)
Sheep.....	3,990	3,761	(229)
<b>Swift Current Division:</b>			
Cattle.....	36,880	40,299	3,419
Calves.....	7,541	7,044	(497)
Hogs.....	24,324	15,584	(8,740)
Sheep.....	806	1,203	397
<b>Yorkton Division:</b>			
Cattle.....	17,044	16,155	(889)
Calves.....	5,265	4,103	(1,162)
Hogs.....	6,145	4,460	(1,685)
Sheep.....	1,889	1,657	(232)
<b>TOTAL—All Divisions:</b>			
Cattle.....	215,420	221,157	5,737
Calves.....	42,462	39,240	(3,222)
Hogs.....	236,951	185,234	(51,717)
Sheep.....	13,713	14,350	637
<b>Saskatchewan Handlings at Winnipeg: (Other than Saskatchewan Wheat Pool, Livestock Division)</b>			
Cattle.....	39,624	43,681	4,057
Calves.....	8,174	8,677	503
Hogs.....	33,368	23,734	(9,634)
Sheep.....	4,325	4,398	73
<b>TOTAL HANDLINGS:</b>			
Cattle.....	255,044	264,838	9,794
Calves.....	50,636	47,917	(2,719)
Hogs.....	270,319	208,968	(61,351)
Sheep.....	18,038	18,748	710
<b>TOTAL VALUE OF LIVESTOCK HANDLED:</b>			
Through Saskatchewan Branches.....	*\$38,626,735.49		
Through Winnipeg Country Section.....	5,351,205.61		
		\$43,977,941.10	
Saskatchewan Livestock direct to Canadian Livestock Co-operative (Western) Limited.....		7,633,617.70	
<b>Total Value of Livestock Handled.....</b>		<b>\$51,611,558.80</b>	

\* Includes Value of Cattle Pooled.

THE UNIVERSITY OF CHICAGO

CHICAGO, ILLINOIS

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1914

## CANADIAN LIVESTOCK CO-OPERATIVE (WESTERN) LIMITED

## BALANCE SHEET AS AT 30th JULY 1960

## ASSETS

## Current Assets

Cash in Bank.....	\$ 34,770.37	
Government of Canada Treasury Note—at cost.....	48,844.50	
(value at maturity 12th August 1960—\$50,000.00)		
Accounts receivable.....	\$ 3,372.91	
Less allowance for doubtful accounts.....	50.00	3,322.91
Government of Canada bonds—at cost.....	19,750.00	
(market value—\$19,000.00)		
Accrued interest receivable.....	3,927.69	
Prepaid operating expenses.....	652.84	
<b>Total current assets.....</b>		<b>111,268.31</b>

08

## Trust Assets

Sales Accounts receivable.....	34,957.66	
Inventory—at cost.....	20,423.08	
Due from general account.....	35,624.38	
<b>Total trust assets.....</b>		<b>91,005.12</b>

## Other Assets

Winnipeg Livestock Exchange memberships (6).....	355.00	
Office furniture and equipment—at cost \$19,058.38		
Less accumulated depreciation .....	13,076.53	
	5,981.85	
Automobile—at cost.....	3,207.25	
Less accumulated depreciation.....	2,198.57	
	1,008.68	
<b>Total other assets.....</b>		<b>7,345.43</b>

**Total.....** \$209,618.96

## LIABILITIES

## Current Liabilities

Accounts payable.....	\$ 3,624.68
Surplus payable—Exhibit C.....	35,383.71
Income taxes payable—estimated.....	433.07
Due to trust account.....	35,624.38

**Total current liabilities.....** 75,065.84

## Trust Liabilities

Overdraft in The Royal Bank of Canada.....	\$ 46,203.54
Due to local associations.....	7,598.15
Deposit on livestock on order.....	300.00
Producers' livestock pooling fund.....	26,581.13
Transit compensation fund.....	9,183.84
Exchange on outstanding cheques.....	1,138.46

**Total trust liabilities.....** 91,005.12

## General Reserve

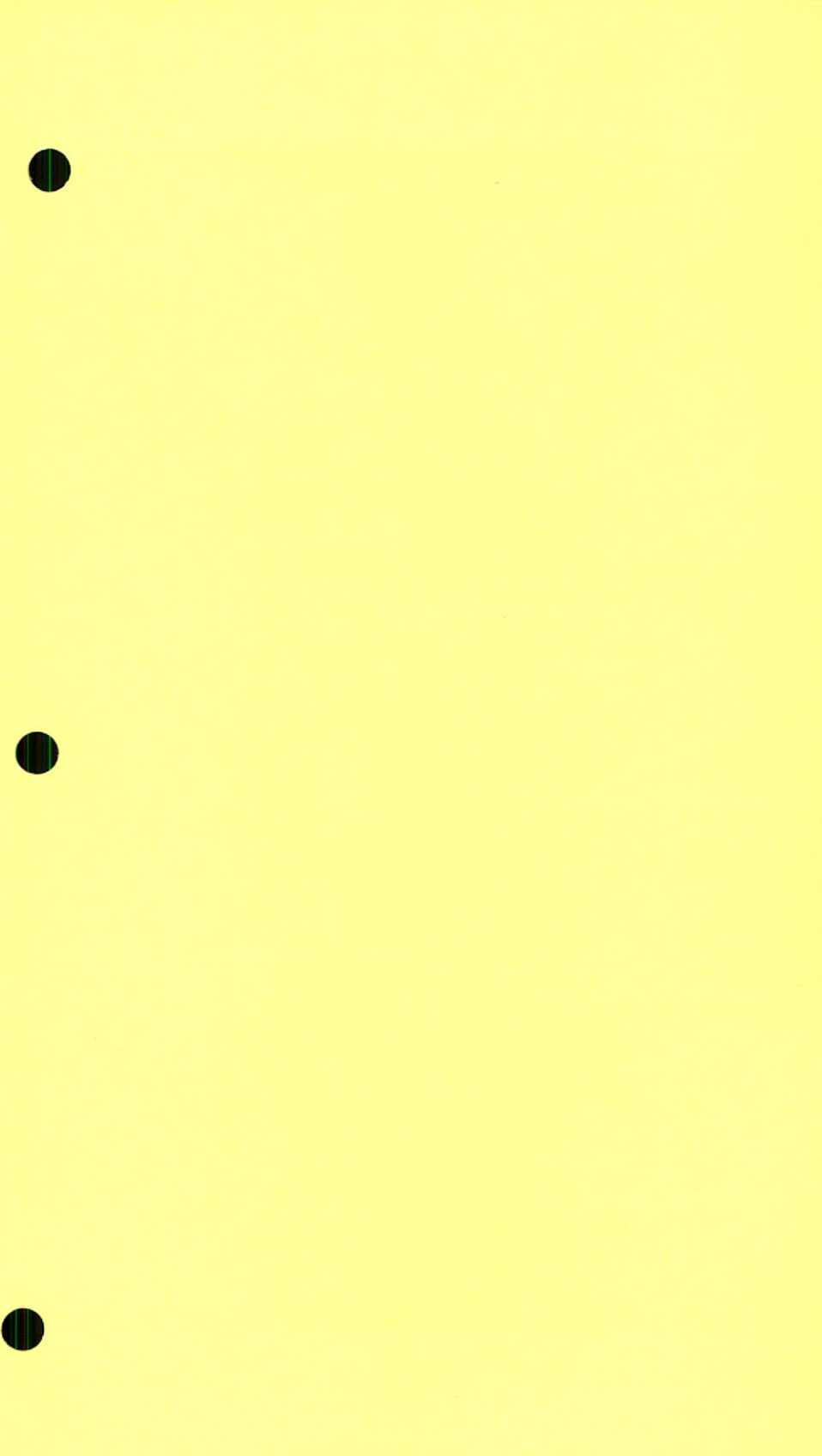
Loans from members.....	4,999.06
Memberships issued—(24).....	38,524.94
	24.00

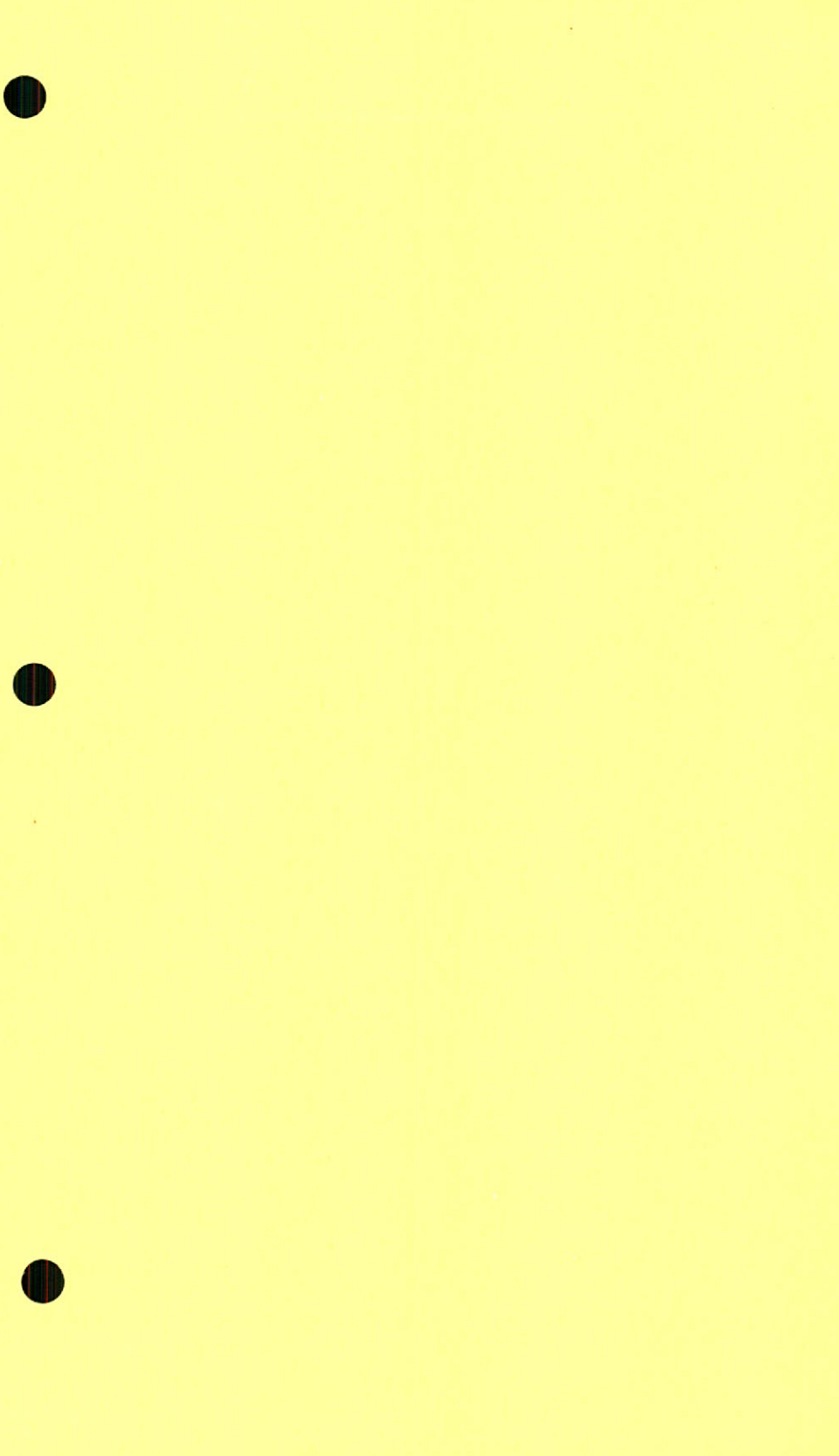
Approved on behalf of the Board:

A. GREENFIELD, *Director*  
G. G. JAMIESON, *Director***Total.....** \$209,618.96









CANADIAN CO-OPERATIVE WHEAT PRODUCERS  
LIMITED

DIRECTORS' REPORT  
1959-1960

September 29, 1960.

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

Gentlemen:

The directors of Canadian Co-operative Wheat Producers Limited are pleased to submit the thirty-sixth annual report of the company covering the crop year 1959-60. We refer to actions taken by your board since we issued our last report even though this period does not coincide with the crop year.

The 1959 crop was a good one but the difficulties in harvesting are unforgettable. It was estimated by the Dominion Bureau of Statistics that the production of principal grains would be 908 million bushels, 6% higher than that of the previous year, yet 280 million bushels of all grain remained for harvesting when a heavy snow commenced to fall on October 6. The three provincial governments and the federal government provided for cash payments designed to alleviate distress caused by the adverse climatic conditions.

The request to the federal government for deficiency payments was rejected. In August 1960 the Prime Minister said the government would make an acreage payment on the same basis as that made in 1958.

The volume of wheat exported and the price realized were slightly less than for the previous year due to severe competition in the world wheat market.

Matters of vital interest to grain producers which received the attention of your board included: the Royal Commission on Transportation with the emphasis on Crow's Nest rates and branch line abandonment, and quota deliveries to feed mills.

The buoyancy of the Canadian economy continues. The figure indicating the rate of growth of the Gross National Product for 1959 reached \$34,593 million compared with \$32,606 million for the year 1958. This growth continued at a moderating rate into 1960. Agriculture did not share in this buoyancy. Cash income from the sale of farm products, together with participation payments totalled \$2,786.0 million in 1959, slightly below the income figure for the year 1958 of \$2,813.3 million.

**Central Board**

The board of directors of Canadian Co-operative Wheat Producers Limited held two meetings during the year. This body in Wheat Pool circles is known as the Central Board. It is an organization through which the three Wheat Pools unify their policies and programs, the three executive officers of each of the three provincial Pools comprising a board of nine members. There was no change in personnel of the directorate during the year under review.

Consideration was given by the Central Board to numerous matters of concern to grain producers in the prairie provinces. Of particular interest were representations which should be made to the Royal Commission on Transportation and also the close association with other agricultural organizations seeking financial assistance from the federal government for the grain producers of western Canada. The Central Board studied the progress report

THE [illegible] OF [illegible] [illegible]

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released by the Joint Pool Committee on Co-operative Bank and agreed that a report on this matter will be available to the member Wheat Pools.

The board of directors is conscious of the steps being recommended in various quarters to direct aid to under-privileged countries. Communications with the Prime Minister urged the federal government to increase its aid under the Colombo Plan as a means of assisting developing countries and making cereal grain available to hungry people.

Your board was represented before the Minister of Transport at Ottawa on March 1, 1960, in opposition to tolls on the Welland Canal. This action was in keeping with the general policy of the three Wheat Pools in opposing seaway tolls.

### **Interprovincial Pool Meetings**

Since our last report the boards of directors of the three provincial Pools met on January 20-21, 1960, and August 19-20, 1960, in joint sessions. This type of meeting provides an opportunity for men from various points in the prairie provinces to consider problems common to each.

At the Interprovincial Pool meeting held in January the directors considered the argument which would be advanced by each Wheat Pool to the Royal Commission on Transportation. It was decided that the inquiry made by the Commission should be broad and cover all phases of railway transportation. The meeting made its request to the Chairman of the Royal Commission in the following resolution:

"That the Chairman of the Royal Commission on Transportation be respectfully requested to take such steps as are necessary to insure that, in conformity with the general wording of Order P.C. 1959-577, the Commission do not permit the Canadian Pacific Railway Company nor the Canadian National Railway Company to restrict their respective submissions to an inquiry into Crow's Nest Pass rates."

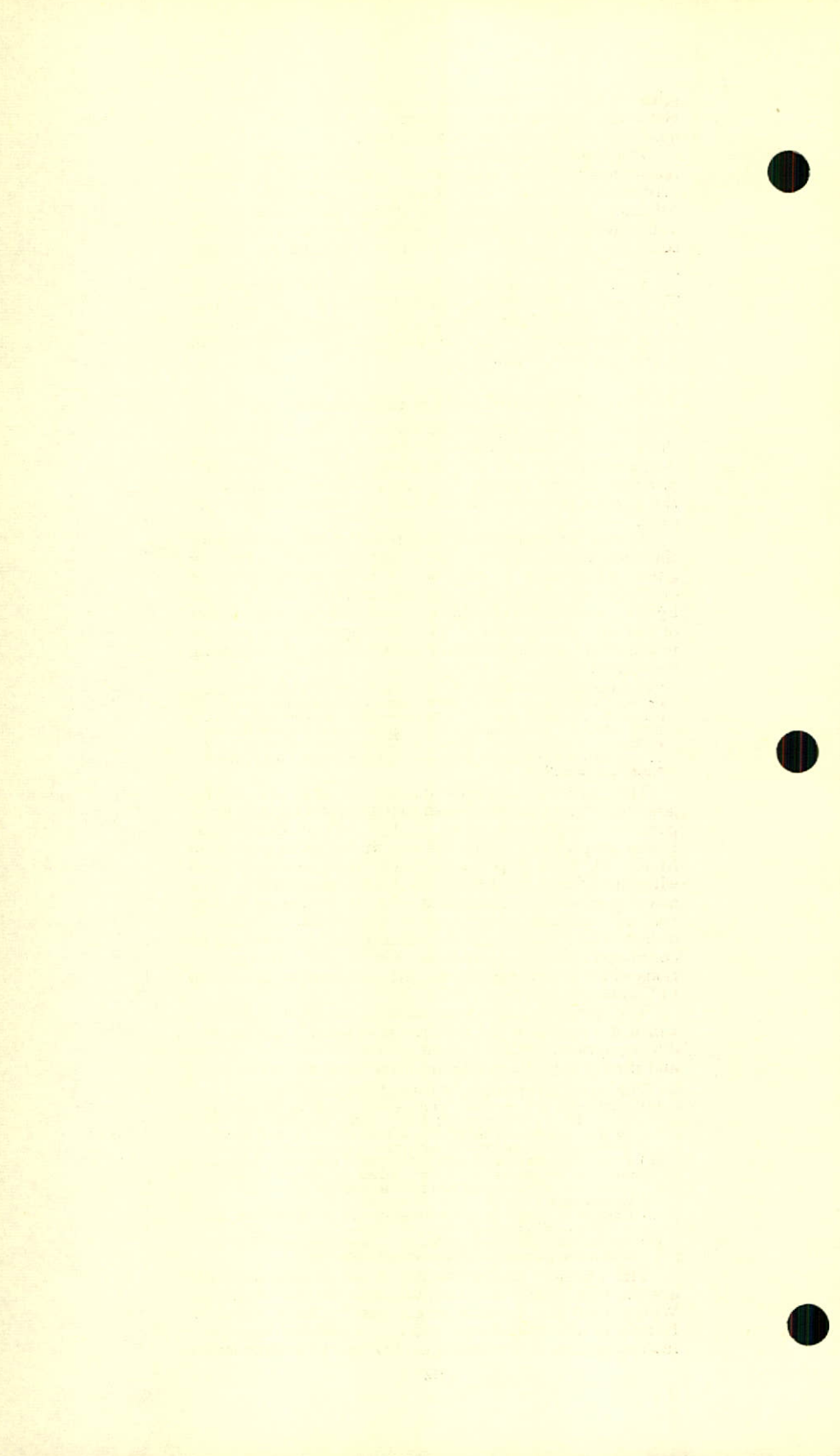
This meeting expressed its concern that the federal government had not responded to the request for deficiency payments on grain marketed through the Canadian Wheat Board in previous years, submitted by a delegation on March 10, 1959. A period of ten months had intervened without definite word from the federal government. The meeting agreed to recommend that the campaign in support of deficiency payments be continued by methods deemed most likely to achieve results and that efforts be continued to maintain a united front by the ten organizations which were co-sponsors of the western farm delegation to Ottawa on March 10, 1959.

The meeting considered certain modifying policies, which if adopted would reduce the amount required as a direct payment by the Treasury for deficiency payments, and it gave support to four recommendations as follows:

That the Government of Canada be urged to:

- (a) Implement a two-price system governing domestic sales of wheat for human consumption whereby the price on the domestic market would be related to the level of the domestic economy and would not be governed by the export price.
- (b) Provide adjustment payments from the Treasury to compensate for the reduction in grain prices caused by exchange premiums on Canadian currency in relation to that of the United States.
- (c) Provide payments from the Treasury of Canada for carrying charges for all grains in store in public elevator facilities.
- (d) Assume the cost of subsidizing Canadian flour exports, which is now being absorbed by the wheat producers.

The meeting was informed of an assessment made against Manitoba Pool Elevators and the Saskatchewan Wheat Pool for demurrage charges by both railways. Details of the assessment and of the government order rescinding that of the Board of Transport Commissioners



were studied. The possibility of legal action by the railways was acknowledged.

The operations of the Canadian Wheat Board were studied and unqualified support to the Canadian Wheat Board was voiced in a resolution adopted by the meeting as follows:

"That the world-wide influence of the Canadian Wheat Board in maintaining the price level for wheat be recognized and the Board be established on a permanent basis as the sole marketing agency for all grains."

The effect the opening of the St. Lawrence Seaway had had on the operations of Lakehead terminals was reviewed by the directors. The meeting recognized that the volume of grain the farmers can deliver to particular elevators is influenced by the ability of the country elevators to ship that grain to Lakehead terminal and for that terminal to secure adequate boat capacity for shipment out of the terminal. The meeting studied ways and means of relating boat space allocated by the Lake Shippers' Association to deliveries at country elevators.

At the August meeting it was unanimously agreed that the Board of Grain Commissioners should be requested to maintain grain handling tariffs in both country and terminal elevators for the crop year 1960-61 on the same level as those prevailing in the previous year. This meeting considered in some detail a statement made by the Prime Minister when he announced that it was the government's policy to make an acreage payment to western grain producers in lieu of deficiency payments.

#### **Western Agricultural Conference**

The Western Agricultural Conference was held in Winnipeg on January 22-23, 1960. This Conference is attended by representatives of numerous farm organizations in the three prairie provinces and receives continuing support from the three Wheat Pools.

Approximately 80 resolutions were presented to the Conference. These emanated from the three provincial Federations of Agriculture, the Alberta Farmers' Union, Saskatchewan Farmers' Union, the three Wheat Pools and the United Grain Growers. The prime purpose of the Conference is to consider each resolution before it goes to the annual meeting of the Canadian Federation of Agriculture either in its present or amended form.

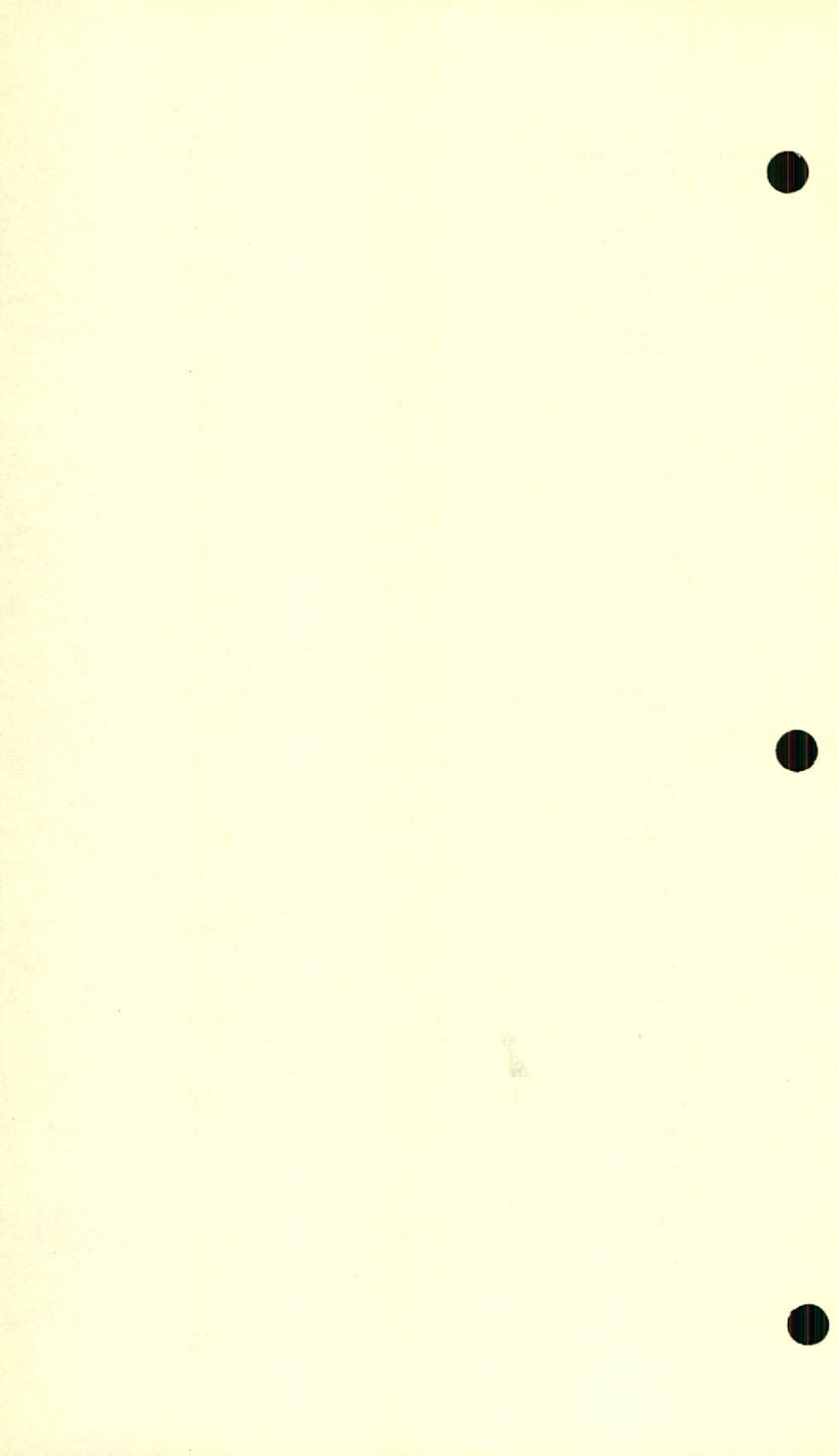
J. M. Bentley, of Edmonton, was re-elected president for the ensuing year. T. G. Bobier, a member of our board of directors and vice-president of the Saskatchewan Wheat Pool, and S. E. Ransom, of Boissevain, were elected vice-chairmen. J. R. McFall, of Edmonton, was appointed secretary of the Conference. Mrs. N. R. Jasper, of Hartney, Manitoba, was nominated to the Canadian Federation of Agriculture as the western women's representative.

#### **Canadian Federation of Agriculture**

The Canadian Federation of Agriculture held its 24th annual meeting in Toronto, Ontario, on January 26-28, 1960. The meeting was attended by 72 delegates and a large number of visitors representing every phase of organized agriculture, together with officials of the federal and provincial departments of agriculture.

Your board is of the opinion that the participation in the annual meeting of the Canadian Federation of Agriculture by such a diverse representation is indicative of the acknowledgement by these agricultural groups of the need for one national organization. As the pattern of the Canadian economy changes, as the number of people engaged in agriculture declines, we are aware that farmers retain their economic importance but lose their political power. The Canadian Federation of Agriculture is designed







to serve all branches of agriculture so that it may present the case of the farmer to the Canadian public. Your board is convinced that the support, financial and otherwise, given to the Canadian Federation of Agriculture by our member organizations is justified.

The annual meeting of the CFA recognized the economic position of the western grain grower and reiterated the position it took a year ago in supporting the request for financial assistance to these interests from the federal government. It supported the western liaison committee which represents ten organizations in the prairie provinces. The annual meeting dealt with transportation and freight rates, matters of deep concern to the grain producers affiliated in our organizations.

The meeting considered 85 resolutions in all. These dealt with vital matters affecting the farmer regardless of his location or type of operation.

On February 24, following the annual meeting, a delegation of 28 persons led by the president, Dr. H. H. Hannam, met members of the Cabinet and submitted a brief. Nine members of the Cabinet met the CFA delegation, the Prime Minister being absent due to illness. It is impossible in this report to deal at length with the CFA submissions. The CFA, in referring to its price support policy, advised the Cabinet members that "We recognize that in present price support programs we have most of the fundamentals that we as producers have asked for." The CFA in its brief indicated support to the western grain producers and reminded the government of their declining income.

We quote from the submission:

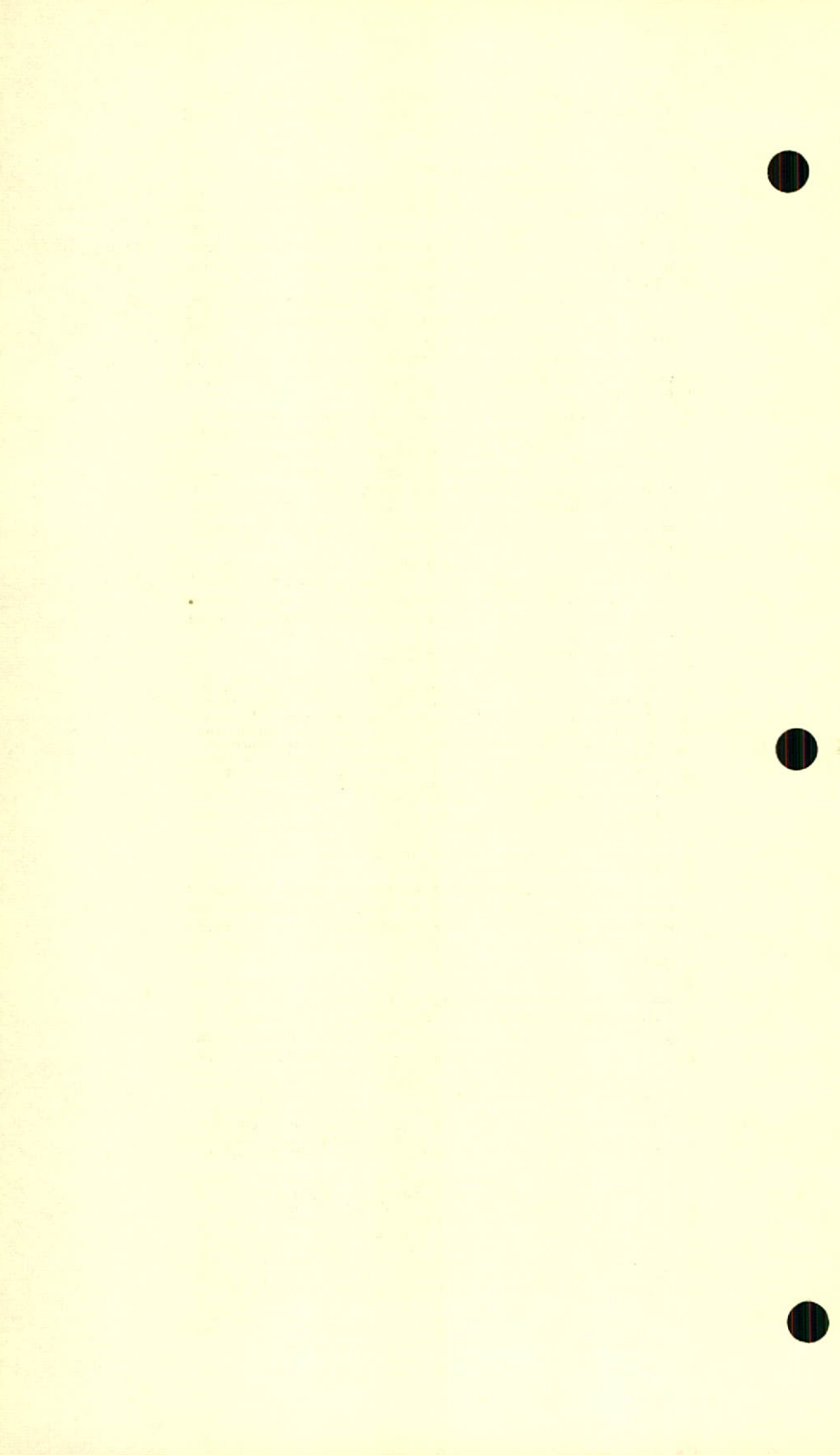
"In view of the extensive discussions that have taken place between the government and western grain producers on the question of deficiency payments for wheat, oats and barley—some of them as recently as January 30th last, we do not propose to deal at any length with this question. We do, however, wish to strongly support the requests of western grain producers in this connection. Our Annual Meeting unanimously endorsed this policy. We feel that, in principle, the unreasonably low price conditions which have faced and are facing the western grain producer, the continuing rise in his costs, and the externally created competition from subsidized production and exports over which he has no control, all add up to a strong case for this deficiency payment request. Western grain producers have faced sharp income reductions which are creating real difficulty and hardship, and measures should be taken to alleviate the situation."

The CFA recommended to the government that it expand its program of gifts of wheat to Colombo Plan countries and to provide lower interest rates in an expanded program of loans for purchases of Canadian wheat on credit.

The submission covered a wide range of subjects, the section dealing with research and another section dealing with municipal taxation covered matters of so much importance we wish to draw these items to your attention.

"There is a keenly felt need today for expanded research both into farm marketing, and into the more general economic and social problems facing the farmer. Such research is needed so that we may intelligently develop and improve our marketing and support programs. It is needed also so that we may better understand what is happening in the farm economy and to rural society, and in doing so learn to develop farm policies and extension programs that will better meet the needs and problems which agriculture faces."

"In most provinces of Canada farmers are finding that the burden on them of municipal taxation for education and public services is becoming increasingly heavy and inequitable with the years. This is particularly true in the many areas where the municipal unit is no longer entirely composed of farm people but is a mixture of farmers and non-farm residents. The usual basis of municipal assessment of land and buildings results in farm taxes out of all proportion to the farmers' ability to pay, when compared to other residents. The problem of course is larger than this and involves the question of Federal-Provincial financing. We believe that a Royal Commission should be established to investigate the whole problem of the municipal tax burden on farmers, with a view to finding means of equitably re-distributing this burden."



"This is one aspect of the problem of equalization of educational opportunities between rural and urban communities, a problem which we strongly feel should be a matter of major concern to both provincial and federal governments in considering their fiscal policies and problem."

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

The eleventh general conference of the International Federation of Agricultural Producers was held in New Delhi, India, November 27 to December 5, 1959. T. G. Bobier, vice-president of the Saskatchewan Wheat Pool and one of the directors of our own organization, attended as a member of the Canadian delegation. Dr. H. H. Hannam, Gordon Greer and David Kirk were the other delegates representing the Canadian Federation of Agriculture. There are 43 agricultural organizations from 28 countries now holding membership in the IFAP.

It is challenging, we think, to consider the fact that the conference should be required to deal with the problem of surplus food while being held in a country where food shortage, hunger and want are rampant.

In opening the conference James G. Patton, the president, said: "It is a significant and historic event when IFAP, a relatively young and still pioneering organization of farmers of the Free World, meets in a new and vibrant India which is shaping the pattern of democracy in Asia."

Your directors, are impressed with the program of the IFAP and the approach taken towards the paradox facing farmers of the world—too much in some nations and too little in others. We value the IFAP as a link between farmers and their organizations and the special agencies established by the United Nations organization.

Dr. B. R. Sen, director-general of the Food and Agriculture Organization, addressed the conference and referred to the common ground between IFAP's objectives and those of FAO, that is, "Raising the living standards of the rural population and promoting the welfare of all those who are engaged in agriculture." Dr. Sen spoke to the conference on the Freedom from Hunger Campaign. He said:

"The one fundamental purpose of the Campaign, as I visualized it, was to promote a climate of opinion throughout the world in which the problems of hunger and want would be faced realistically, their causes analysed with objectivity, and their remedies sought in a bold and courageous manner. If such a movement could be organized, action would follow"

The IFAP conference drew world-wide attention to the problem of surplus grains and their disposal. The conference also studied the problems of agricultural co-operatives and integration, the role of co-operation in developing countries and agricultural co-operatives' contribution to the adjustment of supply to demand.

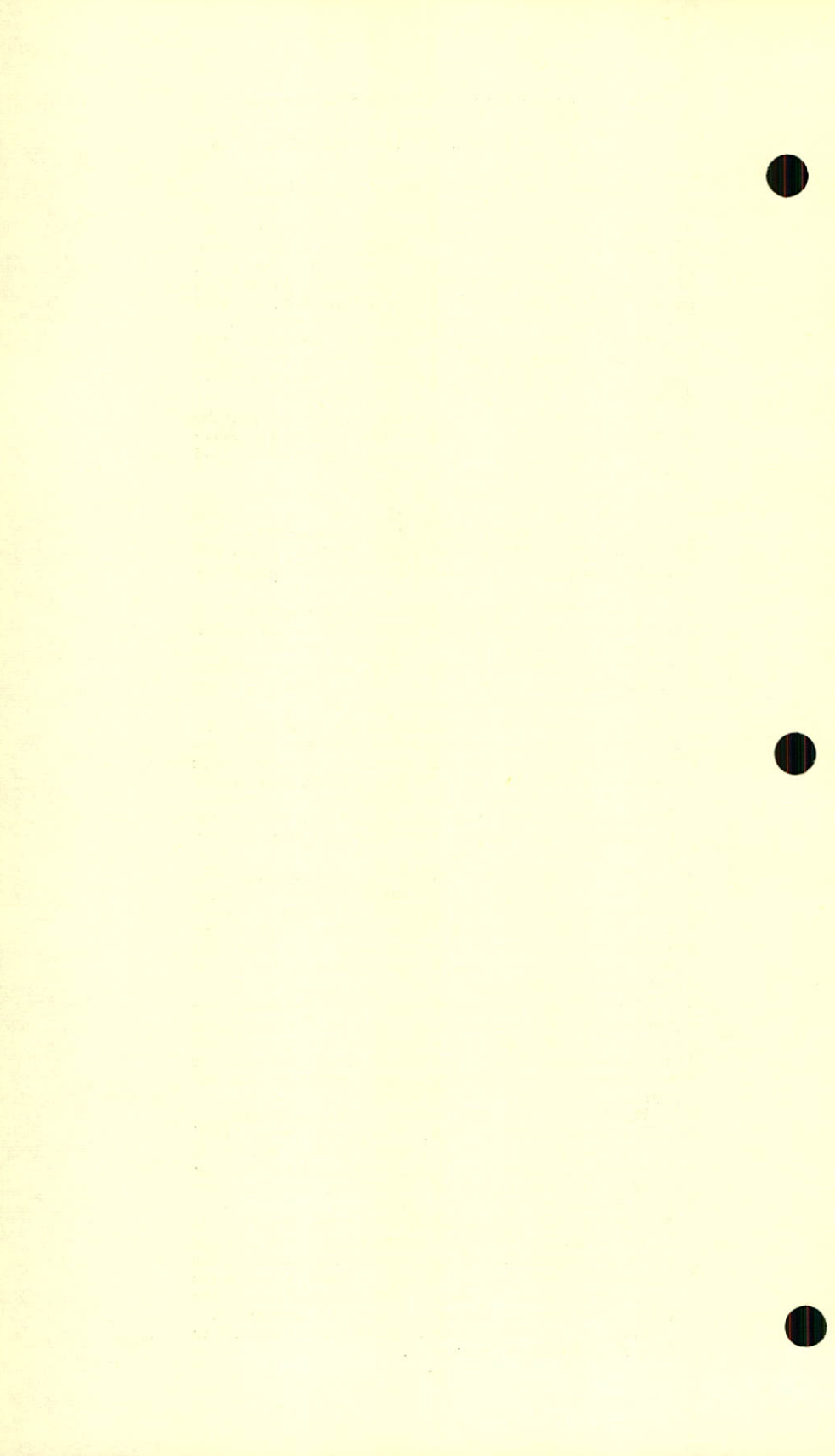
The report of the New Delhi conference is inspiring.

The North American member organizations of IFAP met in Washington, U.S.A., on April 11-12, 1960. W. J. Parker, G. L. Harrold and T. G. Bobier, members of our board of directors, attended as part of the Canadian delegation during the two-day meeting.

Major problems of agriculture were considered by the meeting. These included vertical integration of agricultural production and marketing, surplus disposal programs, the cost-price squeeze on agriculture, and the impact upon European markets for agricultural commodities which might result from the European Economic Community.

The next general conference of IFAP will be held in the spring of 1961 in Yugoslavia.







## **Government Policy for Agriculture**

### ***Deficiency Payments***

Since the time we issued our last report the federal government was on several occasions pressed for a reply to the request made by the delegation on March 10, 1959, for deficiency payments on grain marketed through the Canadian Wheat Board. On August 8, 1960, the Prime Minister announced that the government proposed to make an acreage payment of \$1.00 per cultivated acre up to a maximum of 200 acres to one farmer, as shown in the Wheat Board permit books and that on the basis of a similar payment made in 1958 this would amount to between \$41 and \$42 million.

We must accept this announcement as the definite and final rejection by the government of our proposal for a deficiency payment. The Prime Minister spoke at length on the alternative proposals which were made, explaining why the government would not implement the two-price system for wheat. He pointed out that the amount payable under acreage payments is roughly equal to the average of what the western farmer would get if the two-price system were put into effect.

In analyzing the Prime Minister's statement we note that the government recognizes that a need exists for financial assistance to the western grain growers and also that the bread consumers in Canada have secured their wheat at a price out of line with prices prevailing in the general economy.

At the same time the Prime Minister stated that the government will continue to give consideration to action which may be taken to meet the welfare of the western wheat farmer. He said, "We will meet with the Liaison committee. I think it will be desirable that the three ministers from the western provinces meet with them. If desirable I will join them to meet this committee so that its views may be secured in addition to any that were expressed in the brief . . ."

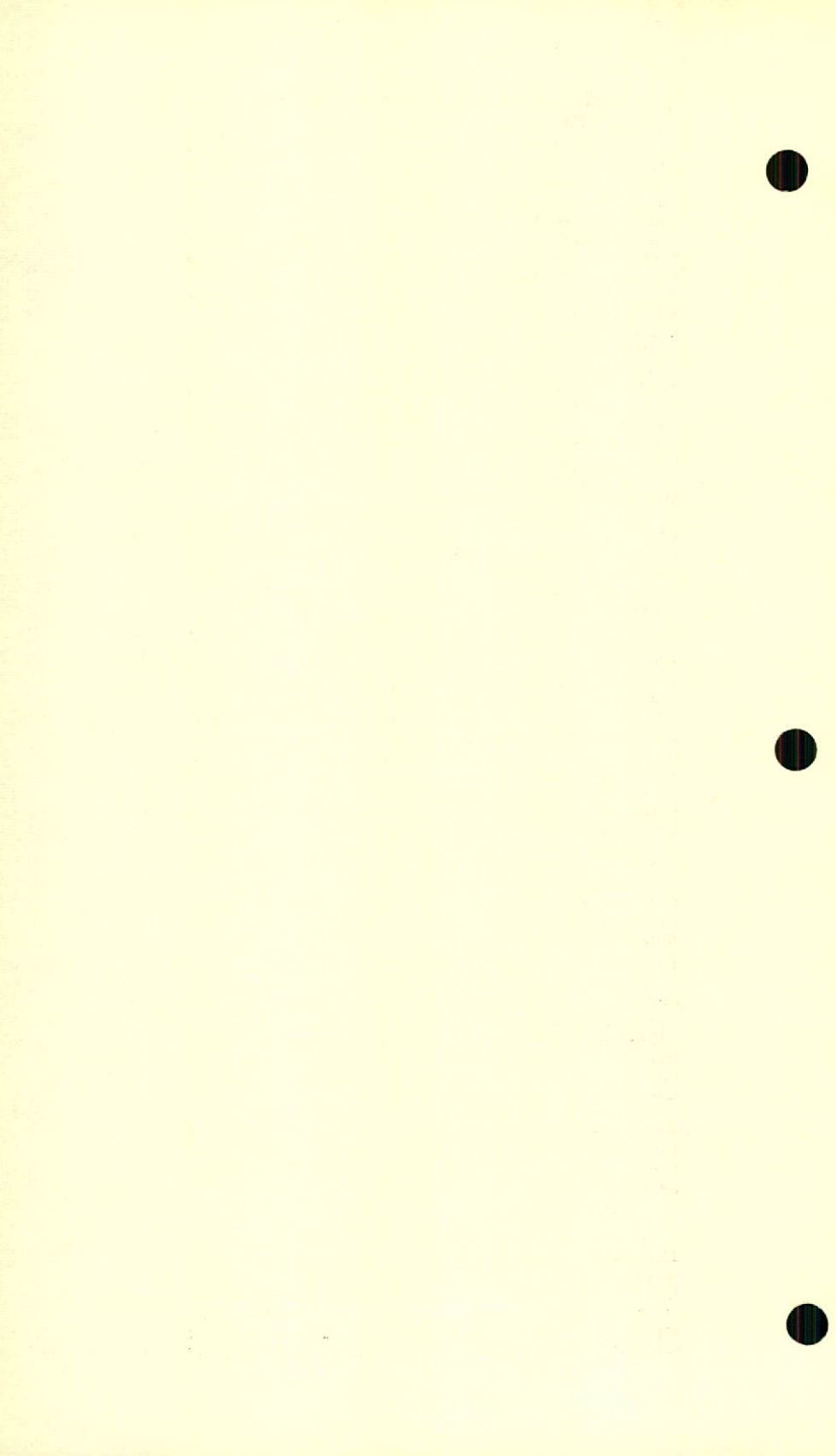
At the Prime Minister's invitation, the liaison committee met the Prime Minister, the Minister of Agriculture, the Minister of Trade and Commerce, and the Minister for Northern Affairs, in Ottawa on September 13. This conference reviewed the action taken by the government in authorizing acreage payments and its position on the other requests previously made by the liaison committee in its formal presentations. It is reported that "no real results" were achieved by the September 13 conference.

### ***Prairie Grain Provisional Payments Act***

Parliament enacted on January 21, 1960, legislation designed to bring relief to farmers whose crop was unthreshed at the time of the big snow storm on October 6, 1959. They passed the Prairie Grain Provisional Payments Act which authorized the Canadian Wheat Board to make advance payments for the 1959-60 crop year in respect to unthreshed grain in the Prairie provinces. This Act is complementary to the Prairie Grain Advance Payments Act which was enacted in 1957. It enabled the Wheat Board to make an advance payment in respect to unthreshed grain, while the 1957 legislation provided for advance payments in respect to threshed grain.

### ***Prairie Grain Loans Act***

The Prairie Grain Loans Act, also passed on January 21, 1960, provided for the guarantee of bank loans made to prairie grain producers and authorized the banks to lend money on the security of threshed and unthreshed grain, including wheat, oats, barley, rye, flaxseed and rapeseed, the actual loan to be based on one-half of the estimated deliveries that the applicant farmer expects



to make before the end of the current crop year. Under this bill the government guaranteed each bank against losses up to 25 percent of the aggregate of loans made where this does not exceed \$150,000, and up to 20 percent in respect to the total of loans in excess of \$150,000. The ceiling on total guaranteed loans to be made by all banks was set at \$50 million.

### Payments to Farmers on Unthreshed Crops

The House of Commons in committee of supply on February 5, 1960, agreed to "Contributions to the governments of the provinces of Alberta, Saskatchewan and Manitoba, in accordance with terms and conditions prescribed by the governor-in-council, of one-half the amounts paid by the governments of those provinces to farmers in respect of unharvested crops to a maximum of \$300 in respect of any one farm; and to authorize, in accordance with terms and conditions prescribed by the governor-in-council, contributions to the governments of those provinces (or their municipalities) in respect of the administrative costs incurred by them in making such payments to farmers, \$6 million."

The conditions under which a farmer could qualify for assistance can be broadly stated: if he had threshed less than 50 per cent of the acreage seeded to the crops covered; if he had threshed less than 8 bushels per acre of dry wheat equivalent; if he had not secured full employment during the period April 1 to October 1, 1959; if he had not obtained a PFAA payment on all the parcels of land he operated. The amounts paid by the participating governments and the number of payments issued are as follows:

	No. of Claims Paid	Amount of Claims	Adminis- trative Expense	Share of Cost 50% by Fed. Gov. 50% by Provinces
Manitoba.....	3,351	\$ 816,865.70	\$29,983.60	\$ 423,424.65
Alberta.....	16,769	5,213,519.84	43,622.17	2,628,571.00
Saskatchewan	20,500	6,152,000.00	59,000.00	3,105,000.00

On August 10, 1960, the House of Commons voted \$261,500 to cover contributions to the provinces of Alberta, Saskatchewan and Manitoba. This sum represents one-half of the amounts paid by the governments of those provinces in transporting fodder and livestock bedding and also the movement of cattle to feed for the period October 12, 1959, to April 30, 1960.

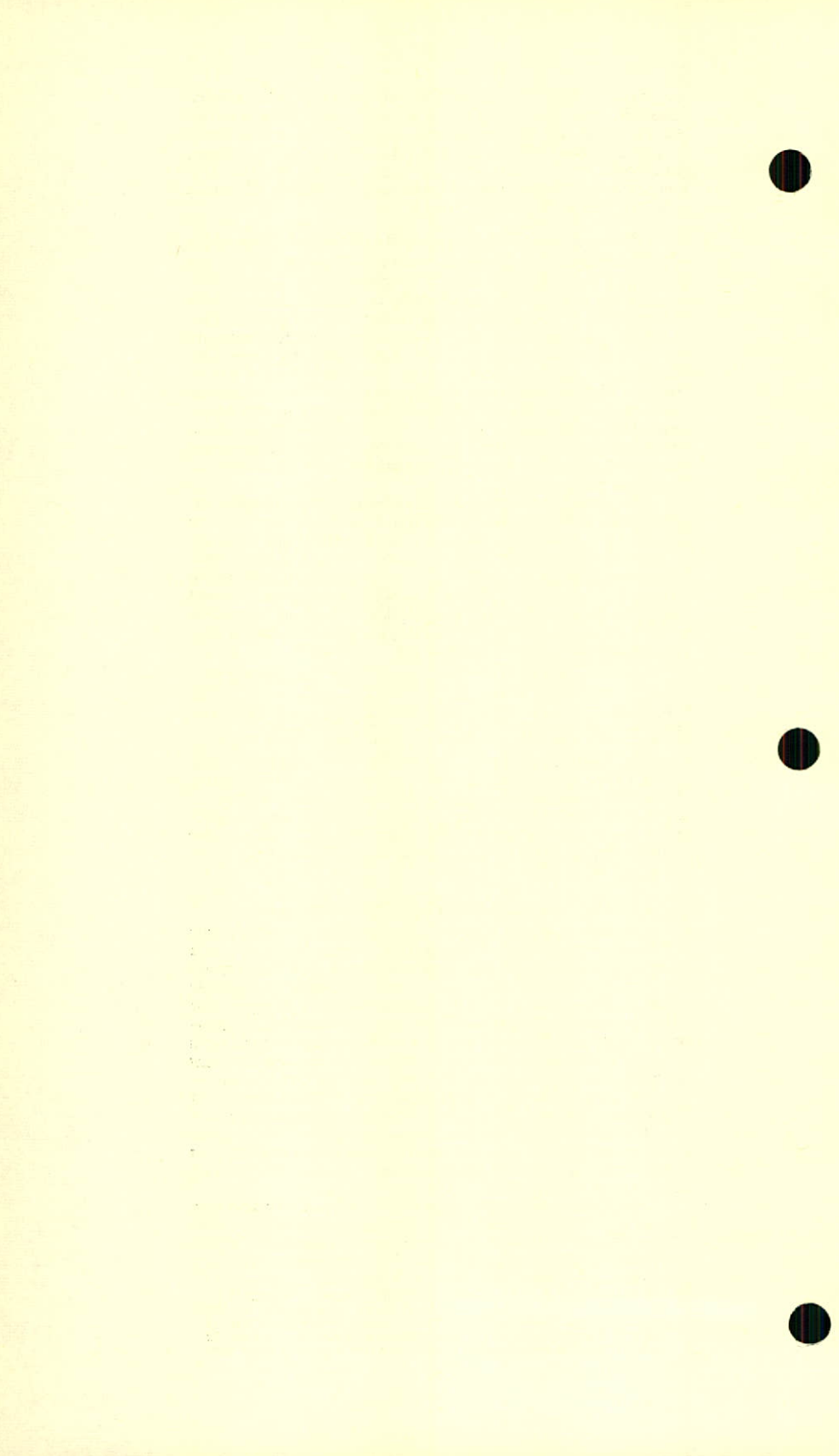
### Royal Commission on Price Spreads

The report of the Royal Commission on Price Spreads of Food Products was released in September 1959, but was not available at the time we issued our last report on October 1, 1959. No doubt many farmers and people closely associated in farm organizations were somewhat disappointed in the report. It should be remembered, however, that the Commission was not required to make a study of farm prices or incomes but "To inquire into the extent and causes of the spread between the prices received by producers of food products of agricultural and fisheries origin and the prices paid by consumers therefor."

The Commission made an exhaustive study of the price paid to farmers for food products for domestic consumption and the retail price of these domestic foods, and covered the period 1949 to 1958.

The Commission did refer quite pointedly to the fact that farmers have provided food materials at a low price. The position of the primary producer is illustrated in the following paragraphs taken from the Commission's Report:

"In considering the past 10 years the gains to the Canadian consumer from low food material prices, although partly obscured by the superstructure of services, have been considerable. If the pressure of increased productivity on farms results in persistent low prices and returns to the resources in agriculture, there would be a strong case for measures to alleviate the effects on farm pro-





ducers provided these measures are so devised as to avoid retarding the growth of efficiency and productivity in the industry. We do not interpret our terms of reference as calling for specific recommendations which do not bear directly on the spread in prices for food products. However, it does seem to us that the public expenditures made to agricultural producers over the period we have studied have certainly not been more than a fair quid pro quo for the low cost of food materials (as distinct from food services) to Canadian consumers, the burden of which has fallen on the primary producer."

"We have noticed the substantial participation of primary producers through co-operative organizations in the related activity of assembling and wholesaling of farm products, the lesser activity of producer co-operatives at the processing level, and the small extent of co-operation in food retailing. These differences are understandable. In most cases producers become organized on a commodity basis, but, as we have seen, food materials tend to lose their separate identity as they move closer to the consumer. The retail co-operatives, where they exist, are organizations of consumers rather than producer co-operatives."

### **Royal Commission on Transportation**

The Royal Commission on Transportation held its preliminary organizational meeting in Ottawa September 17-18, 1959. In our last report we referred to the personnel of the Commission and also to its terms of reference. Due to ill-health the Chairman, Hon. Chas. P. McTague, Q.C., LL.D., resigned in December and M. A. Macpherson, Sr., Q.C., was appointed chairman.

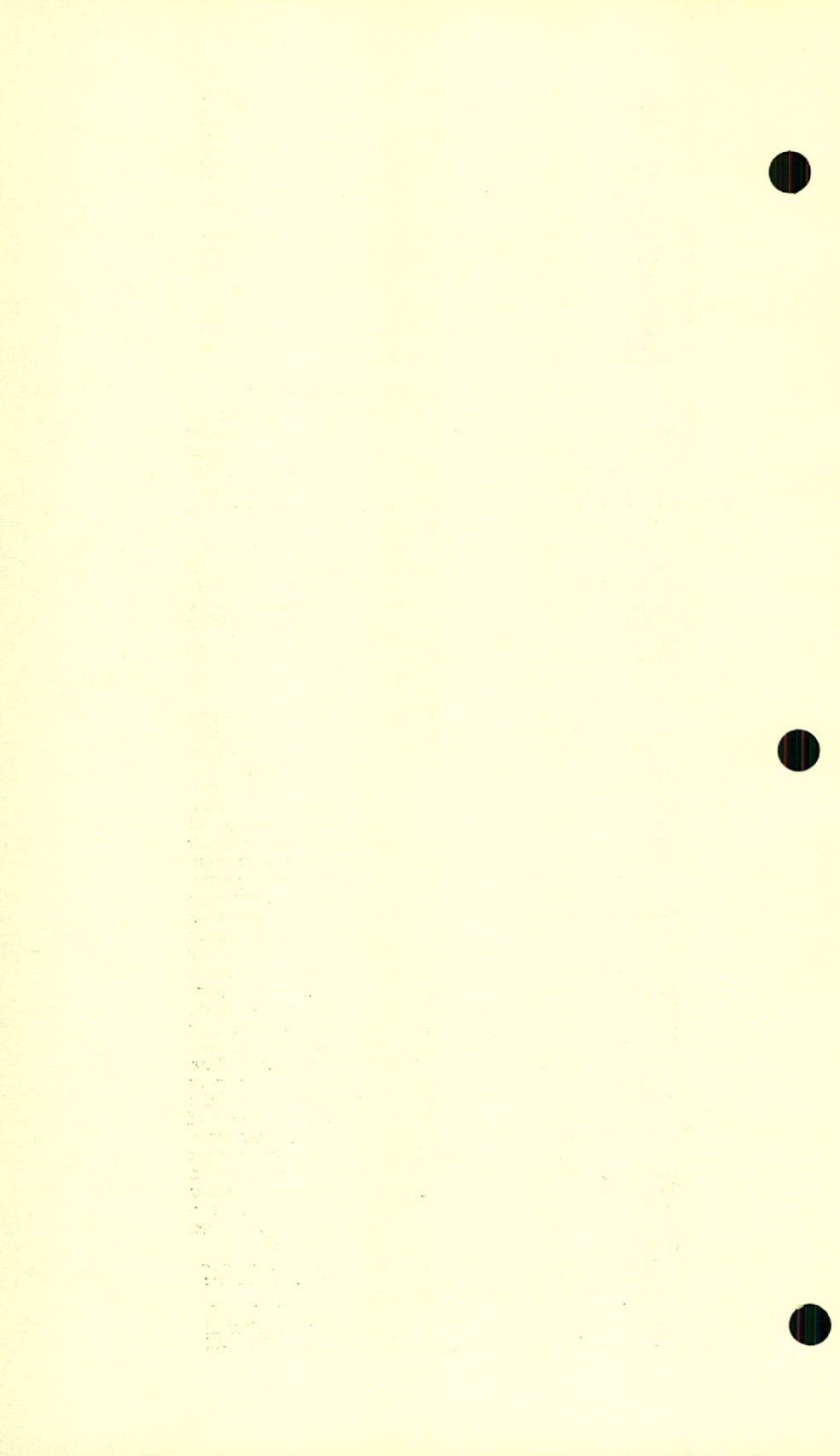
Public hearings began in October and the first sittings were held in the city of Toronto. The Commission then sat at numerous centres in eastern Canada before coming to the prairies. The Commission rejected the suggestion of the prairie provinces that the Crow's Nest Pass rates should be excluded from the terms of reference. On the other hand, the Commission also rejected the recommendation by the railways that the inquiry be confined to the Crow's Nest rates.

The three Wheat Pools and the United Grain Growers had agreed to make a joint submission to the Commission at later hearings with each reserving the right to make an individual submission if it so decides. Manitoba Pool Elevators, the Alberta Wheat Pool and the United Grain Growers Limited have already appeared before the Commission. On February 8, 1960, W. J. Parker, President of Manitoba Pool Elevators, presented a submission on behalf of that organization. This presentation confined its argument to matters of a provincial nature and dealt particularly with the railways stated intention of abandoning certain branch lines. Manitoba Pool Elevators said that it would not oppose the abandonment of certain branch lines but went on to say that the branch line question, the passenger service problem and the problem of adjusting to other modes of transportation are more important factors for study than the question of statutory grain rates. Manitoba Pool Elevators submitted that grain hauled from Manitoba at Crow's Nest rates is not uneconomic particularly with the elimination of some of the branch lines.

The Alberta Wheat Pool presented a brief at Edmonton on February 17, 1960. Gordon L. Harrold, President of the Alberta Wheat Pool, made the submission on behalf of that organization. The Alberta Wheat Pool related numerous historical facts and offered this evidence so that current issues could be seen in their proper perspective. The essential features of the Crow's Nest Pass Agreement of 1897 were detailed. The Alberta Wheat Pool, commenting on the Canadian Pacific Railway's proposal that it be given a tax exemption as a subsidy, declared:

"When a company is assured of a gift of its own choice to cover so-called losses, then any incentives to streamline operations and become more efficient are completely removed.

"Western farmers are not in favor of a subsidy to be paid to the railway and charged to agriculture's account, that will result in perpetuation of inefficient operations. Furthermore, there is no justification in naming agriculture the beneficiary of aid that can



enable railways to easier carry the burden of, say, passenger service, hotels, etc., and further permit more rate discrimination through agreed charges."

The Canadian Federation of Agriculture submitted a brief to the Royal Commission on April 25, 1960. Being a general farm organization the CFA dealt with broad issues and opposed the suggestion put forth by the railways that they should receive either a direct subsidy from the government or a tax exemption in order to compensate for losses they are alleged to have experienced as a result of the Crow's Nest Pass rates. The CFA submitted:

"Any notion of attributing a railway subsidy to the grain growers should simply be ruled out as inadmissible. The fact is that the railways of Canada are not and have never been private enterprises in the usual sense of the word. They were made possible by deliberate acts of government intervention and assistance, as instruments of national policy; both economic and political. The CPR owes its existence and most of its non-rail earnings fundamentally to this fact. The Crow's Nest Pass rates were established as part of a whole pattern of joint railway-government agreement and policy. To come along now and suggest that transportation policy of this country should be to pay the railways large annual amounts from the public treasury and call this money a subsidy to the western grain producer is wrong."

It is expected that the Saskatchewan Wheat Pool will make its submission to the Commission in Ottawa later in the year, at which time the joint submission to which we have referred will be presented. It is anticipated also that on this occasion detailed cross-examination of the railway companies' presentation will be made.

#### *Agricultural Stabilization Act*

The Agricultural Stabilization Board succeeded the Agricultural Prices Support Board and has now completed two years of operation. In the year ended March 31, 1960, the Board had included 15 agricultural commodities in its program. The inventory value of stocks held by the Board was \$117,796,060, while the net cost or payment during the year amounted to \$60,218,758. The larger items paid covered hogs, milk, dry skimmed milk, shell eggs and creamery butter.

#### *Deliveries to Feed Mills*

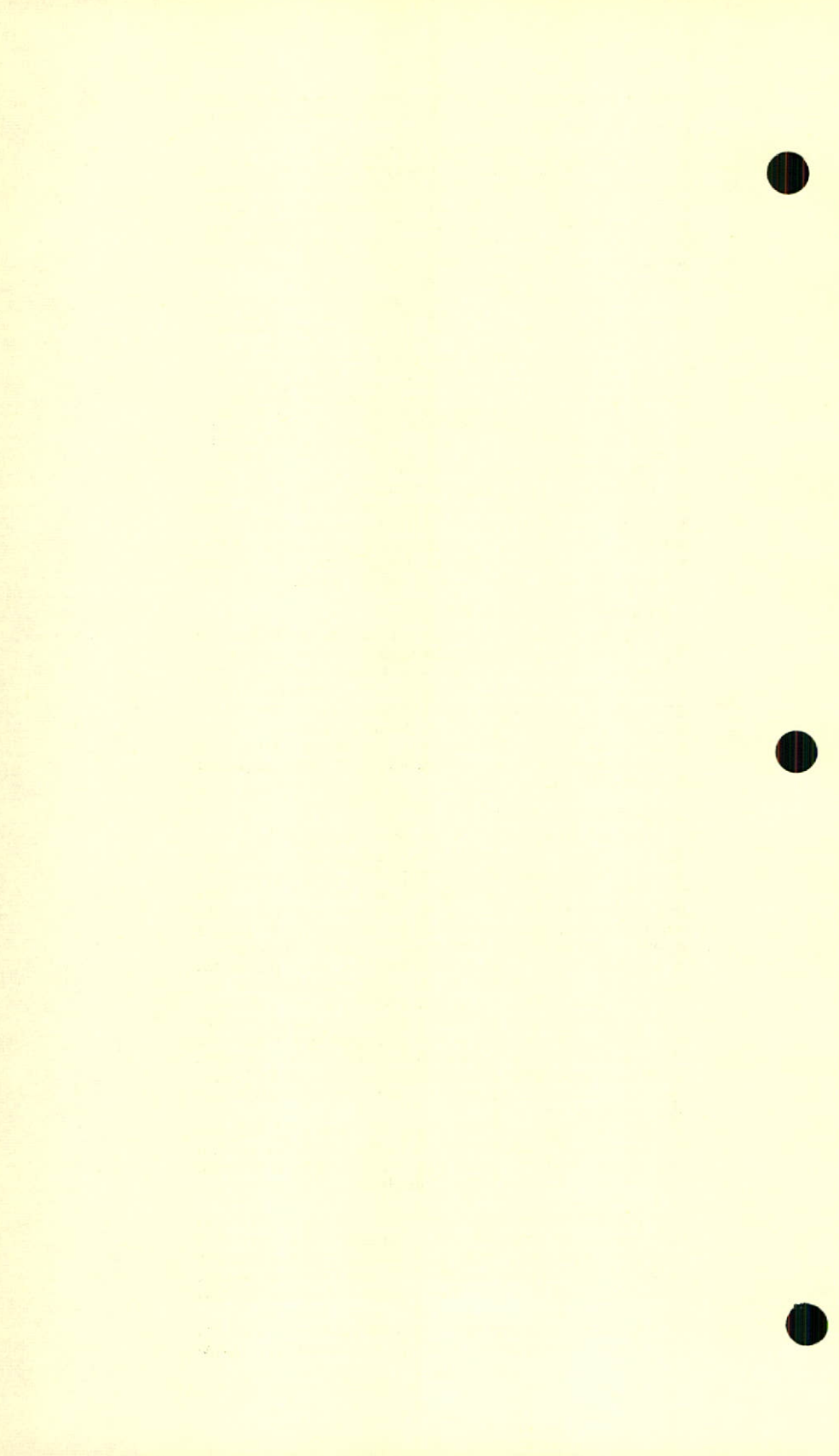
The development of the livestock industry in recent years has been characterized by the introduction of new techniques which employ feeds especially prepared to meet the needs of feeders of livestock and poultry. To meet this demand, feed mills have become established throughout the nation. With this changing pattern in the prairie provinces the problem of enforcing Canadian Wheat Board quotas had to be faced when some feed mills purchased feed grains from farmers outside the regulations of the Wheat Board, both as to quotas and prices. An additional problem which presented itself was the fact that a number of mills were operated by grain companies which operated as agents of the Canadian Wheat Board and therefore under an agreement, while a larger number of feed mills operated without any agreement between themselves and the Wheat Board.

Certain sections of the Canadian Wheat Board Act had been challenged and upheld in the courts. To meet a situation created by certain objections made by feed mills, the House of Commons on March 29, 1960, adopted a motion:

"That the Standing Committee on Agriculture and Colonization be empowered to examine and inquire into the delivery of grain by producers to feed mills operating in the designated area as defined by the Canadian Wheat Board Act, and to report to the house observations and proposals thereon."

The Committee accepted evidence from organizations and companies concerned with the regulation and opera-







tion of the grain industry and particularly those business interests dealing with feeding grains. The Alberta Wheat Pool made its submission on May 6, Saskatchewan Wheat Pool on May 20, and Manitoba Pool Elevators on May 23. The tenor of these submissions was that the Wheat Board regulations dealing with quota deliveries should be enforced.

On June 30 the Standing Committee on Agriculture and Colonization reached its conclusion and sent the following recommendations to the House of Commons:

1. The feeds industry is an integral and essential part of the livestock industry and feed mills perform necessary social and economic services, expansion of which in the prairie provinces is desirable in the interests of economical and efficient production of livestock and poultry and the products thereof.
2. The feeds industry has grown, and aided the general prosperity of local regions under a system of flexibility and the Committee finds that too much inflexibility in the allocation of quotas to feed mills is not in the best interest of either the producer or consumer of grains for feed. We, therefore, recommend that the former practice be continued.
3. Evidence was presented to the Committee that apparent discrimination exists between agreement and non-agreement mills and the Committee recommends that this situation be studied in order to maintain a fair position between these two types of mills.

#### *Dollar-Sterling Trade Council*

Continued financial support has been given to the Dollar-Sterling Trade Council in Canada. Representing our interests on the Council is Chas. W. Gibbings, one of our directors, who is also vice-president of the Saskatchewan Wheat Pool. It should be restated that the purpose of the Council is to stimulate Canada's trade with the sterling area. We believe that any expansion of trade in this direction would react to the benefit of grain producers.

Certain industries in Canada benefit greatly from protective tariffs and frequent efforts are made by them to maintain or increase these tariffs. Your board has been in close touch with government officials, seeking to broaden Japanese trade. We have pointed out in public statements that this is desirable since Japan is a substantial buyer with large potential.

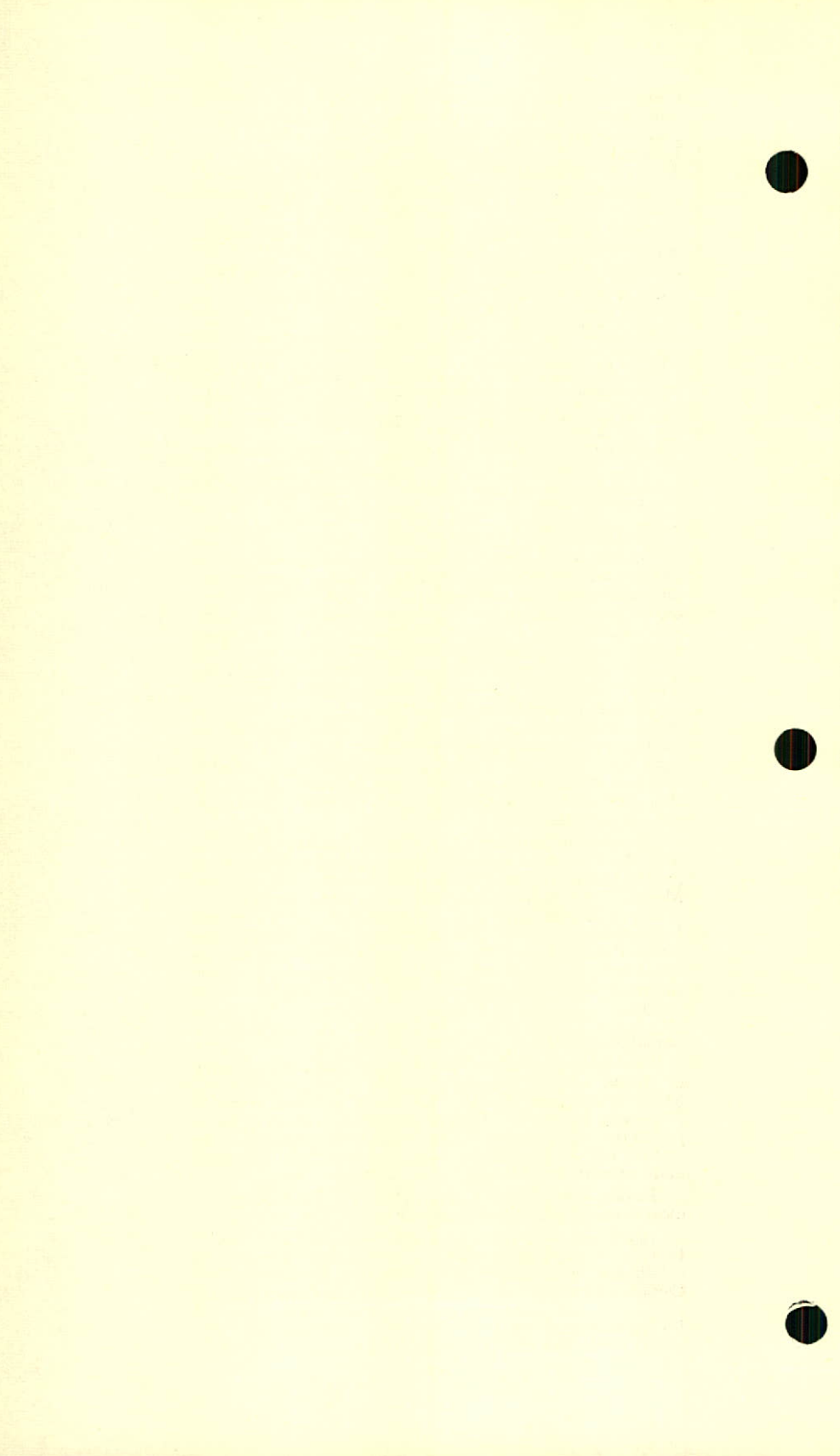
A one-man commission has been appointed by the federal government to make broad inquiries into the automotive industry. The commissioner is Vincent W. Bladen, M.A., F.R.Sc., dean of the faculty of arts of the University of Toronto. The scope of the inquiry was outlined by the Prime Minister on August 2, 1960. The Dollar-Sterling Trade Council is resisting pressures which might lead to increased import duties on foreign automobiles. Your directors have presented a brief to the Bladen Commission.

#### *Canada-USSR Trade Agreement*

On April 18, 1960, the Hon. Gordon Churchill, Minister of Trade and Commerce, and Mr. N. S. Patolichev, Minister of Foreign Trade of the Union of Soviet Socialist Republics, signed in Moscow a protocol renewing for a period of three years the trade agreement between Canada and the USSR. The purpose of this agreement is to expand and diversify trade between the two countries.

Provision is made in the agreement for the exchange of most favored nation tariff treatment.

It also provides for the purchase in Canada by Soviet Foreign Trade Organizations, under normal commercial conditions, of Canadian goods that may be exported by Canada to a total value of \$25,000,000 per annum, including not less than 200,000 tons of Canadian wheat, provided the total annual value of Canadian purchases from the USSR is not less than \$12,500,000. If Canadian purchases



from the USSR are less than \$12,500,000, Soviet purchases may be correspondingly reduced, but the same ratio of two to one will be maintained.

### **International Wheat Agreement**

Under the terms of the International Wheat Agreement which is presently in effect the purchasing countries agree to buy a percentage of their supplies under the Agreement rather than a stated quantity, which was a condition of the earlier wheat agreements. Under the present method it is more difficult to measure the effectiveness of the Agreement. Total commercial purchases recorded by the International Wheat Council amount to 493,851,000 bushels. Of this quantity Canada supplied 239,770,000 bushels, which represents 48.55 percent of the total sales registered. Thirty-six importing countries and nine exporting countries are now signatories to the Agreement.

### **Wheat Surplus Disposal**

Anyone interested in western Canada must be conscious of the fact that its business life is greatly affected by the measure of prosperity enjoyed by the wheat producers of the three prairie provinces. They must also be aware that the wheat industry is dominated by wheat surpluses in the North American continent and of the efforts made not only to dispose of the wheat surplus but to control production. These efforts are largely those of the United States with its acreage control program and its wheat sales under Public Law 480.

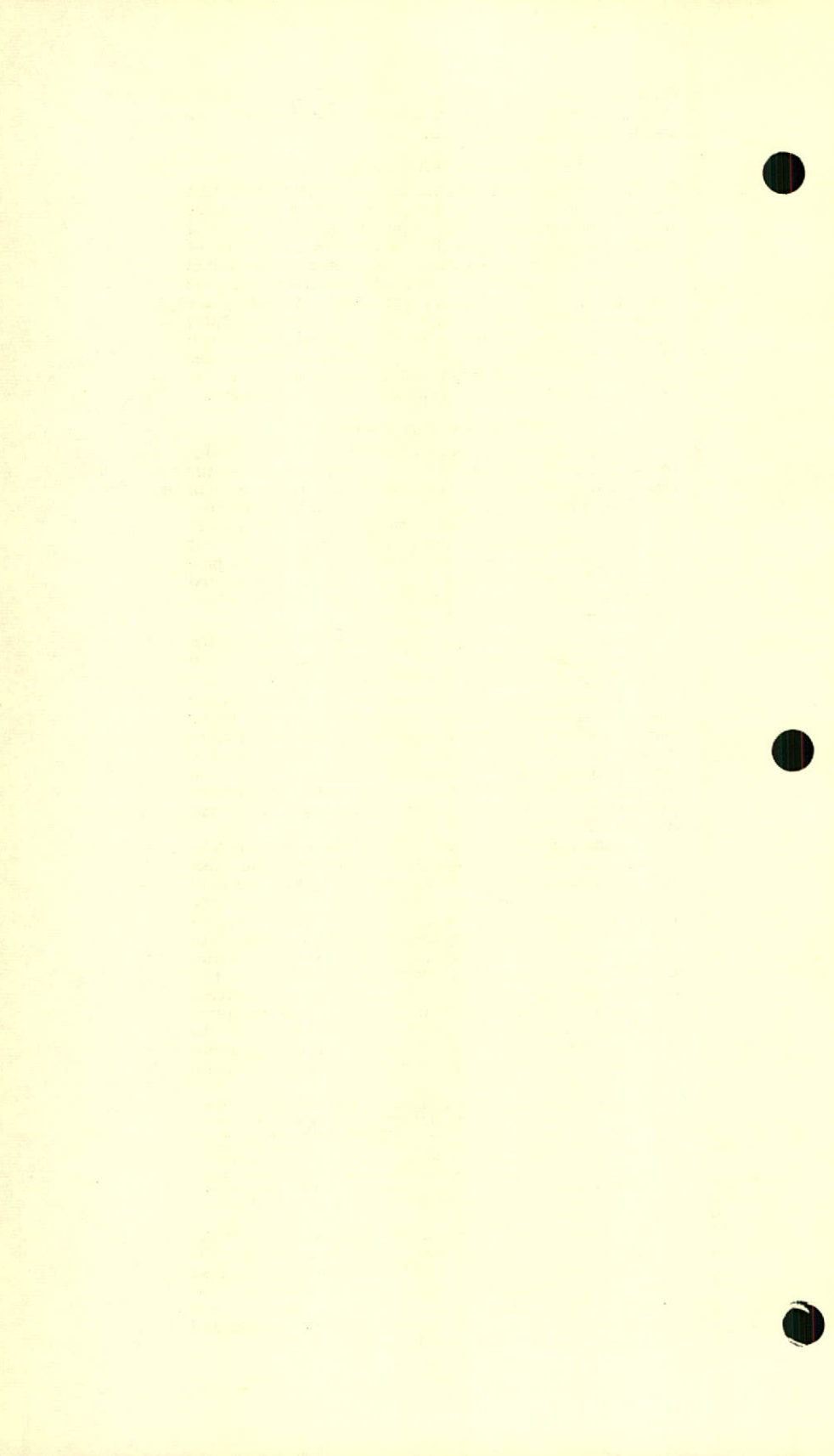
Total wheat stocks in Canada have declined during the last three years while in the United States their total supply at July 1, 1960, reached an all-time high.

It is reported that of the volume of wheat exported by the U.S., 64% was made through the provisions of its surplus disposal program under Public Law 480. Recent changes in the Law provide for long term credit sales of farm surpluses. Commodities now may be delivered annually for periods up to ten years with payment of principal and interest made in dollars over a 20-year period. (IFAP News).

Canada's concern is that concessional sales may disturb normal markets. It is impossible to foretell the effect the agreement entered into between the United States of America and India will have on wheat exporting countries. Under this agreement approximately 587 million bushels of U.S. wheat will be shipped to India in the next four years. Payment will be made in rupees. The United States will pay back to India a portion of the rupees for economic development. Fifty percent will be as grants and 50 percent as loans. It is estimated that after having made the grants and loans an amount of \$200 million will accrue to the American Government and this will be used in various ways to finance American economic programs abroad. Broomhall says:

"The scope of the agreement is staggering both in regard to the amount of wheat involved and in regard to the amount of money which will be utilised. Unless we have read the agreement wrongly, it would seem that the entire proceeds are to be used in one way or another for foreign projects. In other words, we can, if we like, look upon the whole vast transaction as a subsidised exploit, the ultimate object of which must be either an eventual commercial gain through the building up of goodwill, or a move in the cold war against Communism."

We said in our report a year ago that the United States is serving a two-fold purpose in its programs for the disposal of surplus foods and as far as these programs take food to hungry millions they must be commended. Our great concern is that Canada's ability to export is not seriously affected and that friction between Canada and the United States can be avoided.





## Wheat Utilization Committee

The Wheat Utilization Committee consists of representatives of Argentina, Australia, Canada, France, and the United States, these nations being the major wheat exporting countries. This Committee was established in May 1959, its main purpose being to increase the utilization of wheat while safeguarding the commercial interests of traditional exporting countries. At its third meeting held at Ottawa in July 1960, the Committee studied the report of a fact-finding commission which had visited Japan, India and Indonesia. The Committee also reviewed concessional wheat transactions, including gift shipments by Canada and Australia to Colombo Plan countries and the recent agreement entered into by the United States with India. The fourth meeting of the Committee will take place in October 1960, in Washington, U.S.A.

### World Supplies and Exports

In keeping with the practice your board has followed for some years we include in our report statistics covering the salient features of the wheat industry. We give in summarized form information dealing with the production and distribution of wheat by the main exporting countries. Having gathered the statistics from various sources, we are particularly indebted to the Board of Grain Commissioners and the Dominion Bureau of Statistics.

## Supplies

Supplies of wheat in the four major wheat exporting countries are approximately 9% above the volume on hand a year ago. The Dominion Bureau of Statistics estimate that 2,721.5 million bushels are available for export and carryover, an increase of some 221 million bushels above stocks held a year ago. The figures supplied picture the situation as it existed at the end of our grain year. They include the new crop harvested in the United States, but not the new crops in Canada, Argentina and Australia.

### Exports

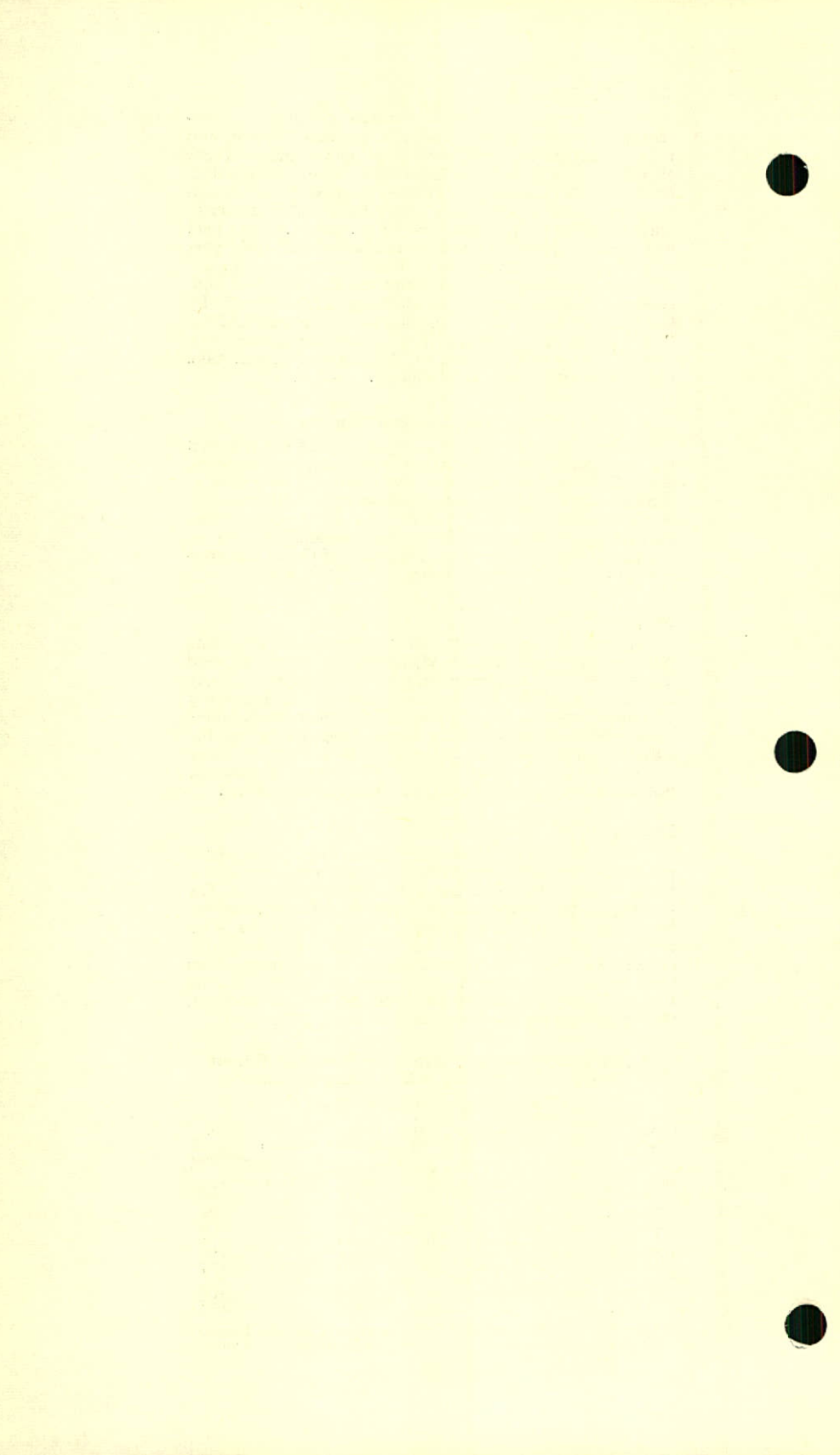
It is also reported that the same four major wheat producing countries exported 996 million bushels, compared to 939 million bushels in the 1958-59 crop year. The United States increased her exports substantially—by 64.2 million bushels. Shipments from Argentina were down by 29.5 million bushels. Australia's shipments increased by 39.1 million bushels, while shipments from Canada were decreased by 16.8 million bushels. During the year under review Canada exported 28% of the total, the percentage for the previous year being 31%.

### Exports of Wheat and Flour in Terms of Wheat From Four Principal Exporting Nations

(Dominion Bureau of Statistics)

Crop Year	Total	Argentina	Australia	United States	Canada	Canada's % of Total
		<i>—in million bushels—</i>				
1950-51....	838.6	94.5	127.8	375.3	241.0	28%
1951-52....	939.9	24.1	93.4	466.6	355.8	37%
1952-53....	854.0	38.9	107.0	322.6	385.5	45%
1953-54....	640.2	110.3	63.4	211.4	255.1	39%
1954-55....	761.1	134.5	94.3	280.4	251.9	33%
1955-56....	887.8	108.6	107.5	359.4	312.3	35%
1956-57....	1,024.7	100.6	120.2	539.5	264.4	25%
1957-58....	856.2	77.6	61.9	396.4	320.3	37%
1958-59....	939.0	106.2	82.7	455.6	294.5	31%
1959-60....	996.0	76.7	121.8	519.8	*277.7	28%

\*The figure given above for Canadian exports includes bagged seed wheat not shown in the Board of Grain Commissioners' report.



## Canadian Grain Production

The Dominion Bureau of Statistics has revised its estimates of the grain crop produced in the 1959-60 crop year. Our purpose in quoting from this release is to provide a basis of comparison with the production of both the crop year under review and with statistics covering the long-time picture. It will be noted that there is a very slight variation between the preliminary and the revised estimate.

### Grain Production 1959

(Dominion Bureau of Statistics Latest Estimate)

	Canada		Prairie Provinces	
	Acres	Bushels —in millions—	Acres	Bushels
Wheat.....	23.1	413.5	22.6	399.0
Oats.....	11.4	417.9	7.9	263.0
Barley.....	8.3	225.6	8.1	219.0
Rye.....	.51	8.1	.43	6.4
Flaxseed.....	2.2	17.7	2.1	17.5
Totals.....	45.51	1,082.8	41.13	904.9

Similar data for the 1960-61 season (as forecast by DBS on August 31) are set out in the following table:

### Grain Production 1960

(Dominion Bureau of Statistics Preliminary Estimate)

	Canada		Prairie Provinces	
	Acres	Bushels —in millions—	Acres	Bushels
Wheat.....	23.2	472.5	22.6	453.0
Oats.....	11.1	442.3	7.9	301.0
Barley.....	7.4	210.7	7.2	205.0
Rye.....	.54	10.1	.45	8.0
Flaxseed.....	2.8	26.1	2.8	25.9
Totals.....	45.04	1,161.7	40.95	992.9

The wheat crop in 1960-61 is estimated for Canada at 472.5 million bushels. This prediction forecasts a crop which is 14% larger than last year's, but 5% below the ten-year average of 495.1 million (1950-59). For the prairie provinces the forecast of 453 million bushels is also 14% above last year's crop but it is 4% below the ten-year average of 471.3 million.

### Farmers' Marketings

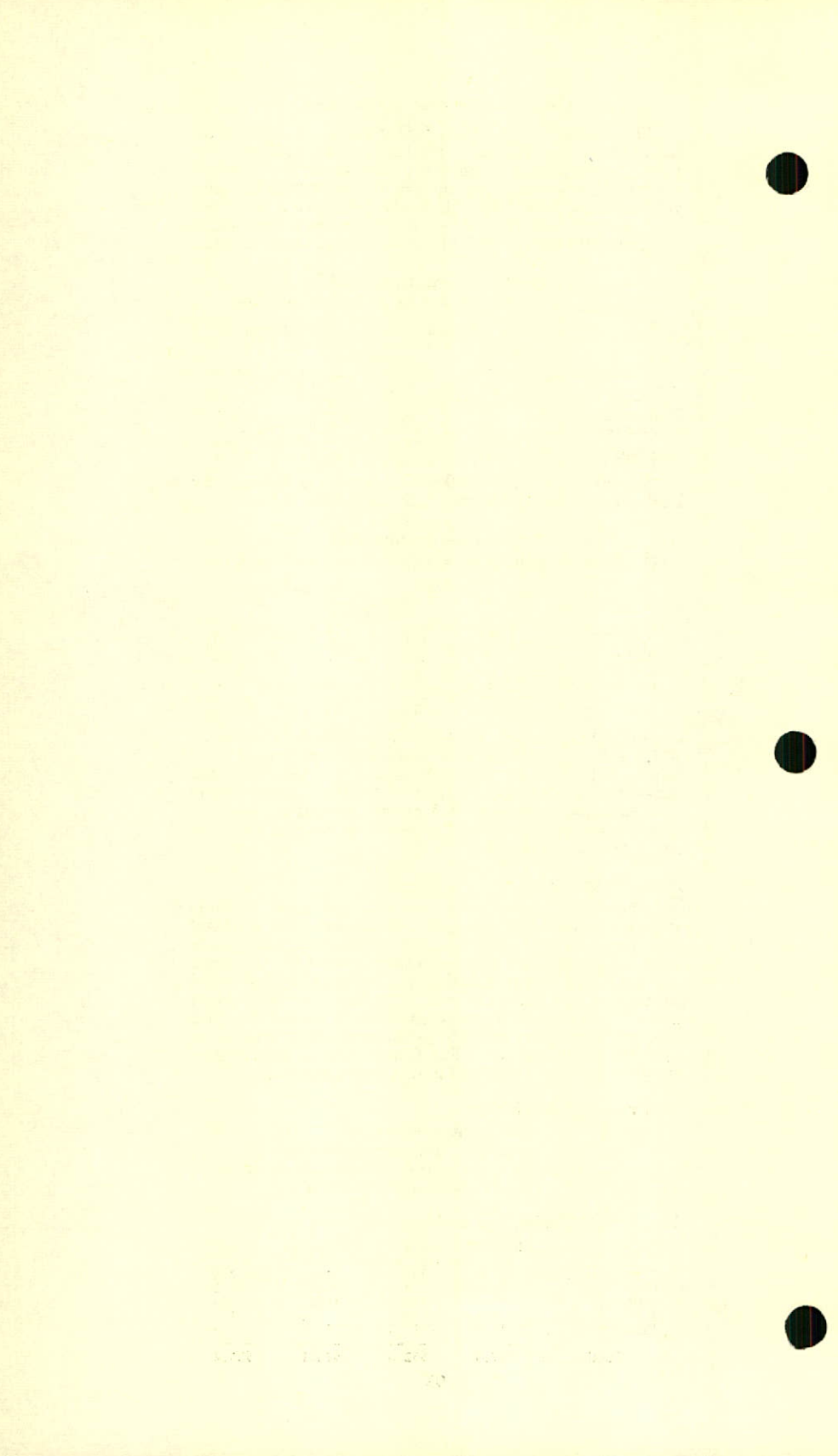
The ability of farmers to market their grain is determined by the available space in country and terminal elevators and this space in turn reflects the sales made both for export and for the domestic market. The total volume of the five principal grains marketed by producers in the prairie provinces was approximately 35 million bushels less than that delivered in the previous year and represents smaller marketings than in any year since 1949-50, ten years ago. The figures quoted below were supplied by the Board of Grain Commissioners.

### Producers' Marketings

at Country elevators  
at Public and semi-public terminals  
at Interior private and mill elevators  
and Loaded over platform.

### Wheat, Oats, Barley, Rye and Flaxseed

	1959-60	1958-59	1957-58	1956-57
		—in million bushels—		
Wheat.....	379.5	367.7	378.2	362.4
Oats.....	24.3	39.3	58.3	69.2
Barley.....	95.3	122.8	116.9	120.6
Rye.....	4.3	4.7	7.4	4.0
Flaxseed.....	14.0	17.5	15.3	29.0
Total.....	517.4	552.0	576.1	585.2





The figures showing the export sales of bagged seed wheat and farm to farm and farm to feeder sales are not included in the Board of Grain Commissioners' statistics. We are assured that farm sales to feeder and feed mills have increased substantially.

#### *Canadian Grain Exports*

The preliminary review of the exports of Canadian grain and wheat flour issued by the Board of Grain Commissioners for Canada demonstrates that Canadian grain exports for the 1959-60 crop year totalled 352.4 million bushels, a drop in volume of approximately 25 million bushels. Rye was the only grain which shows exports in excess of those made in 1958-59. However, the total for the five principal grains exported, including wheat flour, exceeded the 30-year average by approximately 38 million bushels.

#### **Total Grain and Milled Products Exported**

	1959-60	1958-59 —in million bushels—	30-year Average 1929-30 to 1958-59
Wheat (& flour)...	272.1	288.9	248.3
Oats.....	5.6	7.0	25.0
Barley.....	57.7	64.4	31.7
Rye.....	4.5	3.2	5.6
Flaxseed.....	12.5	14.3	3.9
<b>Total.....</b>	<b>352.4</b>	<b>377.8</b>	<b>314.5</b>

In presenting this information the Board of Grain Commissioners has commented that the drop of 17.5 million bushels in wheat (not including flour) was accounted for mainly by reduced shipments to the United Kingdom, Germany and India. Shipments of Canadian wheat to Japan reached a record 45.7 million bushels, the highest volume ever imported by that country. The United Kingdom retained its position as leading buyer of Canadian wheat, followed by Japan, Germany and Belgium in declining order.

The exports of Canadian oats were at a low level resulting largely from the lack of an American market. The United States imports were 1.1 million bushels, down slightly from their purchases in the previous year. The export of Canadian barley at 57.7 million bushels substantially exceeded the 30-year average but was 6.7 million bushels below the sales made in 1958-59. Increased sales were made to the United States, to Poland, to Germany and the Netherlands, yet this increase did not compensate for the smaller sales made to the United Kingdom.

#### **Leading Buyers of Canadian Grain**

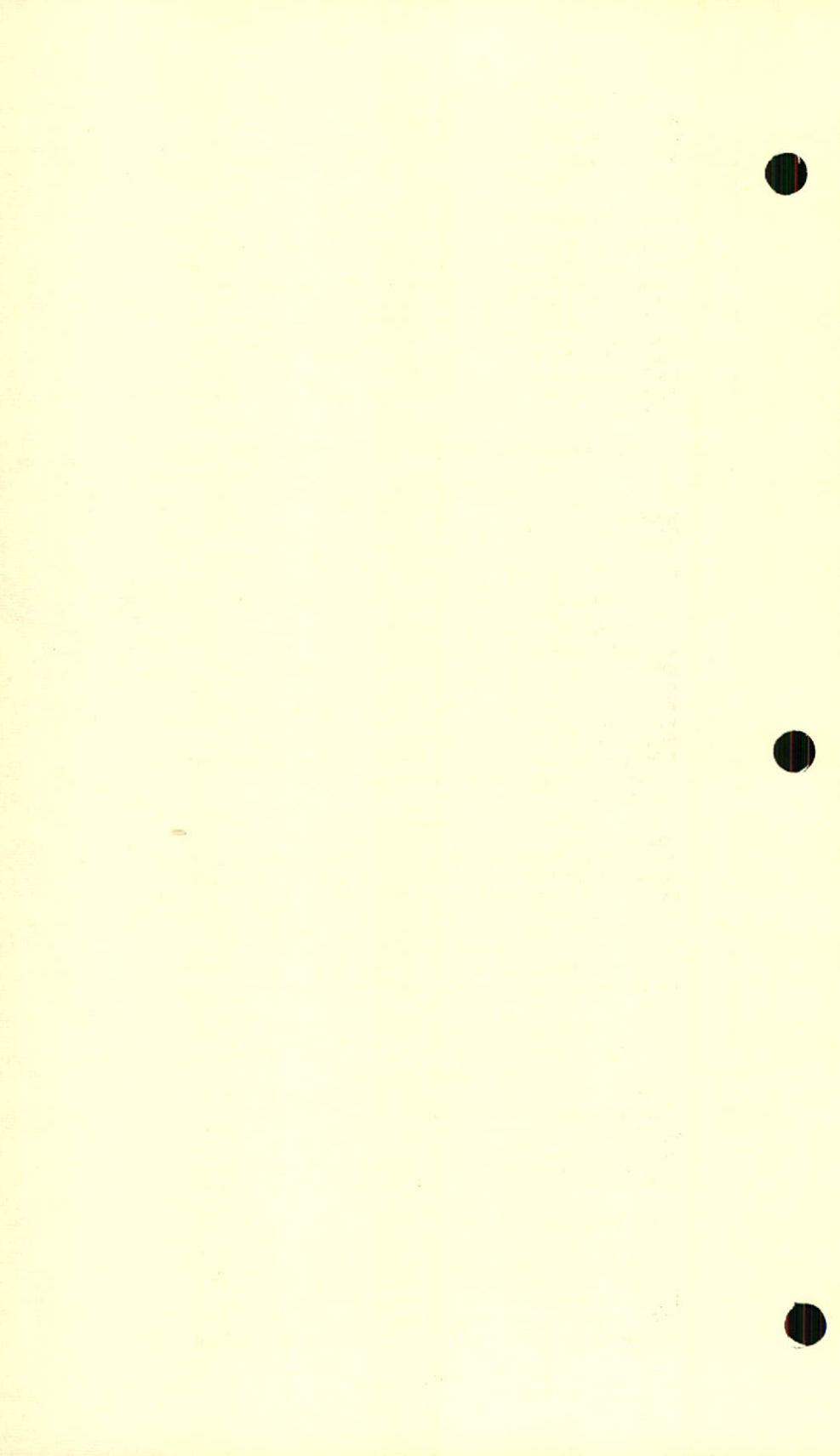
Sales of Wheat, Oats, Barley, Rye and Flaxseed

(in million bushels—)

	1959-60	1958-59	1957-58	1956-57
United Kingdom.....	130.3	152.6	149.1	130.5
Japan.....	49.6	50.3	51.5	50.1
Germany.....	32.1	37.9	32.0	47.8
Benelux Countries				
—Belgium & Netherlands ....	24.1	22.3	40.0	34.8
United States.....	22.3	17.1	53.4	51.2

#### *Carryover of Canadian Grain*

Stocks of the five major grains of Canadian origin in North American positions on July 31, 1960, is estimated by the Dominion Bureau of Statistics to be 760.3 million bushels; a decline of 6% from the carryover a year ago of 810.6 million bushels. This figure is, however, 9% above the average in the ten-year period 1950-59 of 695.1 million.



Details are set out in the following table:

### Canadian Carryover as at July 31

	1960	1959	1958	Average 1950-59
		—in million bushels—		
Wheat.....	536.2	549.0	639.5	455.9
Oats.....	92.5	119.0	154.9	122.2
Barley.....	120.1	128.2	118.2	100.2
Rye.....	6.8	7.9	10.1	12.6
Flaxseed.....	4.7	6.5	5.7	4.2
Total—5 grains.....	760.3	810.6	928.4	695.1
On farms.....	221.3	271.9	403.4	278.3
Commercial.....	539.0	538.7	525.0	416.8

Of particular interest is the statistic showing stocks of grain held on farms. Approximately 50 million fewer bushels of the five principal grains were on farms at the end of the 1959-60 crop year compared to the previous season.

### Farm Carryover in Canada

	1960	1959	10-Year Average
		—in million bushels—	
Wheat.....	81.7	130.0	140.7
Oats.....	72.0	80.0	82.4
Barley.....	63.0	57.0	47.4
Rye.....	3.8	3.4	6.6
Flaxseed.....	0.8	1.5	1.2
Total.....	221.3	271.9	278.3

It is estimated by the Dominion Bureau of Statistics that of the 221.3 million bushels of farm stocks approximately 87% of the grain was in farm granaries in the prairie provinces.

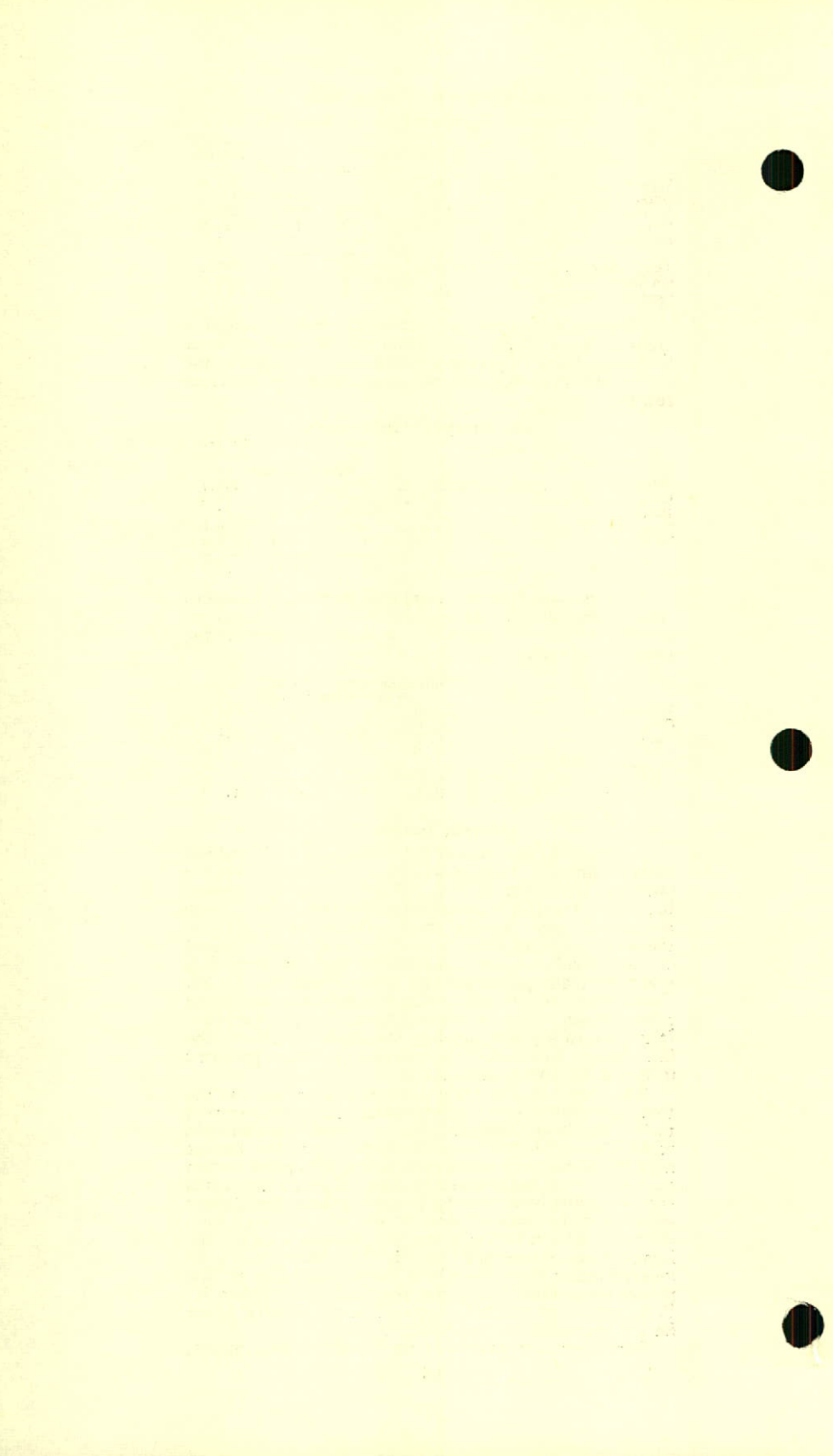
	Sask- Manitoba atchewan Alberta			Total
		—in million bushels—		
Wheat.....	8.0	51.0	21.0	80.0
Oats.....	10.0	18.0	20.0	48.0
Barley.....	11.0	28.0	22.0	61.0
Rye.....	.6	2.0	1.0	3.6
Flaxseed.....	.1	.4	.4	.9
Total.....	29.7	99.4	64.4	193.5

### Farm Income

A study of the statistics indicating both cash and net farm income does nothing to relieve our anxiety over the difficult financial position in which many farmers associated in our member organizations find themselves. There are several causes for this steadily deteriorating position, the dominant ones being beyond the ability and control of the individual farmer. We believe that our concern is shared by many people engaged in the distributive trades. These people, too, recognize that the decline in purchasing power of agriculture seriously affects Canada's industry. It is trite to say that quoting statistics, illustrating the farm income situation, does nothing to solve the problem; it merely presents a situation for all to see.

The Dominion Bureau of Statistics estimates that the total farm cash income in the calendar year 1959 amounted to \$2,808 million, slightly below the revised figure for 1958 of \$2,873.4 million. This total figure covers the income from the sale of farm products, together with participation payments from supplementary and deficiency payments and net cash advances on farm stored grains. The Bureau states that the returns from the sale of field crops were about the same in 1959 as in the previous year while income from the sale of livestock and animal products was a little lower. Returns from the sale of wheat (including participation payments) during the year ended December 31, 1959, amounted to \$494,930,000. The comparable figure for the previous year was \$499,760,000.

Supplementary payments amounted to \$22 million,





largely attributed to payments under the provisions of the Prairie Farm Assistance Act. Supplementary payments in 1958 approximated \$60 million, the difference being accounted for by a payment made to western grain producers in the form of acreage payments.

### Preliminary Estimate of Farm Cash Income From the Sale of Cereal Grains and Flaxseed in the Three Prairie Provinces

(Dominion Bureau of Statistics)

	1959	1958	1957
	—in thousand dollars—		
Wheat.....	\$414,904	418,687	365,920
Wheat, CWB Payments....	72,662	64,258	79,314
Oats.....	14,452	21,487	31,239
Oats, CWB Payments.....	2,072	—	—
Barley.....	81,856	78,958	75,017
Barley, CWB Payments...	6,121	7,570	24,990
Rye.....	4,697	5,229	3,724
Flaxseed.....	48,669	35,804	57,680
Total.....	\$645,433	631,993	618,884

Net farm income is stated by the Dominion Bureau of Statistics to be \$1,191,870,000, a decline of \$161 million from the previous year, a decrease of 11.9% in the 1959 net income compared with that of 1958. The net income from farming operations has exceeded that of 1959 in each of the last twelve years with two exceptions, these being 1957 and 1954.

### Total Net Farm Income

	3 Prairie Provinces	6 Other Provinces	Canada ex. Newfoundland
	—in million dollars—		
1950.....	\$ 572.5	\$647.2	\$1,219.7
1951.....	1,126.4	810.5	1,936.9
1952.....	1,118.9	800.5	1,919.4
1953.....	918.8	725.5	1,644.3
1954.....	410.9	614.3	1,025.2
1955.....	634.8	655.1	1,289.9
1956.....	843.6	614.4	1,458.1
1957.....	443.7	614.5	1,058.2
1958.....	640.5	712.5	1,353.0
1959.....	582.9	608.9	1,191.8

It is estimated by the Bureau that the total farm operating expenses and depreciation charges in 1959 were 5.3% above the figure for 1958, and 10.8% above the figure for 1957. The estimates are given as follows:

\$1,890.5 million in 1959
\$1,795.8 million in 1958
\$1,706.4 million in 1957

### Prairie Farm Assistance Act

Each year we are pleased to include in our report information covering the levies and the awards made under the Prairie Farm Assistance Act. An analysis of these figures reflects to a degree the income position of the grain growers of the three prairie provinces. The levies paid in the 1959-60 crop year amounted to \$6,326,923.98, which is approximately \$347,000 less than the amount paid in 1958-59. The lower levy can be attributed to any one of three factors or a combination of them—fewer bushels marketed, lower grades, lower prices. Regardless of the reason the cash returns to farmers in the 1959-60 crop year were nearly \$35 million less than the amount received in the previous year. Payments made during the crop year under review amounted to \$20,429,462.50 and the number of awards made was 68,427.

### 1959-60 Crop Year

	1% Levy	Awards	Payments
Manitoba.....	\$ 961,496.49	9,233	\$ 1,875,916.50
Saskatchewan.....	3,671,561.96	42,404	13,652,058.50
Alberta & Peace River Block.....	1,693,865.53	16,790	4,901,487.50
Totals.....	\$ 6,326,923.98	68,427	\$ 20,429,462.50



# 1939-40 to 1959-60

	1% Levy	Awards	Payments
Manitoba.....	\$ 18,022,093.93	107,997	\$ 17,004,469.77
Saskatchewan.....	68,307,857.15	684,428	167,439,847.08
Alberta & Peace			
River Block.....	33,982,016.75	314,139	63,764,027.80
Unallocated.....	20,145.26	—	—
Totals.....	\$120,312,113.09	1,106,564	\$248,208,344.65

## Conclusion

The times in which we live are fast-moving, challenging and critical. It is of prime concern to your board, as it must be to the members of our organizations, to gauge the effect the changing scene will have on western Canadian agriculture.

The year under review recorded numerous world-wide events which will leave their mark in history. We watch with deep interest, even with fear, the struggle men and nations are making to secure the basic freedoms; yet we see vast numbers of the world's population losing their right of self-government when dictatorship usurps power.

These events cannot be ignored, for if the trend persists it will adversely affect all people who believe in democracy and co-operation. In these dangerous years it is of particular and immediate importance for us to determine in what ways we, as co-operators and Canadians, can influence these trends. Your board is convinced that the abundance we enjoy can be shared with less fortunate people; that the world situation requires Canadians to devise programs under which our skills and our wealth can assist them.

A year ago we stated that while the present financial situation of grain growers in western Canada was deteriorating the long-time prospect justified confidence. This situation persists. It is illustrated by the fact that while net farm income has declined, a strong demand for grain producing farm lands has resulted in higher land prices. There can be no doubt that this confidence is inspired by the belief that there will be a growing demand for the products of these farms and that the maintenance of agriculture on a stable financial basis will be possible. Your board regrets that the immediate prospect for Canada's grain producers is clouded by a number of disturbing factors.

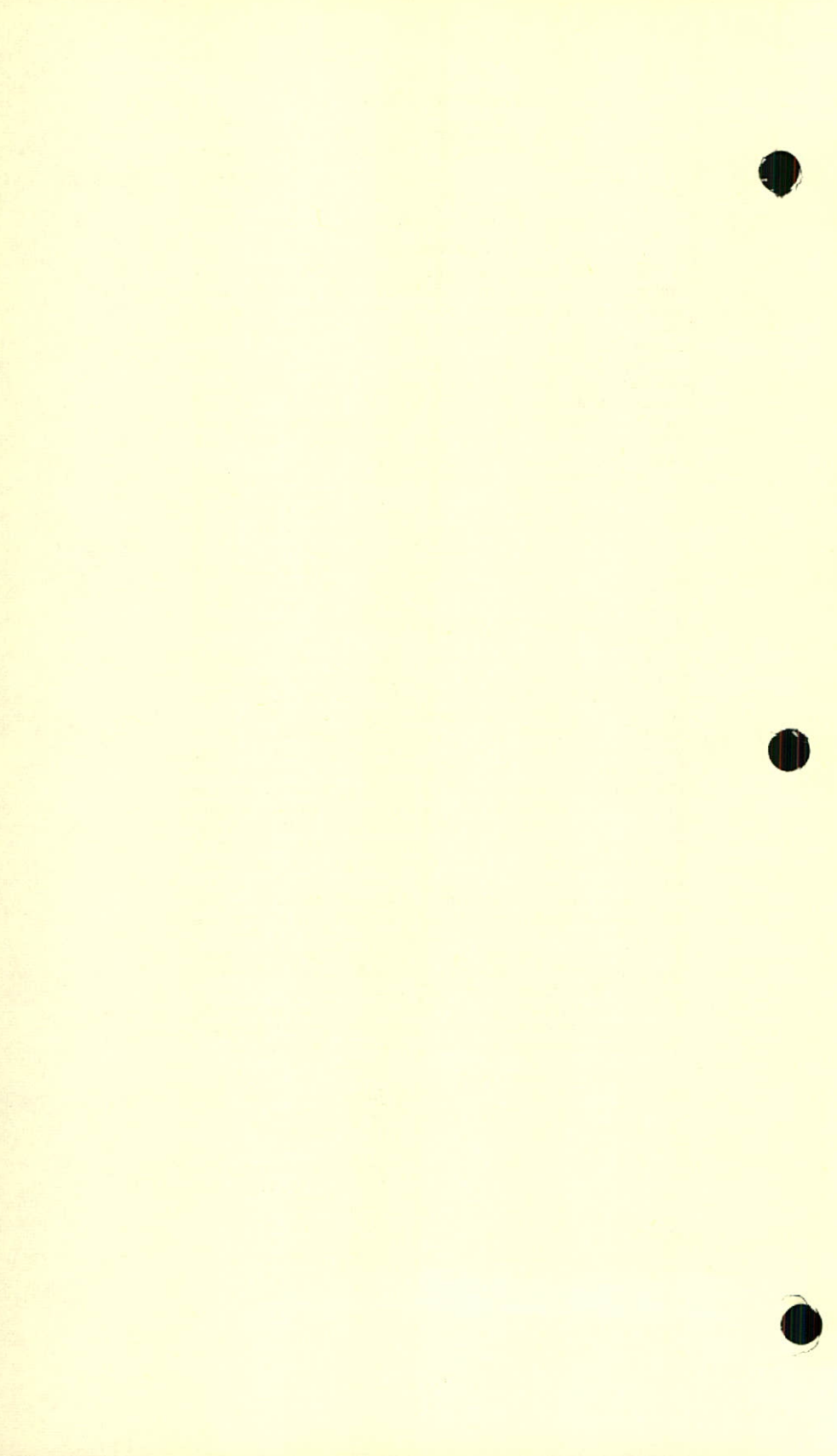
The members of the three Wheat Pools have reason for satisfaction. They have built co-operative enterprises of which they can be proud. Constant vigilance is the first requisite of the members in maintaining the efficiency of these businesses and to provide extended services for their benefit. The second is to unify these resources and harmonize their efforts so that these co-operatives become an instrument through which programs can be designed for the protection of the farmer as owner of his land.

Respectfully submitted,

Executive

{ JOHN H. WESSON  
W. J. PARKER  
G. L. HARROLD

THOS. G. BOBIER  
CHARLES W. GIBBINGS  
W. J. BLAIR  
NELSON MALM  
H. B. SNEATH  
G. G. JAMIESON





**CANADIAN POOL AGENCIES LIMITED**  
**DIRECTORS' REPORT**  
**1959-1960**

September 30, 1960.

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

Gentlemen:

This Agency has completed its thirty-second year of operations, and we present herewith for your approval the Annual Report and Financial Statements for the year ended July 31, 1960.

The surplus produced was \$99,725.47 out of which the sum of \$483.62 was provided for income tax, leaving \$99,241.85 available for payment of patronage dividends. This compares with \$93,932.86 last year.

The earnings vary from year to year and to some extent depend on the price and volume of grain stored at the terminals, however with the acquiring of new properties by the parent organizations this year the extra insurance has helped to increase the earnings. On business handled by this Agency and placed with various insurance companies, other than Pool Insurance Company, we receive commissions which provide the bulk of our income. While it is important that the maximum commissions are secured and a surplus on operations produced, it must be mentioned that many services provided are not actually reflected in the year's surplus. At all times we endeavour to obtain lower premium charges for the parent organizations having in mind, of course, the stability of the company with whom we place the business. In this regard we have secured some reductions in rates this year.

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

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

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

**BALANCE SHEET**

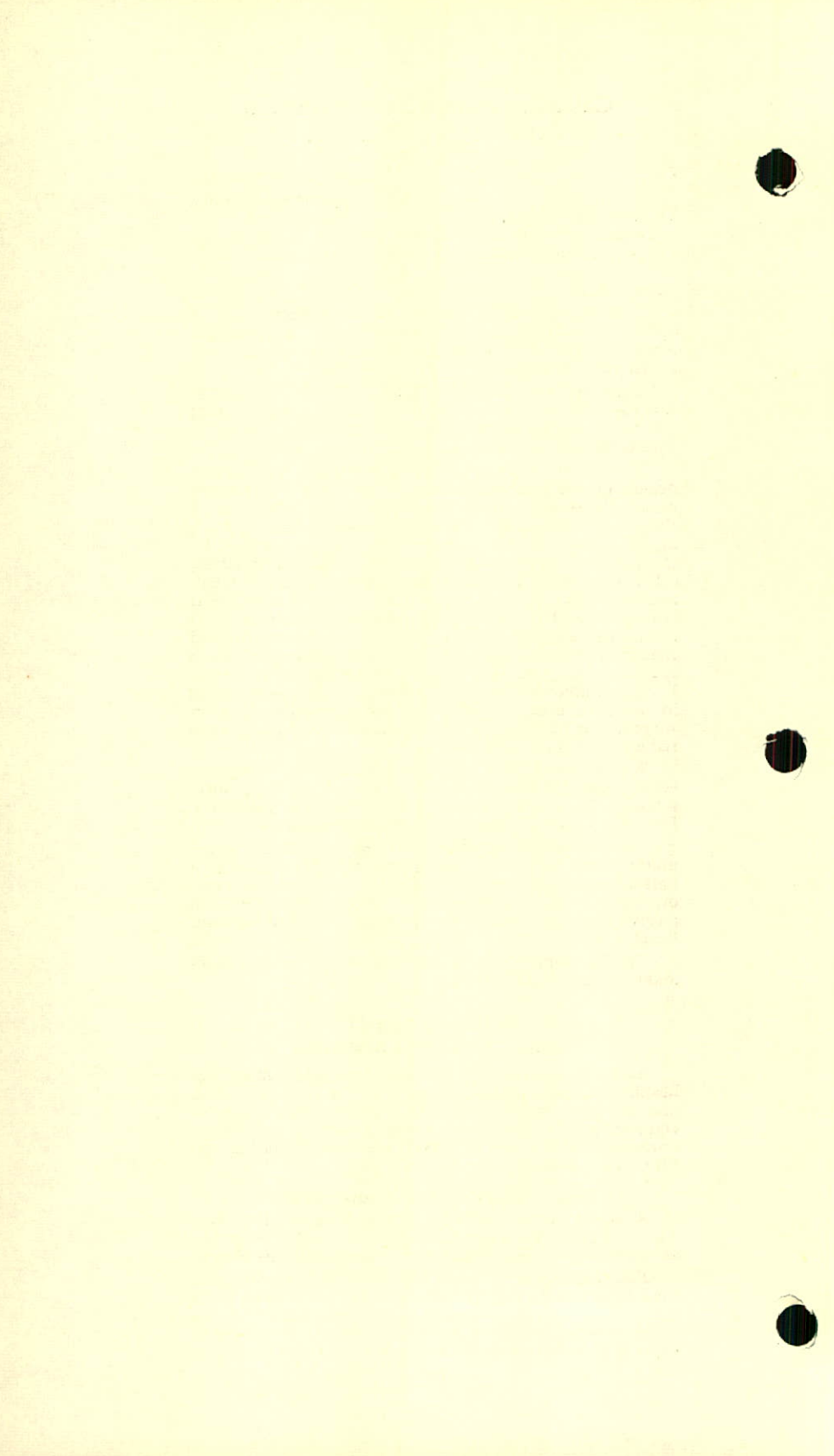
**Agency Assets and Liabilities**

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

**Shareholders' and Patrons' Assets**

*Accounts Receivable:* The amount shown as "Due from Agency Funds" consists of the sum previously referred to as payable to General Funds out of Agency Trust Funds.

*Pool Insurance Company Account:* This Agency and Pool Insurance Company are operated by the same management and staff, and the salaries of the office employees are split between both organizations, as are other items of expense that are not definitely applicable to either organ-



ization. The amount of \$11,908.29 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 the year end.

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

*Capital Stock:* The ownership of the capital stock of the Company is held by the Provincial Pool Organizations as follows:

	<i>No of Shares</i>	<i>Value</i>
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
	<u>2,000</u>	<u>\$20,000.00</u>

### INCOME AND EXPENDITURE STATEMENT

*Income:* This statement sets out the commissions received on the different types of insurance, less brokerage paid.

*Expenses:* The various expense items are clearly set out in the statement and represent net figures after charging Pool Insurance Company 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  
G. L. HARROLD

THOS. G. BOBIER  
G. G. JAMIESON  
H. B. SNEATH  
CHARLES W. GIBBINGS  
W. J. BLAIR  
NELSON MALM





POOL INSURANCE COMPANY  
DIRECTORS' REPORT  
1959-1960

Winnipeg, Manitoba,  
23rd February, 1960.

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

Gentlemen:

This is the twenty-first Annual Report of your Insurance Company and we take pleasure in submitting herewith, for your approval, the Financial Statements for the year ended 31st December 1959. The results for the year show a surplus of \$833,259.19 as compared with \$780,027.69 last year. The loss ratio this year was 30.64% as compared with 30.18% the previous year.

We transferred \$15,000.00 to Capital Surplus Account and set up the usual capital stock dividend as required by the Company's Charter together with an amount for income tax of \$3,927.64. These deductions from the surplus left a balance of \$814,329.70 for allocation to the policyholders on the basis of their contribution to this surplus.

The total premium income amounted to \$1,427,387.95 as compared with \$1,344,230.18 last year. After reinsuring 50% of all our risks with the exception of dwellings the net earned premium income was \$712,187.74 as compared with \$673,921.08.

The losses and adjustment expenses amounted to \$436,379.42; the Company's share being \$218,189.71. Four country elevators and their contents were totally destroyed at the following locations:

In Alberta —Hobbema  
In Manitoba —Carman and Grandview "B"  
In Saskatchewan—Shipman

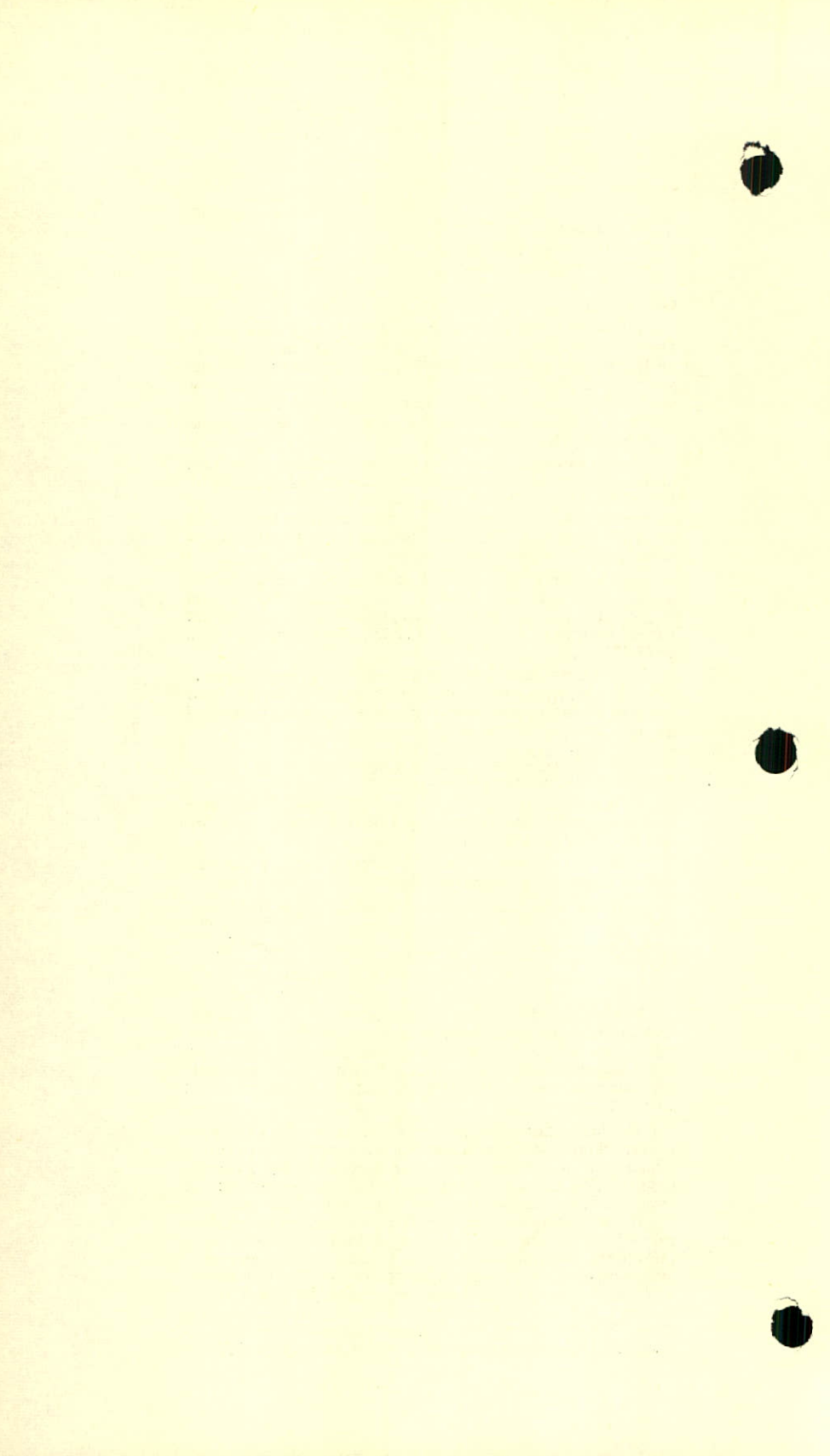
In addition to these total losses 27 small losses were sustained at elevators; seven by fire and twenty by wind-storm. There were no dwelling losses.

The value of the property insured increased fourteen million from last year and we list the figures hereunder:

Country Elevators.....	\$ 83,228,315.00
Grain.....	144,830,197.00
Dwellings.....	8,117,210.00
Miscellaneous.....	4,023,985.00
	<hr/>
	\$240,199,707.00

The total underwriting revenue shown on the statement of Income and Expenditure is made up of the earned premiums on our percentage of the risks plus commission on the reinsurance, less losses. Interest earned on investments and temporary loans to the Parent Organizations amounted to \$35,738.02.

The 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 the cost of this service is the largest item of expense. It is believed that the inspection of the elevators by these inspectors and the fire prevention inspections carried on by the agents helps to keep our losses to a minimum. In addition to this effort we periodically send out pamphlets to the elevator agents on fire prevention and thereby keep fire prevention suggestions before them. Support is received from the Parent Organizations along these lines by having their Superintendents make inspections, and by the sending out of circulars emphasizing the



need to be aware of fire hazards and have them removed. All of this effort is well supported by the various interests concerned.

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

The following comments relative to the Balance Sheet are submitted for your information:

## **ASSETS**

### **Cash in Bank**

Under this heading the current bank account is 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 the agency on inter-office account; also amounts due from a reinsurer.

### **Investments**

Our investment portfolio consists entirely of Government of Canada Bonds and in this regard we purchased \$100,000.00 of 5  $\frac{1}{2}$ % Bonds in October, coming due in 1962. As there will be fluctuations over the years we take advantage of switching when there is a capital gain, and on the other hand we hope to be in the position of being able to hold 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**

Two new automobiles were purchased during the year and after allowing depreciation on this account of \$2,220.27 the asset covering four automobiles is shown as \$5,180.63. These automobiles are used by the fire inspectors.

## **LIABILITIES**

### **Current Liabilities**

Premiums due the reinsurance companies are shown. Losses in process consist of the Company's net share of losses for which adjuster's reports have not been received. The item covering taxes accrued represents premium tax, income tax and fire prevention taxes due to the Federal and Provincial Governments.

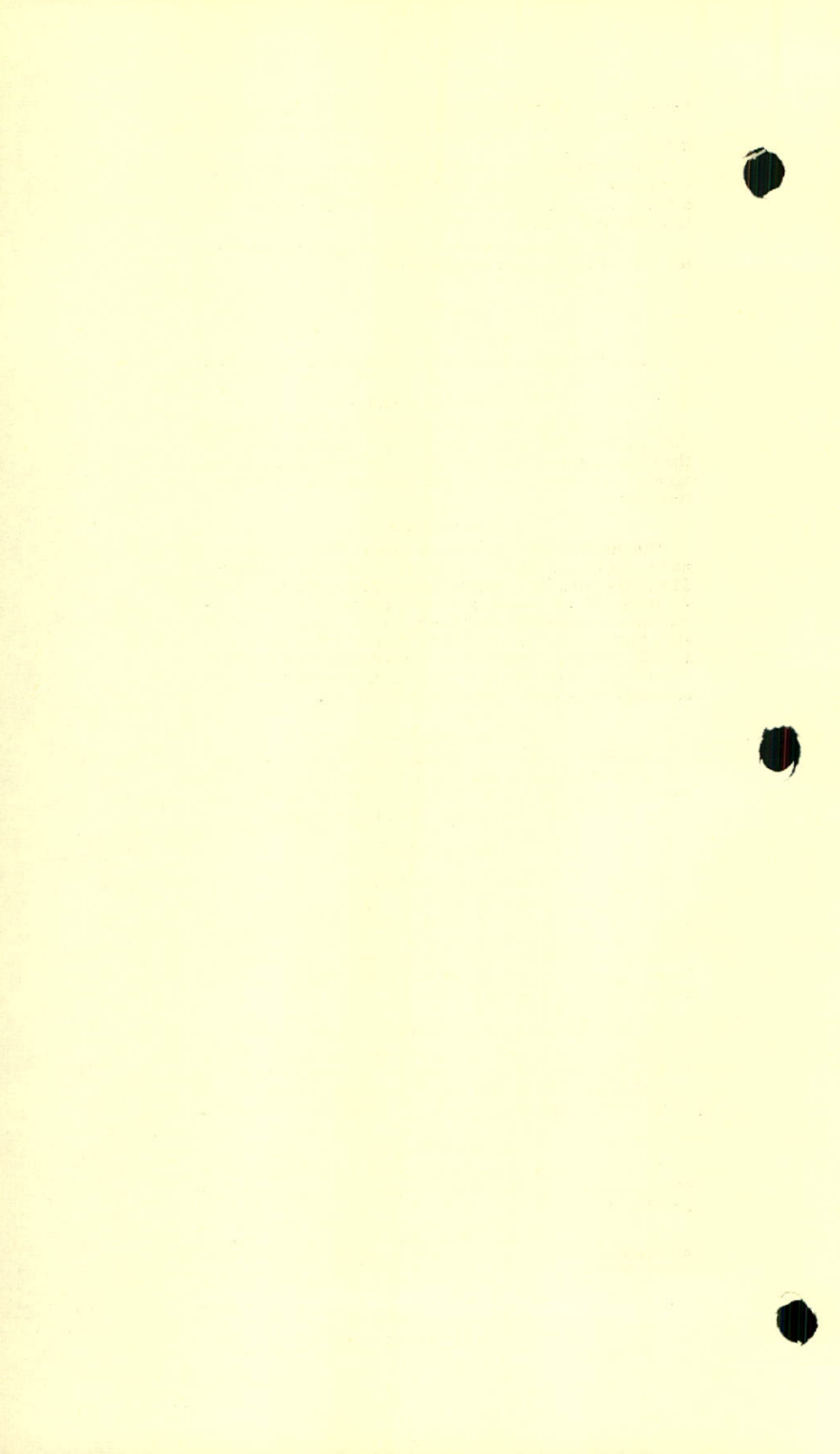
### **Reserve for Unearned Income**

These reserves are calculated on the basis of one hundred per cent of the unearned premiums on our own retention and one hundred per cent of the unearned portion of the reinsurance commissions as at 31st December 1959.

### **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.

Once again we wish to express the thanks of the Directors for the support and co-operation given to the Company by the parent organizations, managements and staff.

Respectfully submitted,

*Executive* { JOHN H. WESSON  
W. J. PARKER  
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