

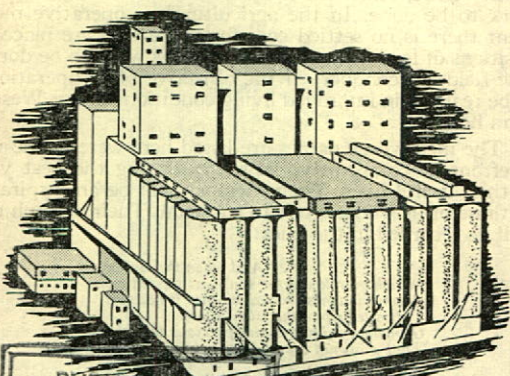
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**SASKATCHEWAN
CO-OPERATIVE PRODUCERS
LIMITED**

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TWENTY-SEVENTH

*Annual
Report*



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**SASKATCHEWAN CO-OPERATIVE
PRODUCERS LIMITED**

Directors' Report

Regina, Saskatchewan,
6th November 1951.

IN MEMORIAM

This year Saskatchewan Co-operative Producers Limited has completed twenty-seven years of co-operative service on an ever widening scale, to the organized farmers of Saskatchewan.

With the passage of time it is inevitable that there should pass from our midst an increasing number of those pioneers who helped lay the foundation and raise the structure of the co-operative movement in this Province.

It is with deep regret that your Board of Directors place on record the great loss sustained in the passing of a number of men who played an active part in the earlier days of this Organization and who continued to maintain a keen interest in its welfare to the very end.

These include Mr. Garnet B. Elliott of Fife Lake, who served as a delegate in district 2 from November 1924, until his retirement in November 1933.

Mr. J. D. Roberts of Morse, who represented a sub-district in district 5 from 1926 until his retirement in 1937.

Mr. George H. Herbert of Quill Lake, who represented a sub-district in district 14 from November 1939 to 1942.

Mr. Frank Kemp of Mortlach, who acted as a delegate in district 5 from 1939 until his retirement last year.

All of these men had a record of splendid service to their community. All of them gave liberally of their time and energy to the development of the co-operative movement and to the building of the Pool Organization in Saskatchewan. They have passed on, some of them in the prime of life, still with the vision before them, still with work to be done. In the agricultural co-operative movement there is no settled ease for those who are placed in positions of leadership—there is always work to be done—new fields to conquer—if the objective of co-operation is to be realized in improved living conditions in our Western farm homes.

The men whose names are listed here were in the very forefront of co-operative advances during the best years of their useful lives. Their memory will be an inspiration to those of us who are left to carry on. Their epitaph may well be recorded in the lines:

*"And when the stream
Which overflowed the soul was passed away
A consciousness remained that it had left,
Deposited upon the silent shore
Of memory, images and precious thoughts
That shall not die and cannot be destroyed."*

* * *

As in former years, in submitting their annual report to this Twenty-seventh Annual Meeting of Wheat Pool Delegates, your Directors have endeavoured to present a complete review of the operations of the Saskatchewan Wheat Pool organization for the year ended 31st July 1951.

The report outlines in detail the operations of the parent company, all Pool subsidiaries, as well as those interprovincial activities which your organization carries on in conjunction with the sister organizations in Manitoba and Alberta.

Consolidated Balance Sheet

A copy of the Consolidated Balance Sheet, Statement No. 1, is attached to this report. This statement sets out the combined financial position of Saskatchewan Co-operative Producers Limited, Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, Modern Press Limited, and Saskatchewan Co-operative Livestock Producers Limited as at 31st July 1951. The usual explanatory notes on the principal items of the Balance Sheet are also attached for the information of delegates.

As at 31st July 1951, total current assets for the entire Pool organization amounted to \$58,562,096.04. Total current liabilities amounted to \$53,772,582.75. The difference between these two items, namely \$4,789,513.29, represents the current position of the organization at the end of the year.

It will be noted that provision has been made in the Consolidated Balance Sheet for an item of capital commitments in respect of terminal facilities and machinery under purchase and buildings and work under construction estimated at \$753,000.00. After making provision for these items a balance of \$4,036,513.29 remains available for working capital for the season 1951-1952. This compares with \$4,286,726.55 at 31st July 1950, and \$3,071,735.95 at 31st July 1949.

Fixed Assets

Statement No. 1A attached to this report shows in detail the cost, the depreciation reserve set up against each item and the net value of all Pool fixed assets as at 31st July 1951.

The total original cost is shown as \$40,850,727.04. Over the years, depreciation has been provided to the extent of \$23,090,508.84, leaving the net value of fixed assets of the Company at the end of the last fiscal year \$17,760,218.20. This compares with a net value of \$17,582,866.55 a year ago.

Consolidated Capital Statement

Statement No. 2 sets out in detail the current financial position of the organization at 31st July 1951. After providing for the completion of certain buildings and work under construction and machinery under purchase, and also for certain estimated capital expenditures in connection with the purchase of Pool Terminal No. 5, amounting in total to \$753,000.00, as already indicated the surplus available for working capital for the season 1951-1952 is \$4,036,513.29, as compared with \$4,286,726.55 at the end of the previous year. The decrease of \$250,213.26 is accounted for as follows:

Deductions

Capital Expenditures on Fixed Assets.....	\$1,902,136.59
Capital Commitments at 31st July 1951.....\$753,000.00	
Less	
Capital Commitments at 31st July 1951 350,000.00	403,000.00
	\$2,305,136.59
Less	
Gross Amount of Disposals.....\$331,958.31	
Depreciation Reserve on Disposals..... 208,794.54	123,163.77
Net Capital Expenditures.....	\$2,181,972.82
Increase in Stocks of Repair Parts and Supplies.....	53,377.62
Increase in Investments.....	814.30
Decrease in Deferred Credit to Reserve.....	4,032.88
	\$2,240,197.62

Additions

Surplus Earnings

Sask. Co-op Livestock Producers Limited, Transferred to Reserve Account.....	\$ 20,120.24	
Sask. Pool Elevators Limited, transferred to Reserve Account....	77,705.31	\$ 97,825.55
Additions to Reserve Accounts.....		23,892.79
Capital Subscribed....		869.00

Liquidation of Capital

Depreciation on Fixed Assets.....	\$1,836,453.20	
Deferred Accounts Receivable.....	30,943.82	1,867,397.02
		<u>1,989,984.36</u>
Decrease in Working Capital.....		<u>\$ 250,213.26</u>

All capital expenditures to 31st July are provided for in the foregoing statement, including the program of country elevator and cottage construction and capital replacement for Saskatchewan Pool Elevators Limited, as well as sundry capital purchases of machinery for Saskatchewan Co-operative Producers Limited, Modern Press Limited and Terminal Elevators. There is also included the sum of \$250,000.00 representing the initial payment on the purchase price of Pool Terminal No. 5 at Fort William.

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

Statement No. 3 attached hereto sets out in detail the composition of surplus capital as at 31st July 1951. Various items of this statement are largely self-explanatory. It will be noted that the commercial reserve fund is in liquid form to the extent of \$1,624,682.51, an increase of \$52,932.50 over the previous year. This increase is accounted for as a result of the liquidation of fixed assets and deferred accounts receivable of Saskatchewan Co-operative Producers Limited and Saskatchewan Co-operative Livestock Producers Limited and the liquidation of fixed assets of Modern Press Limited.

The reserve account is in liquid form to the extent of \$2,411,830.78, a decrease of \$303,145.76 from the previous season. The elevator deductions and capital receipts are non-liquid. The net decrease in the liquid position of the reserve account is due mainly to the increase in capital expended on fixed assets and stocks of repair parts of Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited, less a small reduction in deferred accounts receivable. The balance in liquid form belongs to the Elevator Company, as the reserve account of the Livestock organization has been applied on fixed assets with the exception of the sum of \$11,850.28, the amount retained by Canadian Livestock Co-operative (Western) Limited in its equity account.

The decrease in working capital represents a total of new and contemplated capital expenditures in excess of capital funds liquidated by way of depreciation, reduction in deferred accounts receivable, additions to reserve accounts and new capital.

Statement of Assets and Growers' Equity as at 31st July 1951

As set out in the Consolidated Balance Sheet, the financial position may be summarized as follows:

Total Current Assets.....	\$58,562,096.04
Total Current Liabilities.....	53,772,582.75
Working Capital—subject to Capital Commitments already referred to.....	\$ 4,789,513.29
Other Assets.....	18,571,041.62
	<u>\$23,360,554.91</u>
Less	
Reserves for Unearned Subscriptions, Modern Press Limited.....	10,000.00
Deferred Credit to Reserve.....	978.35
Total Net Assets representing Members' Equity.....	<u><u>\$23,349,576.56</u></u>

The direct investment of shareholders in the assets of the organization is made up as follows:

Capital (Membership Fees).....	\$ 139,036.00
Elevator Deductions.....	12,188,060.07
Commercial Reserves.....	6,567,851.17
	<u><u>\$18,894,947.24</u></u>

Total Grain Handled

Statement No. 4 attached to this report shows the total volume of grain handled by Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited for the period 1924 to 1951, inclusive.

Distribution of Net Earnings

Statement No. 5 attached hereto sets out the total amount of net earnings and the distribution of the earnings of Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited from 1st August 1925 to 31st July 1951.

Pool delegates will recall that the total amount of elevator and commercial reserve deductions, which constituted the only capital of the Pool organization, amounted to approximately \$18,750,000.00. According to Statement No. 5 a total of \$13,041,986.37 has been returned to growers during this period, in cash as patronage dividends, while an additional sum of \$8,786,418.35 has been used to purchase deductions for credit to growers on a patronage basis.

These two items, representing the amount of patronage dividends declared either as cash or credit, are over 3 million dollars in excess of the total amount of the original elevator and commercial reserve deductions.

In addition to this, there is available for distribution from the operations of the organization for the year under review, an additional amount of over \$3,800,000.00.

Saskatchewan Co-operative Producers Limited

A complete copy of the Financial Statements of Saskatchewan Co-operative Producers Limited, together with the Auditors' Report covering last year's operations, has been submitted separately to the delegates.

Balance Sheet

The Balance Sheet for the year ended 31st July 1951 appears as Statement No. 1, Page 10, of the Auditors' Report. Explanations of most of the items appearing in the Balance Sheet have already been given in the report covering the Consolidated Balance Sheet.

Income and Expenses

Details of income and expenses for the year ended 31st July 1951 appear in Statements No. 2 and 2A, Pages 11, 12 and 13 of the Auditors' Report. Ordinary income amounted to \$584,973.23, while operating expenses

totalled \$591,535.20, resulting in an operating deficit of \$6,561.97, less a profit on realization of assets of \$6,337.13, leaving a net loss of \$224.84.

In addition to ordinary income, the Company received from Saskatchewan Pool Elevators Limited an amount of \$154,246.04. This amount has been allocated as follows:

1. Amount necessary to meet the loss on operations of Modern Press Limited.....	\$154,021.20
2. Amount of deficit on the ordinary operations of the Company.....	224.84
Total.....	\$154,246.04



Saskatchewan Pool Elevators Limited

Financial Statements

The Financial Statements and Auditors' Report of Saskatchewan Pool Elevators Limited submitted separately to delegates show in detail the results of the operations of the past season and also the financial position of the Company as at 31st July 1951.

The Balance Sheet shows total current assets of \$54,789,132.41 and current liabilities of \$51,575,244.79. The difference between these two items, namely \$3,213,887.62, represents the current position of the Company. Provision has been made in the Balance Sheet for capital commitments in respect of terminal facilities, machinery under purchase and buildings and work under construction, estimated at \$705,000.00.

Details of elevator earnings are shown in Statement No. 2, Page 43 of the Auditors' Report, while Statement No. 2A, Page 44, sets out the details of expenses. These statements show a total operating revenue of \$13,067,-149.70 with operating expenses amounting to \$8,748,350.04. The difference between these two items, namely \$4,318,-799.66, represents operating earnings for the year under review.

After deducting depreciation amounting to \$696,-593.64, the operating earnings of Saskatchewan Pool Elevators Limited are shown as \$3,622,206.02.

Elevator Capacity

Delegates will recall that the end of the financial year comes at a time when the construction of new facilities is in progress. The following figures show the number of elevators, annexes, etc., and capacities as at 31st July 1951:

	Capacity (Bushels)
1,168 country elevators.....	38,692,000
123 cribbed annexes.....	2,836,000
55 permanent frame annexes.....	1,838,000
86 semi-permanent frame annexes.....	3,220,000
Total permanent capacity as at 31st July 1951.....	46,586,000
782 temporary annexes.....	17,378,000
Total country elevator capacity all elevators and annexes.....	63,964,000

It should be noted that when the projected construction program has been completed in December, the total country elevator storage capacity will be approximately 66,266,000 bushels.

Grain Handlings

The following statement shows the volume of grain handled through Pool country elevators and over loading platforms for the year under review, as compared with the preceding seasons:

	1950-1951 (Bushels)	1949-1950 (Bushels)
Grain handled through Elevators.....	145,598,040	122,918,069
Grain shipped over Platform.....	174,821	90,557
Total Handlings.....	145,772,861	123,008,626
Average handled per elevator.....	125,192	114,025
Percentage handled of Total Deliveries in Saskatchewan.....	48.09%	51.43%

The foregoing percentages are based on figures provided by the Board of Grain Commissioners for Canada. It should be noted that during the period 15th September 1950 to 31st July 1951, from 200 to 400 Pool country elevators were badly congested and unable to receive all grain offered.

In addition to grain handled through country elevators and over loading platforms, there was delivered directly to the mill elevator at Saskatoon a total of 227,575 bushels, made up as follows:

Wheat.....	181,461 bushels
Oats.....	21,411 bushels
Barley.....	11,342 bushels
Flax.....	13,361 bushels
Total.....	227,575 bushels

The following preliminary figures provide a comparison of primary grain marketings in Saskatchewan for season 1950-1951 with those of season 1949-1950:

Total Primary Receipts at Country Elevators in Saskatchewan during Grain Years 1950-1951 and 1949-1950

	1950-1951 (Bushels)	1949-1950 (Bushels)
Wheat.....	222,333,000	172,427,000
Coarse Grains.....	80,450,000	66,591,000
Total.....	302,783,000	239,018,000

Handled by Saskatchewan Pool Elevators Limited

Wheat.....	107,070,000	89,493,000
Coarse Grains.....	38,528,000	33,425,000
Total.....	145,598,000	122,918,000
Pool Elevator Share.....	48.09%	51.43%

Grading Statements

The grading record for the year indicates a net gain in grades amounting to \$64,023.00 or \$1.05 per car on 60,988 cars inspected, as compared with a loss of \$145,592.00 or \$2.23 per car in the previous year.

Weigh-ups

Owing to heavy stocks in country elevators and annexes throughout the entire season, a complete weigh-up of stocks was completed at about 50% of our elevators.

Insurance

Due to steadily increasing prices for all materials used in construction and to conform with conditions in the insurance coverage, the insurance on country elevators and annexes was increased in June by 6% of the then existing insured values. Since 1940 insurance on country elevators has been increased by slightly more than 100% of the 1940 coverage.

Total claims for loss of buildings and grain amounted to \$132,052.52, compared with \$127,739.67 in the previous year. The loss ratio on buildings was 27.11% and on grain 28.89%. The over-all loss ratio on buildings and grain worked out at 28.28% of the premiums paid.

Shipping and Export Department

During the period under review total sales of grain in all positions amounted to 8,021,192 bushels, compared with 13,663,759 bushels in the previous year. Quantities of each kind of grain sold with comparative figures for the previous year are as follows:

	1950-1951 (Bushels)	1949-1950 (Bushels)
Wheat.....	5,998,727	6,525,991
Oats.....	1,325,689	5,637,324
Barley.....	399,275	1,447,004
Flax.....	1,414	170
Rye.....	296,087	53,270
Total.....	8,021,192	13,663,759
Screenings (tons).....	3,701	7,083

Carlot shipments for all grains for the domestic market during season 1950-1951 were 961 as compared with 1,700 for the previous year.

Churchill

At the beginning of the 1951 shipping season stocks of wheat in store at Churchill amounted to 460,556 bushels. During the season there was shipped to Churchill an estimated total of 8,202,872 bushels. Of this amount Saskatchewan Pool Elevators Limited shipped 4,335,726 bushels, representing 52.856% of the total. Stocks available for shipment during the 1951 season amounted to 8,663,428

bushels. This compared with a total of 7,226,263 bushels in the 1950 season.

The total amount of wheat actually exported from Churchill during the 1951 season was 7,278,443 bushels. Of this total the amount allocated to the Export Department of Saskatchewan Pool Elevators Limited was 2,043,585 bushels, or 28.077%. Altogether 21 cargoes were shipped from the northern port in the 1951 shipping season, as against 20 in the previous year. The balance of wheat left in store at the close of the shipping season is estimated at 1,384,985 bushels.

The following statement shows the vessel clearances from Churchill for the 1951 shipping season:

Vessel	Date Cleared	Destination	Cargo (Bushels)
"Warkworth".....	Aug. 11, 1951	U.K. for orders.....	346,841
"Harold T. Andrews".....	Aug. 14, 1951	U.K. for orders.....	347,244
"Essex Trader".....	Aug. 16, 1951	U.K. for orders.....	349,440
"Begonia".....	Aug. 21, 1951	Eire.....	262,600
"Charles L. D.".....	Aug. 28, 1951	—	316,000
"La Sierra".....	Aug. 31, 1951	—	335,700
"John Lyras".....	Aug. 31, 1951	—	352,800
"Richard D. Lyon".....	Sept. 2, 1951	—	352,800
"Italmare".....	Sept. 7, 1951	—	352,800
"Corallo".....	Sept. 8, 1951	—	352,800
"Derryheen".....	Sept. 10, 1951	U.K. for orders.....	317,333
"Clintonia".....	Sept. 11, 1951	—	340,181
"North Anglia".....	Sept. 13, 1951	U.K. for orders.....	350,000
"St. Spero".....	Sept. 15, 1951	—	380,800
"Italsole".....	Sept. 18, 1951	—	352,800
"Neuva Fortuna".....	Sept. 21, 1951	—	373,333
"San Jorge".....	Sept. 25, 1951	U.K. for orders.....	377,200
"Essex Trader".....	Sept. 28, 1951	U.K. for orders.....	346,000
"Harold T. Andrews".....	Sept. 29, 1951	—	369,600
"John Lyras".....	Oct. 1, 1951	U.K. for orders.....	368,000
"Warkworth".....	Oct. 3, 1951	U.K. for orders.....	334,170
Total.....			7,278,443

It will be noted that during the 1951 shipping season, four vessels were able to make two voyages to Churchill, as compared with eight vessels in the 1950 season.

Seed Grain Distribution

Our arrangement with Saskatchewan Seed Grain Co-operative Limited, Moose Jaw, for filling orders for high quality seed grain, continued during the crop year 1950-1951. Under this plan it is unnecessary for the Company to acquire or carry large stocks of seed, as was the case in former seasons. As orders are secured, they are passed on to Saskatchewan Seed Grain Co-operative Limited. Shipment is made directly from their stocks and invoiced to us. The amount of the various seed grains handled for the year under review, as compared with the previous season, was as follows:

	1950-1951 (Bushels)	1949-1950 (Bushels)
Wheat.....	76,157	80,606
Oats.....	28,032	17,836
Barley.....	8,861	5,768
Flax.....	2,244	760
Total—All Grains.....	115,294	104,970

The value of the seed grain sold in the past two seasons was as follows:

Seed Orders.....	\$288,227.31	\$245,120.85
Prepaid Freight.....	4,647.86	4,226.27
Total.....	\$292,875.17	\$249,347.12

Saskatchewan Wheat Pool Construction Company Limited

Activities of this Company for the season 1951 included the following:

Elevator Repairs

A program of repairs and improvements to elevators and annexes (both permanent and temporary) was authorized by the Board of Directors early this year in the amount of \$643,682.00. This figure was adjusted upward at intervals during the season as supplementary repairs became necessary, bringing the total estimated cost of approved repairs to \$697,406.00. Of this total only about 56%, or \$389,837.82, had been spent as at 31st July 1951. This sum was divided as follows:

Elevators and Permanent Annexes.....	\$357,622.62
Repainting of Elevators and Annexes.....	26,043.51
Temporary Annex Repairs.....	6,171.69
Total.....	\$389,837.82

Major replacements of machinery and equipment completed at 31st July 1951 included:

Scale Conversions.....	11	Engines Installed.....	15
Scale Beams raised to 15-ton. 3		Engines Transferred.....	9
Air Dumps Installed.....	2	Engine Houses Rebuilt.....	8
Boot Tank Installed.....	1	Engine Houses Remodelled....	3

One hundred and eight elevators and twenty-five annexes were repainted.

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

Demolition and Reconstruction of Elevators

A total of five projects was authorized and completed at the following points:

Lampman	a 35,000 bushel elevator was built adjacent to the existing elevator, which was then converted to an annex.
Waldheim	rebuilt to 35,000 bushels.
Davis	rebuilt to 35,000 bushels on new site.
Stockholm	rebuilt to 35,000 bushels, plus construction of 40,000 bushel semi-permanent frame annex.
Francis	a 35,000 bushel elevator was built adjacent to the existing elevator which was then converted to an annex.

Replacement of Burned Elevators

Complete losses of plant were suffered at Paynton (30,000 bushels) and Openshaw (35,000 bushels). At Paynton the Federal Grain Company plant was purchased. This consisted of a 23,000 bushel elevator and a 24,000 bushel permanent cribbed annex.

No steps have been taken to replace the burned plant at Openshaw.

New Elevators

No elevators were built at new sidings during the year.

Cost of Elevators

Building costs are approximately 10% higher than one year ago. Thus, a 35,000 bushel elevator now costs \$34,000.00 (no cleaner); a 75,000 bushel elevator now costs \$52,000.00 (no cleaner); and a 100,000 bushel elevator is estimated to cost \$60,000.00 (no cleaner).

Expenditures on Expansion and Maintenance of Elevator System

During the year your Board approved expenditures totalling \$2,151,079.90 for the expansion and maintenance of the Pool country elevator system as follows:

Elevators and Annexes.....	\$1,347,844.52
Agents' Cottages.....	90,599.40
Total Capital Expenditures Approved.....	\$1,438,443.92
Repairs and Maintenance.....	712,635.98
	<u>\$2,151,079.90</u>

As indicated above, the total amount appropriated for elevators and annexes was \$1,347,844.52 of which \$341,-115.90 was capitalized as at 31st July 1951, \$712,728.62 was expended on projects not completed, leaving a balance at that date of \$294,000.00 to be expended on the 1951 country elevator program.

New Annexes

Approvals were granted by the Board of Directors as follows:

August 1950—20 annexes (these were completed by December 1950
October 1950—20 annexes (for 1951 construction season).
January 1951—40 annexes (for 1951 construction season).
May 1951—40 annexes (for 1951 construction season, but to be charged against 1951-1952 operations).

As at 31st July 1951, a total of 33 units had been completed. It is hoped to complete the full program of 100 annexes by 15th December 1951. It should be noted that in a number of cases it has been necessary to remove and rebuild temporary annexes to make room for the new more permanent type and this additional work has slowed the rate of construction somewhat.

In addition to the annexes being constructed, the department has moved into position 13 second elevators which enables them to be used as permanent annexes.

Annexes have been allocated to the following stations:

<i>Permanent Frame</i>	<i>(bushels)</i>	<i>Permanent Frame</i>	<i>(bushels)</i>
Biggar "B".....	30,000	Nora.....	30,000
Cando.....	30,000	Parkside.....	30,000
Codette.....	30,000	Sheho.....	30,000
Dafoe.....	30,000	Snowden.....	30,000
Fairy Glen.....	34,000	Southey "A".....	30,000
Fleming.....	34,000	Sylvania.....	34,000
Furness.....	30,000	Weirdale.....	40,000
Hinchliffe.....	34,000	Whitewood.....	34,000
Maryfield.....	40,000	Wilkie.....	30,000
Mervin.....	30,000	Winro.....	30,000
Muenster.....	31,000		

<i>Permanent Crib</i>	<i>(bushels)</i>
Colonsay.....	45,000
Prince Albert.....	40,000
Saltcoats.....	50,000

<i>Semi-Permanent Frame</i>	<i>(bushels)</i>
Alida.....	35,000
Arelee.....	35,000
Bangor.....	35,000
Bankend.....	40,000
Benson.....	35,000
Bjorkdale "A".....	40,000
Blaine Lake.....	40,000
Borden "A".....	35,000
Bromhead.....	35,000
Carievale.....	35,000
Candiac.....	35,000
Carrot River "B".....	45,000
Cedoux.....	35,000
Climax.....	35,000
Cutknife.....	40,000
Drinkwater.....	35,000
Eatonia.....	30,000
Estlin.....	40,000
Probisher.....	35,000
Glen Ewen.....	35,000
Handsworth.....	35,000
Hagen.....	40,000
Highgate.....	35,000
Hirsch.....	35,000
Killaly.....	40,000

<i>Semi Permanent Frame</i>	<i>(bushels)</i>
La Fleche.....	35,000
Leroy.....	35,000
Lorlie.....	40,000
Lucky Lake.....	35,000
Macklin.....	35,000
Macoun.....	35,000
Mantario.....	35,000
Marcelin.....	40,000
Marshall.....	35,000
Melaval.....	35,000
Melville.....	35,000
Mikado.....	40,000
Montmartre.....	35,000
Naicam "B".....	35,000
Neilburg.....	35,000
Osage.....	40,000
Outram.....	35,000
Paddockwood.....	35,000
Palmer.....	35,000
Paynton.....	35,000
Pelly.....	35,000
Pense.....	35,000
Pilger.....	40,000
Pleasantdale.....	35,000
Sintaluta.....	35,000

<i>Semi-Permanent Frame (bushels)</i>	
Kronau.....	35,000
Krydor.....	40,000
Kyle.....	35,000
Shell Lake.....	40,000
Speers.....	35,000
Spiritwood.....	40,000
Stockholm (added to new elevator).....	40,000
Vanguard.....	40,000
Viscount.....	40,000

<i>Semi-Permanent Frame (bushels)</i>	
Readlyn.....	40,000
Rockglen.....	35,000
Sedley.....	40,000
Whitkow.....	35,000
Wilcox "B".....	40,000
Willows.....	35,000
Woodrow.....	35,000
Wynyard.....	40,000
Zehner.....	35,000

It is anticipated that the average cost will be as follows:

<i>(bushels)</i>	
Permanent Frame.....	30,000
Permanent Frame.....	34,000
Permanent Frame.....	40,000
Semi-Permanent Frame.....	35,000
Semi-Permanent Frame.....	40,000
Permanent Cribbed.....	40,000
Permanent Cribbed.....	45,000
Permanent Cribbed.....	50,000

\$10,500.00.....	(3 bin)
11,500.00.....	(4 bin)
12,000.00.....	(4 bin)
9,000.00.....	(2 bin)
9,500.00.....	(2 bin)
12,500.00.....	(6 bin)
15,300.00.....	(8 bin)
16,500.00.....	(8 bin)

Repairs to Agents' Dwellings

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

- (a) Additional rooms;
- (b) Concrete basements—complete or partial;
- (c) General repairs—including painting.

Expenditures in this connection amount to approximately \$29,000.00 (appropriation was \$50,000.00).

New Dwellings

Authorization was granted to build new dwellings at:

Earl Grey.....	6-room dwelling
Leask.....	6-room dwelling
St. Louis.....	6-room dwelling
Thrasher.....	4-room dwelling

Costs are expected to average \$6,400.00 for a 4-room dwelling and \$7,300.00 for a 6-room dwelling, including furnace and electric wiring.

General

Over-all costs of construction show an increase over those obtaining in 1950 (Dominion Bureau of Statistics shows a 10% rise between July 1950 and July 1951).

Lumber has been offered more freely and the price has softened somewhat from the peak of earlier this year. Cement has been difficult to secure from Canadian manufacturers. Sufficient orders were placed last winter to cover the expected program, but several carloads failed to materialize. It became necessary, therefore, to purchase American and British cement at increased prices. Sufficient cement has now been obtained to finish the program.

Engines, scales, dumps, hardware, sheet metal and paint were all ordered in bulk well in advance of the construction season in order to avoid any possible delays. Prices of these items have increased from 10% to 20% over 1950 levels and, of course, increased freight rates and sales taxes have further augmented over-all costs.

The average number of hourly wage workers employed in all branches of work during the period May to November was 263.

Laboratory Service

During the year under review Saskatchewan Pool Elevators Limited continued to provide moisture and germination tests for seed grain as an additional service to Pool members. The following figures show the number

of tests made in the laboratory at Head Office in the past three years:

Year	Germination	Moisture
1950-1951.....	60,530	8,079
1949-1950.....	35,724	1,863
1948-1949.....	34,800	2,042

In addition to these tests, the laboratory also cleaned, weighed and graded a large number of samples of grain for the Junior Co-operative Variety tests.

Smut Tests

The service available to Pool members to have seed grain supplies tested for smut by the Associated Laboratory Services at Saskatoon, was continued during the past year. During the season 12,632 samples were submitted and tests made for Pool members. This compares with 11,798 samples submitted the previous year. Arrangements have been made to continue this service during the current year.

Industrial Division

Vegetable Oil Plant

After providing for depreciation in the amount of \$43,767.67, the operations of the Vegetable Oil Plant for the year ended 31st July 1951 showed an operating loss of \$72,996.98. Included in the expenses of the Plant is an item of \$24,829.19 for rent payable to the Elevator Company.

During the season 1950-1951 the Plant operated 103 $\frac{2}{3}$ days on flax and 32 days on soybeans—a total of 135 $\frac{2}{3}$ days' operations this year, as compared with 81 days last year.

The amount of flax processed last season was 10,884,881 lbs. as compared with 9,076,645 lbs. in season 1949-1950. In addition, a total of 3,134,580 lbs. of soybeans was purchased and processed during the year under review.

Sales of linseed oil to the domestic market totalled 2,746,998 lbs., valued at \$507,199.23. This compares with 2,655,078 lbs., valued at \$441,646.53 a year ago. It will be noted that domestic sales show an increase of 91,920 lbs. During the season under review your Plant supplied approximately 84% of the Western domestic market for linseed oil.

Export sales of linseed oil totalled 368,964 lbs., valued at \$54,616.33, as compared with 453,927 lbs., valued at \$77,363.39 a year ago. Throughout the entire season the export market was highly competitive. Substantial quantities of linseed oil were offered from Argentina and India at prices which the Plant was unable to meet. Much of this trade was also carried on in Sterling.

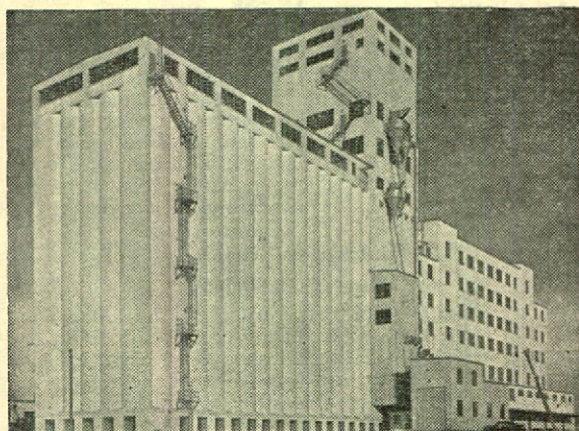
As indicated above, during part of the season the Plant operated on soybeans. Altogether a total of 3,134,580 lbs. of soybeans was processed.

The production of linseed meal for the season amounted to 6,878,350 lbs., and was disposed of entirely on the domestic market, as was 2,648,100 lbs. of soybean meal.

For the current season arrangements have been made to process a substantial quantity of rapeseed, which, it is anticipated, will keep the Plant in operation for from two and one-half to three months in the production of rapeseed oil.

During the year under review the Vegetable Oil Plant sponsored certain experimental plots of safflower and sunflower seeds. The varieties of safflower tested appear to require a longer growing period than is available in central Saskatchewan. A number of varieties were under

test in the University of Saskatchewan trial plots, and it is possible that one of the strains tested there may mature substantially earlier than the others. It is anticipated that further research work will be carried on in this connection. The results secured in the growing of sunflower have apparently been decidedly satisfactory and heavy yields are expected.



Flour Mill

After providing for depreciation of \$162,654.79 and charging rental amounting to \$135,652.96, payable to the Elevator Company, the operations of the Mill showed a loss of \$162,787.32. The total value of flour and mill products sold during the year amounted to \$4,042,808.01. The following statement summarizes the operations of the Flour Mill for season 1950-1951 as compared with season 1949-1950.

	Season 1950-1951	Season 1949-1950	Increase* or Decrease†
Number of days operated.....	295 days, 9 hrs.	269 $\frac{1}{2}$ days	26 days*
Percentage of possible operating time based on 300 day operating year.....	98.3%	89.8%	8.5%*
Total Production.....	365,593 bbls.	323,664 bbls.	41,929 bbls.*
Average daily production.....	1,239 bbls.	1,200 bbls.	39 bbls.*
Sales			
Total Value of Sales.....	\$4,042,808.01	\$3,488,187.65	\$554,620.36*
Total Domestic Sales.....	125,129 bbls.	117,811 bbls.	7,318 bbls.*
Total Export Sales.....	236,805 bbls.	213,623 bbls.	23,182 bbls.*
Total all Sales.....	361,934 bbls.	331,434 bbls.	30,500 bbls.*
Percentage of Domestic Sales.....	34.59%	35.53%	
Percentage of Export Sales.....	65.41%	64.47%	

Flour Sales

Domestic flour sales absorbed the total available production of top patent flour for the period August to November 1950, and from January to March 1951. Sales dropped sharply during the month of December 1950 and also from April to July 1951. In the early part of the season the Mill was unable to take care of the demand for top patent flour. Inability to supply was due to two reasons: first, the production of top patent flour was drastically reduced as a result of the frosted crop and, secondly, there

were periods when sufficient Northern wheat was not available for domestic mixes. A summary of domestic sales for the year ended 31st July 1951 is as follows:

	<i>Barrels</i>
Red Label.....	64,554
Pool.....	30,767
Domestic Bakers.....	21,829
Whole Wheat and Graham.....	1,873
Wheatlets and Granules.....	898
Low Grade.....	5,208
Total.....	125,129

It will be noted that export sales for the year were well maintained. The demand for export flour was very strong during the whole season, and the Mill was able only to supply part of the various agents' requirements. In the course of the year we withdrew from a number of export markets in which flour had been sold the previous year. This withdrawal was due in large measure to the competitive price structure and in some cases the impossibility of giving proper service on small flour orders. The Philippine market remains our best outlet and while the volume of sales dropped during the year, this decrease was due entirely to our inability to provide supplies during the fall months of 1950. We are satisfied, however, that once the Mill is in a position to guarantee supplies, this market will be regained.

A summary of export sales of flour from the Mill for the year under review is as follows:

	<i>Barrels</i>
Costa Rica.....	17,346 7/8
Cuba.....	21,224 3/8
Formosa.....	2,551
Great Britain.....	18,928 1/2
Guatemala.....	2,193 7/8
Hong Kong.....	46,056 3/4
Indonesia.....	26,248 3/4
Japan.....	2,551
Philippines.....	85,931 3/8
Venezuela.....	18,290 5/8
Total.....	241,323 1/8

4,516 $\frac{3}{4}$ bbls. booked but not shipped as at 31st July 1951.

Steps are being taken to increase the productive capacity of the Mill, details of which will be submitted to the Annual Meeting.

Saskatchewan Pool Terminals Limited

The Balance Sheet of Saskatchewan Pool Terminals Limited appears as Statement No. 1, Page 57, of the Auditors' Report. The Statement of Earnings and Expenses of this subsidiary for the year ended 31st July 1951 appears as Statements No. 2 and 2A, Pages 58 and 59 of the Auditors' Report.

Total operating revenue amounted to \$4,703,412.18, and operating expenses to \$2,289,909.26, leaving operating earnings of \$2,413,502.92 before providing for depreciation. After deducting depreciation on buildings and equipment amounting to \$826,345.69, the operating earnings of Saskatchewan Pool Terminals Limited are shown as \$1,587,157.23, as compared with \$1,829,817.02 a year ago.

The reduction in net operating earnings is due almost entirely to the reduction in the volume of grain handled as a result of the congestion at the Lakehead over the greater part of the year.

Terminal Elevator Handlings

The total volume of grain handled through Pool Terminals at Port Arthur for the year ended 31st July

1951 amounted to 76,950,407 bushels, as compared with 88,161,705 bushels in the previous season. The following figures show a comparison of the volume handled by Saskatchewan Pool Terminals Limited for the year under review and for the previous year:

	1950-1951 Bushels	1949-1950 Bushels
Terminals No. 4A and 4B.....	38,659,482	41,914,666
Terminal No. 7.....	38,290,925	46,247,039
<i>Totals</i>	<u>76,950,407</u>	<u>88,161,705</u>

Stocks of grain in store in Pool Terminals at 31st July 1951 amounted to 12,475,828 bushels, made up as follows:

	Bushels
Terminals No. 4A and 4B.....	5,757,685
Terminal No. 7.....	6,718,143
<i>Total</i>	<u>12,475,828</u>

At 31st July 1950 the stocks in store in Pool Terminals amounted to 7,203,371 bushels.

Statistics issued by the Board of Grain Commissioners for Canada show 178,112 cars as having been shipped from Western Canada and unloaded at the Lakehead during the 1950-1951 crop year. Of this number, Pool Terminals unloaded 43,402 cars, equal to 24.36% of the total unloads. A total of 21,909 cars was unloaded at Pool Terminals 4A and 4B, representing 12.30% of all Lakehead unloads, and 21,493 cars, equal to 12.06%, were unloaded at Terminal No. 7.

Because of the congestion which existed at Pool Terminals during a large part of the year, a total of 6,263 cars which had originated at Pool country elevators, were diverted to Terminal Elevators operated by other companies, including Manitoba Pool Elevators.

Total outward shipments amounted to 71,454,166 bushels of all grains. This represented a decrease of 12,427,650 bushels from the quantity shipped during the previous year. Of the outward shipments 62,404,186 bushels, or 87.33% were shipped by Lake vessel and 9,049,980 bushels, or 12.67%, by rail.

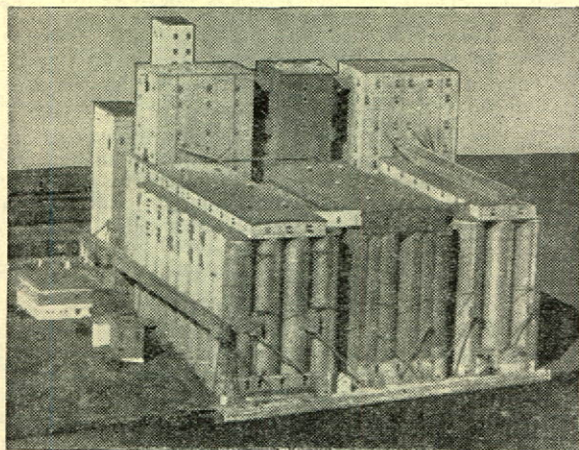
Maintenance

The terminal plants have been maintained in good condition by our own millwrights and electricians, and at the beginning of the present season the terminals were in good shape to handle the maximum amount of business efficiently.

The installation of dust control equipment in Terminal No. 4A, approved a year ago, is now practically completed, waiting only the receipt of the control panels. On the recommendation of our Consulting Engineer, approval has been given to the completion of dust control equipment in the cupola at Terminal No. 4A. This will complete the installation of this type of equipment in the workhouse and track sheds of this elevator. The Board has also arranged to secure a further report on the cost of installing dust control equipment in units in the basements of three storage annexes at Terminal No. 4A.

Pool Terminal No. 5

Since the close of the fiscal year your Board has approved the purchase of the Western Terminal Elevator at Fort William. This elevator has a capacity of slightly over 3 million bushels. The property was taken over on 1st October 1951 and since that date has functioned as



Pool Terminal No. 5

part of Saskatchewan Pool Terminal operations. This terminal will be known as Pool Terminal No. 5.

Summary of Earnings and Expenses—Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited—Grain Division

Statement No. 5, Page 50 of the Auditors' Report, contains a summary of earnings of Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited. The combined operating revenue for the year under review amounted to \$17,770,561.88. Operating expenses for the year totalled \$11,038,259.30. The operating earnings amounted to \$6,732,302.58 before providing depreciation. After deducting depreciation amounting to \$1,522,939.33 the net operating earnings for the year's operations are shown as \$5,209,363.25. This compares with net operating earnings for the previous season of \$3,304,538.36. The following summary shows the position for the year ended 31st July 1951:

Grain Division

Operating Earnings after charging Depreciation.....	\$5,209,363.25
Profit on Realization of Assets.....	6,818.19

\$5,216,181.44

Deduct:

Proportion of Pool Expenses.....	\$230,701.08
1929-1930 Pool Overpayment Expense..	33,352.91
Interest on Elevator Deductions.....	365,641.80

629,695.79

\$4,586,485.65

Industrial Division

Loss on Vegetable Oil Plant Operations....	\$ 72,996.98
Loss on Flour Mill Operations.....	162,787.32

235,784.30

Surplus for the Year..... \$4,350,701.35

Allocation of Earnings

At the last Annual Meeting of Delegates a resolution was passed recommending that in future the distribution of excess charges refund be presented to the Annual Meeting of Delegates as a recommendation so that the delegates could pass, amend or change as they saw fit.

In accordance with the foregoing your Board recommends that the surplus for the year ended 31st July 1951, amounting to \$4,350,701.35, should be allocated as follows:

Share of Earnings to Saskatchewan Co-operative	
Producers Limited.....	\$ 154,246.04
Excess Charges Refund, Season 1950-1951.....	3,808,750.00
Provision for Income Tax (estimated).....	310,000.00
Transferred to Reserve Account.....	77,705.31
Total.....	\$4,350,701.35

Details of the basis on which the item of Excess Charges Refund should be distributed to growers is under consideration by the Board at the time this report is prepared. Further particulars, with recommendations, will be submitted at the time of the Annual Meeting.

Modern Press Limited

Financial Statements

Details of the financial results of the operations of Modern Press Limited for the year ended 31st July 1951 are shown in the Financial Statements and Auditors' Reports submitted separately to the delegates.

After providing for depreciation on fixed assets of \$49,754.10 and charging interest amounting to \$36,658.18 on the net capital cost of the fixed assets, the operations of the Company show a loss for the year of \$158,309.68. A comparison of the operations for the year, with those of the previous season, is shown below:

Commercial Printing Department

	1950-1951	1949-1950	Increase or (Decrease)
Revenue from Job Sales.....	\$314,097.23	\$250,464.26	\$63,632.97
Cost of Stock.....	\$ 89,549.51	\$ 78,192.71	\$11,356.80
Operating Expenses.....	208,621.05	184,413.07	24,207.98
	<u>\$298,170.56</u>	<u>\$262,605.78</u>	<u>\$35,564.78</u>
Operating Position before			
Depreciation.....	\$ 15,926.67	(\$12,141.52)	(\$28,068.19)
	(surplus)	(deficit)	
Depreciation.....	19,910.94	18,739.28	1,171.66
Interest on Capital Advances..	16,072.23	16,190.23	(118.00)
Operating Loss for Year.....	\$ 20,056.50	\$ 47,071.03	(\$27,014.53)
Proportion of Pool Expenses ..	1,405.88	1,306.15	99.73
Realization of Assets.....	(874.31)	200.00	(1,074.31)
Deficit for the Year.....	\$ 22,336.69	\$ 48,177.18	(\$25,840.49)

Western Producer Department

Revenue from:			
Advertising.....	\$305,371.52	\$310,965.75	(\$5,594.23)
Subscriptions.....	36,902.99	48,813.44	(11,910.45)
Miscellaneous.....	4,382.14	5,167.87	(785.73)
Total Revenue.....	\$346,656.65	\$364,947.06	(\$18,290.41)
Cost of Newsprint.....	\$149,450.79	\$147,768.83	\$ 1,681.96
Operating Expenses.....	279,837.98	281,343.98	(1,406.00)
Total Expenses.....	\$429,388.77	\$429,112.81	\$ 275.96
Operating Loss before			
Depreciation.....	\$ 82,732.12	\$ 64,165.75	\$18,566.37
Depreciation.....	29,843.16	26,777.31	3,065.85
Interest on Capital Advances.....	20,585.95	20,438.24	147.71
Operating Loss for Year.....	\$133,161.23	\$111,381.30	\$21,779.93
Proportion of Pool Expenses.....	2,811.76	2,612.30	199.46
Deficit for the Year.....	\$135,972.99	\$113,993.60	\$21,979.39

SUMMARY

Deficit—Commercial			
Printing Department.....	\$ 22,336.69	\$ 48,177.18	(\$25,840.49)
Deficit—Western Producer			
Department.....	135,972.99	113,993.60	\$21,979.39
Total Deficit for Year.....	\$158,309.68	\$162,170.78	(\$3,861.10)

Circulation

Total net paid circulation of The Western Producer as at 31st July 1951 was 153,592. During the year a total of 39,818 subscriptions were received. Distribution of circulation by provinces for the year under review, as compared with the previous year, is as follows:

	1950-1951	1949-1950	Gain or (Loss)
Saskatchewan.....	81,404	81,436	(32)
Alberta.....	35,326	35,340	(14)
Manitoba.....	23,039	21,511	1,528
British Columbia.....	12,287	13,829	(1,542)
Miscellaneous.....	1,536	1,537	(1)
Total.....	153,592	153,653	(61)

Advertising

In common with all other papers in its field, during the past year The Western Producer experienced a sharp drop in classified advertising lineage. This decline was offset by a substantial increase in display advertising carried. A comparison of advertising lineage for the year under review, with the previous year, is as follows:

	1950-1951	1949-1950
Classified Lineage.....	221,445	258,286
Display Lineage.....	385,340	373,572
Total Lineage.....	606,785	631,858

Editorial

The rising cost and restricted supply of newsprint has fallen heavily upon newspaper editorial departments during the year under review. The Western Producer is no exception. It has been necessary to economize as much as possible and to limit the space allotted to all editorial departments.

Despite this situation, the news continues to be well covered and there appears to be general satisfaction with this feature of the paper. This view is supported by the fact that renewal subscriptions amounted to 40.3% of expirations, a much higher percentage than is enjoyed by many farm newspapers.

The limitations on space for news matter has meant that some of the objectives (more pictures, the addition of a co-operation section, generally expanded coverage) have had to be delayed or sharply curtailed.

Some changes have been made in typography of The Western Producer and these have brought about a better general appearance. Reproduction of photographs has been consistently good. The press room and composing room continue to turn out a well printed product. More use of colour, particularly on the front page, was made.

As an additional measure of economy, two pages of coloured comics were dropped from the Magazine Section. The space thus made available was allotted to features hitherto carried in the main section of the paper and to advertising. Thus newsprint was saved, and increased revenue producing space was created.

Agricultural Department

The agricultural pages of The Western Producer have continued to appeal to farm readers. In the livestock field the policy of covering the major events across Western Canada and keeping up-to-date on new trends has been followed.

An attempt has also been made to keep abreast of the major developments in other fields of productive agricul-

ture—field and forage crops, farm machinery, poultry husbandry, farm management, junior club work, etc. Readers have found articles of timely interest on these subjects in *The Western Producer*.

Close liaison between government and university agricultural departments, the various field husbandry, seed, poultry and livestock organizations has been maintained.

Magazine Section

Fifty-one issues of the Magazine were published during the period. One, 31st August 1950, was missed because of the rail strike. The issues were sixteen pages with eight pages of comics, until 7th September 1951, when comics were reduced to six pages, releasing space for written material of general interest.

During the year seventy main features were published; forty-three were written by staff members and twenty-seven were accepted from contributors. Many more smaller stories and featurettes were written by members of the staff. Efforts were made to include the four Western Provinces in the features, and they appeared in the following ratio: Saskatchewan 11, Alberta 6, Manitoba and British Columbia each 3. This follows closely the density of circulation in these provinces.

It is difficult to describe the subject matter of all features, but in subsequent years it is proposed to make efforts to include features covering a broad field of subjects and regions with a definite program in mind. Last year's features might be classified as: agricultural subjects 13, educational subjects 12, co-operative subjects 5, fiction 4, inspirational subjects 2.

The magazine section carried a substantial volume of advertising during the fiscal year. In former years little or no advertising had been carried. It is felt, however, that with space released by two comic pages, with close editing and with close attention to choice of stories, the reader-interest of the magazine has been well maintained and, it is hoped, will improve with time and experience.

In all the issues of *The Western Producer* an effort has been made to give page one eye appeal with full use of illustrations, enlarging attractive photographs sometimes to five columns in order to do so. It is felt that the space is well used in this manner.

On 14th September 1950 an "Improve the Farm Home" series of photos and stories was started. The theory behind this was that much could be done to encourage farm home improvement by publishing stories and photos on what other farmers had accomplished. Farms in Manitoba, Alberta and Saskatchewan were covered and will continue to appear. At the same time informative articles, plans and photos were published on this subject.

Women's Section

The Women's Section of *The Western Producer* has continued its policy of co-operating with readers in working for a better and more satisfying rural life. It is a joint effort with readers participating in "our" pages.

The "I'd Like to Know" page, in which a well-known home economist, who is also a farm housewife, answers questions concerning a great variety of household problems, continues to overflow. Not only does this page provide valuable information, but it has encouraged readers to send hints and suggestions gleaned from their own experience. These and the articles on household matters on the other pages provide something of interest for both the housewife with a modern home and the one who lives on

an isolated farm. In addition, hundreds of letters in answer to enquiries have been written by the women's editor.

The garden page has attracted readers and contributors from as far west as Victoria and as far east as Halifax. Here, too, the same principle has been observed, horticultural events have been covered when possible, research findings have been passed along and space has been provided for gardeners to exchange experiences.

Something of the cultural activities of Western Canada has been recorded, both in words and pictures—community art classes in Lacombe, Alberta; the opening of the first prairie regional library; a handicraft festival at Codette; a puppet show in Prince Albert; a nutrition experiment in a country schoolhouse at Corinne. There have been book reviews, instructional articles on crafts and information as to where more help could be obtained.

Activities of organized rural women, the Homemakers and the Women's Institutes of the Western Provinces, the United Farm Women, the Women's Co-operative Guilds, Homecraft Clubs and the Canadian Association of Consumers have been covered. In all this the camera equipment available to the women's department has proved most useful.

During the past year reporting has extended across the seas as in informal and friendly travel stories, Mrs. V. McNaughton brought Western Producer readers accounts of the meeting of women from twenty-three countries, delegates to the Associated Country Women of the World conferences in Copenhagen, and of women's activities in the British Isles. These and other reports from overseas do much to strengthen the ties with women in other lands.

Youth Section

Interest in the Y.C. pages continues to grow. Members from years back who read and contribute to other sections of the paper, still take an active part in the Co-op Club. Junior and senior newcomers this year totalled 217 in comparison with 186 last year. Contributions many times exceed the space allotted to the club but a variety of exchanges, plus affiliated organizations, compensate somewhat for the lack of space.

Y.C. rallies were reported from three points: Ponoka, Edmonton and Winnipeg, with "Sister Ann" attending the two in Alberta. Members in or near these localities met personally with a sense of comradeship firmly established through the written word.

Since the beginning the club members have elected their own officers, suggested new topics and contests, and centrals of the exchanges chosen their own successors. Both spring and fall voting was heavier than in previous years. One "Y.C." scanned the bound issues of the old "Western Producers" in the office then wrote a comprehensive review of the growth of the Co-op pages since their beginning in 1927. Another member, active in the 30's, saluted Mrs. Violet McNaughton for her inspiring help in the formation of the club in its early years.

Rural young people share the ever-growing interest in world affairs. One of the most popular activities is corresponding with overseas pen pals. This year requests were published from boys and girls in England, Scotland, Ireland, Australia, New Zealand, India, Africa, Germany, Holland, Denmark, Sweden, France, Italy, Spain, Greece, West Indies, Mexico, Brazil, Argentina, Oregon, New York and Washington States, U.S.A., and Fiji, Japan, Hawaii and Zanzibar.

Y.C. members were proud that one of their number, "G.M.C.", Marie Paproski of Sinnett, Saskatchewan, was one of the fifty girls chosen for the Weston British Tour for Canadian Girls.

To young people on the prairies and across Canada, the Y.C. pages are a source of knowledge and entertainment—a medium of expression and a way of making friends.

Reader Services

Orders received for patterns of various kinds and for fashion books totalled 65,434. This represents a decrease of 13,287 from the 1949-1950 total.

Two new services have been instituted. In May a service of carpentry patterns was begun and 526 of these had been ordered by the end of July. Pamphlets of reprints from *The Western Producer* magazine on various phases of farm and home engineering were issued at the end of May and in the next two months 109 were ordered.

The heading "Household Arts" covers designs for embroidery, crocheting, knitting, quilts, rugs, etc. The following statement shows the number of orders received during the year under review:

Household Arts.....	28,518
Dress Patterns.....	35,377
Fashion Books.....	1,539
Carpentry Patterns.....	526
Engineering Pamphlets.....	109
Total.....	66,069

Mrs. Violet McNaughton

An event of the year under review, which should be placed formally on record, was the retirement of Mrs. Violet McNaughton. Mrs. McNaughton had served the paper brilliantly and loyally as Women's Editor since the Women's Section was established. Well known for her work in many fields over a long period of time, she was a great asset to the paper and contributed substantially to whatever success and popularity it has achieved.

Delegates will be aware that in recognition of her lifetime of service to public causes the University of Saskatchewan at last convocation conferred on Mrs. McNaughton the Honorary Degree of Doctor of Laws.

Miss Rose Ducie, long Mrs. McNaughton's assistant, has succeeded her as Women's Editor.

Saskatchewan Co-operative Livestock Producers Limited

Financial Statements

The Auditors' Report and Financial Statements submitted separately to the delegates will show in detail the results of the year's operations and the financial position of the livestock subsidiary at the end of the fiscal year.

From the Statement of Earnings and Expenses it will be noted that after providing for depreciation on fixed assets amounting to \$26,624.64, operations of the Company for the year ended 31st July 1951 resulted in a surplus of \$38,620.24 before provision for income tax. This compares with a surplus of \$37,286.35 in the previous year.

After setting aside a sum of \$18,500.00 as provision for income tax, the balance of \$20,120.24 has been transferred to reserve account.

Included in the earnings of the Livestock Company is a share of the earnings of Canadian Livestock Co-operative (Western) Limited amounting to \$22,850.33 and a surplus

from the operations of the Transit Compensation Fund amounting to \$6,302.01.

The gross value of all livestock handled during the year totalled \$33,821,189.45, as compared with \$26,988,964.58 in the previous season.

Livestock Operations

Statement No. 15 attached to this report shows the comparative handlings of livestock for the past two seasons, by divisions.

Provincial cattle and calf marketings for the year under review totalled 428,332 head, as compared with 541,559 head for the same period a year ago—a decline of almost 21%. The number marketed co-operatively was 192,537 head or practically 45% of the provincial marketings.

Hog marketings also showed a reduction from 316,443 head to 272,502 head. Of the total marketings, 101,163 hogs, representing 37.12% were marketed through co-operative channels. Total handlings of cattle, calves, hogs, sheep and lambs by the Livestock Pool were 309,906 head, representing a gross value of nearly 34 million dollars.

The operating surplus for the year of \$38,620.24, represents an operating margin of approximately 11c per head of livestock handled.

During the year under review, livestock marketings again established new price highs for all classes of commercial livestock. While some price fluctuations took place in all classes of livestock at different times throughout the year, these fluctuations were related very closely to supply and demand and were to a large extent seasonal.

The total number of livestock handled by all divisions for the year was:

Cattle.....	158,592
Calves.....	33,945
Hogs.....	101,163
Sheep and Lambs.....	16,206
Total.....	309,906

Of the total number of livestock marketed co-operatively, 33.5% were marketed through the four yards owned by the organization at Regina, Yorkton, North Battleford and Swift Current, and 29.3% at the Pool's three agencies operated at Moose Jaw, Saskatoon and Prince Albert. The balance, representing 37.2% was marketed through Canadian Livestock Co-operative (Western) Limited at St. Boniface, Manitoba.

The auction method of selling is now in effect at all marketing centres in the Province including the four yards owned and operated by your organization. Under present market conditions the auction appears to have found favour with the majority of both producers and buying interests. While the method of selling is optional on all provincial markets, up to date there has been little call for private treaty selling since the auction method came into effect. The livestock management reports that in their opinion it is still decidedly important that an experienced livestock man, thoroughly familiar with the grades of livestock and their values, should be on hand at all centres to protect the producers' interests. Without this type of protection auction selling at public markets might well prove to be highly unsatisfactory to producers.

It may be of interest to note that up to date, auction selling has had no popular appeal in the area served by Canadian Livestock Co-operative (Western) Limited.

The following figures show the supply position of meat in Canada as at 1st September 1951:

Canadian Meat Supply Position

(Pounds)

	Cured		Storage		Fresh	
	Sept. 1 1951	Sept. 1 1950	Sept. 1 1951	Sept. 1 1950	Sept. 1 1951	Sept. 1 1950
Pork—						
11,236,000	14,676,000	8,207,000	12,864,000	2,544,000	3,895,000	
Beef—						
275,000	273,000	5,588,000	5,785,000	6,705,000	7,424,000	
Veal—						
—	—	3,217,000	3,067,000	864,000	1,156,000	
Mutton—						
—	—	318,000	490,000	248,000	364,000	
Total—						
12,661,000	14,949,000	19,140,000	22,206,000	11,801,000	12,839,000	
Total, All Meats—1st September 1951—43,602,000 pounds						
1st September 1950—49,994,000 pounds						

The following statement shows the volume of exports of live cattle and of dressed meats to the U.S.A. during the past year:

Exports to the United States

Live Animals

(Number of Head)

	1950-1951	1949-1950
Cattle		
For immediate slaughter and feeding purposes, 3rd August 1950 to 28th December 1950.....	164,649	
1st January 1951 to 2nd August 1951....	98,031	
	262,680	340,680
Dairy and Breeding Stock, 3rd August 1950 to 28th December 1950.....	24,847	
1st January 1951 to 2nd August 1951....	36,914	
	61,761	68,814
	324,441	409,494
Calves		
3rd August 1950 to 28th December 1950.....	2,926	
1st January 1951 to 2nd August 1951....	8,977	
	11,903	35,620
Sheep and Lambs		
3rd August 1950 to 28th December 1950.....	18,719	
1st January 1951 to 2nd August 1951....	14,782	
	33,501	79,745

Dressed Meats

(Pounds)

	1950-1951	1949-1950
Beef and Veal		
3rd August 1950 to 31st December 1950.....	35,320,141	
1st January 1951 to 2nd August 1951.....	61,032,115	
	96,352,256	99,700,772
Mutton and Lamb		
3rd August 1950 to 31st December 1950.....	2,503,835	
1st January 1951 to 2nd August 1951.....	90,412	
	2,594,247	3,474,994

The following statement shows the volume and percentage of provincial deliveries handled through co-operative channels for the past four seasons:

	1947-1948	1948-1949	1949-1950	1950-1951
Cattle and Calves				
Provincial Deliveries.....	470,082	555,960	541,559	428,332
Handled Co-operatively.....	180,290	222,737	220,448	192,537
Percentage of Co-operative Handlings.....	38.35%	40.01%	40.7%	44.95%
Hogs				
Provincial Deliveries.....	448,070	239,343	316,443	272,502
Handled Co-operatively.....	161,483	86,892	117,451	101,163
Percentage of Co-operative Handlings.....	36.04%	36.3%	37.1%	37.12%
Sheep and Lambs				
Provincial Deliveries.....	91,116	70,595	54,066	47,282
Handled Co-operatively.....	41,339	24,776	20,876	16,206
Percentage of Co-operative Handlings.....	45.37%	35.1%	38.6%	34.27%

The following statement prepared by the Dominion Bureau of Statistics shows the livestock population on farms in the past three years:

SASKATCHEWAN

	Cattle and Calves	Hogs	Sheep and Lambs
June 1 1948.....	1,436,500	396,100	253,300
December 1 1948.....	1,109,500	343,900	149,600
June 1 1949.....	1,254,100	458,600	234,100
December 1 1949.....	1,113,300	422,400	142,300
June 1 1950.....	1,214,400	433,700	237,000
December 1 1950.....	1,092,000	441,000	149,000
June 1 1951.....	1,237,000	607,000	236,200

CANADA

	Cattle and Calves	Hogs	Sheep and Lambs
June 1 1948.....	9,475,900	4,463,100	2,246,800
December 1 1948.....	8,251,300	4,604,200	1,322,300
June 1 1949.....	9,081,300	5,162,900	2,075,400
December 1 1949.....	8,243,300	5,412,900	1,235,100
June 1 1950.....	8,992,300	5,247,100	2,015,000
December 1 1950.....	8,292,100	5,419,300	1,268,000
June 1 1951.....	9,333,300	5,875,000	1,968,100

Canadian Livestock Co-operative (Western) Limited

Canadian Livestock Co-operative (Western) Limited is the interprovincial co-operative livestock selling agency operating at St. Boniface, Manitoba, and owned by the three provincial co-operative livestock organizations.

Financial Statements

The Balance Sheet of this organization, Statement No. 16 attached to this report, shows the financial position as at 31st July 1951. Total operating revenue for the year under review amounted to \$164,767.42, while total operating expenses for the same period were \$127,439.71, leaving an operating surplus, before providing for income tax, of \$37,327.71. This compares with an operating surplus the previous year of \$52,807.79. After providing for income tax amounting to \$320.14, there is a net surplus for the year amounting to \$37,007.57. This compares with a net surplus for the previous year of \$52,565.32.

In accordance with a resolution passed by the Directors of Canadian Livestock Co-operative (Western) Limited on 18th July 1951, the surplus has been allocated on the following basis:

a. Loans from members.....			\$ 1,460.96
Alberta Livestock Co-operative Limited.....	.132%	\$	1.93
Manitoba Pool Elevators.....	38.123%		556.96
Saskatchewan Co-operative Livestock Producers Limited....	61.745%		902.07
	100.000%	\$	1,460.96
b. Available for distribution on the basis of revenue contributed to the Sales Agency during the period.....			35,546.61
Alberta Livestock Co-operative Limited.....	.132%	\$	46.92
Manitoba Pool Elevators.....	38.123%		13,551.43
Saskatchewan Co-operative Livestock Producers Limited....	61.745%		21,948.26
	100.000%	\$	35,546.61
			<u>\$37,007.57</u>

During the year under review Canadian Livestock Co-operative (Western) Limited handled 5,480.8 cars, as compared with 6,747.1 cars a year ago. The following figures show the distribution of these cars by provinces:

	No. of Cars	Percentage of Total
Alberta Livestock Co-operative Limited.....	5.9	.108%
Manitoba Pool Elevators.....	2,064.9	37.675%
Saskatchewan Co-operative Livestock Producers Limited.....	3,410.0	62.217%
	<u>5,480.8</u>	<u>100.000%</u>

The net operating surplus per car amounted to \$6.752. Comparative operating figures on a per car basis for the past three fiscal years are as follows:

Year ended:	Number of Cars	Operating Revenue	Operating Expenditure	Surplus for Year
31st July 1949.....	7,260	\$24.038	\$16.473	\$7.565
29th July 1950.....	6,747	26.285	18.494	7.791
28th July 1951.....	5,481	30.061	23.309	6.752

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

Canadian Co-operative Wheat Producers Limited

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

Canadian Pool Agencies Limited

The report of the directors of Canadian Pool Agencies Limited to its annual meeting of shareholders is also attached hereto for the information of delegates. The Balance Sheet for the year ended 31st July 1951 and the Statement of Patrons' Equity and Income and Expenses are also attached as Statements No. 9, 10 and 11.

Pool Insurance Company

As has been pointed out on previous occasions, the fiscal year of the Pool Insurance Company ends on 31st December. The report of the operations of this inter-provincial organization for the year 1950, together with the Balance Sheet and Statement of Income and Expenditures are included in and form part of this report.

The Manager of Pool Insurance Company, who is also Manager of Canadian Pool Agencies Limited, will be in attendance at this meeting and will be in a position to submit information of the progress being made during the current year.

Publicity

The activities of the Publicity Department for the year under review are set out below under major headings.

Radio

During the year radio was used extensively as a means of keeping in touch with Pool membership throughout the Province; also to keep the general public informed on matters of Pool policy. Programs sponsored included:

- a. Hockey Broadcasts.
- b. Variety Programs.
- c. The Sunday News.
- d. The Art of Homemaking.
- e. Spot Broadcasts.

Hockey broadcasts were carried on a network of two stations — CKRM Regina, and CKBI Prince Albert. Being a broadcast with a special appeal to a certain group, this program was carried on the two stations as a means of

making it possible for those desiring to hear the program to pick up either one or other of the two stations on the network.

As in former years, the hockey broadcast was used as a vehicle upon which to carry the inter-period talks. In view of the fact that hockey broadcasts appeal to younger people particularly, they have always been regarded as a good approach to those who will form the membership in the organization for the future.

The variety program, being of more general interest but lacking the specific drawing power of hockey, was carried on five stations: CKCK Regina, CHAB Moose Jaw, CJGX Yorkton, CJNB North Battleford and CFQC Saskatoon. The program for this series was put on transcription discs and shipped around the circuit on a schedule covering twenty-six weeks.

The Sunday newscast over CKCK Regina was continued throughout the year, serving that area of the prairies within reach of the Regina station.

The Art of Homemaking was a new program started during the year under review and was sponsored by the Wheat Pool Flour Mill. The program consisted of items related to the activities of the housewife and placed emphasis upon baking and kitchencraft, which gave an opportunity to make frequent references to the products of the Mill. It was carried on seven stations in the Province, CKRM and CKCK Regina, CHAB Moose Jaw, CFQC Saskatoon, CJGX Yorkton, CKBI Prince Albert and CJNB North Battleford.

The flour advertising program also included a concentration of spot broadcasts in the early fall in advance of the heavy fall sales. Further reference to flour mill advertising will be found in a later section of this report under the heading "Flour Advertising."

Subject matter of the radio talks during the year covered a wide range. These included: Principles of Co-operation; The International Wheat Agreement; The Annual Meeting of Delegates; The Livestock Pool; The Five-year Wheat Pool; Payments under the Canada-U.K. Wheat Agreement; Discussions with the Cabinet on the Five-year Wheat Pool Settlement; Agricultural Production; Food Surpluses; International Finances Affecting Agriculture; Freight Rates; The Royal Commission Report on Freight Rates; The Federation of Agriculture; The Canadian Wheat Board; The Futures' Market; Variety Testing in Saskatchewan; Canadian Delegation to London on the Final Settlement of the Canada-U.K. Wheat Agreement; Fifty Years' Progress in Production and Marketing; The Box Car Shortage; The Box Car Shortage in Relation to Canada's Commitment under the International Wheat Agreement and The Auction Method of Livestock Sales.

A number of guest speakers also participated in Wheat Pool broadcasts, including Mr. Norman Tattersall, Director of the Co-operative Wholesale Society of Great Britain; Mr. William Ferguson of Glasgow, Director of the Scottish Co-operative Wholesale Society; Dr. L. E. Kirk, Head of the Plant Products Branch of the Agricultural Division of the Food and Agricultural Organization, and Mr. W. J. Parker, President of Manitoba Pool Elevators.

Advertising

General advertising for the Wheat Pool organization is carried in The Western Producer and in the Saskatchewan weeklies. Advertising in The Western Producer covers a large circulation outside the province, but the

heaviest concentration of circulation is in the province. The weekly papers are used regularly, as they reach into many homes which are not serviced by any other paper carrying Pool advertising.

Pool advertising is also carried in a number of non-English weeklies, either published in Saskatchewan or with circulation in Saskatchewan. The regular Pool advertising is translated into the various languages for publication. In this way contact is maintained with all the major language groups.

In addition to the above, advertising and articles are placed in a selected list of publications published in other sections of Canada.

Good public relations prevail between the Wheat Pool organization and the Saskatchewan Division of the Canadian Weekly Newspapers' Association, the Postmasters' Association, The Saskatchewan Association of Rural Municipalities, the Canadian Broadcasting Corporation, the private radio stations, the Agricultural Exhibition Association, the Extension Department of the University of Saskatchewan, the Agricultural Press, both in and outside Saskatchewan, and other farm organizations across Canada, including the Agricultural Institute of Canada.

Flour Advertising

Flour advertising has been carried in newspapers and over radio stations both in Saskatchewan and in other sections of Canada where Wheat Pool Mill products are sold.

The policy of painting a flour sign on the cupola of Pool elevators in the country has been continued. All new elevators and all elevators which have been repainted during the year, carry the flour sign.

While the heaviest concentration of advertising has been in Saskatchewan, flour advertising has also been carried on in Alberta, Manitoba, British Columbia and the Maritimes, where "Co-op" flour is sold. A plan was in effect in Saskatchewan for a part of the year, under which the Mill agreed to underwrite fifty percent of the cost of flour advertising placed by local co-operatives. The same policy applied to private merchants in respect to the advertising of "Pool" flour.

Baking from flour from the Pool Mill won prizes at a number of exhibitions on the Class "B" fair circuits and at a number of Class "C" fairs. Details of prizes won in this connection were incorporated in news releases and radio programs. Flour exhibits were featured at both the Class "A" and Class "B" fairs and at a number of Class "C" fairs.

Calendars

Pool calendars, still in strong demand, are mailed out to all shareholders by direct mail. In addition, a supply is sent to every elevator agent for distribution to schools, places of business and prospective members. Calendars are also mailed direct from Head Office to a large number of business places in Saskatchewan and to organizations outside the province which do business with one or other branches of the organization.

Requests for calendars are received from every province in Canada, practically every State in the United States and many foreign countries. The index on the back of the map is a very valuable aid in office organization work and we have had requests for as many as fifty calendars from one organization alone.

The calendar was produced by Modern Press and all direct mailing was done from the Saskatoon plant, the

labels being supplied from Head Office. It may be of interest that approximately twelve tons of paper are used to produce one year's supply of calendars.

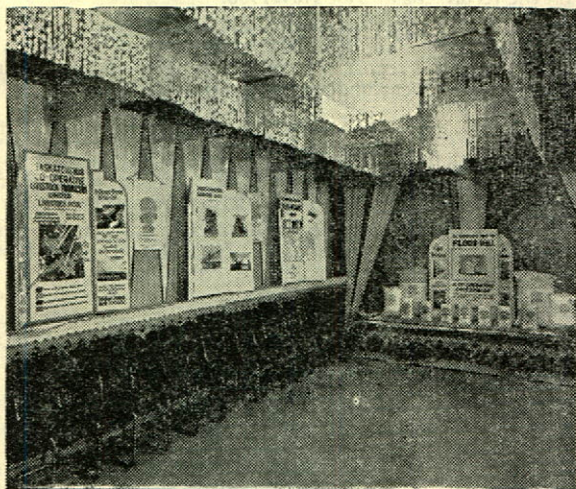


Exhibit at Saskatoon Exhibition 1951

Exhibitions

Exhibits were displayed at all the fairs on the Class "A" and "B" circuits, supplemented by rest booths at both the Class "A" fairs. In addition, exhibits were displayed at a number of Class "C" fairs and floats were placed in parades at a number of other points. Mill products were featured at all major exhibits.

Paper Indian head-dresses advertising "Pool" flour were distributed to youngsters who visited booths at the "A" and "B" fairs. Similar Indian head-dresses advertising "Co-op" flour were turned over to Saskatchewan Federated Co-operatives for distribution through fair booths, at official store openings and other similar functions. These head-dresses were in strong demand.

Research

Research work related to the general activities of the organization was carried on in the department. Subjects of study included livestock freight rates; the report of The Royal Commission on freight rates; farm and non-farm income in Saskatchewan and Canada; the Australian wheat marketing system; rail and lake shipping; prices and price control in relation to the war and post-war history of wheat prices and marketing; general prices and marketing statistics; railway transportation; box car shortage; elevator congestion; agricultural policies affecting the welfare of Western Canada and other related subjects.

Library

For the year ended 31st July 1951, 7,869 books were mailed out from the library to regular borrowers. In addition, quite a number of students used the library for various school projects but as they were not regular borrowers they were not included in the summary. The number of books mailed out for the year showed a drop of nearly 750, compared with the previous year. Part of the

drop is probably accounted for by improved library facilities at a number of local points.

At 31st July 1951 the number of active borrowers on record was 1,858, compared with 2,050 borrowers, showing on the records as at 31st July 1950.

None of the figures quoted above include the number of people who used the reference section of the library. Attached to this report is a table covering operations of the library for the year under review, Statement No. 6.

Crop Reporting

The Saskatchewan Wheat Pool crop report is the most complete and the most authentic crop report published in Saskatchewan and grows in popularity from year to year.

The Saskatchewan report, combined with the reports for Manitoba and Alberta, as published in *The Western Producer*, is the most complete crop reporting service available in any form during the growing season. The report is published every week with an accompanying chart which shows the progress of the current year's crop in relation to crops of previous years. A summary, based on the detailed report, is prepared each week and released to the daily papers, the Canadian Press, British United Press and private radio stations. Quotations from the summary are carried in daily papers all across Canada. The publication of the three provincial Pool's reports puts *The Western Producer* in the lead position for crop reporting when compared with any other paper in Canada.



Junior Activities

Variety Testing

During the 1951 crop season, 322 young farm men and women conducted Saskatchewan Wheat Pool variety tests. The following table shows the type of projects, the number of tests and the varieties used:

<i>Project</i>	<i>No. of Tests</i>	<i>Varieties</i>
Wheat.....	175	Thatcher, Apex 2177, Lee, Rescue, Redman.*
Oats.....	46	Ajax, Fortune, Clinton.
Barley.....	46	Montcalm, Vantage, Moore, B-400.
Crop Comparison.....	55	Thatcher wheat, Fortune oats, Montcalm barley, Dakota flax.

*Only four varieties were used in each wheat test. Rescue was included in the tests throughout southern, central and western Saskatchewan, but was replaced by Redman in the northern and eastern districts.

The strains of Rescue and Redman used in the 1951 wheat tests are relatively new and contain several improvements. These two varieties and Lee were tested in the previous year but it was considered advisable to include them in the 1951 project to obtain information covering a longer period.

During the past few years plant breeders have been attempting to produce a variety with resistance to the new race of stem rust, 15B, which has caused heavy losses in the United States and has made its appearance in Western Canada. Several varieties are in the early stages of development and every effort was made to obtain one of these for our tests in 1951. Unfortunately, none of the varieties was considered sufficiently advanced for full-scale field tests at that time.

Clinton was the only new variety of oats tested in 1951. It was introduced into Canada from the United States. It has many desirable features, including high bushel weight, early maturity and strong straw. The results of tests conducted this year will provide information regarding the yielding ability of Clinton as compared with Ajax and Fortune. Oat tests were conducted as the secondary project in the southern, western and central areas of the province.

A new malting type barley, as yet unnamed, was included in the tests. The variety was originated at the University of Saskatchewan and has been designated B-400 for identification purposes in these tests. Moore, a new American malting variety, was tested for the second successive year and the information obtained this season will be of value in determining whether or not the variety is suitable for use in Saskatchewan. Barley tests were conducted as the secondary project in northern and eastern areas of the province.

Due to severe frosts, the value of the crop comparison tests conducted in 1950 was severely reduced. In order to obtain data for a three-year period it was decided to continue this project in 1951. Although the crop comparison tests involve considerably more work on the part of the test supervisors than the conventional variety test, this project has proven very popular.

The information obtained from these tests each year is distributed to farmers through publication of the variety test booklet. In addition, the results are supplied to the Saskatchewan Cereal Variety Committee to be used in formulating varietal recommendations for the guidance of farmers. The Saskatchewan Cereal Variety Committee is composed of plant breeders and field husbandry workers from the various research organizations of the province. It meets each year in December to review the results of all recognized tests conducted during the previous season and to revise the varietal recommendations for the province. During the past year a representative of your organization was appointed to the membership of this committee.

During the years technical advice and assistance in planning the projects has always been freely given by Dr. J. B. Harrington, Professor of Field Husbandry, and his assistants, at the University of Saskatchewan. The past year was no exception and the Field Husbandry staff rendered invaluable service in connection with these tests.

From a scientific viewpoint the most valuable feature of the Wheat Pool tests is the excellent coverage obtained, providing information from every corner of the province. The importance of the work done by delegates and Wheat Pool committees in distributing the tests throughout practically every sub-district cannot be stressed too highly.

Another important feature is the knowledge gained by the test supervisors regarding new varieties and their importance. Undoubtedly, the influence of the Wheat Pool program has already had its effect in promoting the use of recommended varieties more widely in the different areas of the province.

As in the past, each variety test supervisor was supplied with seed and equipment for the project, a rain gauge, a metal sign to mark the test and a supervisor's badge. Duties of the supervisor included seeding and supervising the test, completing detailed progress reports and monthly rainfall reports during the growing season and harvesting the test in the fall. The returns from each test were shipped to Head Office where threshing, weighing and grading of the samples was carried out. The statistical work in preparation for publication of the results is now under way.

The enthusiasm of young farm people for this type of work has been indicated in the many letters received from test supervisors during the past season. For many of them it is the first responsible task they have undertaken within the co-operative movement. It is hoped that this contact will be maintained through local Wheat Pool youth activities so that talents of leadership displayed by our young farm people will be encouraged and developed.

Junior Clubs

As in previous years, support of the Junior Club Movement under the direction of the Extension Department of the University of Saskatchewan, continued to be an important project and received strong support from Pool delegates and staff in all parts of the country. Close co-operation was maintained with the Extension Department of the University in the organization and operation of these clubs, as well as other activities referred to in the Country Organization report.

The grant of \$10,000.00 approved at the last Annual Meeting of Delegates, was made to the University of Saskatchewan to assist in developing junior club activities and this assistance has been gratefully acknowledged by the University authorities.

The following statement has been prepared by members of the Extension Department of the University and sets out in some detail the activities of the Junior Clubs in 1951:

Summary of Club Projects

	<i>Number of Clubs</i>		<i>Number of Members</i>		<i>Produce (approximate) 1951</i>
	1950	1951	1950	1951	
Grain.....	118	126	1,836	2,002	154,146 bushels
Beef.....	174	184	2,270	2,953	3,500 calves
Dairy.....	11	11	220	171	171 calves
Poultry.....	5	5	70	62	500 Chickens
Swine.....	8	11	130	168	300 pigs
Tractor.....	1	5	12	92	— —

Junior Grain Clubs

<i>Variety Grown</i>		<i>No. of Clubs</i>	<i>No. of Members</i>	<i>No. of Acres</i>	<i>Approximate Yield (bushels)</i>
Wheat	Thatcher.....	75	1,253	2,506	
	Rescue.....	4	67	134	
	Redman.....	1	16	32	
	Saunders.....	1	20	40	
	Total.....	81	1,366	2,712	54,240
Oats	Fortune.....	20	227	454	
	Exeter.....	3	52	104	
	Victory.....	2	30	60	
	Ajax.....	1	16	32	
	Total.....	26	325	750	33,750

Barley	Montcalm.....	16	207	1,584	
	Hannchen.....	1	20	40	
	Vantage.....	1	16	32	
	Titan.....	1	11	22	
	Total.....	19	254	1,678	63,736
Flax	Viking.....	1	21	42	
	Total.....	1	21	42	420
Potatoes	Early Ohio.....	2	36		
	Netted Gem.....	5	75		
	Canus.....	1	14		
	Total.....	8	125	16	2,000
TOTALS.....		137	2,091	5,198	152,146 Gr. 2,000 Po.

The two tables present a clear picture of the various club projects. There has been a considerable increase in club activity, especially noticeable in the grain project. An increase in this project from 118 in 1950 to 126 in 1951. This number does not, however, give an accurate indication of the total increase, as several clubs have been growing more than one seed plot. The total number of clubs actually supervised was 137. The total membership increased from 1,836 to 2,002 in 1951 and the acreage increased from 4,429 in 1950 to 5,198 in 1951.

Quite a noticeable fact is the increase in Potato Clubs from three in 1950 to eight in 1951.

There has been an increase in the number of clubs in the livestock projects, mainly in the beef and swine projects. The feature of the Beef Clubs is that we have in Saskatchewan approximately one-third of all the Junior Beef Clubs in Canada.

The sponsorship of Junior Agricultural Clubs by Wheat Pool committees continues to increase. One hundred and nine Junior Clubs were sponsored by Wheat Pool committees. A number of Wheat Pool agents continue to ably serve as local club leaders.

Seventy-two Junior Grain Club teams competed in the Provincial Inter-Club competitions this past year, as compared to fifty-nine teams in 1950. Inter-Club competitions were conducted for all of the livestock projects along similar lines to the Grain Inter-Club competitions. Approximately 883 club members participated in these competitions the past year.

Beef Inter-Club district shows and sales play a very important role in the beef project. Twenty-eight of these shows and sales were held this year.

The tractor project has received considerably more attention in the club program this year, five clubs are now enrolled. The main objectives of this project are tractor maintenance, operation and safety, along with citizenship, etc.

Homecraft Clubs

Homecraft Clubs registered at the Extension Department of the University of Saskatchewan, with their projects, for the period 1st August 1950 to 30th September 1951, are as follows:

<i>Project</i>	<i>No. of Clubs</i>	<i>No. of Members</i>
Clothing.....	49	444
Foods.....	8	60
Garden.....	1	27
Others.....	7	65
Total.....	65	596

This compares with last year's record of 59 girls Clubs with 475 members.

Achievement Days for the Homecraft Clubs were held in twenty-seven centres during the past season. A member of the Women's Services of the Extension Department was present to act as judge at each of these centres.

An international rally was held at Hogeland, Montana, in June 1951 when about 100 Canadian farm boys and girls, representing ten Junior Clubs, were guests of members of American 4-H clubs for a day. Supervisors and leaders of clubs in the south-western part of the province were in attendance. An interesting program was carried out and many friendships were established.

There will be presented separately to delegates a memorandum outlining in some detail the close co-operation in educational work between the University Extension Services and Pool educational activities. The concluding paragraph of this report, prepared by the acting director of Women's Services in the Extension Department, has this to say: "The Wheat Pool, through its continued interest in all the projects for rural young women carried on through Women's Services, and their financial assistance, has given this service much encouragement and assistance. This is very much appreciated and we, the Women's Services of the Extension Department, wish to say a sincere Thank You."

Saskatchewan Women's Co-operative Guild

Your Board would again acknowledge the practical assistance of the Saskatchewan Women's Co-operative Guilds in support of Wheat Pool services and facilities. This has included a well organized effort to increase the domestic sale of Pool Co-op flour, as well as participation in the organization and operation of the co-operative summer schools for 1951.

The pamphlet, "Instructions for new Treatment of 1949-50 Pool Co-op Flour," prepared by the Guild officials after consultation with the Pool Mill management, was distributed to all of the Guild units late last fall. As a result, good work was done in showing flour users how to secure the best results from flour which for the first time in many years, was milled from a mix containing a percentage of frosted kernels.

Country Organization

Wheat Pool Committees

At 31st July 1951 there were 1,147 local Wheat Pool Committees functioning in the province, which compares with 1,157 at the same date last year, a decrease of ten committees. Statement No. 7 of this report shows the total number of committees by Wheat Pool districts and sub-districts. Statement No. 8 indicates that 1,057 of these committees were re-organized during the twelve month period 1st August 1950 to 31st July 1951, leaving 90 that have not reported re-organization. This compares with 97 last year and indicates a high percentage of active committees in all Wheat Pool districts. A number of the 90 that have not reported have actually been re-organized but the minutes of the annual meetings have not been received at Head Office. It is of interest to note that 10,184 Wheat Pool shareholders are serving as members of local committees, an average of 8.9 per committee.

Committee Conventions

The annual program of committee conventions was carried through in May, June and July. Attendance was

lower than the previous year. The decrease may be explained by the fact that in many areas of the province farmers were seeding this year's crop, harvesting the remnants of last year's crop and struggling against unfavourable weather at the same time. Total attendance was 7,368.

The reports of committee work during the year, presented by the secretary, together with a discussion of these reports, led by the Wheat Pool delegate, was the key item on the agenda at all conventions. A special feature of this year's program was the introduction of "discussion groups." Each convention was organized into groups varying from six to twelve persons, depending on the attendance and the facilities of the hall. Each group organized itself with a discussion leader and a secretary, subjects were assigned, and after a period of about thirty minutes the convention was re-assembled and each group secretary presented the result of its discussion, and the convention as a whole, expressed its opinion on the group recommendation. This change in the agenda was undertaken in an effort to secure greater participation and worked out very well. There was undoubtedly greater participation on the part of committee men than at any time in the past history of these conventions. A summary of group recommendations from all conventions will be found in Wheat Pool Committee Program No. 5, "Highlights of the Committee Conventions 1951."

The director's report on Pool policy was an important item on the agenda. The International Wheat Agreement was reviewed and continued to receive strong support from every district. Operation of The Canadian Wheat Board was explained and the Board was approved as the sole marketing agency for all grains. Policy, as laid down by delegates at the annual meeting, received the approval of committee men. Other features included reports on the Industrial Division. It is evident that Pool Co-op flour is well received. The operation of the Vegetable Oil Plant was also explained. Co-operative marketing of livestock is gaining ground in all sections of the province. Auction selling of livestock was also discussed.

Junior Co-operative activities, Women's Co-operative Guilds, co-operative education and general organization work were all discussed. Agents of Saskatchewan Pool Elevators Limited attended the conventions in all cases where the business of the elevator permitted them to do so. 704 agents were present. During the discussion of the problems of Saskatchewan Pool Elevators Limited these employees made a valuable contribution. Travelling Superintendents led discussions and answered numerous questions affecting the handling of grain. Co-operative Livestock shippers also gave information and reported on the year's operations in their department. There was good team work on the part of all employees.

During the year under review 127 committee conventions were held, as compared with 128 for the previous year. Of these, 90 were single sub-district conventions, 35 were joint conventions of two sub-districts, while two included committees from three sub-districts. Total attendance was 7,368 with an average attendance of 58. This compares with an attendance of 8,771 last year with an average of 68. Of the total attendance, 4,678 were Wheat Pool committee members, 704 were elevator agents and 1,986 were visitors. 585 of the visitors were ladies. The minutes of committee conventions continue to come in in good form, they are interesting and informative documents which are preserved from year to year and are a valuable source of reference material.

Committee Programs

Education material in the form of committee programs was issued by the Country Organization Department during the last year and was mailed to the chairman and secretary of Wheat Pool committees, Pool Elevator agents, delegates and to a number of those who have asked to be placed on the mailing list. These programs continue to meet a need for reliable material prepared in concise readable form.

The following is a list of titles: Get at the Facts; Highlights of the 26th Annual Report; Chairman's and Secretary's Handbook; Common Ground; Highlights of the Committee Conventions 1951. 15,000 copies of a special program on the car order book were distributed in August 1951 in connection with the current car order book program.

Visual Education

The problem of maintaining a library of satisfactory films in order that balanced and attractive programs may be presented, is one which requires careful attention. During the past year the department purchased 82 new films. In addition, the department was authorized to produce an industrial film showing the operation of the Flour Mill. This film, which will be a 650-foot picture in sound and colour, is now in process of preparation and it is hoped that it may be ready for distribution early in the new year. Films which are in fair condition, but which have served their purpose in our own programs and have no re-sale value, have been presented to local Film Councils in the province and to the Provincial Film Board for use in school programs. There is continued appreciation of the type of visual aid programs presented by the Wheat Pool. Large audiences attend these showings and the opportunity is presented to speak to many people who would not attend an ordinary meeting.

Meetings

During the year district representatives attended 2,670 meetings of all kinds, with an estimated attendance of 113,669. At 736 of these, motion pictures were shown. At all meetings current information in connection with the organization was given, marketing problems were explained and the policy of the Wheat Pool was outlined.

In addition to the foregoing there were personal visits to 7,787 farmers, 5,062 business men were interviewed and there were 4,645 visits to Pool elevators.

Co-operative Schools, Citizenship Days and Rallies

The program of Co-operative Schools, Citizenship Days and Rallies was continued during the year. The program varied from district to district, depending on the need of the area and the personnel available to give lectures. Canadian citizenship and the principles of co-operation were the theme of these meetings. The department continued to enjoy the active co-operation of the University of Saskatchewan, the Department of Education, the Department of Agriculture and the Saskatchewan Co-operative Union, in the program. Sixty-seven of these events were held during the year with an attendance of 4,556.

The annual series of regional Co-operative Schools was carried through in a satisfactory manner. Five of these events were held during the period, 3rd to the 14th of July. The program was generally similar to that of other years, with the same sponsoring organizations, namely, the Extension Department of the University of Saskatchewan, Saskatchewan Federated Co-operatives Limited, Women's

Co-operative Guilds, Co-operative Union of Saskatchewan, the Department of Co-operation, the Experimental Station at Swift Current and the Saskatchewan Wheat Pool. Attendance was satisfactory—Fort Qu'Appelle 73; North Battleford 70; Swift Current 68; Prince Albert 61; Saskatoon 95; a total of 367. The average age of the students was 17 years and the average education was Grade 10.

Wheat Pool fieldmen continue to take care of the organization and promotion features of these schools. They are virtually responsible for securing students and arranging for transportation. Each school has a local committee which is responsible for the program and the conduct of the entire school. In most cases the chairman of these local committees is a member of the Wheat Pool field staff.

The Co-operative Canteen, which has been a successful feature for many years, continues to grow in popularity and is one of the effective and practical lessons of the school.

The Swift Current School is a Wheat Pool project serving the youth of Districts 3, 4 and 5. It is operated by a special committee appointed by the delegates of these districts, consisting of one delegate from each district and the three fieldmen concerned. Students are financed by contributions from local Wheat Pool committees.

Dominion-Provincial Youth Training

The Country Organization Department again worked with the University of Saskatchewan in organizing four regional agricultural short courses under the Dominion-Provincial Youth Training Plan—these were residential schools of six weeks' duration, held at Kenosee Lake Chalet, North Battleford, Prince Albert and Moose Jaw. Reports indicate that this program is strongly supported and well received. Plans are already under way to continue these events during the coming winter.

Flour

The department has continued its active work in introducing Pool Co-op flour to Saskatchewan consumers and in carrying on as direct salesmen.

Livestock Marketing

During the year under review the department has given assistance to local Wheat Pool committees and livestock shippers in organizing and assembling co-operative shipments to all provincial markets operated by the Livestock Pool, and to Canadian Livestock Co-operative (Western) Limited at St. Boniface.

Co-ordination

The Co-ordination Agreement under which Wheat Pool fieldmen carry on promotion and education work for Saskatchewan Federated Co-operatives Limited and Canadian Co-operative Implements Limited was continued during the year.

General

In addition to the activities outlined above, a general program of organization and education was carried on in all districts, working always in close co-ordination with Wheat Pool directors, delegates, committees and employees.

The committees continue to be the strength in Country Organization work—they are the medium through which the membership is informed on the progress of the Wheat Pool in all departments. It is most important, therefore,

that every effort should be made to see to it that the men and women who serve on these committees are kept up-to-date on all information affecting the organization, and that they receive full support in the performance of their important duties.

Co-operative Associations

During the year 1st August 1950 to 31st July 1951 there was a net increase of 45 in the number of Co-operative Associations of all types carrying on business in Saskatchewan. After adding all new associations organized and deducting those which have been dissolved or amalgamated, there was a net increase of 31 under the Co-operative Associations Act, 2 under the Co-operative Marketing Associations Act and 12 new Credit Unions.

The number of Co-operative Associations of all types operating in Saskatchewan at 31st July 1951 was 1,330, made up as follows:

Under the Co-operative Associations Act	1,023
Under the Co-operative Marketing Associations Act.....	35
Under the Credit Union Act.....	252
Under Special Saskatchewan Legislation.....	15
Under Dominion Legislation.....	5
Total.....	1,330

Membership

For the year under review 3,866 applications for shares were received; 2,997 were transfers in blank and 869 new shares were allotted. In addition, during July 1,151 applications for shares were received, of which all were transferred in blank.

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:

<i>Year Ended</i>	<i>Applications</i>	<i>Total Shares Issued</i>
31st July 1934.....	515	104,354
31st July 1935.....	695	104,942
31st July 1936.....	869	105,717
31st July 1937.....	1,016	106,640
31st July 1938.....	370	106,889
31st July 1939.....	887	107,492
31st July 1940.....	3,477	110,715
31st July 1941.....	3,040	113,139
31st July 1942.....	5,616	117,935
31st July 1943.....	5,946	121,742
31st July 1944.....	7,704	127,058
31st July 1945.....	6,304	129,412
31st July 1946.....	5,484	129,412
31st July 1947.....	8,529	130,688
31st July 1948.....	6,609	133,298
31st July 1949.....	3,817	136,668
31st July 1950.....	3,322	138,167
31st July 1951.....	3,866	139,036

As has been pointed out in former annual meetings, as the membership of the organization increases the problem of keeping an accurate record of addresses of Pool members becomes more acute. As indicating the extent of this problem, it may be noted that the department in charge of the membership register made 12,490 changes of address during the year under review. Throughout the year advice was received of the death of 1,700 members.

Re-organization

At the last annual meeting a resolution was passed by the delegates recommending that the Board investigate the possibilities of re-organization under which Saskatchewan Co-operative Producers Limited and subsidiary

companies could be operated as one company or association, and report their findings to the next annual meeting.

At the request of the Board the Executive Committee undertook an investigation into all the factors involved. It is apparent that there are two methods by which re-organization could be accomplished.

- (1) It would be possible to wind up Saskatchewan Pool Elevators Limited and all other subsidiary companies and transfer the assets to the parent company, which would also assume all liabilities.
- (2) The plants and facilities of the present subsidiary companies could be leased to the parent company for operation, at the same time retaining the charters of the subsidiaries in existence.

Your Board is prepared to recommend to this meeting that a plan of re-organization of the present Pool set-up should be undertaken under which the various subsidiary companies would lease their physical assets to the parent company so that the operation of the whole organization may be carried on by Saskatchewan Co-operative Producers Limited. Under this set-up Saskatchewan Co-operative Producers Limited would be the sole operating company for all activities of the organization, but the charter of each subsidiary company in the present Pool organization would be maintained.

General

Final Settlement of the 5-year Pool

It will be recalled that at the time of the last annual meeting no final decision had been made by the Canadian Government on the amount to be paid as a final payment in winding up the 5-year pool. It was also reported that the Pools had an understanding with the Minister of Trade and Commerce that before a final decision was arrived at, Pool representatives would be given a further opportunity to make representations in connection with this whole matter.

In fulfilment of this understanding the Minister of Trade and Commerce arranged for the Pool representatives to meet with the Prime Minister and other members of the Cabinet on 28th November 1950 in a further attempt to secure Government action in line with the decision of the delegates at the last annual meeting. The resolution passed at that time read as follows:

THAT it is the considered opinion of this meeting that in making a final settlement of the 5-year wheat pool, in addition to the amount available for distribution, the Government of Canada should make provision for an adjusting payment estimated at 48 million dollars on all wheat sold for domestic consumption during the period 1st March 1945 to 17th February 1947, and, further

THAT if the Government of Canada has decided not to press the United Kingdom Government for a cash settlement of Clause 2 (b) of the Canada-U.K. Wheat Agreement, this meeting is of the opinion that the Government of Canada must accept full responsibility for the obligation implied in this Clause and that in further negotiation with the Government the Board of Directors should insist on an additional substantial payment in settlement of this obligation.

In February of this year your President, Mr. J. H. Wesson, was invited to accompany a Canadian Government delegation to the United Kingdom headed by the Minister of Agriculture, in a final effort to secure an adjusting payment under the "will have regard to" clause of the Canada-U.K. Wheat Agreement. Mr. Wesson was asked to accompany this delegation for the specific purpose of expressing to the representatives of the British Govern-

ment the views of the organized farmers of Western Canada on this matter.

On the 2nd March it was announced in the House of Commons at Ottawa that no further payment would be made by the Government of the United Kingdom under Clause 2 (b) of the Canada-U.K. Wheat Agreement. The statement indicated that the amount remaining in the hands of the Wheat Board for distribution was approximately 55 million dollars, equal to 3.8c per bushel on all wheat delivered to the 5-year pool. The Government of Canada had agreed to make an adjusting payment of 65 million dollars in addition to the 55 million dollars in the hands of the Wheat Board. The Government pointed out that this amount was the equivalent of 23c per bushel on all wheat delivered to the United Kingdom in the last two years of the Agreement. It worked out at 4.5c per bushel on the 1 billion, 400 million bushels delivered to the 5-year pool. In consequence the final payment on the 5-year pool totalled 120 million dollars, equal to 8.3c per bushel.

Following this announcement, a special meeting of your Board of Directors was called to convene on the 5th March to review the position. Arrangements were also made to hold a meeting of the three Pool Boards in Regina to determine what further action, if any, could be taken by the Pools.

The Interprovincial Pool meeting was held on 6th March and after giving careful and lengthy consideration to the whole position, agreed upon a statement to be issued, which read as follows:

"The Canadian Wheat Pools are of the opinion that the final payment announced, of 8.3c per bushel on 1,428,000,000 bushels of wheat delivered by farmers to the 1945-1949 pool, cannot be considered a satisfactory one.

"The proposed payment only partially meets what we believe to be the United Kingdom commitment under the "have regard to" clause of the contract. And it should not be forgotten that during the period 1st March 1945 to 17th February 1947, approximately 160,000,000 bushels of wheat were used for domestic consumption and Western farmers subsidized the consumer to the extent of 30c on every bushel of wheat used during that period. Producers subsidized the price from \$1.55 down to \$1.25 and the Federal Government subsidized it further from \$1.25 to 77 3/8c. This policy provided a direct subsidy of \$48,000,000.00 to the Canadian consumer by the Western farmer.

"In other words, the Federal Government adopted a subsidy policy for wheat and assessed \$48,000,000.00 of the cost to the wheat producers of Western Canada.

"It is fully appreciated that the Canadian Government has exercised strong pressure to obtain further funds from the British Government in accordance with the terms of the Wheat Agreement between the two nations. It is regrettable that these efforts were unsuccessful, particularly in view of the high prices Great Britain was willing to pay to other countries and that Canada received from other countries during the same period. The wheat farmers of Western Canada should not be made to suffer through the failure of the British Government to fulfill the terms of the Canada-U.K. Wheat Agreement as it was interpreted to them by Cabinet Ministers of both the United Kingdom and Canada.

"While we appreciate the action of the Government of Canada in undertaking to provide the sum of \$65,000,000.00 as part payment of the obligation to the growers under the contract, in justice to the Western wheat growers the Canadian Government should accept the full responsibility denied by the United Kingdom and in addition should repay the growers the \$48,000,000.00 subsidy to the Canadian consumer imposed by Government policy."

On 7th March a special meeting of the Saskatchewan Federation of Agriculture was called which was attended by officials of the Western Agricultural Conference. At that meeting it was decided to send a delegation to Ottawa to further present the claims of Western farmers for a more equitable settlement of the 5-year pool. An effort

was made to secure an appointment with the Prime Minister and members of the Cabinet the following week, but this was found impossible. However, on 14th March representatives of the Saskatchewan Federation of Agriculture met with the Minister of Agriculture, the Minister of Justice and the Minister of Mines and Resources in Saskatoon. This meeting again urged upon the three Western Ministers that the Canadian Government should accept the full responsibility which had been denied by the United Kingdom, and should make available a further substantial amount in distribution of the final settlement of the 5-year pool. The submission at that time pointed out that the sum of 65 million dollars represented only a part payment of the obligation to growers under the contract.

Following a very full and lengthy discussion with the three Ministers, it was decided that the Western Agricultural Conference should arrange for a delegation to go to Ottawa to press for a settlement of the claim for 48 million dollars as a return of the subsidy paid by producers on domestic wheat—this meeting to be held as soon as possible after the Easter Parliamentary recess.

On 2nd May a delegation representing the Western Agricultural Conference met with the Prime Minister and members of the Cabinet. The delegation again urged that the farmers of Western Canada had a sound claim for the amount of 48 million dollars above referred to and asked that the Government of Canada should make provision to refund to the wheat growers the amount required to make settlement of this claim.

While appreciating the action of the Government in providing an additional sum of 65 million dollars for distribution to producers delivering grain to the 5-year pool, your Board regrets that the Government did not see its way clear to provide the additional amount of 48 million dollars, the request for which had been endorsed by all farm organizations in Western Canada.

International Wheat Agreement

The objectives of the International Wheat Agreement as stated in its first Article are: "To assure supplies of wheat to importing countries and markets for wheat to exporting countries, at equitable and stable prices."

The Agreement provides maximum and minimum prices for each of the four years it is in force. The maximum price remains the same throughout but the minimum price is lowered each year. For each importing country signatory to the Agreement there is a specified guaranteed quantity which it may be required to purchase at the minimum price for the particular year or which exporting countries may be required to sell to it at the maximum price. Similarly, for each exporting country there is a specified guaranteed quantity which it may be required to sell at the maximum price or which importing countries may be required to buy from it at the minimum price for the particular year.

The total guaranteed purchases of importers and the total guaranteed sales of exporters are, of course, in balance and at the time the Agreement was signed this amounted to 456,283,000 bushels for each crop year.

The second year's operations under the International Wheat Agreement were completed on 31st July 1951. The number of importing countries participating had increased from thirty-seven to forty-one, and the guaranteed quantities were increased from 456,283,000 bushels to 562,500,000 bushels.

At the beginning of the third year's operations forty-two importing countries are participating, with combined guaranteed quantities totalling 580,917,000 bushels of grain. The number of exporting countries, members of the Agreement, remains the same and includes Canada, Australia, France and the U.S.A.

The countries participating in the Agreement, with the guaranteed quantities for which each of these countries is responsible, are as follows:

**Countries Signatory to the International Wheat Agreement
as at 1st August 1951**

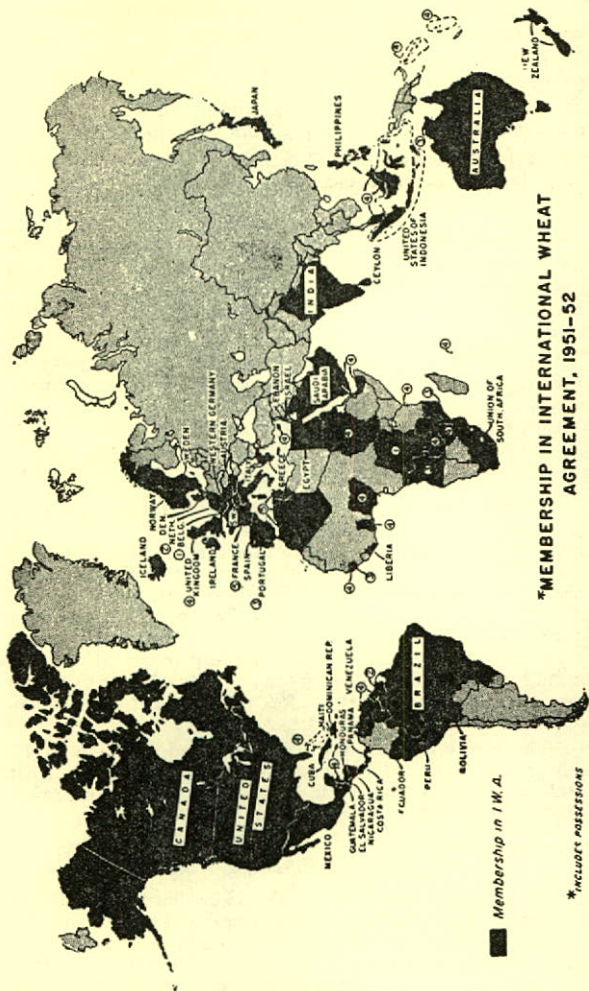
<i>Importing Countries</i>	<i>Guaranteed Quantities (bushels)</i>	<i>Importing Countries</i>	<i>Guaranteed Quantities (bushels)</i>
Austria.....	11,023,000	Japan.....	18,372,000
Belgium.....	20,209,000	Lebanon.....	2,388,000
Bolivia.....	2,756,000	Liberia.....	37,000
Brazil.....	13,228,000	Mexico.....	12,860,000
Ceylon.....	6,614,000	Netherlands.....	24,802,000
Costa Rica.....	1,213,000	New Zealand.....	4,593,000
Cuba.....	7,422,000	Nicaragua.....	331,000
Denmark.....	1,617,000	Norway.....	7,716,000
Dominican Republic.....	876,000	Panama.....	625,000
Ecuador.....	1,286,000	Peru.....	5,512,000
Egypt.....	14,697,000	Philippines.....	7,202,000
El Salvador.....	404,000	Portugal.....	5,626,000
Germany.....	66,139,000	Saudi Arabia.....	1,837,000
Greece.....	15,726,000	Spain.....	4,373,000
Guatemala.....	919,000	Sweden.....	2,756,000
Haiti.....	1,029,000	Switzerland.....	6,430,000
Honduras Republic.....	367,000	Union of	
Iceland.....	404,000	South Africa.....	11,023,000
India.....	55,116,000	United Kingdom.....	177,068,000
Indonesia.....	3,674,000	Venezuela.....	6,246,000
Ireland.....	10,104,000		
Israel.....	5,879,000	Total.....	580,917,000
Italy.....	40,418,000		

<i>Exporting Countries</i>	<i>Guaranteed Quantities (bushels)</i>
Canada.....	232,979,000
Australia.....	88,700,000
France.....	4,089,000
U.S.A.....	255,149,000
Total.....	580,917,000

Pool delegates will recall that there is provision in the Agreement that the International Wheat Council will communicate to the participating countries its recommendations regarding the renewal of this Agreement not later than 31st July 1952, that is, one full year before its termination on 31st July 1953.

The number of countries, as well as the tonnage of wheat now involved in the Agreement bears ample testimony to the importance of this Agreement in the international wheat trade. It is obvious that there is a growing appreciation of the value of stable prices and assured markets to exporting countries and stable market prices and assured supplies to importing countries. During the past year opposition to the principles underlying the Agreement has decreased. Nevertheless, it may be anticipated that a strong campaign directed against the Agreement by those who desire to reinstate the speculative system of grain marketing, will be undertaken prior to the time recommendations as to renewal are forwarded to the participating countries in July of the coming year.

Your Board is of the opinion that in an agreement of this kind there has been developed the alternative method of marketing long looked for by the world's wheat producers, which is able to replace the speculative system of trading upon which international trade in wheat was formerly founded.



Your Board believes that the Agreement should be continued beyond 1953. Certain changes in terms may be anticipated in the light of experience. It may be found possible to work out a method of automatic renewal satisfactory to the participating countries. Also, it may be found advisable to provide greater flexibility in establishing price ranges. The principle of commodity marketing by agreement, rather than through speculative trading, is sound and in the interests of wheat producers should be maintained.

If given the opportunity, your Board will arrange to be represented at any conferences held looking towards the extension of this Agreement and will be prepared to express its support of the principles of international commodity agreements in urging renewal.

Domestic Price of Wheat

At the last annual meeting of the Canadian Federation of Agriculture a resolution was passed which was later submitted to the Dominion Cabinet, urging that the price of wheat sold by the Wheat Board for domestic consump-

tion should be adjusted from time to time in accordance with changes in the domestic economy.

It was suggested that the price should be based on \$2.00 per bushel basis 1 Northern Fort William for January 1951, with adjustments according to the change in domestic economic conditions from January 1951.

In January 1951 the D.B.S. index of prices of commodities and services used by farmers and farm family living costs stood at 201 (basis 1935-1939 equals 100). In August 1951 this index number had risen to 226.7. This is a percentage increase of just over 12½%. A domestic wheat price equivalent to \$2.00 per bushel at last January's cost of living and production would therefore be \$2.25 per bushel, assuming that the rise in farm costs is halted at close to the August 1951 level.

The index numbers used in this calculation refer to Western Canada and they take account of both farming and living expenses, including not only equipment and materials, but also taxes, interest and labour costs.

Hog Prices

At the annual meeting of the Canadian Livestock Co-operative (Western) Limited held recently, the meeting reviewed the recent drastic price decline in the hog market and expressed the view that there was no justification for the price reduction during the period 13th September to 20th September. Storage holdings of all meats, particularly pork, are at a very low level and the opinion was expressed that there was nothing either in the production or marketing picture which could justify a reduction in producer hog returns approximating 25% within a period of seven days.

The meeting asked the Canadian Federation of Agriculture on behalf of the hog producers of both the East and the West, to take the necessary steps to secure an investigation into this matter.

1951-1952 Crop

Anticipating a large crop, The Canadian Wheat Board has made commitments for the shipment of large quantities of milling wheat from this year's production, before the close of navigation early in December. With the continued delay in harvesting and in order to help meet its commitments, the Wheat Board thought it necessary to suspend the operation of the delivery quota system instituted at the beginning of the crop year.

In addition, the Board has taken drastic steps in conjunction with the Transport Controller, to concentrate the allocation of cars for the shipment of milling wheat, by placing cars at nearby stations where the fastest possible turn-around can be secured. In effect this means that cars will probably be concentrated in Manitoba and Eastern Saskatchewan for shipment to the Lakehead and in Alberta for shipment to the Pacific Coast.

Under these conditions your Board has advised The Canadian Wheat Board that they are satisfied there is an adequate supply of millable grades of wheat in carlot quantities at all points in the Province of Saskatchewan to ensure the backlog required by the Wheat Board. Further, that as a result of the suspension of delivery quotas, a situation has developed which seriously affects the position of growers, and have urged that the delivery quota system be fully re-instated.

In view of the delayed harvest and the very serious congestion at country elevator points, your Board has also

recommended that arrangements be made for the Wheat Board to make advances against grain in store on the farms in those cases where growers are unable to make delivery to country elevators. They have also recommended that in view of the serious congestion in country elevators and the probable delay in the ability of growers to deliver, a system of paying farm storage should be established during the current season.

Future Policy

For the coming year your Board recommends that the policy of the organization should be directed to:

- (1) Full support of the principle inherent in the International Wheat Agreement as the basis upon which the international wheat trade should be carried on.
- (2) The renewal of the International Wheat Agreement for a further period with such changes as experience may have shown are necessary in the Agreement.
- (3) Full support of The Canadian Wheat Board in a program for the orderly marketing of all western grown grains, including flax and rye, and the elimination of the use of the speculative market in connection therewith.
- (4) That because of the increased duties and responsibilities now carried by The Canadian Wheat Board, the personnel of the Board should be increased from three to five members, as provided for in last year's amendments to the Wheat Board Act. While the present members of The Canadian Wheat Board have the confidence of western grain growers, in the appointment of additional members to the Board the Government should continue to select men who are familiar with the marketing objectives of organized agriculture and at the same time will be able and willing to work out grain marketing policies in line with these objectives.
- (5) That in periods of heavy crop delivery, delivery quotas should be maintained at all points in order to provide a more equitable division of elevator space and give growers the opportunity to deliver some grain in the heavy delivery period.
- (6) Establishing a domestic price for wheat which would be subject to adjustment from time to time in accordance with changes in the domestic economy as evidenced by the D.B.S. indices covering commodities and services used by farmers and also farm living costs.
- (7) Continued support through the Canadian Federation of Agriculture of the principle of international commodity agreements for the orderly marketing of farm commodities in the interests of producer and consumer.
- (8) That we endorse the principle of compulsory grading of hogs, subject to the right of the producer to choose between rail and live grading.

A suggested national policy on soil conservation and land use recently drawn up by the Agricultural Institute of Canada, contains the following statement: "The lack of an adequate and integrated governmental policy covering land and water resources is now recognized as a growing menace to the welfare of our farmers and our whole economy and should be a matter of national concern."

Your Board believes that Saskatchewan farmers can fully subscribe to the above statement and recommends:

- (9) That we urge upon the Federal Government the adoption of a national agricultural policy which would provide for:
 - (a) An adequate scheme of crop insurance, the cost to be borne jointly by the Dominion and Provincial Governments and the producers;
 - (b) A greater use of the Agricultural Prices Support Act as a means of maintaining adequate floor prices of those farm commodities to which the Act applies;
 - (c) Increased co-ordination of the Dominion and Provincial Government programs for a better use of our soil and water resources;

to the end that producers may be assured adequate returns to enable them to improve their farms, diversify their production, plan their crops and rotations on a long-term basis, and engage in community action to the extent necessary to maintain maximum production.

In general, it will be the purpose of your Board to continue to co-operate with the other Pool organizations of Manitoba and Alberta and with all other farm organizations across Canada through the Canadian Federation of Agriculture to secure the establishment of sound national agricultural policies, and the maintenance of stable prices on farm commodities at levels fair to the producer and the consumer.

Conclusion

Throughout the whole period since the close of the war the nations of the world have been faced with a series of contrasting trends probably greater than at any time in history.

We have seen a generous policy of international economic assistance and co-operation developed in Western Europe on an unprecedented scale and at the same time, bitter international and ideological conflict. There have been the beginnings of international action to make available modern science, and technical knowledge for the improvement of living conditions in those countries where such knowledge is vitally needed. Side by side with this humanitarian program there have been war and rumours of war in different parts of the world. Inflation, with all its attendant difficulties, is rampant in many countries and booming prosperity in others.

But through all this bewildering confusion there are recorded many instances where the application of the principles inherent in the co-operative movement has contributed to order and peace and economic and social stability in numerous areas and states.

Long ago we learned the lesson that no nation can live unto itself alone. In building the co-operative movement on a sure and strong foundation, the farmers of Western Canada are at the same time making an important international contribution to the difficult period through which we are passing.

Under the difficult conditions which exist today, Pool members face a two-fold responsibility—first, to help maintain the co-operative ideals upon which their organization is based, and, second, to make available to those they have selected for positions of leadership, their views and opinions for the practical direction of this great organization which they have helped to create.

The ability of your organization to influence opinion at the national and international level is directly in proportion to the degree of support of the co-operative movement by individual members.

All of which is respectfully submitted.

MARSH ADAMS

A. F. SPROULE

J. W. ORR

J. M. MCCALLUM

T. G. BOBIER

WARDEN BURGESS

J. H. HARRISON

W. J. BALL

ALBERT GREENFIELD

W. F. McLEOD

L. W. ELLIOTT

E. A. BODEN

WILLIAM CUMMINS

W. McK. ROSS

A. W. FRIESEN

J. H. WESSON

GEORGE A. TOUCHE & CO.

Chartered Accountants

356 Main Street
WINNIPEG

28th September 1951.

To the Shareholders,
Saskatchewan Co-operative Producers Limited,
Regina, Saskatchewan.

We have examined the books and accounts of Saskatchewan Co-operative Producers Limited, Modern Press Limited, Saskatchewan Co-operative Livestock Producers Limited, Saskatchewan Pool Elevators Limited, and Saskatchewan Pool Terminals Limited for the year ended 31st July 1951, and have reported in statutory form on the Balance Sheets of these Companies.

Under the terms of the Retirement Annuity Plan as amended, there is a liability of undetermined amount in respect of employees engaged prior to 1st August 1939, and in respect of all participant employees for the period prior to 1st August 1949, as a result of the increased benefits effective at that date; in the past year the seventh payment was made to the Government of Canada Annuities Branch in respect of the estimated total liability amortized over ten years.

Subsequent to the year end an agreement was entered into for the purchase of additional terminal elevator facilities at a cost of \$1,100,000.00. In arriving at the amount of capital commitments shown on the Balance Sheet, the first payment of \$250,000.00 has been taken into consideration.

No provision has been made for an account receivable of a doubtful nature amounting to \$115,378.61.

We have obtained all the information and explanations we have required and, in our opinion, subject to the foregoing, the appended Balance Sheet is properly drawn up so as to present in consolidated form a true and correct view of the state of the organization's affairs as at 31st July 1951, according to the best of our information and the explanations given, and as shown by the books of the various companies; and, in our opinion, all the transactions of the companies that have come to our notice have been within the objects and powers of the companies.

GEORGE A. TOUCHE & CO.,

Chartered Accountants,
Auditors.

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED
 MODERN PRESS LIMITED
 SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED
 SASKATCHEWAN POOL ELEVATORS LIMITED
 and
 SASKATCHEWAN POOL TERMINALS LIMITED

STATEMENT No. 1

CONSOLIDATED BALANCE SHEET AT 31st JULY 1951

ASSETS

LIABILITIES AND CAPITAL

48

Cash and Securities.....	\$ 6,059,812.38	Cheques, Orders and Certificates Outstanding....	\$19,353,519.71
Accounts Receivable—Current		Accounts Payable—Current	
Province of Saskatchewan Sinking Fund Assets.....\$ 2,031,000.00		Bank Loans.....\$22,875,000.00	
Sundry.....1,486,720.62		Province of Saskatchewan re 1929-1930 Pool Over-	
	3,517,720.62	payment.....2,031,000.00	
Stocks of Grain (as certified by responsible officials)	47,369,536.07	Province of Saskatchewan Sinking Fund Deficiency..	24,465.80
Stock in Trade (as certified by responsible officials)....	1,200,377 75	Interest Payable on Elevator Deductions.....	365,641.80
Manufacturing Supplies		Excess Charges Refund, Season 1950-1951.....	3,808,750.00
(as certified by responsible officials).....	157,270.83	Reserve for Income Taxes.....	217,876.01
Prepaid Taxes, Insurance and Other Expenses....	257,378.39	Excess Charges Refund, Season 1949-1950 in	
		abeyance	7,886.27
		Sundry.....	5,088,443.16
Total Current Assets.....	\$58,562,096.04		34,419,063.04
		Total Current Liabilities.....	\$53,772,582.75

Accounts Receivable—Deferred

Growers' Accounts.....	\$ 9,411.41	
Canadian Livestock Co-operative (Western) Limited	21,341.21	
Pool Elevator Corporation.....	284,000.00	
		314,752.62

Investments and Memberships—

at cost, Less Reserve (including amount paid on Pool Insurance Company Shares, on which there is an Uncalled Balance of \$32,500.00).....		197,236.50
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Fixed Assets, at cost, Less Depreciation

Land, Buildings, Machinery and Equipment.....	\$40,850,727.04	
Less Reserves for Depreciation.....	23,090,508.84	
		17,760,218.20

Deferred Charges

Stocks of Repair Parts and Supplies.....		298,834.30
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\$77,133,137.66

Reserve for Unearned Subscriptions.....	10,000.00
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Deferred Credit to Reserve

Refundable Portion of Excess Profits Tax.....	978.35
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Elevator Deductions.....	12,188,060.07
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Commercial Reserve.....	6,567,851.17
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Capital

Authorized	
200,000 Shares of \$1.00 each.....	\$200,000.00
Issued and Fully Paid, 139,036 Shares.....	139,036.00

Reserves

Saskatchewan Co-operative Livestock Producers Ltd. \$	127,401.42	
Saskatchewan Pool Elevators Limited.....	4,327,227.90	
		4,454,629.32

Capital Commitments

In respect of Terminal Facilities and Machinery under purchase, and Buildings and Work under construction—estimated	\$753,000.00
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Contingent Liability

In Respect of the Final Accounting of the Province of Saskatchewan 4½% Debentures, 1951 Sinking Fund	
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\$77,133,137.66

Approved on Behalf of the Board:

J. H. WESSON, *Director*

A. F. SPROULE, *Director*

This is the Balance Sheet Referred to in our Report of 28th September, 1951.
GEORGE A. TOUCHE & CO., Chartered Accountants, Auditors.

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED
MODERN PRESS LIMITED
SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED
SASKATCHEWAN POOL ELEVATORS LIMITED
and
SASKATCHEWAN POOL TERMINALS LIMITED

STATEMENT No. 1A

FIXED ASSETS AT 31st JULY 1951

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED

	Cost	Depreciation Reserve	Net Value
Building, Equipment and Alterations.....	\$ 339,509.87	\$ 182,323.03	\$ 157,186.84
Office Furniture and Equipment.....	166,646.33	153,538.63	13,107.70
Automobiles.....	53,526.59	19,839.36	33,687.23
Motion Picture Equipment.....	22,818.12	19,873.31	2,944.81
Motion Picture Films.....	5,589.08	4,214.92	1,374.16
Radio and Radio Equipment.....	793.77	487.34	306.43
Site—Regina.....	25,397.75	—	25,397.75
Total.....	\$ 614,281.51	\$ 380,276.59	\$ 234,004.92

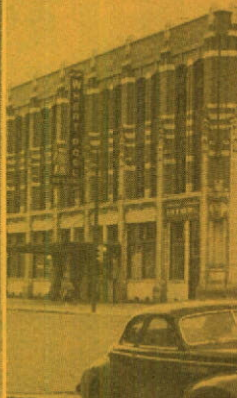
MODERN PRESS LIMITED

Building, Machinery and Equipment.....	\$ 823,905.26	\$ 175,302.91	\$ 648,602.35
Office Furniture and Equipment.....	31,327.86	9,245.60	22,082.26
Machinery under Purchase.....	2,525.00	—	2,525.00
Site—Saskatoon.....	12,725.00	—	12,725.00
Total.....	\$ 870,483.12	\$ 184,548.51	\$ 685,934.61

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED

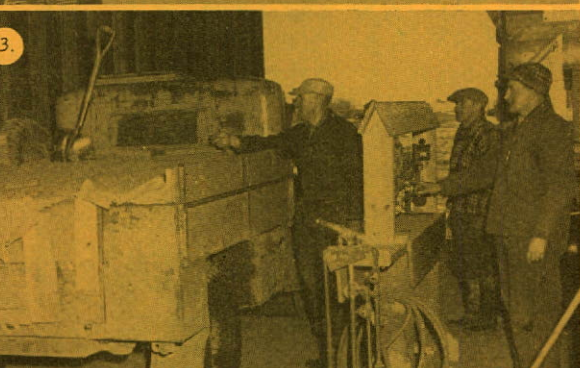
Stock Yards.....	\$ 188,795.43	\$ 47,380.42	\$ 141,415.01
Assembly Yards.....	1,195.19	457.24	737.95
Country Scales and Sheds.....	6,550.56	3,814.35	2,736.21
Tattoo Equipment.....	7,602.81	6,368.06	1,234.75
Sundry Equipment.....	623.76	339.12	284.64





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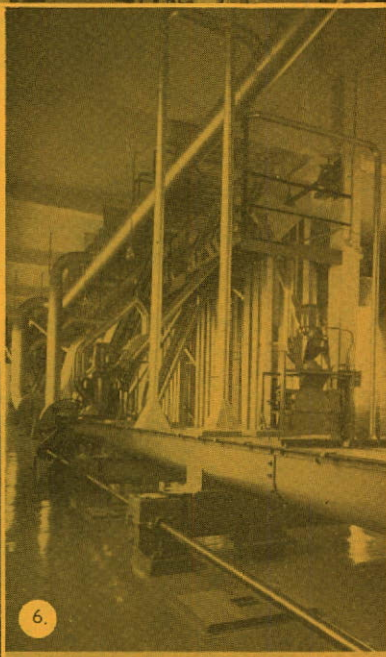
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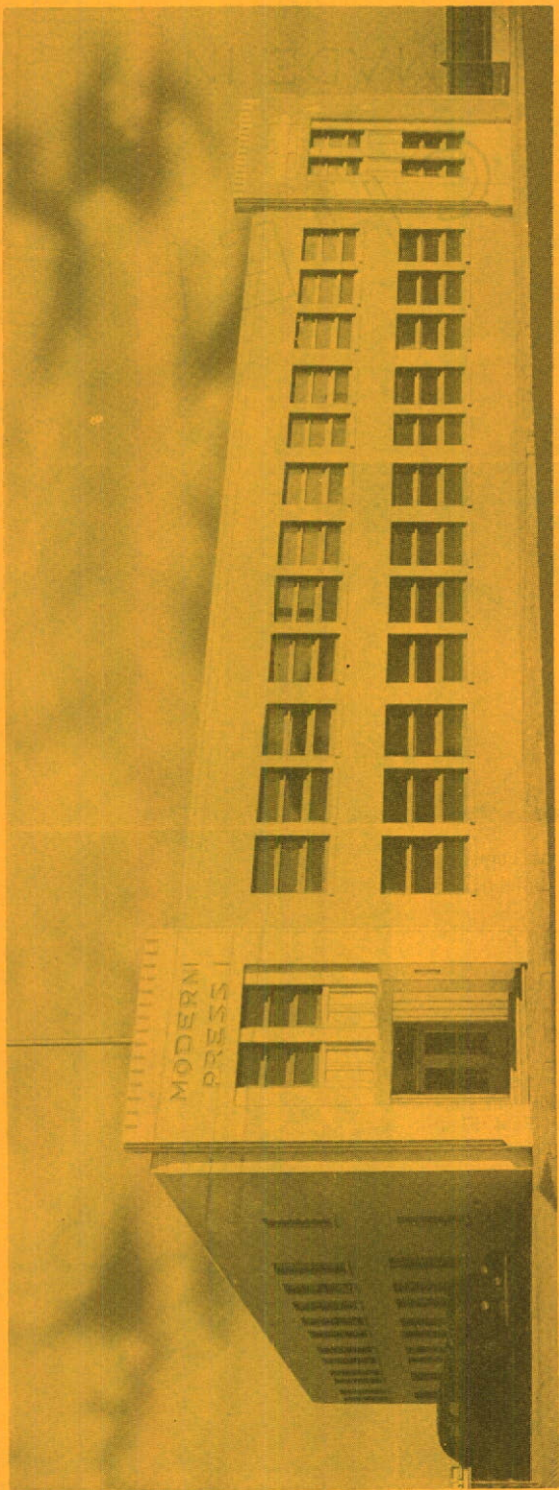
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MODERN
PERKS

Office Furniture and Equipment.....	20,369.18	11,455.45	8,913.73
Automobiles, Trucks and Tractors.....	34,138.91	16,551.10	17,587.81
Site—Yorkton.....	300.00	—	300.00
Total.....	\$ 259,575.84	\$ 86,365.74	\$ 173,210.10

SASKATCHEWAN POOL ELEVATORS LIMITED

Grain Division

Terminal Elevators			
No. 4A—Building.....	\$ 2,085,943.97	\$ 1,287,418.47	\$ 798,525.50
No. 4A—Machinery and Equipment.....	1,438,592.43	1,010,299.91	428,292.52
No. 4B—Building.....	1,622,660.63	170,200.54	1,452,460.09
No. 4B—Machinery and Equipment.....	2,007,610.74	774,175.63	1,233,435.11
No. 7 —Building.....	2,458,016.95	1,397,959.61	1,060,057.34
No. 7 —Machinery and Equipment.....	1,969,197.70	1,366,848.80	602,348.90
No. 7 —Storage Annex Building.....	919,114.34	104,130.14	814,984.20
No. 7 —Storage Annex Machinery and Equipment.....	170,177.75	63,169.97	107,007.78
Feed Mill—Building.....	27,515.00	5,227.85	22,287.15
Feed Mill—Machinery and Equipment.....	44,288.65	15,943.91	28,344.74
	\$12,743,118.16	\$ 6,195,374.83	\$ 6,547,743.33
Country Elevators and Coal Sheds.....	19,299,464.33	14,560,756.26	4,738,708.07
Temporary Bins.....	51,403.39	5,596.94	45,806.45
Agents' Residences.....	1,576,712.47	794,418.98	782,293.49
Work Under Construction.....	788,031.32	—	788,031.32
Wheat Pool Building and Restaurant Equipment, Winnipeg, 48%.....	224,876.39	28,242.33	196,634.06
Sites—Terminal Elevators, etc.....	291,183.48	—	291,183.48
Warehouses—Regina and Port Arthur.....	37,105.51	11,030.76	26,074.75
Office Furniture and Equipment.....	256,531.84	178,115.91	78,415.93
Automobiles and Trailers.....	187,354.84	78,974.75	108,380.09
Payors' Safes.....	16,105.59	13,694.31	2,411.28
Total Grain Division.....	\$35,471,887.32	\$21,866,205.07	\$13,605,682.25

FIXED ASSETS AT 31st JULY 1951

STATEMENT No. 1A (Continued)

	Cost	Depreciation Reserve	Net Value
INDUSTRIAL DIVISION			
Vegetable Oil Plant			
Building.....	\$ 112,265.22	\$ 10,290.74	\$ 101,974.48
Machinery and Equipment.....	211,031.23	93,576.22	117,455.01
Refinery Building.....	32,357.72	1,510.02	30,847.70
Refinery Machinery and Equipment.....	90,966.24	21,134.24	69,832.00
Storage Tank Building.....	23,377.43	1,189.92	22,187.51
Storage Tank Machinery and Equipment.....	19,700.61	5,978.15	13,722.46
Laboratory Equipment.....	3,078.32	1,241.87	1,836.45
Office Furniture and Equipment.....	3,760.21	1,308.86	2,451.35
Automobile.....	2,327.74	1,047.49	1,280.25
Total.....	\$ 498,864.72	\$ 137,277.51	\$ 361,587.21

INDUSTRIAL DIVISION			
Flour Mill			
Mill Building.....	\$ 866,596.72	\$ 41,769.37	\$ 824,827.35
Mill Machinery and Equipment.....	750,551.72	180,567.77	569,983.95
Grain Elevator Building.....	747,094.10	35,976.50	711,117.60
Grain Elevator Machinery and Equipment.....	422,915.37	102,066.98	320,848.39
Boiler House and Substation Building.....	80,043.71	4,044.18	75,999.53
Boiler House Equipment.....	79,968.07	20,097.76	59,870.31
Substation Equipment.....	70,850.16	17,128.14	53,722.02
Flour Shed.....	1,579.30	78.97	1,500.33
Laboratory Equipment.....	5,491.56	1,371.79	4,119.77
Office Furniture and Equipment.....	8,398.14	1,752.08	6,646.06
Automobile.....	2,335.00	1,436.02	898.98

Plant Tools and Equipment.....	9,122.75	2,091.71	7,031.04
Machinery under Purchase.....	14,015.10	—	14,015.10
Total	<u>\$ 3,058,961.70</u>	<u>\$ 408,381.27</u>	<u>\$ 2,650,580.43</u>
Site—Saskatoon.....	\$ 6,291.00	\$ —	\$ 6,291.00
Spur Tracks.....	31,369.25	4,491.34	26,877.91
Total, Industrial Division	<u>\$ 3,595,486.67</u>	<u>\$ 550,150.12</u>	<u>\$ 3,045,336.55</u>
Total, Saskatchewan Pool Elevators Limited	<u>\$39,067,373.99</u>	<u>\$22,416,355.19</u>	<u>\$16,651,018.80</u>
SASKATCHEWAN POOL TERMINALS LIMITED			
Office Furniture and Equipment.....	\$ 19,550.19	\$ 14,708.13	\$ 4,842.06
Automobiles.....	6,026.24	3,157.83	2,868.41
Miscellaneous Equipment.....	13,436.15	5,096.85	8,339.30
Total	<u>\$ 39,012.58</u>	<u>\$ 22,962.81</u>	<u>\$ 16,049.77</u>
GRAND TOTAL (All Companies)	<u>\$40,850,727.04</u>	<u>\$23,090,508.84</u>	<u>\$17,760,218.20</u>

CONSOLIDATED BALANCE SHEET

The following may be of value in considering this statement:

ASSETS

Cash and Securities

This includes the following items:

Cash in Banks.....	\$5,113,111.42
Cash Funds—Payors.....	921,700.96
Province of Saskatchewan Bonds, at Cost.....	25,000.00
	<u>\$6,059,812.38</u>

Province of Saskatchewan Bonds—\$25,000.00: This amount represents Province of Saskatchewan industrial development 3% debentures due 1st February 1955, at cost

ACCOUNTS RECEIVABLE—CURRENT

Province of Saskatchewan Sinking Fund Assets—\$2,031,000.00: Under the terms of the Supplementary Agreement with the Province of Saskatchewan dated 17th March 1933, any payments made by the Company in excess of moneys expended by the Province in respect of the 1929-1930 Pool Overpayment Account will accrue to the benefit of the organization, to be taken into consideration in the final accounting in respect of the liability referred to. As the rate of interest, namely 5%, paid by the Company to the Province is in excess of that paid by the Province on the 4½% debentures 1951, such excess payments have been made and are reflected in the Sinking Fund Asset Account to the extent of \$1,577,977.56.

The balance of \$453,022.44 represents the net difference between the cost and par value of investments held in the 4½% debentures 1951 sinking fund after charging thereto the balance required to cancel debentures previously purchased by the Sinking Fund Trustees.

Sundry—\$1,486,720.62: This item is comprised principally of accrued handling charges on grain in store in country and terminal elevators, trade accounts, sundry loans, advances, freight, sales of grain, etc.

Stocks of Grain, less Stored Grain—\$47,369,536.07: This amount represents the value of grain on hand in various positions at 31st July 1951, less the liability for stored grain. Values of open market grains have been based upon Winnipeg market cash closing prices at 31st July 1951, or upon open sales contracts where applicable, after allowance for freight and other charges where necessary.

Values of grains deliverable to the Canadian Wheat Board have been based upon Wheat Board prices, less freight, where necessary.

Stock in Trade—\$1,200,377.75: This item includes the value of job stock and newsprint on hand at Modern Press Limited, Saskatoon; flax, screenings, oil and meal on hand at the Vegetable Oil Plant, Saskatoon; and stocks of wheat, coarse grains, screenings, flour, feeds, etc., on hand at the Flour Mill at Saskatoon, and on consignment, at 31st July 1951.

Manufacturing Supplies—\$157,270.83: This amount represents the cost of drums and containers, sacks, refining chemicals, sewing twine and fuel on hand at the Vegetable Oil Plant, Saskatoon; bags and improvers on hand at the Flour Mill, Saskatoon; together with bags on hand at the Grinding Mill, Port Arthur, at 31st July 1951.

Prepaid Taxes, Insurance and other Expenses—\$257,378.39: This amount represents prepayment of various items chargeable to the operations of the succeeding year.

ACCOUNTS RECEIVABLE—DEFERRED

Growers' Accounts—\$9,411.41: Items comprising this amount are as follows:

Advances against Reserves.....	\$1,018.70
Seed Grain Advances against Reserves.....	8,392.71
	<u>\$9,411.41</u>

Canadian Livestock Co-operative (Western) Limited—\$21,341.81: This represents Saskatchewan Co-operative Livestock Producers Limited portion of undistributed surplus earnings of Canadian Livestock Co-operative (Western) Limited, set aside in equity account during seasons 1940-1941 to 1950-1951 inclusive.

Pool Elevator Corporation, Buffalo—\$284,000.00: This amount represents the balance owing on the sale of the Buffalo Terminal and is repayable in twenty-two (22) semi-annual payments of \$12,500.00 each in U.S. Funds, on the 1st February and 1st August 1954 to 1964 inclusive, with a final payment of \$9,000.00 due 1st February 1965, with interest at the rate of 4½%.

Investments and Memberships—\$197,236.50: This amount represents investments in shares and memberships at cost, less a reserve of \$50,000.00 which was set aside from surplus income of Saskatchewan Co-operative Producers Limited in season 1936-1937 to provide against loss on the Company's investment in Canadian Co-operative Wheat Producers Limited. Details of investments and memberships are as follows:

Canadian Co-operative Wheat Producers Limited, 500 shares of \$100.00 each.....	\$ 50,000 00
Canadian Pool Agencies Limited 667 shares of \$10.00 each.....	6,670 00
Pool Insurance Company, 1,250 shares of \$100.00 each.....	\$125,000.00
Premium of \$12.00 per share.....	15,000.00
	<u>\$140,000.00</u>
Less: Unpaid thereon.....	32,500.00
	<u>107,500.00</u>
Canadian Livestock Co-operative (Western) Limited: 8 shares of \$1.00 each.....	8.00
Saskatchewan Co-operative Credit Society Limited: 2,950 shares of \$10.00 each.....	29,500.00
Saskatchewan Federated Co-operatives Limited.....	489.11
Local Co-operative Associations: Sundry shares.....	5,057.39
Rural Telephone Companies Sundry shares....	1,812.00
Winnipeg Grain and Produce Exchange Clearing Association Limited: 10 shares....	12,250.00
Lake Shippers Clearance Association: 1 Membership.....	3,000.00
Winnipeg Grain Exchange: 6 Memberships.....	30,950.00
	<u>\$247,236.50</u>
Less: Reserve.....	50,000.00
	<u><u>\$197,236.50</u></u>

Fixed Assets: Statement "1A" shows in detail the cost, Depreciation Reserve, and net value of our fixed assets at 31st July 1951.

LIABILITIES

CHEQUES, ORDERS AND CERTIFICATES OUTSTANDING

This includes the following items:

Cheques and Money Orders.....	\$10,743,217.02
Grain Drafts, Expense Orders and Cash Tickets.....	8,605,000.79
Growers' Certificates.....	5,301.90
	<u>\$19,353,519.71</u>

Growers' Certificates—\$5,301.90: This represents the amount due on Growers' Certificates covering deliveries to the various seasons' wheat and coarse grains pools, which have not been presented to Head Office for payment.

ACCOUNTS PAYABLE—CURRENT

Bank Loans—\$22,875,000.00: This represents the amount of borrowings from the lending banks at 31st July 1951.

Province of Saskatchewan re 1929-1930 Pool Overpayment—\$2,031,000.00: This amount is equal to the Province of Saskatchewan 4½% debentures 1951 outstanding at 31st July 1951, in the hands of the public. The accumulation of interest and premiums and discounts which are set up on the Balance Sheet as Province of Saskatchewan Sinking Fund Assets provide for this liability

Province of Saskatchewan Sinking Fund Deficiency—\$24,465.80: This sum represents the deficiency at 31st July 1951 between the accrued earnings and investments of the 4½% debentures 1951 Sinking Fund, and the accrued interest and liability to the debenture holders.

Interest Payable on Elevator Deductions—\$365,641.80: This amount has been allocated from the past season's surplus earnings of the Elevator Company in accordance with a resolution of the Board of Directors dated September 27th 1951, to cover the payment of 3% interest on Elevator Deductions.

Excess Charges Refund, Season 1950-1951—\$3,808,750.00: This amount has also been allocated from the past season's surplus earnings of the Elevator Company in accordance with a resolution of the Board of Directors dated September 27th 1951.

Reserve for Income Taxes—\$217,876.01: This represents provision for income taxes, less payments made to 31st July 1951.

Excess Charges Refund, Season 1949-1950 in Abeyance—\$7,886.27: This sum represents the unexpended portion of the sum allocated as excess charges refund last season after distribution of payments.

Sundry—\$5,088,443.16: This amount consists principally of accrued expenses, Trade Accounts, Loan Accounts and payments due to Receiver General of Canada re Employees' Income Taxes and Group Annuities.

Reserve for Unearned Subscriptions—\$10,000.00: This item represents a partial provision for unexpired subscriptions to *The Western Producer* at 31st July 1951.

DEFERRED CREDIT TO RESERVE

Refundable Portion of Excess Profits Tax—\$978.35: This amount represents the refundable savings portion of Excess Profits Tax for season 1945-1946, payable to Modern Press Limited in March 1952, and will be credited to Reserve Account on receipt of payment.

CAPITAL, RESERVES, ETC.

Elevator Deductions—\$12,188,060.07, Commercial Reserves—\$6,567,851.17: Funds in respect of Elevator Deductions are invested in Saskatchewan Pool Elevators Limited, and in respect of Commercial Reserves in the remaining investments, loans, fixed assets, etc.

Capital—\$139,036.00: This sum includes new capital subscribed during the year to the extent of \$869.00.

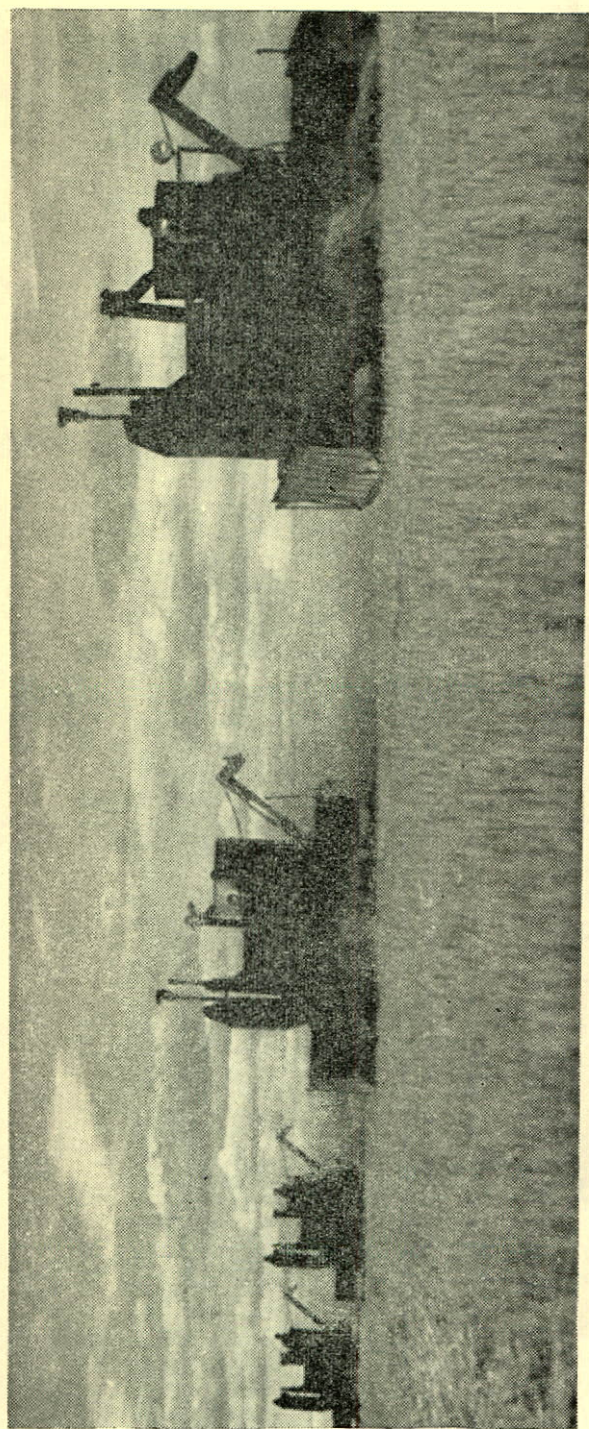
RESERVE ACCOUNTS

Saskatchewan Co-operative Livestock Producers Limited—\$127,401.42: The following is a summary of this account:

Balance at 31st July 1950.....	\$107,436.47
Deduct: Adjustment of prior year's Income Taxes.....	164.99
	<u>\$107,271.48</u>
Capital Gains on disposals of Assets.....	9.70
Surplus for the year ended 31st July 1951.....	20,120.24
	<u><u>\$127,401.42</u></u>

Saskatchewan Pool Elevators Limited—\$4,327,227.90: The following is a summary of this account:

Balance at 31st July 1950.....	\$3,990,642.48
Adjustment of prior year's Income Taxes.....	29,307.64
	<u>\$3,961,334.84</u>
Transferred from Depreciation Reserves.....	234,832.03
Adjustment of prior season's Excess Charges Refund— Net.....	3,837.17
Capital gains on disposals of Assets.....	49,518.55
Transferred from Surplus Earnings.....	77,705.31
	<u><u>\$4,327,227.90</u></u>



SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED
MODERN PRESS LIMITED
SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED
SASKATCHEWAN POOL ELEVATORS LIMITED
 and
SASKATCHEWAN POOL TERMINALS LIMITED
CONSOLIDATED CAPITAL STATEMENT AT 31st JULY 1951

Capital Receipts

Capital.....	\$ 139,036.00
Commercial Reserves.....	6,567,851.17
Elevator Deductions.....	12,188,060.07
Reserve Accounts—Subsidiary Companies.....	4,464,629.32
Deferred Credit to Reserve.....	978.35
	<hr/>
	\$23,360,554.91

Capital Expenditures**Fixed and Sundry Assets**

Fixed Assets, Less Reserve for Depreciation.....	\$17,760,218.20
Investments and Memberships, Less Reserve.....	197,236.50

Deferred Accounts

Accounts Receivable Deferred.....	314,752.62
Deferred Charges.....	298,834.30

**Approved Program of Terminal
 Facilities and Machinery under
 Purchase, and Buildings and
 Work under Construction—
 Estimated**

Country Elevators and Agents' Dwellings.....	\$1,054,805.09
Terminals.....	320,226.23
Flour Mill.....	132,015.10
Head Office Building.....	22,000.00
Modern Press Limited.....	28,525.00

	\$1,557,571.42
Less: Paid on Account.....	804,571.42

753,000.00

**Balance—Available as Working
 Capital for Season 1951-1952.....**

4,036,513.29

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\$23,360,554.91	\$23,360,554.91
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CURRENT POSITION PER CONSOLIDATED BALANCE SHEET AT 31st JULY 1951

Current Assets.....	\$58,562,096.04
Current Liabilities.....	53,772,582.75
	<hr/>
Current Position per Balance Sheet.....	\$ 4,789,513.29

Less:

Estimated Capital Expenditures to cover Program of Terminal facilities and
Machinery under Purchase, and Buildings and Work under Construction, Estimated..... 753,000.00

Balance Available as Working Capital for Season 1951-1952.....	<u><u>\$ 4,036,513.29</u></u>
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SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED
 MODERN PRESS LIMITED
 SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED
 SASKATCHEWAN POOL ELEVATORS LIMITED
 and
 SASKATCHEWAN POOL TERMINALS LIMITED

STATEMENT No. 3

SOURCE OF CAPITAL FUNDS, ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS, AND WORKING CAPITAL
 at 31st July 1951

SOURCE OF CAPITAL FUNDS	Capital	Commercial Reserve	Elevator Deductions	Reserve Accounts	Reserve for Unearned Subscriptions	Refundable Portion of Excess Profits Taxes	Total
Stock Subscriptions.....	\$139,036.00	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 139,036.00
Deductions from Pool Payments.....	—	6,567,851.17	12,188,060.07	—	—	—	18,755,911.24
Retained from Operations.....	—	—	—	4,454,629.32	10,000.00	978.35	4,465,607.67
TOTAL CAPITAL RECEIPTS.....	<u>\$139,036.00</u>	<u>\$6,567,851.17</u>	<u>\$12,188,060.07</u>	<u>\$4,454,629.32</u>	<u>\$10,000.00</u>	<u>\$978.35</u>	<u>\$23,360,554.91</u>

ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS

Deferred Accounts Receivable

Growers' Accounts.....	\$ —	\$ 9,411.41	\$ —	\$ —	\$ —	\$ —	\$ 9,411.41
Canadian Livestock Co-operative (Western) Limited.....	—	9,490.93	—	11,850.28	—	—	21,341.21
Pool Elevator Corporation—Buffalo.....	—	—	284,000.00	—	—	—	284,000.00
Investments.....	—	29,782.25	167,454.25	—	—	—	197,236.50
Fixed Assets—Net.....	139,036.00	4,846,484.07	10,732,771.52	2,030,948.26	10,000.00	978.35	17,760,218.20
Expenditures Approved for Program of Terminal Facilities and Machinery under Purchase, and Buildings and Work under Construction—Capital Commitments.....	—	48,000.00	705,000.00	—	—	—	753,000.00

Deferred Charges

Stocks of Repair Parts and Supplies.....	—	—	298,834.30	—	—	—	298,834.30
------------------------------------------	---	---	------------	---	---	---	------------

TOTAL CAPITAL EXPENDITURES	<u>\$139,036.00</u>	<u>\$4,943,168.66</u>	<u>\$12,188,060.07</u>	<u>\$2,042,798.54</u>	<u>\$10,000.00</u>	<u>\$978.35</u>	<u>\$19,324,041.62</u>
BALANCE—WORKING CAPITAL	<u>\$ —</u>	<u>\$1,624,682.51</u>	<u>\$ —</u>	<u>\$2,411,830.78</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4,036,513.29</u>

TOTAL CURRENT ASSETS—per Consolidated Balance Sheet, Statement "1".....\$58,562,096.04

TOTAL CURRENT LIABILITIES—per Consolidated Balance Sheet, Statement "1".....53,772,582.75

CURRENT POSITION.....\$ 4,789,513.29

Less: Estimated Capital Expenditures to cover Program of Terminal Facilities and Machinery under Purchase, and Buildings and Work under Construction
—Estimated.....753,000.00

BALANCE—WORKING CAPITAL.....\$ 4,036,513.29

SASKATCHEWAN POOL ELEVATORS LIMITED and SASKATCHEWAN POOL TERMINALS LIMITED

STATEMENT OF GRAIN HANDLINGS

at 31st JULY 1951

TOTAL HANDLED—ALL GRAINS

SASKATCHEWAN POOL ELEVATORS LIMITED

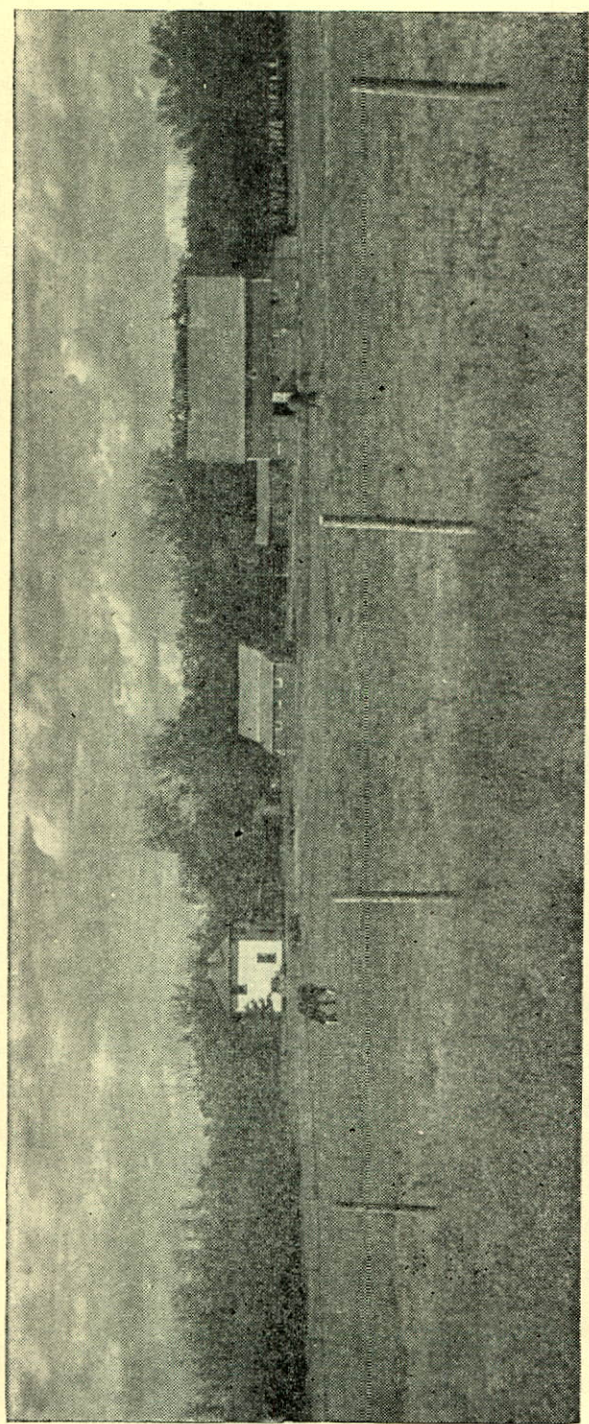
	Bushels 1924-1950	Bushels 1950-1951	Bushels 1924-1951
Country Elevators.....	2,239,000,822	145,598,040	2,384,598,862
Platform.....	58,497,157	174,821	58,671,978
Total.....	2,297,497,979	145,772,861	2,443,270,840

Number of Elevators Operated..... 1,163

Average Handling per Elevator..... 125,192

SASKATCHEWAN POOL TERMINALS LIMITED

Terminal No. 4.....	472,799,302	38,659,482	511,458,784
No. 5.....	117,258,782	—	117,258,782
No. 6.....	446,839,261	—	446,839,261
No. 7.....	632,575,661	38,290,925	670,866,586
No. 8.....	28,240,761	—	28,240,761
Total.....	1,697,713,767	76,950,407	1,774,664,174



SASKATCHEWAN POOL ELEVATORS LIMITED
STATEMENT OF EARNINGS
1st AUGUST 1925 to 31st JULY 1951

STATEMENT No. 5

	Total 1925-1950	Sundry Adjustments	Season 1950-1951	Total 1925-1951
Net Earnings after Adjusting for Income Taxes and Industrial Division Losses.....	\$51,916,083.94	\$ 255,042.94 A	\$4,906,181.44	\$57,077,308.32
Less: Industrial Division—Vegetable Oil Plant Loss, Season 1950-1951.....	\$ 72,996.98			
—Flour Mill Loss, Season 1950-1951.....	162,787.32	—	235,784.30	235,784.30
	<u>\$51,916,083.94</u>	<u>\$ 255,042.94</u>	<u>\$4,670,397.14</u>	<u>\$56,841,524.02</u>
DISTRIBUTION OF EARNINGS				
Excess Charges Refund		\$ 38,620.83 C		
Paid to Growers.....	\$12,988,522.03	69.42 B	—	\$13,041,986.37
		14,774.09 D		
Credits to Growers' Overpayment Accounts.....	2,559,217.44	—	—	2,559,217.44
Amount Paid for Reserve Certificates Purchased in Settlement of Credits.....	6,792,033.54	(14,774.09) D	—	
		2,009,158.90 C		8,786,418.35
Allocated for Distribution on Deliveries—Season 1948-1949.....	3,906.59	(3,906.59) B	—	
Allocated for Distribution on Deliveries—Season 1949-1950.....	2,055,666.00	(2,047,779.73) C	—	7,886.27
Allocated for Distribution on Deliveries—Season 1950-1951.....	—	—	3,808,750.00	3,808,750.00
Total Excess Charges Refund	\$24,399,345.60	\$ (3,837.17)	\$3,808,750.00	\$28,204,258.43
Farm Storage Paid to Growers.....	306,456.74	—	—	306,456.74
Share of Pool Expenses.....	2,222,332.94	—	230,701.08	2,453,034.02
Interest on Elevator Deductions.....	3,378,697.80	—	365,641.80	3,744,339.60
Share of Earnings to Pool re Principal Payments on 1929-1930 Pool Overpayment Liability, etc.....	9,364,041.66	—	154,246.04	9,518,287.70
Interest Paid on 1929-1930 Pool Overpayment Liability.....	8,247,241.09	—	33,352.91	8,280,594.00
Administration Expenses—Sinking Fund, Province of Saskatchewan.....	7,325.63	—	—	7,325.63
Reserve Account.....	3,990,642.48	255,042.94 A	77,705.31	4,327,227.90
		3,837.17 B		
Total	<u>\$51,916,083.94</u>	<u>\$ 255,042.94</u>	<u>\$4,670,397.14</u>	<u>\$56,841,524.02</u>

Net Earnings as Above.....	\$56,841,524.02
Depreciation Reserve at 31st July 1951.....	22,416,355.19
Interest on Mortgages paid to Province of Saskatchewan and Liquidator for Saskatchewan Co-operative Elevator Company from 1st August 1926 to 31st August 1933, in respect of the purchase of the Assets of the latter Company	2,150,331.29
TOTAL OPERATING EARNINGS—1st August 1925 to 31st July 1951.....	\$81,408,210.50

Note: Sundry Adjustments shown in the Second Column Comprise the Following:

- (A) Transfer to Reserve Account of the Following: Adjustment of Prior Season's Depreciation Reserve, \$234,832.03; Capital Gains on Disposals of Assets, \$49,518.55; Less Adjustment on Prior Year's Income Taxes, \$29,307.64.
- (B) Transfer to Reserve Account of the Unexpended Portion of Excess Charges Refund for Season 1948-1949 amounting to \$3,906.59, less Adjustments of \$69.42 on Seasons 1943-1944, 1946-1947 and 1948-1949.
- (C) Distribution of Excess Charges Refund set up for the Purchase of Reserve Certificates.
- (D) Adjustment between Reserve Certificates Purchased and Sum Paid to Growers, Seasons 1945-1946, 1946-1947, and 1948-1949.

LIBRARY RECORD FOR 1950-1951

	Books Mailed	Books Returned	Books	Requests Catalogues	Postage
1950					
August.....	288	288	12	14	\$ 31.75
September.....	522	529	34	20	25.14
October.....	572	555	34	19	33.64
November.....	569	537	59	51	22.37
December.....	630	555	63	62	35.05
1951					
January.....	961	856	132	70	51.55
February.....	1,005	861	172	72	38.21
March.....	973	940	104	31	56.88
April.....	836	824	33	8	82.38
May.....	559	617	18	5	54.24
June.....	510	521	8	1	55.88
July.....	444	503	13	2	41.59
Totals.....	7,869	7,586	682	355	\$528.68

Number of Borrowers as at 31st July 1951:

Wheat Pool Members.....	1,760
Pool Elevator Agents.....	98
Total.....	1,858

STATEMENT No. 7**WHEAT POOL COMMITTEES 1950-1951
TOTAL NUMBER OF COMMITTEES**

Sub-district	1	2	3	4	5	6	7	8	9	10	11	Total
District 1.....	3	4	7	10	7	6	8	12	6	8	—	71
District 2.....	5	4	5	8	3	5	9	8	12	5	—	64
District 3.....	3	4	3	4	5	3	3	5	3	7	—	40
District 4.....	4	6	9	5	5	2	4	6	3	6	—	50
District 5.....	9	7	5	8	7	3	6	10	8	5	—	68
District 6.....	9	10	7	8	9	12	11	7	7	8	—	88
District 7.....	8	5	5	5	6	8	6	5	7	4	7	66
District 8.....	8	9	10	8	7	7	6	7	5	3	5	75
District 9.....	6	7	5	7	3	8	6	7	5	6	—	60
District 10.....	6	6	3	7	15	8	4	7	4	9	—	69
District 11.....	9	11	12	5	5	7	12	7	10	9	—	87
District 12.....	10	7	9	7	5	6	7	8	11	8	—	78
District 13.....	8	12	4	10	8	7	12	6	9	9	7	92
District 14.....	6	8	6	14	3	5	8	12	7	9	7	85
District 15.....	9	6	8	8	6	4	7	5	7	5	7	72
District 16.....	7	7	9	7	4	11	5	9	7	7	9	82
												<u>1,147</u>

STATEMENT No. 8**COMMITTEES RE-ORGANIZED**

Sub-district	1	2	3	4	5	6	7	8	9	10	11	Total
District 1.....	3	4	7	10	7	6	8	11	6	8	—	70
District 2.....	5	4	4	8	3	5	8	8	12	4	—	61
District 3.....	3	4	3	2	4	3	2	5	3	7	—	36
District 4.....	4	5	9	4	4	2	4	5	3	6	—	46
District 5.....	8	7	5	7	6	3	6	10	7	5	—	64
District 6.....	9	10	7	8	9	11	11	7	7	8	—	87
District 7.....	8	5	4	5	6	8	6	5	6	4	7	64
District 8.....	7	8	9	8	7	7	5	6	4	3	4	68
District 9.....	6	7	3	7	3	8	6	7	5	6	—	58
District 10.....	6	5	3	7	12	8	4	7	4	8	—	64
District 11.....	8	10	10	5	4	4	12	5	6	5	—	69
District 12.....	10	5	9	7	5	5	6	6	8	8	—	69
District 13.....	8	8	4	10	8	7	10	6	8	9	7	85
District 14.....	6	8	5	12	3	4	7	10	5	9	6	75
District 15.....	9	6	8	8	6	3	7	4	7	5	6	69
District 16.....	7	6	8	7	3	11	5	5	6	6	8	72
												<u>1,057</u>

Ninety Committees not re-organized 31st July 1951

Ninety-seven Committees not re-organized 31st July 1950.

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building, Winnipeg, Manitoba

BALANCE SHEET AS AT 31st JULY 1951

ASSETS

Agency Assets		\$ 87,098.23
Cash in Agency Bank Accounts.....	\$18,935.19	
Accounts Receivable.....	68,163.04	
	<u>\$87,098.23</u>	
 Shareholders' and Patrons' Assets		97,681.13
Cash.....	\$12,614.03	
In General Bank Accounts.....	\$12,461.41	
On Hand.....	152.62	
	<u>\$12,614.03</u>	
 Accounts Receivable		49,380.32
Commissions—per Contra.....	\$14,385.12	
Loan Accounts—Secured.....	24,682.44	
Pool Insurance Company.....	9,523.80	
Miscellaneous.....	788.96	
	<u>\$49,380.32</u>	

LIABILITIES

Agency Liabilities		\$ 8 ,098.23
Accounts Payable.....	\$72,713.11	
Commissions—per Contra.....	14,385.12	
	<u>\$87,098.23</u>	
 Shareholders' Liabilities and Reserves		77,681.13
Miscellaneous Accounts Payable.....	\$ 1,586.63	
Reserve for Income Tax Payable.....	341.23	
Patronage Dividend Payable—Exhibit B.....	55,753.27	
General Reserve Against Unearned Income and Investments	20,000.00	
Allocated as Follows:		
Alberta Wheat Pool.....	\$ 5,568.12	
Manitoba Pool Elevators.....	3,146.82	
Saskatchewan Co-operative Producers Limited.....	11,285.06	
	<u>\$20,000.00</u>	
		<u>\$77,681.13</u>

Investments—at Cost	35,086.78	
\$35,000.00 Dominion of Canada Bonds, 3½% Maturing June 1st 1966.....	\$35,086.78	
(Quoted Value July 31st 1951, \$35,000.00)		
Membership Deposit	100.00	
Insurance Agents' Association.....	\$ 100.00	
Furniture and Fixtures	500.00	
Cost.....	\$ 7,228.01	
Less: Depreciation Reserve.....	6,728.01	
	\$ 500.00	
	<u>\$97,681.13</u>	
		<u>\$184,779.36</u>

Capital Stock	20,000.00
Authorized.....	<u>\$20,000.00</u>
Issued and Fully Paid (2,000 Shares of \$10.00 each).....	<u>\$20,000.00</u>
Signed on behalf of the Board:	
JOHN H. WESSON, <i>Director</i>	
W. J. PARKER, <i>Director</i>	
	<u>\$184,779.36</u>

AUDITORS' REPORT

We have audited the accounts of Canadian Pool Agencies Limited for the year ended 31st July 1951, and have received all the information and explanations we have required. Bank balances have been confirmed by certificate direct from the Company's bankers. Accounts receivable and payable have been confirmed by circularization. Dominion of Canada Bonds held for investment were produced for examination.

We certify that, in our opinion, the above Balance Sheet and related statements are properly drawn up so as to exhibit, respectively, a true and correct view of the financial position of Canadian Pool Agencies Limited as at 31st July 1951, and the results of operating for the year ended that date, according to the best of our information, and explanations given to us, and as shown by the records of the Company. All transactions coming under our notice have been within the powers and objects of the Company to the best of our information and belief.

Winnipeg, Manitoba, 13th September 1951.

(Signed) MILLAR, MacDONALD & CO., *Chartered Accountants.*

EXHIBIT B**STATEMENT No. 10****CANADIAN POOL AGENCIES LIMITED**
Wheat Pool Building, Winnipeg, Manitoba**SUMMARY OF SURPLUS ACCOUNT**
For the Year Ended 31st July 1951

	Debit	Credit
Surplus for year ended 31st July 1951, Exhibit C		\$56,094.50
Reserve for Income Tax.....\$	341.23	
Patronage Dividend for year 1950-1951, Exhibit A.....	55,753.27	
Allocated as follows:		
Alberta Wheat Pool.....	\$10,452.78	
Manitoba Pool Elevators.....	14,375.45	
Saskatchewan Pool Elevators Limited.....	23,612.97	
Saskatchewan Pool Terminals Limited.....	4,781.56	
Saskatchewan Co-operative Producers Limited.....	368.34	
Saskatchewan Co-operative Livestock Producers Limited.....	2,127.99	
Modern Press Limited.....	34.18	
	<u>\$55,753.27</u>	
		<u>\$56,094.50</u>
		<u>\$56,094.50</u>

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building, Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE
For the Year Ended 31st July 1951

Income

Commissions.....		\$72,540.01
Fire.....	\$42,030.81	
Bonds.....	18,180.36	
Lake Marine.....	501.87	
Ocean Marine.....	935.79	
Automobile.....	3,209.15	
Accident and Sickness.....	162.38	
Liability.....	75.39	
Use and Occupancy.....	782.52	
Robbery and Burglary.....	408.13	
Floater.....	527.37	
Inland Transportation.....	136.93	
Sprinkler Leakage.....	1.02	
Steam Boiler.....	374.06	
Plate Glass.....	24.41	
Forgery and Alteration.....	94.50	
Contingent.....	5,389.56	
	<u>72,834.25</u>	
Less: Brokerage Paid.....	294.24	
	<u>\$72,540.01</u>	

Other Income

Interest.....	2,196.96
Total Income for Year.....	<u>74,736.97</u>

Expenses

Salaries.....	\$13,084.10
Directors' Fees and Expenses.....	360.42
Rent and Light.....	1,566.50
Telephone and Telegraph.....	282.38
Printing and Stationery.....	1,244.32
Postage and Excise.....	194.65
Taxes and Licenses.....	216.69
Travelling Expenses.....	129.97
Legal and Audit.....	634.75
Depreciation.....	462.11
Insurance.....	89.81
Annuities and Group Insurance.....	290.98
Miscellaneous.....	385.79
	<u>\$18,942.47</u>
Deduct: Recovery from Interprovincial Pool....	300.00
	<u>\$18,642.47</u>

Balance—Surplus for Year ended 31st July 1951
 Carried to Exhibit B.....

\$56,094.50

POOL INSURANCE COMPANY
Wheat Pool Building, Winnipeg, Manitoba

BALANCE SHEET AS AT 31st DECEMBER 1950

ASSETS

Cash in Bank		\$300,000.00
In Bank of Montreal—Current Account.....	\$ 50,000.00	
—Savings Account.....	250,000.00	
	<u>\$300,000.00</u>	
 Accounts Receivable		106,319.27
Canadian Pool Agencies Limited.....	\$106,245.32	
Advances to Inspection Staff.....	73.95	
	<u>\$106,319.27</u>	

LIABILITIES

Current Liabilities		\$322,559.99
Miscellaneous Accounts Payable.....	\$ 813.09	
Reinsurance Accounts Payable.....	121,856.12	
Fire Losses in Process (Net of Reinsurance).....	15,248.20	
Taxes Accrued.....	9,161.52	
Dividends Payable as per Exhibit B.....	175,481.06	
	<u>\$322,559.99</u>	
 Reserve for Unearned Income		96,991.00
Unexpired Portion of Premiums Income.....	\$ 63,324.79	
Unexpired Portion of Reinsurance Commissions.....	39,747.55	
	<u>\$103,072.34</u>	
Less: Commissions paid on Business not yet taken into Income.....		6,081.34
	<u>\$ 96,991.00</u>	

Investments—at Cost	252,681.25	Capital Stock	185,000.00
Dominion of Canada Bonds:.....	<i>Par Value</i>	Authorized—5,000 Shares at \$100.00.....	\$500,000.00
Sixth Victory Loan—3% due 1960.....	\$107,500.00	Subscribed—2,500 Shares at \$100.00.....	\$250,000.00
Eighth Victory Loan—3% due 1963.....	87,500.00		
Ninth Victory Loan—3% due 1966.....	55,000.00		
	<u>\$250,000.00</u>	Paid up Thereon.....	<u>\$185,000.00</u>
Market Value.....	<u>\$249,509.38</u>	Capital Surplus	60,358.32
Interest Accrued Thereon.....	1,475.00	Premium at 12% on Capital Stock.....	\$ 30,000.00
Automobiles	4,433.79	Surplus Realized on Investments Sold.....	8,932.01
		Income Tax Adjustments 1946 and 1948.....	1,426.31
		Transferred from Shareholders' and Patrons' Equity	
		Account—1949 and 1950.....	20,000.00
			<u>\$ 60,358.32</u>
	<u>\$664,909.31</u>		<u>\$664,909.31</u>

Approved on Behalf of the Board:

JOHN H. WESSON, *Director*

W. J. PARKER, *Director*

AUDITORS' CERTIFICATE

In our opinion the Balance Sheet of Pool Insurance Company as at 31st December 1950 is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information, the explanations given to us, and as shown by the books of the Company. All transactions coming within our notice were, in our opinion, within the powers and objects of the Company.

Winnipeg, Manitoba, 21st February 1951.

(Signed) MILLAR, MacDONALD & CO., *Chartered Accountants*

POOL INSURANCE COMPANY
Wheat Pool Building, Winnipeg, Manitoba
SUMMARY OF SHAREHOLDERS' AND PATRONS'
EQUITY ACCOUNT

For the Year Ended 31st December 1950

	Debit	Credit
Balance at Credit, 31st December 1949.....		\$152,098.44
Distributed During 1950.....	\$152,098.44	
Shareholders' Dividend year 1949:		
Alberta Wheat Pool.....\$.55	
Manitoba Pool Elevators.....	.37	
Saskatchewan Pool Elevators Limited.....	.93	
Patrons' Dividend 1949:		
Alberta Wheat Pool.....	27,095.28	
Alberta Pool Elevators Limited..	23,423.51	
Alberta Wheat Pool and Alberta Pool Elevators Limited.....	137.96	
Manitoba Pool Elevators.....	26,322.36	
Saskatchewan Pool Elevators Limited.....	74,407.72	
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited.....	6.65	
Saskatchewan Co-operative Producers Limited.....	19.95	
Saskatchewan Co-operative Livestock Producers Limited..	628.31	
Modern Press Limited.....	54.85	
	<u>\$152,098.44</u>	
	152,098.44	152,098.44
Surplus for the year 1950—Exhibit C.....		187,145.60
Transferred to Capital Surplus.....	10,000.00	
Reserve for Income Tax.....	1,664.54	
Balance Carried Down.....	175,481.06	
	<u>\$339,244.04</u>	<u>\$339,244.04</u>
Balance Brought Down.....		\$175,481.06
Allocated as Follows:		
Shareholders' Dividend.....	\$ 1.85	
Alberta Wheat Pool.....\$.55	
Manitoba Pool Elevators.....	.37	
Saskatchewan Pool Elevators Limited.....	.93	
	<u>\$ 1.85</u>	
Patrons' Dividend.....	175,479.21	
Alberta Wheat Pool.....\$	28,902.18	
Alberta Pool Elevators Limited..	24,380.87	
Alberta Wheat Pool and Alberta Pool Elevators Limited.....	170.86	
Manitoba Pool Elevators.....	27,946.67	
Saskatchewan Pool Elevators Limited.....	93,190.14	
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited.....	6.57	
Saskatchewan Co-operative Producers Limited.....	32.86	
Saskatchewan Co-operative Livestock Producers Limited..	792.54	
Modern Press Limited.....	56.52	
	<u>\$175,479.21</u>	
	\$175,481.06	\$175,481.06

EXHIBIT C**STATEMENT No. 14**

POOL INSURANCE COMPANY
Wheat Pool Building, Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE
For the Year Ended 31st December 1950

Premiums on Business Written in 1950.....	\$637,628.88	
Less: Ceded to Other Companies.....	488,869.74	
		\$148,759.14
Deduct: Increase in Unearned Premium Reserve.....		15,246.73
		<u>133,512.41</u>
Premiums Earned in 1950.....		133,512.41
Deduct: Losses and Adjustment Expense.....	\$189,502.07	
Less: Reinsurance Recoveries.....	154,735.45	
		<u>34,766.62</u>
Net Underwriting Income.....		98,745.79
Add: Commissions on Reinsurance Placed with other Companies (Earned Portion only).....		128,498.85
Special Allowances by Unlicensed Companies in Lieu of Taxes.....		13,632.89
Inspection Fees on Elevators in British Columbia.....		<u>134.70</u>
Total Income before Commissions Paid		241,012.23
Deduct: Commissions Paid (on Earned Premiums only).....		<u>3,561.62</u>
Balance Available for Expenses and to Shareholders and Patrons.....		237,450.61
Deduct: Expenses		
Taxes, Licenses and Association Dues.....	\$ 16,436.17	
Inspection Service		
Salaries.....	\$12,955.20	
Board and Lodging.....	3,344.67	
Transportation.....	5,552.61	
Annuities, Group and Unemployment Insurance.....	889.16	
Pension.....	585.96	
Insurance.....	502.40	
Printing, Postage and Miscellaneous.....	628.67	
		<u>24,458.67</u>
Administration		
Salaries.....	\$12,799.06	
Rent and Light.....	1,566.39	
Directors' Fees and Expenses.....	645.24	
Travelling Expense.....	316.09	
Printing, Postage and Stationery.....	258.25	
Telephone and Telegraph.....	267.21	
Legal and Audit.....	664.40	
Annuities, Group and Unemployment Insurance.....	345.89	
Miscellaneous.....	465.95	
		<u>17,328.48</u>
		58,223.32
		<u>179,227.29</u>
Add: Interest Earned.....		7,918.31
		<u>187,145.60</u>
Balance—Surplus for the Year 1950		
Carried to Exhibit B.....		<u>187,145.60</u>

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED

COMPARATIVE STATEMENT OF HANDLINGS

Seasons 1950-1951 and 1949-1950

	Season 1950-1951	Season 1949-1950	Increase (Decrease)
Moose Jaw Division:			
Cattle.....	14,864	18,166	(3,302)
Calves.....	2,943	4,753	(1,810)
Hogs.....	2,740	6,012	(3,272)
Sheep.....	1,123	2,844	(1,721)
North Battleford Division:			
Cattle.....	19,116	14,967	4,149
Calves.....	1,577	1,185	392
Hogs.....	9,278	7,405	1,873
Sheep.....	1,351	1,100	251
Prince Albert Division:			
Cattle.....	15,571	13,327	2,244
Calves.....	2,026	1,737	289
Hogs.....	12,735	15,113	(2,378)
Sheep.....	2,353	2,440	(87)
Regina Division:			
Cattle.....	21,265	27,963	(6,698)
Calves.....	2,433	3,830	(1,397)
Hogs.....	6,137	9,453	(3,316)
Sheep.....	1,111	1,644	(533)
Saskatoon Division:			
Cattle.....	19,679	21,499	(1,820)
Calves.....	2,816	3,796	(980)
Hogs.....	10,016	11,449	(1,433)
Sheep.....	959	1,185	(226)
St. Boniface Division:			
Cattle.....	20,919	27,067	(6,148)
Calves.....	10,557	13,058	(2,501)
Hogs.....	36,471	39,967	(3,496)
Sheep.....	3,659	5,001	(1,342)
Swift Current Division:			
Cattle.....	7,685	8,337	(652)
Calves.....	977	2,068	(1,091)
Hogs.....	1,211	2,762	(1,551)
Sheep.....	239	164	75
Yorkton Division:			
Cattle.....	11,159	10,273	886
Calves.....	4,605	5,551	(946)
Hogs.....	4,182	4,424	(242)
Sheep.....	1,335	1,259	76
Total Divisions:			
Cattle.....	130,258	141,599	(11,341)
Calves.....	27,934	35,978	(8,044)
Hogs.....	82,770	96,585	(13,815)
Sheep.....	12,130	15,637	(3,507)
Saskatchewan Handlings at Winnipeg (Other than Saskatchewan Co-operative Livestock Producers Limited)			
Cattle.....	28,334	35,344	(7,010)
Calves.....	6,011	7,527	(1,516)
Hogs.....	18,393	20,866	(2,473)
Sheep.....	4,076	5,239	(1,163)
Total Handlings:			
Cattle.....	158,592	176,943	(18,351)
Calves.....	33,945	43,505	(9,560)
Hogs.....	101,163	117,451	(16,288)
Sheep.....	16,206	20,876	(4,670)

CANADIAN LIVESTOCK CO-OPERATIVE (WESTERN) LIMITED
BALANCE SHEET
as at 28th July 1951

ASSETS**Current Assets**

Cash in the Royal Bank of Canada.....	\$19,768.93
Accounts Receivable—Schedule 1.....	\$982.30
Less: Reserve for Doubtful Accounts.....	787.18
	195.12
Dominion of Canada Bonds—at Cost	20,000.00
(Market Value, \$19,550.00)	
Accrued Interest Receivable.....	731.47
Due from Trust Account.....	16,672.37
	\$57,367.89

Trust Assets

Cash in the Royal Bank of Canada.....	\$13,322.44
Sales Accounts Receivable.....	14,960.54
Inventory of Feed—at Cost.....	1,141.80
	29,424.78

Other Assets

Winnipeg Livestock Exchange Memberships, (5).....	300.00
Office Furniture and Equipment.....	\$ 8,561.98
Less: Reserve for Depreciation.....	6,399.77
	2,162.21
Automobile.....	\$ 2,735.35
Less: Reserve for Depreciation.....	1,556.27
	1,179.08
Prepaid Operating Expenses.....	608.05
	<u>\$91,042.01</u>

LIABILITIES**Current Liabilities**

Accounts Payable.....	\$ 1,292.14
Accrued Salaries.....	4,147.52
Surplus Payable.....	13,046.61
Provision for Income Taxes.....	320.14
	<u>\$18,806.41</u>

Trust Liabilities

Due to Local Associations.....	\$ 2,545.34
Producers' Livestock Pooling Fund.....	2,907.55
Transit Compensation Fund.....	6,114.28
Exchange on Outstanding Cheques.....	1,185.24
Due to General Account.....	16,672.37
	<u>29,424.78</u>

General Reserve.....

Loans from Members.....	4,261.88
Members' Equity	5,682.45
Memberships Issued, (24).....	32,842.49
	<u>24.00</u>

Approved on behalf of the Board:

(Signed) L. W. ELLIOTT, *Director*(Signed) W. CROSSLEY, *Director*\$91,042.01

This is the Balance Sheet referred to in our Report of this date attached hereto.

Winnipeg, Manitoba
17th August 1951(Signed) MILLAR, MacDONALD & CO.
Chartered Accountants

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

DIRECTORS' REPORT 1950-1951

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

Gentlemen:

The twelve months from 1st August 1950, to 31st July 1951, were big with historic events. The resources of our Canadian nation were re-directed from peace to defence purposes. During this crop year, Western Canada's agriculture was confronted with problems of transportation, marketing, rising costs and economic disparity.

Producers faced widening gaps between the fixed ceiling price of wheat and rising costs. At the same time, they were challenged by the necessity for peak production.

In solving old problems and meeting the challenge of new problems, the members of our three Canadian Wheat Pools found their organizations more vital to them than ever before.

Central Board

Your Central Board carried on the administration of Pool Insurance Company and Canadian Pool Agencies Limited, and provided the centre through which our three Pool organizations worked together to advance their common interests.

Outstanding among the issues raised during the 1950-51 crop year was the final settlement of the 5-year government wheat pool. At every opportunity, and by every effective means, your Central Board strove to get a final settlement which would be fair to the producers of our Canadian West. Clear, strong statements to the Canadian public were reinforced with resolutions and delegations to the Government of Canada. These set forth, repeatedly, the democratically-expressed view of Pool members that any fair settlement must include two items: first, a sum of \$48 million, to reimburse Western farmers for the sale of some 160 million bushels of their wheat to Canadian consumers from 1st March 1945, to 17th February 1947, for prices fixed by the Government of Canada at 30 cents per bushel below the Canada-U.K. Agreement; and second, a substantial payment to fulfil the contract of the Government of U.K. under the Agreement.

The President, Mr. Wesson, accompanied the Minister of Agriculture to U.K. to urge the British Government to carry out their obligations. When this was refused, the Government of Canada, under whose policy this wheat was sold, was urged to assume the obligation which the U.K. Government denied.

Your Central Board gave active support to the Barley and Oil Seeds Conference held in Saskatoon, 22nd February 1951. Support was continued, also, for tests at Macdonald College to establish the potential of Western coarse grains in feeding hogs. Through your Central Board the three Pool organizations offered full co-operation to feeders in Eastern Canada in the moving of Western feed grains to Eastern Canada.

Interprovincial Pool Meetings

The full Boards of our three Pool organizations assembled in Interprovincial meetings three times during

the crop year: on 17th January, 6th March, and 17th July.

The January meeting voiced the demand of Pool members for a fair final payment on the 5-year government wheat pool. The meeting asked for better distribution of railway cars; and urged that the Wheat Board make the best possible interim payment on 1950-51 deliveries. Problems raised by the abnormal percentage of tough and damp grain were dealt with. Review and revision of the Canada Grain Act was recommended. The meeting registered with the Government of Canada the conviction that the International Wheat Agreement had proved effective in its operation, but that the Agreement might be wrecked by the rapidly widening gap between the fixed ceiling price of wheat and the runaway prices of other commodities, resulting from war-induced inflation.

The Interprovincial meeting in March reviewed the settlement of the 5-year government wheat pool. A public statement was issued registering the conviction of Pool members that the final payment of 8.3 cents per bushel on 1,428 million bushels of wheat delivered by Western farmers to the government pool could not be regarded as satisfactory. Western producers should be reimbursed for subsidizing domestic wheat sales, and the Government of Canada should assume the full obligation under the Agreement denied by the Government of U.K.

At the Interprovincial meeting in July, representatives of the Board of Grain Commissioners and of the Canadian Wheat Board attended. Quotas, transportation and the use of car order books were discussed, along with the difficulties of handling the big, low-grade crop. The meeting was informed that railway car loadings at 31st December 1950 were 35,000 behind the previous year; but on 30th June 1951 were 9,000 ahead of the same date a year ago. Also, 20 cargoes carrying 7½ million bushels had shipped from Churchill during this crop year.

Nevertheless, the meeting recorded the opinion that Canada's transportation facilities are not adequate, and have not kept pace with the fast-growing economy of our Canadian nation.

Domestic wheat prices were fully discussed and the meeting reaffirmed support of the C.F.A. recommendation to the Government of Canada that the price of wheat for domestic use be based upon \$2.00 per bushel.

Western Agricultural Conference

The Western Agricultural Conference assembled in Calgary, January 18th to 20th 1951. The Conference is made up of 26 voting delegates—six each from the Federations of Agriculture of British Columbia, Alberta, Saskatchewan and Manitoba; and two from the U.G.G., as an interprovincial organization. The voting delegates were reinforced by numerous other representatives of western farm organizations.

The Conference dealt with a multitude of resolutions originating at local and provincial levels. Decisions were registered in 51 resolutions, which were relayed to the C.F.A. These resolutions dealt with many issues. Recommendations included: extension of PFAA; crop insurance; land and water conservation; substantial final payment on the 5-year pool; parity price for domestic wheat, based on \$2.00 per bushel; and the Canadian Wheat Board to be sole marketing agency for coarse grains, with minimum use of the futures market. The C.F.A. was urged to fight high freight rates and their strangling effect on farm production and distribution. Further resolutions urged opening U.S. markets to shipments of live hogs; adequate

price supports, and parity in controls. International commodity agreements and more tolerant tariffs were urged, as well as better old age pensions and more adequate agricultural research.

The Conference re-elected R. C. Marler, Alberta, president, with G. F. Habing, Manitoba, W. J. Ball, Saskatchewan, and C. E. S. Walls, British Columbia, vice-presidents, and Mrs. R. B. Gunn, Alberta, executive member. Mrs. H. McRae, Manitoba, was re-appointed Western representative to National Farm Radio Forum.

Representatives of Western farm organizations which are united in the Conference met, again and again, in early 1951 to take action on the 5-year pool final settlement. On 2nd May 1951, a delegation presented to the Cabinet the claim of Western producers for further payment on wheat supplied to Canadian consumers, at low, government-fixed prices.

Canadian Federation of Agriculture

The C.F.A. is steadily growing in stature as the Canadian farmer's parliament. Through the Federation, farm people from Pacific to Atlantic co-operate to work out the problems of each respective region, and to integrate the resources and advantages of all regions in efficient production—which shall earn fair returns to producers. In the Federation, resolutions passed at local, provincial and regional levels are finally woven into the fabric of a complete presentation by Canadian agriculture to the Government and the people of Canada.

The fifteenth annual meeting of the C.F.A. at Calgary on 22nd-26th January 1951 was the biggest in the history of the Federation. The mid-year convention held at Macdonald College on 6th-8th August 1951 was likewise highly successful.

Following the annual meeting a delegation from the C.F.A. (including four members of your Central Board) met the Federal Cabinet on 15th February 1951. This delegation presented to the Government the essential decisions of the organized farmers of Canada, as expressed by resolution. These resolutions were passed in full realization that Canadians, with other free peoples, face history's gravest challenge to the democratic freedoms of speech, assembly, worship and election. C.F.A. recommendations to the government included:

1. That if general price controls are introduced, they be effective on all profits, prices and wages—based on continuous study by a competent body aiming at parity between all the components of the economy.
2. That the Agricultural Prices Support Act (of 1944) should include a clear interpretation of its objectives; and a formula for its application. The government is urged to base future price supports on parity of economic returns for the farming industry.
3. That in allocation of essential materials, the need of agriculture for fertilizers, sprays, mechanical power, machinery, cement, building materials and hardware, be recognized as vital to full production.
4. That the Government of Canada is responsible that final settlement of the 5-year pool is fair to wheat producers "because the returns to wheat producers for those years were prescribed by government policy."
5. That the price of wheat sold by the Wheat Board for home use "should be based on \$2.00 per bushel, basis Fort William, for January 1951, with adjustments according to the changes in domestic economic conditions from the January 1951, level."
6. That the Wheat Board should continue to be the sole marketing agency for coarse grains; but should make minimum use of the futures market
7. That freight assistance on feeds be a permanent part of Canadian agricultural policy to help both our livestock and grain growing industries.

8. That the government fix floor prices which will assure Canadian hog producers returns equal to the U.S. market
9. That the government investigate the price of fertilizers, which has sky-rocketed since controls were removed.
10. That immigration of selected farm workers be encouraged.
11. That, since every region has its own peculiar problems of soil and water conservation such as drought, flood, erosion, drainage and irrigation, we should approach this broad problem on a national scale, with a national act so that all provinces may receive the benefits of a sound policy of development and conservation of our land and water resources.

International Federation of Agricultural Producers

On 29th May 1951, the fifth annual conference of I.F.A.P. met in Mexico City. Delegates represented farm organizations of twenty-seven nations. The conference urged renewal of the International Wheat Agreement—with more flexible price ranges to compensate for drastic inflation or deflation. Development of education and information services by farm co-operatives was recommended.

H. H. Hannam, in his presidential address, declared: "The democratic world, today, is facing its gravest challenge. We can and must meet the challenge of poverty, hunger, exploitation and necessity for hundreds of millions. These people want food, land, and human dignity."

P. Martin, of France, was elected president, with Allan B. Kline, U.S., G. Rousseau, South Africa, and Count T. E. van Lyden van Sandenburg, Netherlands, vice-presidents.

Pool officials who attended the I.F.A.P. conference as delegates from the C.F.A. reported some real progress made at Mexico City. The fear of war on the one hand, and war-inflated prosperity on the other, over-shadowed co-operation for world commodity agreements. Nevertheless, U.K. delegates and many others emphasized the necessity for such inter-nation agreements. The organized farmers of more nations are joining I.F.A.P. There is evidence of a growing realization that this world Federation has vital value. It calls together farm people from the ends of the earth; and puts them working together on common problems. Thus, isolation is submerged in understanding.

The apparent frustration of F.A.O. (as indicated in recent reports from that organization) challenges I.F.A.P. to play a bigger part in promoting co-operation between the farm peoples of the world—to meet the needs of mankind.

Food and Agriculture Organization

F.A.O. has changed since the first conference was held at Quebec in 1945. "The 1950 session" (The Economic Annalist reports) "was confined to essential business matters. It marked transition from the idealism of early development to the realism of maturity. The refusal of nations to delegate any of their sovereign authority to F.A.O., first in connection with John Boyd Orr's World Food Board proposal in 1947, and again with the International Commodity Clearing House proposed by the committee of economic experts in 1949, raises the question as to the role of F.A.O. in the development and implementation of international policies in food and agriculture."

The number of countries represented in F.A.O. has increased to 66. N. E. Dodd was re-appointed director-general until the end of the next regular session. The Committee on Commodity Problems carries on, under the chairmanship of Dr. G. S. H. Barton, of Canada.

International Wheat Agreement

In 1950-51, the second year of I.W.A. operation, 41 importing countries undertook to buy guaranteed quotas totalling 562.5 million bushels. Twenty-four countries bought their full quotas; many others practically so; and sales reached 531.2 million bushels. This was about 94 percent of the total guaranteed quantities. Canada had a quota of guaranteed sales of 221.5 million bushels; and sold 190.9 million bushels. Thus, the over-all shortage of 31 million bushels, representing 6 percent of the total guaranteed, was largely the result of bad weather in Canada which damaged the 1950 crop and retarded its movement.

Of the three other exporting nations, Australia had a quota of 88.7 million bushels; and sold 87.3 million. The quota of France was 4.1 million bushels; and sales reached 3.9 million. The U.S. quota was 248.1 million bushels; and sales totalled 249.1 million.

Japan was admitted to the I.W.A. as the forty-second importing nation, on 15th June 1951, with a quota of 500,000 metric tons (about 18.4 million bushels).

For the 1951-52 crop year the guaranteed total has been increased to 580.9 million bushels. Canada's quota has been increased by 11.3 million and the U.S. quota by 6.9 million bushels. Quotas for Australia and France remain unchanged.

The members of the three Canadian Wheat Pools, again and again, have recorded their faith that commodity agreements between peoples serve the best interests of both producers and consumers. In two years of operation, the I.W.A. has been tested by impacts which have shaken the world. Experience may introduce more flexibility into future agreements, to meet unforeseen, changing conditions. At the same time, experience proves the rightness of the basic principles upon which the I.W.A. is built.

Canadian Wheat Board

The report of the Canadian Wheat Board covering operations for the 1949-50 crop year was issued early in 1951.

The Board reported that 1949 wheat production was above 1948 in Europe, North Africa, India, Pakistan, Argentina and Australia. Production was smaller in Canada and U.S.; but the crop year ended with increased commercial carryover in these latter two countries.

Exports during 1949-50 were: Canada, 225 million bushels; U.S., 403 million; Australia 115 million; and Argentina 89 million bushels.

During 1949-50, producers delivered to the Board 320 million bushels of wheat. Sales totalled 275.2 million bushels. Of this total, domestic sales took 47.4 million bushels at \$2.00; 145.6 million bushels were sold under the Canada-U.K. Wheat Agreement at \$2.00; while other I.W.A. sales included 15.1 million bushels at \$1.80 and 40.5 million bushels at \$1.98; and Class II sales took 26.5 million bushels at prices ranging from a low of \$2.04 to a high of \$2.41—averaging \$2.16 per bushel.

Administrative and general expenses for the 5-year pool from 1st August 1945, to 31st July 1950, were just over 1/3 of a cent per bushel on the wheat acquired by the Board.

Under Government policy, oats and barley produced in Alberta, Saskatchewan and Manitoba, were marketed through the Canadian Wheat Board beginning 1st August 1949. Initial payments for the 1949-50 crop year were based on 65 cents per bushel for 2 C.W. oats and 93 cents per bushel for 3 C.W. 6 Row barley, in Lakehead store.

During 1949-50, producers delivered 80.1 million bushels of oats to the Board. Prices quoted by the Board ranged from a low of 69 cents per bushel for No. 1 Feed oats on 30th August 1949, to the high of \$1.22 on 7th June 1950. Sales were 19.1 million bushels (20.8 percent of commercial supplies) for export; and 62.1 million bushels (68 percent of commercial stocks) for domestic markets.

Deliveries of barley to the Board in the 1949-50 crop year totalled 53.2 million bushels. Average quoted prices for 3 C.W. 6 Row, in Lakehead store, ranged from a low monthly average of \$1.32 in August 1949, to the high of \$1.79 3/8 in June 1950. No. 1 Feed barley was quoted from a low monthly average of \$1.19 1/4 in January 1950, to a high of \$1.51 1/4 in June 1950. Some 17.5 million bushels of barley (over 27 percent of available supplies) were exported. Domestic sales took 37.8 million bushels (59 percent of supplies available).

The average price realized was: for oats, basis No. 2 C.W. in Lakehead store, \$0.8634933 per bushel; and, for barley, basis No. 3 C.W. 6 Row in store at the Lakehead, \$1.5250301. After deducting carrying charges, interest, administration costs, P.F.A.A. levy, etc., final payments to producers were: for oats, 18.937 cents per bushel, basis 2 C.W. in Lakehead store; and, for barley, 57.462 cents per bushel, basis 3 C.W. 6 Row in Lakehead store.

On 1st August 1950, Mr. W. Riddel, formerly of Saskatchewan Wheat Pool, replaced Dr. T. W. Grindley as commissioner on the Board.

Early in the 1950-51 crop year, quotas for wheat, oats and barley were set at 8 bushels per seeded acre.

Exports

Recent years have brought changes which vitally affect Canada's export trade and Western agriculture.

Our population has shifted steadily from rural Canada, until today only 25 percent of Canadians live on farms; and the majority of our people are urban. The increase of urban population means increased domestic consumption for agricultural products. This, in turn, means that a smaller percentage of these products is available for export. Nevertheless, in 1949, Canada still exported 8 percent of the pork and 21 percent of the cattle marketed; and 63 percent of our production of wheat.

Formerly, Canada's exports went predominantly to U.K.; and the bigger share of imports came from U.S. During 1950, Canada's trade with U.K. and U.S. reached approximate balance. Exports to U.K. were valued at \$473 million, while imports reached \$404 million. Exports to U.S. totalled \$2,050 million; and imports were \$2,130 million. Whereas in 1938, some 66 percent of our agricultural exports went to U.K. and 15 percent to U.S.—in 1950, 34 percent went to U.K. and 37 percent to U.S.

From 1938 to 1950 the dollar value of our agricultural exports increased by 312 percent—to total \$816 million. In recent years, farm products have provided one-third of Canada's exports. In 1950 they were one-quarter of the total. A big part of these agricultural exports is flour and wheat.

Exports of wheat (and flour in terms of wheat) for the 1950-51 crop year were 241.8 million bushels. This was 7 percent above the previous year; and some 6 percent below the average for the preceding ten years.

These 1950-51 wheat exports went to 78 countries on six continents. Of the 78 countries buying Canadian wheat, 31 were in North, Central and South America. The Union of South Africa bought all her wheat imports from Canada.

The U.K. continued to be the chief buyer of Canadian wheat. The British market took 42 percent of the total Canada exported in 1950-51. This compares with 58 percent the previous year. Other big buyers in 1950-51 were U.S., Italy, Ireland, India, Japan, Belgium and the Phillippines.

Government Policy

The Government of Canada, early in the 1950-51 crop year, announced new taxes to help meet multiplied defence costs. Emergency legislation was enacted, giving the Government power to act for the safety of the nation. Essential materials and services were brought under government control. Credit (including government farm loans) was restricted. Income taxes were raised, and sales taxes increased. Tariffs were boosted on tobacco, autos, radios and some electrical goods. Following emphatic representations by the C.F.A., however, some farm equipment, including grain and hay dryers, irrigation sprinklers and some dairy equipment, was put on the free list.

Official rates of exchange since 19th September 1949, had been calculated on the basis of a 10 percent premium for the U.S. dollar in Canada. On 30th September 1950, these official exchange rates were cancelled. After that date, rates of exchange were determined by conditions of supply and demand for foreign currencies in Canada.

The price of wheat for Canadian use had been tied to the Canada-U.K. Agreement prices. When that Agreement ended, 1st August 1950, domestic wheat prices were fixed at the daily level for I.W.A. sales.

Initial payments for the 1950-51 crop year were announced by the government as follows: wheat, \$1.40 per bushel, basis No. 1 Northern in Lakehead or Pacific store; oats, 65 cents per bushel, basis No. 2 C.W. in Lakehead store; barley, 93 cents per bushel, basis No. 3 C.W. 6 Row, at the Lakehead. Vigorous and repeated representations were made by your Central executive to the government, urging more adequate initial payments. In January 1951, the government announced that, effective 1st February 1951, initial payments would be increased by 20 cents per bushel for wheat; 10 cents for oats; and 20 cents for barley.

On 21st March 1951, the Canadian Wheat Board Act (1935) was amended to provide for adjusting payments on a grade basis when interim payments are made; and the transfer in the accounts of the Board of the unsold balance of wheat delivered during a preceding pool period to the current pool period, at prices deemed reasonable to both pools.

The Parliament of Canada on 21st March 1951, approved a final settlement with Western producers for grain delivered to the 5-year pool. For many months our Pool organizations—through your Central executive and in co-operation with other farm organizations—had fought for a settlement that would be fair to Pool members and all Western grain growers. Finally, the Parliament of Canada added \$65 million from the Federal Treasury to the amount available in the hands of the Wheat Board for settlement on the 5-year pool. This additional sum provided a total final payment of approximately \$120 million—or about 8.3 cents per bushel on the 1,428 million bushels delivered to the Canadian Wheat Board during the five crop years 1945-46 to 1949-50.

Initial payments for 1951-52, announced on 4th May 1951, were: wheat, \$1.40 per bushel, basis No. 1 Northern, in Lakehead or Pacific store; oats, 65 cents per bushel, basis 2 C.W. in Lakehead store; barley, 96 cents per bushel, basis 3 C.W. in Lakehead store.

General Agreements on Tariffs and Trade

Canada's growing population, industrialization and defence undertakings have changed the pattern of our economy. Nevertheless, development of trade with other nations continues to be an essential to our national well-being; and an opportunity to promote peace. The leading part taken by Canada in promoting trade between nations is of vital interest to Western agriculture.

The general agreements on tariffs and trade, initiated at Geneva in 1947, and carried forward at Annecy in 1949, were negotiated further at Torquay, England, from September 1950, to March 1951.

The agreements achieved in these latest negotiations incorporate the results of 147 two-sided tariff agreements between the 34 countries taking part. Under the most-favored-nation principle all concessions extended became available to Canada; and all concessions by Canada were automatically extended to each of the participating nations.

At Torquay, in tariff agreements with 16 nations, Canada made concessions on 397 items—including dairy products, livestock, wheat, coarse grains and seeds; and, in turn, got concessions on tea, coffee, rubber and other tropical products—in addition to many concessions negotiated with U.K. and U.S.

Every sale or bargain is a negotiation—between individuals, or between groups of individuals. G.A.T.T. is an example of successful group negotiations on the international level.

Prairie Farm Assistance

Assessments, awards and payments under P.F.A.A. for the 1950-51 crop year were as follows:

	1% Assessments	No. of Awards	Payments
Manitoba.....	\$1,442,138.08	2,609	\$ 283,922.25
Saskatchewan.....	3,890,444.68	25,917	5,507,965.75
Alberta.....	2,001,322.58	25,275	4,130,724.25
British Columbia.....	—	1,257	205,359.00
Unallocated.....	153.72	—	—
Totals.....	\$7,334,059.06	55,058	\$10,127,971.25

For the twelve crop years since 1939-40, assessments, awards and payments have been made as follows:

	1% Assessments	No. of Awards	Payments
Manitoba.....	\$ 9,148,392.72	25,188	\$ 2,944,599.02
Saskatchewan.....	30,156,714.70	436,135	100,735,484.08
Alberta.....	16,074,952.42	172,592	33,068,534.80
British Columbia.....	—	1,307	209,525.25
Unallocated.....	9,352.63	—	—
Totals.....	\$55,389,412.47	635,222	\$136,958,143.15

Since P.F.A.A. was instituted, Western farmers have contributed over \$55 million to the program; and \$81 million has been provided by the Federal treasury.

Freight Assistance

Shipments of feed wheat, oats, barley and rye, under the freight assistance plan from the Canadian West to Eastern Canada and British Columbia during the first eleven months of the 1950-51 crop year are estimated at 56.4 million bushels. During the same period a year ago the total was 77.7 million bushels. Shipments of oats fell from 48.5 million bushels last year, to 29.4 million. Barley shipments were 15.3 million bushels, compared with 20.5 million bushels the previous year. Shipments of feed wheat

were up from 8.7 million to 11.6 million bushels. Little rye was shipped in either year.

Millfeed shipments were 512,097 tons, compared with 553,751 tons a year ago. Screenings dropped from 87,988 tons to 63,969 tons.

Ontario and Quebec took 74% of the wheat, 81% of the oats, 84% of the barley, 77% of the screenings and 71% of the millfeeds shipped under the program during the first eleven months of the 1950-51 crop year.

In June 1951, the Government of Canada extended freight assistance for another year. Since it was begun in 1941 the national treasury has invested some \$180 million in this policy.

Eastern Market For Feed Grains

For many years Eastern Canada has been a growing market for Western feed grains. In 1929 our Pool organizations launched an energetic campaign to develop this market for the benefit of both Eastern feeders and Western grain producers. This effort was interrupted when the selling function was assumed by the Government of Canada; and the Pools were left as grain-handling co-operatives. The Eastern market continued to grow steadily, however; and, recently, has expanded rapidly.

Before World War II, Eastern farmers grew 92% of the oats, 93% of the barley and 84% of the wheat fed in Eastern Canada. In the last four years the total amount fed has increased by 40%—to 5.72 million tons. Of this total, Eastern farmers grew 67% of the oats, 24% of the barley and 46% of the wheat.

Eastern production of oats, barley and mixed grains fell from a yearly average of 194 million bushels for the years 1936 to 1940, to 174 million bushels between 1946 and 1949.

Before the war, Western producers supplied some 7% of the grains fed in Eastern Canada. Now they supply 36%.

Freight assistance was begun in 1941. In the ten preceding years (1932-1941) shipments of oats from Western to Eastern Canada averaged 10.7 million bushels per year. During war years (1942-46) annual shipments averaged 39 million bushels. In the years following the war (1947-50) the average has been 52.5 million bushels.

Barley shipments averaged 1.4 million bushels per year for the ten years 1931-40; 29.3 million from 1942 to 1946; and 30.7 million for the four post-war years 1947-1950.

Feed wheat shipments averaged 2 million bushels yearly before the war; 20 million in the war years; and 14 million in the past four years.

Thus, the combined total of oats, barley and feed wheat provided annually by Alberta, Saskatchewan and Manitoba producers to Eastern feeders averaged 12.3 million bushels in the ten years before freight assistance; 88.3 million during the war years; and 97.2 million bushels per year since the war.

Our Pool organizations are working with other Canadian farm co-operatives, to design a policy for servicing this expanding market for feed grains. The development of such a policy should give assurance of supplies and stability of prices. In the C.F.A. the farm organizations of Canada have tackled this issue with energy and persistence.

Production, Prices and Costs

The 1950-51 crop year saw even greater changes in the Canadian economy than the preceding year. Agriculture

faced rising costs with smaller income. Other activities expanded at an accelerated rate.

Compared with 1949, Canadian gross national production in 1950 increased 8 percent in physical volume; and reached a new high of \$17,700 million in dollar value. Exports increased from \$3,022 million to \$3,157 million, with little change in physical volume. Imports rose from \$2,761 million to \$3,174 million.

Outlay in capital goods continued expanding; and rose from \$3,500 million to \$3,750 million. Power and other utilities carried forward big building programs. The oil pipeline was completed from Edmonton through U.S. to the Great Lakes. Labor, professional and business income increased steadily. By the end of 1950, wholesale and retail prices were at all-time highs—with the exception of farm products.

Prices paid by farmers for goods and services used in production and for living continued their upward climb. Cash farm receipts were lower in 1950 than in 1949. Crops were bigger, despite severe damage to Western grain. Farmers sold less, however; and adjusting payments on grain were smaller in 1950.

From 1939 to 1950 the gross national product of goods and services increased 216% in dollar value. Labor income rose from \$2,583 million to \$8,300 million. Investment income climbed \$783 million to \$2,852 million. Consumer spending increased from \$3,861 million to \$11,810 million, that is, 206%. Investment in plant, equipment and housing rose 469%, from \$554 million to \$3,123 million. Exports increased 189%, from \$1,451 million to \$4,200 million. Imports climbed 239%, from \$1,328 million to \$4,500 million. Net income of farm operators rose from \$461 million to \$1,424 million.

The high level of national income is reflected in the fact that, in 1950, Canadians bought more new cars and trucks than ever before. Canadian production reached 391,000 units, 20% above 1949. European cars represented 14% of sales in Canada in 1949; and almost 25% in 1950.

Although farm cash income was lower in 1950, Western farmers reduced their indebtedness on mortgages and agreements of sale to the member companies of the Dominion Mortgage and Investments Association by more than 6 percent. The balance owing of \$30.5 million is only 18 percent of the 1937 total.

Canadian farmers bought machinery and repairs, in 1950, to a total of \$265 million, retail. More than 65 percent of these purchases were in the West.

The drift of population from the farm continued. The total civilian labor force in March, 1951, compared with March 1950, showed 97,000 fewer workers in agriculture and 161,000 more workers in non-farm jobs.

Farm Income

According to the Dominion Bureau of Statistics, the cash income of Canada's farm families for 1950 was 12% below 1949 and 1948; but higher than 1947. Cash income from the sale of farm products for the last three years was as follows:

	1948	1949	1950
	in millions of dollars		
Canada.....	\$2,480	\$2,474	\$2,190
The West.....	1,254	1,272	981

Farmers' net income from farm operations in 1950 was about 10% below 1949; and 12% lower than 1948. The figures are:

	1948	1949	1950
	in millions of dollars		
Canada.....	\$1,650	\$1,615	\$1,461
The West.....	853	803	644

Net income is arrived at by adding cash income, supplementary payments, income in kind and inventory changes into gross income; and subtracting therefrom operating and depreciation costs, including taxes, rent, hired labor, interest, feed, seed, tractors, trucks, autos, repairs, fertilizer, supplies and depreciation on buildings and machinery.

The 1950-51 Crop Year

Carryover of wheat into the 1950-51 crop year, together with estimated production, total supplies, exports, domestic use and year-end carryover—compared with averages for the preceding ten crop years—are set out in the following table:

	1950-51 million bushels	10-year average
Carryover at start of crop year.....	112.2	275.3
Production.....	461.7	394.7
Total supply.....	573.9	670.0
Exports.....	241.8	259.3
Domestic use.....	145.7	154.2
Carryover at end of crop year.....	186.4	256.5

Production in 1950 was 24% more than in 1949; and 17% above the 10-year average. Carryover, plus production, made total supplies available 21% more than in 1949-50; but 14% under the 10-year average. About 48% of the wheat inspected graded No. 4 Northern or higher—compared with 87% in 1949-50.

Exports of wheat (and flour in terms of wheat) were 7% above 1949-50, and the highest since 1945-46; but some 6% below the average for the ten years 1940-41 to 1949-50.

Domestic Use of wheat during 1950-51 (for human food, livestock feed, seed, industries, etc.) was nearly 7% above 1949-50; but more than 5% below the average for the ten crop years 1940-41 to 1949-50. During that period, domestic use of wheat exceeded 170 million bushels for three consecutive years, reaching a peak of 179.2 million bushels in 1943-44. While less wheat was used for seed in 1950-51 than in 1949-50, a greater amount was used for livestock feed.

Carryover of wheat at 31st July 1951, is the biggest since 1945; but less than one-third of the 1943 carryover of 594.6 million bushels.

As the crop year ended, about 53% of the wheat carryover was held on farms and in country elevators. More grain was held on Western farms at the end of the crop year than at the beginning. Farm stocks of wheat were up 81%; oats 65%, barley 72%, and flaxseed 95%.

Carryover, production, exports and domestic use of oats and barley in 1950-51 compared with averages for the 10 years 1940-41 to 1949-50 are set out in the following summation:

	Oats		Barley	
	1950-51	10-year average in million bushels	1950-51	10-year average
Carryover at beginning.....	45	73	20	30
Production.....	421	403	171	161
Total supply.....	466	476	191	191
Exports.....	35	38	23	17
Domestic use.....	338	365	115	143
Carryover at end.....	93	73	53	31

Transportation

The Royal Commission on Transportation, after more than two years' study, submitted their report to the Parliament of Canada on 9th February 1951.

The Commission found that Canada's transportation facilities and costs are of vital importance to agriculture. The 1950-51 crop year emphasized that fact.

The Report designates the Crowsnest rates on grain and the Maritime Freight Rates Act, 1927, the principal statutory components of Canada's national transportation policy. The Commission concluded "that the time has not come for Parliament to divest itself of the immediate control of these (Crowsnest) rates which it assumed in 1897."

The Transport Board and the railways are criticized by the Commission for having implemented the general increases of 1948-50 by the application of uniform percentage increases. The railways should utilize new statistical procedures to provide necessary data for appropriate treatment of various commodity shipments; and it ought to be the duty of the Board to see that the railways do so.

The Commission recommends an annual Federal subsidy of some \$7 million to the railways to maintain the two main lines through northern Ontario, as an "economic bridge" between West and East.

The preservation of the identities of both railway companies is endorsed. At the same time, the Commission remarks on the lack of action under the Canadian National-Canadian Pacific Act—which was intended to encourage co-operation between the two railway systems; and which was notably dormant during the war.

The most fundamental recommendation urged by the Commission is co-ordinated regulation of railways, waterways, airways, pipelines and highways to the extent of Federal authority. Amalgamation of the Board of Transport Commissioners, the Air Transport Board and the Canadian Maritime Commission is recommended—for uniform regulation; and to promote a rational transportation structure for the nation.

In June 1951, bills were introduced in the House of Commons outlining a policy of equal freight rates for all parts of Canada.

Meantime, the upward spiral of freight rates increased its "strangling" effect upon Western agriculture.

Our 1949-50 report recorded increases in freight rates from March 1948, to May 1950, which add up to a cumulative total of 45.2 percent. In September 1950, the railway companies applied for increases in livestock rates. They got these increases, effective 15th December 1950. On 4th July 1951, the Board of Transport Commissioners awarded the railways an interim general freight rate increase of 12 percent. Thus, railway freight rate increases from March 1948, to the end of the 1950-51 crop year, represent a cumulative total of 62.5 percent; and an estimated addition in the nation's freight costs of \$195 million per year.

Even more "strangling" to Western agriculture is the fact that existing rail and lake transportation facilities were not adequate to move other freight and at the same time the 1950-51 crop. As a result, when producers began to deliver the 1951 harvest hundreds of country elevators were plugged with 1950-51 grain still awaiting shipment.

The needs of our expanding economy, plus the requirements of defence, make imperative demands for adequate transportation facilities. While Canada's transportation

facilities have grown, the rest of our economy may have grown more rapidly. Certainly, the double job of production and defence, which must be carried on for a long time to come, calls for adequate and economical transportation.

Acceptance and implementation of the recommendations submitted by the Royal Commission on Transportation should contribute toward a more just basis for fixing freight rates, which shall recognize the needs of agriculture on a parity with other components of the Canadian economy. At the same time, the rapid expansion of our economy and an awakening realization of Canada's potential in production and requirements in distribution, emphasize the need for realistic planning and dynamic development in transportation. Many railway, highway, airway and waterway projects are requisite to a development of adequate transportation for our growing Canadian nation. One of the most important of these projects is the St. Lawrence Seaway.

The building of the St. Lawrence Seaway is a fundamental development in Canadian and North American economy. It could bring ocean freight-carriers into the heart of our continent and within a few hundred miles of our Western wheat-fields. This could help solve problems of extraordinary congestion, and be a permanent factor in moving Canadian grain to world markets—as well as providing the products of the world cheap transport to our Western markets.

The prompt development of the St. Lawrence Seaway project will contribute to increased Western production; to the prosperity of the entire Canadian nation; to the defence of North America; and to the peace of the world.

Conservation

Land and water conservation is developing at an accelerated pace in our Canadian West. During 1950-51, the P.F.R.A. co-operated with farmers and municipalities to complete 4,604 small projects to provide water for homes, livestock and irrigation. To date, 47,646 such individual projects and 228 community projects have been built.

In July 1951, the St. Mary River project was put into operation in southern Alberta. Here, the world's biggest earth-fill dam impounds the flow of the river in an 18-mile lake. This \$7 million project is a step in a long-term program which shall utilize four international streams to irrigate 500,000 acres.

Plans are going forward to use the waters that flow down the Red Deer and the South Saskatchewan—to provide hundreds of communities and thousands of farms with light and power; and to supply water to irrigate more than a million strategic acres.

All of these projects are necessary steps to develop efficient use of our Western streams; and harness them to the lands they drain for full and stabilized production.

Co-operation

In the year ending 31st July 1950, 1,337,889 Canadians—working together in 2,951 co-operatives—did business for themselves to a total of \$1,339,000,000.

Progress is not fast in the co-operative movement. Increases during the year were “not too significant” in membership; and “relatively small” in total business.

Total value of farm products marketed by co-operatives in 1950 showed a small increase of 2.5% over the 1949 total, while the cash farm income from the same products declined 4.5%. In 1949, co-operatives handled 32.9% of

farm produce entering into commercial trade. In 1950, they handled 35.2%.

During the last ten years co-operative wholesales have made tremendous progress. In 1950, eleven co-operative wholesales did business totalling more than \$128 million for the 1,847 co-operatives which comprise their membership.

Co-operative fire insurance is provided by 406 farmers' mutuals which, in 1949, protected their members to a total of \$2½ billion. Pacific coast fishermen protect over 400 fishing vessels in their insurance mutuals. In Ontario, the Co-operators' Insurance Association is providing bonding, automobile and livestock insurance. Co-operative Life is broadening its field of operation in eight of Canada's ten provinces.

Canadians are organizing co-operatives to provide themselves with a variety of services, including hospitalization, medical care, housing, taxis, transportation, restaurants water and electricity. The establishment of a nationwide credit society in 1950 was a big step ahead.

The people of Alberta, Saskatchewan and Manitoba are in the vanguard of the co-operative advance. Out of 2,951 co-operatives, 1,071 are in the Western provinces. Canadian co-operatives embrace some 1,337,889 members. Of this total membership, 823,593 are in the prairie provinces.

From 1941 to 1950 our Canadian population increased by 21%. During the same period the number of co-operatives increased 79%; total co-operative business 319%; co-operative marketing 273%; and co-operative purchasing 1,133%.

In August 1951, delegates of 24 co-operative farms and ten machinery co-ops held a unique annual meeting on a co-operative farm at Matador, Saskatchewan. This was the first such meeting ever held in Canada.

The British Isles Federation of Agricultural Co-operatives was established in June 1949. This union of 698 societies in England, Wales, Scotland, Ulster and Eire, reports business totalling £89 million for their 313,847 members in 1950. They plan programs of education, research, information, credit and support for I.F.A.P.

The Commonwealth Conference on Agricultural Co-operation assembled at Oxford, England, 24th-27th July 1951. Our three Canadian Wheat Pools were represented by an observer, J. B. Lawrie, executive officer in the London office of the Canadian Wheat Board.

Conclusion

In a world where stresses change and problems take new shapes with startling rapidity, there is gratifying evidence that through the growth of the co-operative movement, we are progressing—steadily, if slowly—in the direction of a more just, more serviceable and more peaceful world economy.

Canada's farmers have brought the nation's agriculture a long way ahead in the first half of this century. While the form of development may change, the substance of agricultural progress will be no less profound in the next fifty years.

Small and scattered efforts in the first quarter of the century sowed the seed from which grew our Canadian Wheat Pools. In the second quarter of the century, the Western farmers who built the Pools harvested from these co-operatives—for themselves and all farm people—a tremendous outturn of vital benefits. They built—and

operate for themselves—grain handling facilities which represent a third of the nation's capacity. Through these facilities they have handled for themselves more than 4 billion bushels of their own grain. From these operations they have paid the \$63 million which the facilities cost; and earned another \$51 million cash for themselves. They have united—232,000 strong—in Canada's biggest co-operative. They have developed democratic leadership, practical experience and dynamic power in Canada's co-operative movement. Finally, they have helped demonstrate that—through the development of co-operation in production, distribution and all human relations—we can expand and balance our economy; and make our utmost contribution to plenty and peace—for Canada and for all mankind.

Respectfully submitted

JOHN H. WESSON	} <i>Executive</i>
W. J. PARKER	
BEN S. PLUMER	
GEO. N. McCONNELL	
J. W. BALDWIN	
W. J. BALL	
THOS. G. BOBIER	
W. J. BLAIR	
A. T. BAKER	



CANADIAN POOL AGENCIES LIMITED

DIRECTORS' REPORT

1950-1951

5th October 1951.

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

Gentlemen:

We submit herewith, for your approval, the Twenty-third Annual Report and Financial Statements of your Company for the fiscal year ended 31st July 1951, showing excess of income over expenses \$55,753.27, after provision for Income Tax, as against the relative amount of \$31,174.65 for the previous year, thereby reflecting a net increase of \$24,578.62. The surpluses vary from year to year and to some extent follow the fortunes of the Parent organizations. This year's operations benefited by a considerable amount of insurance that is renewed every three years.

Your Agency is operated on the principle of providing service to the Parent organizations and protecting their interest in the sphere of insurance. The value of this service does not always reflect itself in the earnings of the Company, as we at all times endeavour to place the business at the lowest possible rates commensurate with security, and this year we were able to secure some slight reductions in premiums.

Fifteen types of insurance were handled during the year. The greatest income is derived from fire insurance, followed by fidelity bonds, and then automobile insurance.

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

BALANCE SHEET

Agency Assets and Liabilities

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

Shareholders' and Patrons' Assets

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

Loan Accounts: Nineteen new loans were made during the year and fourteen were repaid, leaving the total number now outstanding at twenty-five. Seven loans were made to finance the purchases of automobiles, and the balance were made to employees of one of the Parent organizations and are fully guaranteed. Interest is thus earned on a part of our surplus funds without tying them up for any lengthy period. The Agency secures insurance on automobiles and property financed thereby, and insurance once obtained in this manner is usually renewed.

POOL INSURANCE COMPANY

DIRECTORS' REPORT

1950-1951

Winnipeg, Manitoba,
27th February 1951.

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

Gentlemen:

We have pleasure in submitting herewith for your approval the Twelfth Annual Report and Financial Statements, covering operations of your Company for the year ended 31st December 1950.

The result for the year shows Excess of Income over Expenditure of \$187,145.60 as compared with \$162,908.44 last year. After transferring a further \$10,000.00 to Capital Surplus Account; setting up the usual Capital Stock Dividend as required by the Company's Charter and a reserve of \$1,664.54 for income tax, the balance of \$175,479.21 has been allocated to the policyholders on the basis of their contribution to the surplus.

The total premium income amounted to \$637,628.88 as compared with \$560,073.42 last year.

After placing reinsurance on all risks with the exception of dwelling risks, the net earned premium income was \$133,512.41. The net losses and adjustment expenses of \$34,766.62 produced a loss ratio of 26.04% as compared with 24.86% last year.

The increase in the net premium income is partly due to the increase in business written, but is more directly due to your Company having increased its own retention from 15% to 25% as of August 1st 1950.

Five total losses were reported, being about average, and they occurred when the grain stocks were comparatively light.

The elevators were located in Saskatchewan as follows:
Meacham, Catherwood, Cory, Tuffnell and Paynton.

In addition to these total losses, thirty-eight small losses were sustained, thirty-four at elevators and three at dwellings, and one miscellaneous.

The inspection of all Pool property insured by the Company for the purpose of detecting and removing fire hazards is, we consider, a most important feature of our operations, and in this regard we have pleasure in expressing our appreciation of the co-operation of the agents, superintendents and managements in carrying out the recommendations and suggestions made by our inspectors. We do depend to a large extent on the year round alertness of the elevator agents, in detecting and removing fire hazards, and we cannot stress too often that continued vigilance is essential if we are to maintain the present favorable loss experience. Extra precautions against fire hazards at the time of continued operation of the elevator is essential, particularly in regard to checking of the machinery, and a close watch should be kept upon starting operations when the machinery has been idle for some time.

You may be interested in the value of the property insured by your Company, which we list hereunder.

Building values change from time to time and the values shown are as at 31st December 1950. The value of the grain is the daily average for the year.

Country Elevator.....	\$ 49,233,921.00
Grain.....	51,518,927.37
Dwellings.....	4,013,307.00
Miscellaneous.....	1,752,200.00
	<u>\$106,518,355.37</u>

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

The total revenue shown in the Statement of Income and Expenditure is largely made up of the earned premiums on our percentage of the risks, plus commission earned on the reinsurance, less losses and earned commission paid to Canadian Pool Agencies Limited. In addition, the item of \$13,632.89 is the amount paid to us by the unlicensed Reinsurers in lieu of taxes and Underwriters' Association expenses. The small item of \$134.70 represents an allowance we received to cover cost of inspection, made for the Insurance Companies which insure three elevators in British Columbia. The revenue derived from the insurance on British Columbia elevators is insufficient to warrant our taking out a license in the Province.

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

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

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

ASSETS

Cash on Hand and in Bank

Under this heading the Current and Savings Bank Accounts are shown.

Accounts Receivable

Under this heading is an amount due from Canadian Pool Agencies Limited in respect to business placed with the Company through the Agency, less a balance due to the Agency on inter-office account.

Investments

You will notice the ledger value of the Company's investments exceeds the market value by \$3,171.87.

Automobiles

One new automobile was purchased during the year, and after allowing depreciation in this account of \$1,900.19 the asset covering four automobiles is shown as \$4,433.79. These automobiles are used by our Fire Inspectors.

LIABILITIES

Current Liabilities

Premiums due the reinsurance companies are shown. Losses in process consist of the Company's estimated 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 respectively to the Federal and Provincial Governments.

Reserve for Unearned Income

These reserves are calculated on the basis of one hundred percent of the unearned premiums on our own retention and one hundred percent of the unearned portion of the reinsurance commissions as at 31st December 1950.

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	\$ 9,000.00
Manitoba Pool Elevators	500	50,000.00	37,000.00	6,000.00
Saskatchewan Pool Elevators Limited.....	1,250	125,000.00	92,500.00	15,000.00
	<u>2,500</u>	<u>\$250,000.00</u>	<u>\$185,000.00</u>	<u>\$30,000.00</u>

The \$30,000.00 premium on Capital Stock referred to above, was originally provided to create a surplus required by the Superintendent of Insurance. According to the Insurance Act, we are required to retain a surplus at least equal to our unearned premiums before refunds of excess charges are made. A further \$10,000.00 of this year's net earnings has been transferred to the Capital Surplus to meet the larger Surplus requirement brought about by the Company's increased retention of insurance written. Composition of the Capital Surplus Account is set forth on the Balance Sheet.

We wish to express the thanks of the Directors for the support and co-operation given to the Company by the parent organizations, managements and staffs.

Respectfully submitted,

J. H. WESSON
W. J. PARKER
G. N. McCONNELL
J. W. BALDWIN
A. T. BAKER
BEN S. PLUMER
THOS. G. BOBIER
W. J. BLAIR
W. J. BALL



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of
**YOUR OWN
MILL**



POOL FLOUR

Made in Canada's
most modern plant—
the **finest** available



INDUSTRIAL DIVISION
SASKATOON

Saskatchewan Co-operative
Producers Limited