

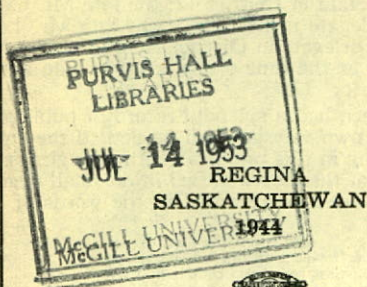
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Oto

Saskatchewan  
Co-operative Producers  
Limited

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# Twentieth ANNUAL REPORT

Annual Meetings of growers will be held at all points in the Province in the next two months. It will be of value in arriving at a proper understanding of the present policies of your organization if you will take this Report with you when attending your annual meeting.



**SASKATCHEWAN CO-OPERATIVE  
PRODUCERS LIMITED**

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## Directors' Report

Regina, Saskatchewan,

7th November, 1944.

### IN MEMORIAM

This year Saskatchewan Co-operative Producers Limited completes twenty years of co-operative service to the organized farmers of this province.

With the passage of time it becomes our sad duty to record the loss of 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 very deep regret that your Board of Directors places on record the great loss sustained by your organization in the passing of the late Mr. J. P. Jenkins, of Kelvington. A native of Prince Edward Island, Mr. Jenkins was a veteran of the last war and came to Saskatchewan in 1919 as a soldier settler. He took an active part in the work of organizing the Wheat Pool, and in 1926 was elected delegate for the district in which he resided. In December, 1930, he was elected as a Wheat Pool director and continued to hold that office until the time of his death at the comparatively early age of 52 years. In the passing of Mr. Jenkins we have lost yet another good soldier of the co-operative movement who died in harness.

Another staunch and untiring advocate of co-operation lost to the movement this year was the late Mr. James McCaig. Mr. McCaig was associated with all worthwhile farm organization activities almost since the time he homesteaded north of Chaplin in District 5. He was one of the early delegates of the Wheat Pool organization and was active in the organization of consumers' co-operation. He was elected to the Board of the Saskatchewan Co-operative Wholesale Society in 1936 and was the active president of that organization for the last six years of his life. At the time of his death Mr. McCaig was president of Interprovincial Co-operatives Limited and a director of Canadian Co-operative Implements Limited and also a Saskatchewan director of the Canadian Federation of Agriculture.

Other former delegates of this organization who had served well their day and generation in the advancement of the co-operative movement, and who have now passed on during the past year, include the late Mr. Robert Bowie, former delegate in District 16; the late Mr. Wm. Sinclair, former delegate in District 1; the late Mr. John Churn, former delegate in District 12; the late Mr. C. H. Gingell, former delegate in District 5; the late Mr. J. H. McManus, former delegate in District 1, and the late Mr. L. A. Harlow who at the time of his death was an active delegate in District 12.

All of these men had a splendid record of public service. Each in his own way gave all he had to the cause of better farm living in this province, with a singleness of purpose which all of them exemplified in no small degree. Their epitaph may well be recorded in the words of the poet Wordsworth:

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.



In submitting this Report to the Twentieth Annual Meeting of Wheat Pool delegates, your Board of Directors has endeavoured to present a complete review of the operations of the Pool organization for the year ended 31st July, 1944.

In addition to the operations of Saskatchewan Co-operative Producers Limited, Saskatchewan Pool Elevators Limited, and the other subsidiary companies which constitute the Saskatchewan Pool organization, this Report reviews the activities of Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited and Pool Insurance Company, the interprovincial organizations of which the Saskatchewan Pool is a shareholder.

### 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 and Modern Press Limited, as at 31st July, 1944. The usual Explanatory Notes on the principal items of the Consolidated Balance Sheet are appended.

At the end of the fiscal year 31st July, 1944, total current assets for the whole organization amounted to \$64,799,186.53 and current liabilities amounted to \$44,604,455.06. The difference between these two items, \$20,194,731.47, represents the current position of the organization.

Provision is made in the Consolidated Balance Sheet for a contingent liability in respect of buildings and work under construction estimated at \$250,000.00. After making provision for this item, a balance of \$19,944,731.47 remains available for working capital for the season 1944-45. This compares with working capital position of \$14,732,521.37 a year ago, an increase of \$5,212,210.10. No provision has been made for any liability which may arise in respect of income or excess profits taxes on this year's or prior years' earnings.

### Consolidated Capital Statement

Attached to this Report is a copy of the Consolidated Capital Statement (Statement No. 2) which sets out in detail the current financial position of the organization as at 31st July, 1944. The increase in working capital of \$5,212,210.10 is accounted for as follows:

#### Surplus Earnings:

Saskatchewan Co-operative Producers Limited.....	\$1,123,926.02
Modern Press Limited.....	43,307.96
Saskatchewan Pool Elevators Limited.....	6,243,187.45

#### Liquidation of Capital:

Depreciation on Fixed Assets.....	1,157,327.48
Write-off on Temporary Storage Bins.....	45,316.47
New Capital Subscribed.....	5,316.00
Decrease in Growers' Deferred Accounts Receivable.....	4,613.22
Decrease in Stocks of Repair Parts.....	13,569.10

Less \$8,636,563.70

Additions to Plant Values of Fixed Assets and Temporary Storage Bins, Including approved programme of Capital Expenditures.....	\$ 511,442.12
Additions to Investments.....	29,141.54
Payment of Principal to Province of Saskatchewan re 1929-1930 Pool Overpayment.....	766,379.94
Payment of Excess Charges Refund, Season 1942-1943 including provision for purchase of Reserve Deductions.....	1,739,303.47
Additional Payments of Excess Charges Refunds for prior seasons.....	12,230.53
Payment of 3% Dividend on Capital Stock.....	365,856.00
	<u>\$3,424,353.60</u>
<b>Increase in Working Capital.....</b>	<b><u>\$5,212,210.10</u></b>

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

Statement No. 3 attached to this Report shows in detail the composition of surplus capital as at 31st July, 1944. The various items are largely self explanatory.

The portion of the Commercial Reserve Fund which is now in liquid form amounts to \$6,493,799.12, an increase from the previous year of \$452,041.21. Elevator Deductions in the amount of \$1,477,340.06 are also in liquid form. The liquidation of these amounts has been accomplished through provision for depreciation on fixed assets and the writing off of certain items of deferred charges including temporary storage bins and operating expenses of the 1930-1931 Pool.

### Consolidated Statement of Assets, Direct Liabilities and Growers' Equity as at 31st July, 1944

This is the usual Statement of Assets, Direct Liabilities and Growers' Equity as at 31st July, 1944, and shows a balance of assets over liabilities of \$25,433,879.34, representing the equity of the members in the assets of the organization based upon book values. The amount shown is subject to payment of the portion of this season's surplus earnings allocated for distribution to members, and to any liability which may arise in respect of income or excess profits taxes on this year's or prior years' earnings.

In comparison with the amount shown at 31st July, 1943, the above represents an increase of \$5,406,057.87, made up as follows:

#### Surplus Earnings:

Saskatchewan Co-operative Producers Limited.....	\$1,123,926.02
Modern Press Limited.....	43,307.96
Saskatchewan Pool Elevators Limited.....	6,243,187.45
New Capital Subscribed.....	5,316.00
Increase in Province of Saskatchewan Sinking Fund Interest Account.....	107,710.44
	<hr/> \$7,523,447.87

#### Less

Payment of Excess Charges Refund, Season 1942-1943.....	\$1,739,303.47
Prior Seasons—Additional.....	12,230.53
Payment of 3% Dividend on Capital Stock.....	365,856.00
	<hr/> \$2,117,390.00
	<hr/> <u>\$5,406,057.87</u>

The growers' equity of \$25,433,879.34 represents 79.937% of the book value of the Company's assets as compared with 73.692% a year ago, an increase of 6.245%.

In arriving at the equity of \$25,433,879.34 no deduction has been made for certain liabilities to shareholders which appear on the Balance Sheet. These include (a) excess charges refund season 1943-44 of \$5,877,331.45 and (b) undivided surplus of \$1,549,528.01. The distribution of these items is subject to the decision of the Board.

Exclusive of these items, the growers' equity amounts to \$18,007,019.88, equivalent to 95.361% of the total amount of \$18,882,969.24 subscribed by the shareholders in the form of capital, elevator deductions and commercial reserve. The book value of capital, elevator deductions and commercial reserve is therefore equal to 95.361 cents for each dollar of face value, exclusive of participation in undivided surplus and surplus earnings and before provision for any liability which may arise in respect of income or excess profits taxes on this year's or prior years' earnings. This compares with a book value of 88.671 cents on the dollar at 31st July, 1943, an increase of 6.690 cents.



## **Payments to Province of Saskatchewan in Respect of the 1929-1930 Pool Overpayment Liability**

This Statement (No. 5) shows payments made to the Province of Saskatchewan up to and including 15th September, 1944, in respect of the 1929-1930 Pool Overpayment Liability, and also shows balance of regular payments to be made to the province in full settlement of the liability as provided for under the terms of the Supplementary Agreement dated 17th March, 1933.

It will be noted from the statement that the amount involved in the liquidation of the original indebtedness, on the basis of amortized payments of principal and interest at 5% as set out in the agreement, aggregated \$22,101,297.58. Of this amount \$8,349,297.58 applies as interest and \$13,752,000.00 as principal. Slightly in excess of 65% of the total amount of \$22,101,297.58 has been paid to date. The remaining payments to be made amount to \$7,698,902.89, of which \$1,315,291.14 will consist of interest, leaving a balance of \$6,383,611.75 to be applied as principal payments in full settlement of the liability.

### **Saskatchewan Co-operative Producers Limited**

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

#### *Balance Sheet*

The Balance Sheet for the year ended 31st July, 1944, appears as Statement 1, Page 12, of the Auditors' Report.

Total current assets as at 31st July, 1944, are shown at \$8,025,520.35 and current liabilities at \$1,578,380.30. The difference between these two items, \$6,447,140.05, represents the current position of the parent company and is available as working capital for the organization. This represents an increase of \$445,426.38 from the amount of working capital a year ago when this item was shown at \$6,001,713.67. Explanations of the other items appearing on the Balance Sheet are given in the Auditors' Report.

#### *Income and Expenses*

Total income for the year ended 31st July, 1944, amounted to \$1,536,880.40, details of which are shown in Statement 2, Page 13, of the Auditors' Report. Operating expenses, details of which are shown in Statement 2A, Page 14, of the Auditors' Report, amount to \$412,954.38, leaving a surplus of income over expense of \$1,123,926.02.

Included in the income of the Company is an item of \$1,107,505.80 representing share of earnings received from Saskatchewan Pool Elevators Limited to provide (1) the amount of \$766,379.94 required to meet the instalment of principal due to the Province of Saskatchewan on 15th September, 1944, in respect of the 1929-1930 Pool Overpayment Liability, and (2) to provide the sum of \$341,125.86, being the balance required to write off in full the operating expenses of the 1930-1931 Pool after appropriating in part liquidation thereof the surplus of \$16,420.22 which resulted from the ordinary operations of the Company for this season. Leaving out the item of \$1,107,505.80, the ordinary income of the Company during the past season amounted to \$429,374.60 as compared with \$399,317.67 last year, an increase of \$30,056.93.

Total expenses amounted to \$412,954.38 and it will be noted that the ordinary income of the Company during the past season was sufficient to meet the expenses of operation and leave a surplus of \$16,420.22. This compares with an operating surplus last year of \$32,393.57, a decrease of \$15,973.35.

Provision has been made for full depreciation on fixed assets.

## **Saskatchewan Pool Elevators Limited**

### *Financial Statements*

The Auditors' Report and Financial Statements submitted separately to the delegates show in detail the financial position of the Company as at 31st July, 1944.

It will be noted from the Company's Balance Sheet that total current assets at the end of the year amounted to \$61,852,648.46 and current liabilities to \$48,196,892.20. The difference between these two items amounting to \$13,655,756.26 represents the current position of the Company. After deducting a further item of \$250,000.00 for new capital outlay, the balance of \$13,405,756.25 represents the working capital position of the Company for the current year. This compares with \$8,688,997.72 for the previous year, an increase of \$4,716,758.54.

With the use of the liquid assets of Saskatchewan Co-operative Producers Limited, the total working capital available at the end of the year amounted to \$19,944,731.47 compared with \$14,732,521.37 a year ago, an increase of \$5,212,210.10. These figures are subject to any Dominion income or excess profits taxes that might be levied as well as to refund of excess elevator charges on grain delivered by Pool members to Pool elevator facilities during the crop year 1943-1944.

Details of elevator earnings are shown in Statement 2, Page 32, of the Auditors' Report, and details of expenses are shown in Statement 2A, Page 33. These statements show a total operating revenue of \$13,995,277.72, with operating expenses of \$6,765,897.74. The difference between these two items of \$7,229,379.98 represents the operating earnings for the year. After deducting depreciation amounting to \$820,391.01, details of which are shown in Statement 2A, the net earnings of the country elevator department are shown at \$6,408,988.97.

### *Saskatchewan Pool Terminals Limited*

The Balance Sheet of Saskatchewan Pool Terminals Limited appears as Statement No. 1, Page 41, of the Auditors' Report. Statement of Earnings and Expenses for this subsidiary for the year ended 31st July, 1944, is shown as Statement 2 and Statement 2A, Page 42 and 43 of the same report.

Total operating revenue amounted to \$3,716,126.94, with operating expenses of \$2,008,335.49, leaving operating earnings of \$1,707,791.45 before providing for depreciation. This compares with operating earnings before depreciation of \$1,385,282.44 in the previous year. After providing for depreciation on buildings and equipment, etc., amounting to \$258,983.04, the net earnings of Saskatchewan Pool Terminals Limited amounted to \$1,448,808.41 as compared with \$1,128,454.27 the previous year.

### *Buffalo Terminal*

Statement of earnings and expenses for the Buffalo terminal department is shown as Statement No. 4, Page 35, of the Auditors' Report. This shows total revenue from all sources of \$74,100.00 made up of rental received under the terms of the lease, \$70,000.00, and miscellaneous earnings of \$4,100.00.

Operating expenses include an item of \$36,754.30 representing rent paid to Saskatchewan Pool Elevators Limited, based on interest on the investment in this plant amounting to \$84,577.54, leaving an excess of operating expenses over earnings of \$10,477.54 before providing



depreciation. After providing depreciation on buildings and equipment amounting to \$53,856.16, the loss for the year is established at \$64,333.70. If the item of rental paid to Saskatchewan Pool Elevators Limited were eliminated, the difference between the revenue received and the actual operating expenses shows an actual cash surplus of \$26,276.76 before providing for depreciation.

This elevator is still operated under lease by the Superior Grain Corporation, who exercised their option of another year's occupancy from 15th April, 1944. A new option agreement was completed with that organization which extends the option for an additional two-year period from 1st April, 1945.

#### *Summary of Earnings and Expenses Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited*

Statement 3, Page 34, of the Auditors' Report contains a summary of the earnings of Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited.

The combined operating revenue for the year under review amounted to \$17,785,504.66, with operating expenses of \$8,858,810.77, leaving operating earnings of \$8,926,693.89. This compares with combined operating earnings for a year ago of \$5,887,100.67. After deducting depreciation of \$1,133,230.21, the net earnings from the year's operations amounts to \$7,793,463.68.

The following summary shows the position for the year ended 31st July, 1944:

Net Earnings as above.....	\$7,793,463.68
Add: Profit on Realization of Assets.....	27,319.02
Deduct:	\$7,820,782.70
Proportion of Pool Expenses.....	\$107,990.59
Interest on 1929-30 Pool Overpayment Liability.....	362,098.86
	<u>470,089.45</u>
Surplus for the Year.....	<u>\$7,350,693.25</u>

From this amount payments amounting to \$1,107,505.80 have been made to Saskatchewan Co-operative Producers Limited. After deducting this payment a balance of \$6,243,187.45 represents the surplus for the year after meeting all charges and providing for full depreciation on fixed assets at the regular rates. Again it should be noted that no provision is made for the payment of Dominion income or excess profits taxes which may be levied.

#### *Statement of Earnings*

Attached to this Report is Statement of Earnings (No. 7) covering the entire period of operations of the Company from 1st August, 1925, to 31st July, 1944, together with details of the distribution of these earnings.

#### *Distribution of Surplus*

Your Board has given careful consideration to the distribution of this year's surplus amounting to \$6,243,187.45, and has decided in view of all the conditions that it should be allocated as follows:

For transfer to Excess Charges Refund, Season 1943-44, to be distributed to Pool members as a refund of excess charges on deliveries of grain to Saskatchewan Pool Elevators Limited for the season 1943-44 at the rate of 4¾ cents per bushel for wheat and flax and 4¼ cents per bushel for oats, barley and rye; the time, form and manner of such distribution to be in the discretion of the Board, this allocation, less an amount equal to one-half cent per bushel, to be used for the purchase of deductions; to be subject to the condition that it may be used for the payment of any income or excess profits taxes which may be levied against the Company.....	\$5,877,331.45
For transfer to Undivided Surplus to provide a dividend of 30c per share upon the shares of the Company issued and outstanding to shareholders of record 30th December, 1944.....	\$ 365,856.00
	<u>\$6,243,187.45</u>

### *Elevator Capacity*

During the year under review the Company purchased 36 additional elevators at a cost of \$269,000.00. Three of these elevators were at single points and 33 at points where there was one competitive elevator. There was a net increase in Pool country elevators at the year end of 34, bringing the total number of country elevators owned by the Company to 1,125.

The rated storage capacity of Pool country elevators is as follows:

Country elevators and permanent annexes.....	37,988,800 bushels
Temporary Bins.....	26,152,000 bushels
<b>Total Country Storage Space.....</b>	<b>64,140,800 bushels</b>

### *Grain Handlings*

During the year under review the volume of grain handled through Pool country elevators exceeds that of any other year since the inception of the Company. Deliveries to Pool country elevators last season amounted to 140,759,410 bushels as compared with 138,714,833 bushels in the crop year 1928-1929, which had remained the record delivery year until the season 1943-1944. Comparative figures for the last three years are as follows:

#### *Country Elevator Receipts*

	1943-1944 (Bushels)	1942-1943 (Bushels)	1941-1942 (Bushels)
Wheat.....	81,686,636	61,307,700	48,185,503
Oats.....	35,503,415	26,469,103	5,363,595
Barley.....	17,370,104	14,582,366	3,009,545
Flax.....	4,956,717	4,030,780	1,482,236
Rye.....	1,242,538	2,520,769	1,555,674
<b>Total.....</b>	<b>140,759,410</b>	<b>108,910,718</b>	<b>59,596,553</b>
Platform Receipts.....	171,208	162,088	279,351
<b>Total Receipts.....</b>	<b>140,930,618</b>	<b>109,072,806</b>	<b>59,875,904</b>

The average volume of grain handled per elevator amounted to 129,256 bushels as compared with an average per elevator of 99,918 bushels a year ago. These handlings represent 42.84% of all grain delivered to country elevators in the province as compared with 39.71% a year ago.

Statement No. 6 attached to this Report shows the volume of grain handled by the Company since the inception of the organization.

It will be recalled that delivery restrictions were abandoned by the Wheat Board on 4th May, 1944. Up to that time Pool elevator receipts were 40.31% of the provincial total. It is interesting to note that from 4th May until the end of the season, during which time the country elevator space situation showed a substantial improvement, deliveries of grain to Pool elevators averaged 49.5% of all grain delivered during that period. Deliveries made during the last three months of the year amounted to approximately 48,000,000 bushels, or over 34% of our full year's receipts. The percentage of receipts, as well as the large volume handled during the three-month period, is evidence of what could be accomplished if growers were in position at all times to deliver grain to the elevator of their own choice.

It should also be noted that at the beginning of the season Pool elevator space was practically full of grain as compared with about 30,000,000 bushels of space available when the crop started to move the previous year.

Pool elevator shipments were also the largest ever experienced by the organization, amounting to 158,588,359 bushels, or 41.66% of the year's shipments from the Province of Saskatchewan. This increase was due in



a considerable degree to the sales made for direct shipment from country elevators to Eastern Canada and to the United States. The following figures show the different destinations of these shipments.

Pool Terminals.....	100,819,325 bus.
U.S. Points.....	21,956,749 bus.
Eastern Canadian Points.....	8,694,834 bus.
Other Points.....	19,571,236 bus.
	<hr/> 50,222,819 bus.
Total Unloads.....	151,042,144 bus.
In transit 31st July, 1944.....	<hr/> 7,546,215 bus.

It may be of interest to delegates to note that Saskatchewan Pool country elevators handled 24.95% of all grain delivered by growers in Western Canada for the last crop year, while the Pool elevator share of Western Canada shipments amounted to 23.71% of the total.

It may also be noted that out of a total of 233,755 cars unloaded at the Lakehead terminals during the year under review Pool terminals unloaded 56,799 cars, equal to 24.3% of the total.

### *Grading Statement*

The Company's grading statement at the end of the fiscal year showed a net grade gain of \$137,493.60 as compared with a net grade gain of \$142,451.95 in the previous year. Travelling superintendents' estimates of grades on stocks in store, in addition to government inspection on cars shipped, were used in arriving at these figures. It should be remembered that large stocks of grain in country elevators and temporary annexes still have to be shipped and pass government inspection, and that final grade figures are subject to this inspection.

### *Overages and Shortages*

On account of the heavy stocks in store, and the large deliveries made during the latter part of the year, it was impossible to secure adequate weighups all over the system; also, at quite a number of points, when weighups were made, the figures represented overages or shortages on more than one year's business. In consequence it has been found impossible to include in this Report the usual figures in respect of overages and shortages applicable to this season's operations.

### *Insurance*

Our fire record was much less favourable than in the previous year. Four elevators, including stocks, were destroyed by fire and minor losses occurred at four other points. Property losses amounted to \$48,376.73 and grain losses to \$141,801.44, a total of \$190,178.17. The loss ratio on property was 53.30% and on grain 50.70%, or a combined ratio of 51.34%. Losses in the previous year amounted to \$186.14, the loss ratio being .06%.

### *Capital Commitments*

As in previous years, the only capital commitment to be met was the instalment on the 1929-30 Pool Overpayment Liability. This amounted to \$766,379.94 and has been paid to the Sinking Fund Trustees. Interest for the year amounted to \$362,098.86 and payment was made on due dates. There are no direct liabilities against the Company's assets other than the contingent liability in connection with the 1929-1930 Pool Overpayment.

### *Shipping and Export Department*

Total sales of grain in all positions made by this department amounted to 56,489,586 bushels as compared with 37,477,925 bushels in the previous year. The

following figures show total sales of all grains in all positions as compared with the previous year:

	1943-1944 (Bushels)	1942-1943 (Bushels)
Wheat.....	25,839,759	27,597,307
Oats.....	21,881,547	8,213,752
Barley.....	8,768,280	1,564,383
Rye.....	—	102,483
Screenings.....	26,662 tons	5,630 tons

### Churchill

The only change which took place in the grain position at Churchill was a reduction in stocks from 2,617,396 bushels of wheat to 1,877,812 bushels. These stocks are owned by the Canadian Wheat Board and we understand that a certain amount of this grain was loaded into boats as ballast for their return trips to Eastern Canadian ports. We have advised the Wheat Board that we are prepared to make further shipments to Churchill whenever required to refill space.

## Saskatchewan Pool Terminals Limited

### Terminal Elevator Handlings

Handlings of grain through Saskatchewan Pool Terminals Limited showed a substantial increase as compared with the previous year, being 102,613,167 bushels as compared with 59,584,430 bushels a year ago. This increase of over 53,000,000 bushels was due primarily to a much heavier handling in the country and improved transportation facilities.

Two other factors also contributed in the shipment of grain (1) the very heavy demand from the United States for wheat and oats for feeding purposes, and barley for malting purposes, and (2) the Wheat Board's policy in effect for part of the season of a car allocation system based on average handlings over a period of years.

It should also be noted that fairly substantial quantities of flax and rye were moved to American ports in American boats and the demand for feed stuffs in Eastern Canada, particularly during the two or three months after the opening of navigation in the spring, also contributed to the freer movement of the crop.

Pool terminal elevators were operated full time and receipts for the various terminal elevators as compared with last year are as follows:

	1943-1944 (Bushels)	1942-1943 (Bushels)
Elevator No. 4.....	19,428,684	12,767,232
Elevator No. 5.....	10,906,485	7,240,890
Elevator No. 6.....	27,618,377	17,439,644
Elevator No. 7.....	44,659,621	22,136,664

Grain in store in Pool terminals at 31st July, 1944, amounted to 11,917,031 bushels, approximately 8,250,000 bushels less than the amount in store a year ago. This difference in stocks is accounted for by heavier shipments since the opening of navigation.

During the year under review 233,755 cars of grain were unloaded at the Lakehead, of which Pool terminals unloaded 24.3% as compared with 23.625% in the previous year.

Pool Terminal No. 7 again had the largest individual handling of cars at a single elevator at the Lakehead. This elevator alone unloaded 23,529 cars, or better than 10% of the total Lakehead unloads.

Saskatchewan Pool Terminals shipped 111,014,000 bushels of grain during the year compared with 70,333,900 bushels during the previous season. These shipments totalled approximately 8,500,000 bushels more than our receipts, which is reflected in reduced stocks on hand.



Of these shipments 102,028,000 bushels, or 92%, were shipped by lake and 8,986,000 bushels, or 8%, by rail.

### *Temporary Terminal Storage Space*

The cost of the temporary terminal storage bins was written off a year ago.

On the 1st August, 1943, some 3,400,000 bushels of wheat were in store in the annex to Elevator No. 5. In the early part of the season this grain was transferred back to the elevator and shipped out. At the present time all of the terminal annexes are empty. The annexes have been maintained in good condition and should this space be required during the current grain year no difficulties in operation are likely to be encountered.

### *Seed Grain Distribution*

During the year under review this department purchased and distributed registered and certified seed grain as follows:

For distribution in Saskatchewan.....	73,600 bushels
For Shipmen to Ontario .....	38,400 bushels
Total.....	<u>112,000 bushels</u>

This compares with total sales of 27,954 bushels a year ago.

In addition to the distribution of registered and certified seed grain, this department also arranged to ship 75 cars, containing 172,600 bushels of commercial seed oats, from country points in Saskatchewan to destinations in Ontario. In this new development reasonably satisfactory premiums were secured for growers.

### *Forage Crop Seeds*

In addition to seed grain, the department purchased and distributed 29,284 pounds of forage crop seeds.

### *Current Policy*

Last season's operations showed a very large increase in the volume of seed grain sold from any previous year and, while it is unlikely that this volume can be maintained, particularly in the matter of shipments to Eastern Canada, every effort is being made to maintain and expand this department. Substantial quantities of the popular varieties of registered and certified seed grain have been purchased for this season's business and preliminary price lists have been placed in the hands of Pool elevator agents.

### *Saskatchewan Pool Elevators Limited—General*

In view of the fact that new records for both receipts and shipments were established by Pool Elevators during the year under review, a few figures of a general nature may be of interest to delegates.

The following statement of receipts and shipments was compiled from figures issued by the statistical department of the Board of Grain Commissioners, covering Western Canada and Saskatchewan. \* These figures are not final, and there may be some slight variations when the final official report is issued. The figures showing Pool Elevator deliveries are from our own records.

	Receipts	
	Western Canada	Saskatchewan
Wheat.....	319,712,135 bushels	190,760,715 bushels
Coarse Grains.....	244,495,073 bushels	137,823,886 bushels
Total Marketings.....	<u>564,207,208 bushels</u>	<u>328,584,601 bushels</u>
Handled by Saskatchewan Pool Elevators Limited.....	<u>140,759,411 bushels</u>	<u>140,759,411 bushels</u>
Share handled by Saskatche- wan Pool Elevators Lim- ited.....	<u>24.95%</u>	<u>42.84%</u>

	Shipments	
	Western Canada	Saskatchewan
Wheat.....	410,719,117 bushels	237,528,144 bushels
Coarse Grains.....	258,219,425 bushels	143,234,954 bushels
Total Shipments.....	668,938,542 bushels	380,763,098 bushels
Saskatchewan Pool Elevator Shipments.....	158,588,359 bushels	158,588,359 bushels
Pool Elevator Share of Shipments.....	23.71%	41.66%

While deliveries to Pool elevators were the largest attained in any year since the inception of the organization, your Board realizes these would have been even greater had it been possible for Pool members to deliver all of their grain to their own facilities.

For the current year it has again been found necessary to establish delivery quotas. So long as delivery quotas are required, your Board believes that some policy to control the allotment of cars is necessary.

In recent years car allocation has been under the control of the Canadian Wheat Board and, when it became evident that delivery quotas would again be in force during the current grain season, arrangements were made to meet the Canadian Wheat Board and submit recommendations as to the car allotment policy to be followed.

Your Board recommended that the policy in force during the latter part of last year, of allotting cars on a basis of the average deliveries to individual elevators for the seasons 1938-1939 and 1939-1940, should be continued into the present season.

The Canadian Wheat Board indicated that it desired to be relieved of the responsibility for car allocation, and suggested that the Board of Grain Commissioners was the proper body to accept this responsibility. The Wheat Board agreed to recommend this step to the Minister of Trade and Commerce.

Arrangements were then made for a meeting with members of the Board of Grain Commissioners to discuss the whole situation.

At a later date, a member of the Board of Grain Commissioners attended an interprovincial meeting of the directors of the Manitoba, Saskatchewan and Alberta Wheat Pools, held in Regina, when the whole situation was reviewed.

At the beginning of the present season, with no policy of car allocation in force, the railway companies were distributing cars on the basis of one car per elevator, and claimed that this was in accordance with the provisions of the Canada Grain Act.

Back in 1939 the Board of Grain Commissioners had been asked for an interpretation of the Car Order Book sections of the Canada Grain Act and had ruled that, where a farmer or a group of farmers had ordered a car to ship grain, and had sold the grain prior to the time the car was placed, the right to load the car could be transferred to the purchaser.

At a few points in the province, car order books had been opened early in the present season, and names were being entered on the assumption that cars would be spotted in accordance with the interpretation referred to. One of the railway companies appealed to the Board of Grain Commissioners for a further ruling, and the matter was referred by the Board to the Justice Department who declared that the Board of Grain Commissioners had been in error in placing the 1939 interpretation on the Act.



Following the interprovincial meeting above referred to, a telegram was dispatched to the Minister of Trade and Commerce on behalf of the three Pool Boards, urging that the necessary additional authority should be given to the Board of Grain Commissioners to enable the Board to re-establish the 1939 interpretation, and also urging that the Board of Grain Commissioners should be empowered to direct the allocation of railway cars to and at any delivery point. Order-in-Council P.C. 7954, 3rd October, 1944, was passed, and provides that, where an application for a car for grain has been properly entered in the car order book, a subsequent change in the ownership of grain on or after delivery to a country elevator will not affect delivery of it to a car so ordered.

No action was taken to empower the Board of Grain Commissioners to direct the allotment of railway cars to and at any delivery point.

For the current year, therefore, at the time this Report is prepared, the basis for car distribution is the Canada Grain Act, plus the ruling just issued that, where a farmer or group of farmers have entered their application in the car order book to ship grain, and who have sold the grain prior to the time the car is placed at the elevator, their right to the car can be transferred to the elevator which purchased the grain.

It is obvious, while the terms of the order-in-council referred to can be of great assistance to growers in obtaining cars at Pool elevators, it will require a very considerable degree of organization amongst agents and Pool members for the purpose of placing orders for cars in the proper manner, and in such order as cars can be allotted.

### *Handling Charges*

It has been the policy of this organization ever since its inception to provide elevator service at the lowest possible cost.

In the early days of the Pool an effort was made to work out a plan under which no charge for elevator service would be made at the time grain was delivered, and that the actual cost of the service would be deducted from Pool interim payments when this had been determined. It was found impossible to give practical application to this method and the policy of making a reasonable charge for the service rendered at the time of delivery and refunding the savings effected at the close of the business year was instituted. This has always been regarded as sound co-operative practice.

In the first Wheat Board handling agreement, covering grain delivered to the Wheat Board for the crop season 1935-1936, handling charges were established for the top grades of wheat at  $4\frac{1}{2}$ ¢ per bushel plus the fraction up to one-half cent per bushel, and for the lower grades the handling charge for street wheat was  $5\frac{1}{2}$ ¢ plus the fraction up to one-half cent per bushel. Country elevator carrying charges were established at  $1/30$ th of a cent per bushel per day, plus interest. For the season 1940-1941 handling charges for street wheat were reduced by one-half cent per bushel.

At the beginning of the 1942-1943 crop season, the Pools announced that they proposed to handle all grades of Wheat Board wheat at 3¢ per bushel plus the fraction up to one-quarter cent while the country elevator carrying charges would be  $1/60$ th of a cent per bushel per day plus interest, representing a 50% reduction in these carrying charges from the time the Wheat Board came into operation.

Over the years it has been sound co-operative practice that a fair charge for services rendered should be maintained, and that reductions in these charges should be made as results warranted.

It is a recognized principle that volume cuts cost, and, as has already been pointed out, as a result of the determination of Pool members to make use of the facilities which they own, Saskatchewan Pool Elevators Limited, during the past season, has experienced the largest volume of business in its history.

In consequence, when the financial statements, showing the results of the past season's operations, were submitted to your Board at its September meeting, it was obvious from results secured that the charges in force last season were unnecessarily high. In addition conditions in the province at the present time are such that, provided growers show the same loyal support of their own organization as in recent years, a heavy volume of business may be anticipated during the current crop season.

It was therefore decided that for the current year a further reduction of 2c per bushel should be made in the handling charges, not only of Wheat Board wheat but also for oats, barley, flax and rye. This reduction has been put into effect and made retroactive to 1st August, 1944.

It should be noted that elevator tariffs are established annually. It is one of the duties of your Board of Directors to set the handling charges for Saskatchewan Pool Elevators Limited each year.

### **Saskatchewan Wheat Pool Construction Company Limited**

The year's construction programme compares favourably with that of last year, although handicapped by labour shortage and interrupted by temporary annex repairs. Four elevators were destroyed by fire and all have been replaced either by construction or purchase. Two elevators were rebuilt and three others demolished and the material used in other construction work.

The total number of elevators now owned by the Company is 1,125.

New cottages were constructed at four points and cottages were purchased at twelve other points. A number of cottages were also purchased with elevator properties.

### **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 past three years:

	Germination	Moisture
1943-1944.....	14,282	1,812
1942-1943.....	26,140	9,163
1941-1942.....	17,516	6,500

In addition to these tests the department also cleaned, weighed and graded 788 samples of grain for the Junior Variety Test Plots.

### **Modern Press Limited**

#### *Financial Statements*

Details of the operation of Modern Press Limited for the year ended 31st July, 1944, are contained in the



Financial Statements and Auditors' Report submitted separately to the delegates.

After providing for depreciation on fixed assets amounting to \$9,844.88 the operations of the Company showed a surplus of \$9,255.15 on the operations of the Commercial Printing Department, and of \$34,052.81 on the publication of The Western Producer, a total surplus of \$43,307.96. This is the most favourable result shown in operations since the inception of the Company. It is the first occasion on which a surplus has resulted from the publication of The Western Producer. This year's surplus of \$43,307.96 compares with a surplus for the previous season of \$9,514.83, an improvement of \$33,793.13.

### *Commercial Printing Department*

A comparison of the operations of this department for the year under review with those of the previous year is shown below:

	1943-1944	1942-1943	Increase (Decrease)
Job Sales, etc.....	\$100,797.65	\$ 93,669.67	\$ 7,127.98
Cost of Stock.....	32,529.37	30,084.86	2,444.51
Expenses.....	54,090.69	45,774.28	8,316.41
<b>Profit before Depreciation.....</b>	<b>14,177.59</b>	<b>17,810.53</b>	<b>(3,632.94)</b>
Depreciation.....	4,922.44	4,757.34	165.10
<b>Net Profit.....</b>	<b>\$ 9,255.15</b>	<b>\$ 13,053.19</b>	<b>\$ (3,798.04)</b>

### *The Western Producer*

As indicated above, this is the first time a surplus has resulted from the publication of The Western Producer. A comparison of the financial operations of The Western Producer for the year under review with those of the previous season is shown below:

	1943-1944	1942-1943	Increase (Decrease)
Advertising.....	\$152,044.08	\$112,008.91	\$ 40,035.17
Subscriptions.....	32,093.89	25,864.66	6,229.23
Miscellaneous.....	2,310.31	2,207.32	102.99
<b>Total Revenue.....</b>	<b>186,448.28</b>	<b>140,080.89</b>	<b>46,367.39</b>
Newsprint.....	46,173.10	41,823.36	4,349.74
Expenses.....	101,299.93	97,038.55	4,261.38
<b>Profit before Depreciation.....</b>	<b>38,975.25</b>	<b>1,218.98</b>	<b>37,756.27</b>
Depreciation.....	4,922.44	4,757.34	165.10
<b>Net Profit or Loss for Year.....</b>	<b>\$ 34,052.81</b>	<b>\$ (3,538.36)</b>	<b>\$ 37,591.17</b>

An increase of \$46,000.00 in advertising and subscription revenues with no material increase in costs of operation accounts for the improvement in The Western Producer Department.

The following figures provide a fairly comprehensive picture of production costs incidental to the publication of The Western Producer in the last three years:

	1941-1942	1942-1943	1943-1944
Total Gross Press Run.....	5,470,758	5,619,097	5,671,651
Total Net Press Run.....	5,416,740	5,568,765	5,622,320
Total Spoiled Copies.....	54,018	50,332	49,331
% Spoils to Net Run.....	.997%	.904%	.877%
Average Net Run Per Issue.....	104,168	107,091	108,122
Cost Per Copy (Net Run).....	2.5988c	2.5790c	2.7105c
Cost for 52 Issues (Per Copy).....	\$1.3514	\$1.3411	\$1.4095
Lowest Net Press Run.....	100,450	104,625	104,675
Highest Net Press Run.....	106,350	109,650	112,825

### *Circulation*

Total net paid circulation as at 31st July, 1944, was 110,837 copies; 51,855 subscriptions were received during the year, an increase of 4,507 over last year. Distribution

of circulation by provinces at the end of the year for the two-year period is as follows:

	1942-1943	1943-1944
Saskatchewan.....	57,466	61,473
Alberta.....	30,565	31,765
Manitoba.....	10,342	10,025
British Columbia.....	4,364	6,234
Miscellaneous.....	1,422	1,340
<b>Total .....</b>	<b>104,159</b>	<b>110,837</b>

These figures show an increase of 6,678 over last year.

### *Plant and Machinery*

Buildings, machinery and equipment have been kept in the best repair possible under conditions at present governing labour and supplies.

No new printing machinery was acquired during the year under review with the exception of a limited amount of equipment for use in the mailing room.

However, during the year, the purchase of newspaper press equipment at an approximate cost of \$130,000.00 was authorized, and an order for the new press has been placed.

The plants formerly engaged in the manufacture of printing equipment were switched over to the production of war material. No definite information is available as to the date the new printing press will be shipped.

During the year general plans for the expansion of the plant and premises of Modern Press have been under consideration by the Board. The purchase of an additional 50 feet of land adjacent to the present Modern Press building has been authorized and the management has been requested to secure the preparation of plans and specifications for a substantial expansion to the present building. When these plans are completed a new milestone in the progress of this co-operative printing and publicity enterprise will have been established. Many new undertakings have been established in this field in recent years, and as new needs arise there will be demands for others. As the owners of the largest co-operative printing and publicity enterprise in Canada, Saskatchewan Co-operative Producers Limited must be prepared to give a lead in this field. Future developments will be determined largely by future needs, and it will be the duty of your Board to explore and make provision for future development in this important field of co-operative effort.

### *Editorial*

The fifth year of war has passed and The Western Producer has survived it without suffering too serious inconvenience. It has been mainly a question of holding the line, of supporting the co-operative movement as heretofore and of advocating the day to day policies enunciated by the various sections of the movement.

There has been no change from recent years in the general contents and make-up of the paper, except for some unavoidable curtailments. At a time when news has been plentiful, interesting and varied it has been disappointing to be faced with the necessity of cutting down on space. This has been occasioned, of course, in the first place by rationing measures which have strictly limited the amount of newsprint available, estimated on the basis of a percentage of previous consumption. The condition has been accentuated by the increased volume of advertising which obviously eats heavily into available space. After the lean years, however, this latter development is one which no doubt can be borne with fortitude.



The task of covering news and accommodating established features has presented certain difficulties. We believe our readers generally understand and appreciate the situation for there has been little expression of dissatisfaction or impatience. As the war comes to a close and controls are lifted, no doubt much better things will be expected of *The Western Producer*, and your Board is satisfied that the editorial staff will do its best to measure up to these expectations.

### *Agricultural Department*

The agricultural department has continued its policy of reporting the major agricultural events across Western Canada and of supplying to readers information considered helpful to the success of wartime agriculture.

As in former years there has been strict adherence to the plan of being represented at many of the large agricultural shows, sales and exhibitions across the prairies and in British Columbia. Likewise a representative has attended the annual meetings of the organized livestock breeders in Manitoba, Saskatchewan and Alberta, and the annual meetings of the Canadian Seed Growers' Association, the Canadian Society of Animal Production (Western Section), the Saskatchewan Stock Growers' Association, the Western Stock Growers' Association, and the annual meeting of the Canadian Aberdeen-Angus Breeders' Association which this year was held in Western Canada.

Good relations with the colleges of agriculture of the western universities have been maintained, as is the case with the personnel of the Dominion Experimental Farms and the Departments of Agriculture, both federal and provincial. Agricultural conventions arranged by the universities of Saskatchewan and Manitoba were attended.

It is felt that the reports of all these activities carried on the agricultural pages have been well received and are appreciated by our readers. Expressions of that appreciation, written and verbal, have been encouraging.

In addition to these activities, the agricultural department has endeavoured to keep livestock men informed of their industry through lively items in the popular "On the Hoof" column and through the "Dates to Remember" service.

Through the co-operation of Mr. George C. Hodgson, Saskatchewan Poultry Commissioner, poultry producers have been kept informed not only about good poultry husbandry, but also of governmental regulations bearing on the egg and poultry meats industries. The annual meeting of the Saskatchewan Turkey Breeders' Association and the All-Canada Turkey Show were fully reported. Likewise shows of dressed and live poultry in Alberta and Manitoba.

With the significant increase in beekeeping across the prairies, our column "Chats with Beekeepers", conducted in co-operation with Mr. Percy Wright of Moose Range, Sask., has given valuable service. This column has anticipated the problems of novice beekeepers and no doubt has saved its readers a good deal of time and money.

Considerable attention has been given the activities of the junior club movements across Western Canada.

At the height of the controversy last autumn, concerning the changed position of the hog producer in the light of an increase in the initial payment on wheat and the refund on coarse grains, it was decided to issue a section dealing with the feeding and management of hogs, in the hope that the information therein would help farm-

ers reduce production expenses and prevent losses due to defective management and disease control. In the issue of 18th November there appeared articles written especially for The Western Producer by Hon. J. G. Taggart, Chairman of the Canadian Meat Board, Dr. J. L. Miller, Saskatchewan Provincial Veterinarian, Prof. J. P. Sackville of the University of Alberta Animal Science staff, Prof. J. W. G. MacEwan of the University of Saskatchewan Animal Husbandry Department, N. Curtis, Supervisor of Livestock Production Service, Edmonton. An article dealing with hog marketing, written by Mr. Frank Baker of the Industrial and Development Council of Canadian Meat Packers, appeared in the 25th November issue.

Good use has been made of the newspaper camera in the care of the agricultural department. Photographs have been taken for the Women's Department, the news pages and the agricultural section of the paper.

The agricultural department repeated its 1943 offer to supply the Class B fairs in Western Canada with suitable sheets for recording the results of judging in livestock classes. The fair managers have, almost without exception, voiced approval of these sheets, and it is expected that they will become standard equipment at these fairs before many years pass by.

### *Women's Section*

Another war year has moulded the work of the Women's Section of The Western Producer along lines very similar to those of 1943-44.

In the domestic field considerable attention has been given to war-time cookery and canning problems with special emphasis on nutritional value.

The garden page in particular has reflected the shortage of farm labour. Including Mrs. S. V. Haight and many others, flower gardeners have been "getting by" in their garden work; but without time to tell of their experiences and experiments as in pre-war years. Nevertheless much has been heard of fruit growing, a young and expanding side of horticulture on the western prairies.

Old age pensioners have not taken up so much space as in the last few years mainly because they now have their own organization and publication. Their cause has been one of the paper's most successful projects.

Shortage of space has somewhat curtailed reports of the activities of Homemakers, United Farm Women and Women's Co-operative Guilds. Again thanks are due to Prof. Bertha Oxner, Director of Women's Work, University of Saskatchewan, for her fine contributions to this section.

Articles published on the need for a better rural library system have aroused considerable interest and the interesting book reviews received from Miss Jessie Montgomery, Alberta University Extension Library, have been much appreciated.

Publicity has again been given to patriotic, social and welfare services, such as the Red Cross, Institute for the Blind, Tuberculosis League, State Medicine, Prisoners of War, Navy League, Health League of Canada and the Aid to Russia Clothing Fund, as well as special training for cripples.

Much interest has been shown by both Indians and white readers in material published on the need for bringing our native Canadians, the Indians, within the scope of the Four Freedoms laid down by the Atlantic Charter. Recent debates in the House of Commons show that the Indian problem is very much to the fore.



Letters to the Mail Bag, and hundreds of a more personal character, indicate widespread interest in such questions as better health, better rural housing, rural electrification, race prejudice, Canadian unity, more adequate medical aid, co-operative farming, everyday post-war problems and in particular the future of men and women now on active service.

Mention might be made of the large number of letters that come to this section from British Columbia, as well as the prairie provinces. More definite and very pleasant contacts have also been established with Alberta.

The Friendship Group column still attracts a steady stream of letters. Wedding cake was received from more than one happy couple along with warm acknowledgment of Mary Maple's "good offices." The facilities this service offers to isolated older persons on the prairies are much appreciated and widely used.

### *Youth Section*

Though scope was limited owing to greatly curtailed space, the Young Co-operators pages continue to attract many excellent contributions from youthful readers. Each week brings newcomers to both junior and teen-age sections. A noticeable trend is the growing reluctance of the teen-age members to discontinue their contributions as they attain adult status. "Oldtimers" letters are numerous and show the wide range of later-life activities in which young prairie people engage. Weddings, both of boys and girls, are recorded with gusto, and the arrival of "new" Y.C.'s in the shape of babies proudly announced.

The special war feature "V for Victory" was continued and many letters from service men and girls recorded. Boys in training also wrote to the "old pages" with obvious affection and continue to read them as opportunity offers.

The old established Across Borderlines section continues to arouse and maintain interest in international matters and exchange of letters goes on with surprisingly little interference from war conditions. In fact, the number of requests for Canadian correspondents has greatly increased during the year, no doubt because of the increased interest in Canada awakened by the prowess of our boys overseas. Letters have been received from Australia and New Zealand without intermission, and requests for correspondence came during the year from points as widely separated as Ireland and Nigeria.

Stimulated by contests, interest continues to be shown in bird life, painting, music, poetry, needlework and many varied hobbies. There are many indications that prairie teachers are being recruited more freely than ever from the ranks of Young Co-operators.

### *Reader Service*

A total of 58,515 orders received during the year would indicate that the Reader Services continue to gain in popularity.

It has been necessary to discontinue the booklet service, since reprints have not been available under war-time regulations. However, there has been an increased demand for all the patterns which are featured and, in spite of curtailment of space for pattern illustrations, orders show an increase of 4,986 over the previous year.

The heading "Household Arts" covers a wide range of embroidery, crocheted and knitted designs, as well as instructions for making quilts, rugs, cushions, etc., and this is a very popular service.

The following statement shows the number of orders received during the year under review:

Household Arts.....	20,431	
Dress Patterns.....	32,788	
Fashion Books.....	750	
Home Service Booklets.....	4,546	58,515
		<u>58,515</u>

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

As in former years the Report of Canadian Co-operative Wheat Producers Limited as presented to its shareholders is included and forms part of this Report.

### **Canadian Pool Agencies Limited**

The Report of the directors of Canadian Pool Agencies Limited to the annual meeting of its shareholders is also attached to this Report. The Balance Sheet for the year ended 31st July, 1944, and Statements of Income and Expense and of Patrons' Equity in this interprovincial subsidiary are also attached as Statements Nos. 11, 12 and 13.

### **Pool Insurance Company**

In accordance with the Insurance Act the fiscal year of Pool Insurance Company ends on 31st December. A report of the operations of this interprovincial subsidiary for the year 1943 is attached and forms part of this Report. The Manager of Pool Insurance Company will be in attendance at the meeting and will submit information on the current year's progress.

### **Publicity**

Activities of the Publicity Department were continued on much the same basis as in previous years. Publicity has been directed toward emphasizing the principles of co-operation and efforts have been directed at stressing the need for strong farm organizations to assist in the formulation of sound agricultural policies. The importance of farm organizations in the marketing of the products of the farm was also stressed.

The need for post-war planning for agriculture has been repeatedly referred to in publicity material released.

### **Radio**

Sunday afternoon news broadcasts over CKCK, Regina, which were started in October, 1939, were continued throughout the year. These broadcasts are looked upon as being the best medium of contact with the largest number of our membership, because they reach into the farm homes on the one day when farmers have the greatest opportunity of listening. The news service for these broadcasts is provided by British United Press and other recognized news agencies.

During the winter of 1943-1944, hockey broadcasts were sponsored by the Saskatchewan Wheat Pool over radio stations CKRM and CKBI.

Owing to war restrictions it was impossible to arrange for broadcasts of senior hockey and it was necessary to substitute a series of broadcasts of junior hockey games. There was evidence that there was not the same interest in the junior hockey and probably this series of broadcasts was not as successful as in previous years on that account.

Throughout the year daily broadcasts were continued over CKCK, Regina. These were devoted to mid-session and closing grain prices, market news and details of government policy relating to agriculture. The co-operative review and news broadcasts were presented five times weekly at 4.30 in the afternoon from Monday to Friday



inclusive. These broadcasts were aimed at disseminating information concerning co-operative development in Saskatchewan, throughout Canada, and in other parts of the world. Special attention was given to co-operative developments which could most readily be applied to Saskatchewan conditions.

These daily broadcasts were started in the first instance as market broadcasts and were particularly suitable when the markets were fluctuating daily. When trading in wheat was suspended on the Winnipeg Grain Exchange there was not the same need and consequently these broadcasts have now been discontinued and two weekly broadcasts of 15 minutes each substituted. These broadcasts are carried over CKCK, Regina, each Tuesday and Thursday night following the national news summary.

### *Advertising*

In the main the policy of concentrating Pool advertising in *The Western Producer* and the weekly newspapers published in Saskatchewan was continued. The Pools of the three provinces continued the policy of placing a series of joint advertisements in *The Western Producer*. The department has maintained close relations with the Saskatchewan Division of the Canadian Weekly Newspapers' Association, and the weeklies have proved a valuable medium for advertising. In addition to the regular weekly papers, advertising has also been placed in a representative group of foreign language weeklies which circulate in Saskatchewan.

### *Calendars*

The map of Saskatchewan showing the district and sub-district boundaries has been maintained as the feature of Saskatchewan Co-operative Producers Limited calendar. During the year slightly over 140,000 were distributed to members of the organization and to firms and business places both in Saskatchewan and beyond the boundaries of the province.

Within the last few years requests for calendars have been received from as far afield as Finland, Sweden, England and numerous states in the United States, not to mention the many requests from other provinces in Canada. During the year there was considerable demand for calendars at Air Training Centres and Military establishments.

### *Exhibitions*

Saskatchewan Co-operative Producers Limited was again represented at Class "A" exhibitions at Regina and Saskatoon and at all Class "B" fairs throughout the province. Rest rooms were established at the Class "A" fairs where members could call and spend an hour or two. Large groups of people visited these booths and literature and maps were distributed. At the Class "B" fairs an exhibit portraying Twenty Years of Progress of Saskatchewan Co-operative Producers Limited since its inception in 1924 was displayed. Many contacts were made at these exhibitions.

### *Library*

The lending facilities of the Library have been operated throughout the year. Borrowings showed a decrease from last year. Books sent out totalled 10,348 as against 11,299 for the year previous. It is probable that a number of factors entered into the reduction. Probably chief among these was the mild winter coupled with the early spring, which resulted in a marked drop in reading for the month of April. The increasing number of Saskatchewan people who have left the farms to join the forces and to work in war factories outside the province has reduced

the number of readers. The peak of the reading season was reached in the months of January, February and March. More than 1,200 books were sent out in the month of March and more than 1,100 in each of the months of January and February. The shortage of help on the farms has undoubtedly been a factor in the reduction in library demand.

It may be of interest to note that notwithstanding these difficulties the minimum number of books that went out in any month of the year was 650. The low point was reached in the month of September. In all other months book demand amounted to 700 or more.

Post Office regulations are still in effect which allow free return of books borrowed from the library. These regulations have made it possible to continue a reader service at practically no cost to the borrower.

Attached to this Report is a table covering the operations of the Library for the year under review.

The policy of attempting to relate book purchases to reader demand has been maintained, although an effort has been made to maintain a reasonable balance in all branches of the Library. Reader interest appears to centre largely around books on world affairs and current events. Books on post-war planning for some reason or other have not enjoyed wide circulation.

Travelling libraries are still in circulation. Not a great deal of interest is being shown in this service and no provision is being made for extending the travelling library facilities. This service was inaugurated before free postal service was available for the return of books. It is probable that the general library offers so much better selection that readers prefer to use the general library rather than the small travelling units.

## **Junior Co-operative Activities**

### *Variety Tests*

This year marked the tenth consecutive year that variety tests have been carried on. When the delegates at the last annual meeting agreed to accept responsibility for supervising this work for the 1944 crop year it was felt this work could be continued, even with war conditions and restrictions. The shortage of labour on the farms was even more acute than in the previous year, which meant the boys and girls supervising the plots would be younger than ever before.

The use of the more simplified test, which was used last year for the first time, compensated for the lower age of the co-operator conducting the plot.

The work, as in previous years, was under the direction of Dr. J. B. Harrington, Professor of Field Husbandry, University of Saskatchewan. Seed and instructions were sent out for 263 test plots. This number is made up of 124 barley tests, 83 wheat and 56 flax tests. Each test consists of six varieties, instead of five as was the case last year.

The continued importance of feed crops was the reason for a greater number of barley tests than either wheat or flax. The barley varieties chosen were Rex, Newal, Plush, Prospect, Titan and Compana. The first four mentioned were in the plots last year, and their records are fairly well established on every combination of soil and climate in Saskatchewan's grain growing area. Titan is a six-rowed smooth-awned feed barley, originating at the University of Alberta. It is a strong straw variety with a high degree of resistance to loose smut. Compana is a two-rowed, semi-smooth-awned variety. It was developed



co-operatively by the Montana Agricultural Experiment Station and the United States Department of Agriculture. Compana has gained prominence in Montana and our test this year should give us a reasonable understanding of what it will do in Saskatchewan.

The wheat varieties under test were Apex, Thatcher, Regent, Pelissier, Carlton and Mida. Apex and Thatcher are well known throughout the province. Regent has not been used as extensively as Thatcher, but is gaining in importance in the more moist areas of Manitoba due to its leaf rust resistance. Pellisier and Carlton are durum wheats. The former is fairly well known while the latter is a new variety originating at the North Dakota Experimental Station. It surpasses Mindum in strength of straw and stem rust resistance. Mida is a new bearded common wheat variety, which possesses both leaf and stem rust resistance. This year a small amount of seed was distributed under contract to a limited number of farmers in the United States.

The continued demand for linseed oil, and the fight plant breeders are making to establish flax varieties with high qualities, which are resistant to new diseases, make it necessary to have flax in the variety test programme. The varieties selected to be tried were Redwing, Kota, Victory, Arrow and Crystal. Victory and Kota are American varieties and were in the flax test last year. Arrow and Crystal originated at Montana Experiment Station and Minnesota respectively. These four varieties, originating across the international border, have been distributed in the Dakotas and Minnesota but up to 15th March, 1944, were not licensed for sale in Canada.

The threshing of sheaves from the tests and compiling of data is now under way at Head Office. The results will be published in booklet form and will be ready for distribution shortly after the New Year.

The results of these tests are used by the Saskatchewan Cereal Variety Committee in recommending the varieties of grain for the various crop areas of Saskatchewan. Besides being used by plant breeders in the prairie provinces they circulated as far south as Carolina in the United States and to Australia and New Zealand.

The benefits of these tests lie not only in the knowledge and experience gained by the boy or girl who supervises them, but also with farmers and plant breeders of the west and all those who gain when the quality of the grain product is kept at a high level. It can be said that the work of these young co-operators is an important factor in maintaining Canada's international trade in grain.

### *Homecraft Clubs*

A detailed report of the activities of these clubs is being prepared and will be distributed separately to the delegates.

### *Junior Grain and Seed Clubs*

During the past year assistance to the Junior Club Movement, directed by the Extension Department of the University of Saskatchewan and by the Department of Women's Work, has continued to be an important objective of Pool activities supported by Pool delegates, elevator agents, committees and field staff in all parts of the province.

In addition to the voluntary assistance to the Junior Club Movement, the usual grant of \$7,500.00 was made to the University of Saskatchewan as recommended by the delegates at the last annual meeting. This assistance has been gratefully acknowledged by the university authorities.

During the past year, 41 clubs with 734 members, were in operation as part of the programme of the Extension Department of the University of Saskatchewan. Reduction in the number of clubs from 52 can be accounted for by the extreme labour shortage which has prevailed on most Saskatchewan farms during the year. The age of the boys engaged in club work is also lower than it has been in the past and this also can be attributed to war conditions. There has also been a shortage of men willing or able to act as leaders of these clubs and satisfactory leadership is essential to their successful operation. However, in spite of these and other difficulties, the movement has been maintained and is in a position to expand rapidly when conditions are more favourable.

Out of the 41 clubs in operation this year, 16 undertook the production of Thatcher wheat; 308 members growing Thatcher wheat seeded 616 acres and produced a yield of 26,488 bushels; 5 O.A.C. 21 barley clubs each produced 10 acres of barley under contract with the Canadian Malting Company.

An effort has been made to interest junior clubs in growing grass and clover seeds but the results have been somewhat disappointing. An effort was also made to interest clubs in forage crops and four new clubs undertook to grow a mixture of alfalfa and brome grass for forage to demonstrate the good results which may be achieved by a combination of these two methods.

Again the clubs have been largely sponsored by representatives of the Wheat Pool organization. Out of 41 clubs, 23 were sponsored directly by representatives of the organization, 9 by agricultural societies and 7 of the remaining 9 were sponsored by five grain companies.

The following statement shows the number of clubs and the kind of grain handled by each club.

No.	Kind of Grain	Members	Acres	Yield
16	Thatcher Wheat.....	308	616	26,488 bushels
1	Regent Wheat.....	20	40	1,800 bushels
1	Reliance Wheat.....	20	40	150 bushels
1	Marquis Wheat.....	14	28	392 bushels
5	Ajax Oats.....	94	188	13,530 bushels
1	Vanguard Oats.....	19	38	2,280 bushels
1	Laurel Oats.....	21	42	798 bushels
1	Rex Barley.....	12	24	1,008 bushels
1	Newall Barley.....	12	24	1,080 bushels
5	O.A.C. 21 Barley.....	103	1030	39,140 bushels
1	Crested Wheat Grass.....	19	9.5	No report
1	Alfalfa.....	17	8.5	No report
4	Alfalfa and Brome.....	45	22.5	No report
1	Potato.....	15	2	No report
1	No Plots.....	15	—	
41		734	2,112.5	

Total seed grain produced—86,666 bushels.

## Country Organization Department

### Wheat Pool Committees

On 31st July, 1944, the number of Wheat Pool committees on record was 1,165 as compared with 1,170 in 1943 and 1,176 in 1942. Thirteen old committees which had ceased to be operative owing to the change in the balance of population and the development of other centres were written off, and eight new committees were organized during the year. Statement No. 9 shows the distribution of committees by districts and sub-districts.

As indicated in Statement No. 10, 1,057 committees reported re-organization during the year, which, with the eight newly organized, makes a total of 1,065 shown on the table. Of the 100 committees not reporting, 54 have not reported re-organization for two years or more.



From time to time there have been discussions regarding the best method of developing the interest of the wives and families of shareholders in co-operative activities, and some experiments have been tried out with a view to enlisting their co-operation in the educational and organization work of Wheat Pool committees. The outcome of these efforts has been the approval by the Board of Directors of recommendations furthering these activities, and the passing of an amendment to Article No. 2, Section 1, of the Wheat Pool Committee By-laws, which now reads as follows:

Wheat Pool committees shall be composed of not less than five (5) or more than eleven (11) persons elected at the local annual general meeting, who are shareholders in good standing, or the wife or husband, sons or daughters of such shareholders, who reside on the farm and are of the age of eighteen years or over. A shareholder in good standing shall be one who patronizes the facilities of the Association if available and supports its other enterprises.

This is a step of some significance, if delegates and Wheat Pool committees care to make the most of it. In the past the Wheat Pool organization has been largely a "men's" organization. The time has come for it to broaden more fully into the family sphere, which is the ideal development for all co-operative enterprises.

### *Committee Conventions*

Committee conventions were again held as in the past during the months of May, June and July. The interposition of the provincial elections somewhat crowded the larger part of the convention organization into the last fortnight of June and into July. Shortage of farm help and rains again had their effect on attendance.

The improvement reported last year as a result of the re-organization of the agenda was again in evidence. There was greater individual participation in the discussions, and a keener interest in the planning of work for co-operative development. Another valuable advance was that 95% of the secretaries appointed sent in their minutes promptly.

A total of 124 conventions covering 165 sub-districts were held; 86 were single sub-district meetings; 35 were joint meetings of two sub-districts; and three were meetings of three sub-districts each.

### *Co-operative Education*

Educational material in the form of committee programmes was issued again during the past year and was sent out to Wheat Pool committees, Pool elevator agents, delegates and others who might be interested. The subject matter varied from items of direct concern to the organization, such as "High Lights of the Annual Meeting" and "A Message to Wheat Pool Committees", to matters of general co-operative significance such as "The Need of a Co-operative Union in Canada", "The Canadian Federation of Agriculture," and "The Voice of Organized Agriculture," and a special programme on "Co-operative Farming".

Two issues received rather outstanding recognition: "The Need of a Co-operative Union in Canada" was sent on request to persons and organizations right across the country—about 400 copies went to Ontario alone. "Co-operative Farming" has also been in keen demand and is still going out.

Significant development is under way in the field of visual education. The Provincial Department of Education, through its Audio-Visual Branch, is making a fine contribution in bringing visual aids to the class room, and

in popularizing the idea with the public. The National Film Board is now operating fourteen circuits in the province, and the "Talkie" is going into rural schools and halls even in the more isolated areas, and is becoming an increasingly important factor not only as a means of entertainment but as a moulder of public opinion. All of which steadily restricts the field for our 16mm. silent picture equipment. It is still used quite extensively, but it is outmoded and cannot be expected to serve acceptably much longer.

Sound motion pictures are a powerful instrument in the field of education. The National Film Board is undertaking to produce more agricultural films and has discussed the possibility of producing films for co-operatives, probably along the lines of the Credit Union film "The People's Bank." The motion picture industry is also showing some interest in the co-operative field. All in all the prospect for useful material in "Talkies" is brighter than it was a year ago. The question still remains as to whether or not the considerable amount of time required to show pictures could be used to better advantage in other activities.

Film strips and Kodachrome (coloured) slides continue to be useful and popular. This type of visual aid can be used effectively in co-operative education. The Kodachrome slides can be used to present a local story in a very striking manner. They are popular everywhere. Film strip is adaptable for small meetings and for definite instructional work; both of these aids can be developed to advantage.

Our agreement with the National Film Board continues. The Board has loaned us six sound projectors together with portable power plants and complete equipment. We show N.F.B. films as often as we can; the objective is ten shows per month for each machine. We may also show our own films.

The Film Board has discussed with us the matter of suitable films for rural audiences, including community building, social service, health, agricultural subjects, such as soil conservation, cereal crops, animal husbandry, horticulture, farm buildings, marketing, etc. It appears that with some encouragement the Board will try to produce this type of film.

The agents' study group programme was continued during the year and considerable progress can be reported. In some sections agents have completed the first series of six studies; other sections are in various stages of the course. Some progress is reported on all sections. A total of 350 study group meetings were held. Organization of agents into groups and the conduct of studies is in the hands of travelling superintendents.

Experience indicates that the fullest development and success of this project will depend upon the co-operation of Pool Elevators and the Country Organization Department in the country, coupled with direction from the management and leadership from the director of each district.

A new series of studies has been arranged for and will be distributed to the agents during the coming winter in the same way as the first series.

Co-operative schools continue to grow in every way. The number of schools increases year by year. Attendance is up and evidence of effective work is coming from all areas where the schools have been held.

Forty one-day schools were held in the country with an approximate attendance of 1,700 students. A good



two-day school was held again at Watrous. This is sponsored directly by the Employees' Association. A very successful four-day school was held at Swift Current Experimental Station. The annual University school was held at Saskatoon during 10th July to 15th; 185 students attended and the whole programme was carried through in a most satisfactory manner. Among the lecturers were seven members of the Wheat Pool field staff.

The Country Organization department of the Wheat Pool has maintained close and cordial relationships with the Extension Department of the University of Saskatchewan and has received helpful co-operation from the director and his staff.

In addition to assisting in the development of junior activities, the Country Organization Department has worked with the Extension Department on Farm Radio Forum, Canadian Youth Commission and Dominion-Provincial Youth Training. The Department has arranged to work with the Extension Department on preparing film strips on agricultural subjects.

The co-ordination agreement under which the Country Organization staff carries on education and organization work for other co-operatives continues to function. Consumers' Co-operative Refineries Limited joined in the agreement this year.

From 1st August, 1943, to 31st July, 1944, 70 new co-operatives were incorporated. Of these 25 were under the Co-operative Associations Act, including seven stores, five bulk trading associations, one livestock, eight community halls and four miscellaneous. Forty-three Credit Unions were organized, making a total of 152 for the province. One dairy association and a horse marketing co-operative were organized under the Co-operative Marketing Associations Act and the Saskatchewan Women's Co-operative Guild was incorporated under special legislation.

The total number of associations operating in Saskatchewan is now 998 made up as follows: 796 under the Co-operative Associations Act; 152 credit unions; 29 under the Co-operative Marketing Associations Act; 16 under special legislation; 2 under the provincial Joint Stock Companies Act; and three under the Dominion Joint Stock Companies Act. The total of 998 compares with 931 a year ago.

Under agreement with the National War Finance Committee, Wheat Pool field men work with the provincial War Finance organization during the period of each Victory Loan. They work with local Victory Loan officials in organization for the canvass, in showing War Loan films and as speakers at meetings in all sections of the province. The War Finance Committee has expressed its appreciation of the work done by the Country Organization Department as a material contribution to the outstanding success of the Victory Loan campaigns in Saskatchewan.

### **Enrollment of New Members**

For the year under review 7,704 applications for shares were received of which 5,316 were allotted new shares and 2,388 shares were transferred. In addition 1,907 applications were received in July of which 1,566 were allotted new shares and 341 were transferred. The following statement shows the number of applications received since February, 1934, when the policy of accepting new members by way of application for share was initiated:

Year Ended	Applications	Total Shares Issued
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

### **Saskatchewan Co-operative Livestock Producers Limited**

Since the last annual meeting of delegates amalgamation with the Livestock Pool has been consummated.

Under the plan of amalgamation the name of the parent organization has been changed from Saskatchewan Co-operative Wheat Producers Limited to Saskatchewan Co-operative Producers Limited.

The Livestock Pool (Saskatchewan Co-operative Livestock Producers Limited) has been continued as a legal entity and functions as a subsidiary of the parent body. The assets of the old organization continue to be used in the operation of the new subsidiary. The necessary amendments to the Acts of Incorporation of the two bodies were secured at the time of the last session of the Saskatchewan legislature.

The position with respect to Saskatchewan Co-operative Livestock Producers Limited is briefly as follows:

- (1) It continues to function under its former charter with such amendments as were found necessary to meet the changed conditions.
- (2) The by-laws of the old organization are continued with the necessary amendments.
- (3) Saskatchewan Co-operative Livestock Producers Limited bears the same relationship to the parent body as does Saskatchewan Pool Elevators Limited, or any other subsidiary. The policy of the Livestock subsidiary will be developed, and the control of the organization will be exercised, in exactly the same way as is done in connection with Saskatchewan Pool Elevators Limited.
- (4) All shareholders of Saskatchewan Co-operative Producers Limited automatically are members of the Livestock subsidiary, and may market livestock and participate in any of the benefits of the organization to the same extent as did the original members of the Livestock Pool.

The amalgamation of the two organizations was completed on 31st May, and your Board of Directors has been in control of the organization since that time.

The terms of the amalgamation provided that steps would be taken to determine and set up the equity which each of the former members of the Livestock Pool owned in the old organization. For this purpose, your Board appointed the former Livestock Pool directors as a committee to be responsible for this work. A separate office has been established in Saskatoon and a small staff has been set up for this purpose. The former Livestock Pool Board appointed a sub-committee of two members to keep in touch with this work, and progress reports are received each month from the sub-committee.

The work of establishing the members' equity in the assets of the organization has not reached the point where it is possible to announce with any degree of accuracy when this information will be available, and the necessary statements or certificates issued to former members.

Pool delegates are probably aware of the difficulties which developed at the time of amalgamation, involving the resignation of the men principally responsible for the active management of the organization and also involving



important changes in marketing policy. Certain difficulties were encountered which interfered with the proper working of the organization, but these are being ironed out and it is hoped that in the near future these internal difficulties will have been eliminated.

In the course of the necessary re-organization, your Board has appreciated the assistance and advice of Mr. F. H. Downing, Manager of Canadian Livestock Co-operative (Western) Limited, St. Boniface, Man., the selling organization owned and operated by the Manitoba and Saskatchewan Livestock organizations.

At the time your Board of Directors was authorized by the delegates to proceed with the amalgamation of the two organizations, a resolution was passed by this body recommending to the Board that in giving consideration to the unification of the Livestock and Wheat Pool organizations the need for the greatest possible degree of inter-provincial co-operation in the marketing and handling of livestock should be kept in mind. Prior to the completion of amalgamation, negotiations had been started between the Manitoba, Saskatchewan and Alberta livestock co-operatives in an effort to work out a satisfactory inter-provincial marketing agreement.

During the past few months your Board has given careful consideration to the possibilities of interprovincial livestock marketing, and a draft agreement has been prepared and is now under consideration by the three provincial organizations. Further information in this connection may be available at the time of the present meeting.

Your Board also felt strongly that steps should be taken at the earliest possible moment to clarify the position of co-operative marketing associations in relation to the packing industry.

At the request of your Board, arrangements were made to hold a meeting between representatives of the three provincial livestock co-operatives and the three major packing companies operating in Canada, namely, Canada Packers Limited, Swift Canadian Company and Burns & Company Limited. This meeting was attended by the presidents and other officials of all six of the organizations involved. At a later date meetings were held in each of the three provinces, between representatives of the provincial livestock co-operative organizations and the managers of the packing plants operating within the provinces. This meeting was held with a view to clarifying any local difficulties which might exist in the assembling and forwarding of livestock between the provincial co-operatives and the local provincial plants.

A second meeting has since been held between the senior officers of the major packing companies and the three provincial livestock co-operatives.

Your Board is hopeful that, as a result of these conferences which have involved very frank discussion on the part of both the producer representatives and the packing plant officials, some at least of the unfair practices now prevalent in the industry will be eliminated.

In the meantime your Board has been giving consideration to the policy to be followed in the expansion of co-operative marketing services in the livestock field. In this connection, your Board believes that all steps now taken should be directed toward building a uniform policy throughout the province.

In view of the different methods which have been in force for the assembling and forwarding of livestock over a long period of years, it is obvious that changes in those areas where organization is fairly complete will have to

be gradual, and in accordance with the desires of the producers. In new areas, however, where there has been no co-operative marketing service it should be possible to establish a uniform policy. In this connection, it will be the intention to utilize to the fullest possible extent the services of Pool delegates, field staff, travelling superintendents and elevator agents, as well as the local committees, in the development of this programme. Wherever possible Pool elevator agents will be appointed as shippers or markers, and in all new areas a complete survey will be made before assembling and forwarding of livestock gets under way. It is also the intention of the Board that the duties and activities of the provincial agencies should be expanded. Pending further developments in connection with an interprovincial sales agency, the agency managers will be responsible for the sale of livestock to provincial packing plants.

In certain areas, particularly in the eastern part of the province, independent shippers have been assembling livestock under an agreement with the producers, and this stock has been consigned to Canadian Livestock Co-operative (Western) Limited at St. Boniface. Re-organization of this set-up will of course be gradual; but it will be the policy of the Board where possible to secure the services of some of these independent shippers as supervisors and, if conditions permit, their services will be utilized in the organization and supervision of those areas where no co-operative shipping exists at present.

The end of the fiscal year of this new subsidiary has been changed to 31st July, to coincide with those of the parent body and other Pool subsidiaries. This will enable us to submit financial reports and auditors' statements covering Livestock operations in future reports to the delegates.

### **Industrial Utilization of Farm Crops**

In the last annual report it was pointed out to the delegates that as a result of investigations into the field of industrial utilization for farm crops there was a great need for accurate information, and that representations had been made to the Government of Canada urging the establishment of adequate laboratory plant and equipment, with a suitable staff of competent research men, so that continuous research in this field can be maintained. The government later announced the establishment of a prairie regional committee on the utilization of crops under the National Research Council.

During the current year funds have been made available by the Government of Canada for the construction of a suitable research building and equipment to be located on the campus of the University of Saskatchewan. We understand that a site has been selected and that construction work will start early in the spring.

Your Board is of the opinion that if some of the competent men now engaged in research in this field in the laboratories of the National Research Council at Ottawa can be transferred to similar work in the western laboratory, substantial progress can be anticipated.

During the year under review your Board has continued investigations of the possibilities of the expansion of the co-operative movement into the industrial field, and particularly a type of industrial development in which farm crops provide the raw material.

The results of these investigations have been the subject of conferences between the Boards of Directors of the Consumers' Co-operative Refineries, the Saskatchewan Co-operative Wholesale Society and your Board. A committee



of these co-operatives has been working out plans in an effort to clarify the field of activity, and also methods of financing the proposed industrial development.

During the year your Board has considered proposals for the establishment of a new co-operative organization to be known as Saskatchewan Co-operative Industries Limited, or some other suitable name. Whether this venture should operate as a subsidiary of Saskatchewan Co-operative Producers Limited or should be a joint venture with the Federated Co-operatives has not yet been decided. The best method of maintaining the co-operative characteristics in such organization remains to be determined.

Your Board is satisfied that certain types of secondary industry will tend to provide a degree of stability and permanence in our basic industry of agriculture. These types would include (a) industries for which the raw material would be produced on Saskatchewan farms, and (b) the products of which would be used largely by Saskatchewan farms or in Saskatchewan farm homes.

Because of the co-operative progress already made in the fields of marketing and distribution, your Board is of the opinion that there is a certain degree of responsibility on the co-operative movement to undertake expansion into the industrial field on the ground that developments of this type may be regarded as part of a permanent agricultural policy.

At the same time your Board is of the opinion that, in the matter of savings to the farm homes of Saskatchewan, the results which have been secured from the co-operative marketing of farm products, and which may be anticipated in the future, far outyield the savings which may be secured from this or other forms of co-operative enterprise. Your Board realizes that risks will be incurred in an industrial expansion programme, but in all the circumstances believes that the co-operative movement will be justified in accepting these risks.

The immediate programme to which your Board has given general approval includes the following:

- (a) The construction of a two-expeller unit vegetable oil plant.
- (b) The construction of a plant for the production of glycol and alcohol from wheat, with a capacity of 2,000 bushels per day, using the National Research Council's process of recovery provided pilot plant results are satisfactory.
- (c) The construction of an up-to-date flour milling plant, the capacity of which will be determined by the ability to distribute through co-operative channels in the western provinces.
- (d) The construction of suitable grain handling and storage facilities designed to handle flax as well as wheat and other grains and equipped to receive and ship grain.
- (e) The construction of a plant for the production of starch from wheat or other suitable grains, part of the output of which would be used as the raw material for the production of glucose, etc.
- (f) Adequate warehousing facilities to serve the plant.
- (g) Since the by-products of the operation of all plants of this type represent an important and valuable part of their production which would be marketed as feed for livestock, it is evident that the economic operation of these plants will depend to a considerable extent on a tie-up with a feed mixing plant.

On the basis of a survey prepared by Dr. R. K. Larmour of the University of Saskatchewan, in consultation with the Engineering Department, it has been determined that Saskatoon is an economic location for such a development. The C. D. Howe Company of Port Arthur is acting as consulting engineer in this development, and Dr. Kirk, Dean of the College of Agriculture, has co-

operated to the fullest possible extent in the investigations and plans. The progress made to date is as follows:

### *Vegetable Oil Crushing Plant*

An application has been made for a suitable site in the City of Saskatoon, following an investigation by our engineer and representatives of the Board of various sites offered by the city. Priorities have been secured for the equipment necessary for the construction of a suitable two-exPELLER unit vegetable oil crushing plant, and orders have been placed for this equipment. This will be the first unit completed in the expansion programme. The C. D. Howe Company has been requested to prepare detailed plans and specifications for this plant, and this Company has also prepared a general layout covering the whole programme. As part of the equipment is not likely to be available until early in 1945 it is anticipated that actual construction work will start in March, 1945.

### *Glycol Plant*

During the year under review, a committee of the Board, together with Dr. Kirk and Dr. Larmour of the University of Saskatchewan, and Mr. J. M. Fleming of C. D. Howe Company, met with representatives of the National Research Council who have been working on the process for the recovery of glycol from wheat. Certain difficulties had been encountered when the process had been transferred to pilot plant operations but these were being worked out gradually.

At this meeting the whole position was surveyed and C. D. Howe Company has been asked to design a suitable plant for the production of glycol, using this process, with a capacity of 2,000 bushels of grain per day. Plans will be drawn up in consultation with representatives of the National Research Council who are primarily responsible for the development of the process.

### *Starch Plant*

Your Board has authorized the continuance of investigations into the possibilities for the economic production of starch from wheat and other grains, looking toward the production of glucose and other sweetening agencies for use in western Canadian farm homes. In view of certain changes which are now being made in the glycol process, the possibilities for the successful operation of a starch plant have been enhanced.

### *Financing*

A satisfactory method of financing the proposed programme has not been decided upon. This will call for very careful consideration. Certain undetermined factors affecting the future development of the co-operative movement will have an important bearing on future plans and may be the deciding factor whether industrial expansion will be undertaken directly by the parent organization through a subsidiary or jointly with the Federated Co-operatives.

In the meantime, it is within the powers of the parent body to operate plants of this type, and any part of the commercial reserve in liquid form can be used for this purpose.

At the same time your Board would suggest that the delegates consider another source of financing this development without involving the regular finances of the organization.

This year a substantial sum is being allocated to growers delivering grain to Saskatchewan Pool Elevators



Limited by way of a refund of excess elevator charges. The "time, form and manner" of this distribution is in the discretion of the Board of Directors, but, if the position is satisfactorily clarified, it may be anticipated that this distribution will be along the lines followed in recent years, when part of the allocation has been paid in cash and part credited to growers, and the funds used for the purchase of elevator and commercial reserve deductions in satisfaction of these credits.

Provided it is found to be within the powers of the organization, your Board would suggest that this meeting might give consideration to recommending that, for this year, part of the excess charges refund be retained and invested for and on behalf of Pool members entitled thereto in the proposed co-operative industrial development. This would mean that the current year's savings would be settled for to growers partly in cash, partly in credits which would be used for the purchase of elevator and commercial reserve deductions, and partly in an equity in the proposed new development. This has been the subject of discussion with our legal advisers and further information may be available at the time of the meeting.

### Future Policy

As the end of the war in Europe draws closer the need for the most careful study and planning to meet post-war conditions becomes of increasing importance to the farmers of this province. This is particularly true in the field of wheat production and marketing.

The following figures, showing the production of wheat in the three prairie provinces together with the carryover at the end of each crop year for the past seven years, are compiled from reports of the Dominion Bureau of Statistics and may be of value in reviewing the position:

	Carryover as at July 31, 1944	Wheat Production	Total Supplies Available	Disappearance for All Purpose
1938....	24,500,000	336,000,000	360,500,000	257,600,000
1939....	102,900,000	494,000,000	596,900,000	296,400,000
1940....	300,500,000	513,800,000	814,300,000	334,200,000
1941....	480,100,000	296,000,000	776,100,000	352,400,000
1942....	423,700,000	529,000,000	952,700,000	351,200,000
1943....	601,500,000	277,000,000	878,500,000	523,400,000
1944....	355,100,000	423,000,000	778,100,000	—

The carryover at 31st July, 1944, at 355,100,000 bushels includes an estimate of close to 53,000,000 bushels on western farms at that date. This figure is higher than was generally anticipated and the actual carryover may be reduced by from 15 to 20 million bushels.

It will be noted that the amount of wheat used for all purposes, including food, feed and seed and for export for the crop year ended 31st July, 1944, amounting to 523,400,000 bushels, is over twice as great as for the crop year ended 31st July, 1938, and is nearly 50% greater than in the previous year ended 31st July, 1943.

The following figures set out the actual exports to all destinations for the four years covering the crop season 1939-40 to 1942-43 and a preliminary estimate for the crop seasons 1943-44.

	Total Exports
1939-40.....	192,675,000 bushels
1940-41.....	231,206,000 bushels
1941-42.....	225,828,000 bushels
1942-43.....	214,700,000 bushels
1943-44.....	344,000,000 bushels

Again it will be noted that the 1943-44 exports are far in excess of any previous year.

These exports include a record volume of flour estimated to reach a wheat equivalent of 61,000,000 bushels. Actual exports of wheat in the form of grain amounted to around 283,000,000 bushels, of which better than half represented shipments to the United States. It is understood that for the crop year ended 31st July, 1944, overseas shipments of wheat were smaller than in the previous year, but shipments of wheat as grain to the United States increased total exports substantially in excess of previous years.

For the current year the estimated volume of wheat in the three prairie provinces available for all purposes is as follows:

Carryover of Canadian Wheat in all positions as at July 31, 1944.....	355,100,000 bushels
D.B.S. first estimate of 1944 wheat crop for the western provinces.....	423,000,000 bushels
Total stocks available.....	<u>778,100,000 bushels</u>

This year the United States has harvested a record wheat crop estimated at 1,132 million bushels and because of this exceptional production, wheat stocks in the United States are only 11,000,000 bushels less than in the preceding crop year, in spite of the fact that the carryover of old wheat had been very substantially reduced.

The following figures show the estimated available supplies for all purposes in Canada and the United States for the last three crop seasons:

	Canada (In Million Bushels)	United States	Total
1942-43.....	980	1,607	2,587
1943-44.....	888	1,458	2,346
1944-45.....	803	1,447	2,250

It is generally agreed that the domestic disappearance of wheat in Canada and the United States during the present crop year may be less than in 1943-44. The Bureau of Agricultural Economics looks for slightly larger quantities of wheat being used for food, seed and alcohol production, but a sharp reduction in the use of wheat for feed. It is anticipated that, in view of the large corn crop estimated at 3.1 billion bushels, together with a reduction in the number of hogs and poultry on the farms, wheat used for feed may be reduced to about half of the quantity used during the past crop year. A substantial reduction in the quantity of wheat used for feed in the United States could result in a similar reduction in the purchases made by the Commodity Credit Corporation for this purpose in Canada.

As indicated above, it would appear that last year around 150 to 160 million bushels of total Canadian exports went to the United States.

The International Wheat Council recently issued a brief statement on the world's wheat position as they see it. This may be presented in the following terms:

	Million Bushels
Stocks of old wheat in Argentina, Australia, Canada and the United States as at July 31, 1944, approximately.....	1,000
1944 production of these four countries, approximately.....	2,000
Total supplies.....	<u>3,000</u>
Million Bushels	
Domestic requirements of these four countries	
for food.....	700
For seed and other non-food uses .....	700
	<u>1,400</u>
Leaving available for export and carryover approximately..	1,600
Estimated 1944-45 exports from these four countries.....	<u>600</u>
Carryover at July 31, 1945.....	<u>1,000</u>



From the foregoing review it would appear that for the current crop season Canada is in a position to export some 400,000,000 bushels of wheat and still show a carry-over at 31st July, 1945, of around 200,000,000 bushels.

A factor which will have a very important bearing on the Canadian wheat situation in the immediate post-war years will be the volume of grain which UNRRA will require to provide food for the liberated areas of Europe and surveys have been undertaken by this organization in an effort to determine the scope of its activities.

A few facts have emerged which may have an important bearing on the Canadian position.

It is obvious that Europe has been more nearly self-sufficient in the production of food during the last four years than she has for many years prior to that time. This means that in spite of serious handicaps the farmers of Europe have been able to maintain production. It would appear that after the first good harvest in the post-war period European requirements will be reduced to somewhere approximating pre-war needs.

The demand for wheat and other foods will probably reach its peak between the period of liberation and the first good harvest.

A number of European countries will probably finance their own food purchases and to that extent will not require the assistance of UNRRA. These include Belgium, The Netherlands, France, and possibly Denmark and Norway. Some of these countries already own stocks of wheat held in Canada for shipment. It may be anticipated that shipments of at least part of this grain will be made in the near future.

It is now expected that UNRRA contributions of food in Europe will be made mainly in Greece, Jugoslavia, Czecho-Slovakia, Poland and probably Albania. China will need a large amount of help, but the poor inland transportation arrangements will limit the quantity of food likely to be shipped to that country.

In presenting this brief review, your Board believes it is important that Saskatchewan farmers should understand as clearly as possible that while an increasingly large volume of food stuffs, and particularly wheat, will be needed to feed the people of the liberated areas of Europe, it is possible that supplies of grain now available may be regarded as ample to meet the anticipated requirements.

It is important, therefore, that every effort must be made to move into consumption the largest possible volume of Canadian wheat during the current season.

At the present time the demand for Canadian wheat is very strong and it is doubtful if wheat is being moved to terminal points in sufficient volume to meet that demand. Lack of railway box cars in the immediate future may interfere with the ability of the Canadian Wheat Board to meet the heavy demand.

Representations have been made by your Board, urging that the number of cars available for grain movement should be increased during this period.

On account of its geographical location, Canada is in a better position than any of the other principal exporting countries to meet the immediate demand and to provide much needed food to the liberated peoples of Europe.

In order to meet the situation which is likely to develop in the near future, your Board recommends the following:

1.—Arrangements should be made to give immediate effect to the International Wheat Agreement entered into some time ago between Canada, Australia, the United States, Argentina and Great Britain.

2.—The draft International Wheat Agreement as it now stands provides for a certain degree of control of production.

Your Board believes that the best form of production control will be secured by continuing the policy of delivery quotas which has been in effect in Canada in recent years.

The amount of wheat which Canada may reasonably expect to sell should be established and this amount worked back to the individual farmer.

The use of delivery quotas, long advocated by your organization, has demonstrated fully that this method provides the most effective form of control likely to be established. Wheat produced in excess of the amount required by the world's markets should be retained on the farm as a measure of insurance against the inevitable year of crop failure.

3.—There is provision in the present draft International Wheat Agreement for the establishment of a minimum world price for wheat. It is important that when this minimum price is finally established it should be on a level which will establish a proper value on this important food commodity.

4.—In order to make international control effective, it is essential that there shall be adequate national control. In consequence your Board strongly recommends that the Canadian Wheat Board should continue to function as the sole marketing agency for grain in Canada.

5.—The movement and marketing of wheat and flax under war conditions has proceeded satisfactorily without the assistance of a speculative market and, while the market in coarse grains was not closed, oats and barley have been freely marketed outside the sphere of the futures market. For the post-war period, your Board believes that neither the producer nor the consumer can afford the luxury of a speculative market.

6.—The initial payment made by the Wheat Board on the current year's wheat deliveries is based on \$1.25 per bushel basis One Northern, Fort William. Next year it will be necessary to negotiate the amount of the initial payment which will be made by the Wheat Board for the 1945 and succeeding crops, and your Board recommends that, provided production costs can be maintained at around present levels, the government should be asked to establish the initial payment at not less than \$1.25 per bushel for a period of three years.

7.—It is impossible to forecast the minimum price which may be established by the signatories to the International Wheat Agreement, but this price, when established, need not represent the amount received by producers should it prove to be less than the price necessary to ensure the proper relationship between the returns from agriculture and those from other occupations.

Legislation guaranteeing a price for home produced wheat is in existence in Great Britain, although complete control of wheat purchasing and distribution has been in the hands of a special Cereal Board during the war period. It is anticipated that the pre-war position will be restored in Great Britain with the conclusion of hostilities in Europe.

We believe it can also be assumed that the maintenance of parity prices for farm products including wheat will be continued in the United States in the post-war period.

In these circumstances it is only reasonable that Canada should also accept responsibility for maintaining a price for Canadian wheat which will be fair to both the producer and the consumer.

The position of livestock is also difficult to assess at the present time.

At the last session of parliament the Agricultural Prices Support Act was passed to be administered by the Minister of Agriculture. The Act provides for the setting up of an Agricultural Prices Support Board which "shall endeavour to ensure adequate and suitable returns for agriculture by promoting orderly adjustment from war to peace conditions, and shall endeavour to secure a fair relationship between the returns from agriculture and those



from other occupations". Agricultural products with which it is to deal are defined as any natural product of agriculture except wheat and includes processed meat, dairy and poultry products.

The powers of the Board are quite extensive. The Board may establish prices for agricultural products and buy them at these prices. It may also pay to producers for agricultural products sold on an open market the amount of the difference between the Board's fixed price and the average price received during a specific period when these products were sold. The Board has power to sell or dispose of products which it buys, and it may buy and sell as the agent of or at the order of the Government of Canada. In order to carry out these operations the Board is authorized to spend an amount not exceeding 200 million dollars plus administrative costs.

This Act is to come into force on a date to be set and remain in force for an indefinite period.

During the past two years there has been a considerable degree of stability in the price of farm commodities and, although farm prices have not been high when compared with similar prices in the United States, in a general way your Board believes that today there is a more reasonable relationship in farm prices than has existed for some time past. It will be the duty of your Board to endeavour to maintain a fair relationship in the post-war period.

The floor price legislation referred to appears to be wide enough to secure these results. How successful these will be will depend entirely on the policy of the government responsible for the administration of this Act.

While floor prices are supposed to be in effect at the present time, with respect to cattle, the present regulations do not provide the protection required by the producer. Your Board proposes to endeavour to work out, in co-operation with representatives of the livestock producers from the other provinces, a method by which floor prices may be effective to the producer so that a unanimous policy may be worked out for submission to the annual meeting of the Canadian Federation of Agriculture, which will be held this year in Regina, in January, and submitted by that body on behalf of all livestock producers in Canada at its meeting with the Dominion Government.

### Conclusion

At no time in its history has the co-operative movement been free from attacks by those who regard the development of co-operation as a direct invasion of vested interests. This attitude has been intensified in recent months.

When co-operative effort was limited to individual farmers joining together to ship the odd carload of livestock, or to purchase jointly a carload of lumber or binder twine, such activity generally was considered to be in the interest of the farm population; but with the growth and development of the movement, involving the bringing together and consolidation of these pioneer associations into provincial and even national organizations, the general attitude has changed and it becomes necessary to reassert that agricultural co-operation is one of the most important factors in a successful agricultural policy.

Agricultural co-operation may be briefly defined as a form of voluntary business organization set up by farmers to provide certain services for themselves in such fields as the purchasing of farm supplies or the marketing or processing of farm products on the basis of doing business at the lowest possible cost.

As the basic industry of Canada, agriculture is highly important to our national economy. Actually, at the same time, agriculture is the business of nearly three-quarters of a million individual farm families in Canada. In Saskatchewan farming is the business of around 140,000 individual farm families. These 140,000 Saskatchewan farms are faced with as many problems of production and selling and buying as any other small industrial unit. As individuals they do not have the concentration of money, nor can they maintain the specialized manpower or facilities of an industrial unit. It is only by joining together with their neighbours in voluntary co-operation that farmers can provide themselves with the capital, manpower and facilities needed for efficient marketing operations.

Without co-operation, agriculture in Saskatchewan consists of some 140,000 individual units, many of them competing with each other. With co-operation we have some 140,000 farmers working together to solve their actual problems, whether these be in the field of marketing, distribution, finance, processing or production.

It is only through co-operation that farmers can meet other organized groups on an equal basis, and it is only by working together that farmers can carry on research and develop new ideas that will benefit all of the people, the consumers of food as well as the producers.

In the difficult days that lie ahead co-operative organizations can play a very important part in the solution of many post-war social and economic problems, not only of relief and rehabilitation, but also of reconstruction generally.

All of which is respectfully submitted.

J. H. WESSON  
A. F. SPROULE  
W. J. BALL  
A. D. YOUNG  
T. G. BOBIER  
MARSH ADAMS  
OLAF NYLUND  
HENRY LEWIS  
FRED MILNE  
J. N. BURRILL  
GEO. M. EMMONS  
L. W. ELLIOTT  
N. C. STEWART  
H. A. CROFFORD  
WM. McK. ROSS  
A. W. FRIESEN



# GEORGE A. TOUCHE & CO.

*Chartered Accountants*

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356 Main Street  
WINNIPEG

28th September, 1944.

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 Pool Elevators Limited, and Saskatchewan Pool Terminals Limited for the year ended 31st July, 1944, and have reported in statutory form on the Balance Sheets of each of these Companies.

The amount shown under Deferred Charges as "Overpayment 1929-1930 Pool" is intended to be amortized over future years as conditions warrant or allow.

We have obtained all the information and explanations we have required and, in our opinion, the appended Balance Sheet is properly drawn up so as to present in consolidated form a true and correct view of the state of the organizations' affairs 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.

There is a liability of undetermined amount payable over an indeterminate period of years under the terms of the Retirement Annuity Plan in respect of employees engaged prior to 1st August, 1939.

No provision has been made for income or excess profits taxes on this year's or prior years' earnings.

GEORGE A. TOUCHE & CO.,  
*Chartered Accountants,*  
Auditors.

**SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED**  
**MODERN PRESS LIMITED**  
**SASKATCHEWAN POOL ELEVATORS LIMITED**  
 and  
**SASKATCHEWAN POOL TERMINALS LIMITED**  
**CONSOLIDATED BALANCE SHEET AT 31st JULY, 1944**

**STATEMENT No. 1**

**ASSETS**

**Cash and Securities**

Cash in Banks.....	\$ 2,042,872.14
Cash Funds—Payors.....	936,274.72
Dominion of Canada and Province of Saskatchewan Bonds (at cost).....	4,217,742.50

\$ 7,196,889.36

**Accounts Receivable—Current**

Sundry.....	752,260.63
Stocks of Grain—Less Stored Grain.....	56,730,011.60
Stock in Trade—Modern Press Limited.....	18,126.90
Prepaid Taxes, Insurance and Other Expenses.....	101,898.04

**Total Current Assets**..... 64,799,186.53

**Accounts Receivable—Deferred**

Province of Saskatchewan—Sinking Fund Interest Account.....	\$ 960,929.56
Growers' Account.....	24,541.42
	985,470.98

**Investments and Membership (at Cost Less Reserve)**

(Including Amount Paid on Pool Insurance Company Shares, on which there is an Uncalled Balance of \$35,010.00).....	154,214.54
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**LIABILITIES**

**Cheques, Vouchers, etc., Outstanding**

Cheques and Money Orders.....	\$ 5,543,005.76
Grain Drafts, Cash Tickets, etc.....	9,619,475.16
Outstanding Certificates.....	11,892.26

\$15,174,373.18

**Accounts Payable—Current**

Bank Loans.....	\$25,650,000.00
Province of Saskatchewan re 1929-1930 Pool Overpayment Principal.....	\$766,379.94
Accrued Interest.....	133,695.05

Sundry..... 900,974.99  
2,880,006.89

29,430,081.88

**Total Current Liabilities**..... \$44,604,455.06

**Deferred Liabilities**

Province of Saskatchewan re 1929-1930 Pool Over- payment.....	6,383,611.75
Elevator Deductions.....	12,188,060.07
Commercial Reserve.....	6,567,851.17
Capital.....	127,058.00



**Fixed Assets (Less Reserve for Depreciation)**

Country Elevators and Coal Sheds.....	\$ 5,672,321.09	
Terminal Elevators.....	3,638,503.37	
Land, Buildings and Machinery—Regina and Saskatoon .....	121,051.07	
Agents' Residences.....	324,429.84	
Work Under Construction.....	152,837.37	
Sites—Terminal Elevators, etc.....	368,466.25	
Office Furniture and Fixtures.....	56,412.42	
Automobiles and Sundry Equipment.....	48,223.00	
		10,382,244.41

**Deferred Charges**

Overpayment 1929-1930 Pool—Company's Share— Less Reductions.....	\$ 5,422,682.19	
Temporary Storage Bins—Country Elevators.....	500.00	
Stocks of Repair Parts and Supplies.....	100,329.69	
		5,523,511.88

\$81,844,628.34

Reserve Accounts—Modern Press Limited.....	\$ 52,476.02	
—Saskatchewan Pool Elevators Limited.....	4,494,256.81	

4,546,732.83

Excess Charges Refund—Season 1943-1944.....	5,877,331.45
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Undivided Surplus.....	1,549,528.01
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**Contingent Liabilities**

In Respect of Buildings and Work Under Construction—Estimated.....	<u>\$250,000.00</u>
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Approved on behalf of the Board.

J. H. WESSON, *Director*.  
A. F. SPROULE, *Director*.\$81,844,628.34

This is the Balance Sheet referred to in our report of 28th September, 1944.

GEORGE A. TOUCHE & CO., Chartered Accountants, *Auditors*.

## CONSOLIDATED BALANCE SHEET

The following explanations, prepared by the Treasurer, may be of value in considering the foregoing statement:

### ASSETS

#### CASH AND SECURITIES:

**Dominion of Canada and Province of Saskatchewan Bonds—\$4,217,742.50:** This represents \$1,500,000.00 Dominion of Canada Sixth Victory Loan 3% Bonds, 1960, and \$2,788,000.00 Province of Saskatchewan 4½% Debentures, 1951, at cost.

#### ACCOUNTS RECEIVABLE—CURRENT:

**Sundry—\$752,260.63:** This item is composed principally of accrued handling charges on grain in store in Country and Terminal elevators, accrued interest on bonds, sundry loans and advances.

**Stocks of Grain—Less Stored Grain—\$56,730,011.60:** This amount represents the value of grain on hand in various positions at 31st July, 1944, less the liability for stored grain. Values of open market grains have been based upon Winnipeg market cash closing prices at 31st July, 1944, or upon open sales contracts where applicable, after allowance for freight and other charges on grain in other than spot or delivery positions.

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

**Stock-in-Trade—\$18,126.90:** Includes the value of Job Stock and Newsprint on hand at Modern Press Limited, Saskatoon, at the date of the Balance Sheet.

**Prepaid Taxes, Insurance and Other Expenses—\$101,898.04:** This amount represents prepayment of various items chargeable to the operations of the succeeding year.

#### ACCOUNTS RECEIVABLE—DEFERRED:

**Province of Saskatchewan—Sinking Fund Interest Account \$980,929.56:** 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 monies 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 paid by the Company to the Province, namely 5%, 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 Interest Account.

**Growers' Accounts—\$24,541.42:** Items comprising this amount are made up as follows:

Advances Against Reserves.....	\$ 1,911.13
Seed Grain Advances Against Reserves.....	16,444.42
Contract Notes—1928-1933 Pool.....	6,185.87
	\$24,541.42

**Investments and Memberships—\$154,214.54:** This amount represents investment 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 in the Company's investment in Canadian Co-operative Wheat Producers Limited. Details of the 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	
1,167 Shares of \$100.00 each.....	\$116,700.00
Premium of \$12.00 per share.....	14,004.00
	\$130,704.00
Less Unpaid thereon.....	35,010.00
	95,694.00
Saskatchewan Co-operative Livestock Producers Limited	
16 Shares of \$1.00 each.....	16 00



Saskatchewan Co-operative Credit Society Limited	
450 Shares of \$10.00 each.....	4,500.00
Consumers' Co-operative Refineries Limited	
174 Shares of \$25.00 each.....	4,350.00
Rural Telephone Companies—Sundry Shares.....	1,402.00
Local Co-operative Associations—Sundry Shares.....	782.54
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—4 Memberships.....	25,550.00
	<u>\$204,214.54</u>
Less Reserve.....	50,000.00
	<u><u>\$154,214.54</u></u>

#### FIXED ASSETS:

**Country Elevators and Coal Sheds—\$5,672,321.09:** Included in this amount are the following items:

	Plant Value	Depreciation	Net Value
Country Elevators.....	\$15,319,528.89	\$9,650,110.12	\$5,669,418.77
Coal Sheds.....	5,409.38	2,507.06	2,902.32
	<u>\$15,324,938.27</u>	<u>\$9,652,617.18</u>	<u>\$5,672,321.09</u>

**Terminal Elevators—\$3,638,503.37:** The following are the details of the amount shown in respect of this asset:

	Plant Value	Depreciation	Net Value
Terminal No. 4.....	\$ 3,116,237.66	\$2,124,579.76	\$ 991,657.90
Terminal No. 5.....	1,218,986.70	826,969.06	392,017.64
Terminal No. 6.....	75,371.80	74,592.04	779.76
Terminal No. 7.....	4,027,086.47	2,330,664.33	1,696,422.14
Buffalo Terminal.....	1,795,205.48	1,237,579.55	557,625.93
	<u>\$10,232,888.11</u>	<u>\$6,594,384.74</u>	<u>\$3,638,503.37</u>

The above values are exclusive of Sites, which are shown under the heading of "Sites—Terminal Elevators, etc.", details of which appear below. Terminal No. 6 is a leased elevator and the amount shown in respect of same is for equipment only.

**Land, Buildings and Machinery, Regina and Saskatoon—\$121,051.07:** This includes the following items:

	Plant Value	Depreciation	Net Value
<b>Regina</b>			
Head Office Building.....	\$180,000.00	\$141,750.00	\$ 38,250.00
Site.....	25,397.75	—	25,397.75
Furniture & Equipment..	12,435.40	11,872.51	562.89
<b>Saskatoon</b>			
Modern Press Building....	26,372.15	14,301.15	12,071.00
Site.....	9,200.00	—	9,200.00
Machinery & Equipment	87,330.70	51,761.27	35,569.43
	<u>\$340,736.00</u>	<u>\$219,684.93</u>	<u>\$121,051.07</u>

**Agents' Residences—\$324,429.84:** Included in this Asset are 422 Agents' Residences valued at \$673,595.79, against which there is a Reserve for Depreciation amounting to \$349,165.95.

**Work Under Construction—\$152,837.37:** This represents sundry construction work in progress and prepayments on facilities under purchase at various country elevator points at the year end. The balance of the approved programme of Capital Expenditures, estimated at \$250,000.00, is shown as a Contingent Liability.

**Sites—Terminal Elevators, etc.—\$368,466.25:** The following is a summary of the Sites which comprise this amount:

Terminal No. 4.....	\$ 91,000.00
Terminal No. 5.....	34,500.00
Terminal No. 7.....	80,678.30
Buffalo Terminal.....	123,603.94
Elevator Sites.....	1,046.25
Cottage Sites.....	37,637.76
	<u>\$368,466.25</u>

#### DEFERRED CHARGES:

**Overpayment 1929 - 1930 Pool — Company's Share — \$5,422,682.19:** The following is a summary of this Account:

Balance at 31st July, 1943.....	\$6,296,772.57
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## Deductions:

### Increase in Province of Saskatchewan 4½% Debentures, 1951, Sinking Fund Interest Account.

Balance at 31st July, 1944.....	\$960,929.56	
Balance at 31st July, 1943.....	853,219.12	
Increase.....	\$107,710.44	
Appropriation from Surplus Income— Season 1943-1944.....	766,379.94	874,090.38
Balance at 31st July, 1944.....	\$5,422,682.19	

**Temporary Storage Bins—\$500.00:** This amount represents 50 per cent. of the cost of 1 bin which was acquired with the purchase of an elevator during the season, half of the cost having been written off as a charge to 1943-1944 operations.

In addition to the above the Company also owns 455 Bins built in 1939, 720 Bins built in 1940, and 4 Temporary Terminal Annexes built in 1941. The cost of these facilities has been completely written off as a charge to the operations of the year and those of past seasons. Five bins were destroyed by fire during the year.

## LIABILITIES

### CHEQUES, VOUCHERS, ETC., OUTSTANDING:

**Outstanding Certificates—\$11,892.26:** 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:

**Province of Saskatchewan—\$900,074.99:** This amount represents the principal payment due 15th September, 1944, together with interest accrued to 31st July, 1944, on the total liability to the Province in respect of the 1929-1930 Pool Overpayment.

**Sundry—\$2,880,006.89:** This amount consists principally of Accrued Expenses, Loan Accounts and Shippers' Accounts. The latter item comprises the unexpended balance at July 31st, 1944, of the portion of the Excess Charges Refund—Season 1942-1943, which was retained for the purchase of Deduction Certificates to be transferred to the respective members in settlement of part of their refund.

### DEFERRED LIABILITIES:

**Province of Saskatchewan re 1929-1930 Pool Overpayment—\$6,383,611.75:** This represents the balance owing on the above account after completing payment of the 1944 instalment of principal which is provided for under the heading of "Accounts Payable—Current."

In accordance with the terms of our agreement, the amount of \$6,383,611.75 is to be repaid with interest at 5% per annum in seven equal annual payments, the first payment of principal falling due 15th September, 1945.

### CAPITAL RESERVES, ETC.

**Elevator Deductions—\$12,188,000.07; Commercial Reserve—\$6,567,851.17:** Funds in respect of Elevator Deductions are invested in Saskatchewan Pool Elevators Limited, and in respect of Commercial Reserve in the remaining investments, loans and fixed assets, etc.

**Capital—\$127,058.00:** This amount includes new capital subscribed during the year to the extent of \$5,316.00.

**Reserve Account—Modern Press Limited—\$52,476.02:** This comprises the surplus earnings of this Company for the past two years, which have been transferred to this account.

**Reserve Account—Saskatchewan Pool Elevators Limited—\$4,494,256.81:** The following is a summary of this account:

Balance at 1st August, 1943.....	\$4,506,487.34
Less: Adjustments to Growers re Excess Charges	
Refunds for Prior Seasons.....	12,230.53
	<u>\$4,494,256.81</u>

**Excess Charges Refund—Season 1943-1944—\$5,877,331.45:** 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 28th September, 1944, and is subject to conditions stated therein.



**Undivided Surplus—\$1,549,528.01:** Details of this account are as follows:

Balance as 1st August, 1943.....		\$1,488,831.48	
Payment of Dividend of 3% on Paid-up Capital Stock.....		365,856.00	
			<u>\$1,122,975.48</u>
Excess Charges Refund—Season 1942-1943			
Provided Out of Season			
1942-1943 Earnings.....	\$1,800,000.00		
Required on Basis of			
Members' Total Deliv-			
eries.....	1,739,303.47		
		\$ 60,696.53	
Transferred from Surplus			
Earnings—Season 1943-			
1944.....		365,856.00	
			<u>426,552.53</u>
			<u><u>\$1,549,528.01</u></u>

**SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED**

**MODERN PRESS LIMITED**

**SASKATCHEWAN POOL ELEVATORS LIMITED**

and

**SASKATCHEWAN POOL TERMINALS LIMITED**

**CONSOLIDATED CAPITAL STATEMENT As at 31st July, 1944**

**STATEMENT No. 2**

**Capital Receipts**

**Dr.**

**Cr.**

Brought Forward.....\$17,045,441.81    \$37,240,173.28

Capital.....	—	\$ 127,058.00
Commercial Reserve.....	—	6,567,851.17
Elevator Deductions.....	—	12,188,060.07
Reserve Accounts—Subsidiary Companies.....	—	4,546,732.83
Excess Charges Refund—Season 1943-1944.....	—	5,877,331.45
Undivided Surplus.....	—	1,549,528.01
Deferred Loans Outstanding.....	—	6,383,611.75
	\$ —	\$37,240,173.28

**Approved Programme of Building  
and Work Under Construc-  
tion (Estimated Expenditures)..  
Country Elevators and Agents'**

Residences.....\$ 370,190.00  
Sundry Capital Replacements.... 32,647.37

\$ 402,837.37

**Less:** Paid on Account (Work  
Under Construction)..... 152,837.37

250,000.00

**Balance—**Surplus Available as Work-  
ing Capital for Season 1944-1945  
(Subject to Dividends and Taxes)

19,944,731.47

**Capital Expenditures**

**Fixed and Sundry Assets**

Fixed Assets (Less Reserve for Depreciation).....\$10,382,244.41  
Investments and Memberships (Less Reserve)..... 154,214.54

**Deferred Accounts**

Accounts Receivable—Deferred...\$ 985,470.98  
Deferred Charges..... 5,523,511.88

6,508,982.86

Carried Forward.....\$17,045,441.81    \$37,240,173.28

\$37,240,173.28    \$37,240,173.28



**STATEMENT No. 2 (2)**

**CURRENT POSITION AS PER CONSOLIDATED BALANCE SHEET as at 31st JULY, 1944**

Current Assets.....	\$64,799,186.53
Current Liabilities.....	44,604,455.06

<b>Current Position as Per Balance Sheet.....</b>	<b>\$20,194,731.47</b>
---	------------------------

Less:

Estimated Capital Expenditures to Complete Programme of Building and Work Under Construction.....	250,000.00
---	------------

<b>Balance—Surplus Available as Working Capital for Season 1944-1945 (Subject to Dividends and Taxes).....</b>	<b>\$19,944,731.47</b>
--	------------------------

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

**STATEMENT No. 3**

**SOURCE OF CAPITAL FUNDS, ANALYSIS OF CAPITAL EXPENDITURES AND SURPLUS CAPITAL, AS AT JULY 31st, 1944**

SOURCE OF CAPITAL FUNDS	Capital	Commercial Reserve	Elevator Deductions	Reserve Accounts	Undivided Surplus	Excess Charges	Deferred Loans Outstanding	Total
						Refund Season 1943-1944		
Stock Subscriptions.....	\$127,058.00	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 127,058.00
Deductions from Pool Payments.....	—	6,567,851.17	12,188,060.07	—	—	—	—	18,755,911.24
From Surplus Earnings.....	—	—	—	4,546,732.83	1,549,528.01	5,877,331.45	—	11,973,592.29
Province of Saskatchewan—Loan.....	—	—	—	—	—	—	6,383,611.75	6,383,611.75
<b>TOTAL CAPITAL RECEIPTS.....</b>	<b>\$127,058.00</b>	<b>\$6,567,851.17</b>	<b>\$12,188,060.07</b>	<b>\$4,546,732.83</b>	<b>\$1,549,528.01</b>	<b>\$5,877,331.45</b>	<b>\$6,383,611.75</b>	<b>\$37,240,173.28</b>
<b>ANALYSIS OF CAPITAL EXPENDITURES</b>								
Advances, etc., to Growers.....	\$ 24,541.42	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 24,541.42
Investments.....	9,374.81	7,061.19	137,778.54	—	—	—	—	154,214.54
Fixed Assets and Temporary Storage Bins (Including Ex- penditures Approved for Completion of Programme of Building and Work Under Construction).....	93,141.77	64,765.16	10,474,837.48	—	—	—	—	10,632,744.41
1929-1930 Pool Overpayment.....	—	—	—	—	—	—	6,383,611.75	6,383,611.75
Stocks of Repair Parts and Supplies.....	—	2,225.70	98,103.99	—	—	—	—	100,329.69
<b>TOTAL CAPITAL EXPENDITURES.....</b>	<b>\$127,058.00</b>	<b>\$ 74,052.05</b>	<b>\$10,710,720.01</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$6,383,611.75</b>	<b>\$17,295,441.81</b>
<b>BALANCE—SURPLUS CAPITAL.....</b>	<b>\$ —</b>	<b>\$6,493,799.12</b>	<b>\$1,477,340.06</b>	<b>\$4,546,732.83</b>	<b>\$1,549,528.01</b>	<b>\$5,877,331.45</b>	<b>\$ —</b>	<b>\$19,944,731.47</b>
<b>TOTAL CURRENT ASSETS (As Per Consolidated Balance Sheet—Statement "1").....</b>								<b>\$64,799,186.53</b>
<b>TOTAL CURRENT LIABILITIES (As Per Consolidated Balance Sheet—Statement "1").....</b>								<b>44,604,455.06</b>
<b>BALANCE—Current Position.....</b>								<b>\$20,194,731.47</b>
<b>Less Estimated Capital Expenditures to Complete Programme of Building and Work Under Construction.....</b>								<b>250,000.00</b>
<b>BALANCE—Surplus Capital (Subject to Dividends and Taxes).....</b>								<b>\$19,944,731.47</b>



**STATEMENT No. 4**

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

**STATEMENT OF ASSETS, DIRECT LIABILITIES AND  
GROWERS' EQUITY, AS AT 31st JULY, 1944**

**ASSETS**

Fixed Assets (Less Reserve for Depreciation).....	\$10,382,244.41
Investments and Memberships (Less Reserve).....	154,214.54

**Other Assets (Deferred Accounts Receivable, etc.)**

Province of Saskatchewan—Sinking Fund Interest Account.....	960,929.56
Growers' Notes and Accounts Receivable...	24,541.42
Temporary Storage Bins—Less Amount Written Off.....	500.00
Stocks of Repair Parts and Supplies.....	100,329.69

**Surplus Capital (After Providing for Expenditures to Complete Programme of Building and Work Under Construction)**

Amount Provided to Complete Programme of Building and Work Under Construction.....	250,000.00
--	------------

**TOTAL NET ASSETS.....\$31,817,491.09**

**LIABILITIES (Exclusive of Liabilities to Shareholders)**

Province of Saskatchewan re 1929-1930 Pool Overpayment.....	\$ 6,383,611.75	Equity 20.063%
---	-----------------	----------------

**TOTAL LIABILITIES TO OTHER THAN SHAREHOLDERS.....\$ 6,383,611.75 20.063%**

**BALANCE OF ASSETS OVER LIABILITIES**

Growers' Equity (Subject to Payment of Dividends and Taxes).....	\$25,433,879.34	79.937%
	<b>\$31,817,491.09</b>	<b>100.000%</b>

## SASKATCHEWAN CO-OPERATIVE PRODUCERS, LIMITED

STATEMENT No. 5

**STATEMENT OF PAYMENTS OF PRINCIPAL AND INTEREST MADE TO THE PROVINCE OF SASKATCHEWAN IN RESPECT OF THE  
1929-1930 POOL OVERPAYMENT LIABILITY, UP TO AND INCLUDING PAYMENT MADE ON 15th SEPTEMBER, 1944, ALSO  
BALANCE OF REGULAR PAYMENTS TO BE MADE FROM 15th SEPTEMBER, 1945, TO 15th SEPTEMBER, 1951**

Original Indebtedness (After allowing for Bond Discount and 1928-1929 Pool Final Payment Loan).....	\$13,752,194.98
Less: Charged to Surplus Interest Account .....	194.98
	<u>\$13,752,000.00</u>

## STATEMENT OF PAYMENTS MADE

Date	Total Paid	Allocation Interest	Principal	Balance
1st October, 1932.....	\$ 746,739.87	\$ 678,854.87	\$ 67,885.00	\$13,684,115.00
15th September, 1933	1,099,487.84	651,401.36	448,086.48	13,236,028.52
15th September, 1934	1,132,292.23	661,801.43	470,490.80	12,765,537.72
15th September, 1935	1,132,292.23	638,276.89	494,015.34	12,271,522.38
15th September, 1936	1,132,292.23	613,576.12	518,716.11	11,752,806.27
*15th September, 1936	168,254.05	—	168,254.05	11,584,552.22
15th September, 1937	1,123,879.52	579,227.60	544,651.92	11,039,900.30
15th September, 1938	1,123,879.54	551,995.02	571,884.52	10,468,015.78
15th September, 1939	1,123,879.52	523,400.78	600,478.74	9,867,537.04
15th September, 1940	1,123,879.54	493,376.86	630,502.68	9,237,034.36
15th September, 1941	1,123,879.53	461,851.72	662,027.81	8,575,006.55
15th September, 1942	1,123,879.53	428,750.33	695,129.20	7,879,877.35
15th September, 1943	1,123,879.53	393,993.87	729,885.66	7,149,991.69
15th September, 1944	1,123,879.53	357,499.59	766,379.94	6,383,611.75
<b>Total Paid.....</b>	<b>\$14,402,394.69</b>	<b>\$ 7,034,006.44</b>	<b>\$ 7,368,388.25</b>	<b>\$ —</b>

## STATEMENT OF PAYMENTS TO BE MADE

Due Date	Amount	Allocation Interest	Principal	Balance After Completing Payment
15th September, 1945.....	\$1,123,879.53	\$ 319,180.59	\$ 804,698.94	\$5,578,912.81
15th September, 1946.....	1,123,879.53	278,945.64	844,933.89	4,733,978.92
15th September, 1947.....	1,123,879.53	236,698.95	887,180.58	3,846,798.34
15th September, 1948.....	1,123,879.53	192,339.92	931,539.61	2,915,258.73
15th September, 1949.....	1,123,879.53	145,762.94	978,116.59	1,937,142.14
15th September, 1950.....	1,123,879.53	96,857.11	1,027,022.42	910,119.72
15th September, 1951.....	955,625.71	45,505.99	910,119.72	—
<b>Total to be Paid.....</b>	<b>\$7,698,902.89</b>	<b>\$1,315,291.14</b>	<b>\$6,383,611.75</b>	<b>\$ —</b>

## SUMMARY

	Amount	Allocation Interest	Principal
Paid to 15th September, 1944.....	\$14,402,394.69	\$ 7,034,006.44	\$ 7,368,388.25
Balance to 15th September, 1951.....	7,698,902.89	1,315,291.14	6,383,611.75
<b>Total.....</b>	<b>\$22,101,297.58</b>	<b>\$ 8,349,297.58</b>	<b>\$13,752,000.00</b>

\*Distribution of Contingency Reserve of Canadian Co-operative Wheat Producers Limited, in respect of the 1929-1930 Pools.



## STATEMENT OF GRAIN HANDLINGS

## SASKATCHEWAN POOL ELEVATORS LIMITED and SASKATCHEWAN POOL TERMINALS LIMITED

AS AT 31st JULY, 1944

## TOTAL HANDLED (ALL GRAINS)

	Bushels 1924-1943	Bushels 1943-1944	Bushels 1924-1944
<b>SASKATCHEWAN POOL ELEVATORS LIMITED</b>			
Country Elevators.....	1,340,675,782	140,759,411	1,481,435,193
Platform.....	57,894,924	171,208	58,066,132
<b>Total.....</b>	<b>1,398,570,706</b>	<b>140,930,619</b>	<b>1,539,501,325</b>
Number of Elevators Operated.....	—	1,089	—
Average Handling Per Elevator.....	—	129,256	—
<b>SASKATCHEWAN POOL TERMINALS LIMITED</b>			
Terminal No. 4.....	280,353,496	19,469,645	299,823,141
5.....	89,847,223	10,869,287	100,716,510
6.....	314,710,702	27,532,274	342,242,976
7.....	307,314,042	44,545,813	351,859,855
8.....	28,240,761	—	28,240,761
<b>Total.....</b>	<b>1,020,466,224</b>	<b>102,417,019</b>	<b>1,122,883,243</b>
<b>BUFFALO TERMINAL ELEVATOR.....</b>	<b>131,930,775</b>	<b>—</b>	<b>131,930,775</b>

## SASKATCHEWAN POOL ELEVATORS LIMITED

## STATEMENT OF EARNINGS

1st AUGUST, 1925, TO 31st JULY, 1944

	Total 1925-1943	Sundry Adjustments	Season 1943-1944	Total 1925-1944
<b>NET EARNINGS</b> .....	<u>\$31,131,752.75</u>	<u>\$ —</u>	<u>\$ 7,820,782.70</u>	<u>\$38,952,535.45</u>
<b>DISTRIBUTION OF EARNINGS</b>				
Excess Charges Refund:				
Paid to Growers.....	\$ 5,447,737.49	\$ 1,270,415.81	\$ —	\$ 6,718,153.30
Credits to Growers' Overpayment Accounts.....	2,559,217.44	\$ —	\$ —	2,559,217.44
Reserve Certificates Purchased or to be Purchased in Settlement of Credits.....	1,426,701.09	481,118.19	—	1,907,819.28
Allocated for Distribution on Deliveries for Season 1942-1943.....	1,800,000.00	(1,800,000.00)	—	—
Allocated for Distribution on Deliveries for Season 1943-1944.....	—	—	5,877,331.45	5,877,331.45
<b>Total Excess Charges Refund</b> .....	<u>\$11,233,656.02</u>	<u>\$ (48,466.00)</u>	<u>\$ 5,877,331.45</u>	<u>\$17,062,521.47</u>
Farm Storage Paid to Growers.....	306,456.74	—	—	306,456.74
Share of Pool Expenses.....	1,172,238.15	—	107,990.59	1,280,228.74
Dividends to Pool.....	1,915,273.80	365,856.00	—	2,281,129.80
Share of Earnings to Pool re Principal Payments 1929-1930 Pool Overpayment Liability, etc.....	3,881,956.39	—	1,107,505.80	4,989,462.19
Interest Paid on 1929-1930 Pool Overpayment Liability.....	6,626,852.83	—	362,098.86	6,988,951.69
Transferred to Reserve Account.....	4,506,487.34	(12,230.53)	—	4,494,256.81
Transferred to Undivided Surplus.....	1,488,831.48	60,696.53	—	—
		(365,856.00)	365,856.00	1,549,528.01
<b>Total</b> .....	<u>\$31,131,752.75</u>	<u>\$ —</u>	<u>\$ 7,820,782.70</u>	<u>\$38,952,535.45</u>



(Bracketed Items Represent Deductions).

**STATEMENT No. 7—Continued**

Net Earnings (as above).....	\$38,952,535.45
Depreciation Reserve as at 31st July, 1944.....	16,770,387.84
Interest on Mortgages (Paid to Province of Saskatchewan and Liquidator, Saskatchewan Co-operative Elevator Company Limited, from 1st August, 1926, to 31st August, 1933, in Respect of the Purchase of the Assets of the latter Company).....	2,150,331.29
<b>TOTAL OPERATING EARNINGS—1st August, 1925, to 31st July, 1944.....</b>	<b>\$57,873,254.58</b>

**NOTE:** Sundry Adjustments Shown in the Second Column Comprise the Following:—

- (a) Payment to Growers of Excess Charges Refund Season 1942-1943 (\$1,269,502.70); Allocation of Portion Retained for Purchase of Reserve Certificates (\$469,800.77) and Transfer of Unused Portion to Undivided Surplus Account (\$60,696.53).
- (b) Adjustments of Excess Charges Refunds for Prior Seasons, consisting of Additional Payments to Growers (\$913.11) and Purchase of Reserve Certificates (\$11,317.42), Both Amounts Charged to Reserve Account (\$12,230.53).
- (c) Payment of Dividend to Pool (\$365,856.00), Charged to Undivided Surplus Account.

## LIBRARY RECORD FOR 1943-1944

	Books Mailed	Books Returned	Requests Books	Catalogues	Postage
<b>1943</b>					
August.....	704	738	36	15	\$40.64
September.....	650	641	32	14	38.78
October.....	729	711	46	25	39.29
November.....	852	808	93	37	47.17
December.....	855	847	93	32	53.64
<b>1944</b>					
January.....	1,128	1,069	200	44	64.92
February.....	1,144	1,104	203	46	65.80
March.....	1,227	1,209	122	34	69.16
April.....	850	911	42	14	48.10
May.....	794	834	26	12	46.52
June.....	715	744	26	9	38.59
July.....	700	732	20	10	38.65
<b>Total.....</b>	<b>10,348</b>	<b>10,348</b>	<b>939</b>	<b>292</b>	<b>\$591.26</b>

## Number of Borrowers as at 31st July, 1944

Wheat Pool Members.....	1,924
Agents.....	117
	<u>2,044</u>



**STATEMENT No. 9**

**WHEAT POOL COMMITTEES  
TOTAL NUMBER OF COMMITTEES  
1943-1944**

Sub-district	1	2	3	4	5	6	7	8	9	10	11	T'tl.
District 1.....	3	4	7	10	7	6	8	11	6	8	....	70
District 2.....	5	4	5	8	5	5	9	8	13	5	....	67
District 3.....	3	4	3	4	8	4	3	5	3	7	....	44
District 4.....	3	7	10	5	5	2	4	6	3	6	....	51
District 5.....	10	7	5	7	7	4	6	10	9	5	....	70
District 6.....	9	10	7	8	10	12	11	7	7	8	....	89
District 7.....	8	5	5	5	7	9	6	5	7	4	7	68
District 8.....	8	9	10	8	8	8	6	7	6	3	....	73
District 9.....	5	7	5	8	3	9	6	7	6	7	....	63
District 10.....	6	6	4	8	14	8	2	7	3	9	....	67
District 11.....	9	11	12	5	4	7	12	7	10	10	....	87
District 12.....	10	7	9	7	6	7	7	8	12	8	....	81
District 13.....	9	12	3	10	8	7	12	6	9	11	7	92
District 14.....	5	7	8	11	2	7	7	12	8	9	7	83
District 15.....	9	8	10	8	8	5	7	5	6	7	4	77
District 16.....	6	8	9	7	4	11	6	9	7	8	8	83
<u>1165</u>												

**STATEMENT No. 10**

**COMMITTEES RE-ORGANIZED  
1943-1944**

Sub-district	1	2	3	4	5	6	7	8	9	10	11	T'tl.
District 1.....	3	4	7	10	7	6	8	11	6	6	....	68
District 2.....	5	4	3	8	4	5	9	8	13	5	....	64
District 3.....	3	2	3	4	5	2	3	5	3	7	....	37
District 4.....	3	7	10	4	5	2	4	6	2	6	....	49
District 5.....	9	7	5	5	7	3	5	10	8	5	....	64
District 6.....	9	10	7	8	7	11	11	6	7	6	....	82
District 7.....	8	5	5	5	7	9	6	5	7	4	5	66
District 8.....	8	9	10	8	8	6	5	6	4	3	....	67
District 9.....	5	7	13	8	3	9	6	6	5	5	....	57
District 10.....	6	6	3	7	14	8	2	6	3	7	....	62
District 11.....	9	10	11	4	4	6	9	4	8	7	....	72
District 12.....	10	6	8	7	5	6	7	7	11	7	....	74
District 13.....	8	11	3	9	5	7	10	5	9	9	7	83
District 14.....	5	7	7	11	1	7	7	10	8	9	7	79
District 15.....	8	6	10	8	7	4	6	5	5	6	3	68
District 16.....	6	7	8	6	4	11	4	7	7	7	6	73
<u>1065</u>												

## EXHIBIT A

## STATEMENT No. 11

## CANADIAN POOL AGENCIES LIMITED, WINNIPEG, MANITOBA

## BALANCE SHEET AS AT JULY 31st, 1944

## ASSETS

Agency Assets.....		\$ 56,900.92
Cash in Agency Bank Accounts.....	\$ 25,397.00	
Accounts Receivable—Insurance.....	31,503.92	
	<u>\$ 56,900.92</u>	
Shareholders' and Patrons' Assets.....		144,254.90
Cash.....	29,540.76	
In General Bank Accounts.....	\$29,470.76	
On Hand.....	70.00	
	<u>\$29,540.76</u>	
Accounts Receivable.....	33,815.79	
Commissions—per Contra.....	\$28,013.22	
Loan Accounts—Secured.....	5,240.51	
Pool Insurance Company.....	79.32	
Miscellaneous.....	482.74	
	<u>\$33,815.79</u>	

## LIABILITIES

Agency Liabilities.....		\$ 56,900.92
Accounts Payable—Insurance.....	\$ 28,887.70	
Commissions Payable—per Contra.....	28,013.22	
	<u>\$ 56,900.92</u>	
Shareholders' Liabilities and Reserve.....		21,234.10
Miscellaneous Accounts Payable.....	1,234.10	
General Reserve Against Unearned Income and Investments.....	20,000.00	
Allocated as Follows:		
Alberta Wheat Pool.....	\$ 5,568.12	
Manitoba Pool Elevators Limited.....	3,146.82	
Saskatchewan Co-operative Wheat Producers Limited.....	11,285.06	
	<u>\$20,000.00</u>	
		<u>\$ 21,234.10</u>



<b>Investments—at Cost</b> .....	80,198.35
\$80,000.00 Dominion of Canada Bonds 3¼%—Maturing June 1, 1966.....	<u>\$80,198.35</u>
(Quoted Value July 31, 1944— \$81,600.00)	
<b>Membership Deposits</b> .....	200.00
Insurance Agents' Associations.....	\$ 200.00
<b>Furniture and Fixtures</b> .....	500.00
Cost.....	\$ 6,587.71
Less: Depreciation Reserve.....	6,087.71
	<u>\$ 500.00</u>
	<u>\$144,254.90</u>

\$201,155.82

<b>Capital Stock</b> .....	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>
<b>Patrons' Equity</b> .....	103,020.80
Allocated as Follows:	
Alberta Wheat Pool.....	25,552.38
Manitoba Pool Elevators Limited.....	16,008.68
Saskatchewan Co-operative Wheat Producers Limited.....	61,459.74
	<u>\$103,020.80</u>
Signed on Behalf of the Board:	
J. H. WESSON, Director.	
W. J. PARKER, Director.	<u>\$201,155.82</u>

**AUDITORS' REPORT**

We have audited the accounts of Canadian Pool Agencies Limited for the year ended July 31st, 1944, and have received all the information and explanations we have required. Bank balances have been confirmed by certificate obtained 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. Responsibility for payment of any income tax is disclaimed by the Company and no provision for any income tax liability has been made on the Balance Sheet.

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 July 31st, 1944, and the results of operating for the year ended that date, according to the best of our information, the explanations given to us, and as shown by the records of the Company. All transactions coming under our notice have been within the powers and objects of the Company to the best of our information and belief.

Winnipeg, Manitoba, September 25th, 1944.

(Signed) MILLAR, MacDONALD &amp; CO., Chartered Accountants.

## EXHIBIT "B"

## STATEMENT No. 12

## CANADIAN POOL AGENCIES LIMITED, WINNIPEG, MAN.

## SUMMARY OF PATRONS' EQUITY ACCOUNT

For the Year Ended July 31st, 1944

	Debit	Credit
Balance at Credit July 31st, 1943.....		\$102,297.91
Distributed During 1943-1944:		
Patronage Dividend, Year 1942-1943.....	\$102,297.91	
Alberta Wheat Pool.....	\$ 20,127.82	
Manitoba Pool Elevators Limited.....	18,425.29	
Saskatchewan Co-operative Wheat Producers Ltd.....	63,744.80	
	<u>\$102,297.91</u>	
	102,297.91	102,297.91
Patrons' Equities for Year Ended July 31st, 1944, as per Exhibit C.....		103,020.80
Allocated as Follows:		
Alberta Wheat Pool.....	\$ 25,552.38	
Manitoba Pool Elevators Limited.....	16,008.68	
Saskatchewan Co-operative Wheat Producers Ltd.....	61,459.74	
	<u>\$103,020.80</u>	
Total at Credit July 31st, 1944, as per Balance Sheet—Exhibit A.....		103,020.80
Allocated as Follows:		
Alberta Wheat Pool.....	\$ 25,552.38	
Manitoba Pool Elevators Limited.....	16,008.68	
Saskatchewan Co-operative Wheat Producers Ltd.....	61,459.74	
	<u>\$103,020.80</u>	
	<u>205,318.71</u>	<u>205,318.71</u>



## CANADIAN POOL AGENCIES LIMITED

Winnipeg, Manitoba

## STATEMENT OF INCOME AND EXPENDITURE

For the Year Ended July 31st, 1944

## Income:

Commissions.....		\$109,579.38
Fire.....	\$ 74,765.42	
Bonds.....	19,967.09	
Accident and Sickness.....	161.07	
Liability.....	209.53	
Automobile.....	2,441.79	
Robbery and Burglary.....	415.87	
Floater.....	440.86	
Windstorm.....	(63.05)	
Steam Boiler.....	34.05	
Riot and Civil Commotion.....	343.57	
War Risks.....	500.00	
Lake Marine and Outturn.....	4,147.56	
Contingent.....	5,959.29	
Overriding.....	300.00	

109,623.05

Less: Brokerage Paid..... 43.67

\$109,579.38

## Other Income.....

3,923.19

Interest and Exchange—General.....	962.83
Interest on Investments.....	2,600.00
Miscellaneous.....	360.36

\$ 3,923.19

## Total Income for Year.....

\$113,502.57

## Expenses.....

10,481.77

Salaries (including cost of living bonus)....	\$ 7,098.61
Directors' Fees and Expenses.....	267.97
Rent and Light.....	734.63
Telephone and Telegraph.....	181.42
Printing and Stationery.....	520.20
Postage and Excise.....	142.76
Taxes and Licenses.....	242.62
Travelling Expense.....	157.55
Depreciation.....	353.50
Audit and Legal.....	471.65
Insurance.....	39.74
Annuity Expense.....	200.29
Miscellaneous.....	370.83

10,781.77

Deduct: Recovery from Inter-provincial  
Pool.....

300.00

\$ 10,481.77Balance, Equities for Year Ended July 31st, 1944, Carried  
to Exhibit B.....\$103,020.80

## LIABILITIES

<b>Cash in Bank</b> .....		<b>\$251,909.63</b>
Bank of Montreal—General Account.....	\$ 23,593.51	
—Savings Account.....	228,316.12	
	<u>\$251,909.63</u>	
 <b>Accounts Receivable</b> .....		 <b>78,019.68</b>
Canadian Pool Agencies Limited.....	\$ 77,594.45	
Advances to Inspection Staff.....	425.23	
	<u>\$ 78,019.68</u>	

<b>Current Liabilities.....</b>			<b>\$ 95,796.12</b>
Accounts Payable.....	\$ 84,235.54		
Fire Losses in Process.....	5,257.05		
Taxes Accrued.....	6,303.53		
		<u>\$ 95,796.12</u>	
<b>Reserve for Unearned Income.....</b>			<b>45,754.55</b>
Unexpired Portion of Premium Income.....	\$ 24,535.87		
Unexpired Portion of Insurance Commissions	32,315.26	56,851.13	
Less: Commissions Paid on Business Not Yet Taken Into Income.....		11,096.58	
		<u>\$ 45,754.55</u>	



Investments—Ledger Value.....	248,578.00
Dominion of Canada Bonds:	Par Value
1935 Loan—3%—Due 1955.....	\$ 50,000.00
Second War Loan—3%—Due 1952.....	37,500.00
Second Victory Loan—3%—Due 1954.....	75,000.00
Fourth Victory Loan—3%—Due 1957.....	87,500.00
	<u>\$250,000.00</u>
Market Value.....	<u>\$251,450.00</u>
Interest Accrued Thereon.....	1,593.75
Automobiles.....	3,000.00
	<u>\$583,101.06</u>

Capital Stock.....	175,000.00
Authorized—5,000 Shares at \$100.00.....	\$500,000.00
Subscribed—2,500 Shares at \$100.00.....	<u>\$250,000.00</u>
Paid Up Thereon.....	<u>\$175,000.00</u>
Capital Surplus.....	31,750.00
Premium at 12% on Capital Stock Subscribed.....	30,000.00
Surplus Realized on Investments Sold.....	1,750.00
	<u>\$ 31,750.00</u>
Shareholders' and Patrons' Equities—as per Exhibit "B".....	234,800.39
Allocated as Follows:	
Shareholders' Dividend.....	\$ 1.75
Patrons' Dividend:	
Manitoba Pool Elevators Limited.....	\$ 34,014.09
Alberta Wheat Pool.....	65,034.74
Saskatchewan Co-operative Wheat Producers Limited.....	135,749.81
	<u>234,798.64</u>
	<u>\$234,800.39</u>
Signed on Behalf of the Board	
J. H. WESSON, Director.	
W. J. PARKER, Director.	
	<u>\$583,101.06</u>

#### AUDITORS' CERTIFICATE

In our opinion the Balance Sheet of Pool Insurance Company as at December 31st, 1943, 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 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. Responsibility for payment of income tax is disclaimed by the Company and no provision of any income tax liability has been made on the Balance Sheet.

Winnipeg, Manitoba, February 21st, 1944.

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

## POOL INSURANCE COMPANY

## STATEMENT OF INCOME AND EXPENDITURE

For the Year Ended December 31st, 1943

Premiums on Business Written in 1943.....	\$619,040.65		
Less: Ceded to Other Companies.....	532,456.13		
			\$ 86,584.52
Deduct: Increase in Unearned Premium Reserve.....			7,543.24
Premiums Earned in 1943.....			79,041.28
Deduct: Losses and Adjustment Expense.....	88,762.30		
Less: Reinsurance Recoveries.....	74,994.60		
			13,767.70
Net Underwriting Income.....			65,273.58
Add: Commissions on Reinsurance Placed with other Companies (Earned Portion Only).....			257,456.93
Special Allowance by Lloyds in Lieu of Taxes.....			11,931.86
Inspection Fees on Elevators in British Columbia...			121.03
Total Revenue Before Commission Paid.....			334,783.40
Deduct: Commissions Paid—(on Earned Premiums Only)			61,259.33
Balance Available for Expenses and to Patrons and Shareholders.....			273,524.07
Deduct Expenses			
Excess Loss Insurance Premium.....		\$ 3,334.10	
Taxes, Licenses and Association Dues.....		11,612.61	
Inspection Service			
Salaries.....	\$ 10,232.62		
Board and Lodging.....	2,545.67		
Transportation.....	3,882.44		
Insurance.....	549.66		
Printing, Stationery and Miscellaneous.....	225.95		
			17,436.34
Administration			
Salaries.....	9,905.56		
Rent and Light.....	851.22		
Directors' Fees and Expenses.....	1,257.06		
Telephone and Telegraph.....	158.06		
Legal Expense.....	267.16		
Audit.....	375.00		
Travelling Expense.....	120.46		
Miscellaneous.....	1,039.46	\$ 13,973.98	46,357.03
			227,167.04
Add: Interest Earned.....			7,633.35
Balance—Available to Patrons and Shareholders for the Year 1943.....			\$234,800.39



# Canadian Co-operative Wheat Producers Limited

## DIRECTORS' REPORT 1943-1944

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

Gentlemen:

Again your Board considers it appropriate to preface its annual report with a reference to an event which strictly speaking does not come within the period under review. At a meeting of the boards of the three Pools held in Regina, September 22-23, 1944, it was decided to recommend to each provincial Pool board that it undertake to make a substantial reduction in handling charges on all grain, and that an effort be made to keep the charges as uniform as possible in the three provinces. Subsequently the Pools agreed to the following basic charges to become effective August 1, 1944:

On consigned grain:

Wheat	$\frac{1}{4}$ c	instead of	$1\frac{3}{4}$ c	a bushel
Oats	$\frac{1}{4}$ c	instead of	$1\frac{1}{4}$ c	a bushel
Barley	$\frac{1}{4}$ c	instead of	$1\frac{3}{4}$ c	a bushel
Rye	$\frac{1}{4}$ c	instead of	$1\frac{3}{4}$ c	a bushel
Flax	1c	instead of	3c	a bushel

On street grain:

Flax—3c instead of the Wheat Board spread of  $7\frac{1}{2}$ c

All other grain—1c instead of the Wheat Board spread of 3c

The usual commission and sales service charges were retained.

This reduction in handling charges was decided upon after a very full review of the present position of the Pools with regard to the volume of grain handled, the prevailing economic circumstances, the financial condition of the Pools and the outlook for the future, all considered in the light of the fundamental purpose of the Pools to give members "service at cost."

### Agricultural Policy

There was little change in government agricultural policy as it affected the prairie provinces for the crop year 1943-44. The Wheat Board continued to handle all wheat at \$1.25 a bushel initial payment, basis No. 1 Northern, Fort William; the ceilings on oats and barley remained at  $51\frac{1}{2}$  cents and  $64\frac{3}{4}$  cents a bushel respectively, together with advance equalization payments of 10 cents for oats and 15 cents for barley. The price for flaxseed was raised from \$2.25 a bushel to \$2.50 a bushel. (In March, 1944, it was announced the price would be \$2.75 a bushel, effective August 1, 1944.) The prices quoted are for top grades in store Fort William. No bonus was provided for wheat acreage reduction.

Apart from participating in the representations made to the government by the Canadian Federation of Agriculture (now an annual event) and submission by writing of the resolutions adopted at the Interprovincial Pool meeting on May 18-20, no representations on agricultural policy were made to the government by the Pools in the year under review.

### Board Meetings

At its first meeting in the crop year under review the Board in a formal resolution expressed its appreciation of the change in government policy with regard to wheat,

oats and barley, and welcomed it as a move in the direction of greater equity as between agriculture and other factors in the national economy. The Board also discussed material for a memorandum on post-war agricultural policy.

One change was made in the Board during the year, E. H. Keith, Alberta, taking the place of George Bennett, Alberta.

At a special meeting of the executive in Regina, April 26, 1944, the following questions were discussed:

- 1.—Feed grain supplies and the creation of a feed bank.
- 2.—The labor situation at the Head of the Lakes.
- 3.—Car allocation.

A telegram was sent to the Minister of Agriculture asking that an early announcement be made with regard to the prices of oats and barley and recommending that no change be made. In connection with the feed bank the Pools were assured by the Chairman of the Agricultural Supplies Board that the feed bank would be retained.

### **Income Tax**

The Board during the year gave special attention to the question of income tax on the Pools in connection with which several meetings were held between representatives of the Pools and members of the government and the income tax authorities. The government, as you are doubtless aware, has decided to proceed with assessment of the Pools, and the Pools are preparing to contest the case in the courts.

On July 12 a delegation under the auspices of the Co-operative Union of Canada, and representing the co-operative movement in every province in the Dominion, waited upon the government and presented a memorandum urging amendment of the Income War Tax Act to clarify the position of co-operatives with regard to taxation under the Act. The delegation, which was appointed as a result of a national co-operative conference held in Winnipeg, May 17-18, stated that because of vagueness in the wording of the section of the Act dealing with co-operatives and of certain departmental rulings there was grave uncertainty as to the position of co-operatives and this uncertainty affected the accounting of all co-operatives. The history of the relevant section of the Act was reviewed and evidence presented to the effect that it was manifestly the intention of the government of the day to exempt all co-operatives from the Act.

The delegation made the following recommendations:

1. That the Income War Tax Act be amended so as to make it clear that the net surplus created by a co-operative in trade relations with its members only is not taxable income or profit within the meaning of the Act, but savings effected in behalf of the members.
2. That a clear and comprehensive definition of what constitutes a co-operative be inserted in the Act.
3. That the Act be amended to make it clear that the surpluses of credit unions and other co-operatives arising from loan transactions with members is not profit but savings effected for members.
4. That the interest paid on shares in credit unions be exempt from the tax deductible at the source under Section 92 of the Act as in the case of interest on deposits.

The request of the organized farmers that the income from Wheat Board participation certificates be included in the income of the year in which the wheat was delivered was granted by the government under an order-in-council of August 1, 1944.



## **Production**

Nature was not so kind to the prairie provinces in 1943 as in 1942 and the wheat crop was substantially below that of 1942, both in yield per acre and volume. The area under wheat was reduced from 20,653,000 acres to 16,729,000 acres, and the yield fell from an average of 25.6 bushels per acre to 16.6 bushels. The third estimate of the Dominion Bureau of Statistics put the total production of the prairie provinces at 277,000,000 bushels as against 528,450,000 bushels in 1942. By provinces, the production was as follows (previous year in brackets): Manitoba 41,000,000 bushels (53,650,000); Saskatchewan 156,000,000 bushels (304,400,000); Alberta 80,000,000 bushels (170,400,000).

Although the area under oats was increased from 9,666,000 acres to 11,789,500 the production fell from 500,000,000 bushels to 392,000,000 bushels; barley production fell from 241,000,000 bushels to 204,000,000 bushels, although the sown area was increased from 6,414,000 acres to 7,896,000 acres; rye production fell from 23,000,000 bushels to 5,870,000 bushels, but with the sown area reduced from 1,246,000 acres to 498,100 acres. The area under flaxseed was increased from 1,466,000 acres to 2,918,400 and production increased from 14,700,000 bushels to 17,600,000 bushels.

## **Deliveries**

Deliveries of wheat from the farms to the country elevators in 1943 began with a quota of three bushels per authorized acre and was gradually increased, the quota being finally suspended altogether on May 30, 1944. Deliveries for the year from the farm as at July 31, 1944, were 325,000,000 bushels, although the maximum had been set at 280,000,000 bushels.

## **Carryover**

Despite the heavy deliveries in 1943-44, according to the Dominion Bureau of Statistics the carryover of wheat at July 31, 1944, was substantially reduced, stocks on hand totalling 355,176,183 bushels (the lowest carryover since 1940) as against 594,626,019 bushels in the previous year. Stocks of coarse grains at July 31 were as follows (previous year in brackets): Oats 108,543,320 bushels (149,340,515); barley 45,873,970 bushels (69,278,502); rye 5,576,061 bushels (15,267,755); flaxseed 3,649,125 bushels (3,740,121). Of this grain carryover the Dominion Bureau of Statistics gives the following carried on farms in the prairie provinces (previous year in brackets): Wheat 52,850,000 bushels (187,000,000); oats 61,830,000 bushels (102,000,000); barley 22,825,000 bushels (40,000,000); rye 1,000,000 bushels (6,000,000); flaxseed 814,000 bushels (385,000).

The reduced carryover of wheat indicates a disposal of approximately 533,000,000 bushels during the year. Of this exports accounted for about 344,000,000 bushels, including about 160,000,000 of Canadian wheat in the United States. It is estimated by the Bureau of Statistics that approximately 100 million bushels of wheat were sold as feed during 1943.

## **1944-45 Crop**

The area under wheat in the prairie provinces, according to the Bureau of Statistics, was substantially increased for the crop year 1944-45, being 23,052,500 acres as against 16,729,000 acres for 1943. There was a reduction of the area under oats, barley and flaxseed and a slight increase in the area under rye. The first estimate of the Dominion

Bureau of Statistics of the 1944-45 grain crop is as follows (previous year in brackets): Wheat 423,000,000 bushels (277,000,000); oats 398,000,000 bushels (392,000,000); barley 187,500,000 bushels (204,000,000); rye 9,175,000 bushels (5,870,000); flaxseed 9,821,000 bushels (17,600,000)

The estimates of the three Pools give a total wheat production of 401,861,000 bushels.

### U.S. Crop

The wheat crop of the United States for 1944-45 reached the record total of 1,132,105,000 bushels as against 836,298,000 in 1943-44, giving the country a total supply of 1,448,000,000 bushels as at July 31. The Dominion Bureau of Statistics gives the following "rough picture" of wheat utilization in the United States during the crop year 1943-44:

Human food.....	545,000,000 bushels
Animal feed.....	517,000,000 bushels
Alcohol production.....	107,000,000 bushels
Seed for 1944 crop.....	79,000,000 bushels
Exports, etc.....	42,000,000 bushels
	<hr/>
	1,290,000,000 bushels

### Wheat Prospects

The U.S. Department of Agriculture reports that present prospects are that the 1944-45 world wheat production, excluding that of the U.S.S.R. and China, may be little different from 1943, reflecting a large prospective increase in North America, offset by prospective decreases in other countries. Wheat stocks in the four major exporting countries on July 1, 1944, are now estimated at about 1,170 million bushels compared with the 1935-39 average of 457 million bushels. Unless abnormally large shipments are required by Europe during the 1944-45 year the surplus in prospect from the four exporting countries should go far toward meeting import requirements. Accordingly, total carryover stocks would be only moderately smaller on July 1, 1945, than they were on that date this year.

The International Wheat Council has announced that to the total Argentine, Australian, Canadian and United States stocks of old wheat on July 31, 1944, of slightly less than 1,100,000,000 bushels could be added 1944 production of nearly 2,000,000,000 bushels, making a total supply of about 3,000,000,000 bushels, and that from this could be deducted the 1944-45 domestic requirements of those countries amounting to about 700,000,000 bushels as food, and about 700,000,000 bushels for seed and other non-food uses, leaving available for export and carryover somewhat more than 1,600,000,000 bushels. The world carryover at the end of July, 1945, was estimated at 1,000,000,000 bushels and allowing for minimum working stocks of 200,000,000 bushels in each of the four countries there would be available at the end of July, 1945, to supplement 1945 production, exportable stocks of about 800,000,000 bushels.

### Interprovincial Pool Meeting

A meeting of the boards of the three Pools was held May 18-20, 1944, at Winnipeg. The following resolutions were adopted at this meeting:

1. That the Wheat Board handle all coarse grains and that the ceiling price be the initial payment plus the equalization payments of 10 cents on oats and 15 cents on barley.
2. That the government be requested to make the \$2.75 a bushel for flax an initial payment and that the Wheat Board issue participation certificates on flax deliveries and that the amount received for exports to the United States in excess of the \$2.75 a bushel be distributed to flax growers and not used to offset a deficit on domestic sales.



3. That the quota on deliveries of wheat be retained and whenever in the opinion of the Wheat Board there is a necessity for larger deliveries from the farm that the increased delivery be obtained by an adjustment of the quota to the particular situation.
4. That a permanent grain board be established to market all commercial grain produced west of Fort William.
5. That the attention of the Minister of Agriculture be drawn to the economic waste involved in the maintenance of horses for which there appears to be no use, on community pastures and that steps should be taken to dispose of these horses through any available channels.
6. That the income from final payments on wheat paid by the Wheat Board be included for income tax purposes in the income for the year in which the grain was delivered.

These resolutions were duly submitted to the responsible ministers and numbers 1 to 3 to the Wheat Board as well, and their receipt in each case was duly acknowledged. The request in No. 6 was conceded by order-in-council dated August 1, 1944.

In further discussion of a permanent grain board the meeting placed on record preference for a board composed of representatives of the organized producers.

Mr. D. A. Kane and Mr. Gordon Smith of the Wheat Board attended this meeting, and after a discussion lasting one hour and a half, it was agreed for the 1944-45 crop:

- 1.—That the quota system must be continued.
- 2.—That it may not be necessary to control the car supply.
- 3.—That if the crop be small the quota will be raised accordingly.
- 4.—That the supplies of wheat may be sufficient to meet the demand.

The meeting adopted a memorandum on agricultural reconstruction after the war which subsequently formed part of the memorandum submitted by the Canadian Federation of Agriculture to the House of Commons Committee on Reconstruction and Re-establishment.

Mr. Robertson reported to the meeting on projected enterprises in Saskatchewan for the industrial utilization of farm products.

### **Western Agricultural Conference**

The Western Agricultural Conference met in Winnipeg, January 21-22, 1944, with delegates present from all the four western provinces. The Conference faced a very heavy agenda consisting of seventy resolutions, and it was found impossible to deal with all the resolutions submitted by the member organizations. Those not dealt with were passed on to the annual meeting of the Canadian Federation of Agriculture. Resolutions adopted as recommendations to the C.F.A. meeting included the following: Parity prices; disposal of unused war equipment; marketing of oats and barley; quota system; national marketing legislation; international wheat agreement; Dominion Co-operative Act; congestion in packing plants; soil conservation; income tax on proceeds of livestock dispersal sales; relieving farmers of responsibility for collecting income tax on wages of farm help; creation of a national livestock organization.

All recommendations of the Conference were accepted by the Federation.

The following resolution was adopted by the Conference:

That in view of the increasing business coming before the Western Agricultural Conference the number of delegates permitted to each provincial organization be increased to six and that the delegation from each provincial organization be responsible for bringing formally before the meeting the resolutions from their organization.

J. H. Wesson, Saskatchewan, was re-elected president of the Conference, L. Hutchinson, Alberta, 1st vice-president, E. J. Chambers, British Columbia, 2nd vice-president.

### **C. F. A. Annual Meeting**

The Eighth Annual Meeting of the Canadian Federation of Agriculture was held in Quebec, January 27-29, 1944. Reports submitted to the meeting showed a steady and persistent development throughout the country, and the agenda reflected the growing concern with agricultural problems. The delegates were welcomed by Premier Godbout and were guests of the provincial government at a banquet at which the guest speaker was Paul H. Appleby, U.S. Under-Secretary for Agriculture. Premier Godbout also spoke briefly at the banquet, welcoming the delegates and urging that the people of Quebec and the people of the rest of Canada should try to understand each other and the farmers of Canada should study their problems and seek solutions together.

The theme of Mr. Appleby's interesting address he compressed into a sentence: The world can and should and must be adequately fed—everyone, everywhere. He referred to the decisions of the Hot Springs Conference and dealt with ways and means of making the decisions effective.

Visitors to the meeting included Lord de la Warr, Chairman of the Agricultural Research Council of Great Britain, who was introduced by Dr. Scott Watson, agricultural attache to the British Embassy, Washington, and the High Commissioner at Ottawa. Lord de la Warr addressed the meeting and urged more just treatment for agriculture everywhere and organized promotion of adequate nutrition for all peoples.

The many resolutions passed by the meeting were studied by the board and incorporated in a memorandum for presentation to the Dominion government.

### **C. F. A. Meets the Government**

A delegation from the Canadian Federation of Agriculture met nine members of the Dominion Government, including the Prime Minister, on February 3, 1944, and presented a memorandum containing the recommendations with regard to agricultural policy adopted by the annual meeting of the Federation.

The main features of the submission to the government were:

Endorsement of the recommendations of the sub-committee for Agriculture of the Post-War Reconstruction Committee regarding farm credit, central mortgage bank, improvement of farm homes, buildings and equipment, improved methods of agricultural instruction and training.

Approval of the government's wheat policy and recommendation that the Wheat Board be the sole marketing agency for coarse grains, that the initial payments on deliveries of coarse grains be the present ceiling prices and include the equalization payments now in effect.

That the Prairie Farm Assistance Act be amended to provide that it may apply to any six or more contiguous sections of land where crop failure is experienced as if such sections were included within the boundaries of a crop failure area that may be declared under the Act.

That a Board of Livestock Commissioners be established.

That protection be provided the producer for loss sustained through congestion in packing plants.

That consideration be given to the opening of the United States market for live cattle.

That a Dominion Marketing Act be passed which would continue the stability established by the War Measures Act and the Wartime Prices and Trade Board.



That a Dominion Co-operative Act be passed and that the government take the necessary steps to remove all obstacles of a legal, institutional or fiscal character to the full and complete functioning of co-operative organizations.

That the income tax on farm income be assessed on the average income of a definite period of years.

That plans for post-war settlement on farm lands be worked out in conjunction with policies designed to place agriculture on a secure and healthy footing.

A number of recommendations from the Dairy Farmers of Canada which had been endorsed by the Federation were included in the memorandum and the Federation repeated previous recommendations regarding soil conservation and nutritional policies.

With regard to subsidies the memorandum stated that the Federation neither approved nor condemned the payment of subsidies but accepted subsidies as the government's policy designed to prevent inflation, and emphasized the statement of Hon. J. L. Ilsley, made in the House of Commons, April 23, 1942, that "subsidies are being paid in the interests of the consumer." The Federation, however, asked for some assurance from the government with regard to the relation between the subsidies and farm prices generally after the war.

### **C.F.A. Memorandum on Reconstruction**

On July 25 a memorandum on agricultural policy was submitted to the House of Commons Committee on Reconstruction and Re-establishment by H. H. Hannam on behalf of the Canadian Federation of Agriculture.

The brief declared that "the very core of any reconstruction program in agriculture must be carefully planned measures designed not merely to stabilize farm prices but to support the general farm price level and maintain it in proper relationship with other price levels and other elements in our national economy."

The brief further declared that the application of modern science to farming had brought only a prolonged period of increasing production in excess of effective demand, and because of instability of prices and markets, impoverishment to the farming class.

Further outstanding declarations of the brief were:

That, hand in hand with more control of price, should go more control of marketing of farm products, to effect more orderly and effective marketing. The Canadian Wheat Board, the Nova Scotia Apple Marketing Board, and Marketing Boards in British Columbia and Ontario under provincial legislation, were examples of techniques that might be used to advantage in post-war years. In this respect the brief urged maximum participation by producers in formulation of policy and administration of plans.

That, in view of the vital importance to Canada of export trade in farm products, the Dominion should give a strong lead in development of international commodity arrangements, and establishing machinery for other international projects of a co-operative nature.

That, with a known market and assurance of remunerative prices, farmers will realize that in some way they must plan their production program to correspond with the requirements of the known market. Some direction of production into desired channels would be advisable.

That every possible assistance be given to the development of the co-operative movement in Canada, covering not only distribution but processing, manufacturing, credit facilities and community services. The brief expressed

belief in the co-operative movement as the very essence of democracy, and declared for a Dominion Co-operative Act, and a further examination of the Dominion's laws, regulations and institutions to determine if legal or institutional obstacles to co-operative development exist, so that desirable adjustments might be made.

That the policy of the Farm Loan Board should be altered to make it possible for the Board to provide a larger percentage of the capital required for the purchase of farm machinery; an increase in the maximum amount of loans for stock and equipment, with interest payments for the first two years only, and a lower interest rate on both types of loan.

That a program of security for agriculture in the post-war period must of necessity include a long-term program for soil conservation.

### **Report of Advisory Committee on Reconstruction**

The report of the Advisory Committee on Reconstruction under the chairmanship of Dr. Cyril James, was tabled in the House of Commons on January 28, 1944. The section of the report dealing with agriculture was prepared by a sub-committee under D. G. McKenzie, Chairman of the Board of Grain Commissioners. The recommendations of the committee on agriculture included the following:

An interest rate of  $4\frac{1}{2}$  per cent. on loans made by the Farm Loans Board.

Consideration by the government to the establishment of a central mortgage bank.

Classification of agricultural lands and restriction of settlement on sub-marginal lands.

Promotion of freer international trade relations.

A plan to increase food consumption in the low income groups.

National marketing legislation.

Encouragement of agricultural co-operation.

Research on industrial uses for farm products.

Terminal market facilities in large urban centres.

Expanded research on land utilization.

Assistance to farmers' sons and settlers desiring to acquire farms which are for sale or rent by farmers too old to operate them.

A farm housing scheme.

Dominion assistance for rural electrification.

### **House of Commons Special Committee**

The Sub-Committee on Agricultural Policy, of the House of Commons Special Committee on Reconstruction and Re-establishment, in its report recommended:

That marketing facilities for agriculture be improved by government encouragement of producers' co-operatives.

That research on the utilization of all farm products be extended.

That improved road and trucking facilities be developed.

That national nutritional policies be established.

That research and vocational training in agriculture be extended.

That legislation, similar to the Prairie Farm Rehabilitation Act with provisions applicable to agriculture throughout Canada, be enacted.

That land settlement be developed on properly soil-surveyed land, and that the sub-marginal lands be withdrawn from use for crop production and set aside for reforestation, community pasture, or other suitable use.

That farm credit facilities be extended through the liberalization of loan conditions under the Canadian Farm Loan Act, through the establishment of a Central Mortgage Bank, and by the encouragement of credit unions.



That provision be made in post-war housing schemes for the construction of homes for hired workers, and for assistance to farmers to build and improve farm dwellings and acquire labor-saving devices for the farm home.

That the Dominion Government give financial assistance toward the provision of electricity to rural areas.

That the Dominion and Provincial Governments encourage the development of community cultural and recreational centres in rural areas by providing long-term, low-interest loans to local co-operative associations.

### **Report of the Canadian Wheat Board**

The annual report of the Canadian Wheat Board for the crop year 1942-43, tabled in the House of Commons, March 25, 1944, showed a surplus from operations in the western division for the period August 1, 1940, to July 31, 1943, of \$39,872,275. The Board commenced the 1943-44 year's business with unsold stocks of 244,474,016 bushels to which were added deliveries in 1943-44 totalling 167,506,531 bushels. Stocks on hand at July 31, 1943, totalled 205,717,958 bushels, which appear in the assets at a value of \$184,670,531.

### **Payments on Participation Certificates**

As announced by Hon. J. A. MacKinnon on September 28, 1943, and recorded in our report last year, the Wheat Board took over all stocks of wheat except those held on farms at the open market closing price of September 27, namely \$1.23  $\frac{1}{2}$  a bushel basis No. 1 Fort William.

On April 14 Mr. MacKinnon announced that payment was to be made on Wheat Board participation certificates on wheat deliveries made in 1940, 1941 and 1942. The basic payments were 6  $\frac{3}{8}$  cents a bushel on the 1940 deliveries; 14  $\frac{7}{8}$  cents a bushel on the 1941 deliveries; 11  $\frac{1}{4}$  cents on the 1942 deliveries. The total amount to be distributed was approximately \$59,000,000 among about 200,000 farmers. The bushelage and amounts for each year were as follows:

Year	Bushels	Certificate Value
1940.....	395,300,000	\$25,400,000
1941.....	99,500,000	14,800,000
1942.....	167,500,000	18,800,000

### **Legislation**

The request of the organized farmers for the stabilization of agricultural prices for a period after the war has been conceded in principle at least in the "Act for the support of the prices of agricultural products during the transition from war to peace." The Act provides for the establishment of a board of three members, and while it does not specifically provide for an agricultural representative on the board it does provide that a member of the Civil Service may be a member.

The board is empowered to support prices of all agricultural products except wheat (which is taken care of separately) by purchase or by paying farmers the difference between what the board may consider a fair price and the average price over a period of time as determined by the board. The price to be set for any agricultural product is entirely within the judgment of the board, the Act stating merely that "the board shall endeavor to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavor to secure a fair relationship between the returns from agriculture and those from other occupations." The wording would indicate a recognition of the principle of "parity prices." A fund of \$200,000,000 is provided for the board's purposes.

Mr. J. G. Taggart has been appointed chairman of the Agricultural Prices Support Board; Mr. A. M. Shaw and Dr. J. F. Booth have been appointed temporary members of the board.

The Farm Improvement Loans Act provides for a guarantee to banks of loans made for the purchase of implements or stock, to fence or drain land, to improve old or construct new buildings or to install electric systems under the conditions laid down in the Act. Loans are limited to \$3,000, repayable in not more than ten years, with simple interest at five per cent. The loans are to accord with the usual terms of security.

The Act to give effect to the agreement for United Nations Relief and Rehabilitation Administration affects agriculture in the provision for food for the stricken parts of Europe. The governor-general is empowered to do whatever is necessary to carry out Canada's obligations under the international agreement and a fund of \$10,000,000 is provided for the purposes of the Act.

The Surplus Crown Assets Act establishes the War Assets Corporation, invested with powers, subject to "direction and control" of the Minister of Munitions and Supply, to dispose of all property which is held by any department of government and is not needed. A Crown Assets Allocation Committee is also set up which is to advise the minister and make recommendations with respect to the disposal of any surplus crown assets.

The Veterans' Land Act provides for assisting qualified ex-servicemen to buy a farm to be operated on a full-time farming basis, or to buy a rural or semi-rural home (small holding) with the main part of his income derived from industrial or other employment.

The Act provides a maximum loan of \$6,000 to cover cost of land and improvements, livestock and equipment. The maximum for land and improvements is \$4,800; the maximum for livestock and equipment is \$1,200. The veteran must deposit in cash ten per cent. of the cost of land and improvement; he has to repay two-thirds of the cost of land and improvements within a period of twenty-five years with interest at  $3\frac{1}{2}$  per cent. amortized. The remainder of the cost is borne by the Dominion Government together with the cost of livestock and equipment.

The Customs Tariff was amended by the removal of all duties and the war exchange tax from imports of farm machinery.

The Bank Act was amended to provide for the operation of the Farm Improvement Loans Act; reduction of the maximum interest rate on bank loans from seven to six per cent.

The National Housing Act provides for loans for the construction of houses on farms in accordance with the terms of the Act and that payments of principal, interest and taxes in connection with such loans be "in such manner as will accord as nearly as may be practicable with the probable receipts of income by farmers from farming operations." Loans under the Act are made jointly by the government and an approved lending institution, carry  $4\frac{1}{2}$  per cent. interest, are repayable in twenty years and are secured by a first mortgage on the property. The amount of the loan may not be less than 50 per cent. of the lending value of the house, nor more than:

- 1.—Ninety-five per cent. of the first \$2,000 of the lending value;
- 2.—Eighty-five per cent. of the amount by which the lending value exceeds \$2,000 and does not exceed \$4,000;



- 3.—Seventy per cent. of the amount by which the lending value exceeds \$4,000.

### Subsidies

According to the *Economic Annalist* for May, 1944, the following subsidies to agriculture were paid out by the Dominion Department of Agriculture during the year 1943:

Fluid Milk.....	\$ 4,968,477
Butterfat.....	15,724,915
Concentrated Milk.....	464,955
Milk—Cheddar Cheese.....	800,270
Cheese—Bonus on quality.....	1,385,948
Cheese Factory Improvement.....	73,142
Fertilizer Subventions.....	860,742
Lime Subsidy.....	38,715
Feed Freight Assistance.....	15,940,833
Alfalfa Meal.....	37,750
Feed Wheat Drawback.....	2,233,466
Feed Assistance Plan.....	1,217,453
Sugar Beet Pulp.....	25,829
Wheat Acreage Reduction.....	31,017,799
Prairie Farm Assistance.....	806,474
Prairie Farm Income.....	67,275
Canning Crops.....	933,677
Berries for Jam.....	200,000
Wool.....	90,187
<b>Total.....</b>	<b>\$76,887,957</b>

According to a report made to the government by Mr. Donald Gordon, Chairman of the Wartime Prices and Trade Board, payments in connection with price support measures as from December 1, 1941, to December 31, 1943, total \$115,378,235.

It cannot be too strongly urged or too often repeated that food subsidies are designed expressly to keep prices within specific ceilings and are for the benefit of consumers and not producers.

It may be added that if full effect is to be given by governments to the principles adopted at the Hot Springs Food Conference subsidies or price supports may be here to stay as the only way to make food available to all within the purchasing power available and at the same time ensure adequate remuneration for the producer.

### Net Farm Income

The Dominion Bureau of Statistics has recently issued a bulletin giving the net farm income for the years 1940-43, including the government payments and the value of produce grown and consumed on the farm. The figures for the three prairie provinces are (in millions of dollars):

	1940	1941	1942	1943
Manitoba.....	43,267	57,790	101,237	102,866
Saskatchewan.....	106,848	105,785	308,866	163,084
Alberta.....	92,503	88,869	235,636	128,662

These figures, which involve much detailed computation and at best can be only approximate, reveal at least one thing—the precarious and fluctuating character of the farm income.

The census of 1941 records the following number of farms in the prairie provinces: Manitoba 58,022; Saskatchewan 138,703; Alberta 99,716. Taking these figures the average net income per farm home in the three provinces is as follows:

	1940	1941	1942	1943	4-year Average
Manitoba.....	\$746	\$996	\$1744	\$1773	\$1315
Saskatchewan.....	770	763	2226	1176	1234
Alberta.....	928	891	2363	1290	1368

It may be noted in comparison that the Bureau of Statistics gives the average earnings of male workers in Canadian industry in 1942 as \$1,558 a year.

### **Freight Assistance**

Freight assistance was paid on 28,380,081 bushels of wheat from the prairie provinces to the east and to British Columbia in the crop year 1943-44, as compared with 19,039,138 bushels in the previous year.

### **P.F.A.A. Levy**

Collections under the Prairie Farm Assistance Act for the crop year 1943-44 totalled \$4,714,706.78, the collections for each province being as follows: Manitoba \$779,490.76; Saskatchewan \$2,743,544.09; Alberta \$1,191,529.30. The total collected from this levy as at July 31, 1944, amounted to \$13,907,738.07.

For the crop year ending July 31, 1944, the amount paid out of this fund was \$7,263,672; the total amount paid out since the inception of the fund in 1939-40, to July 31, 1944, is \$39,454,417.

### **Obituary**

We regret to record the death of J. P. Jenkins, of Kelvington, Saskatchewan, on June 25. Mr. Jenkins served on the Central Board from February 28, 1941, to January 12, 1943.

### **Argentina Futures Market**

After being closed for over two years, following the assumption of control of the grain trade by the Grain Regulatory Board on behalf of the government, the grain futures market of Buenos Aires, Argentina, was re-opened last March for trading in oats, barley, rye of the 1943-44 crop, sunflower seed 1943-44 crop, and corn of any crop for domestic use but not for export. Wheat, linseed and corn for export were excluded from operations of the exchange because they are a government monopoly under which the producers are guaranteed a market and a price.

### **Elevators in Argentina**

In the early part of 1944 the government of Argentina announced that it would take possession of all grain elevators, storage sheds, bins and silos with the machinery and equipment, situated in the ports of Argentina or the immediate neighborhood. These properties were declared to be a public utility thus making them legally subject to expropriation proceedings. The government also stated that the operation of these grain handling facilities was to be placed under the Argentine National Grain and Elevator Board which would be given a monopoly of the export of grain. No report has appeared indicating that the elevators have actually been taken over and the announcement appears to be a repetition of a promise made to the grain growers some years ago. The plan now includes the formation of shipping co-operatives at each elevator point, in which membership will be compulsory as in the livestock growers' corporation.

### **Co-operative Societies**

The latest figures for co-operative societies in the Dominion of Canada were published in *The Economic Annalist*, November, 1943, and are for the year ending July 31, 1942. The distribution and the business of farmers' co-operative marketing and purchasing societies in the four western provinces, with corresponding figures



for the eastern provinces in brackets, is as follows: Number of associations 859 (857); members or shareholders 398,990 (116,556); sales of farm products \$117,387,013 (\$78,345,347); sales of merchandise \$18,891,642 (\$21,371,262); total business \$136,278,655 (\$99,716,609).

In addition to these societies there were six associations whose business could not be allocated to provinces, the figures for these six associations being: Members or shareholders 45,768; sales of farm produce \$19,030,620; sales of merchandise \$2,064,543; total business \$21,095,163. The grand total of business done by all the co-operative associations was \$257,090,427.

It is of interest to note that, according to *The Economic Annalist*, during the past eleven years farm products marketed co-operatively have averaged annually as follows per occupied farm: Saskatchewan \$361; British Columbia \$310; Alberta \$302; Manitoba \$242. The annual average for all Canada for the years 1931-42 was \$217 per farm.

### **The F.A.O.**

The Interim Commission appointed in July, 1943, to prepare and submit to the governments concerned a plan and a constitution for a permanent international organization to carry out the recommendations of the Hot Springs Food Conference, has prepared a plan, it was recently announced, which has been submitted to the governments and which will become internationally effective when twenty governments have accepted it.

The broad objective of the Food and Agriculture Organization of the United Nations, which this plan calls into existence are (1) to raise levels of nutrition and standards of living throughout the world; (2) to promote improvements in the production and distribution of all foodstuffs; (3) to better the conditions of rural populations; to contribute by these means to an expanding world economy. The member nations are to report to each other through the F.A.O. on the measures taken for the achievement of these purposes and the progress made.

It is hoped that the inaugural meeting of the F.A.O. will be held in January, 1945. The plan is the work of the representatives of forty-four governments.

### **The Problem of Food**

The work of the United Nations Relief and Rehabilitation Administration (UNRRA) for the immediate period after the war and that of the permanent committee appointed to give effect to the recommendations of the Hot Springs Food Conference, have considerable significance for Canadian agriculture. We often hear and read that we are living in an era the tragic characteristic of which is "poverty in the midst of plenty." The truth is there is not plenty anywhere; in food supplies, on the basis of adequacy for health, strength and physical well-being as defined by modern nutritional scientists, there is poverty over the greater part of the earth. Even in what are regarded as the wealthy countries of the world fifty per cent. of the people in normal conditions do not get, because they cannot afford, a sufficiency of what are called the protective foods, that is, dairy products, meat, fruit and vegetables. It has been estimated that in the United States, for example, production of these foodstuffs, in order to provide an adequate diet available to all the people would have to be increased from 15 per cent. in some foods to 100 per cent. in others. In Great Britain a similar estimate gives an increase of 25 per cent. to 65 per cent. In most European countries the situation is worse; in India and China it is appalling.

In this connection it may be noted that war prosperity in Canada, with its increase in purchasing power in the hands of the people has led to substantial increases in the consumption of milk, cheese, and dairy products generally (except butter which is rationed), meats, eggs, vegetables and fruits.

According to the Atlantic Charter the new world is to be free from want, and that means not only the production of plenty and making the plenty available to all peoples, but the planning of the production in such manner that the most efficient and most economic use will be made of the earth's resources. If, for example, the crowded countries of Europe could be induced to specialize in the production of the foods which require more or less intensive agriculture, there would be no worry about disposing of the crops which are better grown by extensive agriculture. Such a division of agricultural production would be a blessing to the whole world and it is to such an organization of world agriculture that the world must turn in the future. That will be the special work of the proposed Food and Agriculture Organization of the United Nations and there should be no hesitation on the part of the organized farmers of every country to give every support to this effort to solve the great problem of an adequate food supply by the application of the principles of co-operation.

Respectfully submitted

JOHN H. WESSON	} <i>Executive</i>
W. J. PARKER	
BEN S. PLUMER	
W. J. BALL	
J. W. BALDWIN	
G. N. McCONNELL	
E. H. KEITH	
A. D. YOUNG	
G. G. COOTE	



**Canadian Pool Agencies Limited**  
**DIRECTORS' REPORT**  
**1943-1944**

October 12th, 1944.

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

Gentlemen:

We submit herewith for your approval our Sixteenth Annual Report and Financial Statements covering the fiscal year ended July 31st, 1944, and you will notice that once again a favourable surplus has been produced. The surplus for the year amounts to \$103,020.80 as compared with \$102,297.91 last year.

The steady earning capacity of your Agency has been maintained due to the increased prices of grain. As the price of grain for insurance purposes has been fixed, any fluctuation in stocks on hand will reflect itself in our future earnings. If the trend of reducing stocks continues we must therefore anticipate reduced earnings next year.

Continuing the usual practice, your Agency is operated on the principle that service comes before profit and it continues to serve the Pool organizations in protecting their interests in the insurance field in a manner not wholly reflected in the earnings of the Company, and in this regard we have been able to obtain slight reductions in rates on miscellaneous types of insurance. Those reductions, while being direct savings to the parent organizations, reflect decreased earnings of the Agency.

Twelve types of insurance were handled by your Agency. By far the greatest income is derived from fire insurance, next comes fidelity bonds and then Lake marine insurance.

The operating surplus, in accordance with the usual practice, is paid out within a few months of the close of the fiscal year as a patronage dividend to the three provincial Pools, based on the amount of business contributed.

Appended hereto is the Balance Sheet and Statements of Patrons' Equity and Income and Expenses of your Company as at July 31st, 1944.

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 and Liabilities**

*Accounts Receivable:* Under this heading is an item of "Commissions Receivable" previously referred to as being due from the agency trust funds.

*Loan Accounts:* There is no demand for automobile financing at the present time. The loans are all personal

loans that are fully guaranteed. Interest is thus earned on a small part of our surplus funds without tying them up for any lengthy period. In addition the Agency secures new insurance on property in which the borrower is interested. Insurance once obtained in this manner is also usually renewed.

**Pool Insurance Company Account:** This Agency and Pool Insurance Company are operated by the same management and staff and the salaries of the office employees are split between both organizations as are other items of expense that are not definitely applicable to either organization. This item is the amount due from Pool Insurance Company to make the adjustment.

**Investments:** The amount shown under this heading represents the cost price of purchases of \$80,000.00 of Dominion of Canada Bonds, 3½%, redeemable June, 1966. The market value of these bonds as at the date of the Balance Sheet represented an amount of \$81,600.00, which is in excess of the cost price of the Bonds. While there has been some fluctuation in the value of these Bonds it is our belief that they offer the best medium of obtaining an earning without undue risk of loss.

**Membership Deposits:** This represents deposits which we are required to make to the Insurance Agents' Association as a guarantee that we will comply with their rules and regulations and are returnable in cash should we withdraw from membership.

**Furniture and Equipment:** During the year some small items of equipment were purchased which slightly increased the total cost of our equipment. However, we continue to carry this asset at the nominal sum of \$500.00 by adding to the depreciation reserve the sum of \$353.50.

**Accounts Payable:** This amount represents miscellaneous accounts included in this year's expenses, but which had not been paid at the date of the statement.

**Reserve:** This sum has been built up over a period of years to provide for the possibility of unusual cancellations, for investment losses and any other contingencies that may arise. We did not increase the reserve account this year as it is deemed sufficient to take care of our requirements.

### Equity to Shareholders

**Capital Stock:** The ownership of the Capital Stock of the Company is held by the three provincial Pool organizations as follows:

	Number of Shares	Value
Manitoba Pool Elevators.....	666	\$ 6,660.00
Saskatchewan Co-operative Producers Limited.....	667	6,670.00
Alberta Wheat Pool.....	667	6,670.00
<b>Total.....</b>	<b>2,000</b>	<b>\$20,000.00</b>

**Patrons' Equity:** The item of \$103,020.80 represents the surplus earnings for the year ended July 31st, 1944. This amount is available for payment as patronage dividends and represents a return of 93.98% of the total commission received by your Agency. Divided on the basis of patronage each Pool will receive the following:

Alberta.....	\$25,552.38	
Manitoba .....	16,008.68	
Saskatchewan.....	61,459.74	\$103,020.80

Further details of Patrons' Equity are shown in Exhibit "B".



## Profit and Loss Account

**Income:** We have set out the original sources of commission earnings in the belief that this information may be of interest. You will note that the greatest volume of income is derived from fire insurance, automobile insurance, fidelity bonds and Lake marine insurance.

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

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

Respectfully submitted,

JOHN H. WESSON  
W. J. PARKER  
BEN S. PLUMER  
E. H. KEITH  
G. G. COOTE  
G. N. McCONNELL  
J. W. BALDWIN  
A. D. YOUNG  
W. J. BALL

# Pool Insurance Company

## DIRECTORS' REPORT

1943-1944

Winnipeg, Manitoba,  
February 29th, 1944.

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

Gentlemen:

We have pleasure in submitting herewith for your approval the Fifth Annual Report and Financial Statements covering operations for the year ended December 31st, 1943.

The result for the year is a surplus of \$234,800.39 as compared with \$149,356.55 last year. This very favourable showing is brought about mainly by the substantial increase in the premium income due to the increased price of grain and the continued favourable loss experience. In the face of the very low rates at which the insurance is now written, being the lowest in the history of the business, we did not anticipate this good experience.

The total premium income amounted to \$619,040.65 as compared with \$443,119.17 last year. After placing reinsurance the net earned premium income was \$79,041.28 with net losses of \$13,767.70, or a loss ratio of 17.41% as compared with 25.27% last year. During the year two elevators and their contents were totally destroyed by fire, namely Mervin, Saskatchewan, and Veldt, Alberta, and fourteen small losses were recorded, five at dwellings and nine at elevators.

The inspection of all Pool property insured by your Company is, we consider, an essential part of our operations and, with the gasoline restrictions, it is becoming difficult to maintain the type of inspection service we desire. Up to the present, as this report indicates, we have not suffered by the decrease in our number of inspections, but we must urge upon all interested parties to maintain a steady vigilance and eliminate as far as is humanly possible all the fire hazards around the premises. We believe the co-operation between the country elevator agents and our fire inspectors in the past has helped to maintain the favourable record which the Company has experienced since the commencement of operations.

You may be interested in the values 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 December 31st, 1943. The value of the grain is the daily average for the year.

Country Elevators.....	\$26,109,418.00
Grain therein.....	63,602,589.58
Dwellings.....	1,419,017.00
Furniture, Fixtures and Miscellaneous.....	119,175.00
	<u>\$91,250,199.58</u>

In the past the policy of the Company has been to reinsure 90% of the liability on country elevators, grain and office furniture. However, in view of the very good loss experience, the portion reinsured was reduced to 85% as of August 1st, 1943; thus your Company is now liable for 15% of each fire loss on these risks. We do not place any reinsurance on the agents' dwellings as the experience shows dwellings are preferred risks.



The total revenue shown in the statement is made up of the earned premiums on our percentage of the risks and commission earned on the reinsurance less losses and earned commission paid to Canadian Pool Agencies Limited. In addition the item of \$11,931.86 is the amount paid to us by Lloyds for their share of taxes and Underwriters' Association expenses. The small item of \$121.03 is an allowance to cover inspection costs from the Insurance Company insuring two elevators in British Columbia. There is not sufficient revenue derived from the insurance on the British Columbia elevators to warrant our taking out a license in that 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. The next important item covers taxes, licenses and underwriters' fees.

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 General and Savings Bank Accounts are shown.

*Accounts Receivable:* Under this heading is an amount due from Canadian Pool Agencies Limited covering business placed with the Company through the Agency. The item of \$425.23 represents the amount advanced to our inspectors to cover travelling expenses.

*Investments:* You will notice the market value of the Company's investments exceed the ledger value by over \$2,850.00.

*Automobiles:* We have depreciated the value of the four automobiles used by our Fire Prevention Inspectors by \$1,000.00, leaving the asset as shown on the statement at \$3,000.00, which is slightly less than the actual value of the automobiles.

### **Liabilities**

*Accounts Payable:* This amount is composed of premiums due reinsurance companies and includes some small items of expense which had not been paid prior to the year end. The item covering taxes accrued represents War Revenue Tax and Fire Prevention Taxes due the governments.

*Reserves for Unearned Income:* These reserves are calculated on the basis of 100% of the unearned premiums on our own retention and 100% of the commission on the unexpired portion of the reinsurance as at December 31st, 1943.

*Capital Stock:* The ownership of the capital stock of Pool Insurance Company is held by the three provincial Pool organizations. The Alberta Wheat Pool and Saskatchewan Co-operative Producers Limited hold 833 shares each, while Manitoba Pool Elevators hold 834 shares. The paid-up capital totals \$175,000.00 plus \$30,000.00 premium on capital, or a total investment of \$205,000.00 contributed as follows:

Manitoba Pool Elevators.....	\$ 68,388.00
Saskatchewan Co-operative Producers Limited.....	68,306.00
Alberta Wheat Pool.....	68,306.00
	<hr/>
	<b>\$205,000.00</b>

The \$30,000.00 premium on capital stock referred to above was provided to create a surplus required by the Dominion 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.

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,

JOHN H. WESSON, *President*  
W. J. PARKER, *Vice-President*  
BEN S. PLUMER, *Executive*  
G. G. COOTE  
G. N. McCONNELL  
J. W. BALDWIN  
A. D. YOUNG  
W. J. BALL  
E. H. KEITH



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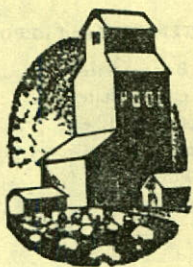
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# *One and a Half Billion is a Lot of Bushels*

During the twenty years that Saskatchewan Co-operative Producers have been in the grain marketing business, more than 1,500,000,000 bushels of all grains have been handled.

Because of the increasing patronage of Pool elevators it has been possible through the years to bring the handling charges of grain down.

This has been reflected in increased savings to the farmers of Saskatchewan who have shared in the fruits of co-operative marketing.



## Saskatchewan Pool Elevators Limited

*Head Office:*  
REGINA