

*Saskatchewan  
Co-operative Wheat Producers  
Limited*

**EIGHTH  
ANNUAL  
REPORT**



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REGINA, SASKATCHEWAN  
1932

McGILL UNIVERSITY

## *Proposed Agenda of Business for Annual Meeting*

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- 1.—Appointment of Chairman.
- 2.—Notice of Annual Meeting.
- 3.—Resolution to adopt Agenda.
- 4.—Minutes of Previous Meeting.
- 5.—Report of Resolutions Committee.
- 6.—Report of Board of Directors.
- 7.—Resolution to Receive Directors' Report.
- 8.—Discussion of Directors' Report.
- 9.—Financial Statement and Auditors' Report.
- 10.—Discussion of Financial Statement.
- 11.—Adoption of Directors' Report.
- 12.—Adoption of Financial Statements.
- 13.—Remuneration of Auditors.
- 14.—Appointment of Auditors.
- 15.—Consideration of Amendments to Articles of Association.
- 16.—Consideration of Resolutions set out in Notice of Meeting.
- 17.—Consideration of other matters that may properly come before the Meeting.
- 18.—Adjournment.



# SASKATCHEWAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

## Directors' Report

Regina, Saskatchewan,  
1st November, 1932.

In presenting this Eighth Annual Report to the Annual Meeting of delegates your Board of Directors has endeavoured to outline fully the operations of the entire Wheat Pool Organization during the past year. In addition to a survey of Saskatchewan Co-operative Wheat Producers Limited, Saskatchewan Pool Elevators Limited, and the other subsidiary Companies which constitute the Saskatchewan Wheat Pool, the complete Reports of Canadian Co-operative Wheat Producers Limited and Canadian Pool Agencies Limited are also appended for the information of Saskatchewan Pool delegates.

### Voluntary Pool, 1931-1932

#### Deliveries

A total of 1,082,054 bushels of wheat was delivered by Pool members to be marketed through the Pool for the crop year 1931-32.

As a result of the possibility of heavy deliveries to this Pool towards the end of June, when prices were at a very low level, it was decided to make a cut-off, in accordance with the authority vested in the Board under the Grower's Contract. This cut-off became effective on 28th June. All grain delivered after that date was handled in a separate Pool.

The number of bushels of each grade of wheat delivered to these Pools is shown below:—

#### Pool No. 1

Grade	Bushels
1 Hard.....	110,180-30
1 Northern.....	513,399-00
2 Northern.....	291,213-45
3 Northern.....	56,149-40
4 Northern.....	2,035-30
Tough 1 Hard.....	3,485-10
Tough 1 Northern.....	16,177-50
Tough 2 Northern.....	47,872-50
Tough 3 Northern.....	12,768-20
Tough 4 Northern.....	1,882-45
Smutty 1 Northern.....	1,689-20
Smutty 2 Northern.....	119-00
Smutty 3 Northern.....	669-20
Rejected 2 Northern.....	68-30
Rejected 3 Northern Sprouted.....	875-10
Tough Rejected 1 Northern Mxd. Heated.....	1,380-10
Sample Wheat Mixed Heated.....	958-30
2 C. W. Amber Durum.....	1,723-30
3 C. W. Amber Durum.....	95-00
Total.....	<u>1,062,743-50</u>

#### Pool No. 2

Grade	Bushels
1 Hard.....	1,363-30
1 Northern.....	10,117-30
2 Northern.....	5,312-40
3 Northern.....	474-00
4 Northern.....	251-00
Tough 1 Northern.....	1,567-30
Tough 2 Northern.....	224-00
Total.....	<u>19,310-10</u>

Of the total deliveries of 1,082,054 bushels marketed under the pooling system last season, 90.75% was delivered through Saskatchewan Pool Elevators Limited, 6.62% was loaded over the platform, and the balance of 2.63% was delivered to the Pool through Line Elevator Companies.

### *Pool Payments*

A copy of the Auditors' Report covering the Operating Account for these two Pools will be found attached to this Report as Statement No. 1.

The initial payment on the 1931-32 Pool was fixed at 35 cents per bushel, basis One Northern, Fort William. A first interim payment of 10 cents per bushel was declared payable on 7th April, while the final payment was mailed to all Growers on 1st August, 1932. (See Statement No. 2, Page 27).

The marketing of Pool grain was completed on 28th July, 1932.

Statement No. 2, attached hereto, shows the Gross Selling Price realized for each grade of grain delivered to the Pool; also the Net Price payable to Pool members.

It will be noted that the Sales and Operating Expense amounted to .545 of a cent per bushel in the case of Pool No. 1, and .975 of a cent per bushel for Pool No. 2.

The difference in the Operating Expense for the two Pools is accounted for by:

- (a) The much greater volume of grain handled in Pool No. 1 as compared with Pool No. 2.
- (b) The interest earned by funds on hand arising from the sale of Pool grain prior to deferred payments being made which was applied against Operating Expense.

### *Monthly Receipts and Sales*

The following statement shows the volume of grain received each month, together with the quantity sold each month during the season:

	<i>Receipts Bushels</i>	<i>Sales Bushels</i>
1931 August and September.....	422,622-40	37,376-10
October.....	264,683-10	146,715-10
November.....	171,452-05	45,227-20
December.....	61,127-15	112,474-10
1932 January.....	38,892-15	51,590-05
February.....	7,216-50	112,570-00
March.....	5,084-50	63,126-10
April.....	5,186-20	93,186-20
May.....	6,661-10	92,661-10
June.....	68,580-15	107,432-45
July.....	11,237-00	200,384-30
<b>Total.....</b>	<b><u>1,062,743-50</u></b>	<b><u>1,062,743-50</u></b>

It will be noted that the 1931-32 Pool was closed out earlier than in former years. Your Board was of the opinion, in view of the necessity for a distribution of funds at the beginning of harvest, that it was in the interest of Pool members to close out the Pool and make a distribution on 1st August, rather than extend the marketing period to the end of August.

Reports received from the country indicate that the results secured in the marketing of the 1931-32 Pool were generally satisfactory.



## Current Year's Pool—1932-1933

### *Deliveries*

Deliveries to the present year's Pool are considerably in excess of last year. At the date of this Report deliveries are more than four times the total amount marketed through the Pool for 1931-32.

### *Initial Payment*

The initial payment for the 1932-33 Pool has been fixed at 35 cents per bushel, basis One Northern, Fort William, the same as for last season.

### *Financial Statements*

A complete copy of the Financial Statements of Saskatchewan Co-operative Wheat Producers Limited, together with Auditors' Report from Messrs. Geo. A. Touche & Company covering last year's business, has been submitted separately.

A copy of the Consolidated Balance Sheet prepared by Messrs. George A. Touche & Company, showing the position of the entire Pool Organization as at 31st July, 1932, together with explanatory notes of the principal items, will be found attached to this Report as Statement No. 3. This Balance Sheet has been prepared by the Auditors from their certified Balance Sheets of Saskatchewan Co-operative Wheat Producers Limited, Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, and Modern Press Limited.

The total income of Saskatchewan Co-operative Wheat Producers Limited for the year ended 31st July, 1932, amounted to \$396,041.78, exclusive of the operations of the 1931-32 Pool. Total Operating Expense, exclusive of 1931-32 Pool Expense, amounted to \$353,509.96, leaving a balance of \$42,531.82, which has been applied against the reduction of the Company's share of the 1929 Pool Overpayment. Full details of Income and Expense are submitted separately in the Auditors' Report.

It may be pointed out, however, that included in the total Expense is the sum of \$34,194.46 representing this year's proportion of the expense incurred in securing the 1928-32 Contract. It will be remembered that the total expense in connection with this Contract campaign was spread over a period of five years.

In addition to the above, Operating Expense also includes the sum of \$33,023.57 representing the Operating Deficit of Modern Press Limited for the year ending 31st July, 1932.

### *Saskatchewan Pool Elevators Limited*

Saskatchewan Pool Elevators Limited operates at the present time a total of 1068 country elevators in all parts of the Province. The maximum number of elevators actually in operation during the past season was 894.

A total of 54,672,705 bushels of all grain was handled through the System for the year ended 31st July, 1932, as compared with a total of 84,468,416 bushels in the previous year. Comparative figures for the last three years are as follows:

	1931-32 <i>Bushels</i>	1930-31 <i>Bushels</i>	1929-30 <i>Bushels</i>
Wheat.....	46,884,148	73,131,107	70,574,518
Oats.....	5,439,528	5,940,895	3,491,209
Barley.....	1,125,100	1,563,889	3,802,358
Flax.....	772,304	1,573,424	625,278
Rye.....	451,625	2,259,101	1,939,893
Total.....	<u>54,672,705</u>	<u>84,468,416</u>	<u>80,433,256</u>

In addition to the above deliveries at country elevators, your Company handled a total of 1,999,163 bushels of grain loaded over the platform as compared with a total of 1,498,239 bushels in the previous year. This makes a total handling of all grains by the Pool Elevator System for the year ended 31st July, 1932, of 56,671,868 bushels as compared with a total of 85,966,655 bushels the previous season.

The average volume of grain handled per elevator during the season under review (based on 894 elevators actually operated) amounted to 61,155 bushels of all grain as compared with 79,687 bushels the previous year. Of all wheat marketed in the Province last season, 40.56% was handled through the Pool Elevator System as compared with 45.75% the previous year. This lower percentage can be attributed in part to the fact that a large number of your Company's elevators are situated in the areas where the crop failure was most pronounced. Of all grain delivered to country elevators in Saskatchewan, 40.22% was handled by the Pool Elevator System as compared with 44.43% in the previous year.

The following statement shows the volume of grain handled each year through Pool country elevators since the inception of the Organization:

	<i>Elevators</i>	<i>Bushels</i>
1931-32.....	1,066 (894 operated)	56,671,868
1930-31.....	1,060	85,966,655
1929-30.....	1,046	81,872,504
1928-29.....	970	138,714,883
1927-28.....	727	100,210,581
1926-27.....	586	80,110,084
1925-26.....	89	15,878,715

#### *Grading Statement*

The Company's Grading Statement at the end of the year showed net gain in grades amounting to \$17,742.45. The Company shipped 28,821 cars of grain during the season, and the net grade gain per car worked out at about 60 cents. Your Board believes that this result can be regarded as satisfactory evidence that the policy of the Pool Elevator Company is being carried out effectively, viz., that agents must grade all grain to its proper grade.

As in the previous year, grading in the northern part of the Province was extremely difficult, as practically all grain threshed after the rain was affected both as to condition and grade.

#### *Overages and Shortages*

The following statement shows Overages and Shortages on all grain handled through the Pool Elevator System for the past season:

	<i>Overages Bushels</i>	<i>Shortages Bushels</i>	<i>Percentage of total handled</i>
Wheat.....	251,860		.54 of 1%
Oats.....	73,534		1.35%
Barley.....	14,618		1.30%
Flax.....		8,903	1.15% (Shortage)
Rye.....	822		.18 of 1%

The Overage on oats is accounted for, to a considerable extent, as a result of wild oats cleaned out of wheat. Your Board is satisfied that the above figures indicate that Growers delivering grain to Pool elevators are receiving correct weights as nearly as it is possible to weigh the grain.

#### *Inspection Department*

The following statement shows the monetary value of grades raised on re-inspection at unload for the year ended 31st July, 1932:



<i>Cars Inspected at Winnipeg</i>	
Street and Consigned.....	\$52,718.37
Platform.....	2,760.07
<i>Cars Inspected at Moose Jaw</i>	
Street and Consigned.....	8,475.57
Platform.....	204.07
<i>Cars Inspected at Saskatoon</i>	
Street and Consigned.....	14,510.67
Platform.....	472.37
<i>Cars Inspected at Churchill</i>	
Street and Consigned.....	2,044.58
<b>Total.....</b>	<b><u>\$81,185.70</u></b>

### *Claims Department*

The following statement shows the results of Claims handled against the Railway Companies:

	<i>No. of Claims</i>	<i>Value of Claims</i>
Claims outstanding 31st July, 1931.....	73	\$ 410.69
Claims filed during season.....	2,678	19,438.97
<b>Total.....</b>	<b><u>2,751</u></b>	<b><u>\$19,849.66</u></b>
Claims paid.....	1,302	\$11,974.25
Claims withdrawn, etc.....	800	3,830.29
Claims outstanding 31st July, 1932.....	649	4,045.12
<b>Total.....</b>	<b><u>2,751</u></b>	<b><u>\$19,849.66</u></b>

### *Fire Losses*

Three elevators were destroyed by fire during the past season as compared with the same number during the previous year. Claims on the buildings amounted to \$50,945.15 and on grain \$44,893.44. This compares with last year's losses on buildings of \$41,324.72 and on grain of \$1,051.48.

### **Financial Statements**

The Auditors' Report, together with accounts covering the year's operations, is included in the Financial Report submitted separately to the delegates.

Your Board believes that the financial results of last year's operations will be regarded as satisfactory. Due to partial or complete crop failure over a wide area of the Province in which a large volume of business is secured in normal years, receipts at country elevators were reduced very materially. Past experience of the Company shows that earnings are controlled to a very great extent by the volume of grain handled.

The Balance Sheet continues to show your Company in a very strong position. Direct liabilities of the Company are reduced by \$445,467.63 (representing the amount of the capital payment to the liquidator of the Saskatchewan Co-operative Elevator Company.) Depreciation reserve has been increased from \$4,923,255.16 to \$6,148,809.08, while the operating reserve has been increased from \$2,671,412.36 to \$3,059,420.35. Liquid working capital now stands at \$3,624,730.99, showing an increase of \$458,530.70 over last year's statement. This increase in working capital strengthens the Company's position in securing the necessary finance to take care of operations.

### *Earnings*

Operating earnings for the year amounted to \$1,803,874.98, before providing for depreciation and interest on mortgages. The following statement shows the disposition of this amount:

Operating Earnings for year ended 31st July, 1932	\$1,803,874.98
Less Depreciation Reserve.....	\$1,237,626.28
Interest on Mortgages.....	143,334.91
Loss on Realization of Assets....	5,422.86
Proportion of Pool Expenses.....	41,574.49
	<u>\$1,427,958.54</u>
Balance representing Net Earnings.....	<u>\$ 375,916.44</u>

The above amount of \$375,916.44 has been transferred to Operating Reserve which now stands at \$3,059,420.35.

Net Earnings per bushel of grain from the Country Elevator System amounted to .811 of a cent as compared with 1.061 cents per bushel for the previous year. The average net earnings per elevator (after providing for depreciation), on the basis of 894 elevators operated, amounted to \$623.44 as compared with \$845.88 for the previous year.

#### *Distribution of Earnings*

As indicated above, the operations of your Company for the past year showed a net profit after depreciation and interest on mortgages of \$375,916.44. This amount has been placed in Operating Reserve Account.

#### **Saskatchewan Co-operative Elevator Company Purchase**

As in the past two years, no elevator deductions were available from the 1931 crop. Our Capital commitments to the Liquidator of the Saskatchewan Co-operative Elevator Company, and also to the Government of Saskatchewan, in connection with the purchase of the assets of the above Company, amounted to \$1,298,795.00, payable on 1st August and 31st August respectively.

Earlier in the season interim Financial Statements were prepared and considered by your Board. As a result of the information available at that time, your Board was of the opinion that it would be impossible to meet these capital commitments out of earnings and that, if they were paid in full, the working capital of the Company would be reduced. The liquid capital available determines, to a very considerable extent, the line of credit obtainable from the banks and, in view of the larger crop in prospect, your Board was of the opinion that every effort should be made to maintain the liquid position of the Company. In consequence, negotiations were entered into with the Liquidator and Inspectors of the Saskatchewan Co-operative Elevator Company as a result of which an extension agreement was completed under which the Liquidator agreed to accept a sum equal to one-half of the amount of principal and interest due as at 1st August, 1932. Under this agreement the sum of \$445,467.63 was paid on account of principal, together with interest to date, payment of the balance of principal being deferred for one year.

Negotiations were also entered into with the Government of Saskatchewan and the Government agreed to defer its principal payment due on 31st August, 1932, for a period of one year.

Full interest was paid in each case.

The balance due on the purchase price of the assets of the Saskatchewan Co-operative Elevator Company now stands as follows:

Due to Liquidator of Sask. Co-operative Elevator Company.....	\$1,372,277.79
Due to Government of Saskatchewan.....	597,590.05
Balance due.....	<u>\$1,969,867.84</u>



Under the present agreement these amounts are due and payable on 1st August and 31st August, 1933, respectively.

Your Board regretted very much the circumstances which necessitated asking for this postponement of payment, and takes this opportunity of recording its appreciation of the consideration extended to your Company during this difficult period by the Government of Saskatchewan and the Liquidator and Inspectors of the Saskatchewan Co-operative Elevator Company, and also of the friendly spirit evidenced by the Liquidator and Inspectors during the negotiations leading up to the completion of the agreement.

### **Interest on Overpayment**

Six months' interest, due to the Government of Saskatchewan on account of the 1929 Overpayment (settlement for which had been made by the Provincial Government to the Banks), was paid by the Company on 1st April last, amounting to \$339,429.87. Provision has also been made for payment of a similar amount due on 1st October, 1932.

### **General**

The Financial Statement of the year's operations shows a more favourable result than was indicated in the interim Statement prepared earlier in the year. In this connection it may be pointed out that interim statements are of necessity prepared from estimated figures and must be made up on a conservative basis. In spite of the very substantial decrease in Net Earnings, your Board is satisfied that the result of the year's operations will be regarded as eminently satisfactory by Pool members. It is difficult to conceive of a recurrence of similar unsatisfactory conditions, and the results secured under last year's trying conditions should give grounds for confidence in the ability of the Organization to take care of all necessary undertakings and developments in future years.

Your Board hopes that, as a result of this year's operations, it will be possible to meet the final payments due on the purchase agreement of the Saskatchewan Co-operative Elevator Company. With the completion of these payments the position of your Company will be strengthened materially, and substantial savings in interest payments will be made.

Attached to this Report as Statement No. 4 and Statement No. 5 will be found a Statement of Earnings and a Statement of Grain Handlings, covering the operations of the Company since its inception.

### **Coarse Grains Department**

Last year a special Coarse Grains Department was established for the purpose of handling sales of Coarse Grains for the season. Local sales for the year were as follows:

Oats.....	3,379,787 bushels
Barley.....	657,726 bushels
Flax.....	21,627 bushels
Rye.....	37,799 bushels
Total.....	<u>4,096,939 bushels</u>

A large percentage of these sales was made to the Saskatchewan Relief Commission, or to municipalities purchasing seed grain before the Relief Commission was organized.

In addition to the above, 377 cars of oats and barley, representing approximately 700,000 bushels, were sold under the "Buyers and Sellers" plan.

A total of 935,643 bushels of oats and barley, shipped into the Province from Alberta, was also handled for account of the Alberta Wheat Pool.

Apart from the grain sold to the Saskatchewan Relief Commission, arrangements were made with the Commission for Saskatchewan Pool Elevators to unload and distribute Seed and Feed grain purchased by the Commission directly from growers.

Including the above sales of Coarse Grains, sales of wheat amounting to 1,888,733 bushels were also made.

It is estimated that the Saskatchewan Relief Commission distributed approximately 21,000,000 bushels of grain for Seed and Feed during the past season. Of this amount Pool Elevators unloaded and distributed approximately 9,900,000 bushels, or 47% of the total.

### *Season 1932-1933*

While a substantial improvement in crop conditions is evident as compared with last year, it is apparent that a considerable volume of Seed and Feed will again be required during the present year. In consequence, your Board has approved the continuance of this Department. The Coarse Grains Department, at the present time, is concentrating on platform shipments with some success. As at 14th October, 1932, 1,062 cars of grain loaded over the platform, containing a total of 1,432,653 bushels, have been billed to Pool Terminals as compared with 317 cars covering 412,393 bushels at this date last year. Approximately 53.14% of total platform shipments has been secured to date as compared with 44.38% last year.

A Coarse Grains Salesman has been appointed in Winnipeg, who will be specially responsible for the sale of Coarse Grains.

The Coarse Grains Department will also endeavor to maintain the contacts previously established with Eastern and Overseas buyers of Coarse Grains.

### *Port of Churchill*

As Pool delegates are aware, grain to provide cargo for the two trial shipments from the Port of Churchill last season was supplied by the Pools.

In the early part of the present season sales totaling 2,300,000 bushels were made by Saskatchewan Pool Elevators Limited to two of the large export Companies for shipment out of Churchill. Since that time, further sales aggregating 1,750,000 bushels have also been made for shipment through the same Port.

As a result of this year's experience, it is evident, if lower insurance rates can be secured, that the Port of Churchill will prove of value to Western Canada as a port of shipment for agricultural products.

### *Saskatchewan Pool Terminals Limited*

During the crop year from 1st August, 1931, to 31st July, 1932, Pool terminal elevators handled a total of 48,800,852 bushels of all grain as compared with a total of 67,759,582 bushels last season, a decrease of 18,958,730. The total volume of grain handled by each of the Pool terminal elevators during the past season as compared with the previous year is as follows:



	1931-32 Bushels	1930-31 Bushels
Terminal No. 4.....	11,375,572	15,466,917
Terminal No. 5.....	1,697,318	6,309,382
Terminal No. 6.....	15,796,825	18,898,851
Terminal No. 7.....	17,745,688	23,615,230
Terminal No. 8.....	2,185,449	3,469,202
Total Handling.....	<u>48,800,852</u>	<u>67,759,582</u>

As at 31st July, 1932, there was in store in all Saskatchewan Pool terminal elevators at the Head of the Lakes a total of 14,485,124 bushels as compared with 11,626,503 bushels a year ago.

During the last crop season a total of 121,300 cars was unloaded at the Head of the Lakes. Of this total Pool terminals unloaded 34,500 cars, or approximately 28½% of all grain handled at the Lake Head.

A total of 202,234 bushels of all grain shipped by the Manitoba Pool was unloaded in Saskatchewan Pool terminals during the past season, while 3,400,811 bushels of grain shipped by the Alberta Pool were also unloaded.

### Buffalo Terminal

The following statement shows the handlings of the Buffalo terminal elevator during the past season:

In store as at 1st August, 1931.....	1,460,414 bushels
Total Receipts.....	12,443,932 bushels
	<u>13,904,346 bushels</u>
Shipments to date.....	12,561,033 bushels
Balance in Store as at 31st July, 1932....	<u>1,343,313 bushels</u>

The above handling compares with a total of 19,100,322 bushels handled by the Buffalo terminal last season.

During the past few months an appraisal of the Buffalo terminal has been secured, and your Board has approved offering this plant for sale at the appraised value.

### Financial Statements

Complete information covering the financial result of the year's operations of Saskatchewan Pool Terminals Limited, and also of the Buffalo terminal elevator, is submitted separately to the delegates, along with the other Financial Statements and Auditors' Reports of the Organization.

### Saskatchewan Wheat Pool Construction Company Limited

During the past year only a limited amount of new construction was carried out. As already referred to, three elevators were destroyed by fire which have been rebuilt as follows:

Archerwill.....	35,000 bushels capacity
Meacham.....	45,000 bushels capacity
Tako.....	45,000 bushels capacity

In connection with the elevator at Archerwill, a considerable quantity of material from Strasbourg "A" elevator was used.

In addition to the above, three new elevators have been acquired during the current season, as follows:

- Aylesham**—This elevator was purchased from the Province Elevator Company while under construction. The building was completed under our own inspection by the original crew. Capacity 38,000 bushels.
- Cactus Lake**—Built September, 1932, by Pool construction crew. Capacity 35,000 bushels.
- Kelvington**—A 20,000 bushel annex was built to the elevator at Kelvington.
- Meath Park**—Built September, 1932, by Pool construction crew. Capacity 35,000 bushels.

Construction costs are substantially lower than in previous year. In 1928 the average tender by a contractor for the building of a 35,000 bushels elevator was approximately \$14,000.00. Under present conditions the same elevator can be built by our own crews for approximately \$10,600.00.

#### *Repairs and Reconstruction*

Due to the extremely light handling, the volume of repairs required was not so great as in previous years, and the permanent repair staff was reduced from ten to six.

#### *Painting*

A total of 158 elevators and two annexes was painted by our own crews during the past season. The average cost, including truck operating expense, paint and labor, was \$85.00 per elevator.

#### **Modern Press Limited**

##### *Western Producer*

Substantial progress has been made in building up the circulation of The Western Producer on a cash basis. Starting the year under review with practically no cash circulation, the close of the year finds the Western Producer with a paid up subscription list in excess of 48,000.

In view of the severe conditions which have prevailed during the past year, this represents an almost unprecedented achievement in the newspaper world and indicates, to some extent, the esteem and reader interest which The Western Producer has gained for itself since its establishment. In the main, however, credit for this successful result must go to the active workers in all departments of the Organization, including delegates, Wheat Pool committees and members of the staff of both Pool and Pool Elevators, who joined enthusiastically in the campaign to place The Producer in the largest possible number of farm homes in this Province.

During the past year the volume of advertising available was very much below normal. This has been the experience of practically all classes of newspapers. In comparison with other papers in the same field, The Western Producer appears to have held its own and received its full share of all appropriations which were made. Under these circumstances, however, the net results were substantially below the level of other years.

##### *Modern Press Limited*

While the volume of commercial printing available to Modern Press Limited was substantially lower than in previous years, there was a reasonably satisfactory volume of printing available which improved toward the end of the fiscal year. Your Board believes that this improvement will be maintained during the coming year.

During the year under review every possible economy, consistent with the maintenance of efficiency, was effected in the operation of the plant.

It may be of interest to Pool delegates to note that Union agreements were signed with the mechanical staff during the past year, a course which was not followed by other printing institutions, and Modern Press Limited is now the only printing establishment in Saskatoon entitled to carry the Union label on its work.



A committee of the Board has been appointed to maintain closer contact with Modern Press Limited and The Western Producer. This committee meets with the management regularly in Saskatoon.

### *Financial Statements*

Full particulars of the year's operations are found in the Financial Statement and Auditors' Report submitted separately to the delegates.

After providing for full depreciation on the fixed assets of the Company, the results of the year's business show a net loss of \$33,023.57, made up of a deficit of \$37,152.63 from the publication of The Western Producer, less a profit of \$4,129.06 on the operations of the Job Printing Department. The net deficit for the year has been charged to Saskatchewan Co-operative Wheat Producers Limited. In this connection it may be pointed out that the subscription price of The Western Producer was originally \$2.00 per annum. In view of the general financial position and in view of the importance of placing the paper in as many farm homes as possible, your directors approved a reduction of this subscription rate to 50 cents per annum, or \$1.00 for a three-year subscription. While the lower subscription price was of considerable value in making the subscription campaign a success, this low rate materially reduced the revenue from this source.

### *Country Organization*

A reorganization of this Department was effected during the year with a view to bringing about greater efficiency in country organization work at a reduced cost. The Field Organization Department was eliminated and the members of the staff were taken over as District Representatives of the Country Organization Department.

### *Co-operative Education*

Following this reorganization, an effort has been made to develop a programme of Co-operative Education and Co-ordination, having as its objective:

1. Development and extension of Co-operative ideals in every community using the Wheat Pool committees as local centres.
2. The maintenance of a well informed membership by supplying the Wheat Pool committees with regular information regarding the operations of the Company.
3. The creation of closer understanding between Wheat Pool committees and agents and travelling superintendents of the Elevator Company, thus effecting greater co-ordination between the various activities of the Wheat Pool Organization.
4. Simplifying the contact between the delegates and the growers they represent.
5. Improving the service rendered by representatives of the Country Organization Department by assisting them to carry on their duties in a more systematic manner.

This plan involves greater attention being given by District Representatives, elevator agents and travelling superintendents to Wheat Pool committee work. It also requires the co-operation of committees by arranging and holding regular meetings. It is hoped that such meetings will be held either monthly or bi-monthly. A large number of the Wheat Pool committees has already arranged to hold regular meetings. The first series of the monthly programme of information was

mailed to all committees at the beginning of August, and each month thereafter. A weekly article entitled "Studies in Co-operation" is also appearing on the Pool Page of The Western Producer, principally for the use of the committees.

In view of the very difficult economic period through which we are passing, your Board is of the opinion that the objectives of the Co-operative Movement must be kept clearly before the people of the Province at the present time, and will welcome the fullest support of the delegates and Wheat Pool committees in carrying out this programme.

A committee of three members of the Board has been appointed to give special attention to the work of Co-operative Education and to investigate the various channels through which the principles of Co-operation might be developed in the Province. Preliminary steps have been taken with the other Provincial Co-operatives with a view to co-ordinating educational efforts. This committee also intends to investigate the matter of Co-operative Education in our primary and secondary schools.

### *Country Organization Expense*

At the last Annual Meeting there was a thorough discussion in connection with the cost of Country Organization. During the past year every effort has been made to maintain the necessary work at the lowest possible cost with the result that a substantial reduction in expenditures has been achieved. However, there is a limit below which such reduction cannot go if an efficient organization is to be maintained and educational activities carried on.

### *Wheat Pool Committees*

The number of Wheat Pool committees on record as at 31st July, 1932, was 1,178 as compared with 1,180 a year ago. Six new Wheat Pool committees were organized during the year and eight ceased to function due largely to reorganization of territory arising from the opening of new railway extensions. The usual schedules showing the number of committees by district and sub-district and the number of committees organized during the year are attached hereto as Statement No. 6 and Statement No. 7. Of the total number of Wheat Pool committees recorded, 713 reported reorganization, particulars of which are shown in Statement No. 8.

Investigations indicate that a large number of committees held annual and reorganization meetings in the usual way but did not report. The carrying out of the programme outlined above will make it possible to maintain a closer contact with these committees through the Pool District Representatives, and more complete reports may be expected in the future. Your Board would suggest that it will be of considerable assistance in the successful carrying on of this work if Pool delegates will take a personal interest in the regular reorganization of Wheat Pool committees in their sub-districts. The maintenance of an active and well informed organization is of vital importance in the development of the Co-operative Movement in this Province and the measure of success achieved will depend to a great extent on the relationship of the Wheat Pool committees to our Organization.



## **General**

During the past year, when social and industrial institutions have suffered under the weight of economic depression, your Board believes that the emphasis placed on organization for the maintenance and development of Co-operative principles in Saskatchewan has been fully justified. Crop failure in large areas of the Province, combined with low prices, have made necessary substantial restriction of effort and expenditure. In spite of this, your Board is of the opinion that Pool delegates and Wheat Pool committees, in co-operation with the staff of the Elevator Company and the Country Organization Department, have so carried on their work that, at the end of the most difficult year since its inception, the whole Saskatchewan Wheat Pool Organization retains its position as the most important factor in the Grain Trade of this Province and with its co-operative objectives strengthened and increased.

Allowing for a certain amount of misunderstanding at the beginning of the season, when the new policy in regard to handling grain was announced, the support given by Pool members to the Pool Elevator System has been substantially maintained.

The development of the paid-up circulation of The Western Producer is also significant as evidence of the strength of the Co-operative Movement.

These two items alone indicate that, even under the stress of economic depression, the farmers of Saskatchewan are loyal to Co-operative ideals and ready to respond to sound leadership.

## **Co-operative Activity**

### *Co-operative Union of Canada*

During the past year your Board decided to affiliate with the Co-operative Union of Canada. While for the most part the members of the Co-operative Union of Canada are consumers' organizations, your Board is of the opinion that the interests of the Co-operative Movement demand that there should be a strong national organization, representative of both producers' and consumers' co-operative organizations, if the results realized in the older countries of Europe are to be attained in Canada. Your Board believes that, as a result of this step, substantial advantages will accrue both to our own Organization and also to the national movement.

### *British Co-operatives*

Representatives of the English and Scottish Co-operative Wholesale Societies were in Western Canada during the past year and advantage was taken of their presence for representatives of your Organization to discuss various matters of mutual interest, including the possibilities of developing co-operative trade on an international basis. The C. W. S. representatives evidenced a keen desire to do business with your Organization and definitely stated that it was the policy of the C. W. S. to trade with other co-operative organizations wherever possible.

Arising from these interviews, arrangements have now been completed under which Saskatchewan Pool Elevators Limited is making sales of cash grain directly to the C. W. S. on an f.o.b. Fort William basis.

## **1928-1929 Pool**

Legislation was passed at the last session of the Saskatchewan Legislature authorizing the Government to advance to the Pool a sum not to exceed \$300,000.00, to enable this Organization to make distribution of the

final payment on the 1928-29 Pool at the rate of 1½ cents per bushel to those growers who had received no overpayment from the 1929 Pool, or where the overpayment was less than the amount of the surplus from the 1928 Pool. A check up of our records indicated that the amount required to make this distribution would not exceed \$175,000.00, and arrangements were completed under which this sum was secured from the Provincial Government. Final payment cheques covering this distribution were mailed to growers on 1st August, 1932. The original amount of the Overpayment will be increased by the amount of \$175,000.00.

### Overpayment—1929

A resolution was passed at the last Annual Meeting reading as follows:

"That we recommend to the Board of Directors that further consideration be given to the matter of settlement of the 1929 Overpayment as it applies to rye and barley, with a view to equalizing the overpayments on these grains to overpayments on wheat, and that a statement to growers respecting settlements on rye and barley be held in abeyance until such time as further consideration can be given to this question by the delegates at a later meeting, with a view to protecting as far as possible the interests of the grower in Saskatchewan Pool Elevators Limited."

A statement showing the Overpayment on each of the different grades and kinds of grain was forwarded to all delegates on 22nd January last, together with copy of a resolution from the Board to the effect that where the overpayment on any grade or class of grain was in excess of 18 cents per bushel, the maximum amount to be charged to growers' accounts should be established at 18 cents per bushel, the amount of the overpayment in excess of this sum to be absorbed through the operations of a Sinking Fund to be set up from Earnings. Pool delegates at the same time were asked to consider this proposal carefully and submit their views so that the Board might have the benefit of their opinion.

In order to enable the final payment on the 1928-29 Pool to be distributed, it was necessary to determine the amount of the overpayment due by those growers whose surplus from the 1928 crop was in excess of their 1929 overpayment, hence the desire of the Board to deal with this matter at as early a date as possible.

In response to this request a very large proportion of the delegates approved the suggestion of the Board, and the amount of 18 cents per bushel was set up as the maximum overpayment on all grades, the difference being set up as the Company's share of the overpayment to be absorbed through the operations of a Sinking Fund.

The general plan of liquidating the 1929 Overpayment was approved at the semi-annual meeting of delegates held in July, 1931. Since that time the whole question has been under consideration at a number of meetings in the country, when varying views were expressed and your Board has deemed it advisable to delay the sending out of final statements to growers covering the 1928-29 and 1929-30 Pools until after the present meeting.

In view of the very important bearing which this question has on the future operations of the Organiza-



tion, your Board would suggest that this matter be finally disposed of at this meeting.

### 1930-1931 Pool

The present position in connection with the 1930-31 Pool is dealt with in the Report of Canadian Co-operative Wheat Producers Limited. Officials of the Central Selling Agency will be present during the meeting when this matter is under discussion.

### Publicity Department

In common with all other departments of the Organization, the scope of the Publicity Department was reduced very substantially during the past year. As reported to the last Annual Meeting, it had been decided to drop several of the important activities of this Department developed during the previous years, including such matters as Junior Co-operative Work, Broadcasting, Attendance at Exhibitions, etc.

### *Junior Co-operative Work*

Activities in connection with Junior Co-operative Work were wound up in the early Spring of this year. It will be remembered that this work comprised grain variety testing for experimental purposes and, in collaboration with the University of Saskatchewan, the organization of Junior Grain Clubs. High grade seed wheat sufficient to seed an acre of land was distributed to 206 Wheat Pool Junior Co-operators whose work the previous year complied with the standard set up. In connection with this distribution, full allowance was made for the difficult conditions under which many of the 320 boys and girls carried on this work during the Summer of 1931.

Your Board is of the opinion, with any improvement in conditions, that this work should be revived, and will welcome an expression of opinion from the delegates on this question.

### *Western Producer*

The Western Producer continues to be the principal medium through which information concerning this Organization, and the Co-operative Movement generally, is carried to Pool members. The Wheat Pool Page was maintained throughout the year and, in addition, the general news columns of the newspaper were always available for this purpose.

The Publicity Department is co-operating with the Country Organization Department in the Co-operative Education Programme by the preparation of "Studies in Co-operation" appearing regularly on the Pool Page of The Western Producer.

It may also be noted that during the last session of the Saskatchewan Legislature this Department co-operated with The Western Producer by providing special reports on the session.

### *Country Weekly Newspapers*

Recognizing the important place which the country weekly newspapers occupy in the agricultural life of the Province, this Organization has endeavored to maintain the friendly relations which have existed since the inception of the Pool. Advertising in this particular field was reduced less drastically than in any other. Pool Notes have been supplied regularly to all country weekly newspapers many of which continued to publish this information.

### *Non-English Publicity*

While advertising appropriations were reduced very substantially, a certain amount of advertising was carried with the same selected list of newspapers circulating in Western Canada and printed in languages other than English. Pool Notes were also supplied regularly to such papers.

### *Field Notes*

The service rendered to delegates and others in the furnishing of printed information, generally statistical, was continued throughout the year. While the number of Field Notes issued was considerably less than in former years, it is believed that the information thus made available was of considerable value.

### *Pool Library*

The policy instituted about eighteen months ago, under which borrowers pay postage on books from the Library both ways, still remains in effect. As a result Library borrowings have fallen away sharply from their originally high level. During the past year a total of 788 books was mailed from the Library, the high point being reached in February, 1932, with the mailing of 158 books. A new catalogue was prepared and distributed in January of the present year. With the exception of certain reference books, practically no new volumes were added, the total number remaining around 1,250 books.

### *Pool Calendar*

In response to popular demand from various parts of the Province the Board authorized the printing of the Wheat Pool calendar for the year 1932-33. This calendar had proved distinctly popular in past years but had been dropped as a measure of economy for the year 1931-32. The new calendar was mailed to all Wheat Pool members and an additional supply of nearly 20,000 was printed for general distribution. Pool elevator agents largely have been responsible for the distribution of this supply during the Fall months.

### *Special Advertising*

Pool delegates will have noted that a full page advertisement was carried each month in The Western Producer on behalf of Saskatchewan Pool Elevators Limited. In the special "Forum" number issued on 9th June last, this space was increased two pages. This monthly advertising was continued until August and since the middle of August weekly full page advertisements have been carried for the three following months. During the same period a similar series of Pool Elevator advertisements on a smaller scale have been carried in the weekly newspapers and non-English publications. As a result it is believed that the whole Province has been effectively covered with Pool Elevator advertising.

### *Co-operative Distribution of Bulk Supplies*

The last Annual Meeting recommended to the Board that plans for the distribution of bulk supplies on a co-operative basis through Pool Elevators should be investigated and, if conditions were found satisfactory, should be put into operation for the ensuing year.

Following up this resolution, negotiations were carried on with the Saskatchewan Co-operative Wholesale Society with a view to working out a plan for the distribution of binder twine. An agreement was completed with the Wholesale Society under which Pool



Elevators would act as agents for the Wholesale in the distribution of binder twine for the 1932 season, provided that the Wholesale could make satisfactory arrangements to secure the necessary supplies. Later we were advised that it had been found impossible to handle the volume of twine anticipated at the time the agreement was entered into and, in consequence, the original agreement was cancelled. Arrangements were then made under which individual Pool elevator agents would act as agents for the Saskatchewan Co-operative Wholesale Society in the distribution of twine, the agency agreement being between the individual agent and the Wholesale.

As pointed out at the time of the last Annual Meeting, Saskatchewan Pool Elevators Limited did not possess the necessary authority in its charter to distribute bulk commodities and preliminary steps were taken by your Board to provide for an amendment to the charter empowering the Company "to buy, sell, and generally deal in, either as principal or agent or otherwise, all manner of farm supplies and other bulk commodities both wholesale and retail".

Application was made to the Court for this amendment during the month of June last. At that time we were instructed by the Court to advertise the proposed amendment in The Western Producer and also in the Saskatchewan Gazette, and to make further application at the first sitting of the Court in September.

Probably as a result of this advertisement appearing as indicated above, the wholesale and retail merchants of the Province became somewhat disturbed and several interviews were held between representatives of the merchants and your Organization. During these interviews the merchants' representatives strongly urged that, in view of the very difficult economic conditions in the Province which affected the merchants as seriously as the farmers, we should not proceed with this application at the present time. It was obvious that a misunderstanding as to the probable activities of the Company had developed throughout the Province. Information was also received that strong opposition to the proposed amendment would be submitted to the Court when the application was made.

Since no action to give effect to the amendment was contemplated in the immediate future, the Board decided to defer further action on this question until after the present meeting. In consequence, when the application came before the Court in September it was adjourned *sine die*.

Your Board recommends to the delegates that the Board be authorized to secure the necessary authority to provide for the distribution of bulk commodities, and will welcome a full discussion of this question from the meeting.

(At the annual meeting of delegates it was decided that consideration of the question of distributing bulk supplies be deferred until the next general meeting of delegates).

#### National Marketing Agency

It is during such periods as these through which we are passing at the present time that the weaknesses of our present grain marketing system become most obvious. The whole foundation of the Canadian grain marketing system is built on the theory that there will be at all times a sufficient volume of speculation available to meet market requirements. During a period of money scarcity funds for speculative purposes are very

limited and the volume of speculation is reduced correspondingly.

In view of the continued low price levels, and the obvious lack of support for the Winnipeg market, your Board had decided that it would be in the best interests of wheat growers if a National Marketing Agency were set up with complete control over the marketing of this year's crop. Accordingly representations to this effect were submitted to the Federal Government immediately following the close of the Imperial Economic Conference by a delegation representing the three Western Provincial Governments and the Provincial Pools.

As Pool delegates are aware, no action was taken as a result of these representations.

Your Board is of the opinion that, until some measure of economic stability has been attained, it will be in the best interests of Western Canada if a National Marketing Organization is set up with complete authority to market the Canadian crop. In order to achieve this end it is probable that legislation will be required both from the Provincial and Federal Parliaments. This question has already been considered at an Interprovincial Conference of Pool representatives, and representatives of the Western Governments, and it is the present intention to proceed further with this matter during the coming month.

Your Board further believes that, in the operation of any National Marketing Agency which may be set up, the fullest use should be made of Co-operative Grain Marketing organizations now operating in order that agricultural co-operation may be fostered and developed to the fullest possible extent.

In the meantime, your Board will welcome an expression of opinion from the delegates in this connection.

### **Bonus on Production**

At the conference of Government representatives with Provincial Pool representatives above referred to, a resolution was passed unanimously that, in view of present very unsatisfactory price levels, the Dominion Government should arrange to make payment to producers of a bonus on 1932 wheat production. This resolution was forwarded to the Prime Minister and also to the Minister of Agriculture at Ottawa.

It was the opinion of the conference that no attempt should be made to set the amount of the bonus or the manner in which it should be paid: That is—either on an acreage or a bushelage basis.

At the last Annual Meeting a resolution was passed recommending the payment of a bonus on an acreage basis. This recommendation was submitted to the Dominion Government at an earlier conference but no action was taken at that time. It may be pointed out that all of the reasons advanced by the Dominion Government in favor of the payment of the 5 cent bonus on wheat for the 1931-32 crop season apply with equal, or even greater, force in the Province of Saskatchewan today.

### **International Conference**

The matter of wheat prices has received much attention from many angles during the past year. It has been pointed out consistently that one of the principal reasons for the present low prices can be traced to the



increased world surplus of wheat in excess of normal requirements. It has been pointed out that for the five-year period 1923-1927 inclusive, the visible world supply of wheat averaged about 250 million bushels each month, which can be regarded as normal, whereas at the beginning of the present year the world visible supply was reported as 631,600,000 bushels. While this high mark has been reduced, it is stated that the visible world wheat stocks are still twice the amount of the normal visible above referred to.

Your Board believes that in the present market situation Western Canada is faced with the most serious problem in its history and is of the opinion that this situation can be worked out in one of two ways:

1. By a fight to the finish between the principal wheat exporting countries of the world, or
2. By thinking men in the different exporting countries, seized with the seriousness of the situation, getting together and working out a common solution.

It is unthinkable that existing conditions should be allowed to force wheat growers the world over back under the domination of the old jungle law of the survival of the fittest.

Your Board believes that, if a conference of the representatives of the principal exporting countries could be convened in the immediate future when the world wheat situation could be surveyed, some alleviation of present conditions might be secured. It is realized that there are many difficulties in the way of holding such a conference but we believe that exporting countries in general, and Western Canada in particular, will be faced with much more serious difficulties if some such effort is not made.

This whole matter was under consideration at the conference between representatives of the Provincial Governments and the Wheat Pool Organizations above referred to, and the following resolution received the unanimous approval of the conference:

"Whereas for the past two years the prices for our principal agricultural product—wheat—have continued at levels disastrous to the ability of agriculture to carry on, and equally disastrous to the industrial and community interests which depend upon the purchasing power of agriculture;

And whereas we believe that an improvement in commodity prices is essential to economic recovery and further, that wheat is the chief commodity to be considered in the matter of price;

And whereas we believe much can be accomplished by a conference of the Governments and Producers of the chief wheat exporting countries;

Now therefore, we request the Government of Canada to convene such a conference with a view to establishing such measures of international co-ordination as may be deemed necessary or advisable in the best interests of these countries."

This resolution has been submitted to the Prime Minister and it is anticipated that further negotiations will be carried on. In the event of a decision being made that such a conference will be called, it is the present intention to set up small committees in each of the Western Provinces to work out possible plans for the consideration of such a conference.

## Sask. Co-operative Wheat Producers Limited

### Future Policy

As Pool delegates are aware, the present Growers' Contract expires with the marketing of the 1932-33 crop.

Your Board is definitely of the opinion that the services rendered by your Organization since its inception have been of very great value to Western agriculture in the marketing and handling of grain. In view of the various measures which are under consideration at the present time, involving such proposals as the establishment of a National Marketing Agency, your Board is of the opinion that the necessity of maintaining and developing this Organization was never more apparent than at the present time.

During the past Summer the question of a further Grower's Marketing Agreement was under consideration at district delegates' meetings and also at committee conventions held throughout the Province. At these gatherings it appeared to be the unanimous opinion that arrangements should be made to prepare and submit a new Grower's Agreement. It was also the opinion of a large number of these meetings that certain modifications to meet changing conditions should be included in the new Agreement.

Your Board therefore recommends for the consideration of the delegates that steps be taken to secure signatures to a new Grower's Agreement generally similar in terms to the previous Grower's Contract, the new Agreement to become effective for the pooling of grain when signatures representing 75% of the seeded acreage have been secured.

The following recommendations are also submitted for the consideration of the delegates:

1. That until 75% of the acreage in the Province has been signed up the Agreement will provide for the carrying on of a Voluntary Pool as from 1st August, 1933, by Saskatchewan Co-operative Wheat Producers Limited.
2. That the new Agreement remain in force for a period of five years from 1st August, 1933.
3. That, provided the wheat situation has become clarified before the termination of the new Agreement, the delegates in general meeting may by resolution approved by three-fourths vote of the delegates declare the proposed Agreement to be terminated, and thereafter proceed to make further arrangements for the future operations of the Organization in the best interests of the producers.
4. That, after the 75% objective has been reached and the Agreement has become operative for the pooling of grain, provision be made whereby a grower may withdraw from the operations of the Organization for a period of one year by giving notice of his intention to withdraw between 15th June and 15th July of each year, provided such withdrawal is limited only to the current year's crop.
5. That provision be made in the contract so that, after the acreage objective has been reached, deductions for elevator and commercial reserve purposes may be made.



6. That the maximum deduction for elevator and commercial reserve purposes combined should not exceed 3% of the gross selling price.
7. That the Board be authorized to set, each year, the deductions for elevator and commercial reserve purposes, provided that the combined amount shall not exceed a maximum of 3% of the gross selling price.

*(Note:—In view of the extreme uncertainty of economic conditions and in view of the decision of the delegates to press for the establishment of a National Marketing Agency to handle the coming year's crop, it was decided that arrangements should be made so that the Pool would continue to operate as at present for a further year after the present contract has expired. It was also recommended to the Board of Directors that provision should be made to enroll new Pool members).*

### **Saskatchewan Pool Elevators Limited Future Policy**

The question of the payment of patronage dividends to growers delivering grain to Saskatchewan Pool Elevators Limited has received consideration both in the country and at various meetings of your Board.

In order that this matter may be placed beyond any doubt, your Board would recommend to the delegates that arrangements be made to incorporate Saskatchewan Pool Elevators Limited under a Private Act of the Legislature of Saskatchewan, with specific power to pay patronage dividends.

In connection with deliveries during the present year (1932-33) your Board would recommend for the consideration of the delegates that any funds available for distribution on a patronage dividend basis out of current year's earnings be paid or credited to those growers who have signed the 1928-32 Contract.

Your Board will welcome a full discussion of the whole patronage dividend question.

### **Supplementary Agreement with Government**

At the date of this Report the Supplementary Agreement with the Government covering the terms of the repayment of the 1929 Overpayment is in course of preparation by Government officials. It is anticipated that the final terms of this Agreement will be available for submission to the delegates during the present meeting.

### **Staff**

Your directors take this opportunity of expressing their appreciation of the continued loyal and efficient service of the Staff as a whole, both in the Head Office and Subsidiary Offices, and also in the country.

### **Conclusion**

This Report of necessity has dealt largely with sums of money and great quantities of grain.

In conclusion, your Board wishes to record its firm belief that a wider adoption of the co-operative principles underlying the operation of your Organization is even more important than the continued successful development of the Saskatchewan Wheat Pool Organization. It is evident that the world at large is realizing that the only way out of its present economic difficul-

ties will be found through some form of co-operative endeavor.

We are living today in an era of reconstruction as important as any through which the world has ever passed. During the past few years old economic ideals and principles have failed to meet changing conditions. Looking forward there is every reason to believe that the Co-operative Movement will continue to expand at an even greater rate than it has in the past. In our own Organization it should be possible to profit by our past experiences. There is much ground for satisfaction in the soundness of our present position, but even greater satisfaction in the knowledge that co-operative principles are standing the test wherever they may be applied.

All of which is respectfully submitted.

L. C. BROUILLETTE

J. H. WESSON

BROOKS CATTON

A. F. SPROULE

W. A. URTON

MARSH ADAMS

OLAF NYLUND

JAS. WOODBURN

C. W. COATES

R. A. ROBINSON

LEONARD WIDDUP

J. N. SANDAGER

M. L. BRISTOW

L. W. ELLIOTT

A. F. MURRAY

J. P. JENKINS



**SASKATCHEWAN CO-OPERATIVE WHEAT PRODUCERS LIMITED**  
**1931-1932 POOL ACCOUNTS**  
**OPERATING ACCOUNT**  
**VOLUNTARY POOL No. 1**

**STATEMENT No. 1**

**To Cost of Sales**

**By Sales Price realized.....**

Commission on Grain Sold..... \$10,528.44  
 Less Service Charges Received..... 7,219.77

\$592,191.91

Brokerage..... \$ 3,308.67  
 Carrying Charges..... 3,817.50  
 Terminal Storage..... 1,902.10  
 74.35

\$ 9,102.62

**25 Operating Expenses**

Salaries and Office Expenses..... \$ 5,079.91  
 Exchange and Excise..... 486.49  
 Telegrams..... 300.55  
 Printing..... 102.17  
 Postage..... 65.00

6,034.12

Less Interest Received.....

\$15,136.74  
 9,344.79

\$ 5,791.95

**Paid to Growers**

Initial and Interim Payments..... 457,054.08  
 Balance, being liability to Growers on Final  
 Payment..... 129,345.88

\$592,191.91

\$592,191.91

## VOLUNTARY POOL No. 1

Statement No. 1— (Continued)

By Sales Price realized..... \$ 10,134.31

**To Cost of Sales**

Commission on Grain Sold.....	\$ 193.10	
Less Service Charges Received.....	144.83	
		\$ 48.27
Brokerage.....		37.50
		\$ 85.77

**Operating Expenses**

Salaries and Office Expenses.....	\$ 92.30	
Exchange and Excise.....	7.75	
Printing.....	2.58	
Postage.....	1.75	
		\$ 104.38

190.15

Less Interest Received.....	1.88	\$ 188.27
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**Paid to Growers**

Initial Payment.....	\$ 8,365.88
Balance, being liability to Growers on Final Payment.....	1,580.16
	<u>\$ 10,134.31</u>

\$ 10,134.31**AUDITORS' CERTIFICATE**

To the Members, Saskatchewan Co-operative Wheat Producers Limited, Regina, Sask.

We report that, in our opinion, the above statement is properly drawn up so as to exhibit a true and correct view of the operation of 1931-1932 Voluntary Pool Accounts for the year ended 31st July, 1932, according to the best of our information and the explanations given to us, and as shown by the books.

WINNIPEG, 22nd September, 1932

(Sgd.) GEORGE A. TOUCHE &amp; CO., Chartered Accountants, Auditors.



## STATEMENT No. 2

## POOL PAYMENTS 1931-1932

## Pool No. 1

Wheat Grade	Gross Sales Price c	Sales and Optg. Exp. c	Net Sales Price c	Initial Payment c	Interim Payment c	Net Final Payment c
1 Hard.....	59.165	.545	58.620	35.000	10.000	13.620
1 Northern.....	57.790	.545	57.245	35.000	10.000	12.245
2 Northern.....	53.665	.545	53.120	32.000	10.000	11.120
3 Northern.....	49.665	.545	49.120	27.000	10.000	12.120
4 Northern.....	46.790	.545	46.245	23.000	10.000	13.245
Tf. 1 Hard.....	55.040	.545	54.495	30.000	10.000	14.495
Tf. 1 Northern.....	54.540	.545	53.995	30.000	10.000	13.995
Tf. 2 Northern.....	50.040	.545	49.495	27.000	10.000	12.495
Tf. 3 Northern.....	46.415	.545	45.870	22.000	10.000	13.870
Tf. 4 Northern.....	43.790	.545	43.245	18.000	10.000	15.245
Smuttery 1 Northern.....	50.040	.545	49.495	28.000	10.000	11.495
Smuttery 2 Northern.....	47.040	.545	46.495	25.000	10.000	11.495
Smuttery 3 Northern.....	42.665	.545	42.120	20.000	10.000	12.120
2 C. W. A. Durum.....	67.790	.545	67.245	31.000	10.000	26.245
3 C. W. A. Durum.....	57.415	.545	56.870	26.000	10.000	20.870
Rej. 2 Northern.....	44.540	.545	43.995	25.000	10.000	8.995
Rej. 3 Northern Sptd.....	40.665	.545	40.120	20.000	10.000	10.120
Tf. Rej. 1 Northern Mxd. Htd.....	43.415	.545	42.870	15.000	10.000	17.870
Sample Wheat Mxd. Htd.....	36.290	.545	35.745	15.000	10.000	10.745

## Pool No. 2

1 Hard.....	54.470	.975	53.495	45c	....	8.495
1 Northern.....	53.845	.975	52.870	45c	....	7.870
2 Northern.....	50.720	.975	49.745	42c	....	7.745
3 Northern.....	48.720	.975	47.745	37c	....	10.745
4 Northern.....	46.970	.975	45.995	33c	....	12.995
Tf. 1 Northern.....	50.595	.975	49.620	40c	....	9.620
Tf. 2 Northern.....	47.970	.975	46.995	37c	....	9.995

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

**STATEMENT No. 3**

**CONSOLIDATED BALANCE SHEET AT 31st JULY, 1932**

**ASSETS**

<b>Cash</b>		
Cash in Banks.....	\$	245,316.39
Cash Funds—Payors, etc.....		4,371.23
	\$	249,687.62
<b>Accounts Receivable</b>		
Growers' Accounts.....	\$	94,190.22
Sundry.....		889,087.48
		983,277.70
<b>Accounts Receivable, Deferred</b>		
Canadian Co-operative Wheat Producers, Limited.....	\$	1,508,313.50
Manitoba Co-operative Wheat Producers, Limited.....		284,418.59
Growers' Overpayments, 1929-1930 Pool.....		13,479,797.00
Operating Expenses, 1930-1931 Pool.....		403,182.91
		15,675,712.00
<b>Stocks of Grain—less Stored Grain</b> (as certified by responsible officials).....		5,560,191.36
<b>Stock in Trade—Modern Press Limited</b> (as certified by responsible officials).....		6,621.42
<b>Investments and Memberships</b>		
Canadian Co-operative Wheat Producers, Limited.....	\$	50,000.00
Canadian Pool Agencies, Limited.....		6,670.00
Winnipeg Grain Exchange.....		16,050.00
Winnipeg Grain & Produce Exchange Clear- ing Association, Limited.....		7,000.00
Rural Telephone Companies.....		1,282.00
		81,002.00

**LIABILITIES AND CAPITAL**

<b>Cheques, Vouchers, etc., Outstanding</b>		
Pool Payment and Interest on Reserves		
Cheques.....	\$	67,091.35
Grain Drafts, Cash Tickets, etc.....		352,339.53
General Cheques.....		200,632.78
	\$	620,063.66
<b>Outstanding Certificates</b> .....		16,543.44
<b>Accounts Payable</b>		
Grain Loans.....	\$	882,000.00
Final Pool Payment Accounts.....		174,086.21
Canadian Co-operative Wheat Producers, Limited.....		48,487.76
Saskatchewan Co-operative Elevator Com- pany Limited.....		554,532.36
Province of Saskatchewan.....		30,082.95
Sundry.....		339,160.34
		2,028,349.62
<b>Deferred Liabilities</b>		
Saskatchewan Co-operative Elevator Com- pany, Limited.....	\$	1,372,277.79
Province of Saskatchewan:		
Account 1929-1930 Pool Overpayment.....		13,975,601.53
Account Saskatchewan Co-operative Ele- vator Purchase.....		597,590.05
Manufacturers Life Insurance Company .....		10,500.00
Interest Payable on 1928-1929 Deductions....		281,110.83
		16,237,080.20



**Fixed Assets (less Reserves for Depreciation)**

Country Elevators and Coal Sheds.....	\$10,537,927.28
Terminal Elevators.....	7,472,710.40
Land, Buildings and Machinery—Regina and Saskatoon.....	250,508.92
Agents' Residences.....	376,997.69
Buildings under Construction.....	10,056.63
Sites—Terminals, Elevators, etc.....	360,257.66

\$19,008,458.58

Office Furniture and Fixtures.....	89,501.12
Automobiles and Miscellaneous Equipment..	38,432.43

19,136,392.13

**Deferred Charges**

Overpayment 1929-1930 Pool—Company's Share.....	\$ 1,006,521.44
Sundry.....	161,895.99

1,168,417.43

\$42,861,301.66

**Elevator Deductions.....**

12,188,060.07

**Commercial Reserve.....**

6,567,851.17

**Membership Subscriptions, 1924-1928 Pool**

18,957.00

**Capital.....**

84,731.00

**Reserve.....**

3,059,420.35

**Undivided Profits.....**

2,040,245.15

**Contingent and Undetermined Liabilities**

In respect of buildings under  
construction—estimated.....\$10,000.00

Undetermined amounts in respect of Bank  
Loans of the Canadian Co-operative  
Wheat Producers, Limited.

\$42,861,301.66

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

We submit herewith a Consolidated Balance Sheet at 31st July, 1932, of the Saskatchewan Co-operative Wheat Producers Limited, Modern Press Limited, Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited, which has been prepared from our certified Balance Sheets of the Companies at 31st July, 1932.

In presenting these Statements, we wish to express our appreciation of the courtesies and co-operation extended to us by your Directors and the Officers of the various Companies during the course of our audit.

(Sgd.) GEORGE A. TOUCHE & COMPANY, Chartered Accountants, Auditors.

22nd September, 1932.

The following explanations may be of value in considering the Consolidated Balance Sheet:

**Accounts Receivable:**

**Growers' Accounts \$94,190.22.** Items comprising this total are as follows:

Growers' Accounts Receivable.....	\$13,258.96
Liquidated Damages Receivable.....	7,119.05
1928-1929 Second Interim Non-Payment Suspense....	2,746.22
Advances against Reserves.....	2,903.33
Seed Grain Advances against Reserves.....	45,048.17
Contract Notes 1928-1933 Pool.....	23,114.49
	<u>\$94,190.22</u>

**Sundry \$889,087.48.** This item is principally composed of advances and freight charges on stored grain and handling charges earned on grain in store in country elevators and terminals collectable when the grain is sold.

**Canadian Co-operative Wheat Producers Limited \$1,508,313.50.** This amount represents a loan to the above mentioned Company.

**Manitoba Co-operative Wheat Producers Limited \$284,418.59.** This amount includes accrued interest from 1st August, 1931, and represents the balance owing in respect of the Company's interest in the proceeds of the sale of the Davidson-Smith Terminal to the above named Company. Payment of ten per cent. of the principal owing, together with accrued interest to 1st August, 1932, was received subsequent to the date of the Balance Sheet.

**Growers' Overpayments 1929-1930 Pool \$13,479,797.00.** This represents the balance due by Growers in respect of excess initial payments on deliveries to the 1929-1930 Pool, after writing down the maximum overpayment on any grade of grain to 18 cents per bushel and applying credits from the final payment of the 1928-1929 crop. The amount also includes interest at 5 per cent. per annum from 1st October, 1931, to 31st July, 1932.

**Operating Expenses 1930-1931 Pool \$403,182.91.** This amount consists of the total operating expenses of 1930-1931 Pool and will constitute a reduction of any further proceeds of the 1930-1931 crop.

**Country Elevators, etc. \$10,537,927.28.** Included in this amount are the following items:

	Plant Value	Depreciation	Net
Country Elev's....	\$13,913,950.91	\$3,388,923.72	\$10,525,027.19
Coal Sheds.....	5,437.85	1,257.56	4,180.29
Air Dumps, etc., installed in Leased Elevators.....	10,373.84	1,654.04	8,719.80
	<u>\$13,929,762.60</u>	<u>\$3,391,835.32</u>	<u>\$10,537,927.28</u>

**Terminal Elevators \$7,472,710.40.** The following are the details of the amount shown in respect of this asset.

	Plant Value	Depreciation	Net
Terminal No. 4.....	\$ 3,050,174.73	\$ 906,433.19	\$2,143,741.54
Terminal No. 5.....	1,194,545.69	346,862.11	847,683.58
Terminal No. 6.....	74,986.34	21,278.52	53,707.82
Terminal No. 7.....	3,932,908.65	744,755.88	3,188,152.77
Terminal No. 8.....	10,023.40	2,004.68	8,018.72
Buffalo.....	1,757,234.81	525,828.84	1,231,405.97
	<u>\$10,019,872.62</u>	<u>\$2,547,163.22</u>	<u>\$7,472,710.40</u>

The above values are exclusive of sites which are shown under the heading of "Sites—Terminal Elevators, etc." details of which appear below. Terminals Nos. 6 and 8 are leased houses and the figures shown are for equipment only.

**Land, Buildings and Machinery, Regina and Saskatoon, \$250,508.92.** This includes the following items:

	Plant Value	Depreciation	Net
<b>Regina</b>			
Head Office Building.....	\$180,000.00	\$ 47,250.00	\$132,750.00
Site.....	25,397.75	.....	25,397.75
Fixtures and Equipment	3,954.57	2,021.98	1,932.59
<b>Saskatoon</b>			
Modern Press Building..	22,200.00	1,110.00	21,090.00
Site.....	9,200.00	.....	9,200.00
Machinery and Equip- ment.....	63,303.78	3,165.20	60,138.58
	<u>\$304,056.10</u>	<u>\$ 53,547.18</u>	<u>\$250,508.92</u>

**Agents' Residences \$376,997.69.** Included in this asset are 292 Agents' Residences, valued at \$475,730.22, against which there is a Depreciation Reserve of \$98,732.53.

**Buildings Under Construction \$10,056.63.** This represents one elevator under construction and sundry construction work in progress at various points at the year end.



**Sites Terminal Elevators, etc., \$360,257.66.** The following is a summary showing the sites comprising 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.....	826.25
Cottage Sites.....	29,649.17
	<u>\$360,257.66</u>

**Overpayment 1929-1930 Pool—Company's Share, \$1,006,521.44.** All overpayments of the 1929-1930 Pool in excess of eighteen cents per bushel on any grain or grade of grain have been charged to this account. The account has also been charged with the discount on bonds issued by the Province of Saskatchewan in re-imbursing the lending banks, and with interest paid or due the Province in this regard, in excess of interest charged to Growers' Overpayments. As a partial set-off to the foregoing charges the account has been credited with the Saskatchewan Pool Elevators Limited 1929-1930 Adjustment Account, consisting of adjustments from Canadian Co-operative Wheat Producers Limited and with the surplus earnings of the organization for the year ended 31st July, 1932. A statement of the account follows:

Cost of writing down Overpayment to maximum of 18 cents per bushel	\$ 949,443.01
Discount on Bonds issued by Province of Saskatchewan.....	271,540.00
	<u>\$1,220,983.01</u>
Interest paid to Government.....	\$339,429.87
Accrued Interest to 31st July, 1932..	226,906.55
	<u>\$566,336.42</u>
Less—Accrued Interest on Growers' share of Overpayment to 31st July, 1932.....	\$540,609.87
	<u>\$ 25,726.55</u>
	<u>\$1,246,709.56</u>
Deduct—Saskatchewan Pool Elevators Limited, Adjustment Account	\$197,656.30
Surplus Income from Season 1931-1932 Operations.....	42,531.82
	<u>\$ 240,188.12</u>
	<u>\$1,006,521.44</u>

**Deferred Charges—Sundry, \$161,895.99.** This item represents expenditures made which are chargeable to future seasons and includes the following:

Organization Expenses, 1928-1933 Pool.....	\$ 34,194.47
Head Office Building Alterations.....	14,657.34
Repair Parts and Supplies on hand.....	43,026.15
Prepaid Insurance and Taxes.....	40,722.09
Sundry Prepaid Expenses.....	29,295.94
	<u>\$161,895.99</u>

**Final Pool Payment Accounts, \$174,086.21.** This amount comprises the following:

Final Payment 1931-1932 Pool.....	\$130,926.04
Final Payment 1928-1929 Pool—Abeyance Account	43,160.17
	<u>\$174,086.21</u>

Cheques were issued on 1st August, 1932, covering the final payment 1931-1932 Pool. The amount of \$43,160.17 consists of final payments due on the 1928-1929 Pool held back awaiting final decision as to whom payment is due in case of joint accounts, assignments, etc.

**Canadian Co-operative Wheat Producers Limited, \$48,487.76.** This represents an adjustment due by Pool Terminals on 1930-1931 Mixing Account based on selling spreads.

**Saskatchewan Co-operative Elevator Company, Limited, \$554,532.36.**

**Province of Saskatchewan, \$30,082.95.** These payments are due in respect of the purchase of the assets of Saskatchewan Co-operative Elevator Company Limited. By special agreement Saskatchewan Co-operative Elevator Company Limited consented to accept fifty per cent. of the total principal and interest due 1st August 1932, payment, however, to apply first on interest amounting to \$109,064.73 and the balance on principal. The remaining fifty per cent. is deferred for one year.

The Province of Saskatchewan has consented to deferment for one year of principal amount due 31st August, 1932. Interest was paid on the due date, subsequent to the year end.

**Accounts Payable—Sundry, \$339,160.34.** This item consists principally of Customers' Margin Accounts and accrued expenses.

**Saskatchewan Co-operative Elevator Company Limited, \$1,372,277.79.**

**Province of Saskatchewan, \$597,590.05.** These amounts represent the balances due and payable in August, 1932, in respect of the purchase price of the assets of the above named Company.

**Province of Saskatchewan—Account 1929-1930 Pool Overpayment, \$13,975,601.53.** This amount is made up as follows:

Principal.....	\$13,577,194.98
Accrued Interest to 31st July, 1932.....	226,906.55
Notes payable re 1928-1929 Final Payment.....	171,500.00
	<u>\$13,975,601.53</u>

**Manufacturers' Life Insurance Company, \$10,500.00.** This represents a mortgage payable on the Modern Press Building, Saskatoon.

**Interest Payable on 1928-1929 Deductions, \$281,110.83.** The details of this account are as follows:

Elevator Deductions, 6% from 1st September, 1929, to 31st August, 1930.....	\$199,195.04
Commercial Reserve, 5% from 1st September, 1929, to 31st August, 1930.....	81,915.79
	<u>\$281,110.83</u>

**Elevator Deductions, \$12,188,060.07. Commercial Reserve, \$6,567,851.17.** Funds in respect of Elevator Deductions are invested in the Saskatchewan Pool Elevators Limited, and in respect of Commercial Reserve in the remaining investments, fixed assets, loans to Saskatchewan Pool Elevators Limited and Canadian Co-operative Wheat Producers Limited.

**Membership Subscriptions—1924-1928 Pool, \$18,957.00.** This item represents subscriptions for Capital Stock in the old Pool from growers who are not members of the new Pool.

**Capital Stock, \$84,731.00.** This amount represents the Capital Stock in the new Pool.

**Reserve Account, \$3,059,420.35.** This represents the Operating Reserve of Saskatchewan Pool Elevators Limited. The net earnings of the Company for the past season have been transferred to this account.

**Undivided Profits, \$2,040,245.15.** Includes earnings of Saskatchewan Pool Elevators Limited set aside during seasons 1929-1930 and 1930-1931, distribution of which has been deferred.

**Saskatchewan Co-operative Wheat Producers Limited  
Modern Press Limited  
Saskatchewan Pool Elevators Limited  
and  
Saskatchewan Pool Terminals Limited**

**Statement of Assets, Direct Liabilities, and Growers' Equity as at September 30th, 1932**

<b>Assets</b>		
Fixed and Sundry.....	\$19,585,499.01	
Surplus Capital.....	3,741,041.68	
<b>Total Assets</b> .....	<u>\$23,326,540.69</u>	
<b>Direct Liabilities</b>		<b>Equity</b>
Province of Saskatchewan, Account Saskatchewan Co-operative Elevator Purchase.....	\$ 597,590.05	2.562%
Saskatchewan Co-operative Elevator Company Limited.....	1,372,277.79	5.883%
Province of Saskatchewan, Account 1929-1930 Pool Overpayment.....	13,684,115.00	58.663%
Manufacturers' Life Insurance Company.....	10,500.00	.045%
<b>Total Liabilities</b> .....	<u>\$15,664,482.84</u>	
Growers' Equity.....	7,662,057.85	32.847%
<b>Total Liabilities and Growers' Equity</b> .....	<u>\$23,326,540.69</u>	<u>100.000%</u>



**SASKATCHEWAN POOL ELEVATORS LIMITED**  
**STATEMENT OF EARNINGS**  
**August 1st, 1925, to July 31st, 1932**

[illegible]

## STATEMENT No. 5

**STATEMENT OF GRAIN HANDLINGS**  
**SASKATCHEWAN POOL ELEVATORS, LIMITED, and SASKATCHEWAN POOL TERMINALS, LIMITED**  
**SEASONS 1924-1925 to 1931-1932**

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	TOTAL 1924-1932
<b>TOTAL HANDLED (ALL GRAINS).....</b>									
Saskatchewan Pool Elevators Limited.....	.....	15,878,715	80,110,048	100,210,581	138,714,883	80,433,256	84,468,416	54,672,705	554,488,604
No. of Elevators Operated.....	.....	89	586	727	970	1,046	1,060	894	.....
Average Handling Per Elevator.....	.....	178,401	136,707	137,841	143,005	76,896	79,687	61,155	.....
Total Handled over Platform.....	5,703,987	12,716,212	9,488,988	6,163,926	7,224,133	1,439,248	1,498,239	1,999,163	46,233,896
 Total Handled Terminal No. 4.....	.....	.....	29,863,431	29,140,749	34,284,711	12,677,665	15,466,917	11,375,572	132,809,045
Total Handled Terminal No. 5.....	.....	.....	16,339,006	16,000,386	15,538,486	7,354,096	6,309,382	1,697,318	63,238,674
Total Handled Terminal No. 6.....	.....	.....	29,588,638	27,599,454	32,327,807	14,972,119	18,898,851	15,796,825	139,183,694
Total Handled Terminal No. 7.....	.....	.....	.....	.....	18,571,535	22,762,101	23,615,230	17,745,688	82,694,554
Total Handled Terminal No. 8.....	.....	.....	.....	.....	12,388,728	3,811,585	3,469,202	2,185,449	21,854,964
 <b>TOTAL.....</b>	 .....	 .....	 <u>75,791,075</u>	 <u>72,740,589</u>	 <u>113,111,267</u>	 <u>61,577,566</u>	 <u>67,759,582</u>	 <u>48,800,852</u>	 <u>439,780,931</u>
 Total Handled Buffalo Terminal.....	 .....	 .....	 <u>27,981,088</u>	 <u>22,566,272</u>	 <u>24,252,619</u>	 <u>9,764,105</u>	 <u>19,100,322</u>	 <u>12,443,932</u>	 <u>116,108,338</u>



# STATEMENT No. 6

## TOTAL NUMBER OF COMMITTEES, 1931-1932

### Sub-Districts 1-10

	1	2	3	4	5	6	7	8	9	10	T'tl.
District 1.....	3	5	10	10	7	8	8	11	6	9	77
District 2.....	7	4	6	8	7	8	11	8	13	7	79
District 3.....	3	4	3	6	6	6	3	4	3	6	44
District 4.....	3	8	8	4	5	3	4	5	3	6	49
District 5.....	10	4	6	8	7	5	7	10	9	5	71
District 6.....	8	10	5	9	10	12	13	7	7	9	90
District 7.....	8	5	5	4	6	10	6	4	11	6	65
District 8.....	7	12	11	8	7	6	5	5	4	3	68
District 9.....	4	7	3	9	4	9	7	5	6	6	60
District 10.....	6	7	5	7	13	8	2	8	6	10	72
District 11.....	9	11	12	6	6	7	13	8	12	9	93
District 12.....	11	8	11	7	8	10	7	9	10	9	90
District 13.....	10	12	4	13	8	12	5	8	6	10	88
District 14.....	7	8	7	8	10	14	13	9	9	6	91
District 15.....	9	9	5	8	6	5	6	6	6	10	70
District 16.....	7	7	7	7	5	11	6	8	7	6	71

Total in Province.....1,178

# STATEMENT No. 7

## COMMITTEES ORGANIZED 1931-1932

### Sub-Districts 1-10

	1	2	3	4	5	6	7	8	9	10	T'tl.
District 1.....	-	-	-	-	-	-	-	-	-	-	0
District 2.....	-	-	-	-	1	-	-	-	-	-	1
District 3.....	-	-	-	-	-	-	-	-	-	-	0
District 4.....	-	-	-	-	-	-	-	-	-	-	0
District 5.....	-	-	-	-	-	-	-	-	-	-	0
District 6.....	-	-	-	-	-	-	-	-	-	-	0
District 7.....	-	-	-	-	-	-	-	-	-	-	0
District 8.....	-	-	-	-	-	-	-	-	-	-	0
District 9.....	-	-	-	-	-	-	-	-	1	-	1
District 10.....	-	-	-	-	-	-	-	-	-	-	0
District 11.....	-	-	-	-	-	-	-	-	-	-	0
District 12.....	-	-	-	-	-	1	-	-	-	-	1
District 13.....	-	-	-	-	-	-	-	-	-	-	0
District 14.....	-	-	-	-	-	-	-	-	-	-	0
District 15.....	1	-	1	-	-	-	-	-	-	-	2
District 16.....	-	-	-	1	-	-	-	-	-	-	1

Total in Province..... 6

# STATEMENT No. 8

## COMMITTEES REORGANIZED 1931-1932

### Sub-Districts 1-10

	1	2	3	4	5	6	7	8	9	10	T'tl.
District 1.....	1	3	2	6	3	5	7	9	4	4	44
District 2.....	4	4	1	5	1	3	7	6	7	3	41
District 3.....	2	1	2	4	2	1	-	2	2	6	22
District 4.....	2	6	4	1	4	1	4	4	2	4	32
District 5.....	6	-	2	1	5	1	4	7	7	3	36
District 6.....	4	3	4	6	5	3	8	5	6	5	49
District 7.....	5	4	4	4	5	5	5	4	10	6	52
District 8.....	6	7	7	4	6	2	4	3	2	-	41
District 9.....	4	4	3	6	4	7	7	3	5	4	47
District 10.....	3	5	4	6	7	5	2	4	2	4	42
District 11.....	6	8	9	4	4	4	5	2	6	6	54
District 12.....	3	5	8	7	-	8	4	7	9	5	56
District 13.....	5	7	1	6	1	8	3	5	-	7	43
District 14.....	4	6	5	5	8	7	11	4	6	5	61
District 15.....	6	4	4	5	3	3	3	5	4	6	43
District 16.....	6	4	4	5	2	8	4	8	4	5	50

Total in Province..... 713

# *Canadian Co-operative Wheat Producers Limited*

## DIRECTORS' REPORT

1931-1932

To the Shareholders,

Canadian Co-operative Wheat Producers Limited,  
Winnipeg, Manitoba.

Gentlemen:

Prior to the beginning of the period under review, the Provincial Pool Organizations had been compelled, through circumstances beyond their control, to discontinue the pooling and selling of their grain through their Central Selling Agency, and our activities have therefore been restricted to an endeavour to wind up the business of the 1930 Pools.

In view of the circumstances surrounding the marketing of the 1930 crop, it is considered inadvisable to furnish any statements with respect to it at this time.

At the date of our last Annual Report the settlement between the Provincial Governments and the Lending Banks, in respect of the 1929 Overpayment, less the surplus accruing from the 1928 crop, was in process of completion based upon the interest charges accrued to the date tentatively decided upon for the issuance of the Bonds by the three Governments involved. The final amount due and payable by each Province upon that basis was reflected in a statement included in that report. Subsequently a different date was decided upon, and the final basis of settlement included interest up to the 30th September, 1931, and Bonds were issued, dated and bearing interest from that date, in the following totals:

Alberta.....	\$ 5,536,707.49
Saskatchewan.....	13,305,654.98
Manitoba.....	3,374,939.78
	<u>\$22,217,302.25</u>

At the subsequent sessions of their legislatures, the three Governments passed the necessary legislation validating these payments and ratifying the terms governing the repayment to them by the Provincial Pools of the indebtedness incurred in respect of the Wheat Pool Guarantees.

Subsequent to the death of our late respected President, A. J. McPhail, Mr. L. C. Brouillette was elected to the office of President of your Company, and Mr. Lew Hutchinson as Vice-President.

Due to the fact that, under the new arrangements by which the Provincial Organizations handled the 1931 crop, it was necessary to release a very large number of officials and employees, including many who had been with the Company since its inception, only a sufficient number of the staff has been retained as is necessary to carry on the business of the organization and to record its transactions properly.

During the year under review, the ownership of Canadian Pool Agencies Limited was transferred from the Central Selling Agency to the Provincial Organizations by the purchase by the latter of the Capital Stock of this Company. The transfer of ownership was necessitated by the fact that the large volume of insurance which used to be placed by Central in respect of lake and ocean marine and outturn insurance was lost to us when the operations of Central were discontinued. Under the circumstances it was considered



advisable that the ownership of the Company should be transferred to the Organizations whose direct patronage was necessary for its successful operation.

Details of the operations of Canadian Pool Agencies for the year are presented in a separate report for your consideration.

### World Wheat Situation

According to the statistics prepared by the United States Department of Agriculture, world wheat stocks, which have been held at abnormally high levels since 1928, showed a reduction of about 100 million bushels from the previous year as at 1st August, 1932, when stocks were estimated at approximately 720 million bushels, the lowest figure since 1928, but this is still more than 300 million bushels above the normal carry-over. Of this quantity, the United States had the largest proportion estimated at 304 million bushels, Canada coming next with 134 million bushels.

The carryover in the principal exporting countries—Canada, the United States, Argentine and Australia—for the crop years from 1923-1924 to 1931-1932, was as follows:

	Canada	United States (In Millions of Bushels)	Argentine	Australia
1923-24.....	29	153	56	42
1924-25.....	41	165	66	38
1925-26.....	26	135	56	36
1926-27.....	35	111	61	30
1927-28.....	48	138	65	34
1928-29.....	78	142	90	43
1929-30.....	104	262	120	45
1930-31.....	136	290	49	55
1931-32.....	134	304	40	37

World disappearance of wheat during the past crop year appears to have been about equal to that of the previous season, approximately 770 million bushels of wheat moving into world trade as compared with 786 million bushels a year earlier. The maintenance of the level of world disappearance, despite the drastic trade barriers tending to restrict consumption, reflects the inelasticity of world demand, record low prices failing to stimulate world consumption to any appreciable extent in the few free markets now open to world exports. These trade barriers, however, in the form of tariffs and milling restrictions imposed by important countries in the interests of producers rather than consumers of wheat, have substantially narrowed the markets for high grade milling wheat such as Canada produces, and resulted in many millions of bushels of low quality grain being ground into flour which, under different conditions, would have been fed on the farms.

Partly as a result of the policies for the encouragement and protection of their farmers, but largely owing to favorable climatic conditions, four of the principal wheat importing countries—France, Germany, Italy and Spain—have harvested unusually large crops the present year, which will reduce substantially import requirements for Western Europe until the bulk of the domestic stocks have been disposed of. Following are the most recent estimates for these countries as compared with 1931:

	1932 (Millions of Bushels)	1931
France.....	332	264
Germany.....	188	155
Italy.....	276	248
Spain.....	161	134
Total.....	<u>957</u>	<u>801</u>

Among the importing countries, Belgium, Denmark, Netherlands, Norway, Russia, the Irish Free State and Hong Kong levy no duty on wheat. The United Kingdom is still a free market, but the United Kingdom delegates agreed, at the recent Imperial Economic Conference, to levy a tariff of six cents a bushel on non-Empire wheat. Sweden levies a duty of about 25 cents a bushel. Czechoslovakia, Greece, Japan and Latvia have tariffs ranging between 30 and 50 cents a bushel. The tariffs of Poland, Spain, Turkey, Esthonia, Finland, and the minimum French duty, range between 75 cents and \$1.00 per bushel. Germany has a tariff of \$1.62 per bushel, and milling regulations in most of the importing countries limit the utilization of foreign wheat, which is now only 3 per cent. in France and Germany, and 5 per cent. in Italy, except in the northern districts.

The carryover in both Argentine and Australia on 1st August, 1932, was the lowest since 1927-28, owing to the extensive movement of wheat from the Southern Hemisphere during the entire crop year 1931-32.

Russia is not expected to export much wheat during the next twelve months, owing to drought conditions in several important wheat areas, and serious difficulties in farming operations caused by a drastic decline in animal power on the farms before sufficient mechanized power was available. Russian wheat exports during the past year were sharply lower than in the previous shipping season, amounting to 70,552,000 bushels, as compared with 97,760,000 for the previous year. While some shipments of wheat from Russia may be expected to meet pressing financial obligations entered into for machinery, etc., it is quite apparent that there is no actual surplus of wheat in that country, as every bushel grown there could be consumed at home.

Reduced production and small surplus available for export in the Danube Basin is reported, the 1932 yield in Roumania, Yugoslavia, Hungary and Bulgaria being estimated at 246 million bushels, as compared with 368 million bushels in 1931.

On the North American Continent the large increase in the Canadian wheat crop over the previous year is more than offset by the drop in the United States wheat crop of 179 million bushels from the previous year, the current year's crop of 710 million bushels being less than required for normal domestic consumption. The Canadian Government preliminary crop estimate of 446 million bushels of wheat for the prairie provinces is the largest crop harvested in Canada since 1928, and, like the lighter crops of 1929, 1930 and 1931, is of high milling quality. Domestic requirements are estimated at 130 million bushels, leaving the balance of 316 millions for export and carryover. Adding last year's carryover of 134 million bushels this leaves available for export and carryover 450 million bushels as compared with 319 millions at the beginning of 1931-32.

### Garnet Wheat

Mr. Lew Hutchinson, representing the Pool Organizations, together with Mr. R. C. Steele, acting in the capacity of technical adviser, was sent to appear before the Agricultural Committee at Ottawa on your behalf, to give evidence in support of the proposed segregation of Garnet Wheat in separate grades, effective for the crop of 1933. We understand this matter is to receive consideration at a subsequent session of Parliament.



## Imperial Conference

Early in May the Presidents of the three Provincial Pools received a personal letter from the Right Hon. R. B. Bennett, Prime Minister of Canada, asking for the views of our Organizations in connection with the approaching Imperial Conference, and suggesting that briefs, giving such views, be submitted to the Preparatory Committee at Ottawa. After full discussion by the Central Board and the Provincial Boards, a brief was prepared, but it was the unanimous opinion of the Pool Boards that the brief should be presented personally by elected Pool officials to the Federal Government, to prevent any misunderstanding about the attitude of the Pools in connection with the Imperial Conference.

After communicating this view to the Federal Government a conference was arranged with the Prime Minister and members of his cabinet on Tuesday, 28th June, at Ottawa. Present were: Right Hon. R. B. Bennett, Prime Minister; Hon. H. H. Stevens, Minister of Trade and Commerce; Hon. R. A. Weir, Minister of Agriculture; Hon. R. J. Manion, Minister of Railways and Canals; Hon. E. B. Ryckman, Minister of National Revenue, representing the Government. Representing the Pools were: Mr. L. C. Brouillette, President, Saskatchewan Wheat Pool; Mr. J. J. Strang, Director, Alberta Wheat Pool; Mr. P. F. Bredt, President, Manitoba Pool Elevators Limited; Mr. W. A. MacLeod, Director of Publicity, Canadian Wheat Pools. A most courteous and attentive hearing was given by the Government representatives to the views submitted by the Pools, and the memorandum which had been drawn up and approved by the three Provincial Pool Boards and the Central Board, was submitted to the Government. A copy thereof is appended hereto.

## National Wheat Board

Anticipating the continuance of the problems which arose in marketing the 1931 crop, with the lack of support necessary for the normal hedging requirements and the resultant depressing effect on price levels, your Board again stressed the necessity for the establishment of a National Wheat Board to handle the new season's crop. This question was referred to the Boards of the three Provincial Organizations for their consideration, each of which passed resolutions unanimously endorsing the necessity for an Organization of this nature, which, in their opinion, provided the only solution for the Wheat Marketing and Production problems under conditions existing at the present time. This question was further considered at a conference with the Provincial Premiers held in Calgary, where it received endorsement, and the views there expressed were submitted to the Government at Ottawa.

Attached to this Report will be found a copy of a Report submitted by Mr. John I. McFarland, General Manager, to the annual meeting of Shareholders of Canadian Co-operative Wheat Producers Limited.

## Conclusion

Drought conditions which resulted in the complete or partial loss of crops, extending over millions of acres, during the past three years, were again a serious factor during the past season in large areas, while the continuing ruinous prices prevailing for all agricultural products combined to make the position of the Growers one of great anxiety, and, to large numbers, of acute

distress. Despite the conditions prevailing, the splendid loyalty of such a large percentage of the Growers, as indicated by the steadily increasing patronage to their co-operative elevator systems, has been a source of gratification and encouragement.

Respectfully submitted,

L. C. BROUILLETTE, President	} <i>Executive</i>
LEW HUTCHINSON, Vice-President	
P. F. BREDT	
J. H. WESSON	
BROOKS CATTON	
C. JENSEN	
BEN S. PLUMER	
C. H. BURNELL	
W. G. A. GOURLAY	

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## REPORT OF MR. JOHN I. McFARLAND General Manager

Toward the end of November, 1930, when at the urgent request of our late President, Mr. A. J. McPhail, a group of bankers and representatives of the governments, I decided to assume the position of General Manager of your Company, needless to say, I did so with much apprehension as to the future. Wheat prices were very low, and the world's supply position appeared hopeless unless world's consumption should materially increase, as many supposed it would owing to the unprecedentedly low prices at which that cereal was being offered to consuming countries. Experience, however, during the past two years has demonstrated that the assumption was absolutely incorrect as consumption did not increase even though the lowest prices of modern times have prevailed.

World's visible supplies at the 1st of January, 1931, were 584 million bushels of which 470 millions were in Canada and the United States. This was a record on that date as compared with any previous year. However, on 1st of January, 1932, the same quantity was still in evidence at practically unchanged figures. I mention the supplies as at 1st January because of the fact that that date nearly corresponds with the date on which I took over this position.

Impressed as I was with the seriousness of the situation, and firmly believing that overproduction was the cause of unprecedentedly low prices, and furthermore, that overproduction was caused by excess acreage and could be corrected in only one way, namely, by a decrease in seeded acreage, I decided to issue an immediate warning and at once prepared an article in the strongest language at my command, and gave it under date of 29th November, 1930, to the public Press. In that article I insisted that governments and farming organizations should take immediate action to urge acreage reductions upon their countries, while insisting on similar measures at home. The article received wide publicity and met with an unpopular reception so far as Canada was concerned. The argument principally used to combat a decrease in acreage at that time was that our troubles were not caused by overproduction but rather by underconsumption, and if the underconsumption argument was correct then surely with the very low prices existing ever since that time consumption should have been increased. On the con-



trary, however, it has not increased, and we now find ourselves in the same position as we were almost two years ago.

In the meantime I have carried on feeling at all times fairly positive that unless Providence intervened through crop failures, success could not attend our efforts. There have been some near-crop-failures throughout the world, but not of a drastic enough nature to overcome the largely extended acreage.

I wish to state that there has never been a time in the past two years when there was a demand for wheat in sufficient volume at a price which would repay the banks the amount of their loans, and that being true it, therefore, follows that it has at all times been impossible to realize an equity for the farmers who put their wheat in the 1930 Pool. It cannot, however, be denied that the holding of such Pool wheat from an unwilling world's market, has resulted in much higher prices being obtained for that portion of the 1930 crop which was sold, both Pool and non-Pool, as well as that of all the 1931 crop and whatever portion of the 1932 crop may have been sold by farmers up to the present date. These higher prices have inured to the benefit of all farmers as well as to the business interests of the Dominion as a whole.

We are still in the midst of the operation undertaken and which has only been made possible by the assistance of the Dominion Government, and until the present phase has been completed no useful or constructive purpose can be served by going into details.

In closing, I can only reiterate that, in my opinion, there can be no permanent improvement in world's values for wheat so long as such overproduction continues to exist. Some of our troubles have been blamed upon Russia for having come in as a world's shipper during the past couple of years. This, however, is not sufficient to account for our difficulties when I find that the Department of Agriculture of the United States, at Washington, has estimated that during the past two years there has been fed to livestock in that country a quantity equal to 250 million bushels more than had been fed on an average in any two former years. Furthermore, there has no doubt been more wheat fed to livestock in Canada and probably in some other countries where prices have been very low, but just to take the United States figures alone, I would point out to you that an extra 250 million bushels fed to livestock in that Republic during the past two years is equal to virtually the total quantity of wheat that Russia has sold in world markets since the commencement of the War, so that you will observe livestock have more than eaten up the Russian quantity, and yet our position has not improved.

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## A MEMORANDUM

Prepared by the Boards of the Manitoba Pool Elevators Limited, the Saskatchewan Wheat Pool and the Alberta Wheat Pool, on Subjects Affecting the Interests of Western Canadian Wheat Growers which will be Discussed at the Imperial Economic Conference at Ottawa in July.

Canada is the largest wheat exporting country in the world, annually exporting approximately 35 per cent. of the world trade in wheat and flour. The solvency of Western Canada and the prosperity of the Dominion as a whole is determined by the ability of Western farmers to produce wheat at a profit. Thus,

in approaching the consideration of inter-Empire trade, we must keep constantly in mind the necessity for the freest possible access to markets of the world on the part of the wheat growers of Canada.

### **Quota and Preferential Wheat Tariff**

In view of the fact that the relative merits of a wheat quota and preferential tariff on wheat from Canada entering the United Kingdom are likely to be discussed at the Imperial Conference, we wish to place ourselves on record as follows:—

Inasmuch as only a portion of Canada's exportable surplus of this product is absorbed by Empire markets, we would urge that nothing be done to jeopardize our access to non-Empire markets for the remainder. We believe care should be exercised to prevent the emergence of any spirit of antagonism which might prejudice the interests of Canadian wheat producers in foreign markets.

Three methods of improving the markets for Empire wheat have been suggested. These are (1) a Dominion Wheat Quota in Great Britain, (2) a preference for Empire Wheat in Great Britain, and (3) freer access of Empire Wheat into all importing countries by means of reciprocal trade agreements which would lower tariffs and remove other restrictions to trade.

The implications and the possible effects of these three proposals have been studied within the limits of our information by the three Western Pools, and our conclusions are as follows:—

#### **1. The Dominion Wheat Quota**

- (a) Inasmuch as the details of a quota have never been officially revealed, it is impossible to judge accurately the effects of such a proposal. We can see that any such proposal might work to our advantage in giving us a greater share of the U.K. market, but the advantage in ordinary times would be more apparent than real, inasmuch as the greater portion of our exportable surplus must go elsewhere.
- (b) We cannot see that the Quota System would have any appreciable effect on wheat prices. Only under the circumstances of an abnormally short crop in Canada can we conceive that the Canadian producer would get more for his wheat or the British consumer pay more for his bread than if a quota were non-operative.

#### **2. The Wheat Preference**

- (a) Inasmuch as in our judgment, trade restrictions and tariff barriers in foreign countries have been particularly effective in disturbing the marketing of Canadian grain, we cannot view with favour the extension of this principle in Empire countries.
- (b) On purely economic grounds we can find no evidence to prove that a preferential tariff will appreciably raise the price of Empire wheat.
- (c) The preference might increase the share of Empire wheat used in Great Britain, but, as compared to a specific material increase under a quota, the gain from a preference would be doubtful.



- (d) A preferential tariff for Empire wheat may result in retaliatory tariffs in foreign countries. If such a result occurs the consequences to Canada would be disastrous.

### 3. Wider Markets

We believe that the only hopeful and permanent solution of the grain marketing problem is for wider and freer markets as the bulk of our surplus must continue to be sold outside the Empire.

### Reciprocal Trade with Great Britain

The Western wheat grower is primarily interested in the possibilities of reciprocal trade with Great Britain as a means by which a market can be opened up for the British manufacturer, which will reflect itself in an increased demand in Britain for Canada's wheat and wheat products. A lower tariff against British manufactures which can be used by Canadian wheat growers would certainly reduce the cost of farm operations, in Western Canada particularly, and would place our wheat growers in a position where they would be better able to compete with wheat growers in other wheat exporting countries.

### Empire Currency

We believe that trade within the Empire is seriously retarded by reason of the uncertainty that exists through widely fluctuating exchange rates, and we recommend that the Imperial Conference arrange to investigate fully the practicability of a stabilized Empire currency which suggests that each country within the Empire stabilize its currency in relation to sterling.

### Empire Marketing Board

We believe that the development within the Empire of the machinery for collecting and distributing statistical and marketing information concerning agricultural commodities should be considered by the Economic Conference, and we suggest that, by means of contributions from all parts of the Empire, support be given to the Empire Marketing Board to enable it to supply the most complete interchange of technical, statistical and commercial information; and further, that the sphere of the Marketing Board be widened to assist not only trade within the Empire, but Empire trade in surplus products in countries outside the Empire.

### Conclusion

Finally, we recommend that, if the spirit of goodwill and mutual give and take with which the representatives of the several countries of the Empire enter the coming conference is effective in promoting trade agreements that stimulate the movement of goods within the Empire, our delegates be requested to bring to the attention of the delegates from the United Kingdom and our sister Dominions the advisability of calling a world economic conference to bring about a general lowering of trade barriers and further consolidation of confidence, goodwill and co-operation between the nations of the world, believing that such action will immediately stimulate the expansion of world trade in which we, as members of the British Commonwealth, may share to the benefit of the great mass of our citizens.

Respectfully submitted,  
L. C. BROUILLETTE  
J. J. STRANG  
P. F. BREDT

# *Canadian Pool Agencies Limited*

## DIRECTORS' REPORT

1931-1932

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

Gentlemen:

Appended hereto is the Balance Sheet of the Company as at 31st August, 1932, and a statement of its Income and Expenditures for the year ended as at the same date. In addition we present for your information a statement of the operations of the Outturn Trust Account, representing the results of the Trust Fund created and managed by your Agency on behalf of the Central Selling Agency, for the purpose of carrying the risk against losses in grain unloads in respect of lake vessels.

As you are aware, your Agency was organized for the purpose of effecting the savings which a survey of the insurance field indicated could be made by using the combined bargaining power presented by the vast insurance business which the four Pool Organizations, together with their subsidiaries, had at their disposal.

Due to the distressing economic conditions which have prevailed since soon after the formation of your Agency, we have been denied the opportunity to avail ourselves in full measure of the possibilities presented in the insurance field, but we feel sure a review of the statements presented, and the past brief history of the Company, will present a demonstration of what can be accomplished by co-operative effort and the elimination of unnecessary intermediaries in the handling of our business.

Considered merely in terms of profit, satisfactory though they may be considered, the full results of the operations of your Agency can not be appreciated, and it is worthy of notice that the possibilities with respect to the control and reduction of rates for the benefit of the insured are considered before profit, and we feel that a distinct service has been rendered in this respect.

At the beginning of the season under review, your Directors had to consider the wisdom of continuing the activities of this Agency in view of the loss of revenue which resulted from the discontinuance of the Central Selling Agency, which resulted in the almost complete loss of our lake and ocean marine and outturn insurance business. Under the circumstances it was considered doubtful if we could continue to furnish the service required for the protection of the insured; retain full control of our insurance, and at the same time effect a saving in cost of sufficient amount to continue its existence in its present form. The opinion was expressed by your technical men that, subject to the continued patronage of the Provincial Organizations, the Agency could maintain the same efficient service which could be obtained elsewhere, and at a considerable saving in cost. The result of the year's operations would appear to justify their opinion in this respect. In addition, a feeling of confidence with regard to the manner in which its business has been conducted has



been expressed to your Board by representatives of the Insurance Companies, and this, we feel, has reacted to the benefit of the insured.

In view of the fact that the Company could only be kept in existence by the patronage of the Provincial Organizations, it was considered advisable to transfer the ownership of the Company to them, and the Capital Stock previously held by Central was accordingly sold to them, the shares being allocated as follows:

Alberta.....	667 shares
Saskatchewan.....	667 "
Manitoba.....	666 "
<b>Total.....</b>	<b><u>2,000 shares</u></b>

It is of interest to note that the total commission earnings, inclusive of contingent profits, derived from the business of the four contributing Organizations for the initial three years of the Company's existence, totalled \$321,787.18, of which amount \$234,182.71 was returned in patronage dividends, in addition to which there is \$38,243.39, representing the profits for the past year, available for distribution at the end of the current season, together with a surplus as a result of the operations of the Outturn Trust Account of \$34,005.92. The distribution of the Patronage Dividend for the season 1930-1931 and the total for the three years were as follows:

	<i>Season</i> 1930-1931	<i>Total for</i> 3 Years
Central.....	\$31,497.93	\$149,712.74
Alberta.....	10,155.95	31,041.82
Saskatchewan.....	11,672.39	39,855.69
Manitoba.....	4,641.48	13,572.46
	<u>\$57,967.75</u>	<u>\$234,182.71</u>

The following comments with respect to the Balance Sheet and Operating Statements may be of value in order to further understand their composition.

## Balance Sheet

### *Agency Assets and Liabilities*

The total of the Agency Assets represents funds collected and to be collected, and which are offset by accounts due to the Insurance Companies for insurance written, and to the Canadian Pool Agencies for commissions.

### *Shareholders' Assets*

*Demand Loans:* These amounts represent loans made to the three Provincial Organizations and which are subject to recall for the purpose of financing the Agency during the coming year.

*Accrued Commissions, etc.:* This represents the Accrued Commissions previously referred to from the Agency Trust Funds, and which were received by us subsequent to the date of the Balance Sheet.

*Membership Deposit:* This represents a deposit which we are required to make to the Western Canada Insurance Underwriters' Association as a guarantee that we will comply with their rules and regulations, and is returnable to us in cash should we withdraw from membership.

### *Shareholders' Liabilities*

*Canadian Co-operative Wheat Producers Limited:* Under this heading is a liability in respect of the Out-

turn Trust Account, less advances made to them against this surplus.

Subject to the collection of the only remaining outstanding account, this balance will be available for payment to Central in respect of the operations of the Outturn Insurance Account, the details of which are presented in a Schedule for your information.

*Reserve for Cancellations and Unearned Commissions:* This amount is composed of \$8,000.00 reserve for Unearned Commissions and \$5,000.00 for Cancellations. Inasmuch as the major proportion of our business is due for renewal immediately prior to the end of our financial year, it is necessary to have substantial reserves in respect of these items, as the expenses in connection with the handling of this insurance are incurred during the ensuing season.

*Surplus:* The Surplus shown in our previous Balance Sheet of \$57,867.75 was increased by the amount of \$100.00 accrued last year, but which remained unexpended, and a distribution of these two amounts, totalling \$57,967.75, on the basis of patronage, was made during the year to the Companies who contributed their business to us. Details of this allocation are submitted elsewhere in this Report.

### **Profit and Loss Account**

Despite the loss of a large volume of ocean and lake marine insurance business this year, and the additional loss of premiums with respect to Outturn Insurance, the result of our operations for the period is a net profit of \$38,243.39. In addition to the loss of a large portion of our business our earnings in respect of commissions on grain insurance have been seriously affected during the past two seasons by the very low market levels. Under the circumstances we feel that the statements presented will be considered as very satisfactory.

#### *Income*

Included under this heading is an item of \$2,500.00 being an allowance made to your Agency for administrative expenses in respect of the management of the Outturn Trust Insurance.

#### *Expenses*

Administrative expenses of \$4,500.00 represents an allowance to the Central Selling Agency in respect of overhead and administrative charges for the year, and the deduction from the total expenses of \$1,800.00 represents the proportion of the expenses of your Agency chargeable to the Saskatchewan Inspection Service.

### **Outturn Trust Account**

The operations of this Account which are presented in a Schedule appended hereto represent the result of a new departure in the history of your Organization. As a result of the favourable loss experience which prevailed in prior years, it was decided at the beginning of the 1930 season to assume the risk in respect of grain shortages on lake vessels by the Central Selling Agency, instead of through the medium of Insurance Companies as formerly. From the statement submitted you will find that the total premiums paid by Central, based on the rates upon which they had previously paid the Insurance Companies, totalled \$46,269.28, of which there is available for distribution to them an amount of \$34,005.92, which represents profits which have previously accrued to the Insurance Companies.



The following explanatory comments might be of interest in reviewing the operations as shown in the Schedule submitted:

### *Income*

Under this heading you will note an amount representing Carriers' Contributions, from which is deducted Collection Fees. It is a consideration, in respect of insurance of this nature, that the vessel owners are assessed an amount based upon  $\frac{1}{4}$  of a bushel for every thousand bushels carried as their contribution against Unload Insurance. Under the terms of the Bills of Lading this amount is supposed to be computed at market prices prevailing at the port of destination at the date of unload, although in almost every case we have been able to obtain settlement on the basis of our own invoice price.

### *Expenses*

*Grain Claims:* This represents the actual losses in transit, less, of course, an allowance for overages when the vessels unload a quantity greater than their bill of lading weight.

In considering the favourable showing in respect of these operations, it is necessary to point out that a very large proportion of the grain handled went through the Buffalo Terminal belonging to the Saskatchewan Pool Elevators Limited, which Terminal has a very high reputation in respect of these unload out-turns.

*Tally Charges:* This item represents the charges on a bushelage basis in respect of the Tallymen, whose duty it is to check the Weighmen on the boats at the time of unload for the benefit of the Insurer.

*Adjustment Fees and Supervision:* These items, together with the Collection Fees deducted from Carriers' Contributions, were paid to our representatives in Buffalo.

*Organization Expenses:* This amount represents travelling and other preliminary expenses incurred in the preparation for the handling of this business at the time we took over control of the insurance, and had we continued in business it would, of course, have been spread over a period of five years.

Respectfully submitted,

L. C. BROUILLETTE, President	} <i>Executive</i>
LEW HUTCHINSON, Vice-President	
P. F. BREDT	
J. H. WESSON	
BROOKS CATTON	
C. JENSEN	
BEN S. PLUMER	
C. H. BURNELL	
W. G. A. GOURLAY	

**CANADIAN POOL AGENCIES LIMITED—BALANCE SHEET as at August 31st, 1932**

**STATEMENT 1**

<b>ASSETS</b>		
<b>Agency Assets</b>		
Cash in Banks.....	\$ 46,819.91	
Insurance Accounts Receivable.....	80,185.00	
<b>Total Agency Assets</b> .....	<b>\$127,004.91</b>	
<b>Shareholders' Assets</b>		
Cash in Banks and on Hand.....	\$ 3,416.47	
<b>Demand Loans</b>		
Alberta Pool Elevators, Limited.....	\$26,316.79	
Saskatchewan Pool Elevators Limited.....	24,895.43	
Manitoba Pool Elevators, Limited.....	1,934.87	
	<u>53,147.09</u>	
Saskatchewan Inspection Service	1,865.44	
Accounts Receivable—Sundry.....	149.27	
Accrued Commissions, etc.....	17,730.50	
	<u>\$76,308.77</u>	
<b>Investments and Membership</b>		
Dominion of Canada—National Service		
Loan 5% Bonds (Par Value \$10,000.00)....	\$ 9,768.75	
Membership Deposit (Western Canada Insurance Underwriters' Association).....	200.00	
	<u>9,968.75</u>	
Furniture and Fixtures.....	\$ 5,967.80	
Less Reserve for Depreciation.....	2,501.58	
	<u>3,466.22</u>	
	<u>89,743.74</u>	
	<u><b>\$216,748.65</b></u>	

**Auditors' Report to the Shareholders**

We have examined the books and accounts of Canadian Pool Agencies, Limited, for the fiscal year ending August 31, 1932, and have obtained all the information and explanations which we have required. The securities covering the investments in Government bonds and Membership deposit have been produced for our inspection or verified by certificates from the depositaries, and cash in banks has been confirmed by certificates obtained direct from the company's bankers.

We report that, in our opinion, the above balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of Canadian Pool Agencies, Limited, as at August 31, 1932, according to the best of our information and the explanations given to us and as shown by the books of the company

(Sgd.) PRICE, WATERHOUSE & CO., Auditors.

<b>LIABILITIES</b>	
<b>Agency Liabilities</b>	
Due to Insurance Companies.....	\$109,274.41
Accrued Commissions, etc.....	17,730.50
<b>Total Agency Liabilities</b> .....	<b>\$127,004.91</b>
<b>Shareholders' Liabilities</b>	
Accounts Payable and Accrued Expenses.....	\$ 917.17
<b>Canadian Co-operative Wheat Producers Limited</b>	
Outturn Trust Account.....	\$32,889.29
Less Advances.....	15,306.11
	<u>17,583.18</u>
Reserve for Cancellations and Unearned Commissions...	13,000.00
<b>Capital Stock—Authorized \$20,000.00</b>	
Issued and Fully Paid—2,000 shares of \$10.00 each....	20,000.00
Surplus.....	38,243.39
	<u>89,743.74</u>

Approved on behalf of the Board:

L. C. BROUILLETTE, Director.

LEW HUTCHINSON, Director.

R. C. FINDLAY, Treasurer.

**\$216,748.65**



## CANADIAN POOL AGENCIES LIMITED

STATEMENT OF INCOME AND EXPENSES FOR THE  
YEAR ENDED AUGUST 31st, 1932

## Income

Commissions Earned.....	\$49,449.23
Outturn Trust Administration.....	2,500.00
Interest.....	5,581.21
Interest on Investments.....	189.04
	<u>\$57,719.48</u>

## Administrative and General Expenses

Salaries.....	\$10,932.06
Administration.....	4,500.00
Rent and Light.....	3,250.08
Office Supplies and Expenses.....	230.95
Telegraph and Telephone.....	460.04
Depreciation.....	727.19
Legal and Audit Expense.....	475.00
Taxes and Licenses.....	350.79
Printing and Stationery.....	137.55
Postage.....	123.12
Brokerage.....	69.31
Travelling Expense.....	20.00
	<u>\$21,276.09</u>
Less Allowance from Saskatchewan Inspection Service.....	1,800.00
	<u>19,476.09</u>

Net Income Transferred to Surplus..... \$38,243.39

**CANADIAN POOL AGENCIES LIMITED**  
**STATEMENT OF OPERATIONS—OUTTURN TRUST**  
**ACCOUNT**  
**SEASON 1930-1931**  
**AUGUST 31st, 1932**

**Income**

Premiums from Shippers.....		\$46,269.28
Carriers' Contributions.....	\$48,313.06	
Less Collection Fees.....	<u>4,832.02</u>	
		<u>43,481.04</u>
		<u>\$89,750.32</u>

**Expenses**

Commissions.....	\$ 9,243.12	
Grain Claims—Shortages less Over- ages.....	8,104.61	
Tally Charges.....	14,062.90	
Buffalo Office Expense.....	7,704.17	
Adjustment Fees.....	6,644.97	
Supervision.....	4,523.20	
Organization Expenses.....	1,580.78	
Travelling Expense.....	645.00	
Office Printing and Supplies, etc.....	735.65	
Administrative Expenses.....	<u>2,500.00</u>	
		<u>55,744.40</u>
<b>Net Operating Profit.....</b>		<u><u>\$34,005.92</u></u>

**STATEMENT OF OUTTURN TRUST FUND**  
**AS AT AUGUST 31st, 1932**

Cash in Bank.....	\$ 1,056.12
Trust Fund—Canadian Pool Agencies Limited.....	32,889.29
Outstanding Claim.....	<u>60.51</u>
<b>Balance at Credit of Fund.....</b>	<u><u>\$34,005.92</u></u>





