

*Saskatchewan
Co-operative Wheat
Producers Limited*

SEVENTH
ANNUAL
REPORT



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REGINA, SASKATCHEWAN

1931
McGILL UNIVERSITY

Proposed Agenda of Business for Annual Meeting

- 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 Statement.
- 13.—Remuneration of Auditors.
- 14.—Appointment of Auditors.
- 15.—Resolution authorizing Directors to borrow money for any of the purposes of the Company.
- 16.—Consideration of Amendments to Articles of Association.
- 17.—Consideration of Resolutions set out in Notice of Meeting.
- 18.—Consideration of other matters that may properly come before the meeting.
- 19.—Adjournment.

SASKATCHEWAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

Directors' Report

REGINA, Saskatchewan,
November 18th, 1931.

This Seventh Annual Meeting of the Delegates of Saskatchewan Co-operative Wheat Producers Limited is being held under the shadow of the great loss sustained by our Organization in the death of its President four weeks ago.

Mr. McPhail was elected first President of this Organization in 1924 and had continued to hold that office until the time of his death.

It is not too much to say that every delegate and director of this Organization, past and present, suffered the loss of a personal and much loved friend in the passing of Mr. McPhail. The many tributes which appeared in the Press, and the very large number of personal letters received, bear testimony to the high esteem in which he was held by men and women in all walks of life. None of these, however, have been able to draw aside the curtain and portray in its entirety the spirit that animated his whole life, more especially in his later years. His high integrity and sincerity, combined with honesty of purpose, were the outstanding qualities which endeared him to every member of your Board. For many years a strong advocate of Co-operation as the road which would lead to the solution of many of our agricultural difficulties, the organized farmers of Saskatchewan have lost an outstanding champion of their cause.

The public life of Canada is the poorer for his passing. The Co-operative Movement in general, and our Organization in particular, will feel his loss keenly. But despite the great loss sustained, it is well to realize at this time that the whole movement for agricultural co-operation has been strengthened and enriched because of the fact that the last and best years of A. J. McPhail's life were devoted wholeheartedly, unreservedly, and with a singleness of purpose rarely met with, to the task of advocating and administering the affairs of this Organization—the work which lay closest to his heart.

Your directors also deeply regret to record the death of one of our delegates, Mr. James Yoxall, of District 16, Sub-district 10, as a result of an accident sustained at Saskatoon on October 23rd. Mr. Yoxall was travelling to Regina to attend the funeral of our late President at the time of the accident.

In presenting this Seventh Annual Report of the Board of Directors to the delegates of Saskatchewan Co-operative Wheat Producers Limited, it will be noted that a different arrangement has been followed. The Central Selling Agency Report is not a record of the activities of the Saskatchewan Wheat Pool, but is presented by the directors of the Central Selling Agency to its shareholders. It is, therefore, being submitted as an appendix to your Directors' Report in order to complete the record of the operations of the Pool during the past year.

Deliveries to the 1930-1931 Pool

WHEAT

For the crop year 1930-1931 there was delivered to the Pool a total of 75,826,357 bushels of wheat as

compared with 76,555,208 bushels of wheat for the 1929-1930 crop year. During the past seven years a total of 737,844,224 bushels of wheat has been marketed through the Saskatchewan Wheat Pool, as follows:—

1924-25.....	50,251,181 bushels
1925-26.....	129,708,034 bushels
1926-27.....	119,488,976 bushels
1927-28.....	127,591,846 bushels
1928-29.....	158,422,622 bushels
1929-30.....	76,555,208 bushels
1930-31.....	75,826,357 bushels
Total.....	737,844,224 bushels

According to figures compiled by the Dominion Bureau of Statistics, there was marketed in the Province of Saskatchewan in the crop year 1930-1931 a total of 164,477,445 bushels of wheat. On this basis, deliveries to the Saskatchewan Wheat Pool represent 46.9% of the total crop marketed in Saskatchewan. This compares with 56.5% of the crop in 1929-1930 and 55.4% for the crop year 1928-1929.

As in previous years, the months of September, October and November were the heavy delivery months for Pool wheat. The following statement shows the number of bushels of wheat delivered each month at country elevators during the past year as compared with the two previous years:—

	1930-31 <i>Bushels</i>	1929-30 <i>Bushels</i>	1928-29 <i>Bushels</i>
September, 1930.....	29,900,319	24,164,405	19,595,978
October.....	21,936,580	32,016,160	48,507,886
November.....	10,611,291	10,533,088	41,657,698
December.....	6,757,697	3,656,991	25,931,254
January, 1931.....	2,744,381	1,102,060	8,386,886
February.....	1,455,622	889,748	2,570,348
March.....	1,011,847	1,301,366	3,097,939
April.....	744,300	565,249	3,295,966
May.....	349,878	937,261	1,641,942
June.....	250,831	690,554	2,307,030
July.....	63,611	698,326	1,429,695
Total.....	75,826,357	76,555,208	158,422,622

While the total volume of the crop was very materially reduced, as in the previous year the quality of the wheat was exceedingly high, 57% of Pool deliveries grading One Hard or One Northern.

The number of bushels of each grade of wheat delivered to the Pool for the past three years is shown below:—

	1930-31 <i>Bushels</i>	1929-30 <i>Bushels</i>	1928-29 <i>Bushels</i>
1 Hard.....	3,065,166	1,283,320	—
1 Northern.....	40,147,571	33,658,163	3,931,204
2 Northern.....	15,359,986	30,435,615	25,363,306
3 Northern.....	2,947,860	7,245,753	33,366,480
No. 4.....	1,129,166	672,189	30,900,666
No. 5.....	204,690	119,278	26,871,883
No. 6.....	43,983	37,263	23,980,898
Feed.....	10,086	7,337	7,505,556
Tf. 1 Northern.....	662,177	236,920	8,625
Tf. 2 Northern.....	3,302,777	359,157	167,524
Tf. 3 Northern.....	4,054,719	185,380	367,836
Tf. No. 4.....	1,672,652	26,013	536,262
Tf. No. 5.....	399,015	—	582,709
Tf. No. 6.....	—	—	537,605
Tf. Feed.....	—	—	270,402
Smutty 1 Northern.....	343,703	—	—
Smutty 2 Northern.....	119,288	—	—
Damp 2 Northern.....	82,905	—	—
Damp 3 Northern.....	146,091	—	—
Dried 2 Northern.....	166,669	—	—
Dried 3 Northern.....	451,987	—	—
Dried 4 Special.....	257,725	—	—
All Durums.....	441,786	1,222,781	2,166,078
Other Grades.....	816,355	1,066,039	1,865,588
Total.....	75,826,357	76,555,208	158,422,622

The following figures show the volume of Pool wheat handled through Pool elevators as compared with the volume handled by Line elevator companies, together with the percentage of the total deliveries handled through Pool elevators as compared with deliveries for the past two seasons:—

	1930-31 <i>Bushels</i>	1929-30 <i>Bushels</i>	1928-29 <i>Bushels</i>
Through Pool Elevators.....	65,118,787	65,403,768	111,695,553
By Pool Elevators over Platform.....	1,362,867	1,326,607	6,490,203
Total Pool Elevator Handling.....	66,481,654	66,730,375	118,185,756
Line Elevator Handling.....	9,344,703	9,824,833	40,236,864
Total Pool Grain.....	75,826,357	76,555,208	158,422,620
Under Direct Pool Elevator Control.....	87.68%	87.17%	74.6%

As reported at the time of the semi-annual meeting, the drastic fall of prices during the past season made it necessary to lower the initial payment on three occasions. The following statement shows the number of bushels delivered to the Pool at each of the initial payment bases:—

70c basis.....	1,250,491 bushels
60c basis.....	43,588,746 bushels
55c basis.....	11,608,841 bushels
50c basis.....	19,378,279 bushels
Total.....	75,826,357 bushels

COARSE GRAINS

Oats

Deliveries to the Pool for the crop year 1930-1931 as compared with the two previous years are as follows:—

1930-31.....	3,940,485 bushels
1929-30.....	3,068,180 bushels
1928-29.....	8,575,089 bushels

During the season a total of 17,180,059 bushels of oats was marketed in this Province, indicating that 22.9% of all oats delivered was marketed through the Pool.

The following figures show the volume of Pool oats handled through Pool elevators, and also by Line elevators, together with the percentage of the total deliveries handled through Pool elevators as compared with the past two years:—

	1930-31 <i>Bushels</i>	1929-30 <i>Bushels</i>	1928-29 <i>Bushels</i>
Through Pool Elevators.....	3,405,871	2,732,693	6,777,894
By Pool Elevators over Platform.....	92,982	39,442	359,113
Total Pool Elevator Handling.....	3,498,853	2,772,135	7,137,007
Line Elevator Handling.....	441,632	296,045	1,438,082
Total Pool Grain.....	3,940,485	3,068,180	8,575,089
Under Direct Pool Elevator Control.....	88.7%	90.35%	83.2%

As reported at the time of the semi-annual meeting, price conditions made it necessary during the past season to lower the initial payment on oats. The volume of deliveries at each initial payment was:—

30c basis.....	470,190 bushels
25c basis.....	3,470,295 bushels
Total.....	3,940,485 bushels

Barley

Deliveries to the Pool for the crop year 1930-1931 as compared with the two previous years are as follows:—

1930-31.....	848,767 bushels
1929-30.....	3,432,847 bushels
1928-29.....	6,375,192 bushels

During the season a total of 5,348,889 bushels of barley was marketed in the Province of Saskatchewan, of which total 15.8% was marketed through the Pool. The following statement shows the volume of Pool barley handled through Pool elevators, and also by Line elevators, together with the total percentage of deliveries handled through Pool elevators as compared with the two previous years:—

	1930-31 <i>Bushels</i>	1929-30 <i>Bushels</i>	1928-29 <i>Bushels</i>
Through Pool Elevators.....	764,472	2,944,646	5,041,914
By Pool Elevators over Platform.....	8,069	54,966	279,040
Total Pool Elevator Handling.....	772,541	2,999,612	5,320,954
Line Elevator Handling.....	76,226	433,235	1,054,158
Total Pool Grain.....	848,767	3,432,847	6,375,112
Under Direct Pool Elevator Control.....	91.02%	87.38%	83.3%

The decline of price levels for barley also necessitated a reduction in the initial payment in midseason. Deliveries to the Pool at each of the initial payment bases were:—

25c basis.....	731,405 bushels
20c basis.....	117,362 bushels
Total.....	<u>848,767 bushels</u>

Flax

Deliveries to the Pool for the crop year 1930-1931 as compared with the two previous years are as follows:

1930-31.....	1,247,242 bushels
1929-30.....	529,441 bushels
1928-29.....	1,019,710 bushels

During the last crop season a total of 3,710,272 bushels of flax was marketed in Saskatchewan. Of this amount 33.6% was marketed through the Pool.

The following figures show the volume of Pool flax handled through Pool elevators, and also by Line elevators, together with the percentage of the total deliveries handled through Pool elevators as compared with the past two seasons:—

	1930-31 <i>Bushels</i>	1929-30 <i>Bushels</i>	1928-29 <i>Bushels</i>
Through Pool Elevators.....	1,125,179	461,138	691,359
By Pool Elevators Over Platform.....	1,964	1,548	27,925
Total Pool Elevator Handling.....	1,127,143	462,686	719,284
Line Elevator Handling.....	120,099	66,725	300,427
Total Pool Grain.....	1,247,242	529,411	1,019,711
Under Direct Pool Control.....	90.37%	87.39%	70.6%

Owing to the general fall in grain prices, it became necessary during the season to lower the initial payment on flax. The number of bushels delivered at each of the Pool initial payments was:—

\$1.25 basis.....	161,874 bushels
\$1.00 basis.....	644,142 bushels
.75 basis.....	441,226 bushels
Total.....	<u>1,247,242 bushels</u>

Rye

Deliveries to the Pool for the crop year 1930-1931 as compared with the two previous years are as follows:

1930-31.....	1,870,107 bushels
1929-30.....	1,862,414 bushels
1928-29.....	2,364,532 bushels

Out of a total of 7,159,420 bushels of rye marketed in the Province of Saskatchewan during the last crop year, 26.1% was marketed through the Pool.

The following figures indicate the volume of Pool rye handled through Pool elevators, and also by Line elevators, together with the percentage of the total deliveries through Pool elevators compared with the past two seasons:—

	1930-31 <i>Bushels</i>	1929-30 <i>Bushels</i>	1928-29 <i>Bushels</i>
Through Pool Elevators.....	1,618,332	1,547,593	1,874,992
By Pool Elevators Over Platform.....	32,349	16,687	67,854
Total Pool Elevator Handling.....	1,650,681	1,564,280	1,942,846
Line Elevator Handling.....	219,426	298,134	421,686
Total Pool Grain.....	1,870,107	1,862,414	2,364,532
Under Direct Pool Control.....	88.27%	83.99%	82.2%

As with the other grains, it became necessary during the season to lower the initial payment on rye. The number of bushels delivered at each of the Pool initial payments was:—

35c basis.....	600,463 bushels
30c basis.....	928,215 bushels
25c basis.....	341,429 bushels
Total.....	1,870,107 bushels

During the 1930-1931 crop season a total of 33,398,639 bushels of all Coarse Grains was marketed in Saskatchewan. On this basis 23.6% of all Coarse Grains delivered during the past year was marketed through the Pool as compared with 34.3% for the crop season 1929-1930 and 34.5% for the year 1928-1929.

Contracts and Acreage

Wheat

As at October 31st, 1931, there was on record a total of 82,870 operative wheat contracts covering a nett acreage of 9,541,217. This compares with 82,893 operative wheat contracts at the date of the last Annual Report, or a nett decrease during the year of 23 contracts.

The number of contracts received each month since December, 1930, as compared with the previous year is as follows:—

	1930	1931
January.....	162	64
February.....	293	31
March.....	468	18
April.....	220	13
May.....	132	9
June.....	122	2
July.....	82	7
August.....	89	6
September.....	253	9
October.....	389	4

Coarse Grains

As at October 31st, 1931, there was recorded in the office a total of 44,802 coarse grains contracts covering a total of 2,803,625 acres. This compares with 44,587 coarse grains contracts covering a total of 2,795,550 acres of all coarse grains reported at the time of the last Annual Meeting.

The following statement indicates the number of coarse grains contracts received each month since December last, as compared with contracts received for the same period a year ago:—

	1930	1931
January.....	221	43
February.....	447	53
March.....	439	44
April.....	195	24
May.....	116	23
June.....	86	8
July.....	49	13
August.....	32	6
September.....	103	7
October.....	168	3

Financial Statements

A complete copy of the Financial Statements of the Company, together with Auditors' Report from Messrs. Geo. A. Touche & Company, covering last year's business of the Organization, has been submitted separately to the delegates.

Attached hereto will be found a copy of the Consolidated Balance Sheet prepared by Messrs. Geo. A. Touche & Company showing the position at the end of the financial year of the whole Pool Organization, including Saskatchewan Co-operative Wheat Producers Limited, Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited, together with explanatory notes of the principal items.

Pool Operating Costs

Administrative and General

The total nett operating expenses amount to \$403,182.91 as compared with \$723,171.83 for the previous year. The following figures show the nett cost of operation for the past two years:—

	1930-31	1929-30
Total Operating Expenses.....	\$792,235.21	\$934,688.89
Less Miscellaneous Income.....	389,052.30	211,517.06
Nett Operating Expenses.....	<u>\$403,182.91</u>	<u>\$723,171.83</u>

The operating cost per bushel amounts to .482 of a cent as compared with .846 of a cent for the previous year.

It will be noted that the revenue from Miscellaneous Income for the past year was in excess of this item for the previous year. Full particulars are available in the Auditors' Report and will be discussed by the Treasurer.

Your directors are able to report substantial reductions in practically all departments of the Organization. Administrative and General Expenses show a decrease of \$79,384.88 for the year. Secretarial and Organization Expenses are less by \$13,845.23, while the Grain Department shows a decrease of \$66,229.69. Items charged to the Grain Department are Grade Losses and Freight on Dockage Claims. Publicity and Advertising show an increase of \$17,926.37 which is attributable to the increased Advertising carried during the past season.

Carrying Charges

Carrying Charges on the 1930-1931 Pool grain total \$1,789,988.63. This compares with a total of \$2,311,633.12 paid for Carrying Charges in the 1929-1930 Pool, or a decrease of \$521,644.49. The Carrying Charges per bushel of Pool grain amounted to 2.138 cents as against 2.706 cents the previous year, a decrease of .568 cents.

Total Per Bushel Costs

The total Operating Costs Per Bushel as compared with the previous year are as follows:—

	1930-31	1929-30	Decrease
All Operating Expenses (exclusive of Carrying Charges).....	.482 c	.846 c	.364 c
Carrying Charges Per Bushel.....	<u>2.138 c</u>	<u>2.706 c</u>	<u>.568 c</u>

Pool Settlements, 1930-1931

It will be remembered that at the beginning of the 1930-1931 crop season the prevailing price levels at which wheat was quoted were in the neighborhood

of \$1.00 per bushel. An initial payment of 70c was therefore tentatively set in order to provide a margin of operation that appeared safe. Prices did not remain at those levels, however, and before any large volume had been delivered to the Pool it became necessary to reduce the initial payment to 60c per bushel basis One Northern in store at Fort William and subsequently to 55c and 50c.

Since the time the last Annual Meeting was held the monthly average cash closing price basis One Northern, Fort William, has been under 60c, with the exception of May and June when the monthly average was 60.6c and 60.4c respectively. It has not been found possible, therefore, to make any further adjustments to growers delivering grain on the lower initial payment bases. The adjustments as between the initial payments referred to are contingent on future price levels. Further information on the present position of the 1930-1931 Pool will be available to delegates from representatives of Canadian Co-operative Wheat Producers Limited who will be in attendance at the meeting.

1928-1929 Pool

The 1928-1929 Pool has now been wound up with a surplus due to the Saskatchewan Pool amounting to \$1,782,228.04, equal to 1½ cents per bushel on all wheat delivered to the 1928-1929 Pool.

At the semi-annual meeting a resolution was passed authorizing the Board to negotiate with the Government of Saskatchewan for the distribution to all growers of the balance due them on the 1928 crop, with the recommendation that this distribution be made before harvest, 1931.

This matter was discussed with the Government.

In view of the large amount of the Overpayment, for which the Provincial Government had become responsible to the Banks, the Government was of the opinion that where a grower had received an overpayment on the 1929 crop, any surplus accruing to him from the 1928 crop should be applied against this Overpayment and the total amount of the 1929 Overpayment decreased by this amount.

During July an announcement of the position taken by the Government was made by the Premier in the course of an address, which was reported in the Press as follows:—

"You will remember that the Pool had a surplus of \$1,700,000.00 in connection with the marketing of the 1928 wheat crop. The Pool has not as yet paid that out owing to a large deficit last year and the year before. We have agreed to recommend payment of the extra amount that was coming to those who were in the 1928 Wheat Pool but who did not market wheat of the 1929 crop. In connection with those who did market in 1929 through the Pool, but whose overpayments in 1929 were less than their surplus in 1928, they would get the difference. With regard to those in 1928 who had assigned their surplus to third parties, it would be a matter of legal opinion which the three Governments are submitting to Counsel."

In the meantime, certain difficulties have developed. The guarantee given by the Government of Saskatchewan to the Lending Banks, as contained in Chapters 90 and 91, S.S. 1930, covered advances made by the Banks to Canadian Co-operative Wheat Producers Limited at the time at which the agreement was entered into, as well as all future advances necessary to

finance the marketing of such grain as would be delivered to the 1929-1930 Pool.

Pool delegates will remember that at the time this guarantee was given there was unsold a carryover of grain from the 1928 Pool year against which the Banks had made advances to finance the necessary payments to growers. These advances, of course, automatically came under the guarantee. In consequence, all moneys advanced by the Banks were carried as one loan, irrespective of whether the grain against which the advance was made originated in 1928 or in 1929. The solicitor for the Lending Banks at Winnipeg advised the Banks that all funds received from the sale of grain since the time the Government guarantee became effective, must be applied on Bank advances and would not be available for distribution to growers.

Under this opinion, the total surplus from the 1928 crop must be deducted from the total Overpayment on the 1929 crop.

In order to make the distribution in accordance with the statement quoted above, we had estimated that approximately \$300,000.00 would be required. The Government, however, was subsequently advised by the Lending Banks that the Banks could not finance payment of \$300,000.00 from the moneys which were on hand as collateral, as such action would practically constitute an enlargement of the guarantee of the Province.

A suggestion was advanced that this distribution should be considered separate from the general settlement and that the Banks would purchase from the Province sufficient Bonds on the basis of the general settlement to provide this money when required.

While the Government has authority to make settlements with the Banks for the nett amount of the Overpayment, the issuing of Bonds to cover the above distribution would apparently require the approval of the legislature. In view of this situation, the Government has advised us that it prefers to wait for the legislature to meet and, if the legislature approves this Bond Issue and passes the necessary legislation, arrangements will be made by the Government to issue the necessary securities to provide funds for this distribution. We understand that the Saskatchewan Government has been assured that, on receipt of such Bonds, the Banks are prepared to finance this distribution.

Under the circumstances, therefore, it would appear that further action in connection with this distribution will be delayed until the next session of the Saskatchewan legislature.

1929-1930 Pool

All stocks belonging to the 1929-1930 Pool have now been disposed of and the Pool wound up. The nett amount of the Overpayment to be covered by the Government guarantee, after deducting the 1928 surplus, is \$13,265,054.19, made up as follows:—

Gross Overpayment on 1929-1930 Pool.....	\$14,770,580.76
Add 1929 Pool Operating Expenses.....	723,171.83
	<hr/>
	15,493,752.59
Deduct Amount due on Current Account.....	446,470.36
	<hr/>
	15,047,282.23
Deduct Amount of 1928 Surplus.....	1,782,228.04
	<hr/>
Nett Amount of Overpayment.....	<u>\$13,265,054.19</u>

To the above sum is to be added Bank interest from September 1st to the time settlement is made by the Government with the Banks. This amount will also be increased by any amount which may be paid out on the 1928 crop.

It is understood that the Banks will accept settlement from the Government by way of a twenty year Provincial Bond Issue.

The method to be followed by your Organization in making repayment to the Government was submitted to, and approved by the delegates at the semi-annual meeting in July last.

Relationship with Provincial Government

Particulars of the agreement under which security was given by your Organization to the Government were submitted and approved at the last semi-annual meeting.

Briefly, the agreement provided that in the event of the Provincial Government being called upon to make settlement under the terms of its guarantee, the Pool would undertake to repay such amount over a period of twenty years, the first payment falling due one year from the time the Provincial Government made settlement with the Banks. Security was given upon the Country and Terminal Elevator System and also a first mortgage on the Head Office Building.

It was also suggested at the semi-annual meeting that further negotiations with the Government might take place in connection with this matter.

Since that time several conferences have been held with representatives of the Government for the purpose of discussing a supplementary agreement.

Pool delegates will remember that the question of Government representation at meetings of the Board of Directors was under consideration at the semi-annual meeting. The attitude of the delegates at that time prompted your Board to suggest to the Government that it would be agreeable to this Organization if the Government were to appoint some person who would have the right to attend all meetings of the Board, and who would have the opportunity of acquiring full information of the proceedings of the Company. It was understood, of course, that the person so appointed would be approved by the Board.

At a later date it was announced that the Hon. J. E. Brownlee, Premier of Alberta, had been asked by the Governments of Manitoba and Saskatchewan to maintain contact with the Provincial Pool Organizations in these Provinces. We now understand that Mr. Brownlee will advise these Governments on such matters as may be of common interest to all three Provincial Organizations.

The Government has now suggested, in order that it may have first hand information on the policies and operations of your Organization, that it should appoint a representative who would have the privilege of attending all Board meetings. This representative would act as a direct connecting link between the Government of Saskatchewan and the Saskatchewan Pool Organization. Any person so appointed would be satisfactory both to the Government and the Board.

In this connection, your Board has taken the ground that approval was given by the semi-annual meeting of delegates to the appointment of some person who would act as a co-ordinating agency between

the three Western Governments and the three Provincial Pools, and that any extension of this representation must also secure the approval of the delegates.

In these conferences it has also been suggested that the proposed supplementary agreement should provide,

- (a) for additional security to that now held by the Government;
- (b) a limitation on expenditures on Capital Account without the written consent of the Government.

It has been suggested by your Board that, in view of the crop failure over a large area of the Province this year, which of necessity means a very substantial reduction in the volume of grain handled by your Elevator System, the provisions in the existing repayment agreement should be amended to provide that interest only should be payable for the next two years, and that the amount of the Overpayment should then be repayable in eighteen equal annual consecutive amortized payments, the first of such payments to be due and payable on September 1st, 1934. We have also suggested that the interest rate provided in the original agreement should be reduced to 5%.

In these discussions the Government has advised us that it does not wish to make either a profit or a loss on the settlement of this Overpayment.

We have, therefore, suggested to the Government, in order that this meeting may be fully familiar with the views of the Government on this very important question, that a member of the Government should meet with the delegates during the present meeting and discuss the position of the Government with respect to this whole question of a supplementary agreement.

We trust this action will meet with the approval of the delegates.

Modern Press Limited

At the last Annual Meeting your directors were authorized to take whatever action was deemed necessary in connection with the maintenance of The Western Producer as a publicity medium for the co-operative movement in Saskatchewan, and the Board was given full power to finance The Western Producer, or to purchase the business if conditions warranted.

Consideration of this question extended intermittently from September, 1930, until June 1st, 1931, at which date The Modern Press Limited was taken over by the Saskatchewan Wheat Pool under conditions satisfactory to your directors and to the previous owners. A new Company was incorporated with an authorized capital of \$100,000.00, under the name of "Modern Press Limited." H. S. Fry, Director of Publicity, was appointed Manager and A. P. Waldron was continued as Editor of The Western Producer. As in the other subsidiaries, the capital stock of the Company is held in the name of Saskatchewan Co-operative Wheat Producers Limited with the exception of the necessary qualifying shares issued in the name of the directors.

Your directors regret the fact that Messrs. Harris Turner and E. M. Holiday found it necessary to sever their association with the Company, for reasons of ill-health.

Western Producer

The important problem which faced the new Company was a re-organization of the basis of circulation, which previously had depended largely on the signing

of requisitions on the Pool for the money due on subscriptions. These requisitions were all suspended as at June 1st, 1931, so far as the present ownership is concerned, and any arrears on subscriptions accruing prior to June 1st will be payable as and when collected to the previous owners.

Since June 1st the management of Modern Press Limited has devoted every effort toward establishing the circulation of The Western Producer on a cash basis, and substantial progress has been made. Our country organization has been called upon to assist in this endeavor and our appreciation goes to many of our Wheat Pool Committees, Elevator Agents and individual supporters of the co-operative movement throughout the Province, who have given us great assistance. It is hoped to have the circulation completely turned over to a cash basis by the New Year which, in the face of the conditions throughout the Province, will represent an unprecedented achievement and one which will indicate the undoubted esteem and reader interest which The Western Producer has gained for itself since its establishment eight years ago.

Editorial Advisory Board

Your directors have taken steps to organize an Editorial Board, representative of the various farmers' organizations in the Province, in the hope that this Board may accept responsibility for the general outline of an editorial policy satisfactory to the farmers' co-operative movement. The delegates, in semi-annual meeting, approved a policy of absolute independence editorially in the political field, and this condition is being established. It is the desire of your Board that such changes as may from time to time be made in the character and appearance of The Western Producer, if any, shall be made with the full concurrence of the other farmers' organizations.

Printing Plant

Modern Press Limited, in addition to publishing The Western Producer, also operates a well equipped and first class job printing department. This department is well staffed and able to turn out first quality printing. The shop is fully unionized and is thus in accord with the principles of this organization. Your directors have established the policy that printing work from this organization, or its subsidiaries, shall be done by Modern Press Limited, at prices considered fair and reasonable in the trade. It is not intended that Modern Press Limited shall operate as a cut-rate printing establishment, but shall conduct its operations on business principles in such a way as to render the utmost of good service to its customers.

Financial Statements

Financial Statements and Auditors' Report have been prepared by Messrs. Geo. A. Touche & Company, for two months ending July 31st, 1931, the period during which this Company has been under our control. These are included in the Consolidated Auditors' Report submitted separately to the delegates.

Publicity

Western Producer

Our last Annual Report indicated that, to some extent, the general economic depression had affected the circulation of The Western Producer. The continuation of unsatisfactory economic conditions led to the acquisition by this Organization of The Modern Press Limited, including The Western Producer, on June 1st, 1931.

During the preceding ten months, the same cordial relationship was maintained between this Organization and The Western Producer, as has existed since the inception of the Pool.

Country Weekly Newspapers

Your Board is glad to be able to report a continuation of the splendid co-operation between the weekly newspapers of Saskatchewan and this Organization.

In connection with the campaign for one hundred per cent. marketing, which was in progress during the first nine months of the year, there was, of course, difference of opinion as to the value of the proposal, among the proprietors of the weekly newspapers. On the whole, however, a satisfactory degree of co-operation was received from 160 weekly newspapers in the Province.

The general attitude adopted by these papers was a recognition of the desirability of disseminating the fullest possible information to all growers in the Province.

Since the beginning of the present year the measures of economy which have been introduced throughout the entire Organization have included the Publicity Department, with the result that advertising in the weekly newspapers has been somewhat reduced. It is, however, a mark of our appreciation of the co-operation received in the past from weekly newspapers that while advertising of certain kinds has been completely eliminated this year, and in other cases reduced by as much as 75%, the appropriation for advertising in the weekly newspapers has only been reduced about 40%.

Non-English Publicity

The problem of supplying the right kind of publicity for over 15,000 non-English speaking members remains as difficult as in the earlier years of the Organization. A few of the non-English newspapers, such as *Der Courier*, *Regina*, and *Le Patriote de l'Ouest*, *Prince Albert*, have been willing to co-operate with your Organization to a very satisfactory degree, while at the same time maintaining the integrity and independence of their own editorial policies. The non-English circulars that were formerly issued more or less regularly have been practically abandoned during the past few months.

One Hundred Per Cent. Pool Publicity

As delegates are aware, no publicity in connection with the proposal for One Hundred Per Cent. Pool was engaged in by the Publicity Department until after the referendum of Pool members which was held in August, 1930, except to bring to the attention of Pool members the reasons for, and the nature of, the referendum. When the results of the referendum were known, and after authorization by the delegates a year ago, an energetic publicity campaign was entered into under the general direction of a committee of your Board. The advertising appropriation was extended and a series of twelve pamphlets issued, including a printed letter to all members of the Coarse Grains Pool then in operation. Each of these pamphlets, with the exception of No. 4, was an attempt to place accurately and fairly before Saskatchewan farmers some one phase of the domestic or international grain market situation then existing, or to give publicity to the facts of the Pool proposal or the legislation enacted. The only exception was a direct reply to misleading statements issued by an organization opposed to the proposed One

Hundred Per Cent. Pool. The legal proceedings resulting in an injunction restraining the Pool Organization from continuing this campaign, brought about an immediate cut-off of all expenditures of this nature, the last pamphlet published being printed in April, and consisting of a reproduction of a radio address delivered on March 31st.

Radio C J B R

A modified radio policy was in effect during the past year, which resulted in a substantially lower cost to the Organization than in the previous year. For reasons of economy no radio programme is contemplated during the current season.

Exhibitions

No Pool exhibits were shown at Saskatchewan Fairs in the year 1930-1931. This restriction of our previous practice was also imposed for reasons of economy.

Field Notes

A year ago the Annual Meeting authorized the Publicity Department to supply Field Notes to Elevator Agents and Secretaries of Wheat Pool Committees, if requested by them. A few requests were received and have been complied with. Approximately 315 persons now receive this service, including delegates, Field Service representatives, Travelling Superintendents, Executive officers, and a few individuals in other co-operative organizations.

Your Board has again approved the continuation of this Service for the current season on a modified scale, and believes that it represents a sound, useful medium for bringing important information to persons in strategic positions in the organization.

Library

During the past year only a very few books were added to our Library. The total number of volumes remains at 1,250. During the year ending July 31st, a total of 5,407 books was loaned, or an average of 104 per week throughout the entire year. On June 23rd the policy of paying postage on books sent out from the Library was discontinued. Since that date our policy has been to loan books as before, to those who are willing to pay postage both ways.

The Library would appear to have established almost a record for the length of time it was actually in operation. A total of 8,275 books was loaned in a period of eighteen months, which means the turning over of the entire Library practically seven times. This testimony of the desire of our members to read good literature is all the more notable in view of the fact that the small number of books available automatically created very long waiting lists in many cases. Since the change of policy on June 23rd, borrowings have been at the rate of about twenty-five per month. It is anticipated that this will increase during the winter months.

Junior Variety Testing

During the early part of the year, and in advance of seeding, sufficient high grade seed wheat to seed an acre of land was supplied to 280 of our 1930 Junior Co-operators, in compliance with the promise of this Organization to supply this seed to each Junior Co-operator who was successful in securing 70 points or more out of the total of 100, for the care of his or her plot last year. It is very unfortunate that the 1931 growing season has been so unsatisfactory, since it has meant

the total loss of this grain for a substantial number of boys and girls in the central and southern parts of the Province.

The work of variety testing was again carried out this year with 320 boys and girls from twelve to eighteen years of age, each of whom again tested six varieties of wheat. In spite of the fact that notification of this work was sent out fully a month later than the year previous, we received a total of 428 applicants. These included 127 who were Junior Co-operators in 1930, of whom 124 were accepted; 57 who made application last year but could not be accepted and of whom 55 were accepted this year; and 294 new applicants in 1931 of whom we were able to accept 141, or enough to bring the total to 320. Acceptances were somewhat difficult this year owing to the fact that preference was given in the order named above, and to the additional fact that location of the applicant and the order of receipt of application were considered.

As in the case of the acre lots of grain, the variety test plots in a number of cases were injured by wind, drought, etc., but, under the circumstances, the interest of the Juniors was very satisfactory. A substantial amount of correspondence was received, and many disappointed Juniors this year have requested that they be given a chance to carry on this work again in 1932, in the hope that better conditions will obtain. Your directors, however, have felt that while they regret the necessity of curtailing this work, the expenditure can scarcely be warranted during the current year, and no appropriation, therefore, has been made except to complete the year's work, and to again reward those Juniors who are successful in securing the minimum of 70 points for the care of their plots.

It is not certain that a report of the Junior Co-operator work this year can be presented to the annual meeting before its adjournment, but a copy will be forwarded to each delegate as soon as possible, and a copy likewise supplied to each Junior Co-operator.

Junior Grain Clubs

As reported to the Annual Meeting last year, we co-operated with the Extension Department of the University of Saskatchewan in the organization of approximately 45 Junior Grain Clubs. Of these 37 came through the season successfully, and the Saskatchewan Wheat Pool entertained 73 representatives of these Clubs for three days in Saskatoon in January, 1931, during which time they were given an interesting course of instructions at the University and enjoyed trips to interesting places in the City.

In 1931 a similar arrangement with the University resulted in the organization of an equal number of Clubs, but owing to the very unfavorable season, only 28 have managed to come through. These are located at Aberdeen, Bounty, Calderbank, Central Butte, Calder, Crane Valley, Dunelm, Eston, Edenwold, Govan, Gull Lake, Kennedy, Leacross, Luseland, Lucky Lake, Macklin (2), Mikado, Maple Creek, Nokomis, Perdue, Prudhomme, Readlyn, Redvers, Sonningdale, Vonda, Waldheim and Whittome. As a measure of economy, it has been agreed between the Extension Department and this Organization that only one representative from each Club will be brought to Saskatoon this year instead of two. It is worthy of note that the membership per Club this year has been substantially larger than during 1930, so that the 28 successful Clubs this year represent a gross membership approximately the same as the 37 successful Clubs in 1930.

Your directors regretfully reached the same conclusion with regard to continuing this work in 1932, as in the case of variety testing plots for boys and girls from twelve to eighteen years of age.

Saskatchewan Pool Elevators Limited

Deliveries

During the past year Saskatchewan Pool Elevators Limited operated a maximum of 1,060 country elevators. A total of 84,468,416 bushels of all grain was handled through the Pool Elevator System, as compared with a total of 80,433,256 bushels in the previous year.

Comparative figures for the two years are:—

	1930-31	1929-30
Wheat.....	73,131,107	70,574,518
Oats.....	5,940,895	3,491,209
Barley.....	1,563,889	3,802,358
Flax.....	1,573,424	625,278
Rye.....	2,259,101	1,939,893
Total.....	<u>84,468,416</u>	<u>80,433,256</u>

In addition to the above, Pool Elevators handled a total of 1,498,239 bushels of grain loaded over the platform as compared with 1,439,248 in the previous year. This makes a total handling of all grain by the Pool Elevator System for the current year of 85,966,655 as compared with 81,872,534 the previous year.

The average volume of grain handled by each elevator during the season under review was 79,687 bushels as compared with 76,896 bushels a year ago. A total of 45.75% of all wheat marketed was handled through the Pool Elevator System as compared with 53.2% last year, while 44.43% of all grain delivered to country elevators in the Province was handled through the Pool Elevator System as compared with 49.8% in the previous year.

The following figures show the volume of grain handled each year through Pool country elevators since the inception of the Organization:—

1930-31.....	1,060 elevators	85,966,655 bushels
1929-30.....	1,046 elevators	81,872,504 bushels
1928-29.....	970 elevators	138,714,883 bushels
1927-28.....	727 elevators	100,210,581 bushels
1926-27.....	586 elevators	80,110,048 bushels
1925-26.....	89 elevators	15,878,715 bushels

For the crop year 1930-31, 87.73% of all Pool grain delivered was handled through Pool elevators as compared with 87.22% last year.

Overages

Nett Overages on grain handled through the Pool Elevator System for the past year are as follows:—

	Overages Bushels	Shortages Bushels
Wheat.....	434,993	
Oats.....	217,210	
Barley.....	22,888	
Flax.....		936
Rye.....	16,779	

Wheat

The Overage on wheat represents .595 of one per cent. of the total volume of wheat handled.

Pool delegates will remember that there is a shrinkage allowance of one-half of one per cent. on dry grain and one per cent. on tough and damp grain. These shrinkage figures provide the explanation for the

Overage and also indicate that growers delivering grain to Pool Elevators are receiving correct weights as nearly as it is possible to weigh it.

Oats

The Overage on oats represents 3.656% of the total volume handled. In explanation, it will be remembered that in 1929-1930 the Pool Elevator Company made settlement for wild oats in street wheat when delivered to the elevator. In 1930-1931 however, the value of wild oats had fallen to such an extent that the Company was unable to make this settlement. Last season cars containing over 3½% wild oats, or mixed wild oats and oats, were graded "C.C." and when cleaned, warehouse receipts were issued for wheat and oats separately. This Overage is accounted for by the number of cars of street grain forwarded by the Company and graded "C.C." in addition to the regular shrinkage.

Barley

The Overage on barley, which represents 1.463% of the total volume handled, can be attributed to the mixtures of wild oats and other grains in barley.

Grading

The cut-offs in country elevators show a grade gain amounting to \$118,000.00 as compared with a similar grade gain a year ago of \$165,000.00. This compares with a loss in grades of \$356,000.00 for the year 1928-1929.

On a handling of 84,000,000 bushels, 62.5% of which was graded by our agents, your Board believes that this final statement can be considered satisfactory. The policy of the Company is that all grain must be graded to its proper grade and that every effort must be made to guard against under-grading as well as over-grading wherever it shows up during the season.

During the past season grading in the northern part of the Province was extremely difficult as all grain threshed after the rain and snow was affected both as to condition and grade.

Inspection Department

The following statement shows the monetary value of grades raised on re-inspection at unload, as at July 31st, 1931:—

	During July, 1931	To June 30, 1931	Total
<i>Cars inspected at Winnipeg</i>			
Street and Consigned...\$	3,159.92	\$ 57,029.45	\$ 60,189.37
Platform.....		997.19	997.19
<i>Cars inspected at Moose Jaw</i>			
Street and Consigned...	301.45	22,139.28	22,440.73
Platform.....		48.88	48.88
<i>Cars inspected at Saskatoon</i>			
Street and Consigned...	792.26	45,809.10	46,601.36
Platform.....		1,158.82	1,158.82
Total.....	\$ 4,253.63	\$127,182.72	\$131,436.35

Claims Department

During the past year 4,518 Claims were submitted to the Railway Companies, with the following results:—

Claims outstanding as at July 31st, 1930.....	9	\$ 353.48
Claims filed during the season.....	4,509	53,592.95
Total.....	4,518	\$53,946.43
Claims paid.....	3,736	\$43,962.71
Claims withdrawn, etc.....	709	9,573.03
Claims outstanding as at July 31st, 1931.....	73	410.69
Total.....	4,518	\$53,946.43

Interstation Shipments

At the last Annual Meeting approval was given to a plan of handling Coarse Grains under which farmers with grain to sell were brought into contact with purchasers, within the Province.

While several difficulties developed during the season, on the whole this plan worked satisfactorily, and enabled the Organization to render service, not only to the Coarse Grains growers in the Province, but also to the purchasers of this grain—for the most part rural municipalities in the dried out areas.

According to information compiled by our Elevator Agents, up to April 30th last, approximately 4,680,000 bushels of grain were shipped into the drought area. Of this amount, approximately 1,440,000 bushels represented grain sold by the Central Selling Agency and 1,370,892 bushels sold by Pool members direct to buyers, making a total of 2,810,892 bushels of Coarse Grains handled under this plan. A considerable quantity of grain was handled during the months of May and June and it is estimated that approximately 7,500,000 bushels of feed grain were shipped into the drought area last season, 4,500,000 bushels of which represented feed grain shipped by Pool members, representing about 60% of the total amount handled under this plan.

During the present season, the purchase of feed grain is largely in the hands of the Relief Commission. Our Coarse Grains Department is keeping in touch with the situation and up to date has handled a satisfactory percentage of the volume of business available.

Fire Losses

Three elevators were destroyed by fire during the past season as compared with fourteen the previous year. Claims on the buildings totalled \$41,324.72 in comparison with \$167,955.37 a year ago. Grain claims amounted to \$1,051.48 as compared with \$104,562.31 last year.

Financial Statements

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

Your Board believes that the outcome of operations for the year will be regarded as satisfactory. Operations during the past two years have been conducted under unfavorable crop conditions, particularly in the southern part of the Province where a large volume of business is secured in normal years. The loss of this business of course, has constituted a serious handicap. On the other hand, this loss, combined with general adverse economic conditions prevailing throughout the past twelve months, has also served to test out the soundness of your Elevator organization, and the results secured under these conditions indicate the possibilities under more favorable conditions.

So far as the Company's regular business is concerned, the Balance Sheet shows a strong position. Direct liabilities are reduced to the extent of \$1,300,000.00 (representing the amount of the capital payments to the Liquidators of the Saskatchewan Co-operative Elevator Company, and also to the Provincial Government). Depreciation Reserve has been increased from \$3,686,121.18 to \$4,923,255.16. The Operating Reserve has been increased from \$2,051,323.84 to \$2,671,412.36. The liquid working capital shows an increase from \$450,000.00 a year ago to \$3,166,200.82 at the end of the present year—part of this

increase being due to the fact that no distribution of surplus earnings or dividends has been declared on this year's operations. Your Board believed it advisable to take all possible steps to strengthen the working capital position. The amount which would otherwise have been available for distribution has been transferred to Undivided Profits Account to strengthen the liquid position of the Company.

In view of the fact that security on the assets of the Company has been given to the Provincial Government in connection with the 1929 Overpayment, Pool delegates will readily realize the necessity of maintaining the strongest possible liquid position.

Nett Earnings

The total nett earnings of the Country and Terminal Elevator System amounted to \$1,880,556.07 as compared with \$2,290,971.44 the previous year. These earnings are available from the following sources:—

	1930-31	1929-30
Country Elev. Departments....\$	900,432.89	\$1,059,236.35
Realization of Assets.....	886.36	4,364.56
Terminal Elev. Surplus, Sask.		
Pool Terminals Ltd.....	909,433.04	1,177,370.52
Buffalo Terminal.....	69,803.78	50,000.00
	<u>\$1,880,556.07</u>	<u>\$2,290,971.44</u>

From the total of \$1,880,556.07 there is to be deducted the sum of \$93,265.47 representing the proportion of expenses incurred by Saskatchewan Co-operative Wheat Producers Limited and payable by Saskatchewan Pool Elevators Limited. This leaves a balance of nett surplus transferred to Profit and Loss Account of \$1,787,290.60. The nett earnings per bushel from the Country Elevator System amounted to 1.061c per bushel as compared with 1.312c for the previous year. The per bushel earnings of the Terminal Elevator System at the Head of the Lakes amounted to 1.35c per bushel as against 1.93c per bushel a year ago. The earning shown by the Buffalo terminal elevator of \$69,803.78 is the most satisfactory of any year since this elevator was purchased from the Saskatchewan Co-operative Elevator Company.

Distribution of Earnings

As indicated above, the operations of your Company for the past year show a nett profit of \$1,787,290.60. The sum of \$503,057.00 has been placed in Operating Reserve Account while the balance amounting to \$1,284,233.60 has been transferred to Undivided Profits Account.

Saskatchewan Co-operative Elevator Company Purchase

As in the previous year, no elevator deductions were available from the 1930 crop. Our capital commitments to the Liquidators of the Saskatchewan Co-operative Elevator Company, and also to the Government of Saskatchewan, amounting to approximately \$1,300,000.00, in connection with the purchase of the assets of the above Company, were met out of funds available from reserves. The balance due on the purchase price of the assets of the Saskatchewan Co-operative Elevator Company now stands as follows:—

Due to Liquidators.....	\$1,817,745.42
Due to Saskatchewan Government.....	<u>597,590.05</u>

The balance due to the Liquidators is payable at the rate of \$1,000,000.00 annually. The balance due to the Province of Saskatchewan is repayable in two equal annual instalments.

Saskatchewan Pool Terminals Limited

During the crop year from August 1st, 1930, to July 31st, 1931, Pool Terminals handled a total of 67,759,582 bushels as compared with 61,577,566 bushels for the previous year, an increase of 6,182,016 bushels.

The total volume of grain handled by each of the terminal elevators during the past season in comparison with the previous year is as follows:—

	1930-31 Bushels	1929-30 Bushels
Terminal No. 4.....	15,466,917	12,677,665
Terminal No. 5.....	6,309,382	7,354,096
Terminal No. 6.....	18,898,851	14,972,119
Terminal No. 7.....	23,615,230	22,762,101
Terminal No. 8.....	3,469,202	3,811,585
Total.....	<u>67,759,582</u>	<u>61,577,566</u>

As at July 31st there was in store in all Saskatchewan Pool terminals at the Head of the Lakes a total of 11,626,503 bushels of grain as compared with 16,202,233 bushels a year ago.

Buffalo Terminal

During the past season the Buffalo terminal handled a total of 19,100,322 bushels as compared with 9,764,105 bushels of all grain for the previous year.

Financial Statements

Full information in connection with the financial results of the year's operations of Saskatchewan Pool Terminals Limited is submitted separately to the delegates, along with the other Financial Statements and Auditors' Reports of the Organization.

Saskatchewan Wheat Pool Construction Company Limited

At the end of the fiscal year, July 31st, 1930, approval had been given for the construction of 26 country elevators. This work was completed and the elevators in operation by November 30th, 1930. Since that time no construction programme at new points has been carried on.

As already referred to, three elevators were destroyed by fire during the season. These houses have now been replaced as follows:—

Arlee.....	35,000 bushels capacity
Golden Prairie.....	35,000 bushels capacity
Tako.....	45,000 bushels capacity

The construction costs are substantially lower than those available in past seasons. The estimated cost of a 35,000 bushel elevator is approximately \$1,400.00 less than a year ago.

Grain Marketing Act

As reported to the semi-annual meeting, the interim injunction granted in the Scott action, prevented any steps being taken from carrying the decision of the Saskatchewan Court of Appeal as to the validity of the Grain Marketing Act, to the Privy Council. It was anticipated that this action would come up for trial in October, but it has since been deferred and will not take place until some time next year.

In the meantime, the decision of the Court of Appeal that the Legislature had exceeded its authority in passing this legislation still stands, and no steps can be taken by the Organization to appeal this decision further until a final court decision is secured in the Scott action.

Country Organization

Wheat Pool Committees

The number of Wheat Pool Committees on record as at July 31st, 1931, was 1,180 as compared with 1,181 in 1930. Thirteen new Wheat Pool Committees were organized during the year and fourteen passed out of existence owing principally to the re-organization of territory resulting from a development of new railway construction.

The usual schedule showing the number of Committees by district and sub-district, together with schedule of Committees organized during the past year, is attached hereto.

General

The term "Country Organization" is used to describe the general educational and organization work carried on by the elected delegates and growers working through Wheat Pool Committees in their respective sub-districts. This branch of the work has rendered important service since the inception of the Organization, along various lines. The Wheat Pool Committees have been the means of:

- (a) Maintaining contact between individual growers and the central organization;
- (b) Securing contracts;
- (c) Providing the medium through which individual members are kept fully informed in regard to the progress and operation of the Organization;
- (d) Providing the basis for the conduct of the annual election of delegates;
- (e) Providing the channel by which the development of the co-operative movement has been carried on;
- (f) Co-operating with and providing the local point of contact through which the Field Organization Department has been able to render its valuable services.

As a result of the present world economic crisis, there is apparent a general weakening of confidence in established institutions. As evidenced by the splendid response to the appeal to build up circulation for The Western Producer during the past month, and also by the substantial deliveries of grain to the Pool Elevator System during the present difficult period, we believe that, taken as a whole, the membership of this Organization is standing firm and is ready to respond and to carry on the campaign for the development of co-operation in this Province. To a very considerable degree, the work of Country Organization in the past can be credited with this result.

Your Board believes that the cost of maintaining the Country Organization has been a good investment. Pool delegates, however, will realize the necessity for reducing our expenditures to an absolute minimum, and your Board will appreciate the assistance of all delegates in keeping expenditures in this Department at as low a level as possible consistent with maintaining the Organization.

It has been the practice during past years to hold meetings of delegates within the districts at least three times a year. It is suggested that, while present conditions prevail, the number of delegates' district meetings be reduced to two—the annual district meeting convened for the purpose of electing a director in

December, and another meeting at a later date in the year.

Your Board will also welcome an expression of opinion from the delegates as to the advisability of eliminating the semi-annual general meeting of delegates for the coming year.

During recent months a large number of Pool delegates have shown that the Country Organization can be maintained at reduced cost. District meetings have been held in various districts and, as a result of organized transportation to the meeting place, the cost has been very small. The suggestion might also be considered that, for the time being, delegates should organize the work in the sub-districts so that the various points may be visited for the purpose of making reports twice a year. If these meetings could be arranged at central points so that the number of meetings could be reduced to the minimum consistent with maintaining contact with the Pool membership, this would result in lessening expenses.

As the final outcome of Country Organization Expense depends to a very large degree on the co-operation of the delegates, your Board will welcome a full discussion on this important question.

Field Organization Department

At the semi-annual meeting held in July, it was decided to reduce the number of Field organizers. It was also decided that the question of maintaining this Department should again come up for review at the present meeting.

In the re-organization of staff and territory as a result of the delegates' decision, nine regular Field men have been maintained with two additional men who are able to speak more than one language. On account of drought conditions in the southern and central part of the Province, Field work has been carried on principally in those areas where a maximum crop was available.

After the semi-annual meeting, Field men organized and attended a large number of meetings at which the new policies of the Organization were fully explained. Up to date the principal work of the men in this Department has been the securing of deliveries to Pool elevators. They have also assisted in the campaign for securing circulation for *The Western Producer*.

Your Board is of the opinion that, up to date, the results secured have justified the maintenance of this Department.

Future Policy

Elevator Business 1931-1932

According to a report issued by the Board of Grain Commissioners up to October 23rd, 1931, a total of 58,760,030 bushels of wheat had been delivered to country elevators. Of this amount, Saskatchewan Pool Elevators handled 25,811,549 bushels, or 43.9% of the total handlings of wheat. In Coarse Grains, Saskatchewan Pool Elevators handled 37.7% of oats, 27.59% of barley, 53.94% of flax and 25.80% of rye, making a total of 43.24% of all grain delivery at country elevators during the current season.

As at November 10th, the Pool Elevator System has handled a total of 35,437,111 bushels of grain for the present year.

In view of the short crop and the resultant keen competition for grain in the country, these results can be regarded as indicating that the farmers of this

Province are prepared to continue to support their own Organization. On the other hand, Pool delegates will realize the necessity of securing the maximum possible deliveries to the Pool Elevator System. There is still a substantial volume of grain to be delivered in the Province, and if a concentrated effort for deliveries is made, it is still possible to increase the percentage of deliveries handled by your Elevator System.

1931-1932 Pool

Deliveries to the 1931-1932 Pool have been comparatively light. Information as to deliveries to date will be submitted at the time of the meeting.

General

Since the last Annual Meeting, there has been a period of low price levels unprecedented in the history of grain growing in Western Canada. During the past month there has been a substantial increase in price levels, but the market price of wheat today is still substantially below the cost of production on the average farm in this Province. It is possible, however, that the bottom has been reached in price levels.

Your Organization has weathered a storm which at one time threatened to swamp it. Two years ago, when the decline in prices set in, all the economic ills of Canada were blamed on the Pool. The experience of the last twelve months, however, when commodity prices reached the lowest price levels on record, when some of the most important organizations in Canada have encountered very serious difficulties, has shown the fallacy of the attacks that have been directed against your Organization.

Future Pool operating policy will be under discussion during the present meeting when resolutions in the hands of the Resolutions Committee will be presented for your consideration.

In the meantime, your Directors believe that the strong position which your Organization has maintained, in spite of the very serious difficulties through which we have passed in the last two years, is testimony to the loyalty of Pool members to their Organization, and is evidence of their determination that the movement for co-operative marketing in this Province will continue to grow and increase.

All of which is respectfully submitted,

MARSH ADAMS

A. F. SPROULE

CON RIEDER

S. T. WHITE

C. W. COATES

R. A. ROBINSON

L. WIDDUP

J. J. MARTIN

BROOKS CATTON

H. MARSH

L. C. BROUILLETTE

R. J. MOFFAT

J. P. JENKINS

W. A. URTON

J. H. WESSON

SCHEDULE 1

COMMITTEES ORGANIZED 1930-1931

Sub-Districts 1-10

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

SCHEDULE 2

TOTAL NUMBER OF COMMITTEES, 1930-1931

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	6	6	8	6	8	11	8	13	7	80
District 3.....	3	4	3	6	6	6	3	4	3	6	44
District 4.....	3	10	8	4	5	2	4	5	3	6	50
District 5.....	10	4	6	9	7	5	7	10	9	5	72
District 6.....	8	10	5	9	10	12	13	7	7	9	90
District 7.....	8	5	5	5	7	10	6	4	11	6	67
District 8.....	7	12	11	7	7	7	6	5	4	3	69
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	11	9	92
District 12.....	11	8	11	7	8	9	7	9	10	9	89
District 13.....	10	12	4	13	8	12	5	9	6	10	89
District 14.....	7	8	7	8	10	14	13	9	9	5	90
District 15.....	7	9	4	8	6	5	6	5	6	10	66
District 16.....	7	7	6	8	6	12	6	8	7	6	73
Total in Province.....											1,180

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

CONSOLIDATED BALANCE SHEET AT 31st JULY, 1931

ASSETS

Cash:	
Cash in Banks.....	\$ 2,408,834.60
Cash Funds—Payors, etc.....	2,637.50
	<hr/> 2,411,472.10
Accounts Receivable:	
Canadian Co-operative Wheat Producers Limited.....	\$ 3,415,975.02
Growers' Accounts.....	498,960.51
Sundry.....	699,846.48
	<hr/> 4,614,782.01
Account Receivable, Deferred:	
Manitoba Co-operative Wheat Producers, Limited.....	268,091.83
Stocks of Grain—less stored grain (as certified by responsible officials).....	476,837.48
Stock in Trade—Modern Press Limited (as certified by responsible officials).....	9,083.06
Investments:	
Canadian Co-operative Wheat Producers Limited.....	\$ 50,000.00
Rural Telephone Companies.....	1,282.00
	<hr/> 51,282.00

LIABILITIES AND CAPITAL

Cheques, Vouchers, etc., Outstanding:	
Pool Payments & Interest on Reserves Cheques	\$ 14,475.64
Grain Drafts, Cash Tickets, etc.....	42,289.98
General Cheques.....	304,381.99
	<hr/> \$ 361,147.61
Outstanding Certificates.....	18,821.78
Accounts Payable:	
Saskatchewan Co-operative Elevator Company Limited.....	\$ 1,169,064.73
Province of Saskatchewan.....	343,908.95
Sundry.....	318,367.90
	<hr/> 1,831,341.58
Deferred Liabilities:	
Saskatchewan Co-operative Elevator Company Limited.....	\$ 1,817,745.42
Province of Saskatchewan.....	597,590.05
Manufacturers Life Insurance Company.....	11,500.00
Interest Payable on 1928-1929 Deductions.....	281,110.83
	<hr/> 2,707,946.30

Fixed Assets (less Reserves for Depreciation)—	
Country Elevators and Coal Sheds.....	\$11,224,763.84
Terminal Elevators.....	7,965,038.96
Land, Buildings & Machinery—Regina and Saskatoon.....	264,230.82
Agents' Residences.....	400,330.12
Buildings under Construction.....	6,094.95
Sites—Terminals, Elevators, etc.....	360,147.66
	<hr/>
Office Furniture and Fixtures.....	\$20,220,606.35
Automobiles and Miscellaneous Equipment.....	122,207.58
	<hr/>
Deferred Charges.....	53,333.23

20,396,147.16
262,776.49

\$28,490,472.13

Elevator Deductions.....	12,188,060.07
Commercial Reserve.....	6,567,851.17
Membership Subscriptions, 1924-1928 Pool.....	18,961.00
Capital.....	84,703.00
Reserve.....	2,671,412.36
Undivided Profits.....	2,040,227.26
Contingent and Undetermined Liabilities:	
In respect of buildings under construction— estimated.....	\$ 25,000.00
Undetermined amounts in respect of Bank Loans of the Canadian Co-operative Wheat Producers Limited, and in respect of any losses which may accrue as a result of the operations of the Wheat and Coarse Grains Pools.	

\$28,490,472.13

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

We submit herewith a Consolidated Balance Sheet at 31st July, 1931, of the Saskatchewan Co-operative Wheat Producers Limited, Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, and Modern Press Limited, which has been prepared from our certified Balance Sheets of the Companies at 31st July 1931.

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.
7th November, 1931.

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

Canadian Co-operative Wheat Producers Limited

DIRECTORS' REPORT

1930-1931

To the Shareholders,

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

Gentlemen:

We submit herewith for your consideration our Report in respect of the operations of your Company for the year ending August 31st, 1931.

1. Statement of Assets and Liabilities

Crops of 1928 and 1929 Pools—as at 31st August, 1931.

Operating Statements

2. Wheat Division—Season 1928-1929.
3. Wheat Division—Season 1929-1930.
4. Coarse Grains Division—Season 1929-1930.

Canadian Pool Agencies Limited

5. Balance Sheet as at 31st August, 1931.
6. Statement of Income and Expenses for the year ended 31st August, 1931.

Crop Conditions in 1930

Production of wheat in Western Canada in 1930 reached 374,500,000 bushels as compared to 281,664,000 bushels in 1929. Deliveries of wheat totalled 307,146,626 bushels, of which amount 126,681,445 bushels were delivered to the Pool, or 41.2 per cent.

In southern and central Saskatchewan, affecting over 70 per cent. of the wheat acreage of the Province, crop yields were seriously reduced by drought and other damage, whilst in Manitoba, northern Saskatchewan and central and northern Alberta, much higher yields prevailed. Nevertheless, Western Canada in 1930 produced a below average crop in point of volume. The quality of the crop is shown by the percentage of deliveries in the first four grades, Western Inspection Division:—

Grade	Percentage
1 Manitoba Hard.....	8.4
1 Northern.....	31.9
2 Northern.....	21.4
3 Northern.....	5.2
	<u>66.9</u>

The average protein content of the crop of Western Canada was 13 per cent. as compared with 13.3 per cent in 1929. The average percentages of protein in the three provinces were:—

Saskatchewan.....	13.3%
Alberta.....	12.9%
Manitoba.....	11.9%

Deliveries 1930-1931 (Wheat)

The total deliveries by the Provincial Pools to this Organization during the season totalled 126,681,445 bushels which was contributed as shown in the following statement of total receipts:—

Pool Deliveries				
Basis	Alberta	Saskatchewan	Manitoba	Total
70c	386,692-45	1,250,490-45	253,743-40	1,890,927-10
60c	13,192,740-25	43,588,746-25	8,410,488-15	65,191,975-05
55c	7,851,642-30	11,608,840-50	1,258,581-22	20,719,064-42
50c	18,533,347-40	19,378,278-55	967,851-48	38,879,478-23
Ttl.				
Del.	<u>39,964,423-20</u>	<u>75,826,356-55</u>	<u>10,890,665-05</u>	<u>126,681,445-20</u>
Total Deliveries brought forward.....				126,681,445-20
Local Purchases, etc.				
Direct Purchases.....				14,638-44
Deliveries through Clearing House.....				16,090,000-
Total Receipts.....				<u>142,786,084-04</u>

Initial Payment (Wheat)

A tentative initial payment of 70 cents per bushel, basis No. 1 Northern Fort William, was authorized, effective July 16th, 1930, and this price remained in effect until our application for a line of credit on a basis of 60 cents per bushel was finally approved by the Banks on August 26th. Due to rapidly declining price levels, it was necessary to make a further reduction to 55 cents per bushel on October 15th, and on November 11th to 50 cents per bushel.

Sales (Wheat)

Our report last year stated "but prices have steadily declined from \$1.735½ per bushel, No. 1 Northern, at the beginning of August, 1929, to 86½ cents per bushel on August 29th, 1930." The subsequent trend of the market was almost continually downward, ranging from 86½ cents per bushel, No. 1 Northern, on August 29th, 1930, to 54 cents per bushel on August 31st, 1931, reaching, on December 26th, a record low price of 50 cents per bushel.

The nett unsold stocks of the 1928 Pool as at August 31st, 1930, were finally disposed of in May of this year, netting a surplus of 1½ cents per bushel, all grades. This final payment will be distributed to those growers who were not overpaid on the 1929 crop provided the Provincial Governments have given the necessary authority.

The carryover of the 1929 wheat crop into this season was finally sold out in June of this year. The steadily declining prices after the bulk of the 1929 crop had been delivered, and the initial payment of \$1.00 per bushel made thereon, created the most serious problem your Organization has ever faced.

Selling Policy

The 1930 season marked a change in selling policy and it is necessary to review briefly the events that led up to the change.

Negotiations were carried on throughout August for financing the 1930 crop. A meeting in Ottawa with the Prime Minister, attended by the three Provincial Premiers and Mr. McPhail, was followed by other Conferences in Toronto and Winnipeg, with the representatives of the Lending Banks. The Banks agreed to finance the Pool on the basis of an initial payment of 60 cents, as previously stated.

On August 26th an agreement was signed with the three Provincial Premiers and the seven Lending

Banks, by which it was agreed that all sales were to be apportioned equally as to value between the 1929 and the 1930 crops. The allocation of sales was changed on November 8th, with the approval of the Premiers, to 25 per cent. in respect of the old crop and 75 per cent. for the new crop. This was again changed on November 15th to provide that all sales of cash grain for the period of one month be allocated to the 1930 crop. On the same date your President, together with the Provincial Premiers, agreed to install a General Manager acceptable to the Banks, until the balance of the 1929 and 1930 crops had been disposed of.

In the latter part of November your President, at the request of the Board, interviewed Mr. J. I. McFarland, formerly President of the Alberta Pacific Grain Company, to ask him to accept the position of General Manager of this Organization, and on November 27th Mr. McFarland accepted the position offered him, on the understanding that he be given a free hand in the marketing of the unsold stocks, but that in matters of policy he would consult with the Board. Mr. McFarland was firmly convinced of the necessity for the abandonment of our policy of direct selling to the European market through our own representatives, and on December 9th issued a statement to that effect. Arrangements were made for closing our London Office and for the withdrawal of our European representatives, and subsequently for the closing of our Eastern Canadian and New York Offices. Since the beginning of this year our grain trading has been conducted very largely through the Winnipeg Exchange and other markets.

The financial crisis which developed during the early part of November, and which led up to the events described, was something over which we had no control and against which every precaution had been taken. Appreciating the position in which we were placed, in common with that of all other marketing agencies, and the distress prevailing in the country, the Dominion Government took such steps as were deemed advisable to prevent further demoralization of Canadian grain prices by enabling this Organization to continue to function. The action of the Government in this respect, not only permitted our grain to be marketed in such a manner as to serve the best interests of our members, but it also stabilized grain values for the benefit of the producers and the country as a whole.

For the timely assistance rendered by the Prime Minister, the Right Hon. R. B. Bennett, and his Government, in enabling us to meet a very critical situation, your Board desires to express and record its sincere appreciation.

To the Premiers and Governments of the Provinces of Manitoba, Saskatchewan and Alberta, we again wish to acknowledge our appreciation of their services on behalf of this Organization, and of the producers of Western Canada during the past year.

We also again desire to remind our Growers that the services given by Mr. McFarland to this Company have been donated, since he made it a condition of acceptance of his position that he be permitted to serve without salary.

For reasons which will be obvious to you, it is not considered advisable to submit any figures with respect to the sales, or other operations, of the 1930 crop at this time, and we have every confidence that our members will appreciate our position in this respect.

World Wheat Situation

The chief wheat exporting countries showed a considerable increase in production in 1930 as compared to 1929, as shown by the following figures:—

	1930	1929
Canada..... (bushels)	397,872,000x	302,000,000
United States.....	863,430,000	807,000,000
Australia.....	205,000,000	125,000,000
Argentina.....	238,834,000	170,000,000

x Dominion Bureau of Statistics.

World wheat production, exclusive of Russia and China, is shown as follows:—

1930-1931.....	3,800,000,000
1929-1930.....	3,551,000,000 *

an increase in the year 1930-1931 of 249,000,000 bushels.

*The Annual Report for 1929-1930 shows world wheat crop of 3,420,000,000 bushels; final estimates of the 1929 crop show an increase of 131,000,000 bushels.

During the year surpluses of wheat and other commodities continued to accumulate beyond the limits of the purchasing power of the people, with the inevitable result prices maintained a downward course. Declining markets induced restriction of acreage (with the exception of Russia) in the chief wheat exporting countries, as shown in the following table:—

	Harvest Year	
	1930	1931
	1,000 Acres	1,000 Acres
United States.....	60,520	57,669
Canada.....	24,898	24,109
Argentina.....	21,283	17,235
Australia.....	18,149	13,612
Russia.....	83,785	92,554

The total world wheat acreage (excluding China) for the harvest year of 1930 was 328,889,000, which in 1931 had declined to 324,254,000, or a decrease of 3,635,000 acres.

Import duties on wheat established by European countries for the protection of the agricultural industry were maintained. Therefore, the markets for the exporting countries continue artificially limited to those having no tariff barriers or only minor restrictions. The duties, milling quotas and other state regulations, were primarily measures directed against the menace of low prices and to maintain a fair price level for the producer. It is interesting to note that the average wheat prices, August, 1930, to April, 1931, in France, Italy and Germany, averaged well over \$1.60 per bushel as compared with 79 cents per bushel paid for cash wheat during the same period in the United Kingdom.

The nett returns to wheat growers in Canada, Australia and Argentina, on the basis of prices ruling on March 31st, 1931, after deducting average freight, elevator and other handling charges, were:—

	Per Bushel
Canada (Saskatchewan) No. 2 Northern.....	37.75c
Australia, Fair Average Quality.....	38.27c
Argentina, 63 pound Rosafe.....	23.65c

Russia looms ever larger in the picture. Under her Five Year and Collectivization Plans acreage and production has rapidly increased. In 1929-1930 Russia exported 5,672,000 bushels of wheat; in 1930-1931 the volume had increased to 92,520,000 bushels. Much of this was sold to Great Britain at prices as much as 15 cents per bushel under Manitoba No. 3 Northern.

Depreciated currencies are changing the normal course of trade. Our trade with the Orient fell off by 90 per cent. in 1929 as a result of the decline in silver, and showed no improvement in 1930.

On account of the depreciation of Australian currency a stimulus was given to exports and Australia was able to capture the largest share of Japanese wheat imports as shown herewith:—

<i>Origin</i>	1931	1930
	<i>Jan.—May</i> <i>Bushels</i>	<i>Jan.—May</i> <i>Bushels</i>
Canada.....	3,045,775	3,061,640
Australia.....	10,691,358	1,732,817
United States.....	672,426	4,229,653

Canada's dollar is now at a discount and may have an effect on exports in the near future.

Coarse Grains Division

Deliveries 1930-1931

Deliveries of Coarse Grains for the past season were contributed by the Saskatchewan and Manitoba Pools only, the Alberta Pool having decided to discontinue these Pools for the present. The delivery figures are as follows:—

<i>Oats</i>	<i>Saskatchewan</i>	<i>Manitoba</i>	<i>Total</i>
Basis 30 cents.....	470,189-28	353,726-28	823,916-22
Basis 25 cents.....	3,470,295-04	1,023,583-11	4,493,878-15
Total Deliveries.....	3,940,484-32	1,377,310-05	5,317,795-03
<i>Barley</i>			
Basis 25 cents.....	731,405-16	4,779,609-38	5,511,015-06
Basis 20 cents.....	117,361-29	726,990-14	844,351-43
Total Deliveries.....	848,766-45	5,506,600-04	6,355,367-01
<i>Flax</i>			
Basis \$1.25.....	161,874-04	43,631-13	205,505-17
Basis 1.00.....	644,142-10	123,437-49	767,580-03
Basis .75.....	441,225-55	16,741-14	457,967-13
Total Deliveries.....	1,247,242-13	183,810-20	1,431,052-33
<i>Rye</i>			
Basis 35 cents.....	600,462-30	152,145-42	752,608-16
Basis 30 cents.....	928,214-55	186,467-53	1,114,682-52
Basis 25 cents.....	341,429-07	48,730-08	390,159-15
Total Deliveries.....	1,870,106-36	387,343-47	2,257,450-27
GRAND TOTAL	7,906,600-	7,455,064-	15,361,664-

Summary of Receipts

	<i>Oats</i>	<i>Barley</i>	<i>Flax</i>	<i>Rye</i>
Pool Deliveries as detailed above—	5,317,795-03	6,355,367-01	1,431,052-33	2,257,450-27
Local Purchases—				
Direct Purchases—	56-12	48-16	—	2-27
Deliveries through Clearing House—	225,000-	1,428,000-	41,000-	558,000-
Total Receipts—	5,542,851-15	7,783,415-17	1,472,052-33	2,815,452-54

Note:—It is of interest to note that our sales include deliveries through the Clearing House of:
87,000- 1,485,000- 116,000- 498,000-

Initial Payments (Coarse Grains)

As in the case of wheat, our initial prices for these grains were established on August 26th, upon which date our line of credit was approved. The prices set were as follows: Oats, 30 cents; Barley, 25 cents; Flax, \$1.25; and Rye, 35 cents. On September 23rd it was deemed necessary to reduce Oats to 25 cents, Flax to \$1.00 and Rye to 30 cents, while Barley was reduced to 20 cents per bushel on October 31st. On November 11th further reductions had to be made bringing Flax to 75 cents and Rye to 25 cents.

Sales (Coarse Grains)

The marketing situation for coarse grains during

the past year was very similar to that of wheat. The tariffs and restrictions imposed by European importing countries and the depreciated currencies in some of the buying countries, and even Persia and North Africa have consistently sold coarse grains materially below Canadian values. Crops of feed grain have been above the average in Eastern Canada, which has curtailed the sale of Western feed grains in that market, although we were able to secure the average market price up to May 1st.

Export

Our export sales of barley, while not extensive were fairly satisfactory in spite of the fact that Russian, Persian and Danubian barley of good quality was at times virtually dumped on the United Kingdom and Continental markets.

Reports from United Kingdom malting firms indicate that Canadian six-row malting grades of barley are worth a substantial premium over 3 C.W., but continuity of supply is necessary and during the past year the Canadian malting firms have required practically all the available supply.

Surpluses in Continental countries combined with high protective tariffs reacted against our exports of rye and resulted in very low market prices for this grain.

The world-wide economic depression seriously affecting the building trades has caused a falling off in the demand for linseed oil, resulting in unprofitable market prices for flax.

Domestic

Our sales of feed grains in the Maritime Provinces showed a substantial increase in volume, and in Ontario and Quebec they were equal to previous years in spite of the very low returns from the livestock industry, and exceptionally good crops of home-grown grains in these Provinces.

Maritime co-operative organizations are now arranging for a substantial proportion of their feed requirements to be shipped in cargo lots from Fort William and Port Arthur to Maritime ports. A cargo of approximately 2,500 tons of bagged grain was made in September, 1931. This was the first concerted effort to make use of the all-water route for shipment of Western Canadian feed grains from Fort William to Maritime ports, previous methods used being water route to Montreal and hence to destination by rail. Saving in transportation costs to Maritime buyers through all-water shipment permits Western grains to compete more favorably with imported grain such as corn, which is shipped direct by ocean steamer from country of origin to Maritime ports.

Maritime livestock associations have on various occasions written us their appreciation of our assistance to them in the securing of their feed grain requirements at a minimum cost, and our giving wide publicity to the feeding value of Western grains.

Extensive feeding experiments which have been carried on for our account at the Ontario Agricultural College, Guelph, and McDonald College, Quebec, have proven conclusively the feeding value of Western barley in comparison with imported corn, and recently published feeding bulletins, as well as leading articles in the daily and weekly papers of Eastern Canada, clearly point out this value.

Government experimental farms and experiment stations have been carrying on feeding experiments

with Canadian grown grains. The Dominion and Provincial Departments of Agriculture have given wide publicity to the results which are favorable to Western grains in rations for pigs, cattle, poultry and horses.

Due to experimental work and publicity carried on by the various Departments of Agriculture, by agricultural colleges and the Wheat Pool, the feeding value of Western feed grains is more widely known in Eastern Canada today than ever before; larger percentages are now being used by livestock feeders, and Western growers will benefit from the widening of this market in that they will not be so dependent on the export market.

An import duty of 25 cents per bushel has been placed on importations of foreign corn for feeding purposes which should conserve further the Canadian market for home-grown grains.

Due to drought conditions in parts of Saskatchewan, deliveries of barley and oats to the Pool were not very heavy in this Province. The Saskatchewan Pool instituted a policy of assisting Pool growers in the producing areas to sell their surplus barley and oats to farmers and municipalities in the drought areas, and our Saskatchewan salesman was in charge of this work in addition to selling Pool grain in the Province.

Approximately 4,000,000 bushels of oats and barley were disposed of under this "Sellers and Buyers" plan, with mutual satisfaction to all concerned.

Hulled Oats

Four oat hulling machines were installed in Pool terminals and two in the interior Government terminal at Saskatoon, to hull "oat scalps" (wild oats).

We sold approximately 500,000 bushels of hulled oats, principally to the United Kingdom and Holland, about 50,000 being sold in Eastern Canada.

With the assistance of the Canadian Government Trade Commissioners in the United Kingdom and on the Continent, we were successful in interesting importers in this product, with such evident satisfaction to them that prospects are favorable for a profitable future export business in hulled oats.

At the beginning of the 1930-1931 selling year, "oat scalps" were virtually a drug on the market and practically unsaleable, but the removal of approximately 1,000,000 bushels through hulling and selling in the processed state resulted in an appreciable rise in the market price of "oat scalps."

At the end of July last the Canadian visible supply of coarse grains was approximately as follows:—

Oats.....	4,000,000 bushels
Barley.....	9,000,000 bushels
Rye.....	11,000,000 bushels

Due to drought conditions in parts of Western Canada, this year's crop of coarse grains will largely be required locally.

General

The world economic situation during the last twelve months is without parallel at any other period in its history. For Western Canadian agriculture it has meant discouragement, anxiety, and acute distress, accentuated by the fact that the farming industry has to bear an undue share of the burden created by the depression. Grain prices have remained well below the cost of production and the return per

acre of wheat was \$5.83 in 1930 as compared to \$9.82 in 1929, \$16.94 in 1928 and \$18.60 in 1927. The number of bushels of wheat required to pay, say \$300.00 interest charges, increased from 233 in 1927 to 620 in 1930. The prices of farm machinery have not noticeably changed, and other manufactured articles have not declined in anything like the same proportion.

Not only has the farmer as an individual suffered, but all agencies marketing farm commodities have been affected likewise. The Wheat Pools, in which the farmers of Western Canada built one of the finest structures in the history of co-operative marketing, have suffered serious reverses. The record of the Canadian Wheat Pools from 1923 until the summer of 1929 was one of remarkable progress and sound expansion; involving the successful handling of more than a billion bushels of wheat, the distribution of \$1,740,000,000 among its members, the development of a 95 million bushels elevator system and the establishment of a thriving direct export business.

The Overpayment of 1929 did not mean loss of monies the farmer or Pools had invested, but rather an advance in excess of returns, thus creating a loan he has to pay back in the future and out of reserves. Nevertheless, the Overpayment, inflated prices on the open market caused by excessive speculation, and the demoralizing prices of the subsequent depression, created a critical situation.

In December of last year your Board wired the Right Hon. R. B. Bennett on his return from the Imperial Conference, London, urging a minimum price of wheat to avoid a major national calamity as a result of the disastrous drop in the price of all cereals. On June 24th, 1931, Mr. McPhail, together with the representatives of the three Provincial Governments, met the Dominion Government at Ottawa and advocated the establishment of a Wheat Board to market the 1931 crop. Arising out of this, and further conferences, the following statement was issued on August 11th, over the signatures of the Premiers of Alberta, Saskatchewan and Manitoba:

"Following the negotiations of the past few weeks, it is now possible to make a definite announcement as to the operations of the Provincial Wheat Pools this season.

"On June 24th representatives of the provincial governments and farmers' organizations of the prairie provinces met the Dominion government at Ottawa and advocated the establishment of a wheat board to market this year's crop.

"Subsequently, the prime minister addressed a letter to each provincial premier concerned, declining to establish such a board, but suggesting as an alternative the formation of a trading corporation to which the provincial Pool elevator systems would be leased. It was also suggested that J. I. McFarland might act as general manager and that the Dominion government might assist in financing the operation of such corporation.

"On receipt of this letter, a conference was held at Regina. Mr. McFarland was unwilling to consider the position of general manager of such a corporation. The predominant feeling at the conference was opposed to the leasing proposal, but after communicating with the prime minister by telegram and telephone, it was decided to canvass further the possibility of the three provincial

organizations operating separately, with a central corporation handling all sales. The conference adjourned to meet later in Winnipeg, after the proposal had been examined by technical advisers.

"At Winnipeg, the following week, it was the final opinion that difficulties in working out any scheme for centralized selling was such as to make it inadvisable to attempt to put it in operation in time to handle this year's crop, which will be moving in a short time. It was, therefore, recommended that each provincial organization should operate separately in purchasing, handling and selling its grain, with a further recommendation that a central board be created to act in a co-ordinating capacity and to study further the possibility of centralized efforts along marketing lines.

Arrange Financing

"The last delegation to Ottawa was to obtain the co-operation of the federal government in obtaining the necessary lines of credit to finance the three organizations without obliging the provincial governments to postpone their securities on the elevator systems because of the possible influence on provincial credit such postponement might have in these difficult times.

"The prime minister was ready to assist the provinces and as a result of the conference, which was attended by representatives of the Banks, the provincial Pool organizations are assured of ample lines of credit for the season's operations. Each provincial organization will therefore function in exactly the same manner as privately owned enterprises and will also conduct a voluntary pool for such as may desire to sell their grain in such a way. An initial payment of 35 cents will be paid, instead of 30 cents as formerly announced. As a bonus of 5 cents per bushel is to be paid to all producers of grain, in effect, this brings the initial payment in the voluntary pool to 40 cents, basis No. 1.

"A complete cut off has been made from previous years' operations and a settlement arranged as between the Pools, the provincial governments and the banks. Members of the Pool and farmers generally desiring to do so may, therefore, patronize the Pool elevator facilities with complete assurance that their grain will be dealt with as a separate crop and without in any way being liable for any debts or obligations of past year."

About the same time the Right Hon. R. B. Bennett, Prime Minister of Canada, made the following statement:—

"The Wheat Pools of the three western provinces, which own nearly 1,600 country elevators, as well as terminals at Vancouver and Fort William, will operate this year in the same way as privately owned enterprises. They will have ample working capital and the provinces will not be called upon to guarantee their operations.

"As a substantial number of producers desire to market their grain on the pool principle, the elevators operated by the Pools in the several provinces will afford to such producers an opportunity to have their grain dealt with by the operation of a voluntary pool. The elevators will make to such producers an initial payment of 35 cents

per bushel on the same basis as to quality and point of shipment as in previous years.

"The Dominion Government will take whatever action may be necessary to insure the orderly marketing of the crop of the year. Panic conditions will not be permitted to control the prices obtaining for this year's western grain crop."

The continuing low prices and the farmers' desperate need of money have compelled temporary suspension of the contract system of pooling. Each of the Pools has modified its contract and the farmers now have the choice of marketing their wheat through a voluntary seasonal pool, or selling for cash on the open market. No pool for coarse grains is in operation. Each of the Pools will operate as an independent marketing organization, having its own selling agent on the Winnipeg Grain Exchange and responsible for the grain delivered to it, either on the pooling basis or for sale on the open market. The salesmen will act together in whatever ways are to the mutual advantage of the organization. The Provincial Boards, or their representatives, will get together whenever there are common problems needing joint council and with the idea of maintaining interprovincial unity and co-operation.

Arising out of representations made by the wheat exporting countries of Europe to the League of Nations, conferences on wheat marketing were held in Paris, Rome and London, during the year. Discussion at the two former related principally to tariff preferences in importing nations, and the London Conference resulted in the formation of a committee to collect data on wheat marketing.

In March, 1931, the Dominion Government appointed a Royal Commission, under the Chairmanship of the eminent British Economist, Sir Josiah Stamp, "to enquire into and report upon what effect, if any, the dealing in grain futures has upon the price received by the producer." The Pool retained O. M. Biggar, K.C., of Ottawa, as Chief Counsel. We were fortunate in securing the attendance of Dr. J. W. T. Duvel, Chief Administrator of the United States Grain Futures Act, Washington, D.C. We take pleasure in acknowledging the valuable services rendered by Dr. Duvel, and think it only fitting to add that he gave his services free of charge to both the producers and the Commission. Your President, Mr. A. J. McPhail, and your Statistician, presented the Pool's point of view regarding futures trading to the Commission at their last sitting in Winnipeg. A copy of the evidence submitted on behalf of the Pools may be had in pamphlet form upon application.

IN MEMORIAM

It is with profound regret that we have to report the loss sustained by your Organization in the death of our President, Mr. A. J. McPhail, who passed away on October 21st.

Mr. McPhail was recognized not only by the producers of Western Canada but by those in all walks of life who had come in contact with him, as a man of outstanding ability, sterling character and uncompromising integrity. In the face of difficulties and disappointments he never doubted that the men and women on the land would ultimately succeed through co-operative effort in solving their many problems. His firm belief in the co-operative movement in its wider aspect as the only way to insure peace and prosperity to mankind, never wavered.

His influence and leadership in the co-operative movement extended beyond provincial or national boundaries, and while his loss is felt most keenly by the producers of Western Canada and those privileged to be associated with him in this movement, we feel that our loss will be shared in all countries where agricultural organizations have been encouraged by the efforts of the Canadian farmers towards the ideals of co-operation. While we mourn his death we believe his devotion to the cause will live and bear fruit in the future of the movement, which, in his own words, "provides a business medium through which progressive and socially minded men and women with high ideals can find satisfaction and peace of mind in useful work."

Respectfully submitted,

H. W. WOOD
C. H. BURNELL
P. F. BREDT
W. G. A. GOURLAY
BROOKS CATTON
J. H. WESSON
C. JENSEN
LEW HUTCHINSON

FINANCIAL STATEMENTS

The following audited statements are presented for your consideration, together with explanatory comments which may be of value to you in reviewing them:

Statement of Assets and Liabilities

In past seasons when the Company's accounts have included the operations of more than one season's Pools, the various funds and accounts were combined in one Balance Sheet. Due to the existence of the Provincial Government guarantees, however, and later of the action taken by the Dominion Government in respect of our 1930 Pools, a different policy had to be adopted in order to segregate the accounts of the old seasons from those of 1930, and the Balance Sheet presented herewith refers only to the Pools for which operating accounts are being furnished.

Due from Provincial Pools: The allocation of the deficits of the 1929 crops are detailed in the statement of Assets and Liabilities; the composition of the figures shown under the heading of "1929 Pool Deficits—Coarse Grains Division," are as follows:—

	<i>Manitoba</i>	<i>Saskatchewan</i>	<i>Alberta</i>	<i>Total</i>
Oats.....	\$ 28,349.75	\$ 170,708.51	\$ 96,229.78	\$ 295,288.04
Barley..	1,686,223.58	832,022.52	66,834.77	2,585,080.87
Flax.....	2,253.40	21,717.93	210.11	24,181.44
Rye.....	162,834.39	919,358.37	57,664.65	1,139,857.41
	<u>\$1,879,661.12</u>	<u>\$1,943,807.33</u>	<u>\$220,939.31</u>	<u>\$4,044,407.76</u>

You will observe that the total indebtedness equals the total of the Bank Loans and that the amount of the Cash Funds equals the Accrued Charges and Reserves.

Accrued Charges: These charges represent unpaid interest and other charges.

Reserve for Contingencies: The reserves under this heading are held for the purpose of meeting all liabilities in respect of the old seasons' crops not directly ascertainable at the date of the Balance Sheet.

Operating Accounts

The operations of the 1928 Pool have been fully discussed in previous reports, the only variation in the figures being the relatively small adjustments in respect of the carryover as at August 31st, 1930.

In considering the Operating Statements for the 1929 Pools it must be remembered that Country Carrying Charges, totalling almost four million dollars for Wheat and Coarse Grains, are included in the expenses. In prior seasons these costs were reflected in the accounts of the Provincial Pools. Due to the large terminal stocks carried during 1929 and 1930, the country stocks were particularly heavy and the carrying costs very high in consequence of that, but of course the Provincial elevator systems benefited to the extent of a very large proportion of the amount in question. By special arrangement these charges were paid at the end of our last fiscal year, and a further sum of \$1,229,344.14 was paid to the Provincial Pools in respect of their administrative expenses, which of course increased our Loans, and the interest charges upon these two items, totalling approximately \$5,-200,000.00, at 6%, is also reflected in our accounts.

For your information, the following handling fig-

ures are presented for both the 1928 and 1929 Crops:

Wheat—Bushels

Receipts

Provincial Pool Deliveries

	1928	1929
Manitoba.....	18,338,114-50	9,746,446-03
Saskatchewan.....	158,420,270-	76,555,406-30
Alberta.....	67,444,356-	35,611,153-50

244,202,740-50 121,913,006-23

Deliveries through Clearing

House.....	6,818,001-	912,000-
Local Purchases, etc.....	2,715,368-48	294,898-12

253,736,110-38 123,119,904-35

Sales

Export.....	131,466,562-20	47,810,555-35
Domestic.....	122,269,548-18	75,309,349-

253,736,110-38 123,119,904-35

* 788,000 bushels were re-delivered by us through the Clearing House.

Coarse Grains—1929 Pools—Bushels

<i>Receipts</i>	<i>Oats</i>	<i>Barley</i>	<i>Flax</i>	<i>Rye</i>
<i>Pool Deliveries</i>				
Manitoba—				
534,974-12	6,926,747-26	55,706-14	331,555-34	
Saskatchewan—				
3,068,180-01	3,432,924-23	529,410-32	1,862,414-04	
Alberta—				
1,602,724-02	276,862-30	4,398-22	123,137-50	
5,205,878-15	10,636,534-31	589,515-12	2,317,107-32	
Deliveries through				
Clearing House—				
1,420,000-	699,000-	345,000-	202,000-	
Local Purchases, etc.				
1,105,306-32	1,226,658-32	10,546-24	522,498-53	
7,731,185-13	12,562,193-15	945,061-36	3,051,606-29	

Sales—

Domestic—	7,731,185-13	12,155,440-27	945,061-36	3,026,606-29
Export—	—	406,752-36	—	25,000-
	<u>7,731,185-13</u>	<u>12,562,193-15</u>	<u>945,061-36</u>	<u>3,051,606-29</u>

You will observe that we have made a departure from the usual custom of showing switch purchases and terminal suspense items in these figures. This change was necessary in order to have our sales figures show only actual sales transactions for the purpose of correctly allocating our sales between the seasons, in accordance with our sales agreement with the Governments and Banks.

Sales

The following are the sales figures by months (bushels) during the past season:

	1928	1929
<i>Wheat</i>		
Sales to August 31st, 1930.....	250,435	84,261
Less Switch and Terminal Suspense Sales..	250	1,128
	250,185	83,133
1930		
September.....	1,428	6,793
October.....	1,169	6,081
November.....	147	5,774
December.....	156	2,445
1931		
January.....	(29)	844
February.....	13	4,118
March.....	191	1,791
April.....	272	4,628
May.....	—	4,060
June.....	204	3,453
	253,736	123,120

Note:—The above figures are in thousands.

Sales in respect of the 1929 Coarse Grains are as follows:

	<i>Oats</i>	<i>Barley</i>	<i>Flax</i>	<i>Rye</i>
Sales as at August 31st, 1930	6,113	7,968	661	2,067
1930—				
September.....	277	453	167	329
October.....	210	308	70	160
November.....	87	632	22	107
December.....	147	255	—	52
1931—				
January.....	111	211	3	3
February.....	213	344	17	85
March.....	270	608	5	54
April.....	58	1,649	—	135
May.....	1	47	—	36
June.....	14	87	—	7
Oat Scalpings.....	230	—	—	—
Sales to Terminals.....	—	—	—	16
	<u>7,731</u>	<u>12,562</u>	<u>945</u>	<u>3,051</u>

The figure shown as "Special Option Account" in the 1929 Wheat Statement represents the result of the option transactions made for the purpose of stabilizing the market during the latter part of 1929, and the first two months of 1930. Because of the fact that in disposing of options those purchased against sales were given the preference, this figure merely represents the result of preserving the identity of these trades. Had the special trades been marketed in the same ratio as those taken back against sales, this amount would have been very materially reduced.

The following explanatory paragraphs dealing with the Operating Accounts cover both of the Wheat crops as well as the Coarse Grains:

Local Purchases, etc.: These represent largely the purchase of terminal overages from the Provincial Terminal departments. In the Coarse Grain figures shown under this heading are included the following nett stocks taken over from the 1928 Crop:

Oats.....	357,606—26 bushels
Barley.....	786,464—24 bushels
Rye.....	434,718—52 bushels

Storage: This item, together with Elevation (Lake-head and Interior) shown under the heading of "Transportation Costs," is very largely composed of elevation and storage charges paid to Pool owned facilities.

Interest: As previously mentioned, interest paid by us on country carrying charges and Provincial Pool administrative expenses has materially added to this figure. In previous crop years our crops have been financed largely from surpluses accruing from sales prior to the time of making interim and final payments, but during the marketing of the 1929 crop the financing was done almost wholly upon borrowed funds, with the result that this figure does not compare favorably with the same figure for the 1928 crop.

Premiums on Western Shipments: These represent premiums earned over and above the prices obtainable at Fort William for Vancouver shipments, and are payable under the terms of the Interprovincial Agreement.

Diversion Premiums: These represent the premiums obtained from the sale of grain diverted enroute to the Terminals, less the amounts paid to the provinces in lieu of Terminal earnings under the terms of our Agreement with them.

Country Carrying Charges: These represent country carrying charges paid to the Provincial Pools which in previous years have been part of their operations. During the year under review it was, however,

decided to make them a direct charge against sales. The amounts paid to the various Pools were as follows:

Manitoba.....	\$ 482,932.48
Saskatchewan.....	2,311,633.12
Alberta.....	1,153,642.92
	<u>\$3,948,208.52</u>

Lake Insurance and Outturn: This represents the cost of insuring lake shipments and for the insurance providing against loss in the outturn of these shipments.

Lake Freight and Brokerage: These totals represent the cost of transportation upon each shipment down the Lakes, and the chartering brokerage fees in connection therewith.

Rail Freight: This is composed of Freight charges paid on rail shipments from Bay ports and Buffalo to the seaboard.

Elevation (Seaboard and Eastern): Represents the elevation charges at points other than the Head of the Lakes.

Marine Insurance is, of course, the cost of insuring our export cargoes.

Superintendence includes the cost of superintendence and the guarantee of outturn of our export cargoes.

Cash Brokerage: This represents brokerage fees paid on domestic sales of Wheat and Coarse Grains.

Option Brokerage is composed of commissions paid to brokers for handling our option trades in the Pit.

Administrative Expenses: Details of these charges less Branch Office earnings were submitted in last year's accounts. The following is a summary of the variations since that date:

	1928	1929	Coarse Grains 1929
Administrative Expenses as at August 31st, 1930	\$232,490.29	\$197,144.79	\$59,716.88
Add apportionment of ex- penses 1930 Season, on bushelage basis.....	7,600.96	69,535.26	20,909.65
	<u>\$240,091.25</u>	<u>\$266,680.05</u>	<u>\$80,626.53</u>
Less Handling Commis- sion—Screenings.....	—	22,075.30	—
Balance at August 31st, 1931.....	<u>\$240,091.25</u>	<u>\$244,604.75</u>	<u>\$80,626.53</u>

General

The past year has presented many difficulties from an accounting standpoint as a result of the operation of eight Coarse Grain Pools with three Wheat Pools, which was further complicated by the existence of Provincial and Dominion Government guarantees. In addition, we were required for a period of two months to maintain two separate Pools for each grain for the 1930 crop, and due to the financial situation which has prevailed during the season, our routine work was further increased by the demand for statements of all kinds. The work entailed as a result of these features necessitated heavy sacrifices on the part of the various office staffs, and in this respect it is only fair to state that the numerous, and frequently unreasonable demands, were met in a manner that reflected great credit upon the staff.

Canadian Pool Agencies Limited

Agency Assets: The Agency Assets, comprising Cash in Bank, Advances and Insurance Accounts Receivable, equal the amounts due to the Insurance Companies which were not due and payable at the date of the Balance Sheet.

Other Assets: The Other Assets are self-explanatory, with the exception of "Membership Deposits" which represent an amount placed with the Western Canada Fire Underwriters' Association as a guarantee that we will comply with the rules and regulations of that Association, and is recoverable in cash.

Reserve for Cancellations: This represents a provision for loss in premiums upon insurance written prior to the date of the Balance Sheet, and which may be cancelled before the expiry date of the policies.

Surplus: As shown on the Balance Sheet, the balance at Surplus and Reserve Accounts as at the date of our previous Balance Sheet, was \$174,708.16 to which has been added adjustments applicable to prior years, leaving a balance of \$176,214.96. This amount was allocated to Central and to the three Provincial Pools in the proportion to which each had contributed to the premium income. The amount was distributed as follows:—

Central.....	\$118,214.81
Alberta.....	20,885.87
Saskatchewan.....	28,183.30
Manitoba.....	8,930.98
	<hr/>
	<u>\$176,214.96</u>

Income and Expenses: The amount shown as "Administration" under the Expenses is an amount paid to Central covering administrative charges, while the allowance from the Saskatchewan Inspection Service covers a monthly charge for a proportion of the office expenses payable by them.

The nett income which has been transferred to Surplus Account will be allocated to the various Pools during the present year, on the same basis as the previous year's profits were allocated.

STATEMENT 1.

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

Crops of 1928 and 1929 Pools

STATEMENT OF ASSETS AND LIABILITIES—August 31st, 1931.

ASSETS

46 CASH IN BANK.....	\$ 306,255.18
NET BALANCES DUE FROM PROVINCIAL POOLS:	
As per summary hereunder.....	22,149,937.44
	<u>\$22,456,192.62</u>

LIABILITIES

ACCRUED CHARGES AND RESERVES:

Accrued Charges.....	\$ 13,154.50
Reserves for Contingencies—	
Crop of 1928 Pool.....	\$127,559.28
Crop of 1929 Pool.....	165,541.40
	<u>293,100.68</u>

BANK INDEBTEDNESS.....

306,255.18
22,149,937.44
<u>\$22,456,192.62</u>

SUMMARY OF NET BALANCES DUE FROM PROVINCIAL POOLS
August 31st, 1931

	<i>Manitoba</i>	<i>Saskatchewan</i>	<i>Alberta</i>	<i>Total</i>
<i>Crop of 1929 Pool—Deficits:</i>				
Wheat Division.....	\$1,595,480.14	\$12,826,773.43	\$5,830,893.72	\$20,253,147.29
Coarse Grains Division.....	1,879,661.12	1,943,807.33	220,939.31	4,044,407.76
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Deduct Crop of 1928 Pool—Surplus.....</i>	<i>\$3,475,141.26</i>	<i>\$14,770,580.76</i>	<i>\$6,051,833.03</i>	<i>\$24,297,555.05</i>
	206,303.79	1,782,228.04	758,749.00	2,747,280.83
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Add Advances re 1929 Pool Expenses.....</i>	<i>\$3,268,837.47</i>	<i>\$12,988,352.72</i>	<i>\$5,293,084.03</i>	<i>\$21,550,274.22</i>
	227,008.64	723,171.83	279,163.67	1,229,344.14
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Deduct Current Accounts.....</i>	<i>\$3,495,846.11</i>	<i>\$13,711,524.55</i>	<i>\$5,572,247.70</i>	<i>\$22,779,618.36</i>
	131,124.51	446,470.36	52,086.05	629,680.92
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net Balances, as above.....</i>	<i>\$3,364,721.60</i>	<i>\$13,265,054.19</i>	<i>\$5,520,161.65</i>	<i>\$22,149,937.44</i>
	<hr/>	<hr/>	<hr/>	<hr/>

Note:—The above net balances due by the three Provincial Pools are subject to interest charges and any other adjustments accruing from August 31st, 1931, to the date of the final settlement.

WINNIPEG, 31st October, 1931.

Certified in accordance with our Report to the Shareholders of this date.

PRICE, WATERHOUSE & CO.,

Chartered Accountants.

Approved on behalf of Board:

H. W. WOOD, Vice-President.

P. F. BREDDT, Director.

R. C. FINDLAY, Treasurer.

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED
CROP OF 1928 POOL—WHEAT DIVISION

STATEMENT OF GRAIN OPERATIONS—FROM SEPTEMBER 1st, 1928, To AUGUST 31st, 1929

SALES—**Eastern:**

Export via East.....	\$108,547,889.97	
Domestic East.....	129,775,697.44	
		<u>238,323,587.41</u>

Western:

Export via West.....	48,271,392.39	
Domestic West.....	7,770,243.96	
		<u>56,041,636.35</u>
		<u>\$294,365,223.76</u>

COSTS AGAINST SALES—

Local Purchases.....	\$ 12,857,455.68
-----------------------------	-------------------------

Carrying Charges:

Storage.....	\$ 9,450,695.83	
Interest and Bank Charges.....	3,737,333.03	
In Store Insurance.....	326,831.25	
		<u>13,514,860.11</u>

Special Accounts:

Premiums on Western Shipments.....	\$ 1,085,212.50	
Diversion Premiums.....	237,055.85	
Drying Charges.....	2,357.54	
		<u>1,324,625.89</u>
Pool Terminal Charges.....		<u>1,143,608.11</u>

Transportation Costs:

Elevation (Lakehead and Interior).....	\$ 1,937,935.64	
Lake Insurance and Outturn.....	355,083.62	
Lake Freight and Brokerage.....	7,557,273.33	
Rail Freight.....	4,829,397.60	
Elevation (Seaboard and Eastern).....	1,849,546.44	
Marine Insurance.....	321,414.31	
Ocean Freight.....	10,265,920.78	
Superintendence and Outturn.....	637,939.91	
		27,754,511.63
Cash Brokerage.....		229,829.48
Option Brokerage.....		42,324.69
Telegrams and Cables.....		111,506.80
Administrative Expenses.....		240,091.25
Reserve for Contingencies.....		127,559.28
		<u>57,346,370.92</u>
Net Proceeds from Sales.....		\$237,018,852.84

DISTRIBUTION TO PROVINCIAL POOLS—

Initial Payment—Pool Deliveries.....	\$168,871,471.44	
First Interim Payment.....	25,643,464.89	
Second Interim Payment.....	39,756,635.68	
		<u>234,271,572.01</u>

BALANCE AT CREDIT, CARRIED TO STATEMENT OF ASSETS AND LIABILITIES..... \$ 2,747,280.83

WINNIPEG, 31st October, 1931.

Certified in accordance with our Report to the Shareholders of this date.

PRICE, WATERHOUSE & CO., *Chartered Accountants*

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

CROP OF 1929 POOL—WHEAT DIVISION

STATEMENT OF GRAIN OPERATIONS—FROM SEPTEMBER 1st, 1929, To AUGUST 31st, 1931

SALES—

Eastern:

Export via East.....	\$ 22,496,904.40	
Domestic East.....	63,831,709.78	

\$ 86,328,614.18

Western:

Export via West.....	\$ 30,021,698.08	
Domestic West.....	7,764,042.98	

37,785,741.06

Options—Special Account.....

(2,013,781.25)

\$122,100,573.99

COSTS AGAINST SALES—

Local Purchases.....\$ 1,508,589.50

Carrying Charges:

Storage.....	\$ 5,074,205.43	
Interest and Bank Charges.....	4,265,889.04	
In Store Insurance.....	105,359.26	

9,445,453.73

Special Accounts:

Premiums on Western Shipments.....	424,702.89	
Country Carrying Charges.....	3,419,879.42	
Diversion Premiums.....	153,883.63	
Drying Charges.....	2,576.75	

4,001,042.69

Pool Terminal Charges.....

(69,355.63)

Transportation Costs:

Elevation (Lakehead and Interior).....	\$ 701,730.41	
Lake Insurance and Outturn.....	133,059.76	
Lake Freight and Brokerage.....	2,369,880.34	
Rail Freight.....	808,887.60	
Elevation (Seaboard and Eastern).....	805,371.63	
Marine Insurance.....	115,421.95	
Ocean Freight.....	4,028,819.42	
Superintendence and Outturn.....	224,337.72	
		9,187,508.83
Cash Brokerage		166,169.91
Option Brokerage		42,625.01
Telegrams and Cables		76,785.18
Administrative Expenses		244,604.75
Dividend—Canadian Pool Agencies Limited		(103,313.04)
Reserve for Contingencies		164,351.35
		<u>24,664,462.28</u>
Net Proceeds from Sales.....		<u>\$ 97,436,111.71</u>
DISTRIBUTION TO PROVINCIAL POOLS—		
Initial Payments—Pool Deliveries.....	\$117,689,259.00	
Less Net Proceeds from Sales.....	97,436,111.71	
BALANCE AT DEBIT, CARRIED TO STATEMENT OF ASSETS AND LIABILITIES	<u>\$ 20,253,147.29</u>	

WINNIPEG, 31st October, 1931.

Certified in accordance with our Report to the Shareholders of this date.

PRICE, WATERHOUSE & CO.,
Chartered Accountants

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

STATEMENT 4

CROP OF 1929 POOL—COARSE GRAINS DIVISION

STATEMENT OF GRAIN OPERATIONS—FROM SEPTEMBER 1st, 1929, TO AUGUST 31st, 1931

	OATS	BARLEY	FLAX	RYE	TOTALS
SALES:					
Local.....	\$1,997,210.90	\$3,054,151.06	\$1,777,195.76	\$1,101,980.99	\$ 7,930,538.71
Eastern.....	915,527.70	2,018,439.69	14,594.86	501,192.74	3,449,754.99
Export.....	—	242,896.08	—	10,625.00	253,521.08
Western.....	422,303.66	171,938.55	3,793.78	21,575.01	619,611.00
	<u>\$3,335,042.25</u>	<u>\$5,487,425.38</u>	<u>\$1,795,584.40</u>	<u>\$1,635,373.74</u>	<u>\$12,253,425.78</u>
COSTS AGAINST SALES:					
Local Purchases.....	\$1,032,950.05	\$ 996,648.03	\$ 725,576.44	\$ 516,232.88	\$3,271,407.40
Carrying Charges:					
Storage.....	97,469.06	726,446.63	14,484.19	196,510.52	1,034,910.40
Insurance.....	88.49	4,378.55	—	145.89	4,612.93
Interest.....	43,731.41	335,860.35	17,047.55	132,481.88	529,121.19
Special Accounts:					
Premiums on Western Shipments.....	16,167.78	7,209.47	—	—	23,377.25
Diversion Premiums.....	5,613.44	11,805.81	1,520.01	145.33	19,084.59
Drying Charges.....	—	36.21	—	—	36.21
Country Carrying Chgs..	143,614.84	303,681.88	16,355.60	64,676.78	528,329.10
Transportation Costs:					
Elevation (Lakehead & Int.).....	25,595.11	79,121.27	(5.12)	12,938.31	117,649.57
Lake Ins. & Outturn.....	2,536.43	9,445.05	—	2,083.54	14,065.02
Lake Freight and Brokerage.....	57,945.76	289,979.39	—	40,013.48	387,938.63
Rail Freight.....	11,355.54	38,446.67	87.47	3,764.71	53,654.39

Elevation (Seaboard & East.).....	9,310.89	14,910.54	145.48	98.69	24,465.60
Ocean Freight.....	—	18,000.18	—	—	18,000.18
Marine Insurance.....	—	254.84	—	—	254.84
Superintendence.....	—	1,236.64	—	—	1,236.64
Brokerage.....	8,756.14	15,156.70	555.51	3,506.72	27,975.07
Pool Terminal Charges: (39,249.93)		18,533.13	11,589.28	(2,454.51)	(11,582.03)
Administrative Expenses	21,557.23	44,598.32	3,002.12	11,468.86	80,626.53
Dividend-Canadian Pool Agencies Limited.....	(4,495.32)	(8,440.03)	(502.79)	(1,463.63)	(14,901.77)
Reserve for Contingencies.....	<u>434.45</u>	<u>209.57</u>	<u>246.71</u>	<u>299.32</u>	<u>1,190.05</u>
	<u>\$1,433,381.37</u>	<u>\$2,907,519.20</u>	<u>\$ 790,102.45</u>	<u>\$ 980,448.77</u>	<u>\$ 6,111,451.79</u>
NET PROCEEDS FROM SALES.....	<u>\$1,901,660.89</u>	<u>\$2,579,906.18</u>	<u>\$1,005,481.95</u>	<u>\$ 654,924.97</u>	<u>\$ 6,141,973.99</u>
DISTRIBUTION TO PROVINCIAL POOLS					
Initial Payments on Pool Deliveries.....	\$2,196,948.93	\$5,164,987.05	\$1,029,663.39	\$1,794,782.38	\$10,186,381.75
Less Net Proceeds from Sales.....	<u>1,901,660.89</u>	<u>2,579,906.18</u>	<u>1,005,481.95</u>	<u>654,924.97</u>	<u>6,141,973.99</u>
BALANCE AT DEBIT CARRIED TO STATEMENT OF ASSETS & LIABILITIES.....	<u>\$ 295,288.04</u>	<u>\$2,585,080.87</u>	<u>\$ 24,181.44</u>	<u>\$1,139,857.41</u>	<u>\$ 4,044,407.76</u>

WINNIPEG, 31st October, 1931.
 Certified in accordance with our Report
 to the Shareholders of this date.

PRICE, WATERHOUSE & CO.
 Chartered Accountants.

CANADIAN POOL AGENCIES LIMITED
BALANCE SHEET as at August 31st, 1931

ASSETS		LIABILITIES	
AGENCY ASSETS:		AGENCY LIABILITIES:	
Cash in Bank.....	\$31,433.62	Due to Insurance Companies.....	\$104,369.06
Advance to Canadian Co-operative Wheat Producers, Limited.....	10,000.00	OTHER LIABILITIES AND CAPITAL:	
Insurance Accounts Receivable.....	62,935.44	Accounts Payable and Accrued Expenses.....	\$ 4,148.56
	<u>\$104,369.06</u>	Reserve for Cancellations.....	5,729.80
OTHER ASSETS:		Capital Stock—Issued and Fully Paid—2,000 Shares of a par value of \$10.00 each.....	20,000.00
Cash in Bank and on Hand.....	\$27,164.89	Surplus—Balance at August 31, 1930:	
Advance to Canadian Co-operative Wheat Producers, Limited.....	53,785.04	Reserve Account.....	\$ 94,078.11
Accounts Receivable.....	2,317.90	Surplus Account.....	80,630.05
Membership Deposits.....	200.00		<u>\$174,708.16</u>
Furniture and Fixtures.....	\$6,137.17	Add Net adjustments applicable to prior years.....	1,506.80
Less Reserve for Depreciation.....	1,858.89		<u>\$176,214.96</u>
	<u>4,278.28</u>	Add Net Income for the year ending August 31, 1931, before providing for Income Tax.....	57,867.75
	87,746.11		<u>\$234,082.71</u>
		Deduct Distribution of Surplus during the year.....	\$176,214.96
			<u>57,867.75</u>
			<u>87,746.11</u>
			<u>\$192,115.17</u>
			<u>\$192,115.17</u>

WINNIPEG, 31st, October, 1931.

Certified in accordance with our Report to the Shareholders of this date.

PRICE, WATERHOUSE & CO.,

Chartered Accountants.

Approved on Behalf of Board:

H. W. WOOD, Vice-President.

P. F. BREDD, Director.

R. C. FINDLAY, Treasurer.

STATEMENT 6

CANADIAN POOL AGENCIES LIMITED

STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDING AUGUST 31st, 1931.

Net Commissions on Insurance:

Inclusive of Lake Marine, Outturn, Winter Storage, Marine Insurance, Fire, Fidelity Bonds, etc.....	\$81,218.44
Interest.....	14,110.66
	<u>\$95,329.10</u>

Administrative and General Expenses:

Salaries.....	\$24,098.49
Administration.....	5,000.00
Rent and Light.....	3,383.77
Miscellaneous Office Expenses.....	1,364.30
Travelling Expense.....	1,345.32
Telegrams and Telephones.....	744.37
Depreciation.....	767.15
Audit Fees.....	500.00
Taxes and Licenses.....	386.32
Printing and Stationery.....	375.46
Postage.....	146.17
	<u>\$38,111.35</u>
Less Allowance from Saskatchewan In- spection Service.....	650.00
	<u>37,461.35</u>
Net Income transferred to Surplus Account.....	<u><u>\$57,867.75</u></u>

WINNIPEG, 31st October, 1931.

Certified in accordance with our Report
to the Shareholders of this date.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

