

SASKATCHEWAN
CO-OPERATIVE WHEAT
PRODUCERS
LIMITED

fourth
ANNUAL
REPORT



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REGINA, SASKATCHEWAN
McGILL UNIVERSITY 1928

Proposed Agenda of Business for Annual Meeting

- 1.—Appointment of Chairman.
- 2.—Notice Calling Meeting.
- 3.—Resolution to Adopt Agenda.
- 4.—Minutes.
- 5.—Report of Board of Directors.
- 6.—Resolution to Receive Directors' Report.
- 7.—Discussion of Directors' Report.
- 8.—Financial Statement and Auditors' Report.
- 9.—Discussion of Financial Statement.
- 10.—Adoption of Directors' Report.
- 11.—Adoption of Financial Statement.
- 12.—Remuneration of Auditors.
- 13.—Appointment of Auditors.
- 14.—Approval of Amendments to Articles of Association.
- 15.—Resolutions Tabled at last Annual Meeting.
- 16.—Discussion of Pool Matters introduced by Delegates.
- 17.—Adjournment.

Directors' Report

Regina, Saskatchewan.

November 20th, 1928.

In presenting this, the Fourth Annual Report of the operations of the Saskatchewan Wheat Pool, your Board has endeavored, as in former years, to outline for your information, the activities of the Organization during the 1927-28 crop year, as well as some of the major problems arising during the present year, which should receive the consideration of this meeting, with a view to laying down a general policy for the guidance of your Board of Directors.

CONTRACTS AND ACREAGE

Wheat

At the time of the Annual Meeting of Delegates held in this City, beginning November 15th, 1927, the Report to the Delegates indicated that 53,366 new term Contracts had been signed up covering 7,698,499 acres.

During the past year, Saskatchewan farmers have continued to evidence their faith in the Pool method of Co-operative Marketing and, as at October 31st, your Directors are glad to report that there are now on file in this office 77,404 new term Contracts covering 10,735,448 acres of Wheat under contract to the Pool for the period 1928 to 1932 inclusive.

The following figures indicate the progress which has been made in this connection:

	<i>Contracts</i>	<i>Acreage</i>
Nov. 15th, 1927 (date of last Annual Meeting)	53,366	7,698,099
June 8th, 1928 (date of last Semi-Annual Meeting)	62,165	8,845,518
Oct. 31st, 1928	77,404	10,735,448

It will be noted that since the June meeting, there has been an increase of 15,239 Contracts, covering a total Wheat acreage of 1,889,930.

At the June meeting the hope was expressed by the Board that the 1928-32 Pool would commence operations in control of at least as large a volume of acreage as at the time the first Contract period expired. This has been fulfilled and your Board is of the opinion that, commencing the fifth year of operations, there is under contract to the Organization a larger proportion of the Saskatchewan Wheat acreage than at any time since the first Contract was signed.

Attached hereto will be found a statement (Schedule 1) showing the number of Contracts, also Acreage, received each month since the last Annual Meeting.

It may interest Delegates to know that since August 29th, 1923, not a single day has passed without some Contracts being received at the Head Office.

While the results secured up to date will probably be regarded as reasonably satisfactory, the Board looks forward with confidence to a substantial increase in this figure during the coming year. The measure of influence which can be exercised on World markets by the Saskatchewan Wheat Pool is in proportion to the

extent of the acreage under contract. Contracts are the life-blood of this Organization from which it draws its strength.

It is hoped that the end of the present year, 1928, will see 11,000,000 acres under contract to the Pool.

Our average acreage per Contract now stands at 140. If this acreage is maintained, 2,000 additional Wheat Contracts will carry us to this mark.

With the same loyal support to the Organization as has been rendered in the past by the whole Country Organization, this objective will be reached and we can then look forward to an objective of 12,000,000 acres under contract by the time of the next Annual Meeting.

As in the past, the Wheat Pool Committees in the Province have continued to render splendid service in securing new Contracts. Pool Elevator Agents have also rendered very valuable assistance and, almost without exception, there has been the most complete co-operation in this work between the local Pool Elevator Agent and the Wheat Pool Committee.

Coarse Grains

The new term Coarse Grains Contract was printed and distributed in the country early in February. The minimum objective set out in the Coarse Grains Contract is 33 1-3 per cent. of Oats and Barley and 50 per cent. of Flax and Rye grown in the Province of Saskatchewan in the crop year 1927-28, according to the Statistics Branch of the Provincial Department of Agriculture.

According to the figures supplied to us the minimum objective of the Coarse Grains Pool was as follows:

	<i>Acres</i>
Oats.....	1,470,852
Barley.....	308,629
Flax.....	165,337
Rye.....	179,107

At the time of the June meeting there had been received 25,402 Coarse Grains Contracts covering a total of 1,734,060 acres of Coarse Grains made up as follows:

	<i>Acres</i>
Oats.....	1,165,329
Barley.....	345,548
Flax.....	94,906
Rye.....	128,277

As at October 31st there have been received and are on file in the office, 40,309 Coarse Grains Contracts, covering a total of 2,669,105 acres of all Coarse Grains made up as follows:

	<i>Acres</i>
Oats.....	1,737,726
Barley.....	566,091
Flax.....	155,175
Rye.....	210,113

As indicated at the last meeting, it has become apparent that the acreage seeded to Flax during the present season is considerably smaller than last year.

It will be noted that since the date of the last meeting there has been received a total of 14,907 Contracts, covering a total of 935,045 acres of all Coarse Grains.

Attached hereto will be found a statement (Schedule 2) showing the number of Contracts, also Acreage, received each month since the new Contract was circulated.

As in the case of Wheat, your Directors are glad to be in a position to report that there is a larger volume of Coarse Grains under Contract to the 1928-32 Pool than at any time during the previous Contract period.

DELIVERIES

Wheat

During the crop season 1927-28 there was delivered to the Saskatchewan Pool a total of 127,591,846 bushels. The following figures show the total number of bushels delivered to the Saskatchewan Wheat Pool since its inception:

	<i>Bushels</i>
Crop year 1924-25.....	50,251,181
Crop year 1925-26.....	129,708,034
Crop year 1926-27.....	119,488,976
Crop year 1927-28.....	127,591,846
	<hr/> 427,040,037

During the four years' operations of the Pool a total of 427,040,037 bushels of Wheat have been marketed the "Pool Way." Altogether there was marketed in Saskatchewan for the crop year 1927-28 a total of 229,622,048 bushels of wheat. This indicates that approximately 56 per cent. of the total crop was marketed through the Saskatchewan Pool, as compared with 57.7 per cent. in 1926-27 and 56 per cent. in 1925-26.

Deliveries at country points, by months, for the last crop season, are as follows:

	<i>Bushels</i>
September, 1927.....	4,709,000
October, 1927.....	26,019,137
November, 1927.....	39,933,885
December, 1927.....	24,077,828
January, 1928.....	13,917,124
February, 1928.....	7,725,290
March, 1928.....	3,248,129
April, 1928.....	1,526,968
May, 1928.....	1,821,683
June, 1928.....	2,257,719
July, 1928.....	2,355,083
	<hr/> 127,591,846

An analysis of the different grades of Wheat delivered to the Pool during the last season is as follows:

	<i>Bushels</i>
1 Northern.....	3,135,911
2 Northern.....	13,726,899
3 Northern.....	38,273,690
No. 4.....	19,655,664
No. 5.....	5,976,257
No. 6.....	2,380,625
Feed.....	1,004,761
Tf. 1 Northern.....	177,961
Tf. 2 Northern.....	3,330,698
Tf. 3 Northern.....	21,987,648
Tf. No. 4.....	10,704,372
Tf. No. 5.....	2,733,863
Tf. No. 6.....	1,027,219
Tf. Feed.....	331,541
1 Durum.....	4,164
2 Durum.....	92,028
3 Durum.....	396,765
4 Durum.....	40,834
Other Grades.....	2,610,941
	<hr/> 127,591,846

Coarse Grains

Deliveries to the Coarse Grains Pool last season and for the two previous years are as follows:

	1927-28	1926-27	1925-26
	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>
Oats.....	4,506,766	3,363,365	6,659,646
Barley.....	1,883,056	2,357,181	2,569,071
Flax.....	1,144,631	1,012,997	1,353,617
Rye.....	2,391,310	1,633,796	783,820
	<hr/> 9,925,763	<hr/> 8,367,339	<hr/> 11,366,154

During the last crop season a total of 38,436,603 bushels were marketed in the Province of Saskatchewan. This indicates that 25.8 per cent. of all Coarse Grains in Saskatchewan was marketed through the Pool as compared with 25.4 per cent. of the total in 1926-27 and 28 per cent. in 1925-26. A very large quantity of Coarse Grains was disposed of by Pool members, under permit for Feed and Seed purposes, last season.

AVERAGE POOL PRICES

A regular second interim payment was made on the 1927-28 Pool on July 28th, 1928.

As indicated at the last Delegates' meeting, elevator deductions, commercial reserves and operating costs were deducted from this payment.

It had been hoped to value the stocks on hand sufficiently close at the time of this payment so that it might be treated as a final payment, and a small final adjustment made later in the present Pool year, when this payment could be made without interfering with the heavy rush of work in the Fall. On account of market conditions and the market outlook at the time this payment was made, great care had to be taken to maintain a sufficient margin on hand for the protection of the stocks still to be marketed. In view of the general crop condition this year your Board was of the opinion that the amount of money remaining on hand after the 1927-28 Pool had been closed out, was too large to retain for any considerable length of time and a final payment of $2\frac{1}{4}$ c per bushel, on all grades of grain, was made payable on October 11th.

This makes a total payment on this year's crop of $\$1.42\frac{1}{4}$ per bushel basis One Northern, Fort William. This compares with $\$1.42$ per bushel on the 1926-27 crop and $\$1.45$ per bushel for the 1925-26 crop, both basis One Northern, Fort William.

For the information of the Delegates, a statement (Schedule 3) is attached hereto showing the total Pool prices paid on the different grades of wheat since the inception of the Pool.

Towards the end of July, when reports indicating a prospective crop of anywhere up to 700,000,000 bushels in Western Canada were being circulated, market prices broke very badly. At that time considerable propaganda was directed against the Pool, the statement being freely circulated that the break in prices was caused by the fact that the Pool was holding anywhere up to 80,000,000 bushels of grain and that a very large carry-over of the Canadian crop in the hands of the Pool was in prospect. At that particular period it was, of course, impossible for the Pool to announce its actual market position but the statement was made that information would be available to all Pool members at the time of their Annual Meeting, which would indicate that while there was actually a substantial volume of the Canadian crop still to be sold, this was not under the control of the Pool.

On July 27th of the present year, the total stock of Canadian wheat in Canada and the United States amounted to $65\frac{1}{2}$ million bushels. This compares with 44 million bushels last year and 34 million bushels in 1926, at the same date.

The report of the Central Selling Agency, which will be considered later, sets out in detail the actual volume of Wheat under control of the Pool at that date.

Your Board wishes to register a protest against the practice at present carried on by various bodies of issuing highly optimistic crop reports at a time when it is utterly impossible to gauge anywhere near accurately the probable production. There is little doubt that the highly colored crop estimates issued in the early part of the present season have been responsible for the loss of millions of dollars to Wheat growers in Western Canada.

Coarse Grains

The first interim payment on last season's Coarse Grains Pool was made on January 15th, as follows:

	<i>Per Bushel</i>
2 C.W. Oats.....	10c
3 C.W. Barley.....	15c
1 C.W. Rye.....	15c

An interim payment on Flax of 15c per bushel, on all grades, was made on March 11th, at the time of the first interim payment on Wheat.

During the past year it was found possible to make a second interim payment to Coarse Grains Pool members earlier than last year, and on May 23rd, 1928, a second interim distribution was made to all Coarse Grains members as follows:

	<i>Per Bushel</i>
2 C.W. Oats.....	8c
3 C.W. Barley.....	10c
1 N.W. Flax.....	10c
1 C.W. Rye.....	10c

The final payments on the Coarse Grains Pools were made payable August 27th. The gross final payments were as follows:

	<i>Per Bushel</i>
2 C.W. Oats.....	4 ½c
3 C.W. Barley.....	9c
1 N.W. Flax.....	11 ½c
1 C.W. Rye.....	14c

The total gross prices, basis Fort William, for the Pool year 1927-28, and also for the two previous years were as follows:

	1925-26	1926-27	1927-28
	<i>Per Bushel</i>	<i>Per Bushel</i>	<i>Per Bushel</i>
2 C.W. Oats.....	47 ½c	60 ½c	62 ½c
3 C.W. Barley.....	60 ¼c	71c	84c
1 N.W. Flax.....	2.06	1.92	1.86 ½
1 C.W. Rye.....	88 ½c	97 ½c	1.09

A statement is attached hereto (Schedule 4) showing the total Pool prices paid on the principal Coarse Grains for the last three seasons since the inception of the Coarse Grains Pool.

It will be noted that with the exception of Flax, the prices realized for the other Coarse Grains during the past Pool year, are substantially higher than in the past two seasons.

HANDLING ARRANGEMENTS

Line Elevator Companies

As reported at the last Annual Meeting, the handling agreement between the Pool and Line Elevator Companies covers a period of three years from the date this agreement was completed. The contract, therefore, will not expire until July 31st, 1930.

Last year reports were current that Line Elevator Companies refused to allow individual Pool members, shipping their grain through Line Elevators, to designate the terminal destination of their grain.

Just about the time of the last Annual Meeting, a form of Storage Ticket reading "received into store from.....(*Name of Grower*).....for account of Saskatchewan Co-operative Wheat Producers Limited" was introduced. When these tickets were accepted by Pool members the Elevator Companies took the stand that the acceptance of this particular Ticket enabled them to decide the terminal destination of such grain in accordance with the terms of their handling agreement with the Pool. This was taken up with the Board of Grain Commissioners and a ruling was secured from them that, provided this grain was delivered for account of the Pool, the Storage Ticket would be in order. The Board, however, stated that any grower delivering grain to a country elevator had the right to insist on the ordinary form of Storage Receipt, as prescribed by the Canada Grain Act.

At the beginning of the present delivery season, this matter was set out fully in a leaflet entitled "Your Rights Under the Canada Grain Act" which was given wide circulation.

In view of the very heavy deliveries of grain in the early part of the season, which has enabled Line Elevator Companies to secure the handling of practically all the grain they were able to handle, it has been almost impossible for individual growers to insist on receiving the ordinary form of Storage Ticket, as prescribed by the Canada Grain Act.

In one or two cases, where the regular ticket was issued, the Line Elevator Company has refused to divert such grain to the terminal named by the shipper, contrary to the ruling of the Board of Grain Commissioners. This has been taken up with the Board and we understand that they are prepared to take whatever legal action is necessary in order to enforce their ruling.

For the most part, however, where Pool members have been able to secure the regular form of Storage Receipt, the Elevator Companies have accepted the shipping instructions of the individual Pool member. Organization by growers for the delivery of Pool grain through Pool elevators is the only really satisfactory solution for the situation which exists at the present time.

SASKATCHEWAN POOL ELEVATORS LIMITED

Last season Saskatchewan Pool Elevators Limited operated 727 Country Elevators in the Province.

During the season the System handled a total of 100,210,581 bushels of all grains, made up as follows:

Pool		Non-Pool	
	<i>Bushels</i>		<i>Bushels</i>
Wheat	84,842,581	Wheat	6,092,320
Oats	3,142,250	Oats	1,042,127
Barley	1,281,244	Barley	582,649
Flax	787,923	Flax	271,605
Rye	1,662,415	Rye	505,467
	<hr/>		<hr/>
	91,716,413		8,494,168

This volume of grain passing through the country elevators provided an average handling of 137,841 bushels per elevator.

In addition to the above, Pool Elevators handled over 6,163,995 bushels of platform grain, making a total of all grain handled by Saskatchewan Pool Elevators Limited of 106,374,576 bushels. This is the greatest quantity of grain ever handled by a single country elevator organization.

The following figures indicate the development which has taken place in the handling of Pool grain through Pool owned country elevators since the inception of the elevator programme:

	<i>Elevators</i>	<i>Bushels</i>
1925-26	89	15,878,715
1926-27	586	80,110,048
1927-28	727	100,210,581
1928-29	967 (est.)	125,000,000

The fact that from such a large number of elevators in all parts of the Province the average handling per elevator amounts to 137,841 bushels, this can be regarded as an indication of the loyalty of Pool members and of their determination to support their own institution.

In addition to handling grain in the usual way, Pool Elevators sold, under the direction of the Central Selling Agency, the following quantities of grain:

Through Pool Country Elevators

	<i>Bushels</i>
Wheat.....	289,230
Oats.....	342,776
Barley.....	51,517
Flax.....	6,175
Rye.....	4,576
	<hr/> 694,274

Practically all of this grain was purchased by farmers for seed or feed purposes.

In view of the shortage of Oats for seed and feed purposes, Pool Elevators also purchased 78,418 bushels of Oats for distribution to farmers from country elevators.

The Overages from the country elevator system amounted to 627,032 bushels and the shortages to 1,642 bushels, leaving a net overage of 625,390 bushels made up as follows:

	<i>Overages Bushels</i>	<i>Shortages Bushels</i>
Wheat.....	543,307	
Oats.....	58,861	
Barley.....	5,962	
Flax.....		1,642
Rye.....	18,902	
	<hr/> 627,032	<hr/> 1,642

With a shrinkage allowance of one-half of one per cent. on dry grain and one per cent. on tough and damp grain, this overage would appear to be quite reasonable, representing as it does .6 of 1 per cent. of the total volume of grain handled. On over 100 million bushels of grain handled through Pool Elevators a total shrinkage allowance on the above basis would amount to approximately 670,000 bushels.

Grade Losses

Our total loss in grades in country elevators during the past season amounted to \$250,827.35, with gains in grade amounting to \$14,915.35 showing a net loss of \$235,912.00 as against \$419,833.41 last year.

POOL INSPECTION DEPARTMENT

The Pool Inspection staff at the end of the year consisted of five men located at Winnipeg, one at Moose Jaw and one at Saskatoon for part of the season. That this service to Pool members has been thoroughly justified is shown by the following statement:

Grades raised Winnipeg on Street and Consigned Cars.....	\$191,426.36
Grades raised Winnipeg on Platform Cars.....	18,979.38
Grades raised Moose Jaw on Street and Consigned Cars.....	69,253.04
Grades raised Moose Jaw on Platform Cars.....	538.92
Grades raised Saskatoon on Street and Consigned Cars.....	761.40
Grades raised Edmonton on Shipments West.....	102.06
	<hr/> \$281,061.16

As against this amount grades were reduced at final inspection to the extent of \$20,272.54 making a net increased value due to re-inspection of \$260,788.62.

CLAIMS DEPARTMENT

During the past season a total of 2,530 Claims were submitted to the Railway Companies, made up as follows:

Total Claims Issued.....	2,530	\$135,966.92
Claims Withdrawn.....	280	26,962.78
Balance.....	2,250	\$109,004.14
Claims Paid.....	2,203	\$106,812.15
Claims Outstanding.....	47	2,191.99
	2,250	\$109,004.14

MEETINGS OF ELEVATOR AGENTS

As in the past two years, meetings of Elevator Agents were held in Regina on August 10th and in Saskatoon on August 11th. Agents operating in the southern part of the Province, numbering 426, attended the meeting held in Regina and 333 Agents attended the Saskatoon meeting.

At these meetings the policy of the Pool in connection with the operation of Pool Elevators was placed clearly before the agents. As an indication of the assistance which Pool Elevator Agents are rendering in building up Pool sentiment in their districts, a total of 582 Wheat Contracts and 260 Coarse Grains Contracts were secured at short notice and turned in at these two meetings.

SASKATCHEWAN POOL TERMINALS LIMITED

Last season Saskatchewan Pool Terminals (which is a subsidiary Company organized for the purpose of operating Pool Terminals) handled a total of 72,740,589 bushels made up as follows:

	<i>Bushels</i>
Elevator No. 4.....	29,140,749
Elevator No. 5.....	16,000,386
Elevator No. 6.....	27,599,454
	<u>72,740,589</u>

As at July 31st there was in store in the elevators a total of 8,172,214 bushels made up as follows:

	<i>Bushels</i>
Elevator No. 4.....	3,381,374
Elevator No. 5.....	471,551
Elevator No. 6.....	4,319,289
	<u>8,172,214</u>

A total of 1,027,437 bushels of Manitoba Pool grain and 568,200 bushels of Alberta Pool grain was handled through these terminals.

Under our agreement with these two Organizations we have returned to them their proportionate share of the earnings of the terminal elevators based on the volume of grain handled. For comparative purposes the total amount of grain handled in Pool Terminals Nos. 4, 5 and 6 for the season 1926-27 is as follows:

	<i>Bushels</i>
Elevator No. 4.....	29,863,431
Elevator No. 5.....	16,339,006
Elevator No. 6.....	29,588,638
	<u>75,791,075</u>

It will be noted that the volume of Pool grain handled through Pool terminals is slightly less than last year.

POOL TERMINAL No. 7

The new terminal (the construction of which was authorized at the last Annual Meeting) will be designated as "Pool Terminal No. 7." Full particulars of the estimated cost of this terminal were submitted to the Delegates at the time of the June meeting.

Immediately after the Inter-Provincial Meeting held in Winnipeg in October, your Board paid a visit to Port Arthur for the purpose of inspecting the work being done on this terminal and also to enable the Board to become familiar with the operations of the other Pool terminals at the Head of the Lakes.

At the time of the visit of the Board on October 24th, the inshore storage section of tanks had been practically completed and grain is now being handled through this section of the elevator. The Directors anticipate that the house will be in complete operation at the date set in the contract, viz., December 1st.

Pool Terminal No. 7 is the most complete and up to date terminal in operation anywhere today. The elevator is equipped with five automatic car dumpers and has an unloading capacity of 350 cars per 10 hour day with a maximum unloading capacity of 500 cars. The construction work has been carried out in first class shape by the contractors, Messrs. Barnett, McQueen Construction Company under the supervision of the Pool's Consulting Engineers, Messrs. C. D. Howe & Company of Port Arthur.

Your Board would like to express its appreciation of the manner in which this work has been carried on by the contractors and sub-contractors; also to Messrs. C. D. Howe & Company, not only for the work done by them in connection with the contracts and in supervising all of the work involved in the construction of this elevator, but also for the work done by this firm in designing the many unique features which are found in No. 7 and which has given to Saskatchewan farmers, through their own co-operative organization, the ownership and operation of the most complete and up to date terminal grain plant in existence today.

POOL TERMINAL No. 8

Your Board has completed arrangements for the lease of the C.P.R. Terminal "B" and "E" at Fort William, which is now known as Pool Terminal No. 8. This elevator has a total storage capacity of 2,750,000 bushels. A lease for a period of five years has been completed with the provision that this lease may be cancelled at any time by giving one year's notice after 1929.

The total storage capacity now under the control of the Pool at the Head of the Lakes is as follows:

	<i>Bushels</i>
Terminal No. 4.....	6,425,000
Terminal No. 5.....	2,150,000
Terminal No. 6.....	7,500,000
Terminal No. 7.....	7,200,000
Terminal No. 8.....	2,750,000
	<hr/>
	26,025,000

BUFFALO TERMINAL

During the season 1927-28 this elevator handled a total of 22,566,272 bushels of all grain, as against 27,981,088 bushels for the crop season 1926-27.

The Buffalo Terminal is used as a transfer house. Its chief value to the Pool lies in the fact that, the ele-

vator being located there, the rates on all Pool shipments are favorably affected quite beyond the handling capacity of the elevator. While the earnings from this elevator have been very small ever since it was acquired by the Pool, the value of the elevator cannot be gauged by elevator profits. Your Board, therefore, is of the opinion that the ownership of the plant should rest in Canadian Co-operative Wheat Producers Limited, as all of the grain handled through this house belongs to Canadian Co-operative Wheat Producers Limited. A recommendation to this effect was submitted to the Central Selling Agency and was referred back by them to each of the Provincial Boards. While we have not yet received official information it is understood that the Provincial Pools are favorable to the proposal and it is anticipated that arrangements will be completed in the near future for the sale of this elevator by the Saskatchewan Pool to the Central Selling Agency.

FINANCIAL REPORTS

A complete copy of the financial statement, together with Auditors' Report covering last year, as prepared by Messrs. Geo. A. Touche & Company, Auditors for both the Pool and Pool Elevators, has been submitted separately to the Delegates. Attached to this Report will be found a consolidated Balance Sheet showing the standing at the end of the financial year of the whole Wheat Pool Organization, including Pool and Pool Elevators Limited as well as Pool Terminals Limited.

Pool Financial Statement

The total cost of operating both the Wheat and Coarse Grains Pools amounted to \$690,509.30 as compared with \$646,102.90 last year. This works out at .50 of a cent per bushel as compared with .50 of a cent per bushel last year and .38 of a cent the previous year.

The following figures indicate the comparative cost of operation during the last three seasons:

	1925-26	1926-27	1927-28
Net Operating Expenses.....	\$546,775.66	\$646,102.90	\$690,509.30
Net Operating Expenses per bushel...	.38 cent	.50 cent	.50 cent
Carrying Charges per bushel .....	.83	.99	.87
Total.....	1.21 cents	1.49 cents	1.37 cents
Credit from Non-Operating Expense and Earnings.....	.02	.05	.03 Dr.
Net Amount per bushel deducted.....	1.19 cents	1.44 cents	1.40 cents

Elevator Financial Statements

The Auditors' Report indicates the total operating earnings of the country and terminal elevator system, after deducting interest due on the unpaid balance of the purchase price of the Saskatchewan Co-operative Elevator Company and on the Saskatchewan Government Mortgage, amount to \$2,157,289.51.

Following up the policy of refunding excess elevator handling and storage charges to growers delivering grain to Pool Elevators, your Board has approved of a refund of 1½c per bushel on all grain handled through country elevators and 1c per bushel on all grain loaded over the platform and billed to Pool Terminals, or loaded through other elevator companies and billed to Pool Terminals. This amounts to a total of \$1,430,791.98.

The net profit of the elevator system amounts to \$692,491.73. This amount will be subject to Income Tax. Out of this net profit 6 per cent. is payable on the capital stock of the Company held by the Pool amounting to \$221,622.00. An amount of \$470,869.73 less Income Tax which may be payable is carried to Reserve Account. The total amount standing to the Reserve Account is now \$1,054,203.04. For the first two years the excess elevator charges have been refunded to Pool members in cash. Your Board will appreciate an expression of opinion from the Delegates as to whether this amount should be returned in cash to the Growers as in former years, or whether it should be credited to them on the records of the Company. It should be pointed out that in order to carry out the wishes of the Delegates in connection with the matter of the extension of the Pool Elevator System it was necessary to anticipate the earnings of the Elevator System and these have already been invested in Pool Elevators.

ELEVATOR DEDUCTIONS

As in former years, the full deduction of 2c per bushel for providing handling facilities, as provided by the Grower's Contract, was made in the last crop season. This deduction amounted to \$2,683,162.51.

The total amount of elevator deductions made since the inception of the Pool now stands at \$8,881,668.07. This amount has been invested with Saskatchewan Pool Elevators Limited. The following figures show the amount of the deductions made each year since the beginning of the Pool:

Crop Season 1924-25.....	\$ 941,929.24
Crop Season 1925-26.....	2,750,332.24
Crop Season 1926-27.....	2,506,244.08
Crop Season 1927-28.....	2,683,162.51
	<hr/>
	\$8,881,668.07

COMMERCIAL RESERVE

The full deduction of 1 per cent. of the gross selling price, as provided by the Grower's Contract, was also made. This amounted to \$1,579,087.28. The total amount of the commercial reserve at the close of last season's operations amounted to \$4,936,537.74. The following figures indicate the amount deducted each year since the inception of the Pool.

Crop Season 1924-25.....	\$ 758,016.78
Crop Season 1925-26.....	944,783.31
Crop Season 1926-27.....	1,654,650.37
Crop Season 1927-28.....	1,579,087.28
	<hr/>
	\$4,936,537.74

For the time being the Commercial Reserve has been loaned to Saskatchewan Pool Elevators Limited for the purpose of constructing Pool Terminal No. 7. This amount will be repaid by Pool Elevators out of future elevator deductions, when the amount will again be available for any purpose for which a commercial reserve may be properly used.

DEDUCTION CERTIFICATE

A memorandum has been distributed to all Delegates dealing with two plans to be followed in issuing the deduction certificate.

The following is a copy of the memorandum referred to:

It has been suggested that as soon as the amount of the deductions from the 1927 crop have been check-

ed to the accounts of the various growers, a certificate should be issued to each and every grower setting out a statement of the deductions taken from him for elevator purposes for each year during the past four years and that a similar certificate and statement be issued to him covering the Commercial Reserve deductions. These statements would show the deductions taken for each year in a separate column and would be signed by the Company. They would be put on good paper in the form somewhat similar to an ordinary share certificate of stock in a company.

As to what information should be contained in the certificate, two ideas have been advanced. One is that the certificate simply acknowledge the Pool holds to the credit of the Grower the money in question and then setting out each year separately. The other suggestion is that the certificate, in addition to giving a statement of the amount by years, should contain a statement regarding the payment of interest, to the effect that interest will be paid yearly at the rate of 6 per cent. on the elevator deductions and at a rate to be determined by the Board in the case of Commercial Reserve, with a proviso that the Pool might pay a lower rate of interest or no rate at all. This is to protect the Pool in case the elevator company should not in any year make sufficient profit to pay 6 per cent. on the money invested in it.

This latter certificate would also contain a statement to the effect that the Pool, upon any interest date, namely the 1st of September in any year, might repay any part or all of the said deductions and that it should make an announcement through the papers that it intended to do so, in which case interest would cease to be paid on the deductions in question from the date the Pool announced that it would repay them, the object of having the interest cease being to be sure the Grower surrendered the Certificate for payment when the Pool was ready to pay it.

The Certificate would further provide that the Pool might, upon a majority vote of the Delegates, allot to the holder of the Certificate, shares in Pool Elevators instead of repaying the deductions in cash and would further provide that if any holder of a certificate should cease to be under contract to deliver wheat to the Pool, the Pool could at its option buy his elevator deductions at a value to be set thereon by the Directors of the Pool.

If this second form of certificate is used it would be advisable to have a separate certificate for Commercial Reserve from elevator deductions in view of the fact that the rate of interest differs from the elevator deductions and also in view of the fact they may be refunded on different dates. The certificates would not have attached to them any interest coupons and therefore, there would be nothing whatever to be surrendered by the farmer in order to get his interest payments. All interest payments would be made to the farmer in accordance with the records of the office. On the other hand, if the Board decided to refund any previous year's deductions, the coupon attached to the certificate setting forth the deductions for that year would have to be sent in to the office before payment would be made.

As legislation will doubtless be secured this coming Session to restrict the assignment or transfer of these deductions, a statement to the effect that the certificate can only be assigned under certain conditions will naturally appear on the certificate, whether the

first or second form be used. The advantage of the second form of certificate is that it sets out right in the certificate the conditions under which the Grower receives it. The disadvantage of it is that while it sets out such conditions, they are really all made optional. First the interest payment is made provisional upon Pool Elevators earning the money and the Pool deciding it should be paid, and the same is true about refunding the deductions. The disadvantage of the first form of certificate is that in order to know what the Pool can do with it, the farmer must look at his Grower's Contract, for, of course, nothing can be done with a certificate which contradicts the terms of the Grower's Contract.

The advantage of the first form of certificate is its simplicity and if it were used there is no valid reason, outside of office convenience at least, why the Commercial Reserve and elevator deductions should not be contained in the one statement.

The Board and Office Management both favor the second form of certificate.

It should be pointed out, however, that certain members of the Board feel that coupons should not have to be returned to the office before refund of any year's deductions is made, their opposition to the coupon being based upon the argument that many of them will be mislaid and lost and that considerable inconvenience will occur through insisting upon the return of the coupon.

Your Board recommends the adoption of the second form of certificate, but will appreciate an expression of opinion from the Delegates on this important question.

INTEREST ON DEDUCTIONS

Cheques covering the accumulated interest on the elevator deductions computed at 6 per cent. and compounded annually covering the amount deducted during the past three years' operations of the Pool were mailed to Growers on September 1st. Included in this cheque was the amount of interest at 5 per cent. earned by the Commercial Reserve for the crop year 1926-27 in accordance with the instructions of the Delegates.

Your Board is of the opinion and recommend to the Delegates that simple interest only should be paid on the deductions to be made during the next contract period. The amount of work involved in setting up interest each year to the individual accounts of Pool members, and the computing of compound interest from year to year on these individual accounts will more than offset the value of the compound interest to Pool members.

If this recommendation is approved by the Delegates, it is the understanding of the Board that interest will be paid each year on the amount of the certificate to be issued to growers, but that no interest will be payable on the deductions to be made during the present contract period until the end of this period. At that time simple interest only will be computed for the full period of five years, the accumulated amount being paid in cash at that time.

ELEVATOR POLICY

For the 1928 country elevator programme your Board has authorized the purchase or construction of 240 new country elevators. During the season it was found possible to purchase 73 existing elevators.

As at October 31st, 148 country elevators had been completed. An additional ten elevators are at present under construction and 9 houses remain to be built in order to complete the 1928 programme. This brings the total number of country elevators now operated by the Pool up to 967.

During the year a Construction Department was organized which undertook the construction of 24 elevators and 4 annexes in addition to the necessary repairs to existing houses.

Your Board is of the opinion that the whole future elevator policy of the Pool should be considered at this meeting.

The general use of combines in conjunction with motor trucks, has resulted in a tremendous speeding up of deliveries at country points. As an example of what has been going on all over the Province there had been delivered to Saskatchewan Pool Elevators on October 1st over 46,500,000 bushels of grain as compared with 16,000,000 bushels of grain on the same date last year. While the number of elevators in operation has been increased approximately 20 per cent., the volume of grain delivered through Pool Elevators as at this date, has increased almost 300 per cent. Never in the history of the movement of the Canadian wheat crop has there been such a tremendous volume of wheat delivered at country points as during the month of September.

The following figures show the extent to which deliveries have been speeded up throughout Western Canada:

	<i>Bushels</i>
September 19.....	8,881,000
September 20.....	8,673,000
September 21.....	9,077,000
September 23.....	8,636,000
September 24.....	8,494,000
September 25.....	8,550,000
	<hr/>
	52,311,000

While dry harvesting weather is undoubtedly responsible for part of this, nevertheless your Board is of the opinion that in the future we can look forward to much heavier deliveries of grain in the early Fall months than has been the experience in the past.

At the June meeting of Delegates some consideration was given to the question of instituting a policy of payment of Farm Storage, as a means of slowing up deliveries to country elevators and spreading the deliveries to Pool Elevators over the entire year. Early this Fall a policy of paying Farm Storage was instituted under which an amount of 1c per bushel will be paid on all grain delivered to Pool Elevators for which settlement is made during the month of February. This amount is to be increased to 2c per bushel on settlements made during the month of March and a maximum amount of 3c per bushel will be paid on all grain for which settlements are issued from April 1st until the time the cut-off has been announced.

At this date it is impossible to say whether the policy of paying Farm Storage has been of any particular value in holding back grain in granaries on the farm to be delivered during the months when the Farm Storage policy is in force.

Your Board will welcome a discussion on this subject as part of the larger question of the future elevator programme.

This year second elevators have been acquired at some fourteen points throughout the Province already served by Pool Elevators. There is, however, a very large number of stations in the Province where additional storage must be supplied if the present heavy deliveries in the Fall months are maintained.

The policy of acquiring second elevators should also be clarified at this meeting.

Since the beginning of the present crop season your Board has approved the construction of a number of annexes to existing Pool elevators at stations where country storage was urgently required.

In addition to second elevators there is still a number of stations and sidings in the Province not yet supplied with Pool handling facilities. With few exceptions, none of these stations would qualify for elevator facilities under any policy which the Board has so far considered. For the time being your Board is of the opinion that sufficient terminal storage facilities have been acquired at the Head of the Lakes, and the problem to be faced during the coming year is that of increased storage facilities in the country. This should receive the most complete consideration of this meeting, with a view to laying down a policy for the guidance of the Board during the coming year.

CENTRAL SELLING AGENCY

Following up the practice instituted last year, the Board herewith incorporates as part of its report to the Delegates, the full report submitted by the Directors of Canadian Co-operative Wheat Producers Limited for the season 1927-28 to the Interprovincial meeting of the Manitoba, Alberta and Saskatchewan Pools held in Winnipeg last month.

The report is as follows:

CROP CONDITIONS 1927

The crop garnered by the Western farmer was an even more complex one from a marketing standpoint than that of the previous year. It was perhaps a crop of the lowest relative quality that Canada has ever produced, as the same high proportion of tough and damp grain was received in all three Provinces due to the wet harvest weather. In addition to grain damaged by frost, rust and natural causes, the quality of the crop generally was below par. The average of protein content was only 11.8 per cent. as compared to a usual 13.5 per cent. Details as to protein content of various crops and grades have been obtained from Dr. F. J. Birchard of the Dominion Grain Research Laboratory and are appended for your information in Schedule No. 1. These tests, however, are not sufficiently comprehensive to be conclusive but indicate in a general way the value of the respective wheats.

The operations of the Pool had to be based on an increased World production and the results attained are, we believe, satisfactory from every point of view. The figures for World production taken from Broomhall's during the years of the Pool's existence, and the average Pool price are as follows:

Year	World Production (Bushels)	Average Pool Price 1 Northern Port William
1923-24.....	3,792,080,000	\$1.01
1924-25.....	3,411,760,000	1.66
1925-26.....	3,886,000,000	1.45
1926-27.....	4,171,000,000 (revised figure)	1.42
1927-28.....	4,207,000,000	1.42 ¼

Charts are appended for your information, which in a clear and graphic manner show the World supply and also the relationship of the Canadian crop. The fact that the exportable surplus of the Canadian crop is 39.56 per cent. of the World exportable surplus of wheat explains in a large measure why the control of the sale of this wheat by our organization is able to influence World prices and eliminate speculation.

DELIVERIES 1927-1928 (WHEAT)

Deliveries by the Provinces to this Organization for sale during the season were 209,871,373 bushels, as follows:

	<i>East</i>	<i>West</i>	<i>Total</i>
Alberta Pool.....	23,032,682	48,084,818	71,117,500
Saskatchewan Pool....	127,494,940	64,554	127,559,494
Manitoba Pool.....	11,194,379		11,194,379
Total Deliveries.....	161,722,001	48,149,372	209,871,373
Local Purchases.....	4,370,833	1,247,357	5,618,190
Direct Purchases	715,833		
Deliveries through Clearing House...	3,655,000		
	<u>4,370,833</u>		
Total Handlings.....	166,092,834	49,396,729	215,489,563

Some interesting facts are to be noted in respect to the deliveries of grain to the Central Selling Agency, two major developments having taken place during the year. The development of Pacific Coast ports is of vast importance insofar as it promises to relieve the Eastern route for winter sales and is competing successfully with the Atlantic seaboard ports. The reduction in rates over the mountains and the increasing facilities available at the Pacific terminals are the chief factors in the situation. No doubt an increasing proportion of Alberta wheat will find an outlet through this route and we are taking every care to develop our organization in order to meet the changing conditions.

Another interesting fact is the growth of country facilities and the increasing volume of grain being delivered to us through this medium. In the appendix to this report we give a table showing the development in this regard in the three Provinces since the commencement of Pool operations.

Total deliveries in the Western Inspection Division are 407,074,207 bushels, of which 209,871,373 bushels were delivered to the Pool, or 51.55 per cent. of the total.

Deliveries were made to the Provincial Pools by months as follows:

	<i>Manitoba Pool</i>	<i>Saskatchewan Pool</i>	<i>Alberta Pool</i>	<i>Total Bushels</i>
1927				
September..	1,566,876	4,756,552	432,470	6,755,898
October....	4,026,962	26,253,136	5,065,659	35,345,757
November..	2,553,911	38,409,835	17,147,472	58,111,218
December..	1,646,086	25,590,920	13,349,974	40,586,980
1928				
January....	571,029	13,861,868	9,714,296	24,147,193
February...	263,069	7,765,357	10,032,059	18,060,485
March.....	200,156	3,202,890	5,224,445	8,627,491
April.....	76,682	1,512,550	1,903,388	3,492,620
May.....	106,536	1,803,180	2,406,464	4,316,180
June.....	97,382	2,253,666	2,522,644	4,873,692
July.....	83,735	1,609,093	2,148,340	3,841,168
August....	1,955	540,447	1,170,289	1,712,691
Total Deliveries	11,194,379	127,559,494	71,117,500	209,871,373

The Pool was closed for the year on the 16th July, subsequent deliveries being received into the 1928-1929 Pool.

The major grades of wheat delivered to the Central Selling Agency were as follows:

<i>Grade</i>	<i>Bushels</i>
1 Northern	2,518,537
2 Northern	18,795,758
3 Northern	61,034,368
No. 4	28,521,579
No. 5	10,945,725
No. 6	6,081,599
Feed	2,135,625
Tf. 1 Northern	508,371
Tf. 2 Northern	7,681,961
Tf. 3 Northern	38,575,692
Tf. No. 4	17,925,715
Tf. No. 5	5,193,325
Tf. No. 6	2,228,532
Tf. Feed	626,656
1 Durum	6,621
2 Durum	691,221
Other Grades	12,018,278
	<hr/> 215,489,563

N.B.—Including Local Purchases.

SALES (WHEAT)

Sales over the marketing period were reasonably regular. Where variations from normal occurred they were brought about through market conditions over which we had no control.

The monthly totals are as follows:

<i>1927</i>	<i>Bushels</i>
September	15,447,000
October	19,502,000
November	25,242,000
December	11,789,000
<i>1928</i>	
January	13,657,000
February	24,192,000
March	25,594,000
April	22,592,000
May	17,430,000
June	18,100,000
July	16,987,000
August	12,376,534
	<hr/> 222,908,534

N.B.—These figures include the 1926-1927 Carryover as shown in our report of a year ago.

Our policy last year, in view of the comparatively low intrinsic value of the crop and the possibility of a high quality crop being harvested, was to keep well sold up. Nothing happened during the year to make us alter this policy and as a result we go into the new crop year with no carryover.

Our exports during the season under review were as follows:

	<i>Eastern</i>	<i>Western</i>	<i>Total Bushels</i>
Belgium	7,296,200	3,121,000	10,417,200
China and Japan		10,612,500	10,612,500
Denmark	346,000		346,000
France	3,815,653	1,264,000	5,079,653
Germany	8,527,200	3,277,000	11,804,200
Greece	3,210,000		3,210,000
Holland	10,391,840	5,905,000	16,296,840
Ireland	926,400	220,000	1,146,400
Italy	12,700,000	3,030,000	15,730,000
Latvia	36,000		36,000
Mexico		33,000	33,000
Norway	1,062,000		1,062,000
Portugal	544,000	558,000	1,102,000
Russia	548,000		548,000
Sicily	4,000		4,000
South Africa	30,000		30,000
Spain	474,133		474,133
Sweden	660,000	19,000	679,000
United Kingdom	22,883,600	13,297,290	36,180,890
	<hr/> 73,455,026	<hr/> 41,336,790	<hr/> 114,791,816

Note: Grain shipped to twenty countries comprising sixty-eight ports.

ORIENTAL MARKET DEVELOPMENT

The possibility of expanding the market for Canadian wheat in the Orient has been engaging the attention of your Board during the past season. A very satisfactory market for the lower grades is gradually developing in China and Japan. It is probable that we shall take some steps in the near future to maintain a closer touch with these markets with a view to their further development. Improved political conditions in China give point to her possibilities as an importer of foodstuffs.

1926-1927 CARRYOVERS

Wheat

At the commencement of this year we had on hand 7,418,971 bushels (not covered by open sales contracts) belonging to the previous year's pool, which was inventoried together with stocks held against such open contracts, at \$13,995,527.75 for the purposes of our final payment. The realization of this inventory resulted in a surplus of \$323,857.96, which was pro-rated back to the Provinces on the basis of their deliveries, as follows:

Alberta Pool.....	\$ 79,694.90
Saskatchewan Pool.....	214,992.18
Manitoba Pool.....	29,170.88
	<hr/> \$323,857.96

Statement No. 5 will give you full details of the realization of this Pool.

Coarse Grains

The final realization of the outstanding stocks of our Coarse Grains' carryover resulted in a surplus of \$118,219.95, which was distributed as follows:

	<i>Oats</i>	<i>Barley</i>	<i>Flax</i>	<i>Rye</i>
Man. Pool...	\$19,644.09	\$37,527.83	\$ 3,136.52	\$ 3,686.50
Sask. Pool...	30,599.90	9,344.83	7,840.09	6,440.19
	<hr/> \$50,243.99	<hr/> \$46,872.66	<hr/> \$10,976.61	<hr/> \$10,126.69

Statement No. 6 will give you full details of the realization of these Pools.

COARSE GRAIN HANDLINGS 1927-1928

Oats

Deliveries of Oats to the Selling Agency during the past season were as follows:

	<i>Bushels</i>
Manitoba Pool.....	639,372
Saskatchewan Pool.....	4,487,105
Local Purchases.....	1,198,412
Deliveries through Clearing House.....	484,000
Total Handling.....	<hr/> 6,808,889

The Oat crop during the year was to all intents and purposes a failure in Manitoba. The Saskatchewan crop was much damaged by the wet harvest. A considerable volume of Alberta Oats was purchased and sold in the other provinces to meet the necessities of the farmers there, both for seed and feed.

Sales were made as follows:

	<i>Bushels</i>
Local Sales.....	4,095,348
Eastern Sales.....	2,713,541
	<hr/> 6,808,889

Barley

Deliveries of Barley to the Selling Agency during the past season were as follows:

	<i>Bushels</i>
Manitoba Pool.....	4,712,107
Saskatchewan Pool.....	1,881,020
Local Purchases.....	165,204
Deliveries through Clearing House.....	204,000
Total Handlings.....	6,962,331

Barley was a fair crop and owing to feed scarcity in Ontario a good price was realized for all grades.

Further experimentation was carried on in respect to the establishing of Canadian Barley in the United Kingdom market for malting purposes, but without much success. We are again co-operating with the Dominion Government in shipments, having this end in view. The failure to obtain the amendments to the Canada Grain Act at the last session of Parliament handicapped us in our attempt to segregate suitable varieties in shipping quantities.

Sales during the season were made as follows:

	<i>Bushels</i>
Local.....	3,960,146
Eastern.....	2,385,863
Export.....	616,322
Total Handlings.....	6,962,331

Flax

Deliveries of Flax to the Pool during the season were as follows:

	<i>Bushels</i>
Manitoba Pool.....	251,413
Saskatchewan Pool.....	1,143,021
Local Purchases.....	20,776
Deliveries through Clearing House.....	14,000
Total Handlings.....	1,429,210

A very narrow domestic market and ample supplies abroad leaves the results attained without feature.

Sales were practically all made locally.

Rye

Deliveries of Rye to the Selling Agency were as follows:

	<i>Bushels</i>
Manitoba Pool.....	578,256
Saskatchewan Pool.....	2,389,674
Local Purchases.....	34,649
Deliveries through Clearing House.....	116,000
Total Handlings.....	3,118,579

A strong and steady market for Rye during the season enabled us to obtain good prices.

Our sales during the season were as follows:

	<i>Bushels</i>
Local.....	2,203,667
Eastern.....	842,969
Export.....	72,843
Total Sales.....	3,118,579

GENERAL ADMINISTRATION

The general administration of the Company is controlled at Winnipeg and your attention is directed to Statement No. 7 which gives in detail the cost of operating for the year. The gross expense of the Company amounted to the sum of \$530,177.64. This shows an increase over last year's costs of \$151,416.08 which is accounted for by our continually expanding organization. Our London Office cost \$23,868.56 which did not appear in last year's accounts. Our

Argentine Office, which was opened in August, 1927, cost us \$10,073.08 as against an organization expense of \$4,252.31 last year.

In order to demonstrate in a concrete manner to our members the value of our Branch Offices we have deducted from the sales price of our wheat an amount equivalent to the charge paid by us for the service rendered by our Branches prior to their commencing operations. This has resulted in credits being available for the reduction of the general overhead of the Company of \$340,654.26, which together with charges against other Pools, of \$61,068.48, leaves the sum of \$128,454.90 to be deducted as the Central Selling Agency costs, or approximately 1-16 of a cent per bushel.

AVERAGE PRICES

Wheat

Western Wheat.—The average net price received for the wheat in the 1927-1928 Pool was \$1.42 $\frac{1}{4}$ basis 1 Northern, Fort William. You have already been advised of the spreads on the lower grades.

We have always published our net prices and for your information would state that the gross sales price for the season was \$1.45. The net price is arrived at as follows:

Gross Fort William Price.....	\$1.45
<i>Deduct</i>	
Storage Charges on Stocks.....	.01 $\frac{1}{2}$
Interest and Bank Charges.....	.01
Cost of Selling Office (Gross)...	.00 $\frac{1}{4}$
	<u>.02 $\frac{3}{4}$</u>
Net Price to Provincial Pools.....	\$1.42 $\frac{1}{4}$

Ontario Grain.—The net average price returnable by us to the United Farmers' Co-operative Company, Limited (Ontario Grain Pool) on their wheat deliveries was \$1.32 $\frac{1}{2}$ basis 1 and 2 Red; on Oats 60 $\frac{1}{4}$ cents basis 2 White; on Barley 85 $\frac{1}{2}$ cents basis Malt-ing Barley.

Coarse Grains

Oats.—The gross sale price received for Oats was 63 $\frac{5}{8}$ cents basis 2 C.W. Spreads on the lower grades have been duly published. The net price is arrived at as follows:

Gross Fort William Price.....	\$.63 $\frac{3}{4}$
<i>Deduct</i>	
Storage Charges on Stocks.....	.00 $\frac{1}{4}$
Interest and Bank Charges.....	.00 $\frac{1}{8}$
Cost of Selling Office.....	.00 $\frac{1}{4}$
	<u>.00 $\frac{7}{8}$</u>
Net Price to Provincial Pools.....	\$.62 $\frac{1}{2}$

Barley.—The gross sale price received for Barley was 85 $\frac{1}{2}$ cents basis 3 C.W. Spreads on the lower grades have been duly published. The net price is arrived at as follows:

Gross Fort William Price.....	\$.85 $\frac{1}{2}$
<i>Deduct</i>	
Storage Charges on Stocks.....	.01 $\frac{1}{4}$
Interest and Bank Charges.....	.00 $\frac{3}{8}$
Cost of Selling Office.....	.00 $\frac{1}{4}$
	<u>.01 $\frac{3}{4}$</u>
Net Price to Provincial Pools.....	\$.84

Flax.—The gross sale price received for Flax was \$1.89 $\frac{1}{4}$ basis 1 N.W. Spreads on the lower grades have been duly published. The net price is arrived at as follows:

Gross Fort William Price.....	\$1.89 $\frac{3}{4}$
<i>Deduct</i>	
Storage Charges on Stocks.....	.02 $\frac{1}{4}$
Interest and Bank Charges.....	.00 $\frac{3}{8}$
Cost of Selling Office.....	.00 $\frac{1}{4}$
	<u>.02 $\frac{1}{2}$</u>
Net Price to Provincial Pools.....	\$1.86 $\frac{1}{2}$

Rye.—The gross sale price received for Rye was \$1.11 $\frac{3}{8}$ basis 2 C.W. Spreads on the lower grades have already been published. The net price is arrived at as follows:

Gross Fort William Price.....	\$1.11 $\frac{3}{8}$
<i>Deduct</i>	
Storage Charges on Stocks.....	.01 $\frac{7}{8}$
Interest and Bank Charges.....	.00 $\frac{1}{4}$
Cost of Selling Office.....	.00 $\frac{1}{4}$
	<hr/>
	.02 $\frac{3}{8}$
Net Price to Provincial Pools.....	\$1.09

BRANCH OPERATIONS

Calgary.—Our Calgary office is the main office of the Western Division. All shipments destined for the Western route are received and dealt with there. Sales are made direct by our Western Sales Manager, Mr. O. Z. Buchanan, in conformity with our general sales policy which is controlled from Winnipeg.

During the past season there were 49,396,729 bushels delivered to this office, of which 41,336,790 bushels were exported direct and 8,059,939 bushels sold on the domestic market.

The details of the Western handlings are as follows:

	<i>Bushels</i>
Sales to Local Mills, etc.....	3,912,500
Shipments to Vancouver.....	37,536,784
Shipments to Prince Rupert.....	7,947,445
	<hr/>
	49,396,729

Vancouver.—During the season our office at this Port handled the following volume:

	<i>Bushels</i>
Cleared for shipment.....	33,400,542
Delivered on contracts.....	4,136,242
	<hr/>
	37,536,784

This office also attends to the chartering of our ocean freight for Pacific shipments and during the season booked a total of 747,057 tons.

Prince Rupert.—Shipments of 7,947,445 bushels were made through this Port during the season, as follows:

	<i>Bushels</i>
Cleared for shipment.....	7,936,248
Delivered on contracts.....	11,197
	<hr/>
	7,947,445

Montreal.—Our office at this Port was opened and ready for business on the 1st September last year. Their handlings for the season were 47,236,388 bushels.

In addition we made direct sales of grain through it of:

	<i>Bushels</i>
Wheat.....	734,789
Coarse Grains.....	1,221,768
	<hr/>
	1,956,557

New York.—Our office at this Port handled our shipments over the U.S. Seaboard. Their operations over the past season have been restricted to some extent as mentioned elsewhere, owing to the competition of Vancouver as a winter port. Their handlings for the past season were as follows:

	<i>Bushels</i>
Cleared for shipment.....	28,800,373

Toronto.—The office in Toronto is a sales office and through it we have built up a valuable connection with Eastern Mills chiefly located in Ontario. Sales for the past season were as follows:

	<i>Bushels</i>	<i>Tons</i>
Wheat.....	9,903,283	
Coarse Grains.....	986,078	
Screenings.....		2,228
Ontario Pool.....	1,490,473	
	<hr/> 12,379,834	<hr/> 2,228

London.—You were advised in our last year's report of our opening a London Office under the charge of Mr. D. L. Smith. During the past year we have used the same very largely as a means of keeping in close touch with our various Agencies in Europe and with the trend of events affecting our business generally. We look for considerable development there in the future.

Paris.—This office has been operated on a quasi-Agency basis and has been the means of getting in direct touch with a large number of the small Mills in France. During the past year our sales through this medium were 5,162,826 bushels, as follows:

	<i>Bushels</i>
Atlantic.....	4,183,408
Pacific.....	979,418
	<hr/> 5,162,826

FINANCE

The gross turnover of the Company for the year amounted to \$323,847,282.41, from the following sources:

Realization of 1926-27 Inventory (Gross)	\$ 15,548,063.73
Gross Proceeds of Wheat Sales.....	289,286,476.88
Gross Proceeds of Oat Sales.....	4,178,118.20
Gross Proceeds of Barley Sales.....	6,159,485.12
Gross Proceeds of Flax Sales.....	2,680,982.02
Gross Proceeds of Rye Sales.....	3,478,331.40
Gross Proceeds A /c Ontario Pool.....	2,515,825.06
	<hr/> \$323,847,282.41

The various deductions from these gross proceeds are dealt with separately in their relative sections.

We are pleased to be able to report that satisfactory relations have been maintained during the year with the Canadian Banks and that we have at all times been able to obtain adequate finance to meet our requirements.

Following up our custom of financing conservatively we have retained margins on our payments to the Provincial Pools that not only meet the requirements of our Bankers but that also fully protect the farmers' interests against any extraordinary conditions in the World's markets.

PUBLICITY AND STATISTICS

Publicity

During the year we have maintained a department under this heading, which has been charged with the work of placing the facts about our organization before those interested. Enquiries are received in the course of a year from every country in the World, from Governments interested in the development of Co-operative Marketing in order to protect the interests of their producers, from Co-operative Organizations of the same character as our own, from organizations devoted to co-operation in the interests of consumers, from the Press all over the World and also from students of the Co-operative Movement generally.

The arrangements for the holding of the Third International Wheat Pool Conference at Regina on the 5th, 6th and 7th of June, 1928, were largely in the

hands of our Publicity Director and as the results and proceedings are the subject of a separate report it is not necessary to deal with it here other than to emphasize the beneficial effect of such conferences on the Co-operative Movement generally.

A similar meeting was held during the year at Edmonton under the auspices of the Trustees of the Wheat Board Surplus and was of great interest to the Alberta Co-operative section. A proposal to extend the scope of this gathering to include the rest of Canada is under consideration.

Many eminent men prominent in the affairs of their respective countries have either been met or have called upon us during the year and we have pleasure in recording our appreciation of the courtesy extended to the organization generally.

The Department has also kept in touch with the various Press notices regarding our Organization, which appear in the papers all over the World, and where an apparent misunderstanding existed, taken pains to put the facts of the case before the authors with satisfactory results. What little adverse propaganda has appeared in the public press has been ignored.

Statistics

Considerable attention has been given this year to the development of our statistical service. We have taken over from the various Provinces the work of estimating the Canadian crop volume and conditions in order that our conclusions may be arrived at upon a uniform basis in all three Provinces. The reliability of the work has proved itself in the past four years and we are now able to place confidence in our system.

Statistics covering all matters affecting World Markets and crops are regularly gathered and co-ordinated for the information of the sales force and this information is of great importance in determining policy from time to time.

BALANCE SHEET

The Balance Sheet submitted as Statement No. 4 gives the Company's position at the 31st August, 1928, the close of our fiscal year.

TERMINALS

During the past year Terminals Nos. 1, 2 and 3 located at Fort William and Port Arthur, have been operated by the Company. The earnings of these terminals have been pro-rated back to the Provinces who unloaded grain at them in accordance with the Interprovincial Agreement governing the matter.

Owing to the continual development of provincial facilities it was suggested that we be relieved of this responsibility. It was therefore arranged that the Manitoba Pool purchase our interest in the same and it was accordingly turned over to them on the basis of cost less depreciation.

A statement, No. 3, giving details as to the year's operations is appended for your information.

CANADIAN POOL AGENCIES LIMITED

Our insurance problems are so many and varied that your Directors felt that it was necessary to have in our employ an experienced insurance man who would be able to devote his entire time to the study of this phase of our operations.

We accordingly organized a subsidiary company to act as our brokers and were successful in obtaining the services of Mr. J. H. Smith as manager. This Company will be in operation to handle our new season's business.

OFFICE PREMISES (WINNIPEG)

The question of adequately housing our staffs at Winnipeg with a view to convenience has been a live one for some time. At present all the Grain Pool organizations employ a staff of 342 persons in Winnipeg. These staffs are scattered throughout eight different floors in three separate office buildings in the city and we are severely hampered as a consequence.

During the summer we were approached by a group of Eastern investors who offered to erect an office building for our exclusive use at a reasonable rental. This offer was accepted. We expect to effect considerable economies in our organization and obtain greater efficiency as a result.

The organizations who will occupy the new premises are:

Alberta Co-operative Wheat Producers, Limited
Canadian Co-operative Wheat Producers, Limited
Canadian Pool Agencies, Limited
Manitoba Co-operative Wheat Producers, Limited
Manitoba Pool Elevators, Limited
Saskatchewan Co-operative Wheat Producers, Limited
Saskatchewan Pool Elevators, Limited
Saskatchewan Pool Terminals, Limited

INTERPROVINCIAL GRADING COMMITTEE

During the year an Interprovincial Committee was appointed to carry on the work done last year by the Committee appointed by the Saskatchewan Pool. It was felt that as many of the problems being dealt with were of equal importance in all three provinces more rapid progress could be attained were the personnel of the Committee widened to include complete representation.

The Committee was therefore recast as follows:

Mr. C. Jensen, representing the Alberta Co-operative Wheat Producers, Limited.

Mr. L. C. Brouillette, representing the Saskatchewan Co-operative Wheat Producers, Ltd.

Mr. P. F. Bredt, representing the Manitoba Co-operative Wheat Producers, Limited.

The Committee has held seven meetings during the year and has dealt with a large number of questions chiefly affecting an equitable settlement with the individual grower.

We would like to record here the very great assistance received from and pleasant relations which have obtained with the officials of the Inspection Department, the various officers of the Pool organizations and all whom it has been necessary to consult from time to time.

The basis upon which the Committee has worked has been that while trade practices and handling operations work out on an average over the season satisfactorily for the operator, at the same time these methods break down when you consider the problems from the question of exact equity between individual growers. The point of view of the Committee was that it is all important from an inspection and grading

standpoint that the individual producer should receive an exact settlement on his shipment irrespective of whether the terminal elevator was able to operate at a profit or not. The terminal can protect itself by a proper tariff for the service rendered.

The question of proper sampling of cars at primary inspection was dealt with and exhaustive tests were made with an automatic sampler at Pool Terminal No. 4. Tests of this sampler were also made independently by the Inspection Department with the result that they agreed to recognize the sample obtained in this manner this year until such time as the system was proved unreliable. All Pool terminals will therefore be equipped with this machine and a sample of each car unloaded preserved for thirty days. We anticipate that this will be of great value in cars which are loaded too full to properly sample at Winnipeg and will remove from the grower's mind any suspicion of the proper sampling of his shipments.

The Committee also worked out a system of settlement on tough grain with the owner which while still not exact equity is, we believe, a considerable advance on previous methods. The experience gained this season should be of assistance in improving methods.

The question of mixing was also dealt with and the serious effect of this practice on the value of the export grade of 3 Northern. A suggested clearer definition of this grade drawn up to embody the principles in No. 1 and No. 2 Northern is submitted for your consideration together with a memorandum of what is involved in this important question.

These three major points cover the main activities of the Committee for the past year and it is now devoting its attention to other matters involved in the handling of your grain.

RESEARCH

The Committee on instructions from the Board examined into the question of establishing a Research Department to work on many of the problems met with in the process of marketing grain.

It was decided that space would be provided for a laboratory in our new office premises and a research department established, which will seek to work in conjunction with the National Research Council of Canada and with the various laboratories maintained in the Western Provincial Universities and Agricultural Colleges.

We have received satisfactory assurances from these institutions of their desire to co-operate with us in this work. It is important if the grower is to attain the full value of his product that our officers be supplied first hand with the information they require.

BULK HANDLING OF GRAIN

Considerable propaganda has been circulated during the past year which implies to the uninitiated that this organization has been to some extent active in the de-grading or mixing of wheat to the extent of deteriorating the Canadian standards in Europe.

While we hold no brief for the practice of mixing, any attempt on our part to ship a better sample than the standard would not meet the situation. The situation at present in vogue is that grain is shipped down the Lakes in bulk and no attempt is made, except in special cases, to segregate the shipments from any particular terminal or to preserve the identity of the grain comprising any shipment.

Under these conditions we are as shippers limited by the operation of the system in use which is governed by the Canada Grain Act and administered by the Board of Grain Commissioners for Canada.

ONTARIO POOL

During the summer of 1927 the United Farmers Co-operative Company Limited organized a Grain Pool amongst the farmers of Ontario. We were approached by that Company and agreed to act as selling agents for their grain and a formal agreement was entered into, substantially along the lines of present arrangements with the Western Provincial Pools.

The administration, organization and operation of this Pool is under the United Farmers Co-operative Company Limited, we acting as sales agent for them on a cost basis.

The chief difficulty the Pool had to contend with in the handling of its wheat was the lack of adequate warehouse facilities locally and the fact that a considerable proportion of the grain was forced to the sea-board for storage. This was undesirable from a sales standpoint although it has been the custom in previous years. Ontario wheat cannot be sold to advantage for export. Various expedients have been adopted this year to overcome this difficulty and to permit of Ontario wheat being sold in its logical market within the province. These give good promise of being efficacious.

The total handlings of the Pool were:

	<i>Bushels</i>
Wheat	1,765,839
Oats	35,523
Barley	61,152
	<hr/>
	1,862,514

The membership of the Pool at this date, we are informed, is 12,750.

STAFF

Our staff consists of 149 members located as follows:

Winnipeg	92
Calgary	15
Prince Rupert	1
Vancouver	7
Toronto	7
Montreal	12
New York	9
London, England	5
Paris, France	1
	<hr/>
	149

Towards the close of our last fiscal year considerable re-arrangements were made amongst the major officers of the Company, which were commented upon in our last year's report. Since then further staff changes have occurred.

Mr. E. B. Ramsay, who held the position of managing director during the previous year, retired from the Board owing to his inability to attend to his duties as a member of the Saskatchewan Provincial Board, and has since been appointed general manager of the Company.

Mr. J. L. Hudson was appointed acting manager at New York vice Mr. W. H. Johnson, transferred to our new office at Montreal. Mr. Hudson has since been confirmed as manager at New York.

Mr. E. G. de Grey, for some years manager of the Pool elevator at Buffalo, was appointed manager of our Toronto office vice Mr. G. C. Leitch, resigned from the service of the Company.

Mr. W. Aitken, C.A., was appointed chief accountant of the Company to replace Mr. D. C. Stewart, resigned.

The fact that a complete re-organization of the staff and to a very large extent in our accounting methods, was possible in the course of a year without impairing the efficiency of the organization cannot be passed over without comment.

We have much pleasure in recording our appreciation of the loyal service and hearty co-operation of all members of the staff during the past year.

OPERATING STATEMENTS

Following up the method of explaining our accounts adopted last year, undernoted herewith you will find in detail the expenses and expenditures in connection with the sale of grain during the past fiscal year.

GENERAL

The close of this season's "Pool" marks an interesting period in the organization's history. With it the first contract period has elapsed. The renewal of the contract by the growers in all three provinces, even before details of the year's business were available, must be a source of gratification to all who have been connected with the organization since its inception.

A review of the four years' operation of the Central Selling Agency leaves your Directors with the feeling that while giant steps have been made in developing a marketing organization, the fringe of the entire agricultural problem has only been touched.

As a marketing organization it is our duty to sell to the best advantage the products which the Provincial Pools place in our hands. Much encouragement by all authorities has been given to the Western farmer to grow the most desirable grains and the need for doing so is generally recognized in the West. It has remained, however, for some organization to deal with the practical solution of the problem, i.e. to make available to every farmer a supply of reasonably pure seed at a reasonable cost. This has been accomplished by the various Farmers' Co-operative Organizations in such a manner as the local situation demanded and a reference to their annual reports will give you full details of their efforts in this regard.

Agricultural populations in many countries through lack of organization have allowed their interests to be subordinated to developments in industrial expansion which takes little heed of the balancing of the economic life of a nation. In order to forestall any such condition arising in our own country there is every need for farm interests developing an organization which is strong enough materially to meet on even grounds any combine of interests furnishing services incidental to the operation of the farm. Co-operation by the various groups of interests of which our country is composed is more likely to result in the permanent solution of the economic difficulties which confront us from time to time, thus maintaining a satisfactory balance between those groups.

The Canadian farmer today is in an excellent position to meet the competition of other wheat exporting countries, the developing of a handling

system operated at cost materially assisting in the solution of the problem. High production per acre of quality products together with low cost of production and marketing rather than increased acreage will be very important factors in the success of the Western farm, particularly in years of bountiful world yields.

The Board recommends that this report be very carefully considered by the Delegates so that they may be in a position to give accurate information to the Pool membership. It will have been noted that much of the anti-Pool propaganda issued during the last twelve months has been directed principally against the operations of the Central Selling Agency.

INTERPROVINCIAL GRADING COMMITTEE

A report of the work of the Interprovincial Grading Committee is incorporated in the report of the Central Selling Agency.

ADMINISTRATION OF THE CANADA GRAIN ACT

At the present time the Canada Grain Act is administered by the Board of Grain Commissioners who are responsible to the Department of Trade and Commerce. As practically all of the legislation relating to the grading, inspecting, marketing, etc., of farm produce, with the exception of wheat, is administered by the Dominion Department of Agriculture, your Board is of the opinion that better results will be secured if the administration of the Canada Grain Act is transferred to the Federal Department of Agriculture and would appreciate an expression of opinion in this connection from the Delegates. Both the Manitoba and Alberta Pools have indicated that they would be favorable to such a transfer.

GRADING

During the past year your Board has considered at some length the present system of grading. It is submitted that there is a distinct difference in appearance between the samples of the seven grades from No. 1 to Feed. The real question involved is whether the spreads between the various grades actually represent the value of the grain. The result of certain tests of the milling and baking values of this year's crop has been given wide publicity by the publication of a statement prepared by Dr. Birchard who is in charge of the experimental laboratory at Winnipeg under the administration of the Board of Grain Commissioners.

It is the intention of your Board to invite Dr. Birchard to attend the annual meeting of Delegates so that all of the information possible in this connection may be available to the Delegates.

In connection with the experiments conducted by Dr. Birchard it is interesting to note the comment of Dr. Alonzo D. Taylor, Director of Wheat Studies of the Food Research Institute of Stanford University, California, who was in Winnipeg at the time Dr. Birchard published his findings. Dr. Taylor is an outstanding specialist in this field.

Dr. Taylor points out that all wheat prices at the beginning of the crop year are subject to qualification based on experiences of millers and bakers. This holds as true of wheat in International as in Domestic trade but the time required for price qualification in International trade is longer and price differences are therefore not as quickly confirmed or

qualified in International as in Domestic trade. Dr. Taylor pointed out that:

1. It is necessary to determine protein content, flour yield, ash and acidity in different laboratories with different samples from different parts of the country.

2. It is necessary to show how the flour of the different grades stands bleaching and the maturing necessary for larger scale use.

3. It is necessary to show how the wheat of the different grades stands commercial milling since small hand milling or experimental milling may lead to biased results.

4. It is necessary to show that the flours commercially prepared are fool proof in the hands of commercial bakers when used as the sole flour in the making of bread and that absorption and yield in loaves are uniform and dependable.

5. It is necessary to show that flours prepared from the several grades blend well with other flours in the making of European types of bread. The wheat must blend well with other wheats in a mixed grinding and the flour must blend well in a bakery mix.

In connection with the last point raised by Dr. Taylor, it should be borne in mind that practically all of our wheat exported overseas is used for blending with wheat from the other exporting countries and its ability to blend with these other wheats is a very important price factor.

There is no doubt but that the milling and baking qualities of Canadian wheat is superior to that of last year. This has already been confirmed in the spreads under the One Northern which prevails today on the lower grades.

In connection with the grading of the commercial grades of wheat, your Board is of the opinion that every effort should be made to have the Grain Standards Board meet at the earliest possible date. This year the Grain Standards Board did not meet in Winnipeg until October 9th and by that time a very substantial proportion of the total Western Canadian wheat crop had already passed inspection.

Your Board is advised that members of the Grain Standards Board themselves have intimated to the Board of Grain Commissioners, who are responsible for calling the Board together, that certain steps should be taken early in future seasons in order to provide that samples from all over Western Canada shall be available at the earliest possible date, to enable the Board to set up standards for the commercial grades.

Under the most favorable circumstances, however, a large volume of grain will have passed inspection before the Grain Standards Board can be convened. It should be borne in mind that these standards cannot be set up under the present system until such time as samples have been secured from every part of the three Western Provinces. This question of the Grain Standards Board is one which is receiving the attention of the Interprovincial Grading Committee at the present time.

In view of the fact that samples of the contract grades only are now sent forward to importing coun-

tries at the beginning of the crop season, while no samples of the commercial grades are forwarded until the Grain Standards Board has met and the standards set, your Board is of the opinion that samples of all grades of wheat should be forwarded to importing countries as soon as the crop begins to move. This practice would enable importers to form some opinion of the quality of these grades prior to the time the first cargoes are received.

As stated above, the real problem is to determine the milling and baking values of Canadian wheat year by year, and this can only be done by actual milling tests. During the past year there has been a good deal of discussion throughout the country regarding the advisability of the Pool entering the business of milling. The Board is not at present in possession of the necessary technical information, but knows of no valid reason why this will not be a logical development of the future, if not by the Pool itself, through some branch of the organized Farmers' Movement.

At the present time, however, your Board is of the opinion that the Pool should confine its attention to the marketing of grain, rather than to its manufacture, particularly in view of the fact that in order to carry out this year's Elevator programme, future capital funds were anticipated. Further Elevator facilities are required, and your Board believes that the Pool Elevator programme should be more nearly complete before any additional programme involving large capital expenditure should be undertaken. In the meantime as indicated by the report of Canadian Co-operative Wheat Producers Limited, certain investigations and experimental work is being carried on by their Research Department, and this work will be extended in the near future.

Your Board has also considered the possibility of protein being taken into consideration as a factor in grading. In this connection the Dominion Research Council has undertaken an extensive investigation with a view to securing all the information available on protein. When this investigation has been completed, information should be available which will enable a decision to be arrived at as to the possibility of protein being established as a factor in grading.

MIXING IN TERMINAL ELEVATORS

Related to the problem of grading is the question of mixing grain in the terminal elevators. An impression exists in the country that the outturn grades of grain shipped from Port Arthur and Fort William are based on a lower standard than on Winnipeg grades. From information received, your Board is of the opinion that at this time, there is uniformity between the outturn grades at the Head of the Lakes and the Winnipeg grades.

Your Board has given a good deal of consideration to this question of mixing at terminal elevators throughout the past year, and are prepared to recommend to this meeting of Delegates, that the necessary legislation should be secured to eliminate mixing in the grades of wheat from One Northern to No. 6.

We also recommend that legislation should be secured to provide that the straight grades of wheat from 1 Northern to No. 6 should be unloaded and binned only in Public Terminal Elevators, under the existing regulations which prohibit mixing in Public Terminals.

With regard to the inspection of grain out of Terminal Elevators we are of the opinion that an outturn standard should be set up which would be equal to the average of the grain passing Winnipeg Inspection.

In addition to this your Board believes that provision should also be made for establishing an extra grade between 1 Northern and No. 6, without disturbing the present standard of No. 6.

COUNTRY ORGANIZATION

Wheat Pool Committees

Wheat Pool Committees on record at the end of the fiscal year number 1,122 as compared with 1,055 Committees at the same time last year. During the year 84 new Committees have been organized as compared with 90 last year. Seventeen of these committees have either ceased to exist or have merged with other Committees as a result of the extension of railway facilities into new parts of the Province.

According to our records 198 Wheat Pool Committees have not reported reorganization during the past season. We understand, however, that many of these Committees have actually reorganized but have failed to report. Everything possible is being done through the Delegates and Field Service men to impress upon Committees the necessity of reporting in order that the office end of the Organization Department may be kept in touch with them.

A schedule showing the number of Committees by districts and sub-districts within the Province and also the number of new Committees organized during the year is attached hereto.

The existence of Wheat Pool Committees, forming as they do, probably the most important link in our whole country organization, has been fully justified by the results obtained in connection with our new contract campaign during the past year. These Committees also render a very real service to the organization in assisting to carry a greater knowledge of the operations of the Pool to the individual membership. In this way they have helped to develop an understanding of the fact that the successful operation of this institution depends upon the support of an intelligent and well-informed membership.

FIELD SERVICE

During the past year the Field Service Staff has been composed of seventeen permanent men. At different periods of the year there have also been at work three other Field men looking after the interests of Pool members, other than English-speaking.

In the past year a total of 1,581 meetings were held by the Field force with a total recorded attendance of 64,700. In addition to holding meetings 26,218 farmers were visited in an effort to clear up some complaint or misunderstanding, or to discuss some Pool matters, 6,559 visits were also paid to business men on matters pertaining to the Pool.

Country elevators were visited 5,336 times in the course of the year's work. In addition to this the Field men secured a total of 9,508 Wheat and Coarse Grains Contracts, and also secured over 200 subscriptions to The Western Producer.

The greater number of meetings held by the Field force are held during the Winter months. During

the Summer of 1928 the work of attending agricultural fairs, picnics and other gatherings occupied, to a considerable extent the attention of our Field men. Arrangements were also made so that representatives of the Field Service Department were able to be represented on the programmes of School Teachers' Conventions at various points throughout the Province.

The practice of holding Committee Conventions was continued this year when approximately 20 of these conventions were held during the Summer months. This number was considerably less than the number held the previous Summer in which 120 of such conventions were attended. The decrease in the number of conventions held was due primarily to the campaign for Contracts being carried on during the Summer of 1928.

During the past Winter 39 Co-operative Schools were held in different parts of the Province.

While some criticism was forthcoming in connection with the first few schools which were held, taken on the whole this effort has received the very best support from Pool members at those points at which these schools were held. The other Co-operative Marketing Organizations who assisted in the programmes submitted at these gatherings and who gave information with reference to the operation of their own organizations are unanimously of the opinion that they were well worth while.

As a result of experience certain changes can be effected but judging by the results obtained last Winter, an even larger number of these gatherings can be successfully held during the coming Winter.

As in past years, the Field Force has rendered valuable service in assisting to secure deliveries to Pool Elevators. They have also been instrumental in handling a large number of complaints and difficulties which developed in their districts, as well as checking over outstanding certificates, checking deliveries and investigating reports of breach of contract.

RE-DISTRIBUTION OF DISTRICTS AND SUB-DISTRICTS

The plan of re-distribution of districts and sub-districts, as outlined at the last annual meeting, has now been completed and the election of Delegates now under way is based on the new districts and sub-districts.

PUBLICITY

Western Producer

The relationship between the Pool and The Western Producer has continued satisfactorily during the past year. The form of The Western Producer was changed with the issue of August 23rd, 1928, and it now appears in tabloid size. One result of this change is that the Pool Publicity Department now supply material for three pages in The Western Producer each week instead of two as formerly. At the present time a circulation contest, open to Pool Agents, Secretaries and Secretaries of U.F.C. Local Lodges is in progress by which The Producer hopes to increase its circulation materially. On two occasions during the past year arrangements were made with the publishers to distribute 10,000 extra copies amongst non-Pool farmers for a period of three months.

The present circulation of the paper is approximately 40,000.

Country Weekly Newspapers

The Country Weekly Newspapers have also continued the same friendly attitude which they have evidenced towards the Pool since its inception. Fully two-thirds of the local Weeklies use a part or all of the weekly Pool notes supplied by the Pool Publicity Department and there has been a gratifying increase in the attention given to the development of co-operation generally on the part of members of the Saskatchewan Division of the Canadian Weekly Newspapers Association.

Daily Press

Generous support has also been given to the Wheat Pool during the past year by the Daily Press of the Province.

Non-English Publicity

In accordance with the decision of the Delegates at the last Annual Meeting, a mailing list of Non-English speaking Pool members was compiled for the following five languages: Ukrainian, German, French, Hungarian, Roumanian.

Beginning in March, 1928, a series of Non-English circulars containing Pool information has been printed and distributed to individual members whose names appear on these lists. No. 6 of this series of circulars has just been distributed.

A certain amount of advertising has been carried in the Non-English papers circulating in Saskatchewan from time to time and there has likewise been a substantial amount of free publicity given to the Pool by these Non-English papers in their editorial columns.

Exhibitions

As reported to the last Annual Meeting, the Pool exhibit at the larger Fairs and Exhibitions in the Province, which was used during the Summer of 1927, was considerably improved and enlarged during the year. The result obtained has been eminently satisfactory from the point of view of educational results. Portions of the same material were also used on other occasions, notably at the time of the International Pool Conference in June, the Annual Convention of the United Farmers of Canada in March and the Conventions of Insurance Superintendents and Dominion Mortgage and Investment Association in September.

Radio C.J.B.R.

The weekly radio broadcast service from C.J.B.R. was resumed on October 18th of the present year, on the same basis as prevailed during the winter of 1927 and 1928. Some changes have been made in the nature of the programmes with a view to improving their quality.

Motion Pictures

A motion picture more or less completely descriptive of the process of grain inspection at Winnipeg and at the Head of the Lakes was completed during the year. This picture was, to a considerable extent, experimental and no wide spread publicity has been given to the fact that it is available. Only two projection machines were purchased but until the rush of harvesting and threshing occurred one or both of the machines was in use steadily.

At the time of the last meeting of Delegates held in June some consideration was given to the establishment of a first-class farmer-owned radio broadcasting station in the Province. This matter is the sub-

ject of further investigation at the present time and a separate report will be available for the Delegates at the time of the Annual Meeting.

SASKATCHEWAN REGISTERED SEED GROWERS' ASSOCIATION

As a result of the work of our own Publicity Department the need for a better quality of seed grain in many portions of the Province has been amply demonstrated.

As reported at the last annual meeting, a Committee from this Organization was appointed to co-operate with a Committee of representatives of the Saskatchewan Registered Seed Growers' Association to work out a plan under which the latter body might render even greater service in the distribution of good and registered seed to Saskatchewan farmers. A plan has now been completed under which the Seed Growers have undertaken the distribution of 100,000 bushels of good seed wheat traceable to registered.

SALE OF FARMERS' BUILDING

As the present Wheat Pool Building is likely to provide sufficient accommodation for your Head Office for several years to come, your Board has for some time had under consideration the disposal of the Farmers' Building which was taken over at the time of the purchase of the assets of the Saskatchewan Co-operative Elevator Company. Negotiations were carried on during the Summer and arrangements finally concluded under which this building was disposed of to the Government of the Province of Saskatchewan, the Government taking possession of this building on August 1st, 1928.

STAFF

The Board wishes to take this opportunity to express its appreciation of the loyalty and efficiency of the whole Pool staff, both in the Head Office and subsidiary offices and in the country.

As in past years, a large number of additional country elevators were taken over which necessitated the engagement of a large staff of men without any previous experience in the Pool method of doing business. The work of the travelling superintendents and elevator operators has, however, helped to overcome many difficulties in this connection.

The office staff continues to render splendid service to the organization.

On account of the nature of the business of the organization, it will always be necessary for many members of the staff to work many hours overtime. During the heavy grain delivery season the staff of the elevator department must of necessity work extra time almost every day both in Regina and in Winnipeg. The same is true in the Pool offices, particularly when deferred payments must be made.

As Pool delegates are aware, it is the policy of the organization that no allowance for overtime work is paid to the office staff. As in the previous year, at the end of last year, an allowance of one half month's salary with a maximum amount of \$100.00 was paid to all members of the staff.

UNITED FARMERS OF CANADA

Your Board is glad to acknowledge and record the loyal assistance and support rendered to this organization by the United Farmers of Canada (Sas-

katchewan Section). The Local Lodges maintain a keen interest in co-operative marketing, and rendered real service in the campaign to renew the Coarse Grains Contract during the past year. As in previous years, close co-operation has been maintained, particularly during the Summer months between our Field staff and the Field organization of the Farmers' Educational body.

CONCLUSION

In reviewing the past four years it is encouraging to note the progress which has been made in the development of the Pool method of co-operative marketing, as applied to the marketing of farm produce—not only in Saskatchewan, but in the other provinces of Canada as well. Since the inception of this organization the Pooling system has also been applied to the marketing of Livestock, Poultry and Eggs, and in at least one district, to the marketing of Milk. And the Co-operative movement is only in its infancy in this Province.

During the past few years the statement was freely circulated that the testing time for the Saskatchewan Wheat Pool would come when the first contract had expired and Saskatchewan farmers were asked to renew their contracts. This testing time has passed, and the Wheat Growers of Saskatchewan have demonstrated their belief in the Pool method of co-operative marketing. Contracts alone, however, are not the sole measure of the strength of this organization. Your Board believes that there is a greater willingness among individual Pool members to accept their full share of responsibility for the successful maintenance and development of this organization, than at any time since the inception of the Pool, with the result that the outlook for the continued success of the co-operative marketing movement is brighter than at any time in the Agricultural history of the Province of Saskatchewan.

All of which is respectfully submitted.

(Signed) A. J. McPHAIL, *President*
L. C. BROUILLETTE, *Vice-President*
MARSH ADAMS
A. F. SPROULE
CON. REIDER
THOS. BALDWIN
C. W. COATES
A. E. WILSON
F. WOTHERSPOON
D. G. CRAGG
BROOKS CATTON
P. H. KENNEDY
HARRY MARSH
R. J. MOFFAT
JOHN STRAIN
J. H. WESSON

**SASKATCHEWAN CO-OPERATIVE WHEAT PRODUCERS
LIMITED
SASKATCHEWAN POOL ELEVATORS LIMITED, AND
SASKATCHEWAN POOL TERMINALS LIMITED
CONSOLIDATED BALANCE SHEET AT 31st JULY, 1928**

ASSETS

Cash:

Cash in Banks.....	\$ 119,950.00
Cash Funds—Payors, etc.....	712,970.29
	<hr/>
	\$ 832,920.29

Accounts Receivable:

Canadian Co-op. Wheat Pro- ducers Ltd.....	\$22,928,682.59	
Grain Suspense Account.....	1,118,331.81	
Sundry.....	956,906.62	
	<hr/>	25,003,921.02
Stocks of Grain—less Stored Grain (as certified by re- sponsible officials).....		171,053.45

Investments:

Canadian Co-op. Wheat Pro- ducers Ltd.....	\$ 50,000.00	
Inter-Provincial Pool Termin- al.....	344,156.49	
Rural Telephone Companies and Membership.....	1,287.00	
	<hr/>	395,443.49

FIXED ASSETS (less Depreciation):

Country Elevators and Coal Sheds.....	\$ 9,140,757.02	
Terminal Elevators.....	5,452,534.09	
Head Office Building and Site	196,110.08	
Agents' Residences.....	191,198.51	
Buildings under Construction	1,638,954.29	
Sites—Terminals, Elevators, etc.....	343,123.86	
	<hr/>	\$16,962,677.85
Office Furniture and Fixtures	148,459.87	
Automobiles and Miscellane- ous Equipment.....	65,163.14	
	<hr/>	17,176,300.86
Deferred Charges.....		580,903.87
		<hr/>
		\$44,160,542.98

LIABILITIES AND CAPITAL

Cheques, Vouchers, Etc., Outstanding:

Second Interim Wheat Payment Cheques.....	\$15,515,003.54
Grain Drafts, Cash Tickets, etc.....	481,946.99
General Cheques.....	1,157,409.74
	<hr/>
	\$17,154,360.27

Due to Growers:

Outstanding Certificates, etc.	\$ 1,442,740.67	
Interest Payable on Reserve Funds.....	791,736.38	
	<hr/>	2,234,477.05

Accounts Payable—Current:

Saskatchewan Co-op. Elev. Co. Ltd.....	\$ 1,358,064.73	
Province of Saskatchewan...	389,045.78	
Shippers' Accounts.....	1,434,703.66	
Loan Accounts—Employees and Growers.....	65,759.42	
Sundry.....	387,772.74	
	<hr/>	3,635,346.33

Accounts Payable—Deferred:

Saskatchewan Co-op. Elev. Co. Ltd.....	\$ 4,967,745.42	
Province of Saskatchewan...	1,493,975.05	
National Trust Company, et al.....	50,000.00	
	<hr/>	6,511,720.47
Elevator Deductions.....		8,881,595.35
Commercial Reserve Fund.....		4,936,460.47
Membership Subscriptions—1928-1933 Pool...		7,375.00
Capital.....		85,851.00
Reserve.....	\$ 1,054,203.04	
Less Provision for Payment of Interest on Elevator Deductions for eleven months ended 31st July, 1928.....	340,846.00	
	<hr/>	713,357.04

Contingent and Undetermined Liabilities:

In respect of Buildings under Construction— estimated.....	\$2,500,000.00
Undetermined amounts. In respect of Bank Loans of the Canadian Co-operative Wheat Producers Ltd., and Claim (con- tested) for Dominion Income Tax from the inception of the Company.	

\$44,160,542.98

Schedule 1

STATEMENT OF CONTRACTS AND ACREAGE RECEIVED SINCE LAST ANNUAL MEETING

Wheat	Contracts	Acreage
Received up to February 11, 1928.....	55,151	7,901,214
February 11 to 29.....	1,461	164,058
March.....	2,449	549,971
April.....	1,679	45,770
May.....	1,426	184,505
June.....	3,581	437,674
July.....	3,281	404,871
August.....	3,714	501,778
September.....	3,640	421,334
October.....	1,022	124,273
Total.....	77,404	10,735,448

Schedule 2

STATEMENT OF CONTRACTS AND ACREAGE RECEIVED SINCE LAST ANNUAL MEETING

Coarse Grains	Con- tracts	Oats	Barley	Flax	Rye
Received up to February, 1928.....	687	36,426	12,101	3,883	4,544
February.....	9,153	627,524	119,683	37,761	52,632
March.....	7,513	160,232	116,015	28,993	39,724
April.....	3,958	175,447	53,793	13,676	15,227
May.....	3,739	141,685	39,764	9,538	14,914
June.....	7,891	328,402	102,060	29,968	28,977
July.....	4,179	153,665	57,000	17,132	20,427
August.....	2,153	78,224	33,015	7,628	15,888
September.....	314	9,712	16,215	1,887	11,772
October.....	722	26,409	16,445	4,709	6,008
Total.....	40,309	1,737,726	566,091	155,175	210,113

Total Coarse Grains Acreage 2,669,105

Schedule 3

STATEMENT SHOWING POOL PRICES ON WHEAT

	1924-25	1925-26	1926-27	1927-28
1 Northern.....	1.66	1.45	1.42	1.42 1/4
2 Northern.....	1.61	1.41 1/2	1.37 3/4	1.35 3/4
3 Northern.....	1.55	1.36 1/2	1.31	1.25 1/4
4.....	1.47	1.26 3/4	1.21 1/2	1.14 3/4
5.....	1.33	1.16 3/4	1.09	1.01 1/4
6.....	1.19	1.08 3/4	.97 1/2	.92 3/4
Feed.....	1.01	1.00 3/4	.86 3/4	.85 1/4
Tf. 1.....	1.58	1.36 1/2	1.35 1/4	1.38 3/4
Tf. 2.....	1.53	1.33 1/2	1.29 3/4	1.29 1/4
Tf. 3.....	1.47	1.28 1/2	1.23 1/4	1.19 3/4
Tf. 4.....	1.39	1.18 3/4	1.14 1/4	1.10 3/4
Tf. 5.....	1.25	1.08 3/4	1.02	.97 1/2
Tf. 6.....	1.11	1.01 1/2	.91 3/4	.88 3/4
Tf. Feed.....	.94	.92 3/4	.79	.80 3/4
Damp 1.....	....	1.27 3/4	1.26 1/2	....
Damp 2.....	1.44	1.24 3/4	1.22 3/4	1.20 3/4
Damp 3.....	1.38	1.20 3/4	1.16	1.12 3/4
Damp 4.....	1.30	1.10 3/4	1.08	1.04 3/4
Damp 5.....	1.16	1.00 3/4	.95 1/2	.93 1/4
Damp 6.....	1.05	.93 3/4	.85 1/2	.84 3/4
Damp Feed.....	.88	.85 3/4	.73	.78 1/4
1 Amber Durum....	1.55	1.35 3/4	1.45	1.35 1/4
2 Amber Durum....	1.49	1.32 3/4	1.40 1/2	1.28 3/4
3 Amber Durum....	1.44	1.29 3/4	1.37	1.20 3/4
4 Amber Durum....	1.40	1.18 3/4	1.25	1.15 1/4
5 Amber Durum....	1.23	1.08 3/4	1.13	1.08 3/4
Tf. 1 Amber Durum	....	1.28 3/4	1.40	1.28 1/4
Tf. 2 Amber Durum	1.43	1.25 3/4	1.35 1/2	1.21 3/4
Tf. 3 Amber Durum	1.39	1.20 3/4	1.30 1/4	1.15 3/4
Tf. 4 Amber Durum	1.32	1.10 3/4	1.18 1/4	1.09 1/4
Tf. 5 Amber Durum	1.19	....	1.03 3/4	1.03 3/4
1 Kota.....	1.53	1.33 3/4	1.34	....
2 Kota.....	1.48	1.30 3/4	1.31 1/2	1.19 3/4
3 Kota.....	1.44	1.25 3/4	1.27 1/2	1.14 1/4
Tf. 1 Kota.....	....	1.25 3/4	1.27 1/4	1.15 3/4
Tf. 2 Kota.....	1.42	1.22 3/4	1.23 1/2	1.13 3/4
Tf. 3 Kota.....	1.39	1.17 3/4	1.19 3/4	1.11 1/4
1 Red Durum.....	1.26	1.29 3/4	1.30	....
2 Red Durum.....	1.26	1.26 3/4	1.26	1.15 3/4
3 Red Durum.....	1.26	1.21 3/4	1.21 3/4	1.08 3/4
Tf. 1 Red Durum...	....	....	....	....
Tf. 2 Red Durum...	1.21	1.18 3/4	1.20	1.11 1/4
Tf. 3 Red Durum...	1.20	....	1.15 1/2	1.02 3/4

Basis in Store Fort William.

Schedule 4

STATEMENT SHOWING POOL PRICES ON COARSE GRAINS

	1925-26	1926-27	1927-28
Oats			
2 C.W.....	.47 ½	.60 ½	.62 ½
3 C.W.....	.43 ¼	.56	.58 ½
Ex. 1 Feed.....	.42 ¼	.56	.58 ½
1 Feed.....	.40 ½	.54	.56 ½
2 Feed.....	.38 ½	.51	.53 ½
Tf. 2 C.W.....	.44 ½	.56 ½	.59
Tf. 3 C.W.....	.40 ¼	.52 ½	.56
Tf. Ex. 1 Feed.....	.39 ½	.52 ½	.55 ½
Tf. 1 Feed.....	.38 ½	.51	.54
Tf. 2 Feed.....	.36 ½	.48 ½	.51 ½
Barley			
3 C.W.....	.60 ¼	.71	.84
4 C.W.....	.56 ½	.68	.81 ½
Feed.....	.52 ¼	.64	.79
Tf. 3 C.W.....	.56 ¾	.67 ½	.82
Tf. 4 C.W.....	.54 ¼	.65 ½	.80
Tf. Feed.....	.51 ¼	.62	.78
Flax			
1 N.W.....	2.10	1.92	1.86 ½
2 C.W.....	2.06	1.88	1.83
3 C.W.....	1.95	1.74	1.72 ½
Tf. 1 N.W.....	1.98	1.78	1.77 ½
Tf. 2 C.W.....	1.94	1.74	1.74
Tf. 3 C.W.....	1.83	1.60	1.63 ½
Rye			
1 C.W.....	.88 ½	.97 ½	1.09
2 C.W.....	.88 ½	.97 ½	1.09
3 C.W.....	.82 ½	.94 ½	1.06
Tf. 1 C.W.....	.82	.93 ½	1.05 ½
Tf. 2 C.W.....	.81 ½	.93 ½	1.05
Tf. 3 C.W.....	.80	.90 ½	1.04 ½

Basis in Store Fort William.

Schedule 5

TOTAL NUMBER OF COMMITTEES 1927-28

Sub-Districts 1-10

	1	2	3	4	5	6	7	8	9	10	Total
District 1..	16	12	12	16	10	8	8	16	11	4	113
District 2..	15	12	5	12	11	8	11	6	5	4	89
District 3..	3	4	6	5	6	4	2	5	7	8	50
District 4..	10	5	5	3	4	6	3	8	5	5	54
District 5..	10	10	8	9	4	2	5	6	10	5	69
District 6..	7	10	11	9	4	6	13	9	7	8	84
District 7..	13	5	7	16	13	12	9	5	7	11	98
District 8..	8	7	3	6	5	3	1	3	3	6	45
District 9..	3	2	..	4	4	5	3	3	8	..	32
District 10..	5	3	8	4	1	9	5	9	4	4	52
District 11..	11	7	3	6	6	6	4	7	4	9	63
District 12..	2	4	3	4	3	12	10	2	5	8	53
District 13..	3	5	6	12	5	6	7	4	3	8	59
District 14..	7	9	5	11	12	11	6	10	9	4	84
District 15..	16	8	9	7	5	8	11	4	18	5	91
District 16..	2	3	4	14	11	11	12	14	5	10	86

Total in Province - - 1,122

9th August, 1928.

Schedule 6

COMMITTEES ORGANIZED 1927-28

Sub-Districts 1-10

	1	2	3	4	5	6	7	8	9	10	Total
District 1..	..	2	..	2	..	..	..	1	1	..	6
District 2..	3	1	..	2	..	..	4	1	..	..	11
District 3..	3	..	..	..	..	..	..	..	..	..	3
District 4..	..	1	1	..	..	..	..	1	..	..	3
District 5..	..	1	..	..	..	..	..	..	..	..	1
District 6..	..	..	..	1	..	..	3	..	..	..	4
District 7..	..	..	..	..	..	2	..	..	..	2	4
District 8..	1	1	..	..	1	..	..	..	..	..	3
District 9..	..	..	..	..	..	..	1	..	..	..	1
District 10..	1	..	1	..	..	..	1	1	1	..	5
District 11..	..	..	..	1	..	..	..	..	..	..	1
District 12..	..	..	..	..	1	..	..	..	..	..	..
District 13..	1	..	..	3	..	..	..	2	..	1	7
District 14..	3	..	..	..	..	1	1	..	1	..	6
District 15..	4	1	1	1	1	..	..	..	8	1	17
District 16..	..	..	1	4	..	..	1	1	1	3	11

Total in Province - - 84

9th August, 1928

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

SCHEDULE "A"

SEASON 1927-1928 POOL OPERATING COSTS

LOCAL PURCHASES: This item covers grain purchased to complete shipments and that delivered to us through the Winnipeg Clearing House.	TOTAL	WHEAT	OATS	BARLEY	FLAX	RYE
House.....	\$ 9,114,056.23	\$ 7,476,348.54	\$1,081,007.26	\$326,706.55	\$ 64,232.09	\$165,761.79
CENTRAL CARRYING CHARGES:						
<i>Storage:</i> The storage charges on our stocks of grain in all positions amount to \$3,512,118.37. Of this amount \$1,169,278.72 was paid to Pool owned facilities.....	3,512,118.37	3,324,113.67	23,567.79	80,178.51	31,174.98	53,083.42
<i>Interest and Bank Charges:</i> The cost of financing our operations during the past year was \$2,116,391.33, as follows:—						
Interest.....	\$1,781,694.46					
Sundry Exchange and Collection Charges ...	334,696.87					
	<u>\$2,116,391.33</u>	2,104,574.50	1,871.15	5,169.76	2,619.10	2,156.82
<i>In Store Insurance:</i> This item of expense covers the cost of insuring Stocks of grain in positions where the storage charge does not include this protection.....	85,826.93	85,169.57	58.19	506.98	.....	92.19
SPECIAL ACCOUNTS:						
<i>Premiums on Western Shipments:</i> Under the Interprovincial Agreement, which constitutes the basis upon which Central was organized, the Vancouver premium earned over and above the price obtainable at Fort William on any one day is allocated to the Provincial Pool earning the same as on its deliveries at Western Ports.						
During the past season this amounted to \$807,236.50, earned provincially as follows:—						
Saskatchewan Pool.....	\$ 1,129.70					
Alberta Pool.....	806,106.80					
	<u>\$807,236.50</u>	807,236.50	807,236.50	.....	.....	.....

SEASON 1927-1928 POOL OPERATING COSTS—(Continued)

Diversion Premiums: By agreement between the Provinces all premiums earned by the Central Selling Agency on the diverting of wheat from Pool owned terminals were credited to the terminal from which the grain was diverted.

The Provincial earnings were as follows:—

Manitoba Pool.....	\$ 16,234.49
Saskatchewan Pool.....	324,387.50
Alberta Pool.....	21,239.22

\$361,861.21

361,861.21

330,175.52

15,268.58

6,848.07

4,433.06

5,135.98

Drying Charges: This item represents the cost of drying grain and is allocated against the particular grades which it is necessary to treat.....

422,056.57

421,316.76

165.50

263.30

.....

311.01

Malting Premiums: By agreement between the Saskatchewan and Manitoba Pools premiums earned on barley diverted were allocated to the Province in which the grain diverted originated. The premiums were paid as follows:—

Manitoba Pool.....	\$3,243.04
Saskatchewan Pool.....	1,884.10

\$5,127.14

5,127.14

.....

.....

5,127.14

.....

.....

Carried Forward.....

\$16,424,674.28

\$14,548,935.06

\$1,121,938.47

\$424,800.31

\$102,459.23

\$226,541.21

SEASON 1927-1928 POOL OPERATING COSTS—(Continued)

	TOTAL	WHEAT	OATS	BARLEY	FLAX	RYE
Brought Forward.....	\$16,424,674.28	\$14,548,935.06	\$1,121,938.47	\$424,800.31	\$102,459.23	\$226,541.21
<i>Pool Terminal Charges:</i> This item represents the total earnings in connection with the raise in grade in Pool Private terminals allocated amongst Terminals Nos. 1, 2, 3 and 5 at the Lakehead, No. 7 at St. Boniface, Vancouver and Prince Rupert.....	1,003,064.72	979,551.55	27,501.02	(6,838.46)	179.07	2,671.54
TRANSPORTATION COSTS:						
<i>Lakehead Elevation:</i> This represents the elevation charges at the Head of the Lakes. Of this sum \$1,197,656.99 was paid to Pool owned facilities.....	1,546,334.08	1,446,400.68	37,447.35	45,325.61	1,132.00	16,028.44
<i>Lake Insurance and Outturn:</i> This represents the cost of insuring Lake shipments together with the insurance of the outturn of these shipments.....	332,485.01	322,222.89	2,870.82	5,544.89	89.10	1,757.31
<i>Lake Freight and Brokerage:</i> This represents cost of moving our wheat down the Lakes and the chartering, brokerage in connection therewith as follows:—						
Freight.....	\$6,192,323.31					
Brokerage.....	237,655.71					
	<u>\$6,429,979.12</u>					
<i>Rail Freight:</i> This represents the freight paid on rail shipments from Bay Ports and Buffalo to the Seaboard.....	6,429,979.12	6,116,959.55	84,395.87	177,312.22	1,312.50	49,998.98
	2,971,883.64	2,930,565.47	7,231.18	28,394.91	.....	5,692.08

SEASON 1927-1928 POOL OPERATING COSTS—(Continued)

<i>Elevation (Seaboard and Interior):</i> This represents the elevation charge at points other than the Head of the Lakes. Of this amount \$496,247.65 was earned by Pool owned facilities.....						
	1,462,947.26	1,459,495.69	.....	3,078.46	.....	373.11
<i>Marine Insurance:</i> This represents the cost of insuring our export cargoes.....						
	390,575.64	385,621.25	.....	4,401.37	.....	553.02
<i>Ocean Freight:</i> This represents the freights paid on our export cargoes of 114,791,816 bushels.						
	10,676,030.94	10,632,196.22	.....	38,123.70	.....	5,711.02
<i>Superintendence and Outturn:</i> This represents the cost of superintendence and guarantee of outturn on our export cargoes.....						
	801,339.92	796,915.97	.....	3,794.62	.....	629.33
BROKERAGE:						
This represents brokerage fees paid on domestic sales of wheat also option brokerage.....						
	175,610.23	156,718.44	4,178.06	8,856.06	1,583.38	4,274.23
TELEGRAMS AND CABLES:						
The cost of cables is essentially an export cost.....						
	88,421.07	88,421.07	.....	.....	.....	.....
ADMINISTRATIVE:						
These charges are dealt with in detail elsewhere and represent a net charge against the sales as follows:—						
Western Wheat, 1-16 of a cent.						
Ontario Wheat and Coarse Grains, ¼ of a cent.						
The earnings credited to overhead were entirely made from the Export Department and have accordingly been credited to the Western Wheat Handlings.....						
	174,252.41	128,454.90	17,022.22	17,405.82	3,573.02	7,796.45
	<u>\$42,477,598.32</u>	<u>\$39,992,458.74</u>	<u>\$1,302,584.99</u>	<u>\$750,199.57</u>	<u>\$110,328.30</u>	<u>\$322,026.72</u>

CARRYOVER 1926-1927 FINAL STATEMENTS

OPERATING COSTS:	TOTAL	WHEAT	OATS	BARLEY	FLAX	RYE
<i>Local Purchases:</i>	\$ 134,919.91	\$ 87,996.32	\$ 4,115.27	\$ 5,337.98	\$25,419.66	\$12,050.68
<i>Grain Charges:</i>						
Lake and Rail.....	833,391.57	827,469.53	3,216.61	959.75	.....	1,745.68
Elevation.....	274,709.59	273,776.40	424.04	194.24	.....	314.91
Superintendence.....	180,993.04	180,993.04	.....	.....	.....	.....
Ocean Charges.....	1,309,071.10	1,309,071.10	.....	.....	.....	.....
Brokerage.....	15,426.69	15,336.81	20.33	25.93	.....	43.62
Telegrams and Cables.....	11,869.46	11,869.46	.....	.....	.....	.....
Pool Terminal Charges.....	99,895.92	91,627.95	766.07	10,168.50	.....	(2,666.60)
Storage.....	248,424.45	227,913.36	10,913.60	1,355.24	1,120.73	7,121.52
Insurance.....	130,457.24	130,307.01	65.12	28.83	.....	56.28
Bank Charges.....	64,064.58	62,327.19	597.75	601.71	162.02	375.91
Premiums on Western Shipments.....	7,867.83	7,867.83	.....	.....	.....	.....
Administrative.....	16,000.80	15,270.97	196.40	355.92	130.84	46.67
	<u>\$3,327,092.18</u>	<u>\$3,241,826.97</u>	<u>\$20,315.19</u>	<u>\$19,028.10</u>	<u>\$26,833.25</u>	<u>\$19,088.67</u>

N.B.—These costs incurred in the realization of last year's Pools come under, substantially, the same category as the explanation on current Pools' operating statements. The cost allotted for administration in the Coarse Grain expenses was taken into last year's accounts and therefore does not affect this year's balances.

