

2
ALBERTA WHEAT POOL

ANNUAL REPORT

1956-1957



ISSUED BY
ALBERTA WHEAT POOL

CALGARY, ALBERTA

DECEMBER, 1957

PURVIS HALL
LIBRARIES

FEB 1 1958

UNIVERSITY

INDEX

	Page
List of Alberta Wheat Pool Delegates	2-3
Alberta Wheat Pool—	
(a) Board of Directors' Report	4-25
(b) Manager's Report	27-36
(c) Auditors' Report, Balance Sheet and State- ment of Operations	37-51
(d) Consolidated Balance Sheet	52-53
(e) Analysis of Balance Sheet	61-67
Alberta Pool Elevators, Limited—	
(a) Auditors' Report and Balance Sheet	55-59
(b) Analysis of Balance Sheet	68-73
Canadian Co-operative Wheat Producers, Limited—	
(a) Board of Directors' Report	75-87
Canadian Pool Agencies, Limited—	
(a) Board of Directors' Report	88-89
(b) Auditors' Report and Balance Sheet	90-91
(c) Summary of Surplus Account	92
(d) Statement of Income and Expenditure	93
Pool Insurance Company—	
(a) Board of Directors' Report	95-97
(b) Auditors' Report and Balance Sheet	98-99
(c) Summary of Shareholders' and Patrons' Equities	100
(d) Statement of Income and Expenditure	101

Res. - Alberta Wheat Pool - Feb 4 '58

ALBERTA WHEAT POOL

Annual Report

1956-1957



ISSUED BY
ALBERTA WHEAT POOL

CALGARY, ALBERTA

DECEMBER, 1957

BOARD OF DIRECTORS

Ben S. Plumer, Chairman	Bassano
G. L. Harrold, First Vice-Chairman	Lamont
W. J. Blair, Second Vice-Chairman	Naco
W. R. Mueller	Spirit River
Nelson Malm	Vauxhall
R. C. Bell	Carstairs
Gerald Oberg	Forestburg



DELEGATES

LETHBRIDGE—District One.

101 (a)	Madill, Herbert A.	60091	Foremost
102 (ra)	Norris, Fred A.	44683	Warner
103 (a)	Oliver, W. A.	60602	Warner
104 (ra)	Lee, Lester W.	12947	Cardston
105 (a)	Redd, Paul H.	18734	Raymond
106 (ra)	Davidson, Edwin N.	61209	Coaldale
107 (a)	Erdman, Ralph L.	80319	Barons
108 (ra)	Claeys, Lucien	73547	Vauxhall
109 (a)	Egan, Alfred	68422	Bow Island
110 (ra)	Montgomery, T. S.	50655	Medicine Hat

CALGARY—District Two.

201 (a)	Pelletier, George E.	64025	Pincher Creek
202 (ra)	O'Neil, James Jesse	60011	Claresholm
203 (e)	Hagerman, Thomas H.	8573	Parkland
204 (e)	*Versluys, C. J.	76214	Champion
205 (a)	Bertrand, V. J.	1810	Milo
206 (ra)	Morrison, W. Spence	54846	High River
207 (a)	Noel, Felix H.	77/06	Okotoks
208 (ra)	Rosenberger, O. Keith	60024	Balzac
209 (e)	Clayton, C. S.	62873	Airdrie
210 (ra)	Taggart, H. L.	56363	Olds

DRUMHELLER—District Three.

301 (a)	Frey, Jake	7263	Acadia Valley
302 (re)	Paetz, John T.	62427	Big Stone
303 (a)	Voroney, Pete	78663	Tilley
304 (ra)	Arrison, Arthur W.	62315	Bassano
305 (a)	Burne, G. W.	77730	Gleichen
306 (ra)	Cammaert, Emile	35501	Rockyford
307 (e)	Bates, Arthur C.	73708	Acme
308 (e)	*Hepburn, Sydney B. A.	9582	Huxley
309 b, (e)	*Adie, John L.	62906	Drumheller
310 (re)	Macpherson, Allan J.	71896	Delia

RED DEER—District Four.

401 (e)	Warwick, Ernest	64348	Oyen
402 (re)	Smith, George F.	61111	Provost
403 (a)	Hallett, John	8662	Fleet
404 (ra)	Turner, H. H.	23340	Alliance

405	(e)	McCormick, J. E.	78480	Byemoor
406	(re)	Tipman, Joseph J.	62139	Stettler
407	(a)	Stone, John J.	65021	Alix
408	(ra)	Braithwaite, George W.	78714	Red Deer
409	(a)	Haarstad, Alfred B.	30752	Bentley
410	(ra)	Auten, Fred	72590	Ponoka

CAMROSE—District Five.

501	(a)	Murray, John Taylor	63264	Chauvin
502	(ra)	Dobson, Parke	60982	Paradise Valley
503	(a)	Jackson, James	60986	Irma
504	(ra)	Flaade, Bennie Alfred	64158	Rosyth
505	(e)	Koehli, Ernest	12137	Daysland
506	(re)	Hayes, Charles P.	9250	Strome
507	(e)	Drummond, Alexander	68601	New Norway
508	(ra)	Johnson, Arne	62168	Camrose
509	(a)	Moen, E. A.	14776	Tofield
510	(ra)	Rasmuson, Clarence H.	65747	Gwynne

VEGREVILLE—District Six.

601	(e)	Kent, W. R.	11736	Marwayne
602	(re)	Bennett, George	1655	Mannville
603	(e)	Ziegler, George	44725	Vegreville
604	(re)	Ropchan, Mike	96842	Willingdon
605	(a)	Alton, Willmot	40992	Fort Sask.
606	(ra)	Ziegler, Alex	60694	Winterburn
607	(e)	Chauvet, Louis	83768	Legal
608	(ra)	Basaraba, William N.	86860	Smoky Lake
609	(a)	Lamothe, Armand	72533	St. Paul
610	(re)	Lund, John S.	72305	Boyle

EDMONTON—District Seven.

701	(a)	Haley, Stephen	81702	Athabasca
702	(re)	Antonson, Carl	657	Pibroch
703	(a)	Paterson, Charles P.	68926	Mayerthorpe
704	(ra)	Levesque, Ferdinand	70713	Falher
705	(e)	Helgason, C. J.	9447	Sexsmith
706	(ra)	Powell, Uri	18284	Sexsmith
707	(a)	Hadland, Arthur R.	59388	Dawson Creek
708	(re)	White, Frank	68571	Spirit River
709	(e)	Eastman, John Wesley	5932	Brownvale
710	(e)	*Proctor, C. M.	82003	Fairview

(a) Elected by Acclamation.

(ra) Re-elected by Acclamation.

(e) Elected.

(re) Re-elected.

(b) By-election.

(*) Delegates elected in 1957 who did not serve in that capacity in 1956.

REPORT OF BOARD OF DIRECTORS

ALBERTA WHEAT POOL

— to —

THIRTY-FIFTH ANNUAL MEETING OF DELEGATES

November 26th, 1957

Gentlemen:—

Your Directors are pleased to report that the Alberta Wheat Pool has concluded another successful year. Handlings of grain totalled 61,457,190 bushels—an increase of nearly seven and one-quarter million bushels over the previous crop year. With elevators nearly filled to capacity at the commencement of the crop year, this increase can be regarded with satisfaction.

During the Fall of 1956 the extension to the Alberta Wheat Pool Terminal at Vancouver was completed and officially opened in October. This extension, in the light of events which occurred, has proved to be a most timely project.

During the year under review your Association made two additional moves in line with its progressive policies—the first being the entry into the seeds business through the purchase of the assets of Alberta Seed Growers' Co-operative, Limited, and the second being the initiation of construction of a head office building.

The year was not without problems—as for several years past many Pool members have been unable to use their elevator facilities to the extent they wished. This was due to congestion and inability to secure boxcars. This matter has received the attention of the Board throughout the year.

GRAIN MARKETING

WHEAT

When the 1956-57 crop year began Canada had an estimated carryover of 579.6 million bushels of wheat—up nearly 80 million bushels from the previous year. Terminal and country elevators were nearly filled to capacity, with an estimated farm carryover of 165.2 million bushels. Good weather conditions during the growing season produced a crop of 573 million bushels, the fifth large prairie grain crop in the past six years. In addition, world markets were again burdened with large supplies. The active export trade of the last six months of the previous crop year was maintained through



BEN S. PLUMER
Chairman of the Board of Directors

November, following which sales were slow all winter, reviving somewhat in the spring of 1957. Total export sales of wheat in the crop year were 263 million bushels—down about 45 million bushels from the previous year. The drop in wheat clearances was accounted for mainly by reduced shipments to the United Kingdom, and to the fact that there were no shipments of Canadian wheat during the season to the two "Iron Curtain" Countries, the U.S.S.R. and Czechoslovakia, which purchased a combined 27.6 million bushels in the previous crop year. The United Kingdom still continued as Canada's major wheat export market, despite her reduced purchases. Our next two largest markets, Germany and Japan, both increased their purchases of Canadian wheat in 1956-57. Germany boosted imports of Canadian wheat 6.9 million bushels to 36.3 million bushels total, and Japan absorbed 34.4 million bushels for a gain of 5.7 million bushels over the previous crop season's imports.

The year ended with total Canadian stocks of wheat on hand estimated at 723 million bushels—the highest on record—compared to 579.6 the previous year, and a previous high of 618.7 million bushels as at July 31st, 1954.

OATS

Export clearances of Canadian oats rose sharply from 3.6 million bushels the previous season to 18.3 million bushels during the current year. Only .7 million bushels of this total

moved Overseas, mainly to the United Kingdom and to Belgium. The United States domestic market accounted for 17.6 million bushels, in comparison with 1.9 million bushels in the crop season 1955-56.

BARLEY

Canada's export barley trade registered a 12.6 million bushels gain to 76.9 million bushels—approximately the same as the 1954-55 level. The same four importers still represented the major markets, although the United Kingdom and the United States interchanged positions, the United Kingdom increasing purchases to 32.4 million bushels, and the United States cutting imports to 21.6 million bushels. Japan, in third position, increased imports of Canadian barley to 12.2 million bushels from 7 million bushels previously; and Germany's total moved up six million bushels to 9.2 million bushels over the crop season.

RYE

Exports of Canadian rye dropped off to 5.4 million bushels, the lowest level since the 1946-47 crop year. United States imports were slightly heavier at 4.4 million bushels, but the Overseas trade amounted to only 1 million bushels for the entire crop season.

FLAX SEED

The most marked increase in Overseas exports of Canadian grains during the year was in flax, which amounted to 21.6 million bushels—almost double the quantity exported during the previous crop year. This set a new record, surpassing the previous high of 18 million bushels established in 1913-14. The largest single importer was the United Kingdom at 6.7 million bushels, followed by The Netherlands with 4 million bushels, and Japan with 2.8 million bushels. With the establishment of the export trade routes to the Pacific Coast, Vancouver has developed into an important market for flax seed. Export clearances increased from 700,000 bushels in the 1955-56 crop year, shipped mainly to Japan, to over three million bushels exported during the last crop year, which included sales to Japan, United Kingdom and the Continent.

SUMMARY

In spite of the decline in our wheat exports compared with those of the previous year, producers were able to deliver a total of 579 million bushels of all grains—compared with 567 million bushels in the previous year.



Alberta Wheat Pool — always in the forefront.

THE CANADIAN WHEAT BOARD

The marketing operations of The Canadian Wheat Board during the past crop year have again been satisfactory. Heavy Canadian carryover stocks and a promising crop as the year opened, coupled with a large world surplus, exerted heavy pressure on the markets throughout the year. The announcements of initial prices for Canadian grains on the same basis as for the year previous undoubtedly added some stability to grain prices.

World trade in wheat increased substantially during the year—up about 17%, although a good portion of this trade was made to Countries and on terms which made it unavailable to Canadian grain. The U.S.A. increased its exports by 200 million bushels to 540 million bushels during the year—more than two-thirds of which was made under some Government program which included the acceptance of foreign currency, barter transactions, and exports made through mutual aid and relief programs. Only about one-third of these U.S.A. wheat exports were sold for dollars under government export subsidies.

WHEAT POOL REPRESENTATION

CAR DEMURRAGE HEARING

In July, 1956, the railways, through the Canadian Car Demurrage Bureau, served notice of their intention of assessing demurrage on grain box cars not unloaded at terminal points within two days of their arrival. In September the Board of Transport Commissioners held a hearing into this claim at which representatives of the Alberta Wheat Pool were present.

The hearing was resumed in Ottawa on June 18th, 1957, at which time the Alberta Wheat Pool evidence was presented. This hearing was adjourned with the suggestion that a committee representing the Elevator Companies, Railways and The Canadian Wheat Board, be set up to consider means of speeding up boxcar unloading. Such a committee was set up and held a meeting in Winnipeg in July, 1957. The result of this meeting was a report to the Board of Transport Commissioners for Canada that no solution had been evolved. The matter is still before the Transport Board and a further hearing is scheduled for January 14th, 1958. In the meantime, the Railways have been refused permission to assess demurrage on boxcars at grain terminals.

LEGISLATION

PROVINCIAL

During the crop year "The Farm Purchase Credit Act" was passed by the Alberta Legislature. The first of its kind in this Province, it provides a means of assisting farmers to purchase and acquire economic farm units. The Act establishes a farm purchase revolving fund to provide means whereby low-cost long-term loans may be made available to farmers for the purchase of farm lands. The scheme involves the participation of and places some financial responsibility on the Provincial Government, Municipal authorities and farmers. To date a number of Municipalities have indicated an interest in the proposal, but during the crop year no use had yet been made of the provisions of this Act.

Alberta Egg Marketing Plan. Late in 1956 the Lt.-Governor-in-Council pursuant to the provisions of "The Marketing of Agricultural Products Act" approved a Plan prepared by Alberta poultrymen for the regulation and control of commercial eggs in the Province of Alberta. This Plan will be submitted by plebiscite to the producers in November, 1957, and will require 51% majority approval. If approved by producers, the proposed Egg Marketing Board will be the first to operate under the present marketing legislation in Alberta.

FEDERAL

"Prairie Grain Producers' Interim Financing Act, 1956". In October, 1956, the provisions of the "Prairie Grain Producers' Interim Financing Act, 1956" were extended to the 1956-57 crop year and became effective October 1st, 1956, to run to June 1st, 1957. The terms were the same as for the previous year, namely, that farmers were able to secure Bank Loans up to a maximum of \$1500.00 on the security of farm stored grain at an interest rate of 5%. Late in August, 1957, the Federal Government announced that effective September 1st, 1957, the maximum amount under the Act would be raised to \$3,000.00, with the interest rate remaining at 5%.

"The Temporary Wheat Reserve Act". "The Temporary Wheat Reserve Act" was made effective August 1st, 1955, and provides for the Federal Treasury to pay carrying charges on the volume of wheat held by The Canadian Wheat Board at the commencement of the crop year in excess of 178 million bushels. During the 1956-57 crop year the Act was effective and The Canadian Wheat Board will receive \$28,816,765.80 for carrying charges under the provisions of this Act. These funds have been allocated between the two operating Pool accounts as follows:

1955-56 Pool Account—Wheat	\$20,935,742.58
1956-57 Pool Account—Wheat	\$ 7,881,023.22

From the first allocation of funds (1955-56), the 1955-56 Pool account received \$8,255,563.61. This, when added to the second allocation, brought the total to \$29,191,306.19.

International Wheat Agreement. On August 9th, 1956, Parliament formally approved the new International Wheat Agreement, which became effective August 1st, 1956, and to run to July 31st, 1959.

"The Canadian Wheat Board Act". On February 8th, 1957, the House of Commons amended "The Canadian Wheat Board Act" (Bill No. 9). Under the terms of this amendment the powers of The Canadian Wheat Board were extended to August 1st, 1962.

"Agricultural Products Marketing Act". As a result of the decision of the Supreme Court of Canada, handed down on January 22nd, 1957, on a reference of questions relating to the "Ontario Farm Products Marketing Act", Bill No. 403 was passed by the House of Commons on April 10th, 1957. This Bill amends "The Agricultural Products Marketing Act" and extends the powers of regulation by a Marketing Board or agency to local transactions within the Province, which, however, relate to Interprovincial or export trade. The Bill also grants authority to Provincial Boards to impose levies

and charges for the purpose of equalizing returns amongst the producers of any agricultural product subject to a marketing scheme.

BOARD OF DIRECTORS

Following the 1956 annual meeting your Board of Directors met and elected the following officials:— Chairman, Ben S. Plumer; First Vice-Chairman, G. L. Harrold; and Second Vice-Chairman, W. J. Blair. The same three men were elected to the Boards of the three Central Organizations—Canadian Co-operative Wheat Producers, Limited, Canadian Pool Agencies, Limited, and Pool Insurance Company.

The following Committees were established:—

Office Committee: W. J. Blair and R. C. Bell.

Elevator Committee: W. J. Blair, Gerald Oberg and Nelson Malm.

Field Service and Field Crops: W. R. Mueller and R. C. Bell.

Publicity and Education: Nelson Malm and G. L. Harrold.

Legislation: G. L. Harrold and Gerald Oberg.

Liaison Committee, Farmers' Union of Alberta: Ben S. Plumer and W. R. Mueller.



One of a number of floats entered by Pool agents in fair parades this past summer.



Board of Directors, Alberta Wheat Pool, 1956-57.

During the 1956-57 fiscal year your Directors held eight regular meetings and six special meetings. They attended the official opening of the new addition to our Terminal No. 1, Vancouver, on October 19th, 1956, and accompanied the members of the Delegates' Committee on their inspection trip to the Vancouver Terminal in February, 1957. The Board met twice with the Directors of the Saskatchewan Wheat Pool and Manitoba Pool Elevators during the year. They attended the annual meeting of the Alberta Federation of Agriculture in Edmonton and the majority of the members of the Board attended the Western Agricultural Conference in Winnipeg, as well as the annual meeting of The Canadian Federation of Agriculture, also held in Winnipeg in January of 1957.

Mr. Ben S. Plumer continued to serve during the year as a member of the Advisory Committee of The Canadian Wheat Board, to which he was appointed at the commencement of the 1955-56 marketing season.

At the annual meeting of the Alberta Federation of Agriculture held in Edmonton in January, 1957, Mr. G. L. Harrold was elected Chairman of that organization. In this capacity he continued as a Director of The Canadian Federation of Agriculture, attended the annual and semi-annual meetings of that Organization, and attended on behalf of The Canadian Federation of Agriculture as a Canadian representative to the annual meeting of the International Federation of Agricultural Producers, held in the United States for the first time, at Purdue University, Lafayette, Indiana, last May.

Near the close of the fiscal year under review, Mr. G. L. Harrold was appointed Managing Director of the newly formed Alberta Wheat Pool Seed Division, with duties commencing August 1st, 1957.

ENTRY INTO SEED BUSINESS

In the Fall of 1956 your Board of Directors were requested by a committee of Alberta Seed Growers' Co-operative, Limited, to consider entering the seed business in Alberta through the purchase of its properties. Alberta Seed Growers' Co-operative, Limited, had been in operation since 1942 with a good deal of success. Experience to date pointed to greater efficiency and lower cost operation of the seed business were it integrated with an organization such as the Alberta Wheat Pool, with agents, handling and publicity facilities in all districts of the Province.

Negotiations were carried on between the two Organizations and a proposal was presented whereby Alberta Wheat Pool would purchase all properties of Alberta Seed Growers' Co-operative, Limited, and maintain a seed cleaning, processing and marketing organization for the farmers of this

Province. This proposal was submitted to a special meeting of the Alberta Wheat Pool delegates on June 12th, 1957, at which time the matter received the endorsement of the Alberta Wheat Pool delegates. Having been referred to the membership of Alberta Seed Growers' Co-operative, Limited, and with its approval, arrangements were made for the Alberta Wheat Pool to take over the active operation of the Alberta Seed Growers' Co-operative, Limited, on August 1st, 1957, under the name "Alberta Wheat Pool Seed Division".

SPECIAL MEETING OF DELEGATES

Your Board of Directors considered it desirable to call a special meeting of delegates during the year to consider three matters of some importance, namely:—

- (a) Acquisition of plants, equipment and certain other properties of Alberta Seed Growers' Co-operative, Limited, and operation of same by Alberta Wheat Pool;
- (b) A proposal to construct a Head Office Building for the Alberta Wheat Pool; and
- (c) Discussion of a Members' Insurance Plan for Alberta Wheat Pool.

This special meeting was held in Calgary on June 12th, 1957, and attended by sixty-eight delegates.

ALBERTA WHEAT POOL OFFICE BUILDING

Since its inception in 1923, the Alberta Wheat Pool head office has been located in the Lougheed Building, Calgary. The location is convenient and the cost has been nominal. However, this accommodation is now inadequate and certain features of our operations cannot be carried on in a satisfactory manner.

The Management of the Alberta Wheat Pool, early in 1957, ascertained that rents would increase substantially at the expiration of our present Lease of space in the Lougheed Building. Accordingly, estimates were made of the cost of continuing to rent space in the Lougheed Building, and the cost of construction and ownership of a Wheat Pool office building. This information, and a proposal for an Office Building, were submitted to the delegates of Alberta Wheat Pool at a special meeting held in Calgary on June 12th, 1957, and received the endorsement of the delegates. Subsequently steps were taken for the design and construction of a modern office building in Calgary for the use of the Alberta Wheat Pool.

CONSTRUCTION POLICIES

The construction policy followed by your Board of Directors during the crop year in question was generally one of replacement. Each year a number of the older elevators require replacement to continue satisfactory service to Pool members in the respective districts concerned. New points are also considered where development is now taking place and where facilities are short of the immediate and anticipated requirements.

In general, it has been kept in mind that a consolidation of elevator facilities, in the interest of economy and efficient operation, must be a long term objective.

MEMBERSHIP

During the 1956-57 season there was a net increase of 344 in our membership which totalled 48,589 at the season's close. 1,818 new members were enrolled compared with 1,560 during the previous season. Full purchase of Reserves from retired members accounted mainly for 845 cancellations, and 629 memberships were terminated by death. The corresponding figure for cancellations was 1,370 in the previous season 1955-56 during which 644 memberships were terminated by death.

Last January our membership numbers reached the 100,000 mark but total enrolments since 1923 fall somewhat short of 100,000. The seeming discrepancy is due to the fact that a few thousand of the numbers under 60,000 were not assigned to any members during the 1923-28 pools. Since the inception of the Pool enrolments total 98,561 of which 49,972 have been cancelled or terminated. The present strength 48,589 is divided between 12,546 signers of the original Marketing Agreements and 36,043 applicants since 1939 under Section 6 of our Act of Incorporation.

ELECTION OF DELEGATES

During the summer of 1957 elections were held in the even-numbered sub-districts. Twenty-two delegates were returned by acclamation and elections were held in thirteen sub-districts, resulting in the election of four delegates who did not serve in that capacity in 1956. Three candidates were nominated in one sub-district and two in each of the remaining twelve sub-districts. In those sub-districts where elections were held, 38.35% of the ballots distributed were marked and returned to head office.

During the year a by-election was held in sub-district 309

due to the resignation of the sitting delegate, who had moved to another part of the Province, and the position of delegate filled by acclamation.

STAFF

We wish to record our appreciation of the services rendered by our staff, during the year, which contributed so much to the efficiency with which our business was conducted.

Special mention must be made of our elevator agents who, under trying conditions of elevator congestion and transportation difficulties, did such an excellent job.

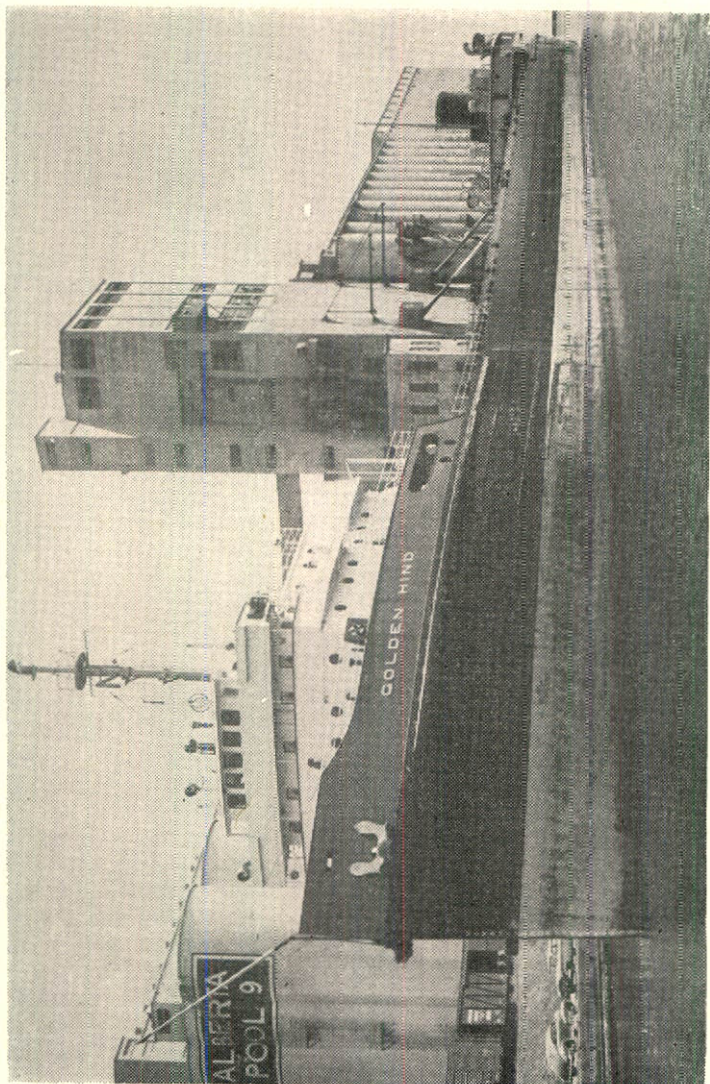
AGRICULTURE'S POSITION

During the crop year the position of agriculture continued to decline relative to the remainder of Canada's economy. Prices of agricultural products held about steady, but cost of many of the items the farmer has to purchase continued upward. As for several years past, farms grew in size, electrification and mechanization continued, and production efficiency correspondingly increased. Productivity per worker in Canadian agriculture during the last decade has, on the average, increased about twice as fast as in the rest of Canadian industry, and this trend still continues. This is a remarkable achievement, which unfortunately has not been reflected in proportionate benefit to those in agriculture.

CONCLUSION

The immediate future holds no bright promises for the Canadian farmer. Canada's Royal Commission on Economic Prospects, whose reports were issued during the year, concludes that external demands for the products of Canadian agriculture are not expected to increase materially during the next twenty-five years. A further decline is expected in the number of persons employed in agriculture in this Country. To best meet the events which these trends foretell, greater organization and co-operative effort on the part of the farmer will best assure a favourable future.

At the time of writing this report, a momentous experiment has taken place in Eurasia of concern to all the democratic Countries of the world. The successful launching of two earth satellites by scientists of the U.S.S.R. is a disquieting realization which we cannot accept lightly. Temporarily, at least, we have been outdistanced in scientific research. In our complacency we have neglected talent and opportunity, with a resultant victory for an ideology in conflict with ours. Like many other revolutionary discoveries of the past, this one, too, may be made to work for the benefit of mankind.



Lake vessel taking on grain at the Alberta Wheat Pool's Port Arthur terminal.

To the man in the street, its awesome possibilities may spark some hope for a new era of social and materialistic progress for the common good. If this is to become a reality, greater public interest will need to be shown in the fields of education, scientific research, and national affairs.

The interest and support which has built and maintained the Alberta Wheat Pool can be taken as evidence that farmers individually, and co-operatively, will not fail in their responsibilities to the Nation in the future.

All of which is respectfully submitted,

BEN S. PLUMER,
G. L. HARROLD,
W. J. BLAIR,
W. R. MUELLER,
NELSON MALM,
R. C. BELL,
GERALD OBERG.

SUPPLEMENTARY INFORMATION TO REPORT OF BOARD OF DIRECTORS

PURCHASE OF RESERVES

COMMERCIAL AND ELEVATOR RESERVES FROM PATRONAGE DIVIDENDS COMMENCING 1940-41.

Pursuant to the resolution of the delegates at the 1956 Annual Meeting, purchases of commercial and elevator reserves credited from patronage dividends were completed on the following basis:

Firstly, from 939 estates of members who died on or before December 31, 1956	\$111,210.79
Secondly, from 729 members retired from farming at December 31, 1956	104,427.42
Thirdly, from 1,318 members 75 years of age or more at December 31, 1956	170,849.91
Fourthly, from 29 members 74 years of age at December 31, 1956	7,967.36
	<u>\$394,455.48</u>

Of the estate accounts purchased, 373 were older ones in which a further purchase was required to take care of reserves credited following a former purchase. The other 566 estates were recorded from notices of death filed since January 16, 1956, the cut-off date for filing notices of death respecting purchases during the 1955-56 season.

The 729 retired members from whom reserves were purchased, were fewer in number than corresponding groups during the two preceding seasons, relative figures being 1,272 during season 1955-56 and 1,148 during the season 1954-55.

The resolution provided for an order of priority in purchasing the different categories and it was found that the fund authorized for the purpose was nearly exhausted following the purchases from the estates of deceased members, members retired from farming and members 75 years of age or more. However, the unexpended balance was used to purchase reserves from the 29 oldest members 74 years of age, (year of birth 1882) and since this exhausted the fund, the remaining 286 members in this latter group as well as those 73 years and 72 years of age could not share in the purchase.

Purchases of commercial and elevator reserves which have arisen from patronage dividends, the first credits covering 1940-41 deliveries, now total \$2,439,170.41. At July 31, 1957, unpaid accounts totalling \$21,680.78 represented .88% of the total purchases and applied mainly to estates in the process of settlement, such estates accounting for \$20,628.93 of the unpaid amount. Full purchases from 47 members whose addresses were unknown accounted for \$685.91 of the amount unpaid and there was also unpaid \$365.94 respecting the 1955 5% rateable purchase. Efforts are being made to trace the missing members and some of the accounts have been paid since the 31st of July last.

COMMERCIAL AND ELEVATOR RESERVES DEDUCTIONS (1923-28).

At July 31, 1957 the unclaimed balance respecting the full purchase of commercial and elevator reserves (1923-28) was \$115,808.26 or 1.39% of the total reserves purchased. This compares with an unclaimed balance

\$287,444.38 at July 31, 1953 following the full purchase of such reserves on January 19, 1953. While publicity given the matter resulted in substantial reductions during the seasons 1953-54, 1954-55 and 1955-56, there has been little information of value reaching us since. However, there were 58 accounts with reserves of \$2,925.02 paid during the 1956-57 season.

CROP CONDITIONS, 1956

Seeding commenced in the south-eastern part of the Province early in April, 1956, and then following rain and snow over the entire Province, did not become general until nearly the middle of May. Sub-soil moisture reserves were satisfactory in all districts. Germination was generally good, except in the east central and part of southeast portion of Alberta, where dry top soil caused an uneven start. Some deterioration took place in these crops early in June, but by the middle of the month general rains had fallen in all areas of the Province and the crop, except for being a week to ten days later than normal, showed promise. Rainfall distribution and crop development were good throughout the growing season. Hail storms were more frequent, and more severe, than usual, but did not affect the over-all Alberta crop picture to any extent. Frosts in the latter part of August and early September caused some damage to quality. Harvest was later than usual, but was completed satisfactorily following favourable weather in the month of October. Production of hay was good, although the quality was damaged by rainfall during the growing season. However, the quantity in part made up for the depleted stocks of the past year. The production of forage seeds was sharply reduced, mainly due to winter killing. Wheat grades were reduced because of frost. At the close of harvest, the Alberta Wheat Pool estimated 7%, 23% and 30%, respectively, of Numbers 2, 3 and 4 Northern, with about 37% of the wheat crop grading No. 5, No. 6 and Feed. Oats and barley also graded low due to frost.

ALBERTA'S GRAIN PRODUCTION

	— 1956 —			— 1955 —		
	Area acres	Yield per acre	Production bushels	Area acres	Yield per acre	Production bushels
Wheat ..	5,296,000	26.5	140,000,000	5,714,000	23.3	133,000,000
Oats	2,935,000	48.7	143,000,000	2,649,000	39.6	105,000,000
Barley ..	3,606,000	33.6	121,000,000	3,702,000	27.0	100,000,000
Rye	83,600	15.6	1,300,000	174,000	19.8	3,450,000
Flax	511,000	13.9	7,100,000	248,000	12.1	3,000,000

GRAIN PRODUCTION

	— 1956 —		— 1955 —	
	Canada	Alberta	Canada	Alberta
	— Bushels —		— Bushels —	
Wheat	573,060,000		494,142,000	133,000,000
		140,000,000		
Oats	524,445,000	143,000,000	407,783,000	105,000,000
Barley	269,065,000		252,385,000	100,000,000
		121,000,000		
Rye	8,584,000	1,300,000	14,753,000	3,450,000
Flax	34,463,000	7,100,000	19,748,000	3,000,000

WHEAT PRODUCTION IN RECENT YEARS

	Canada bus.	Alberta bus.		Canada bus.	Alberta bus.
1957	369,696,000*	93,000,000*	1952	701,922,000	172,000,000
1956	573,060,000	140,000,000	1951	553,646,000	152,000,000
1955	494,116,000	133,000,000	1950	466,490,000	117,000,000
1954	308,909,000	105,000,000	1949	366,028,000	103,000,000
1953	613,962,000	163,000,000	1948	381,413,000	115,000,000
	*Preliminary.				
	30 Year Average, 1927-56				
Canada	407,000,000;		Alberta	126,800,000	

PROTEIN CONTENT OF WHEAT 1956-57

Three Prairie Provinces

	Alberta	Saskat- chewan	Manitoba	Western Canada
Grade	%	%	%	%
1 Northern	12.9	12.7	.....	12.7
2 Northern	12.5	12.6	13.0	12.6
3 Northern	12.5	12.4	12.8	12.5
4 Northern	12.4	12.5	12.3	12.5
4 Special .....	.....	.....	.....	.....
2 C.W. Garnet .....	.....	.....	12.5	12.5
3 C.W. Garnet	11.5	.....	.....	11.5
All Grades (weighted)	12.5	12.5	12.7	12.6

VARIETIES OF WHEAT GROWN IN ALBERTA

	1957	1956	1955
Thatcher	58.7	58.2	56.0
Saunders	9.3	10.4	12.1
Chinook	8.9	9.0	.4
Durum Varieties	7.9	6.7	2.7
Red Bobs	3.6	4.2	5.2
Marquis	3.3	3.5	4.9
Rescue	2.6	2.7	6.1
Garnet	1.5	1.8	1.9
Others	4.2	3.5	10.7

ALBERTA—QUALITY OF WHEAT MARKETED

The table below gives a breakdown, by grades, of wheat marketed through Alberta Wheat Pool elevators during the 1956-57 crop season with comparisons for the previous year. The tables, however, are not a true indication of the quality of wheat grown as the carryover from one crop season will be marketed in the next or later seasons, and also because poorer grades of wheat may be fed.

	— 1956-57 —			— 1955-56 —		
	Straight	Tough & Damp	Total	Straight	Tough & Damp	Total
	%	%	%	%	%	%
1 Northern .....	.20	....	.20	.91	....	.91
2 Northern	15.43	.01	15.44	38.82	.03	38.85
3 Northern	20.63	.36	20.99	28.01	.43	28.44
4 Northern	19.36	1.02	20.38	12.34	1.23	13.57
No. 5	22.37	1.46	23.83	7.62	.94	8.56
No. 6	6.34	.48	6.82	.92	.15	1.07
Feed .....	.67	.12	.79	.06	.02	.08
Amber Durum..	....	....	8.43	....	....	5.04
Other Grades ..	....	....	3.12	....	....	3.48
	85.00	3.45	100.00	88.68	2.80	100.00

MAXIMUM TARIFF OF CHARGES AND SHRINKAGE ALLOWANCE—1956-57

Maximum elevator charges and shrinkage allowances were established by the Board of Grain Commissioners as follows (all unchanged from the previous year):—

Season 1956-57 ELEVATION CHARGES

	Western Country Elevators (per bushel)	Ft. William/Port Arthur and Vancouver Terminal Elevators (per bushel)
Wheat	2 $\frac{5}{8}$ c	2 $\frac{1}{8}$ c
Oats	2 $\frac{1}{8}$ c	2 $\frac{1}{8}$ c
Barley	2 $\frac{5}{8}$ c	2 $\frac{1}{8}$ c
Rye	2 $\frac{5}{8}$ c	2 $\frac{5}{8}$ c
Flax	4 $\frac{3}{4}$ c	3 $\frac{3}{4}$ c

Storage Charges

Country Elevators—1/30th of 1c per bushel per day after the first 15 days.
Terminal Elevators—1/30th of 1c per bushel per day after the first 10 days,
which period is divided equally between the buyer and the seller.

Shrinkage Allowance

	Dry	Tough and Damp
Wheat	$\frac{3}{8}$ %	$\frac{1}{2}$ %
Oats	$\frac{1}{4}$ %	$\frac{1}{2}$ %
Barley	$\frac{1}{4}$ %	$\frac{1}{2}$ %
Rye	$\frac{1}{2}$ %	1%
Flax	1 $\frac{1}{2}$ %	2%

While the Board of Grain Commissioners established maximum tariffs of charges and shrinkage allowance, handling margins and storage rates on Wheat Board grain were fixed under agreement with the Canadian Wheat Board. For the 1956-57 season these were the same as in the previous year, namely:

Handling margin:

Wheat and Barley	4 $\frac{1}{2}$ c per bushel
Oats	3 $\frac{1}{2}$ c per bushel

The storage rate was 1/35th of a cent per bushel per day.

CANADIAN WHEAT BOARD PAYMENTS

WHEAT 1955-56

Grades	Initial Payment	Interim Payment Feb. 7/57	Final Payment May 15/57	Total Payment
	(Dollars per bushel)			
No. 1 Northern	1.40	.10	.10893	1.60893
No. 2 Northern	1.36	.10	.11838	1.57838
No. 3 Northern	1.34	.10	.05948	1.49948
No. 4 Northern	1.26	.10	.08592	1.44592
No. 5 Wheat	1.10	.10	.09905	1.29905
No. 6 Wheat	1.04	.10	.12868	1.26868
Feed Wheat .....	.98	.10	.14890	1.22890
No. 1 Amber Durum	1.50	.25	.46123	2.21123
No. 2 Amber Durum	1.47	.25	.46973	2.18973
No. 3 Amber Durum	1.40	.25	.52099	2.04797

WHEAT 1956-57

For the 1956-57 season initial prices for some of the main grades were established as follows:

	Initial Payment per bushel		Initial Payment per bushel
No. 1 Northern	\$ 1.40	Feed Wheat	\$.96
No. 2 Northern	1.36	No. 1 Amber Durum	1.50
No. 3 Northern	1.32	No. 2 Amber Durum	1.47
No. 4 Northern	1.25	No. 3 Amber Durum	1.40
No. 5 Wheat	1.08	Extra 4 Amber Durum	1.34
No. 6 Wheat	1.02	No. 4 Amber Durum	1.31

BARLEY 1955-56

	Initial Payment	Final Payment Nov./56	Total Payment
	(Cents per Bushel)		
No. 2 C.W. Six Row .....	.98	14.77358	112.77358
No. 3 C.W. Six Row .....	.96	12.84752	108.84752
No. 4 C.W. Six Row .....	.90	11.25191	101.25191
No. 4 C.W. Two Row .....	.91	19.85906	110.85906
No. 3 C.W. Two Row .....	.88	14.68851	102.68851
No. 1 Feed .....	.87	12.32391	99.32391
No. 2 Feed .....	.82	16.69104	98.69104
No. 3 Feed .....	.75	20.68870	95.68870

BARLEY 1956-57

Some changes were made in initial payments for principal grades of barley in 1956-57. Initial payments for Extra No. 2 Feed, No. 2 Feed and No. 3 Feed were increased by 1 cent per bushel as compared with initial payments for 1955-56. At the time this report was prepared no interim or final payment had been made.

OATS 1955-56

	Initial Payment	Final Payment Nov. 31/56	Total Payment
	(Cents per Bushel)		
No. 2 Canada Western .....	.65	14.84581	79.84581
Extra No. 3 Canada Western ....	.62	14.32296	76.32296
No. 3 Canada Western .....	.62	10.78115	72.78115
Extra No. 1 Feed .....	.62	11.08494	73.08494
No. 1 Feed .....	.60	11.44056	71.44056
No. 2 Feed .....	.55	13.93296	68.93296
No. 3 Feed .....	.48	17.61525	65.61525

OATS 1956-57

Initial payments for the main grades for the 1956-57 crop year were the same as those in 1955-56 and at the time this report was prepared no interim or final payment had been made.

DELIVERY QUOTA POLICY—1956-57

The main features of delivery quota policy for 1956-57 were announced by The Canadian Wheat Board on July 27th, 1956. The principal features of the policy were:—

(1) All delivery quotas and authorizations applicable to the crop year 1955-56 expired on July 31st, 1956.

(2) Delivery quotas were established on a seeded acreage basis for Durum wheat and flaxseed. The initial quotas for Durum wheat and flaxseed were five bushels per seeded acre. These quotas were increased as the crop year progressed. The Durum wheat quota reached 15 bushels per seeded acre with a minimum delivery of 500 bushels on June 11th, 1957. In the case of flaxseed the delivery quota was increased to 15 bushels per seeded acre in the first half of the crop year and the quota was removed on March 22nd, 1957.

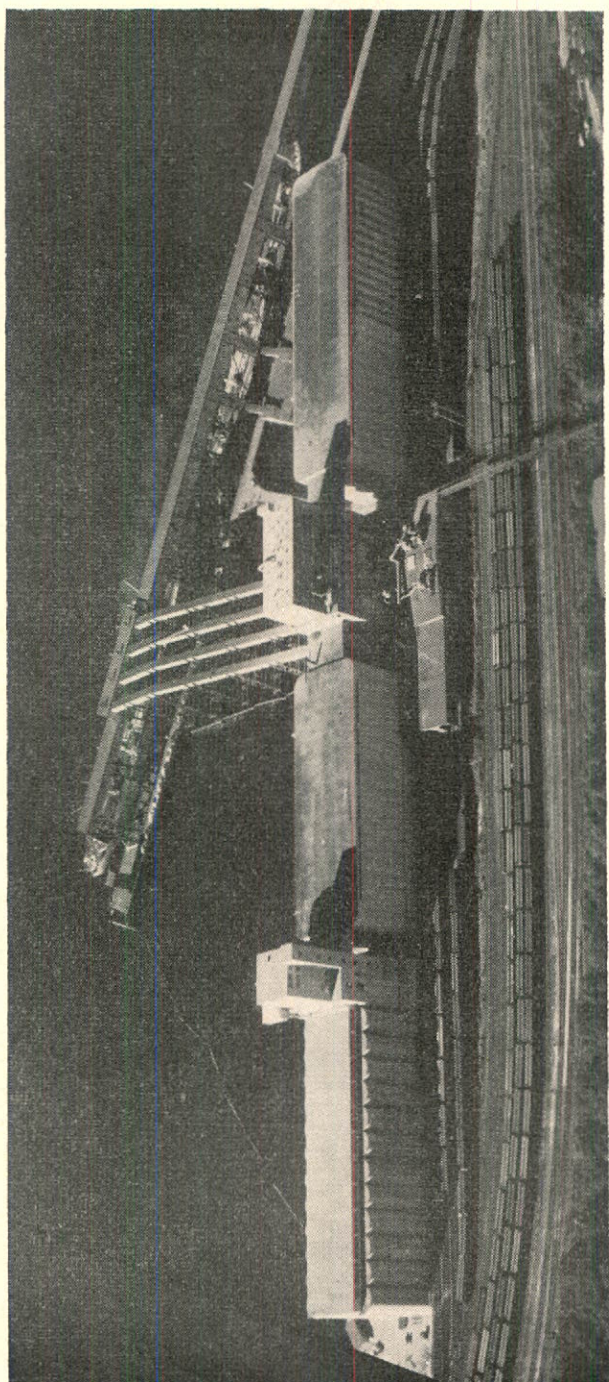
(3) The initial delivery quota for each permit holder was established at 100 units; the 100 unit quota permitting the initial delivery of 300 bushels of wheat OR 800 bushels of oats OR 500 bushels of barley OR 500 bushels of rye OR any combination of these grains not exceeding 100 units. Unit quotas came into effect at individual stations as announced by the Board.

(4) Following the initial quota the Board provided for general delivery quotas based upon each permit holder's acreage, specified acreage being each permit holder's acreage seeded to wheat (other than Durum), oats, barley or rye plus his acreage in summerfallow. General delivery quotas were established as local space became available and increased in accordance with local elevator space as the crop year progressed.

(5) During the crop year supplementary quota authorizations of a limited nature were established by the Board.

By July 31st, 1957, delivery quotas in the prairie provinces had been equalized to a much greater extent than in the previous crop year. On July 31st, 1957, all delivery points in Alberta were on the basis of a general quota of six bushels per specified acre.

Of interest to Alberta producers, delivery quotas applicable to Alberta Red Winters, Alberta Winters and Soft White Spring wheat were removed for the crop year on October 18th, 1956.



Aerial view of the Alberta Wheat Pool's 7,300,000 bushel Vancouver terminal. The new addition is on the left hand side of the photo.

Marketing Quotas by Provinces as at July 31st, 1957.

Alberta—

6 Bu. per specified acre	572
Closed Stations	18
	<hr/> 590

Manitoba—

5 Bu. per specified acre	17
6 Bu. per specified acre	359
Closed Stations	3
	<hr/> 379

Saskatchewan—

5 Bu. per specified acre	431
6 Bu. per specified acre	666
Closed Stations	5
	<hr/> 1102

British Columbia—

6 Bu. per specified acre	4
	<hr/>

All Provinces—

5 Bu. per specified acre	448
6 Bu. per specified acre	1601
Closed Stations	26
	<hr/> 2075

In February, 1957, The Canadian Wheat Board announced that its 1957-58 quota programme would contain provision whereby acreages in cultivated grasses or legumes grown as forage crops will be included in the specified acreage total for general quota delivery purposes.

During the crop year producers marketed 579 million bushels of grain and flaxseed as compared with 567 million bushels in the previous crop year.

MEMORANDA



A series of horizontal dotted lines for writing, spanning the width of the page.

REPORT OF THE GENERAL MANAGER

— to the —

THIRTY-FIFTH ANNUAL MEETING OF DELEGATES

November 26th, 1957

To the Chairman and Delegates,
Alberta Wheat Pool.

Gentlemen:

During the year under review several events occurred having a direct bearing on the business of the Alberta Wheat Pool. Probably the most important of these was the changed pattern of ocean clearances between Atlantic and Pacific routes due to the sudden drop in ocean freight rates following the reopening of the Suez Canal after several weeks of international tension. This worked to the advantage of the port of Vancouver, from which transportation costs to European countries have recently been much less than by the Atlantic route. As a result, Pacific Coast ports set a new record in exporting 139,000,000 bushels. In spite of a nine-day tie-up caused by the C.P.R. strike, your terminal handled more grain than during the previous year.

This change in the pattern of grain exports in favor of the Pacific route placed an added responsibility on the Canadian Wheat Board in adjusting their export values as between Fort William, Vancouver and Churchill to offset the difference in transportation costs. At times it has been necessary to price certain grades at Fort William as much as 15 cents per bushel less than at Vancouver and Churchill. The resulting problem of equalizing marketing opportunities for producers in the three prairie provinces continues to be a major one for the Board.

With the establishment of export freight rates to the Pacific Coast, Vancouver has developed into an important market for flaxseed, exports jumping from 700,000 bushels in 1955-56 to over 3,000,000 in 1956-57. Flax cleaning equipment was installed during January in your No. 1 Terminal. This was operated 24 hours per day and handled over 600,000 bushels.

The addition to the Vancouver terminal made possible another innovation. Some 20,000,000 pounds of rapeseed were handled on a satisfactory earning basis. The growing and marketing of Oil seeds has become an important operation in parts of the province.

Country Elevator Operations.

Early in the year 1956-57 grain moved out of terminal ports at an encouraging rate, permitting quotas to be raised more quickly than in the previous year. As the season progressed, however, it became evident that the impact of the United States surplus disposal policies had a much more serious effect on Canadian export sales than was anticipated. Shipments from country points slowed down in consequence; quota increases became less frequent and, at the end of July 1957, most Alberta points were on a quota of 6 bushels per specified acre.



A. T. BAKER
General Manager

An August 1st, 1956, all available storage facilities of Alberta Pool country elevators were practically filled to working capacity, with a record 36,585,374 bushels. On July 31st, 1957, a new record was established, when our country elevators contained 37,677,587 bushels of grain.

Grain deliveries to country elevators have maintained a fairly even flow in the past few years because of restricted shipments, but the heavier outward movement to terminal points earlier in 1956-57 and the increased storage capacity enabled your country elevators to handle a greater volume than in any other year since 1952-53. The total receipts of all grains were 61,457,190 bushels, an average of 115,193 bushels per elevator.

Preliminary statistics of the Board of Grain Commissioners indicate that 37 per cent of all grains delivered to country elevators in Alberta in 1956-57 went to Alberta Pool Elevators. This was exceeded only in 1949-50, when 37.4 per cent was handled. It should be noted, however, that 1956-57 figures are subject to revision when final statistics for the year are compiled by the Board.

As congestion continued throughout the year, it was possible to weigh up only 83 of your 533 country elevators. Under these circumstances, the probable overages and shortages at all elevators cannot be determined. The gross overage indicated by these few weigh-ups was .056 of 1 per cent, and we believe agents, generally, have consistently followed our fixed policy of accurate weighing.

It is inevitable that some losses occur because of deterioration of grain which had been stored for some time, and, while every effort was made to reduce grade losses to a minimum, such losses were again considerably in excess of those of most years. However, in view of the large stocks of grain being carried in store country elevators and on the farm, these losses are not considered out of proportion. Close supervision has been maintained over grading at all times and it is our belief that stocks at the end of the year were very closely graded and, as a result, little variation is expected from the grades which were placed on the year-end inventory.

Coal was handled during the year at 12 points, where coal sheds were taken over with elevator properties.

Terminal Operations.

The addition to the terminal elevator at Vancouver, consisting of a workhouse and a 2,000,000 bushel storage annex, was completed early in the year and is now operating effectively in the handling of grain through that port.

It is gratifying to report that arrangements have been made for the construction of another roadway to the elevator which will connect with the present road and give access from the west. Our whole plant was previously very vulnerable in having only one entry road, which comes in from the east, over the dock and a privately-owned trestle.

Volume unloaded in the terminal at Vancouver was 42,668,571 bushels, an increase of almost 4,000,000 bushels over the previous year in spite of the fact that the Saskatchewan Wheat Pool took over the operation of No. 2 Terminal, owned by the National Harbours Board, and handled a large proportion of their own grain during the year. We continued to unload their surplus cars and pay a diversion premium.

The Sales Department at Vancouver disposed of 2,316,000 bushels of feed wheat, oats and barley to the domestic market, as well as a large volume of screenings which accumulated at the terminal from cleaning operations. With Vancouver becoming an important outlet for the export of flaxseed, your Sales Department was successful in disposing of 445,000 bushels on a profitable basis.

Your Port Arthur terminal was again leased to Manitoba Pool Elevators by Alberta Pool Elevators Limited. The handlings of Manitoba Pool Terminals in 1956-57 were higher by approximately 4,000,000 bushels, but because of increased operating costs and reduced revenue from grain processing and by-products the per bushel earnings were lower than in the previous year. Alberta Wheat Pool shipped 10,885,705 bushels in care of the Manitoba Pool Terminals, which was approximately the same quantity as in the previous year. In addition to the grain directed to these terminals by the Alberta and Manitoba Pools, some 11,000,000 bushels were unloaded for the Saskatchewan Pool.

Terminal Repairs.

At Vancouver the concrete restoration, which consists of chipping, meshing and guniting, sandblasting and painting, is proceeding very well on the old workhouse and storage tanks and should be finished by the end of 1957. The trestle west of the trackshed has been rebuilt. Carefully planned maintenance, repair and replacement, has kept the whole plant in first class shape.

During the year the underpinning of No. 2 Annex at Port Arthur was completed, steel revetment driven along the dock side of Annexes No. 1 and No. 2 and a new anchorage system installed. Slippage in No. 3 Annex has resulted in authorization of the same work to be done there as soon as possible. When this is completed an expenditure of over \$700,000 will have been made, almost entirely to save the existing facilities. The only gain will be that our dock is ready for the deepening of the channel to 27 feet as the seaway work proceeds.

Operating Results.

Net earnings for the 1956-57 season were \$1,292,815, after taking into account normal and special capital cost allowances totalling \$2,020,861. In 1955-56 the net earnings were \$1,042,807, after providing for normal and special capital cost allowances of \$1,745,227. An increased volume of grain through country elevators enabled us to obtain somewhat higher revenues from fixed handling charges. With the increase in country elevator storage facilities and the resulting

larger stocks of grain carried in elevators, storage revenue was also much higher than in the previous year. These additional revenues provided a very satisfactory net earning in spite of increased costs of operating our country and terminal elevators.

Working Capital.

Working capital, which represents the excess of current assets over current liabilities, was \$8,998,392, compared with \$7,972,656 at the end of the previous year. The increase is accounted for partially by the amount retained out of 1955-56 earnings, but chiefly by the return of capital cost allowance on the investment in properties which was a charge against the earnings of the year 1956-57. In considering the working capital, it is necessary to keep in mind the mortgage loan of \$3,500,000, which becomes due in 1959.

Capital Expenditures.

Capital expenditures during the year and commitments for construction of elevator structures amounted to \$1,164,974, compared with \$903,487 in 1955-56. It is expected that at least this amount will be required annually for the replacement and improvement of structures which have been worn out or are no longer suitable for our purposes.

Properties.

At the commencement of the 1956-57 crop season Alberta Wheat Pool owned 526 country elevators. During the year elevators were purchased at Greenshields, Heath, Leslieville, Rivercourse and Delacour. New elevators were constructed at Cluny, Empress, Hughenden, Bow Island, Alliance and Acadia Valley. The old elevators at Empress, Phillips and Acadia Valley were dismantled and elevators at Dalemead and Hughenden were converted to twin annexes. The number of elevators at the end of the year was 533.

Our storage capacity in the country was further increased by the acquisition of annexes at Heath, Greenshields and Delacour, which were purchased with elevators, and by the construction of annexes at Oyen and Hussar. The total number of annexes, including the old elevators which were converted to twin annexes during the year, is now 560.

New facilities acquired by purchase and construction during the year increased country storage capacity by 786,000 bushels, bringing the total grain storage capacity at country points to 39,951,750 bushels. In addition, offsite buildings, storing 2,871,500 bushels of grain were rented for temporary storage.

The maintenance program for the year included the painting of 70 elevators, 68 annexes and 68 dwellings. A continuous inspection and repair program has maintained Pool properties in good condition so far as we have been able to ascertain under the present congested conditions.

Your organization now owns 410 dwellings, 30 coal sheds, 11 flour sheds and 2 warehouses in addition to the grain handling facilities. During the year 11 additional dwellings were acquired and 5, unsuitable or no longer needed, were sold. The two warehouses in Calgary are used for storing country elevator materials and supplies.

The expansion of electrical power lines in the province has made it possible to convert 15 additional power units to electricity, and your country elevator system now has 381 elevators electrically operated and 152 powered by other means.

Winnipeg Office.

The Winnipeg office continued to handle all Eastern shipments from our elevators in Alberta and during the past crop year delivered to the Wheat Board 6,000,000 bushels of wheat; 3,000,000 bushels of oats, and 4,000,000 bushels of barley, in addition to which 1,600,000 bushels of flax and 500,000 bushels of rye were hedged and merchandised through the open market. Large numbers of samples of malting barley for selection by domestic maltsters and exporters were received, resulting in an increased number of over-quota delivery permits and malting barley premiums being obtained for our barley growers. Shipping permits for high protein wheat and specially selected oats were also obtained as the result of samples of elevator stocks received from our agents. Through a reciprocal arrangement with the Saskatchewan Pool the grades of all cars of grain shipped to Eastern destinations are carefully checked on inspection and unloading by their grain inspectors and advices sent to agents and to our head office operating departments.

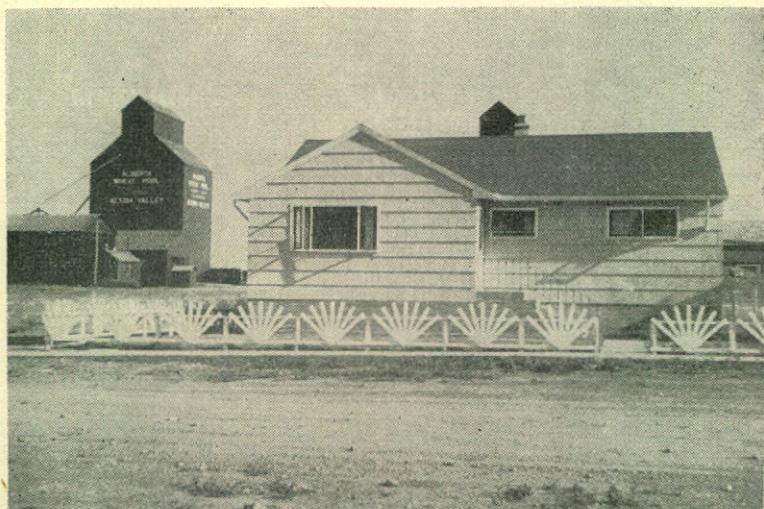
A most important function of this office is the maintaining of a close and cordial contact with the members and officials of the Canadian Wheat Board and Board of Grain Commissioners. Many matters of importance to the Pool and grain producers, difficult to negotiate from this distance, are readily dealt with.

Edmonton Office.

The grading of samples and reporting of such grades to elevator agents, together with the checking of Government Inspector's grading of all cars passing through Edmonton

inspection division and consigned to the Alberta Wheat Pool, still constitutes the chief function of our Edmonton office staff.

Daily contact with local railway officials is maintained in the completion of numerous car diversions applying against sales to feed dealers, mills, malting companies, and at times certain grades of grains to your terminals at Vancouver and Fort William. This office is constantly working with railway officials in the northern division in an effort to secure cars at certain points to fill outstanding shipping orders.



The new Alberta Pool agent's dwelling, with new elevator in the background, at Acadia Valley.

During the year a teletype communications system was installed with head office, which has widened our scope of contact through our Edmonton office with elevator agents, travelling superintendents, fieldmen, repair foremen, Seed Division, and also with delegates and Pool members in the Edmonton district.

Public Relations.

The Alberta Wheat Pool, like most other successful business enterprises, is giving increasing attention to the matter of public relations. There is a growing realization that business success is dependent upon favorable public opinion. In the Alberta Wheat Pool we have a special public relations problem. Not only is it important that a friendly feeling toward the Pool be maintained among the public generally, but the very strength and usefulness of this organization is

dependent upon the faith and confidence that can be engendered among farm people. We must tell our story often and we must tell it well. Continuous study is being given the whole field of public relations so that we may continue to improve techniques employed and expand to meet the requirements of the rapidly changing rural community.

Good public relations is the responsibility of every elected representative and employee but direct responsibility for most of the activities closely associated with public relations rests with the Publicity, Field Service and Country Information departments. Several notable developments have taken place in these departments. The Country Information Department has organized and is carrying out an extensive training program for country personnel. The Publicity Department has undertaken a comprehensive survey of its radio work to ascertain the listening habits of farmers in order to improve the effectiveness of radio programs sponsored by this organization. Each of the departments has adjusted its activities to carry out public relations work on behalf of the Seed Division. For a detailed account of their activities, I refer you to the Supplementary Report.

Staff.

The Board has continued to recognize 25 years of service by the presentation of gold watches to 16 employees. The number of awards for 25 years of service now totals 200, and of this number 141 are still employed.

During the past year Joseph Bennett, of Vancouver, retired after long service as Superintendent of Terminal Operations. Agents who retired included C. P. Brabbins; D. K. Edmundson; W. M. Finlay; H. Forrest; N. Jamieson; C. M. Johnson; E. H. Lewis; J. P. Mills; S. Moss; E. Saltzberry; G. E. Stewart; J. L. Sterling; O. P. Strand and W. J. Taylor, all of whom served this organization well during long periods of service.

It is with deep regret that we have to report the death of some of our employees who have served long and faithfully. In the past year we were saddened by the loss of John George Chard, former Divisional Superintendent, and Agents C. C. Mitchell and D. C. Roland.

During the year W. R. Crow was promoted from Travelling Superintendent to Divisional Superintendent; R. A. Welsh, Agent at Warner, was promoted to Travelling Superintendent, and B. H. Sommerville, Agent at Redland, was given an appointment with the Field Service Department.

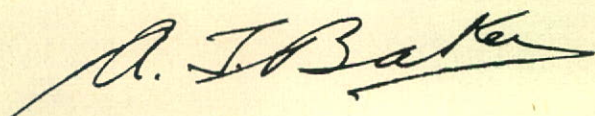
It is my pleasure to record again appreciation of the services of the staff, whose continuing efforts made possible

the operating results presented to you for consideration in this report.

A manager's report is quite properly confined to a discussion of the facts of the specific operation under his control. It is not, however, possible to draw a sharp line of demarcation and division between the authority and responsibility of administering an operating entity and that of the broader and more intangible field of setting objectives and policy. There is an inevitable overlapping of the two areas and the overall success of the enterprise can only be achieved by close co-operation and harmony between those working in the two fields. This we have between board and management.

I cannot stress too strongly the vital necessity of the grower doing his part in discharging his obligations as a responsible member of a democratic institution. This will only be possible if we make a constant and increasing effort to keep the rank and file informed and encourage their participation in Pool affairs. Good employees alone cannot make a successful co-operative. They can carry on a profitable commercial enterprise but if the Pool is to discharge its obligation as a farmer controlled, democratic organization, capable of properly representing agriculture in the councils of the nation, the members must continue to carry their share of the responsibility. If they do so, the future of the Pool is assured.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "A. I. Baker". The signature is fluid and cursive, with a long horizontal stroke extending to the left and a sharp upward flick at the end.

GENERAL MANAGER'S REPORT

SCHEDULE "A"

Receipts of Grain from Producers 1956-57.

	Through Country Elevators	Platform Shipments	Total	Last Year
Wheat	37,359,299	9,456	37,368,755	34,654,347
Oats	5,666,006	2,135	5,668,141	5,135,803
Barley	15,408,883	14,252	15,423,135	12,392,926
Flax	2,541,625	33,691	2,575,316	761,462
Rye	421,843	.....	421,843	1,275,568
Total	<u>61,397,656</u>	<u>59,534</u>	<u>61,457,190</u>	<u>54,220,106</u>
Last Year	<u>54,185,119</u>	<u>34,987</u>	<u>54,220,106</u>	

Vancouver Pool Terminal Receipts.

Shipments from Country Points:	1956-57	Last Year
Alberta Wheat Pool	40,585,479	30,919,678
Saskatchewan Wheat Pool	6,406,407	16,685,227
Other Sources	429,872	781,290
Total	<u>47,421,758</u>	<u>48,386,195</u>
Less Diverted to Other Terminals	<u>4,753,187</u>	<u>9,399,476</u>
Net Unloaded Vancouver Terminal	<u>42,668,571</u>	<u>38,986,719</u>

Manitoba Pool Terminal Receipts.

Shipments from Country Points:	1956-57	Last Year
Alberta Wheat Pool	10,885,706	10,527,129
Manitoba Pool Elevators	35,313,268	26,417,579
Other Sources	11,505,375	16,711,585
Total	<u>57,704,349</u>	<u>53,656,293</u>
Less Diverted to Other Terminals	<u>97,541</u>	<u>152,816</u>
Net Unloaded Manitoba Terminals	<u>57,606,808</u>	<u>53,503,477</u>

HARVEY, MORRISON & CO.

CHARTERED ACCOUNTANTS

K. J. MORRISON, O. B. E., F. C. A.

W. H. NIELD, C. A.

J. S. SIMPSON, F. C. A.

G. H. JARMAN, C. A.

To the Members,
Alberta Wheat Pool,
Calgary, Alberta.

Lougheed Building,
Calgary, Alberta,
21st October, 1957.

Dear Sirs:—

We have completed our examination of the books of account of your association for the year ended 31st July, 1957 and submit herewith the undernoted statements which are in accordance with the books:

1. Balance Sheet as at 31st July, 1957.
2. Statement of Operations for the year.
3. Consolidated Comparative Balance Sheet of Alberta Wheat Pool and Alberta Pool Elevators Limited as at 31st July, 1957 and 31st July, 1956.

OPERATIONS

Operations of the year resulted in net earnings of \$1,292,814.96, as summarized below:

Total Operating Revenue	\$10,586,430.18
Total Operating Expense	7,272,754.63
Earnings before providing for Rental of Elevator Facilities	\$3,313,675.55
Deduct Rental equivalent to Capital Cost Allowance or Depreciation on Structures and Equipment	2,020,860.59
Net Operating Earnings	<u><u>\$1,292,814.96</u></u>

Pending decision of your delegates as to distribution, this amount less \$60,000.00 paid on account of income taxes is shown on the balance sheet as a current liability.

BALANCE SHEET

Stocks of Grain and Coal—\$38,091,471.79

This represents the value of all grain and coal on hand as at the year end according to the records.

Because of continuous heavy stocks throughout the country elevator system, weighovers were completed at only eighty-two points during the year and the stock records were adjusted accordingly. At all other points the inventories per the stock records have been taken into account without adjustment. Vancouver terminal stocks were weighed over in January of this year.

The basis of valuation was consistent with that of previous years:

Reserves—\$10,000,000.00

This represents the maximum amount the Pool is presently authorized to issue to members by way of patronage dividend reserve payments. Changes during the year are summarized below:

Reserves issued as at 31st July, 1956\$10,000,000.00

Deduct Purchases during
the year \$394,455.48

Reserves pur-
chased in ad-
vance 1955-56 21,040.64

\$415,496.12

Less Reserves purchased
in advance 1956-57 667.61

414,828.51

\$ 9,585,171.49

Add Distributed as Pat-
ronage Dividend
1955-56 \$414,728.63

Adjustment of prior
years 99.88

414,828.51

Reserves Issued as at 31st July, 1957\$10,000,000.00

Income Taxes

The returns for income taxes have been assessed up to and including 31st July, 1955. The return for the year ended 31st July, 1956 is subject to review but the payments made in

respect thereof are considered adequate. The liability in respect of the year under review will be determined following the decision of your delegates as to distribution of the earnings.

ANALYSIS

As in past years, an analysis giving a detailed explanation of the assets and liabilities of the Wheat Pool at the close of the fiscal period is supplied to the delegates.

Yours faithfully,

HARVEY, MORRISON & CO.,

Chartered Accountants.

ALBERTA WHEAT POOL

Calgary, Alberta

BALANCE SHEET AS AT 31st JULY, 1957

ASSETS

Current—

Cash in Banks, on Hand and In Transit	\$ 557,169.23	
Stocks of Grain and Coal	38,091,471.79	
Advances on Grain	73,500.37	
Accounts Receivable	1,236,058.90	
Accrued Items Receivable	84,145.78	
Prepaid Expenses	365,281.82	
Prepaid Reserves Purchases	667.61	
		\$40,408,295.50

Shares and Investments—

Alberta Pool Elevators Limited (fully paid)	\$4,850,000.00	
Pool Insurance Company (Par Value of \$75,000 called up 74% plus premium of \$62.00 per share)	102,000.00	
Canadian Pool Agencies Limited (fully paid)	6,670.00	
		4,958,670.00

Fixed Assets—

Grain Exchange Memberships	9,302.00
----------------------------------	----------

\$45,376,267.50

CALGARY, Alberta, 21st October, 1957.

We have examined the balance sheet of Alberta Wheat Pool as at 31st July, 1957 and the statement of operations for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

ALBERTA WHEAT POOL

Calgary, Alberta

BALANCE SHEET AS AT 31st JULY, 1957

LIABILITIES

Current—

Outstanding Cheques, Cash Tickets and Orders..	\$ 5,173,236.80
Bank Loans	22,760,000.00
Call Loans	1,195,000.00
Members' Loans	38,690.83
Accounts Payable	438,877.91
Accrued Items Payable	254,715.54
Growers—Outstanding Payments	138,443.75
Net Earnings—Season 1956-57	\$1,292,814.96
Less Prepaid Income Taxes	60,000.00
	<u>1,232,814.96</u>
	<u>\$31,231,779.79</u>

Internal—

Alberta Pool Elevators Limited	1,521,156.43
--------------------------------------	--------------

Reserves and Surplus—

Reserves—Authorized and Issued	\$10,000,000.00
Surplus retained from earnings of previous years	2,623,331.28
	<u>12,623,331.28</u>

Contingent Liability—

Bank of Montreal Debentures	<u>\$3,500,000.00</u>
-----------------------------------	-----------------------

\$45,376,267.50

In our opinion, subject to our attached report, the above balance sheet and accompanying statement of operations are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Pool as at 31st July, 1957 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Pool.

HARVEY, MORRISON & CO.,

Chartered Accountants.

ALBERTA WHEAT POOL

Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1957

EXPENSES

Elevator Operating Expenses—

Salaries and Wages	\$2,045,089.94
Helpers' Wages	139,770.61
Repairs—	
Country Elevators	\$419,094.81
Dwellings	93,003.32
Elevator Grounds and Approaches	9,329.97
Terminals	140,317.58
	661,745.68
Taxes—	
Municipal and School	\$423,306.55
Business	13,279.44
	436,585.99
Insurance—	
Grain	\$152,265.68
Buildings	76,717.25
Fidelity Bonds	4,742.94
Public Liability	1,172.62
	234,898.49
Power—Electric and Natural Gas	148,431.79
Rentals—Off-sites	147,603.20
Tools, Supplies and Repair Parts	99,979.74
Annex Transfer Charges	85,690.27
Heat, Light and Water	39,229.38
Site Rentals	36,630.59
Telephone—Rentals	\$ 21,947.66
Tolls and Telegrams	9,230.50
	31,178.16
Printing, Stationery and Supplies	22,297.91
Travelling and Moving	21,735.20
Unemployment Insurance	18,544.23
Postage and Box Rentals	18,238.76
Workmen's Compensation Board	17,930.50
Gasoline and Engine Fuel	15,447.63
Car Repairs and Liners	11,064.61
Broadcasting Grain Prices	8,059.02
Boiler, Scales and Air Tank Inspections	7,680.40
Agents' Meetings Expenses	6,654.62
Freight, Express and Trucking	5,750.43
Licenses and Bonds	5,665.87
Receiving Grain Prices	4,561.65
Vac-U-Vator Expenses	4,446.03
Lubricating Oils and Greases	4,206.38
Electrification Line Installation Charges	3,785.00
Mail Allowances	3,613.00
Medical Services	2,989.09
Terminal Registration Fees	1,722.34
Automobile Allowance	300.00
Portable Cleaner Maintenance	29.05
Miscellaneous	3,097.22

Carried Forward \$4,294,652.78

ALBERTA WHEAT POOL

Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1957

REVENUE

Gross Revenue from Trading and Grain Operations	\$3,105,805.59
Country Carrying Charges from Canadian Wheat Board	5,214,526.60
Terminal Elevation Charges	930,149.37
Storage Charges	361,818.67
Diversion Premiums	340,628.31
Port Arthur Terminal Earnings	200,825.98
Cleaning and Separation Charges	169,531.89
Rentals—Dwellings, etc.	119,019.25
Wharfage Charges	77,632.20
Services to Ships	50,128.89
Service Charges—Saskatchewan Wheat Pool	3,404.47
Coal Operations	2,361.99
Rentals—Portable Grain Cleaners	355.50
Miscellaneous Revenue	10,241.47

Carried Forward \$10,586,430.18

ALBERTA WHEAT POOL

Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1957 (Continued)

EXPENSES (Continued)

Brought Forward		\$4,294,652.78
Office and General Expenses—		
Salaries and Wages	\$686,742.05	
Rentals	59,478.95	
Equipment Rentals	32,409.34	
Printing, Stationery, Supplies	29,047.70	
Postage and Meter Rentals	21,141.90	
Telephone—Tolls and Telegrams	\$9,470.78	
Rentals	9,214.66	
		18,685.44
Audit Fees and Expenses	13,025.00	
Travelling and Moving	11,869.66	
Repairs and Alterations	9,768.61	
Insurance and Maintenance of Office Equip- ment	6,350.00	
Business Taxes	5,339.93	
Membership Lists and Ballots	4,985.94	
Workmen's Compensation Board	3,952.38	
Unemployment Insurance	3,941.55	
Freight, Express, Trucking	3,770.47	
Light and Power	3,463.41	
Automobile Expenses and Allowances	2,932.82	
Professional Fees and Expenses	2,215.25	
Property Taxes	2,158.88	
Membership Fees	1,832.50	
Legal Fees and Expenses	904.23	
Entertainment	656.45	
Licenses and Bonds	565.13	
Fidelity Bonds	337.41	
Miscellaneous	10,643.43	
		936,218.43
Elevator Superintendence—		
Salaries	\$129,457.31	
Travelling and Moving	19,383.81	
Automobile Expenses	17,467.07	
Telephone—Tolls and Telegrams	\$6,100.07	
Rentals	322.25	
		6,422.32
Automobile Insurance	1,883.26	
Rentals	1,881.60	
Supplies	804.18	
Printing, Stationery, Supplies	605.89	
Workmen's Compensation Board	556.32	
Unemployment Insurance	135.20	
		178,596.96
Carried Forward		\$5,409,468.17

ALBERTA WHEAT POOL

Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1957 (Continued)

REVENUE (Continued)

Brought Forward\$10,586,430.18

Carried Forward\$10,586,430.18

ALBERTA WHEAT POOL

Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1957 (Continued)

EXPENSES (Continued)

Brought Forward		\$5,409,468.17
Elevator Maintenance—		
Salaries	\$ 64,399.28	
Foremen's Wages	26,752.67	
Truck Expenses	20,978.26	
Travelling and Moving	19,715.90	
Holiday with Pay Stamps	9,371.90	
Workmen's Compensation Board	4,903.43	
Tools, Supplies and Repair Parts	4,681.16	
Equipment and Maintenance	4,603.84	
Unemployment Insurance	2,802.42	
Rentals	2,400.00	
Telephone—Tolls and Telegrams	\$1,439.14	
Rentals	516.12	
	1,955.26	
Automobile Expenses	1,869.95	
Automobile and Truck Insurance	1,699.61	
Warehouse Expense	1,398.36	
Printing, Stationery, Supplies	927.22	
Freight, Express, Trucking	552.31	
		169,011.57
Field Service—		
Salaries	\$ 46,386.35	
Travelling and Moving	8,338.97	
Automobile Expense	6,609.72	
Country Meetings—Hall Rents, etc.	3,799.16	
Complimentary Supplies	2,551.36	
Motion Picture Expense	1,868.26	
Printing, Stationery, Supplies	1,102.68	
Automobile Insurance	947.35	
Telephone—Tolls and Telegrams	\$ 777.79	
Rentals	79.92	
	857.71	
Rentals	573.24	
Workmen's Compensation Board	225.57	
Unemployment Insurance	147.84	
Miscellaneous	1,688.23	
		75,096.44
Country Information—		
Salaries	\$ 10,077.70	
Printing, Stationery, Supplies	2,094.64	
Travelling and Moving	1,389.88	
Rentals	503.20	
Automobile Expense	397.66	
Workmen's Compensation Board	26.25	
Telephone Tolls and Telegrams	13.75	
Unemployment Insurance	4.84	
		14,507.92
Carried Forward		\$5,668,084.10

ALBERTA WHEAT POOL

Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1957 (Continued)

REVENUE (Continued)

Brought Forward\$10,586,430.18

Carried Forward\$10,586,430.18

ALBERTA WHEAT POOL

Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1957 (Continued)

EXPENSES (Continued)

Brought Forward		\$5,668,084.10
Publicity and Advertising—		
Salaries	\$ 14,204.05	
Radio Broadcasts	39,731.50	
Pamphlets, Circulars, Calendars	8,424.52	
The Budget	7,917.91	
Advertising	6,740.69	
Rentals	2,139.60	
Postage	774.91	
Travelling and Moving	596.10	
Printing, Stationery, Supplies	514.24	
Printing Plates and Photos	471.02	
Subscriptions and Library	391.90	
Telephone—Rentals	\$ 159.84	
Tolls and Telegrams	99.09	
		258.93
Workmen's Compensation Board	45.09	
Unemployment Insurance	31.20	
		82,241.66
General Administration—		
Employees' Pension Fund	\$ 88,552.99	
Employees' Supplementary Retirement Allowances	18,864.65	
Directors' Fees	23,900.00	
Directors' Expenses	15,369.25	
Annual Meeting of Delegates	22,556.63	
Special Meeting of Delegates	4,464.80	
Contributions—Educational and Charitable	17,038.00	
Alberta Federation of Agriculture	15,116.18	
Legal Fees and Expenses	14,465.96	
Junior Clubs—		
Junior Farm Clubs	\$3,231.64	
Girls' Garden Clubs	2,395.40	
Farm Young Peoples' Week	889.59	
Junior Farm Camps	450.00	
		6,966.63
Delegates' Country Expenses	5,986.95	
Professional Fees and Expenses	4,955.00	
Interprovincial Expenses	4,447.46	
Quarter Century Club	1,271.55	
Telephone—Rentals	\$ 159.84	
Tolls and Telegrams	94.66	
		254.50
Printing, Stationery, Supplies	127.14	
Miscellaneous	6,028.69	
		250,366.38
Carried Forward		\$6,000,692.14

ALBERTA WHEAT POOL

Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1957 (Continued)

REVENUE (Continued)

Brought Forward\$10,586,430.18

Carried Forward\$10,586,430.18

ALBERTA WHEAT POOL

Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1957 (Continued)

EXPENSES (Continued)

Brought Forward		\$6,000,692.14
Interest, Exchange, Brokerage, Etc.—		
Interest—Current Operating	\$1,045,008.48	
Mortgage Interest	106,994.74	
Bank Exchange and Payors' Commission	107,712.03	
Postage, Insurance, Etc. on Funds	1,786.82	
Brokerage	10,560.42	
		1 272,062.49
Rental—Equivalent to Capital Cost Allowance or Depreciation—		
Country Elevators, Annexes, Dwellings and Sheds—10% and 20%	\$ 578,002.09	
Vancouver Terminal—5% and 20%	312,640.35	
Port Arthur Terminal—5% and 20%	37,526.97	
Automobiles and Trucks—30%	32,487.85	
Office Equipment—20%	15,669.38	
Calgary Warehouses—10%	772.45	
Terminal Loose Equipment—20%	708.26	
Country Elevator Equipment—20%	32,043.89	
		\$1,009,851.24
Special Additional Capital Cost Allowances—		
Vancouver Terminal—		
Structures—		
10% & 30% \$458,319.05		
Equipment—		
20%	191,137.54	
		\$649,456.59
Country Elevators and Annexes—		
Structures—		
10% & 30% \$318,338.83		
Equipment—		
10% & 20% 43,213.93		
		361,552.76
		1,011,009.35
Net Operating Earnings		2 020,860.59
		1 292,814.96

\$10 586,430.18

ALBERTA WHEAT POOL

Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1957 (Continued)

REVENUE (Continued)

Brought Forward\$10,586,430.18

\$10,586,430.18

ALBERTA WHEAT POOL AND ALBERTA POOL ELEVATORS LIMITED

Calgary, Alberta

CONSOLIDATED BALANCE SHEET AS AT 31st JULY, 1957, AND COMPARISON WITH 31st JULY, 1956

<u>ASSETS</u>		
Current—	31st July, 1957	31st July, 1956
Cash in Banks, on Hand and In Transit	\$ 557,169.23	\$ 472,852.04
Stocks of Grain and Coal	38,091,471.79	40,668,247.25
Advances on Grain	73,500.37	2,138.00
Accounts Receivable	1,236,058.90	1,022,903.33
Accrued Items Receivable	84,145.78	92,962.82
Prepaid Expenses	365,281.82	320,959.77
Prepaid Reserves Purchases	667.61	21,040.64
Total Current Assets	\$40,408,295.50	\$42,601,103.85
Fixed Assets—		
Buildings, Sites and Operating Machinery	\$23,547,007.51	\$22,293,984.12
Less Accumulated Capital Cost Allowances	16,642,411.07	14,742,904.81
	\$ 6,904,596.44	\$ 7,551,079.31
Elevator and Office Equipment, Autos and Trucks and Miscellaneous Equipment	\$ 558,584.05	\$ 546,817.76
Less Accumulated Capital Cost Allowances	289,092.93	272,063.36
	\$ 269,491.12	\$ 274,754.40
Uncompleted Construction (see contra)—		
Vancouver Terminal		\$ 308,845.04
Country Elevators, Annexes and Dwellings	\$ 178,123.61	68,021.93
	\$ 178,123.61	\$ 376,866.97
Net Capital Assets	\$ 7,352,211.17	\$ 8,202,700.68
Investments—		
Shares—Pool Insurance Company	\$ 102,000.00	\$ 102,000.00
Canadian Pool Agencies Limited ..	6,670.00	6,670.00
Grain Exchange Memberships	9,302.00	9,302.00
	\$ 117,972.00	\$ 117,972.00
	<u>\$47,878,478.67</u>	<u>\$50,921,776.53</u>

ALBERTA WHEAT POOL AND ALBERTA POOL ELEVATORS LIMITED

Calgary, Alberta

CONSOLIDATED BALANCE SHEET AS AT 31st JULY, 1957, AND COMPARISON WITH 31st JULY, 1956

<u>LIABILITIES</u>		
<u>Current—</u>	31st July, 1957	31st July, 1956
Loans—Bank Grain Loans	\$22,760,000.00	\$23,500,000.00
Call Loans	1,195,000.00	2,082,500.00
Members' Loans	38,690.83	34,284.60
Outstanding Cheques, Cash Tickets and Orders	5,173,236.80	6,691,585.19
Construction Commitments (see contra)	178,123.61	376,866.97
Accounts Payable	438,877.91	538,140.57
Accrued Items Payable	254,715.54	264,248.26
Growers—Outstanding Payments	138,443.75	146,014.92
Earnings—Current Period	1,292,814.96	1,042,806.82
Less Prepaid Corporation Income Tax	(60,000.00)	(48,000.00)
Total Current Liabilities	\$31,409,903.40	\$34,628,447.33
 <u>Deferred—</u>		
Mortgage Debenture—3½%	\$ 3,500,000.00	\$ 3,500,000.00
 Reserves	\$10,000,000.00	\$10,000,000.00
 <u>Surplus—</u>		
Retained from Earnings, prior years	\$ 2,623,331.28	\$ 2,453,482.75
Accrued from Properties	345,243.99	339,846.45
	\$ 2,968,575.27	\$ 2,793,329.20
	 <u>\$47,878,478.67</u>	 <u>\$50,921,776.53</u>

CALGARY, Alberta, 21st October, 1957.

Certified to be a consolidation of the balance sheets of Alberta Wheat Pool and Alberta Pool Elevators Limited as at 31st July, 1957, showing a comparison with the position as at 31st July, 1956, subject to our reports in connection therewith.

HARVEY, MORRISON & CO.,
Chartered Accountants.

MEMORANDA



A series of horizontal dashed lines for writing, spanning the width of the page.

HARVEY, MORRISON & CO.

CHARTERED ACCOUNTANTS

K. J. MORRISON, O. B. E., F. C. A.

W. H. NIELD, C. A.

J. S. SIMPSON, F. C. A.

G. H. JARMAN, C. A.

The Shareholders,
Alberta Pool Elevators Limited,
Calgary, Alberta.

Lougheed Building,
Calgary, Alberta,
17th September, 1957.

Dear Sirs:—

We have completed our audit of the books of account of your company for the year ended 31st July, 1957 and submit herewith the balance sheet as at that date, which is in accordance with the books.

In continuation of the agreement of past years, the elevator facilities of your company were leased to the Alberta Wheat Pool. The rental of these is measured by the capital cost allowance or depreciation on the various assets leased, as follows:

<u>Asset</u>	<u>Rate</u>	<u>Amount</u>	
Terminal—Vancouver—			
Structures	Normal 5%)		
Machinery and Equipment	Normal 20%)	\$312,640.35	
Structures	Special 10% and 30%	458,319.05	
Equipment	Special 20%	191,137.54	
			\$ 962,096.94
Terminal—Port Arthur—			
Structures	Normal 5%	\$ 25,577.54	
Machinery and Equipment	Normal 20%	11,949.43	
			37,526.97
Country Elevators and Annexes—			
Structures	Normal 10%)		
Machinery	Normal 20%)	\$465,499.26	
Structures	Special 10% and 30%)		
Machinery	Special 10% and 20%)	361,552.76	
			827,052.02
Dwellings, Sheds and Warehouses ..			
	Normal 10%		113,275.28

Country and Terminal Elevator Equipment and Office Furniture and Equipment Normal 20%	48,421.53
Automobiles and Trucks Normal 30%	32,487.85
Total—Normal Allowance	\$1,009,851.24
Special Allowance	1,011,009.35
Total Allowance	<u><u>\$2,020,860.59</u></u>

The rates taken were the maximum allowed under income tax regulations.

Allowances taken for the year ended 31st July, 1956 were:

Normal	\$ 578,146.60
Special	1,167,080.44
Total	<u><u>\$1,745,227.04</u></u>

Property changes during the year will be summarized in the analysis to be submitted to your delegates.

Capital expenditures, including uncompleted construction of \$178,123.61, amounted to \$1,605,430.07 as follows

Country Properties	\$ 877,722.46
Vancouver Terminal	362,056.53
Port Arthur Terminal	31,346.39
Autos and Trucks	58,041.26
Office Equipment	13,328.95
Miscellaneous Equipment	30,768.09
Land—Office Building	232,166.39
	<u><u>\$1,605,430.07</u></u>

The amount owing in respect of uncompleted construction has been set up in the accounts in order to indicate the liability accruing during the period under review.

Capital surplus reflects an increase of \$5,397.54. All of this was in respect of sales and disposals of property and equipment.

AUDITORS' CERTIFICATE

We have examined the balance sheet of Alberta Pool Elevators Limited as at 31st July, 1957 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting pro-

cedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at 31st July, 1957, according to the best of our information and the explanations given to us and as shown by the books of the company.

Yours faithfully,

HARVEY, MORRISON & CO.,

Chartered Accountants.

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta
BALANCE SHEET AS AT 31st JULY, 1957

<u>CURRENT—</u>		<u>ASSETS</u>	
Due from Alberta Wheat Pool			\$1,521,156.43
<u>PROPERTY—</u>			
Buildings and Operating Machinery (Cost)—			
Country Elevators (533)	\$10,477,231.58		
Annexes (549)	3,687,466.14		
	<u>\$14,164,697.72</u>		
Coal Sheds (31)	12,696.35		
Flour Sheds (21)	9,826.00		
Dwellings and Sites (410)	2,131,463.28		
	<u>\$16,318,683.35</u>		
Less Accumulated Capital Cost			
Allowances	12,237,730.01		
		\$4,080,953.34	
Vancouver Terminal	\$ 6,050,187.68		
Less Accumulated Capital Cost			
Allowances	4,016,890.69		
		2,033,296.99	
Port Arthur Terminal	\$ 909,713.45		
Less Accumulated Capital Cost			
Allowances	375,942.42		
		533,771.03	
Calgary Warehouses (2)	\$ 18,800.00		
Less Accumulated Capital Cost			
Allowances	11,847.95		
		6,952.05	
Equity in Wheat Pool Building, Winnipeg		17,456.64	
Land—Office Building		232,166.39	
Uncompleted Construction—see contra			
Country Elevators and Dwellings		178,123.61	
		<u>7,082,720.05</u>	
EQUIPMENT (Cost)—			
Office Furniture and Equipment	\$ 230,324.33		
Less Accumulated Capital Cost			
Allowances	167,646.81		
		\$ 62,677.52	
Automobiles and Trucks	\$ 170,694.50		
Less Accumulated Capital Cost			
Allowances	94,889.53		
		75,804.97	
Terminal Equipment	\$ 18,382.15		
Less Accumulated Capital Cost			
Allowances	15,549.09		
		2,833.06	
Portable Cleaners and Loaders	\$ 11,859.64		
Less Accumulated Capital Cost			
Allowances	11,007.50		
		852.14	
Elevator Maintenance and Sundry Equipment—			
Net Value		127,323.43	
		<u>269,491.12</u>	
		<u>\$1,873,367.60</u>	

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta
BALANCE SHEET AS AT 31st JULY, 1957

LIABILITIES

CURRENT—

Construction Commitments—see contra \$ 178,123.61

DEFERRED—

Mortgage Debenture—3½%—Due 1st February, 1959 3,500,000.00

CAPITAL AND SURPLUS—

Capital—

Authorized—

500,000 Shares of \$10.00 each \$5,000,000.00

Issued—

485,000 Shares—Fully Paid \$4,850,000.00

Capital Surplus 345,243.99
5,195,243.99

Approved on behalf of the Board:

BEN S. PLUMER, Director.

W. J. BLAIR, Director.

\$8,873,367.60

CALGARY, Alberta, 17th September, 1957.

This is the balance sheet referred to in our attached report of even date.

HARVEY, MORRISON & CO., Chartered Accountants.

MEMORANDA



A series of horizontal dashed lines for writing, spanning the width of the page.

ALBERTA WHEAT POOL

Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957

EXPLANATORY NOTE: Your Organization, referred to as the Alberta Wheat Pool, is divided into two sections, namely Alberta Wheat Pool, which is incorporated under a private charter, and Alberta Pool Elevators Limited, which is incorporated under the Companies Act of the Province of Alberta. The elevator system, comprising the country and terminal elevators, together with the flour sheds, coal sheds, dwellings, etc., is owned by Alberta Pool Elevators Limited, and, under agreement, is leased to Alberta Wheat Pool, on the basis that the Pool keeps the system in repair provides for all operating expenses, and by mutual arrangement, provides for rental of the facilities in an amount which is equivalent to capital cost allowance or depreciation on the assets of the Company. The active operations are carried on by Alberta Wheat Pool, and Alberta Pool Elevators Limited may be regarded, for the present, as merely a holding company.

The Balance Sheet which you are now considering is that of Alberta Wheat Pool, with a separate analysis being submitted for Alberta Pool Elevators Limited.

ASSETS

CURRENT\$40,408,295.50

CASH IN BANKS, ON HAND AND IN

TRANSIT\$ 557,169.23

In Banks\$ 513,881.56

On Hand and In Transit42,687.67

Consisting mainly of monies returned by agents and payors at the end of the season, together with certain amounts received from grain settlements and accounts receivable. Since the end of July this has all been deposited.

Petty Cash Fund600.00

Representing the amounts on hand at Calgary and Edmonton for purposes of making sundry disbursements.

\$ 557,169.23

STOCKS OF GRAIN AND COAL\$38,091,471.79

Representing grain and coal on hand in country and terminal elevators and in transit as at 31st July, 1957 as follows:

Wheat	28,605,681	Bus.	\$30,607,692.58
Oats	5,569,741	"	2,660,824.70
Barley	6,029,462	"	4,291,526.31
Flax	98,547	"	284,063.17
Rye	203,013	"	170,279.92
Mixed Feed			
Oats	7,059	"	3,176.46
Mixed Grain	848	"	763.20
Screenings	2,390	Tons	49,950.00
Coal			3,863.35
Freight Paid on Grain in Store			19,332.10

\$38,091,471.79

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957 (Continued)

ASSETS (Continued)

CURRENT (Continued).

ADVANCES ON GRAIN \$ 73,500.37
Advances secured by grain in store.

ACCOUNTS RECEIVABLE 1,236,058.90

Representing accounts owing to the Pool as at 31st July, 1957 as follows:

Canadian Wheat Board re Carrying Charges and Grain Operations \$ 520,589.30

Manitoba Pool Elevators re Port Arthur Terminal Operations 230,716.24

General Accounts 390,452.96

Railway and Manifest Charges Collectible at Vancouver 69,559.34

Group Life Insurance Premiums recoverable from Employees 15,397.88

Growers' Accounts—Current 7,118.28

Receiver General of Canada re Unemployment Insurance Commission 1,225.00

Public Utilities Deposits 736.90

Deposit with Unemployment Insurance Commission—Vancouver 225.00

Rentals Receivable 38.00

\$1,236,058.90

ACCRUED ITEMS RECEIVABLE \$ 84,145.78

Amounts due as at 31st July, 1957, but not collectible until later, as follows:

Country Elevator Department—

Storage and Elevation Charges on Outstanding Storage Tickets \$ 18,381.12

Charges on Cars in Store, not delivered 7,080.50

Charges on Cars Shipped, Handling and Commission 5,721.41

Interest—

On Advances on Grain 1,152.62

On Staff Bond Purchases 639.84

On Loan to Alberta Seed Growers Co-operative Ltd. ... 542.46

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957 (Continued)

ASSETS (Continued)

CURRENT (Continued).

ACCRUED ITEMS RECEIVABLE—(Continued).

Terminal Department—

Elevation Charges	48,550.02
Storage Charges	1,151.56
Diversion Premiums	926.25
	\$ 84,145.78

PREPAID EXPENSES \$ 365,281.82

Expenses Applicable to 1957-58

Season—

Country Elevators	\$ 208,400.31
Vancouver	62,812.21
Materials Inventories	85,063.97
Stationery Stocks	5,587.22
Postage Stamps	443.95
Payroll Stamps	2,974.16

\$ 365,281.82

PREPAID RESERVE PURCHASES 667.61

Reserves purchased in excess of requirements for the year.

TOTAL CURRENT ASSETS \$40,408,295.50

SHARES AND INVESTMENTS \$4,958,670.00

Alberta Pool Elevators Limited \$4,850,000.00

For the years 1924 to 1928 deductions of 2c per bushel were made by your organization on all deliveries to the Pool. The purpose of these deductions was to obtain funds to build up the elevator system and the total accumulation of such reserves was \$6,033,655.39. Of this amount the sum of \$4,850,000.00 has been invested in shares of Alberta Pool Elevators Ltd. and represents all of the issued shares of that company. The balance together with additional reserves, has been used for the purpose of building elevators. Further reference to these reserves is made later in this analysis.

Shares in Pool Insurance Company 102,000.00

Your Organization has subscribed for shares in this company to a par value of \$75,000.00. As at 31st July,

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957 (Continued)

ASSETS (Continued)

SHARES AND INVESTMENTS—(Continued).

Shares in Pool Insurance Company (Continued).

1957, 74% of this amount has been called up, plus a premium of \$62.00 per share, thus bringing the amount paid in respect of these shares to the above-mentioned figure of \$102,000.00. Your Pool participates in the earnings of this company on the basis of business contributed.

Shares in Canadian Pool Agencies Limited 6,670.00

This company is a subsidiary of the three Provincial Pools, and supervises insurance matters of your Organization. In order to provide working capital, the above amount has been invested in shares of this company. Your Pool participates in the distribution of the earnings on the basis of business contributed.

\$4,958,670.00

FIXED ASSETS \$ 9,302.00

Grain Exchange Memberships as follows:

Winnipeg Grain Exchange—Two Seats \$ 5,300.00

Winnipeg Grain and Produce Exchange Clearing
House—Five Seats 3,500.00

Vancouver Merchants' Exchange—
Two Seats 500.00
Two Shares 2.00

\$ 9,302.00

TOTAL ASSETS OF ALBERTA WHEAT POOL \$5,376,267.50

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957 (Continued)

LIABILITIES

CURRENT\$31,231,779.79

**OUTSTANDING CHEQUES,
CASH TICKETS AND ORDERS** \$5,173,236.80

Cheques, cash tickets and orders
issued prior to 31st July, 1957 but
not presented for payment as fol-
lows:

Cheques and Vouchers	\$1,553,248.20
Cash Tickets and Orders	3,619,988.60
	<u>\$5,173,236.80</u>

BANK LOANS 22,760,000.00

Loans against security of grain—

Bank of Montreal	\$11,380,000.00
Bank of Nova Scotia	5,690,000.00
The Royal Bank of Canada	5,690,000.00
	<u>\$22,760,000.00</u>

CALL LOANS 1,195,000.00

Loans by various companies and
individuals on a temporary basis.

MEMBERS' LOANS 38,690.83

Loans by members on a temporary
basis.

ACCOUNTS PAYABLE 438,877.91

General Accounts	\$ 120,270.58
Staff Savings Accounts	118,839.86
Royal Trust Company re Em- ployees' Pension Plan	97,099.97
Receiver General of Canada re: Prairie Farm Assistance Act Levies	65,479.74
Terminal Weighing	11,976.31
Employees' Pension Plan	279.62
Freight and Terminal Charges on Cars of Grain in Store	24,603.83
Membership Applications Deposits	300.00
Rentals Paid in Advance	28.00

\$ 438,877.91

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957 (Continued)

LIABILITIES (Continued)

CURRENT (Continued).

ACCRUED ITEMS PAYABLE \$ 254,715.54

Representing provision for expenses accrued to 31st July, 1957 but payable later, as follows:

Taxes on Properties	\$ 192,073.82
Grain Insurance—July	21,998.80
Exchange on Cash Tickets	6,280.04
Power Accounts	5,213.40
Interprovincial Pool Expense—	
July	523.23
Winnipeg Office Expenses	472.46
Salary Guarantee Funds	11,607.82
Interior Terminal Charges	8,987.85
Provision for Rebate of Storage to Canadian Wheat Board re Cars in Transit and in Store Terminals	6,888.00
Reserve for Staff Sickness and Accidents	380.51
Refunds on Insurance Accounts ..	16.49
Registration and Cancellation Fees	273.12
	<u>\$ 254,715.54</u>

GROWERS' OUTSTANDING PAYMENTS .. 138,443.75

Reserve Purchases	\$ 137,489.04
Unclaimed Patronage Dividend Cheques	954.71
	<u>\$ 138,443.75</u>

NET EARNINGS—SEASON 1956-57 1,232,814.96

Balance of net earnings for the year ended 31st July, 1957 after payment of \$60,000.00 on account of income taxes. This is being carried as a liability pending decision of delegates as to distribution.

TOTAL CURRENT LIABILITIES\$31,231,779.79

INTERNAL \$1,521,156.43

Owing to Alberta Pool Elevators Limited on current account.

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957 (Continued)

LIABILITIES (Continued)

RESERVE AND SURPLUS\$12,623,331.28

Members' Reserves\$10,000,000.00

By its Act of Incorporation as amended the Pool is authorized to issue reserves to members by way of patronage dividends in the maximum amount of \$10,000,000.00.

The movement in these reserves during the past year is shown below:

Issued as at 31st July, 1956\$10,000,000.00

Deduct Purchases during the year 394,455.48

Reserves purchased in advance re 1955-56 21,040.64

\$ 9,584,503.88

Add Distributed as Patronage

Dividends re 1955-56 .. 414,728.63

Adjustment of prior years 99.88

Purchased in advance and held by the Pool 667.61

Reserves Authorized and Issued—
31st July, 1957\$10,000,000.00

SURPLUS 2,623,331.28

Representing the balance of earnings undistributed up to 31st July, 1957 as follows:

Balance as at 31st July, 1956\$2,453,482.75

Add Transfer from 1955-56 operations 162,442.12

Sundry Adjustments in respect of prior years 7,406.41

\$2,623,331.28

\$12,623,331.28

TOTAL LIABILITIES OF ALBERTA WHEAT POOL\$45,376,267.50

CALGARY, Alberta,

18th October, 1957.

HARVEY, MORRISON & CO.,

Chartered Accountants.

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957

EXPLANATORY NOTE:—Your Organization, referred to as Alberta Wheat Pool, is divided into two sections, namely Alberta Wheat Pool, which is incorporated under a private charter, and Alberta Pool Elevators Limited, which is incorporated under the Companies Act of the Province of Alberta. The elevator system comprising the country and terminal elevators, together with the flour sheds, coal sheds, dwellings, etc., is owned by Alberta Pool Elevators Limited, and, under agreement, is leased to Alberta Wheat Pool, on the basis that the Pool keeps the system in repair, provides for all operating expenses, and by mutual arrangement, provides for rental of the facilities in the amount which is equivalent to the capital cost allowance or depreciation on the assets of the Company. The active operations are carried on by Alberta Wheat Pool, and Alberta Pool Elevators Limited may be regarded, for the present, as merely a holding company.

The balance sheet now under consideration is that of Alberta Pool Elevators Limited, a separate and distinct analysis being prepared for Alberta Wheat Pool.

ASSETS

CURRENT \$1 521,156.43

Due by Alberta Wheat Pool in respect of depreciation funds used in its operations.

PROPERTY 7,082,720.05

Consisting of Country Elevator System and Terminal Elevators at Vancouver and Port Arthur:

Country Property—

533 Elevators	\$10,477,231.58	
549 Annexes	3,687,466.14	
	\$14,164,697.72	
31 Coal Sheds	12,696.35	
21 Flour Sheds	9,826.00	
410 Dwellings and Sites	2,131,463.28	
	\$16,318,683.35	
Less Accumulated Capital Cost Allowances	12,237,730.01	

Net Undepreciated Cost of Country Property \$4,080,953.34

Terminal Elevators—

Vancouver	\$6,050,187.68	
Port Arthur	909,713.45	
	\$6,959,901.13	
Less Accumulated Capital Cost Allowances—		
Vancouver	\$4,016,890.69	
Port Arthur ..	375,942.42	
	4,392,833.11	

Net Undepreciated Cost of Terminal Elevators 2,567,068.02

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957 (Continued)

ASSETS (Continued)

PROPERTY—(Continued).

Calgary Warehouses (2)	\$ 18,800.00
Less Accumulated Capital Cost Allowances	11,847.95
	\$ 6,952.05
Equity in Wheat Pool Building, Winnipeg	17,456.64
Site—Calgary Office Building	232,166.39
Uncompleted Construction—	
Country Elevators and Dwellings	178,123.61
Net Undepreciated Cost of Property	<u><u>\$7,082,720.05</u></u>

Property changes during the year were as follows:

Elevators—

31st July, 1956 526

Add Acadia Valley No. 1,
Alliance No. 2, Bow
Island No. 2, Cluny,
Delacour No. 2, Dela-
cour No. 3, Empress
No. 2, Greenshields No.
2, Heath No. 2, Hugh-
enden, Leslieville No. 2,
Rivercourse No. 2 12

Deduct Acadia Valley No. 1,
Empress No. 2, Phillips
dismantled, Dalemead,
Hughenden transferred
to twin (5)

Total—31st July, 1957 533

Annexes—Cribbed—

31st July, 1956 106

Add Hussar No. 1, Oyen No.
1 2

108

Annexes—Twin—

31st July, 1956 19

Add Dalemead No. 1, Heath
No. 2, Hughenden 3

22

Annexes—Permanent Balloon—

31st July, 1956 101

Add Brant transferred from
temporary balloon 1

102

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957 (Continued)

ASSETS (Continued)

PROPERTY—(Continued).

Annexes—Temporary Balloon—

31st July, 1956	234
Add Delacour No. 3, Green- shields No. 2	2
Deduct Brant	(1)
	<u>235</u>

Annexes—Loxtave—

No change	80
	<u>80</u>

Steel Tanks—

No change	2
	<u>2</u>

Total Annexes, 31st July, 1957 ..

549

Flour Sheds—

31st July, 1956	23
Deduct Empress No. 2 sold, Vulcan No. 1, Written Off	(2)
	<u>21</u>

Coal Sheds—

31st July, 1956	30
Add Delacour No. 2, Delacour No. 3, Greenshields, Heath No. 2, Leslieville, Rivercourse	6
Deduct Consort No. 1, Dela- cour No. 2, Delacour No. 3, Hemaruka No. 2, Oyen No. 2—sold	(5)
	<u>31</u>

Dwellings—

31st July, 1956	404
Add Acadia Valley No. 1, Aldersyde, Castor, Del- acour No. 2, Falher No. 1, Fort Macleod, Grande Prairie, Heath No. 2, High Prairie, Medicine Hat, Viking ..	11
Deduct Calgary, Edmonton, Raymond, Roselyn, Stettler	(5)
	<u>410</u>

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957

ASSETS (Continued)

EQUIPMENT \$ 269,491.12

Consisting of the following:—

Office Furniture and Equipment— Cost	\$ 230,324.33
32 Automobiles, 28 Trucks and 2 Vac-U-Vators—Cost	170,694.50
Terminal Equipment—Cost	18,382.15
Portable Cleaners and Loaders— Cost	11,859.64
Miscellaneous Equipment — Net Value	127,323.43
	<u>\$ 558,584.05</u>

Less Accumulated Capital Cost
Allowances—

Office Furniture and Equipment ..	\$ 167,646.81
Automobiles and Trucks	94,889.53
Terminal Equipment	15,549.09
Portable Cleaners and Loaders	11,007.50
	<u>\$ 289,092.93</u>

Net Undepreciated Cost of Equipment \$ 269,491.12

Office Furniture and Equipment—

This equipment is in use at head office and at branch offices in Vancouver, Winnipeg and Edmonton.

Automobiles and Trucks—

During the year an additional two automobiles and four trucks were acquired.

Terminal Equipment—

Representing movable equipment in use at the terminals.

Portable Cleaners and Loaders—

Represents portable cleaners and loaders at various points in the province.

Elevator Maintenance and Sundry Equipment—

Consisting of loose tools which are easily mislaid or lost; maintenance equipment having a relatively short life; elevator telephone equipment; motion picture and radio equipment. The investment is reduced each year by the annual allowance for capital cost.

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957 (Continued)

ASSETS (Continued)

EQUIPMENT—(Continued).

Financing of Property and Equipment—

The property and equipment enumerated above had a total cost of \$24,283,715.17 and has been financed as follows:—

Reserve Payments	\$ 4,850,000.00
Accumulated Capital Cost Allowances	16,931,504.00
Gain on Capital Realization	345,243.99
Debentures	3,500,000.00
Accounts Payable	178,123.61
	<hr/>
	\$25,804,871.60
Less Due by Alberta Wheat Pool	1,521,156.43
	<hr/>
	<u>\$24,283,715.17</u>

TOTAL ASSETS OF ALBERTA POOL ELEVATORS LIMITED	<u>\$8,873,367.60</u>
--	-----------------------

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1957 (Continued)

LIABILITIES

CURRENT—

Construction Commitments \$ 178,123.61

This represents the estimated liability accrued at 31st July, 1957 re uncompleted construction.

DEFERRED—

Debentures—Bank of Montreal—
3½% due 1st February, 1959 3,500,000.00

The borrowing of this money for the purpose of new construction was authorized at the annual meeting of delegates in November, 1954.

CAPITAL AND SURPLUS 5,195,243.99

Capital \$4,850,000.00

This represents the issue of 485,000 shares of the authorized capital of your company (500,000 shares) at \$10.00 per share. These shares are owned by Alberta Wheat Pool and have been paid for with funds contributed by members of the Pool through Elevator Reserve deductions.

Capital Surplus 345,243.99

Representing amounts in excess of book value received in respect of sales of property, fire losses, etc.

\$5,195,243.99

TOTAL LIABILITIES OF ALBERTA POOL
ELEVATORS LIMITED \$8,873,367.60

CALGARY, Alberta,
16th October, 1957.

HARVEY, MORRISON & CO.,
Chartered Accountants.

MEMORANDA



A series of horizontal dotted lines for writing, spanning the width of the page.

DIRECTORS' REPORT

1956-1957

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

Gentlemen:

This report of your Central Board reviews events of the 1956-57 crop year which are of prime interest to the 200,000 members of our Pool organizations; to all Western farm people; and, basically, to all Canadians.

During the twelve months under review the trend of events has brought into sharp focus economic facts and consequences which had been submerged in years of general prosperity.

One such fact is that competitive business (by governments as by individuals) has failed to move abundant farm production into use at adequate prices.

A second stark fact which has re-emerged is that Canadians who work the nation's farms cannot carry on efficiently and contribute fully to the national prosperity, unless they are enabled to operate on a basis of equality with workers in other parts of our booming economy.

The natural and inevitable consequences of the rising costs and falling farm prices make it impossible, today, for Canadian farmers to keep step with Canadians who work in other industries in the parade of our national development.

Prompt, decisive action is needed to meet the immediate emergency confronting Western farm people. Solution of their basic problems depends upon action which shall enable them to achieve a position of balance for agriculture; and, thus, help build durability into our national prosperity.

CENTRAL BOARD

This is the thirty-third annual report of your Central Board. Canadian Co-operative Wheat Producers Limited was incorporated in August, 1924. The shareholders are our three provincial Pool organizations. Each of these nominates three directors to the Central Board of nine.

This Central Pool organization was designed to be a centre for cohesive action by our three provincial Pools, in all matters of common concern to Pool members. A generation ago, as today, a transcendent common concern of Western farmers was marketing the grain they produce; and getting fair returns from the sale.

To carry out this prime purpose, a Central Selling Agency was established by the Pools. It was operated under the Central Board to market grain delivered by Pool members through Pool elevators and forwarded to Pool terminals; and to return proceeds on a "crop pool" basis through our provincial Pools to their farmer-members. Central advanced initial payments on grain delivered—using cash borrowed on the grain in store. As grain was sold, interim payments were made. Settlement was completed to each Pool member in a final payment when crop-year deliveries were cleared out.

This is the familiar procedure in use by the Canadian Wheat Board today, with certain exceptions. Originally, Pool members contracted with each other to deliver their grain to their own organization. Today, members deliver voluntarily to their Pool elevators (except where prevented by unsatisfactory distribution of boxcars). Again, the C.S.A. established "direct sales" to users of grain. This by-passed (and incurred the bitter opposition of) middlemen at all levels of the intricate mechanism of world grain trade.

Despite all opposition, sales of Pool grain by the CSA rose from 81 million bushels in 1924-25 to over 288 million bushels in 1928-29; and, over those five crop years, totalled above a billion bushels. Most significant was the response of Western farmers. After five year's experience in Pool marketing, when their original contracts expired they re-signed more acres than ever. As at 1st June, 1930, 142,807 Pool farmers had contracted over 20.6 million acres—representing 60 percent of all wheat acreage and 33 percent of all acreage growing coarse grains in our Canadian West.

But—disaster had already engulfed the world economy!

Universal collapse carried grain prices to the lowest levels in centuries. Proceeds from Pool sales failed to repay all the money borrowed (and advanced to members in initial payments) on 1929-30 deliveries. In fact, Pool initial payments put into the hands of Western producers on grain they delivered some \$22 million more than was realized from the sale of the grain at disaster prices. Financing the export of Canada's wheat—in those days the major item in the nation's trade—proved to be beyond the resources of Western farmers alone.

The Government of Canada undertook to market Canada's wheat; and, to do the job, took over the CSA from the Pools. The provincial Pools carried on their work of assembling grain through country and terminal elevators. Under provincial guarantees, in due time they repaid—in full, with interest—the \$22 million overpayment.

Canadian Co-operative Wheat Producers Limited carried on as the "centre for cohesive and united action by the three Pools in all matters of common concern to Pool members." The Central Board established Canadian Pool Agencies in 1928—to place insurance on Pool properties and grain; and, in 1940, set up Pool Insurance Company—to carry a share of such insurance. These enterprises have earned cash returns of \$6.4 million for the members of our Pool organizations.

During the crop year under review, Mr. H. B. Sneath became a director on your Central Board—replacing Mr. G. N. McConnell on the latter's appointment to the Board of Grain Commissioners. The Central Board met on 4th October, 1956, and 26th February, 1957. The directors reviewed the full range of problems facing Western farm people. The presidents of our three Pool organizations—as the Central Executive—maintained close contact with all these problems; and provided constant liaison between Pool directors and officials in working for practical solutions.

Today (as a generation ago) world developments have thrown marketing into the forefront among the vital problems facing our Western farm people. It is essential that the full strength of Western producers be mobilized to reinforce the Canadian Wheat Board in overcoming marketing problems which today challenge the resources of our entire Canadian nation.

In recent years, the grainfields of our Canadian West have produced abundant crops. Now, better methods of moving abundant production into use must be developed. This must be done, largely, in the arena of world affairs. At the same time, prompt and adequate action is required on the home front.

Ways and means must be found to build farm income into balance

with costs—and leave a margin for fair farm living. Efficient farm operation must be supplemented by adequate credit provisions. Required action extends even further.

Fifty years ago the farmer's right to deliver his grain through facilities of his own choosing was confirmed by law. In recent years this right has been abrogated by arbitrary boxcar distribution. It must be restored—as a moral right and as an economic necessity.

Most vital, perhaps, is the necessity to fight the increasing costs imposed on farming Canadians, resulting from various forms of "protection" accorded Canadians who work elsewhere. If our economy is to remain democratic, durable and prosperous, all Canadians must have equal status—whether they farm or follow other occupations.

In carrying forward the fight on all these fronts, your Central Board is the spearhead of action for our Pool organizations.

INTERPROVINCIAL POOL MEETINGS

As a further measure of working together, the full boards of directors of our three provincial Pool organizations met in Winnipeg on 16th-17th January, and again on 12th-13th July, 1957.

From their January meeting, the Pool directors forwarded a long list of resolutions to the Western Agricultural Conference—for submission to the annual meeting of the Canadian Federation of Agriculture. These resolutions urged that initial payments on 1957-58 grain deliveries be not lower than in 1956-57; that the domestic price of wheat be fixed at \$2.00 a bushel; and that deficiency payments be provided by the nation, to assure efficient producers returns which shall balance costs of production. Other resolutions endorsed the International Wheat Agreement and the Canadian Wheat Board; recommended amendments to regulations covering specified acreage, quotas, shipping orders and boxcar allocation; and urged interim payments on current pools at the earliest possible date. A Joint Pool Committee on Farm Finance was instructed to carry on its work—to promote better farm credit at lower interest rates; increased efforts to build trade in farm products; and the establishment of a world food bank.

Recommendations called on the Government of Canada to create a Board of Livestock Commissioners; appoint a Transport Controller; nationalize the Canadian Pacific Railway; and operate the St. Lawrence Seaway in the interests of all Canadians. Further, the Pool directors endorsed the 100-pound unit for grain handling; and a national plan for land-and-water conservation. Action by the Government of Canada was recommended, also, to provide for settlement by legal process of management-labor disputes which threaten our national welfare.

At their meeting in July, the directors of our three provincial Pools dealt primarily with recommendations to the Board of Grain Commissioners re annual tariffs to be set by the latter for grain handling in country and terminal elevators. Discussion emphasized alarming and persistent increases in costs of construction, maintenance and operation; and the necessity for higher handling charges with lower storage tariffs—so that each service shall pay its just share of these costs. The meeting discussed insurance for Pool members; and also the feasibility of establishing a Wheat Pool bank to service Pool financing. Plans were made for the Central Executive Committee to discuss with the Prime Minister boxcar allocation and other items affecting farm income.

Problems of marketing and more equitable allotment of shipping orders were discussed with the Wheat Board. Alberta directors announced that the forage seed marketing organization in their province was now a division of the Alberta Wheat Pool. Officials of Northern Canadian Seed Sales discussed central selling operations.

The Pool directors, by resolution, urged that as an emergency measure for immediate use, advances on farm stored grain under the Prairie Grain Producers Interim Financing Act be made available not later than 1st September, 1957; that a share of Canada's defence budget be used in a surplus disposal program for farm products; and that an adjustment payment be made on 1955-56 deliveries—as a step toward bringing grain prices more into line with costs of production.

WESTERN AGRICULTURAL CONFERENCE

Delegates representing the farmer organizations of British Columbia, Alberta, Saskatchewan and Manitoba assembled in the Western Agricultural Conference on 18th-19th January, 1957, in Winnipeg.

The Conference considered (for submission to the annual meeting of the Canadian Federation of Agriculture) some 68 resolutions. These resolutions emerged as the thinking of Western farm people on general farm policies; on grain, poultry, dairy and livestock production and marketing; on prices, farm finance, trade and tariffs—as well as on Prairie Farm Assistance, better use of land and water, transportation, education and taxes.

R. H. Dahl, Alberta, was elected president of the Conference for the ensuing year—with T. G. Bobier, Saskatchewan, J. A. McAllister, Manitoba, and A. Swenson, British Columbia, vice-presidents; and Mrs. C. T. Armstrong, Alberta, women's representative.

A feature of this meeting was a recommendation of an Alberta committee that the Western Agriculture Conference be re-organized—with broadened activities aiming at a more decisive and effective organization having "undisputed power to speak for the Western farmer". The Conference accepted the recommendation for further study by the executive and by provincial bodies.

The Conference assembled, again, in special session, at Winnipeg on 23rd July, 1957. Resolutions debated—and forwarded to the forthcoming CFA meeting—called for prompt proclamation of the Prairie Grain Producers Interim Financing Act—with interest rates "not higher than paid by the Canadian Wheat Board".

A further resolution declared that the present situation of Western grain growers and the importance of their industry to the national economy both demands and justifies support from the national treasury; and that such assistance can most conveniently and equitably be given by adjusted payments on wheat, oats and barley delivered to the Canadian Wheat Board during the crop years 1955-56 and 1956-57.

CANADIAN FEDERATION OF AGRICULTURE

During the year under review the Canadian Federation of Agriculture registered the decision that, to permit agriculture to survive as an efficient part of a balanced Canadian economy, a share of the general prosperity must be used for deficiency payments on under-priced farm products.

The twenty-first annual meeting of the CFA assembled at Winnipeg on 21st-25th January, 1957. Directors attended from nine provinces, the United Grain Growers, the Dairy Farmers of Canada, the Canadian Horticultural Society and the National Women's Committee. The board approved administrative reports; studied and referred to the executive a proposal for amalgamating the Interprovincial Farm Union Council and the CFA.

The new board—made up of 26 nominees of regional and national organizations—elected H. H. Hannam, president; W. J. Parker and J. B. Lemoine, vice-presidents; and nine members to the national executive.

Resolutions debated in public sessions of the annual meeting (and confirmed by the board) called for higher support prices on selected commodities; better farm credit; improved marketing; and an international food bank under the Food and Agriculture Organization. In all, the board registered the thinking of Canada's organized farmers in 58 resolutions—dealing with multiple problems of production, income, costs, marketing, co-operation, conservation and farm living.

On 15th February, 1957, the CFA executive made its customary annual presentation to Prime Minister St. Laurent and members of his Cabinet. The submission stressed the necessity for fair farm income. It stated that "operations of the Agricultural Prices Support Act and the Canadian Wheat Board have protected agriculture from some of the worst price collapses." To help farmers secure enough income to meet persistently rising production and living costs, the CFA urged that support price levels be raised; that domestic prices for wheat be fixed at the IWA ceiling; that farm credits be made more widely useful at lower interest costs; and that all farm equipment be allowed free entry into Canada. National and provincial aid to municipalities was urged, to relieve the excessive tax load on farmlands.

Following the national election of a new government, the CFA executive on 31st July, 1957, presented a brief urging emergency action for agriculture, to Prime Minister Diefenbaker and his Cabinet.

The brief featured a history-making recommendation for deficiency payments. Study by a Committee, directors and meetings led to the CFA decision that deficiency payments on specified under-priced farm products should be used to correct farm income shortages. The principal cause of too little income to meet production and living costs, the brief emphasized, was neither reduced exports nor low delivery quotas—but "entirely inadequate prices which the producer receives for what he does deliver."

Therefore, it was recommended that the Government of Canada provide adequate deficiency payments on 1955-56 Wheat Board deliveries of wheat, oats and barley; and negotiate adequate returns on 1956-57 deliveries—without affecting feed grain costs. The Government was urged to initiate extraordinary measures to market more Canadian grain; to set fair support prices for Ontario winter wheat; and to make the Prairie Grain Producers Interim Financing Act effective—with reduced interest rates.

The CFA brief urged, further, that Canada provide a strong lead toward empowering an FAO committee on surplus disposal to decide the fairness of all deals on surpluses; and to give world publicity to their decisions. The Government was urged, also, to develop revised facilities to provide more adequate farm loans at lower costs; and to provide leadership for a comprehensive program of land-and-water conservation.

INTERNATIONAL FEDERATION OF AGRICULTURAL PRODUCERS

For the first time, the IFAP met in the United States, in May, 1957. Delegates representing 35 million farm families in 25 countries assembled at Purdue University in the Tenth Anniversary meeting of this world farm organization.

The assembly charged that, in moving abundant farm production into use, results have been disappointing, because "governments are not prepared to impair their sovereign right to do as they please . . . The more governments become involved in national programs, the less they . . . co-operate with each other." The conference declared that government-against-government trade warfare in farm products is becoming a reality, because of unco-ordinated national farm programs. "One of the greatest

needs", the delegates stated, "is the effective co-ordination of bilateral agreements on an international basis."

To help achieve such essential co-ordination, the assembly urged that the Surplus Sub-Committee of FAO recommend to the member-nations of FAO a set of principles for surplus disposal; and that the Committee be empowered to review all surplus transactions, decide whether any are unfair and give world publicity to their decisions.

IFAP delegates reaffirmed faith in the International Wheat Agreement. They stated that it has "a strong influence on the pricing of wheat sold outside, as well as within, the terms of the Agreement." Hence, "the price of wheat traded internationally has been more stable than the price of other grains."

The conference urged a militant advance in the co-operative movement—including a permanent international institute of agricultural co-operation.

John Andrew, New Zealand, was re-elected IFAP president. Vice-presidents named were Nils Westermarck, Finland; James Patton, United States; and A. Conix, Belgium. The eight additional members of the Executive Committee included H. H. Hannam, Canada.

CCWP directors attending the IFAP meeting included W. J. Parker, T. G. Bobier, C. W. Gibbings, G. L. Harrold and H. B. Sneath.

INTERNATIONAL WHEAT AGREEMENT

Through the 1956-57 crop year the International Wheat Agreement sustained, perhaps, its severest test because of the highly subsidized wheat disposal policy of the U.S. Government. While the amount of wheat moving in world trade increased substantially (about 17%) considerably decreased quantities moved under the Agreement.

Of the 42 importing signatories, 36 bought wheat under the Agreement during the year. The six countries which did not take any of their guaranteed quotas included Brazil, Egypt, Korea, Mexico, Spain and South Africa. The combined quotas of these six countries represented 34.3 million bushels—or 11.7% of the total quantities guaranteed under the Agreement.

Twenty-six countries bought wheat from Canada through IWA during the year. Many countries which, traditionally, are good customers for Canadian wheat bought unusually small shares of their total Agreement purchases from Canada. As in former years, however, Switzerland bought Canadian wheat for her entire purchases under the Agreement.

Twelve countries bought their full quotas guaranteed under the Agreement. All purchases under the Agreement totalled 214.7 million bushels—representing some 73% of the 293.6 million bushels guaranteed.

One feature of this year's operation was the appearance as an exporter, of Sweden—which country sold practically its full quota of 6.2 million bushels. Another feature was the sale by the United States of more than 96% of their quota of 128 million bushels. France was prevented by crop failure from supplying any of her quota of 16 million bushels. Argentina was able to deliver only some 6% of the 14.2 million bushels guaranteed. Canada's sales under the Agreement totalled 58.3 million bushels—being 58.5% of our quota of 99.7 million bushels.

CANADIAN GRAIN PRODUCTION

Revised estimates of the Dominion Bureau of Statistics for 1956 production of wheat, oats, barley, rye and flaxseed in Canada reach 1,409

million bushels. These five principal grains were sown on 46.4 million Canadian acres. This is about 1% below the total acreage six years earlier, in 1950. Some 22.8 million acres were sown to wheat in 1956—a reduction of 15.6% from the 27 million acres growing wheat in 1950. Yields per acre in 1956 were high for all five grains. Seeded acreages and production for Canada and for Alberta, Saskatchewan and Manitoba are compared below:

GRAIN PRODUCTION 1956
(Dominion Bureau of Statistics revised estimate)

	Canada		The West	
	Acres	Bushels	Acres	Bushels
— in millions —				
Wheat	22.8	573.0	22.0	551.0
Oats	11.7	524.4	8.6	400.0
Barley	8.4	269.0	8.2	262.0
Rye .....	.5	8.6	.4	6.5
Flaxseed	3.0	34.5	3.0	34.1
Totals	46.5	1,409.6	42.3	1,253.6

For purposes of comparison, similar data for 1957 (as forecast by DBS on 15th August) are set out in the following table:

GRAIN PRODUCTION 1957
(Dominion Bureau of Statistics preliminary estimate)

	Canada		The West	
	Acres	Bushels	Acres	Bushels
— in millions —				
Wheat	21.0	359.6	20.3	338.0
Oats	11.0	383.2	7.8	240.0
Barley	9.4	223.4	9.2	216.0
Rye .....	.5	8.4	.4	6.1
Flaxseed	3.5	25.6	3.4	25.3
Totals	45.5	1,000.4	41.3	825.4

On the forecast date the estimate for Canada's 1957 wheat crop was 37% below the 1956 outturn; 26% lower than the ten-year (1947-56) average; and, with the exception of 1954, the smallest in ten years.

With a record crop of flaxseed in 1956, Canada's production of oilseeds multiplied $3\frac{1}{2}$ times in the four crop years since 1953. Most of this remarkable increase was on Western farms. It resulted, largely, from increased acreage to meet the producer's need for cash income; and from rising world demand.

CANADIAN GRAIN EXPORTS

Preliminary statistics from the Board of Grain Commissioners report Canada's exports of the five principal grains during the 1956-57 crop year as set out below:

TOTAL GRAIN AND MILLED PRODUCTS EXPORTED

	1956-57	1955-56	30 Year Average 1926-27 to 1955-56
	— in million bushels —		
Wheat (and flour)	262.8	308.1	253.9
Oats (meal, etc.)	18.7	4.1	27.7
Barley	76.9	64.3	27.9
Rye	5.4	12.9	5.9
Flaxseed	21.6	11.6	2.5
Totals	385.4	401.0	317.9

The amount of Canadian grain exported during the crop year ended 31st July, 1957, represented about 27.3% of the estimated 1,409.6 million bushels produced. Exports were 15.6 million bushels (or 3.8%) below export sales for 1955-56; and 67 million (21.4%) above average exports for the thirty years 1926-27 to 1955-56.

Canada's exports of wheat, oats, barley, rye and flaxseed averaged 33.8% of production during the five crop years 1945-46 to 1949-50; and 37% of production in the succeeding five years. During this latter five years (1950-51 to 1954-55, inclusive) average disposition of the five grains was as set out in the following tabulation:

DISPOSITION OF CANADIAN GRAIN

— in million bushels —

Carryover, inward	498.1
Production	1,201.3
Total supply	1,716.9
Exports	444.9

Domestic Use—

Human food	56.5
Seed requirements	71.7
Industrial use	17.1
Loss in handling	1.7
Animal feed and waste	505.3

Exports of wheat (including flour) for 1956-57 were down 45.3 million bushels (14.3%) from the preceding year; and 16.5 million bushels higher than the 30-year average. Sales to the United Kingdom were 17% less than for the preceding year. Germany, Japan, the Netherlands and Switzerland bought more Canadian wheat; but Russia and Czechoslovakia (after buying 27.6 million bushels the year before) were not customers for Canadian wheat in 1956-57. Export sales of flour continued their general decline from the post-war peak of 79.5 million bushels (wheat equivalent) in 1946-47, to less than half that total. The United Kingdom, Philippines and Central American countries remain major buyers of Canadian flour.

Exports of oats (including oatmeal and rolled oats) in 1956-57 were 4½ times the previous year's clearance; but 1/3 less than the 30-year average. United States customers, who took only 1.9 million bushels the preceding year, bought 17.6 million in 1956-57.

Heavier buying by the United Kingdom, Japan and Germany increased exports of Canadian barley, substantially. Rye exports fell to a ten-year low, with little shipment overseas. Export sales of flaxseed, on the other hand, raised the old 1913-14 record of 18 million bushels to 21.6 million. Total exports of oilseeds in 1956 were nearly four times those of 1953; and

reached a value of \$54.4 million. Canada, traditionally a net importer of fats and oils, has become a net exporter. The United Kingdom, the Netherlands and Japan were major buyers.

The United Kingdom, United States, Japan and Germany were the biggest buyers of Canadian grain (wheat, oats, barley, rye and flaxseed) during the crop year under review. These four customers bought 63.5% of Canadian grain exports in 1955-56; and 72.5% of our total export sales in 1956-57. The following tabulation lists sales to these countries, compared to their 1955-56 purchases:

LEADING BUYERS OF CANADIAN GRAIN

Sales of Wheat, Oats, Barley, Rye and Flaxseed

— in million bushels —

	1955-56	1956-57
United Kingdom	136.0	130.5
United States	43.0	51.2
Japan	37.9	50.1
Germany	37.1	47.8

A record 139.0 million bushels of grain was exported through Canada's Pacific ports during the crop year ended 31st July, 1957. This total included 104.1 million bushels of wheat; and a record 31.2 million bushels of barley. Forty-eight wheat cargoes, totalling 16.2 million bushels, cleared through Churchill. Atlantic ports cleared 145.2 million bushels of export grain—compared with 193 million in the year previous.

The following tabulation, based on U.S. Department of Agriculture reports, shows how world trade in wheat has recovered from the 1953-54 low; increases in recent U.S. sales; and Canada's percentage of total exports—for the past ten crop years:

WHEAT EXPORTS

From Four Principal Exporting Nations

Crop Year	Total	Argentina	Australia	United States	Canada	Canada's % of Total
— in million bushels —						
1947-48	809	66	78	486	179	22.1%
1948-49	828	46	70	504	208	25.0%
1949-50	638	65	66	299	208	32.6%
1950-51	717	68	74	366	209	29.1%
1951-52	839	4	47	475	313	37.3%
1952-53	752	29	64	318	341	45.3%
1953-54	544	58	35	217	234	43.0%
1954-55	647	78	62	275	232	35.8%
1955-56	755	60	67	346	287	38.0%
1956-57	910	60	63	547	240	26.3%

World trade in grain may be further disrupted by continued operation of U.S. Public Law 480. Acceptance of local currencies (and its local re-investment); barter, and give-aways—all subsidized by U.S. taxpayers—have lured importers from their traditional suppliers. During the three crop years ending 30th June, 1957, some 529 million bushels of wheat and feed grains—which cost U.S. government agencies \$1,457.5 million—were exported for \$855.6 million. In those three years, farm exports aggregated \$11,337 million. Of that total, 26% moved under P.L. 480. It may be a mistake to view the situation as temporary. Extension has been voted for this legislation. In 1954-55, some 13% of all U.S. agricultural exports moved under its beneficence; in 1955-56, 28%; and in 1956-57, 32%!

CARRYOVER OF CANADIAN GRAIN

The Canadian carryover of wheat, oats, barley, rye and flaxseed at 31st July, 1957, is estimated by DBS to total 1,108.2 million bushels. This is the biggest carryover in Canadian history. It is one-third higher than at the end of the previous crop year; and is 2 1/3 times the average annual carryover for the ten preceding years.

Estimated carryovers at the close of recent crop years and the annual average of the ten crop years 1947-56 are tabulated below:

CANADIAN CARRYOVER AS AT 31st JULY

	1957	1956	1955	1954	Average 1947-56
	— in million bushels —				
Wheat	723.0	579.6	499.7	582.7	290.3
Oats	223.0	119.1	84.0	125.8	90.0
Barley	140.9	110.9	91.5	145.9	70.3
Rye	14.0	15.3	18.5	19.3	10.1
Flaxseed	7.3	2.5	1.2	2.6	3.3
Total—5 grains	1,108.2	827.4	694.9	876.2	464.0
On farms	584.4	335.4	207.1	413.8	181.1
Commercial	423.8	492.0	487.8	428.6	272.9

It is to be noted that the 1957 estimate of farm-held grain was increased sharply after data became available from the 1956 census; and, for the first time, exceeds the total held in commercial positions.

The 1957 estimate places the carryover of wheat at a record high, previously the biggest volume of wheat on hand at the close of a crop year was 594.6 million bushels at 31st July, 1943. On that date, carryover of the five grains reached 832.0 million bushels—with 342.4 million in farm bins and 489.6 million bushels in commercial positions.

PRAIRIE FARM ASSISTANCE

Net farm income (as calculated by DBS) includes "supplementary payments" under the Prairie Farm Assistance Act. These PFAA payments totalled some \$5 million in 1956, whereas in 1955 they exceeded \$33 million.

Listed below are the amounts of 1% levy on all grain sold by Western farmers, the number of awards and amounts paid under PFAA—for the past crop year and since its inception.

1956-57 Crop Year			
	1% Levy	Awards	Payments
Manitoba	\$ 864,573	3,921	\$ 635,666
Saskatchewan	3,680,339	3,582	635,846
Alberta	1,732,861	5,201	954,977
Totals	\$ 6,277,862	12,794	\$2,173,968
1939-40 to 1956-57			
Manitoba	\$15,221,688	84,583	\$ 12,194,507
Saskatchewan	57,184,518	560,345	128,825,263
Alberta	28,823,159	242,784	45,039,630
Totals	\$101,268,429	891,444	\$186,558,676

Of total payments made under PFAA, Western producers have provided \$101.2 million through the 1% levy. The balance of \$85.2 million has been paid from the national treasury.

With generally good harvests over the Canadian West, the 1% levy paid by farmers on grain deliveries in 1956-57 exceeded payments under PFAA by \$4,103,894.

WESTERN FARM INCOME

The Dominion Bureau of Statistics reports (in "Farm Cash Income, 1956") that the cash income to Canadian farm people from the sale of farm products in the calendar year 1956, plus participation payments on grain delivered in previous years, is estimated to total \$2,662.1 million. This total is some 13% higher than the revised estimates for 1955. Sales of grain, livestock, poultry and eggs returned more cash to farmers in every province.

The share of these total cash returns to farm people of Alberta, Saskatchewan and Manitoba is set out in the following tabulation—which also compares Western returns for the last three years.

ESTIMATED CASH RETURNS TO WESTERN FARMERS

— in million dollars —

	Grain, etc.	Livestock	Total
1954	\$ 591.2	313.2	\$ 1,046.5
1955	510.0	302.2	963.3
1956	759.9	320.2	1,239.7

It is seen from the foregoing that gross returns to Western farmers in 1956 were 28.7% above 1955; and were 18.7% higher than in 1954. The increase was largely from sales of grain. Returns from livestock have been notably consistent.

The DBS report on "Farm Net Income 1956" estimates that net income from Canadian farm operations in 1956 totalled \$1,573 million. This total is 10.5% higher than the estimated net income for 1955; 35.5% above the post-war low of \$1,161 million for 1954; and on a level with the average of \$1,547.4 million for the ten years 1946-55. DBS estimates of total net farm income for the seven years 1950-56 are tabulated below for all Canada, as well as for our three grain-growing provinces and six other provinces:

TOTAL NET FARM INCOME

	The West	6 Other Provinces	Canada
— in million dollars —			
1950	\$ 630.1	\$ 817.9	\$1,448.0
1951	1,127.3	1,027.3	2,154.5
1952	1,083.2	817.5	1,900.7
1953	883.4	813.4	1,696.9
1954	405.1	755.9	1,161.0
1955	638.3	784.9	1,423.2
1956	790.0	783.0	1,573.0

The foregoing indicates that total net income to Western farmers from their operations in 1956 was 23% above 1955; and 95% higher than in 1954. This is gratifying—from an accounting, or statistical, viewpoint. To arrive at actual cash results of Western farm operation, however, further analysis is necessary.

Some difficulty is encountered in comparing DBS estimates for 1956 with preceding years. Bureau officials have interpreted data assembled in

the 1956 census as necessitating revised estimates of grain production; and sharply increased estimates of grain held on Western farms. Some authorities claim that DBS estimates of farm-held wheat are upwards of 100 million bushels too high. This brings into question the "Net Farm Income" totals tabulated above—since any increase in the amount of grain held in farm bins is charged against farmers as income, under "Value of Inventory Changes."

DBS data, as national statistics with a record of validity, provide the only acceptable basis for calculating Canadian farm income. Nevertheless, for practical purposes, the calculation most significant to Western farm people is one that: (1) totals cash received from farm operation; (2) subtracts from this total the cost of operation; and (3) gives the cash results. On this basis, the following table (comparing cash results for the past seven years) shows that Western farm operations in 1956 yielded 26% more net cash income than in 1955—but less than in any other year back to 1950.

WESTERN FARM NET CASH INCOME

Year	1. Cash received from operations	2. Cost of operation	3. Net cash income
— in million dollars —			
1950	\$ 973.1	\$ 479.3	\$ 493.8
1951	1,361.8	540.3	821.5
1952	1,466.5	608.9	857.5
1953	1,448.7	569.3	879.4
1954	1,048.1	509.0	539.0
1955	958.2	553.3	404.9
1956	1,244.6	733.1	511.5

In the costs of 1956 operation, Western farmers paid \$75.2 million for hired labor. Operation of machinery cost them \$224.8 million. This is 13% higher than for 1954. For the four years, 1953-56, the total exceeds \$828.7 million. If estimated depreciation is added, total machinery costs to Western farmers in these four years was above \$1,164.5 million!

While production costs have persistently risen, Canadian grain prices have fallen steadily since 1952. The income of Western farmers is determined by world competition, to a far greater degree than is the income of Canadians who do other parts of the nation's work; and, indeed, to a far greater degree than is the income of farm people of other nations. Canadians have established processes and authorities whereby various components of our economy (labor, transport, finance, manufacturing, etc.) have their incomes arbitrarily adjusted by assessments upon the public. Farm costs are raised by these devices; but prices received by Canadian farmers for their products are, largely, beyond the scope of such devices.

In many countries governments have acted decisively to maintain farm income. For example, a Pool presentation to Federal cabinet ministers on 9th March, 1957, pointed out that Western Canadian grain growers may expect final returns averaging \$1.29 per bushel for 1956 wheat deliveries; whereas, in January, 1957, U.S. farmers (a few miles south) got prices 53.5% higher. The same submission quoted from IFAP sources the following approximate support prices guaranteed by various governments to their wheat growers during 1955-56:

Ireland	\$2.06	Germany	\$2.73
United Kingdom	2.31	Brazil	2.85
Belgium	2.56	Italy	3.05
Japan	2.59	Norway	3.43
Austria	2.63	Switzerland	4.03

The imperative need for agriculture in our Canadian West is for cash income adequate to meet costs—including fair living standards.

CONCLUSION

The existing situation threatens Western farm people with disaster; and our national economy with disruptive unbalance.

The basic economics of this situation are simple. If Western farm families are to develop best use of land and water resources; and to make their full vital contribution to Canada's continued prosperity, they must have increased income, reduced costs—or both.

Some authorities see a measure of hope for agriculture in Canada's growing population. The number of Canadians has risen from 8.7 million in 1921 to 16.6 million on 1st June, 1957. This number is increasing at record and accelerated rates. By 1980 (the Gordon Commission estimated) there will be from 25 to 27 million Canadian consumers. While the amount of grain used for food per capita declines as earnings rise, the consumption of meat increases. The average Canadian ate 133 pounds of meat per annum before 1950; and today, 154 pounds. Canada's consumption of meat increased from 1951 to 1956 by an estimated 75%. This represents a tremendous increase in the total domestic disappearance of grain. With all this, however, it remains certain that grain export must continue to be essential to Canada's prosperity.

In 1956, again, Canadians traded more per capita than any other people on earth. Nevertheless, prices of our farm exports continue to be shaped, largely, by economic and political competition on world markets.

Competitive business (by governments as by individuals) has failed to move farm products from people who have more than they need to people who need more than they have. This is no surprise to Co-operators. Inherent in Co-operative philosophy—and, indeed, a fundamental reason for the development of Co-operative business—is the certainty that competitive methods are limited in their usefulness; and, periodically, disrupt economies—unless balanced by Co-operative development.

Co-operative faith is that producers and consumers can cut costs and raise income, for themselves, by using the simple principles of Co-operation in more of their buying, selling and financing.

Canadians did business through their Co-operatives to a total of \$1 billion in 1956. This is a considerable volume. But—it is no increase on Co-operative business done in 1950, seven years earlier. In that seven years, Canada's population increased by 2.9 million, from 13.7 million to 16.6 million—or about 21%. The nation's business (as represented by the Gross National Product) expanded from \$18.2 billion to \$29.8 billion—that is by \$11.6 billion, or more than 63%!

Such calculations cannot present the entire story. They do emphasize, nevertheless, that Co-operative development must be tremendously expanded to provide vital balance to Canada's booming competitive business. To solve their problems of high costs and low income, the most effective means Western farm people possess is to do their buying, selling and financing through their own Co-operatives. Producers and consumers—in Canada and the world over—can solve the problems of producing abundantly and moving abundance into use, by working together in direct and practical Co-operation.

Respectfully submitted,

JOHN H. WESSON, W. J. PARKER, BEN S. PLUMER, CHAS. W. GIBBINGS, THOS. G. BOBIER, G. L. HARROLD, W. J. BLAIR, THOS. H. WILSON, HAROLD B. SNEATH.	} Executive.
---	--------------

CANADIAN POOL AGENCIES LIMITED

DIRECTORS' REPORT

1956-1957

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

Gentlemen:

This Agency has completed its twenty-ninth year of operation, and we present herewith for your approval the Annual Report and Financial Statements for the year ended July 31, 1957.

A surplus of \$97,785.25 was produced, and out of this sum \$498.12 was provided for income tax, leaving \$97,287.13 available for patronage dividends, compared with \$71,676.62 last year.

The earnings vary from year to year and follow the experience of the parent organizations to some extent depending on the price and volume of grain stored. The increase in surplus this year is mainly due to the recurrence of fire insurance written for a three year term.

At the present time we have no investments. Any excess money can be readily taken up by the parent companies and we receive a favourable rate of interest.

Although we refer to the Agency's earning capacity, we have not departed from the principle for which the Agency was originally organized, that of securing for the parent organizations the utmost protection for the least possible premium commensurate with security, and in this regard we have secured some reductions in rates this year.

We can handle every type of insurance except life. The greatest income is derived from fire insurance, followed by fidelity bonds, then automobile insurance.

The patrons equities, in accordance with the usual practice will be paid out within the next fiscal year as a patronage dividend to the three Provincial Pools based on the amount of business contributed. Each Pool will receive the dividends as shown on Surplus Account, Exhibit "B".

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

BALANCE SHEET

Agency Assets and Liabilities:

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

Shareholders' and Patrons' Assets:

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

Loan Accounts: Fourteen new loans were made during the year and eleven were repaid leaving the total number now outstanding at eleven. Eight loans were made to finance the purchase of automobiles. Interest is thus earned on a part of our surplus funds without tying them up for any lengthy period. The Agency secures insurance on automobiles and property financed thereby, and insurance once obtained in this manner is usually renewed.

Pool Insurance Company Account: This Agency and Pool Insurance Company are operated by the same management and staff, and the salaries of the office employees are split between both organizations, as are other items of expense that are not definitely applicable to either organization. The amount of \$4,645.83 is the balance due Canadian Pool Agencies Limited on the inter-office account.

Shareholders' Liabilities and Reserves:

Accounts Payable: This amount represents miscellaneous accounts included in this year's expenses, but which had not actually been paid prior to year end.

Reserve: This sum was built up over a period of years to provide for the possibility of unusual cancellations; for investment losses, and any other contingencies that may arise. The reserve has remained the same for some years as it is deemed sufficient to take care of our requirements. The amount is allocated to the various shareholders according to their contribution to the reserve.

Capital Stock:

The ownership of the Capital Stock of the Company is held by the Provincial Pool Organizations as follows:

	<u>No. of Shares</u>	<u>Values</u>
Alberta Wheat Pool	664	\$ 6,640.00
Manitoba Pool Elevators	663	6,630.00
Saskatchewan Wheat Pool	664	6,640.00
Directors' Qualifying Shares	9	90.00
	<hr/> 2,000	<hr/> \$20,000.00

Income and Expenditure Statement:

Income: This statement sets out the original sources of commission earnings in the belief that the information may be of interest.

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

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

Respectfully submitted,

JOHN H. WESSON, W. J. PARKER, BEN S. PLUMER, THOS. G. BOBIER, THOS. H. WILSON, HAROLD B. SNEATH, CHAS. W. GIBBINGS, G. L. HARROLD, W. J. BLAIR.	}	Executive.
---	---	------------

CANADIAN POOL AGENCIES LIMITED
Winnipeg, Manitoba

BALANCE SHEET
As at July 31, 1957

ASSETS

AGENCY ASSETS—

Cash in Agency Bank Accounts	\$	1,779.11	
Accounts Receivable		156,441.01	
			\$158,220.12

SHAREHOLDERS' AND PATRONS' ASSETS—

Cash—

In General Bank Accounts	\$	2,560.60	
--------------------------------	----	----------	--

Accounts Receivable—

Commissions—per contra	\$120,349.31		
Loan Accounts	7,343.85		
Pool Insurance Company	4,645.83		
Miscellaneous	2,395.84		
		134,734.83	

Furniture and Fixtures—

Cost—less depreciation	1,538.71		
			138,834.14

\$297,054.26

AUDITORS' REPORT—

We have audited the accounts of Canadian Pool Agencies Limited for the year ended July 31, 1957 and have received all the information and explanations we have required. Bank balances have been confirmed by certificate direct from the Company's bankers. Accounts receivable and payable have been confirmed by circularization.

We certify that, in our opinion, the above Balance Sheet and related statements are properly drawn up so as to exhibit, respectively, a true and

CANADIAN POOL AGENCIES LIMITED
Winnipeg, Manitoba

BALANCE SHEET
As at July 31, 1957

LIABILITIES

AGENCY LIABILITIES—

Accounts Payable	\$ 37,870.81	
Commissions—per contra	120,349.31	
		\$158,220.12

SHAREHOLDERS' LIABILITIES AND RESERVES—

Miscellaneous Accounts Payable ..	\$ 1,448.89	
Reserved for Income Tax	98.12	
Patronage Dividend Payable	97,287.13	
		\$ 98,834.14

General Reserve for Unearned Income—

Allocated as follows:

Alberta Wheat Pool	\$ 5,568.12	
Manitoba Pool Elevators	3,146.82	
Saskatchewan Wheat Pool ..	11,285.06	
		20,000.00
		118,834.14

CAPITAL STOCK—

Authorized, Issued and Fully Paid	20,000.00
(2,000 Shares at \$10.00 each)	

Signed on behalf of the Board:

JOHN H. WESSON, W. J. PARKER,	}	Directors.
----------------------------------	---	------------

\$297,054.26

correct view of the financial position of Canadian Pool Agencies Limited as at July 31, 1957, and the results of operating for the year ended that date, according to the best of our information, the explanations given to us, and as shown by the records of the Company. All transactions coming under our notice have been within the powers and objects of the Company to the best of our information and belief.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS,

Winnipeg, Manitoba, September 17, 1957.

Chartered Accountants.

CANADIAN POOL AGENCIES LIMITED
Winnipeg, Manitoba

Exhibit B.

SUMMARY OF SURPLUS ACCOUNT
For the Year Ended July 31, 1957

	<u>Debit</u>	<u>Credit</u>
Surplus for the year ended July 31, 1957—		
Exhibit C		\$97,785.25
Reserve for Income Tax	\$ 498.12	
Patronage Dividend for year 1956-57—Exhibit A	97,287.13	
Allocated as follows:		
Alberta Wheat Pool	\$26,458.99	
Manitoba Pool Elevators	11,212.59	
Saskatchewan Wheat Pool	59,615.55	
	<u>\$97,287.13</u>	
	<u>\$97,785.25</u>	<u>\$97,785.25</u>

CANADIAN POOL AGENCIES LIMITED
Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE
For the Year Ended July 31, 1957

INCOME—**Commissions:**

Fire	\$ 68,582.86
Bonds	22,322.90
Lake Marine	145.22
Ocean Marine	2,019.11
Automobile	4,759.39
Accident and Sickness	517.86
Liability	248.29
Use and Occupancy	3,085.55
Robbery and Burglary	566.66
Inland Marine	824.07
Inland Transportation	289.25
Steam Boiler	508.59
Plate Glass	50.44
Forgery and Alteration	15.00
Composite	891.71
Contingent	10,624.22

\$115,451.12

Deduct Brokerage Paid 487.08

\$114,964.04**Other Income:**Interest **6,579.10****TOTAL INCOME FOR THE YEAR \$121,543.14****EXPENSES—**

Salaries	\$ 16,804.51
Directors' Fees and Expenses	541.88
Rent and Light	2,399.90
Telephone and Telegraph	302.62
Printing, Postage and Stationery	1,429.82
Taxes and Licenses	308.78
Travelling	223.87
Legal and Audit	855.92
Insurance	23.01
Annuities, Group and Unemployment Insurance	345.88
Depreciation	384.68
Miscellaneous Expense	437.02

\$ 24,057.89

Deduct Recovery from Interprovincial Pool 300.00

TOTAL EXPENSES FOR THE YEAR \$23,757.89

Balance—Surplus for year ended July 31, 1957, carried to
 Exhibit B **\$97,785.25**

MEMORANDA



A series of horizontal dashed lines for writing, spanning the width of the page.

POOL INSURANCE COMPANY

DIRECTORS' REPORT

1956-1957

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

Gentlemen:

Your Company has completed eighteen years of service to the parent organizations, and we have pleasure in submitting herewith, for your approval, the Annual Report and Financial Statements for the year ended 31st December, 1956.

The results for the year show excess of income over expenditure of \$698,002.95 as compared with \$643,126.11 last year, thus reflecting an increase of \$54,876.84. As we had a higher loss ratio this year of 30.22% as compared with 26.12% the previous year, the increase in surplus is directly attributable to the increase in our retention from 35% to 50% as from 1st August, 1956 and to not having any sizeable losses since that date.

After transferring \$17,500.00 to Capital Surplus Account and setting up the usual Capital Stock Dividend as required by the Company's Charter and a reserve of \$4,050.10 for Income Tax, the balance of \$676,451.00 has been allocated to the policyholders on the basis of their contribution to the surplus. The total premium income amounted to \$1,353,321.10 as compared with \$1,316,376.18 last year. Fifty percent of all risks are now reinsured, with the exception of dwellings which are fully carried by your Company. The net earned premiums amounted to \$561,316.16 as compared with \$393,266.38 last year.

The gross losses amounted to \$529,575.10 as compared with \$358,145.26 last year. The Company's share of the losses being \$185,736.38.

Six elevators and one large annex and their contents were totally destroyed, and the losses occurred when substantial grain stocks were in store. They were located as follows:

In Alberta—Hussar (annex), Rose Lynn.

In Manitoba—Millwood.

In Saskatchewan—Quill Lake "A", Valparaiso, Dummer
"A" and "B".

In addition to these total losses 19 small losses were sustained at elevators; six by fire and 13 by windstorms. Six dwellings suffered partial damage.

Inspection of all property insured by the Company is carried on by four permanently employed fire inspectors, which is in accordance with our agreement with the reinsurers, and we do consider it a most important feature of our operations. The parent organizations and ourselves periodically send out circulars and pamphlets to the elevator agents keeping fire prevention suggestions before them. We feel that the efforts of the agents, parent organizations and our own fire inspectors help to keep our losses to a minimum.

The value of the property insured has increased nearly four million dollars over last year, which is an all time high, and we list the figures

hereunder. Building values change from time to time, and the values shown are as at 31st of December, 1956. The value of the grain is the daily average for the year.

Country Elevators	\$ 70,757,821.00
Grain	142,401,875.00
Dwellings	7,044,903.00
Miscellaneous	2,814,035.00
	<u>\$223,018,635.00</u>

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

The total underwriting revenue shown in the Statement of Income and Expenditure is made up of the earned premiums on our percentage of the risks, plus commission earned on the reinsurance, less losses. We also had interest earnings of \$25,309.13.

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

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

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

ASSETS

Cash On Hand and In Bank—

Under this heading the current and savings accounts are shown.

Accounts Receivable—

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

Investments—

You will notice the listed value of the Company's investments is less than cost. Our investment portfolio consists entirely of Government of Canada bonds. While there will be fluctuations over the years, we expect to be able to hold all bonds until maturity when they will be redeemable at par value. You will note that we are able to invest considerably more than our capital and surplus.

Automobiles—

One new automobile was purchased during the year, and after allowing depreciation on this account of \$2,030.08 at standard rates, the asset covering four automobiles is shown as \$4,736.86. These automobiles are used by our fire inspectors.

LIABILITIES

Current Liabilities—

Premiums due the reinsurance companies are shown. The item covering taxes accrued represents premium tax, income tax and fire prevention taxes due respectively to the Federal and Provincial Governments.

Reserve for Unearned Income—

These reserves are calculated on the basis of one hundred percent of the unearned premiums on our own retention and one hundred percent of the unearned portion of the reinsurance commissions as at 31st December, 1956.

Capital Stock—

The ownership of the capital stock of Pool Insurance Company is held by the three provincial pool organizations as follows:

	<u>Shares</u>	<u>Subscribed</u>	<u>Paid Up</u>	<u>Premium Paid</u>
Alberta Wheat Pool	750	\$ 75,000.00	\$ 55,500.00	\$ 46,500.00
Manitoba Pool				
Elevators	500	50,000.00	37,000.00	31,000.00
Saskatchewan Wheat Pool	1,250	125,000.00	92,500.00	77,500.00
	<u>2,500</u>	<u>\$250,000.00</u>	<u>\$185,000.00</u>	<u>\$155,000.00</u>

Out of the above shares three directors of each organization hold twenty-five shares each in trust.

As of May, 1956, the premium on capital stock was increased by a further \$75,000.00 to provide the necessary surplus to permit our increased retention. It is a requirement of the Insurance Act that we maintain a surplus at least equal to our unearned premiums before refund of excess charges are made.

We have also increased our surplus by \$17,500.00 out of this year's earnings which further strengthens the Company.

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

Respectfully submitted,

JOHN H. WESSON,
W. J. PARKER,
HAROLD B. SNEATH,
THOS. H. WILSON,
G. L. HARROLD,
BEN S. PLUMER,
THOS. G. BOBIER,
W. J. BLAIR,
CHAS. W. GIBBINGS,

POOL INSURANCE COMPANY
Winnipeg, Manitoba

BALANCE SHEET
As at December 31, 1956

ASSETS

Cash in Bank		\$ 298,177.39
In Bank of Montreal—Current Account	\$298,075.93	
Savings Account	101.46	
	<u>\$298,177.39</u>	
Accounts Receivable		239,605.64
Canadian Pool Agencies Limited	\$214,938.68	
Reinsurance Accounts	24,666.96	
	<u>\$239,605.64</u>	
Investments—at Cost		903,627.50
Government of Canada Bonds	<u>Par Value</u> <u>\$915,000.00</u>	
Listed Value	<u>\$857,850.00</u>	
Interest Thereon		5,076.05
Due	\$ 487.50	
Accrued	4,588.55	
	<u>\$ 5,076.05</u>	
Automobiles		4,736.86

\$1,451,223.44

AUDITORS' CERTIFICATE—

In our opinion the above balance sheet and related statements of Pool Insurance Company are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at December 31, 1956 and the result of its operations for the year ended that date, according

POOL INSURANCE COMPANY
Winnipeg, Manitoba

BALANCE SHEET
As at December 31, 1956

LIABILITIES

Current Liabilities		\$ 775,383.61
Miscellaneous Accounts Payable	\$ 2,775.00	
Reinsurance Accounts Payable	84,431.20	
Taxes Accrued	11,724.56	
Dividends Payable as per Exhibit B	676,452.85	
	<u>\$775,383.61</u>	
 Reserve for Unearned Income		225,532.82
Unearned Premiums	\$154,803.30	
Unearned Reinsurance Commissions	70,729.52	
	<u>\$225,532.82</u>	
 Capital Stock		185,000.00
Authorized—5,000 shares at \$100	<u>\$500,000.00</u>	
Subscribed—2,500 shares at \$100	<u>\$250,000.00</u>	
Paid Thereon	<u>\$185,000.00</u>	
 Capital Surplus		265,307.01
Premium at 62% on Capital Stock	\$155,000.00	
Surplus realized on Investments Sold	11,807.01	
Transferred from Shareholders' and Patrons' Equity Account—1949-56	98,500.00	
	<u>\$265,307.01</u>	

Signed:

J. H. WESSON, Director.
W. J. PARKER, Director.

\$1,451,223.44

to the best of our information and the explanations given to us and as shown by the books of the Company. All transactions coming within our notice were, in our opinion, within the powers and objects of the Company.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS,
Winnipeg, Manitoba, February 13, 1957. Chartered Accountants.

POOL INSURANCE COMPANY
Winnipeg, Manitoba

**SUMMARY OF SHAREHOLDERS' AND PATRONS' EQUITY
ACCOUNT**

As at December 31, 1956

	<u>Debit</u>	<u>Credit</u>
Surplus for year ended December 31, 1956—		
Exhibit C		\$698,002.95
Transferred to Capital Surplus	\$ 17,500.00	
Reserve for Income Tax	4,050.10	
Balance Carried Down	676,452.85	
	\$698,002.95	\$698,002.95
Balance Brought Down		\$676,452.85
Allocated as follows:		
Shareholders' Dividend	\$ 1.85	
Alberta Wheat Pool	\$.55	
Manitoba Pool Elevators .....	.37	
Saskatchewan Wheat Pool ..	.93	
	\$ 1.85	
Patrons' Dividend	676,451.00	
Alberta Wheat Pool	\$128,488.28	
Alberta Pool Elevators Ltd.	51.82	
Alberta Wheat Pool and Alberta Pool Elevators Ltd.	52,608.14	
Manitoba Pool Elevators	107,448.16	
Saskatchewan Pool Elevators Limited	125,144.09	
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited	9.64	
Saskatchewan Wheat Pool ..	260,009.84	
Saskatchewan Co-operative Livestock Producers Ltd.	2,413.85	
Modern Press Limited	277.18	
	\$676,451.00	
	\$676,452.85	\$676,452.85

POOL INSURANCE COMPANY
Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE
For the Year Ended December 31, 1956

Premiums on Business Written	\$1,353,321.10	
Less Ceded to Other Companies	750,595.72	
		\$602,725.38
Deduct Increase in Unearned Premiums		41,409.22
		<u>\$561,316.16</u>
Premiums Earned in 1956		\$561,316.16
Deduct Losses and Adjustment Expense	\$ 529,575.10	
Less Reinsurance Recoveries	343,838.72	
		<u>185,736.38</u>
Net Underwriting Income		375,579.78
Add Earned Reinsurance Commission		374,217.72
		<u>\$ 749,797.50</u>
Balance, Available for Expenses and to Shareholders and Patrons		\$ 749,797.50

Expenses—

Taxes, Licenses and Association Dues \$ 22,737.88

Inspection Service—

Salaries	\$17,921.60	
Automobile Expenses	6,984.41	
Other Travelling Expenses	4,938.49	
Staff Pension, Group and Un- employment Insurance	2,054.23	
Printing and Stationery	966.79	
Postage, Telegrams, Telephone	255.03	
		<u>33,120.55</u>

Administration—

Salaries	\$16,105.50	
Rent and Light	2,125.42	
Directors' Fees and Expenses ..	501.89	
Travelling Expenses	292.98	
Printing and Stationery	121.08	
Postage, Telegrams, Telephone ..	561.70	
Legal and Audit	737.40	
Staff Pension, Group and Un- employment Insurance	341.45	
Miscellaneous	457.83	
		<u>21,245.25</u>
		77,103.68

Add Interest Earned \$672,693.82
25,309.13

Balance—Surplus for the Year 1956—Carried to Exhibit B \$698,002.95

MEMORANDA



A series of 20 horizontal dotted lines for writing.

