

C stack

ALBERTA WHEAT POOL

Annual Report

1957-1958



ISSUED BY
ALBERTA WHEAT POOL

CALGARY, ALBERTA

DECEMBER, 1958

PURVIS HALL
LIBRARIES

FEB 6 1959

MCGILL UNIVERSITY

INDEX

	Page
List of Alberta Wheat Pool Delegates	2-3
Alberta Wheat Pool—	
(a) Board of Directors' Report	4-24
(b) Manager's Report	25-36
(c) Auditors' Report, Balance Sheet and Statement of Operations	37-51
(d) Consolidated Balance Sheet	52-53
(e) Analysis of Balance Sheet	61-68
Alberta Pool Elevators, Limited—	
(a) Auditors' Report and Balance Sheet	55-59
(b) Analysis of Balance Sheet	69-72
Canadian Co-operative Wheat Producers, Limited—	
(a) Board of Directors' Report	73-89
Canadian Pool Agencies, Limited—	
(a) Board of Directors' Report	90-91
(b) Auditors' Report and Balance Sheet	92-93
(c) Summary of Surplus Account	94
(d) Statement of Income and Expenditure	95
Pool Insurance Company—	
(a) Board of Directors' Report	97-99
(b) Auditors' Report and Balance Sheet	100-101
(c) Summary of Shareholders' and Patrons' Equities	102
(d) Statement of Income and Expenditure	103

ALBERTA WHEAT POOL

Annual Report

1957-1958



ISSUED BY
ALBERTA WHEAT POOL

CALGARY, ALBERTA

DECEMBER, 1958

BOARD OF DIRECTORS

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

DELEGATES

LETHBRIDGE—District One

101 (ra) Madill, Herbert A	60091	Foremost
102 (ra) Norris, Fred A	44683	Warner
103 (ra) Oliver, W. A.	60502	Warner
104 (ra) Lee, Lester W.	12947	Cardston
105 (e) *Patching, Harry R.	84877	Maybutt
106 (ra) Davidson, Edwin N.	61209	Coaldale
107 (ra) Erdman, Ralph L.	80319	Barons,
108 (ra) Claeys, Lucien	73547	Vauxhall
109 (ra) Egan, Alfred	68422	Bow Island
110 (ra) Montgomerie, T. S.	50655	Medicine Hat, 286 1 St. S.E.

CALGARY—District Two

201 (ra) Pelletier, George E.	64025	Pincher Creek
202 (ra) O'Neil, James Jesse	60011	Claresholm
203 (ra) Hagerman, Thomas H.	8573	Perkland
204 (e) Versluys, C. J.	76214	Champion
205 (ra) Bertrand, V. J.	1810	Milo
206 (ra) Morrison, W. Spence	54846	High River
207 (ra) Noel, Felix H.	77706	Okotoks
208 (ra) Rosenberger, O. Keith	60024	Balzac
209 (re) Clayton, Clifford S.	62873	Airdrie
210 (ra) Taggart, H. L.	56363	Olds

DRUMHELLER—District Three

301 (ra) Frey, Jake	7263	Acadia Valley
302 (re) Paetz, John T.	62427	Big Stone
303 (e) *Plumer, William Wallace	80634	Brooks
304 (ra) Arrison, Arthur W.	62315	Bassano
305 (ra) Burne, G. W.	77730	Gleichen
306 (ra) Cammaert, Emile	35501	Rockyford
307 (e) *Kaechele, David	11490	Ghost Pine Creek
308 (e) Hepburn, Sydney B. A.	9582	Huxley
309 (ra) Adie, John L.	62906	Drumheller
310 b(e) *Nelson, Norman E.	60146	Craigmyle

RED DEER—District Four

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

405	(ra)	McCormick, J. E.	78480	Byemoor
406	(re)	Tipman, Joseph J.	62139	Stettler
407	(ra)	Stone, John J.	65021	Alix
408	(ra)	Braithwaite, George W.	78714	Red Deer
409	(e)	*Phillips, J. Duane	50764	Eckville
410	(ra)	Auten, Fred	72590	Ponoka

CAMROSE—District Five

501	(a)	*Redmond, D. R.	76655	Edgerton
502	(ra)	Dobson, Parke	60982	Paradise Valley
503	(ra)	Jackson, James	60986	Irma
504	(ra)	Flaade, Bennie Alfred	64158	Rosyth
505	(re)	Koehli, Ernest	12137	Daysland
506	(re)	Hayes, Charles P.	9290	Strome
507	(ra)	Drummond, Alexander	68601	New Norway
508	(ra)	Johnson, Arne	62168	Camrose
509	(e)	*Ness, Ingvald	61061	Kingman
510	(ra)	Rasmussen, Clarence H.	65747	Gwynne

VEGREVILLE—District Six

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

EDMONTON—District Seven

701	(ra)	Haley, Stephen	81702	Athabasca
702	(re)	Antonson, Carl	657	Pibroch
703	(ra)	Paterson, Charles P.	68926	Mayerthorpe
704	(ra)	Levesque, Ferdinand	70713	Falher
705	(ra)	Helgason, C. J.	9447	Sexsmith
706	(ra)	Powell, Uri	18284	Sexsmith
707	(ra)	Hadland, Arthur R.	59388	Dawson Creek, B.C.
708	(re)	White, Frank	68571	Spirit River
709	(ra)	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 1958 who did not serve in that capacity in 1957.

REPORT OF BOARD OF DIRECTORS

ALBERTA WHEAT POOL

— to —

THIRTY-SIXTH ANNUAL MEETING OF DELEGATES

Gentlemen:—

Your Directors are pleased to report a successful year of operations for the Alberta Wheat Pool. Large stocks of grain were carried in country and in terminal elevators throughout the year, which, coupled with an increased storage rate, resulted in favourable earnings. Grain handlings totalled 56,888,650 bushels - a reduction of about 4,500,000 bushels from the previous season.

Operations of the Seed Division commenced on August 1st 1957, and resulted in handling and selling facilities for the year which appear satisfactory to the producers.

An active year was spent by your Board pursuing directives from your last annual meeting, and other matters pertaining to the welfare of the Alberta Wheat Pool and agriculture in general.

GRAIN MARKETING

GENERAL

Exports of the five major Canadian grains for the 1957-58 crop year increased appreciably over the previous year. Preliminary figures issued by the Board of Grain Commissioners indicate exports totalling 436,000,000 bushels. This represents an increase of 50.6 million bushels over the 1956-57 year and maintains the trend toward increased exports which has been the pattern of Canadian grain marketing for many years. The current year's total is about 117,000,000 bushels greater than the thirty-year average, and about 64,000,000 bushels greater than the average of the years since 1945.

WHEAT

Wheat was the principal factor in the improved over-all clearance total. Exports of wheat as grain and flour totalled 315.6 million bushels - an increase of 52.8 million bushels above the previous year, and were the third highest since the last War. Increased sales were made to some of our traditional markets and in addition a large shipment of Canadian wheat was made to India, a portion of which was under the Colombo Plan. Substantial sales were also made to the U.S.S.R. during the current crop year. The United Kingdom, traditionally our largest wheat importer, increased purchases by 13,000,000 bushels during the year to a total of 104.1 million bushels. Japan also raised its import to thirty-eight million



G. L. Harrold, Chairman, Board of Directors.

bushels, to replace Germany as our second largest importer. Substantial exports were made to Germany and to The Netherlands as well. The year ended with total Canadian stocks of wheat on hand estimated at 615 million bushels - a reduction of about 115 million bushels from the previous year.

OATS

Exports of Canadian oats of 25.9 million bushels were a substantial increase over that of the previous year of approximately 7.6 million bushels. The United States was again our major importer, taking a total of 21.6 million bushels, with the United Kingdom accounting for over half of the overseas increase.

BARLEY

Although down slightly from the previous crop year, Canada's export barley trade maintained a substantial volume during the year, 53.6 million bushels having been shipped overseas and 21,500,000 bushels sold to the United States domestic market. About 90% of the export barley went to the traditional top three importers, United Kingdom, United States and Japan. Exports to Germany during the year were very small, but this was partially offset in the export trade by shipments of nearly five million bushels to the U.S.S.R. The total export of 75.1 million bushels is more than two and one-half times the long-term average Canadian barley exports of 29.2 million bushels.

RYE

Exports of Canadian rye at 5.4 million bushels showed no change from the previous year. An increase of about 1.2 million bushels in the exports to European Countries was noted during the year, this being offset by smaller imports to the United States.

FLAXSEED

Shipments of Canadian flaxseed to overseas Countries dropped sharply from the previous year's record level of 21.6 million bushels to a total of 13.7 million bushels. The United Kingdom was again the leading market, followed by Japan, The Netherlands, France and Belgium.

SUMMARY

Increased exports of grain during the year enabled farmers' marketing of grain to be maintained at a high level. During the year producers were able to deliver 576 million bushels of the five principal grains, - a drop of 9 million bushels from the previous year. The decrease can be attributed mainly to congested conditions which prevailed at the beginning of the crop year, and were maintained throughout the year.

THE CANADIAN WHEAT BOARD

The careful management by The Canadian Wheat Board of large stocks of grain was again a source of satisfaction to Alberta grain producers. An aggressive selling policy, aided by commitments under the Colombo Plan and some export credit guarantees by the Federal Government, enabled Canada to boost its overseas sales appreciably during a year in which export volume by the four major exporting countries declined by seventeen percent.

Delivery quotas were maintained to enable all producers to share in the available market, and throughout the year all efforts were made to accept from producers as much grain as space would permit.

sequent promotions and appointments of men with considerable grain handling experience and an appreciation of the Board's importance and value to Canadian agriculture, was received with

The long association with The Canadian Wheat Board of Mr. George McIvor, who resigned as Chief Commissioner in April of this year, was highly regarded by the Alberta Wheat Pool. The sub-satisfaction by our Association.

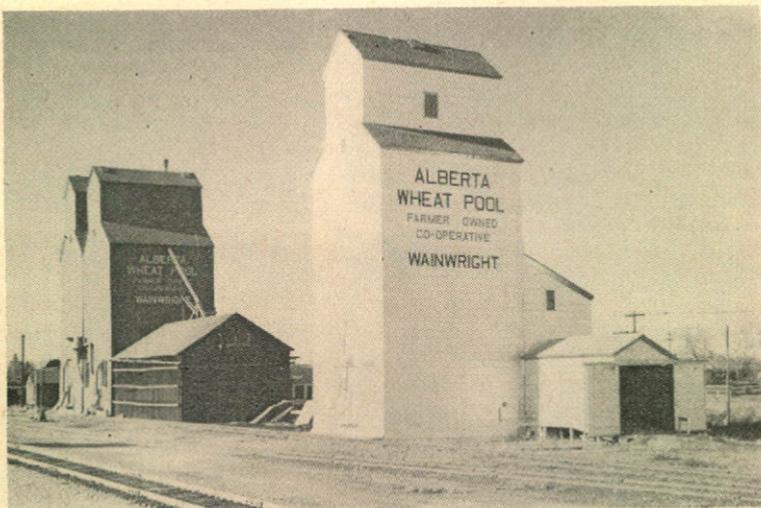
WHEAT POOL REPRESENTATIONS

CAR DEMURRAGE HEARING

The Board of Transport Commissioners resumed hearings on January 14th, 1958, on the notice given by the Railways in July

of 1957 of their intention to assess demurrage on boxcars not unloaded at terminal elevators within two days of their arrival. Resulting from their findings, the Board of Transport Commissioners issued an Order on May 27th, 1958, amending the Canadian Car Demurrage Rules to the following effect:—

- (a) that ten days free time shall be allowed for unloading grain consigned to public and semi-public terminals in the portion of Canada west of Port Arthur and Fort William, Ontario;
- (b) that for the purpose of computing free time, no part of the time from March 1st and ending on the date of the opening of navigation at Port Arthur and Fort William in any year shall be counted.



Part of the Pool's 40,000,000 bushel country elevatory system.

In July, 1958, the North-West Line Elevators Association and United Grain Growers, Limited, as appellants, requested, and were granted leave to appeal the Order of the Board of Transport Commissioners to the Supreme Court of Canada. The Manitoba, Saskatchewan and Alberta Wheat Pools, as intervenants, supported this request. The Board of Transport Commissioners accordingly suspended the amended rules issued by them on May 27th, 1958, pending the outcome of this appeal.

DOMESTIC FREIGHT RATE ON DOCKAGE TO WEST COAST

On March 13th, 1958, the Canadian Freight Association notified the Vancouver Merchants' Exchange that effective April 11th, 1958, the Railway Companies proposed to charge the domestic freight rate on dockage shipped in grain to the West Coast

and to the Port of Churchill, Manitoba, and re-sold on the domestic markets in Canada and the United States.

On representations from the Vancouver Merchants' Exchange the Canadian Freight Association agreed to delay the implementation date to August 1st, 1958. The implementation date was further delayed until November 1st, 1958, during which time an attempt was being made by the grain handling Companies to negotiate with the Railways for withdrawal of their intention. An appeal to the Board of Transport Commissioners was subsequently lodged, and pending the outcome the implementation has been postponed to January 1st, 1959.

BOXCAR DISTRIBUTION INQUIRY

Following several years of unsatisfactory distribution of available boxcars among country elevators, and repeated requests by the Wheat Pools and other farm Organizations for improvement, the Government of Canada announced on January 31st, 1958, that an inquiry would be made. Mr. John Bracken of Manotick, Ontario, was appointed Chairman of this investigation, given broad terms of reference, and instructed to recommend procedures or methods by which as high a degree of equity and efficiency as possible may be achieved in boxcar distribution. To date no report has been issued.

WESTERN GRAIN PRODUCERS' ACREAGE PAYMENT

Subsequent to our last annual meeting, strong and repeated representation was made to the Federal Government by the three Wheat Pools, The Interprovincial Farm Union Council, and The Canadian Federation of Agriculture, for some assistance to the prairie grain producers in the form of a deficiency payment. The Prime Minister announced on August 30th, 1958, that his Government had concluded that deficiency payments would not be a long term solution to the grain growers' problems. Recognition of the farmers' interest, however, was given in the announcement that pending the development of a long range program a payment of \$1.00 per acre would be made for the current crop year with a limit of \$200.00 per farm.

ROYAL COMMISSION ON PRICE SPREADS

The Government of Canada announced on December 10th, 1957, that a Royal Commission on Price Spreads had been appointed. The Commission was directed to inquire into the extent and causes of the spread between prices received by producers of food products of agricultural and fisheries origin and the prices paid for these products by consumers.

The Alberta Wheat Pool presented a Brief to this Commission, dealing specifically with grain and grain products. The record of the Association in maintaining minimum costs in the handling of grain

was outlined, and attention was drawn to the ever widening discrepancy between the farm price of wheat and the consumer price of bread.

LEGISLATION

PROVINCIAL

"The Farm Purchase Credit Act"

The administration of "The Farm Purchase Credit Act", passed by the Alberta Legislature in 1957, was transferred from the Treasury Department to the Department of Agriculture on August 15th, 1957, and commenced actual operations as of that date. Up to the present, 49 Farm Purchase Boards have been set up under the provisions of this Act, and 110 loans have been approved.

"The Marketing of Agricultural Products Act"

During the current year the first producers' Marketing Board was established by plebiscite under the provisions of "The Marketing of Agricultural Products Act". This Board was set up for the purpose of marketing vegetable produce in the irrigated area of southern Alberta.

Alberta Egg Marketing Plan. The plebiscite held for a proposed Egg Marketing Board in November, 1957, failed to gain the 51% majority approval at that time. Following a new enumeration, a second plebiscite was held in August of 1958, which also failed to gain the 51% majority approval required for the establishment of an Egg Marketing Board.

FEDERAL

"The Temporary Wheat Reserve Act"

"The Temporary Wheat Reserve Act", which 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 178,000,000 bushels, was again in effect. Under its provisions The Canadian Wheat Board will receive \$35,553,508.64 for carrying charges. No allocation of this fund has yet been made between the 1956-57 and 1957-58 pool accounts for wheat. Charges previously allocated to the 1956-57 account total \$7,881,023.22.

"Prairie Grain Producers' Interim Financing Act, 1956"

The "Prairie Grain Producers' Interim Financing Act, 1956" was extended on August 30th, 1957 to cover loans made by Banks between September 1st, 1957 and June 1st, 1958. The terms were the same as for the previous year, namely, that farmers were able to secure Bank loans up to a maximum of \$3,000.00 on the security of farm stored grain, at an interest rate of 5%.

"Prairie Grain Advance Payments Act"

The "Prairie Grain Advance Payments Act" became effective November 25th, 1957, and provides for an advance to grain producers on the basis of 50c per bushel of wheat, 20c per bushel of oats, 35c per bushel of barley, which the permit holder has on his farm and undertakes to deliver on a quota of six bushels per specified acre. The maximum advance to any one permit holder is \$3,000.00. The funds for advances made under this Act were provided by The Canadian Wheat Board to the elevator Companies with interest charges absorbed by the Federal Government. Advances were available from November 25th to June 1st, 1958, and again from August 1st to June 1st, in the current crop year.

On July 16th, 1958, the Minister of Trade and Commerce announced that advances in an amount of \$35,203,217.00 had been made to 50,411 producers. Of this amount, \$6,268,662.00 had been advanced to 9895 producers in Alberta. Advances made by the Alberta Wheat Pool during the year amounted to \$2,310,989.00, taken out by 3,450 producers.

"Agricultural Stabilization Act"

"The Agricultural Stabilization Act" came into force on March 3rd, 1958. The main purpose of this Act is to establish mandatory Government support prices on nine key commodities of not less than 80% of the average market price for the last ten years. These commodities are cattle, hogs, sheep, butter, cheese and eggs, and wheat, oats and barley produced outside the areas designated in "The Wheat Board Act." Support prices for non-mandatory commodities may be set annually where the need is shown to exist. The plan is operated by an Agricultural Stabilization Board supported by an Advisory Committee consisting of farmers and representatives of farm Organizations. A revolving fund of \$250,000,000.00 is provided to finance the operations of this scheme.

BOARD OF DIRECTORS

The retirement of Mr. Ben S. Plumer, Chairman of the Board, announced at the annual meeting in 1957, brought to an end the services on the Board of the last original Director of Alberta Wheat Pool. The Board wishes to acknowledge with deep gratitude the outstanding service rendered by Mr. Plumer in the guiding and building of this Association.

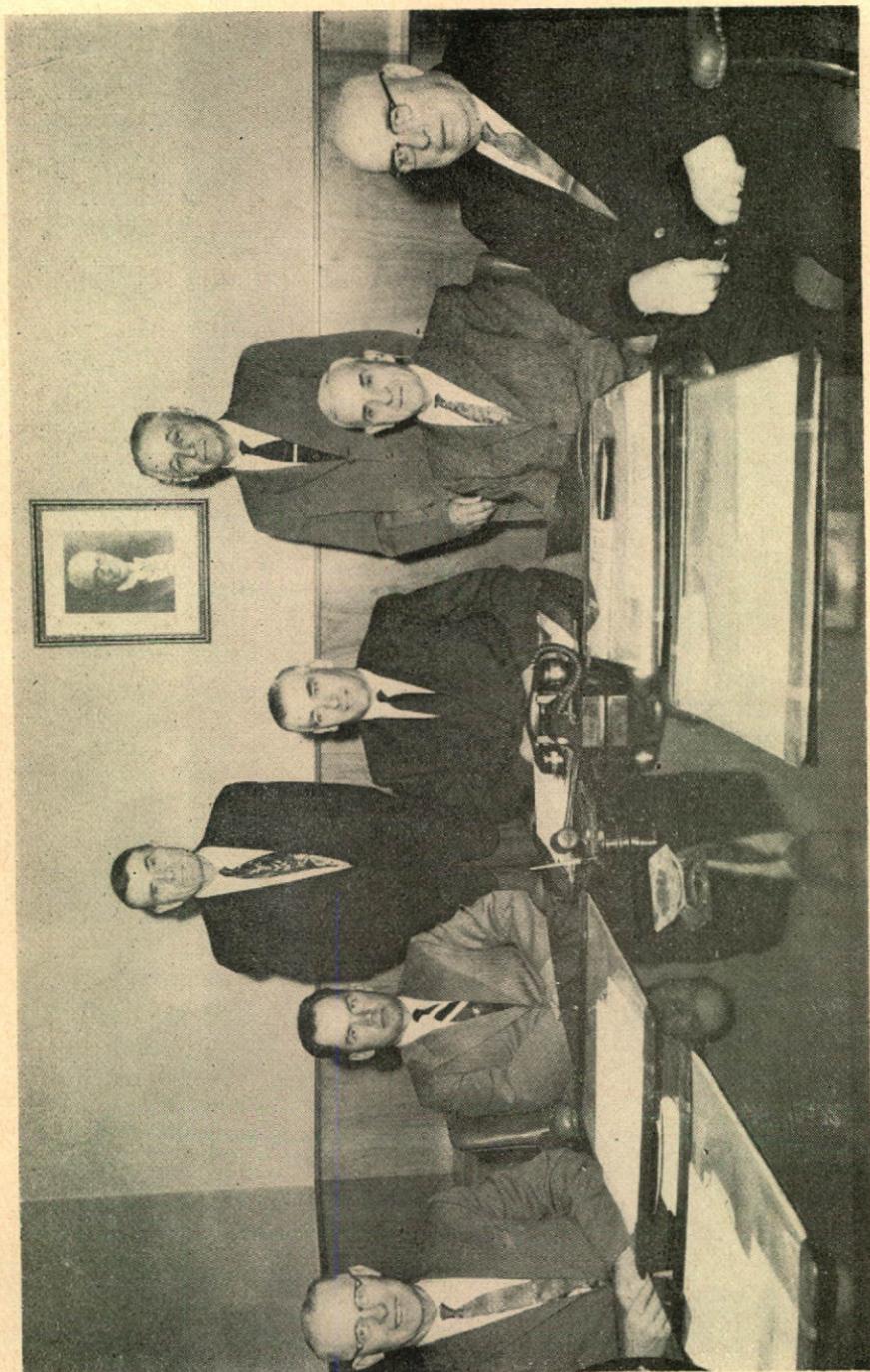
Mr. Allan J. Macpherson of Delia, delegate for sub-district 310, was elected Director for District 3 on December 3rd, 1957.

At the first meeting of the Board following the 1957 annual meeting, the following officials were elected:—

Chairman — G. L. Harrold

First Vice-Chairman — W. J. Blair

Second Vice-Chairman — Nelson Malm.



Board of Directors - 1958.

The same three Directors 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 of the Board were established for the 1957-58 fiscal year, namely:—

Office Committee — Messrs. W. J. Blair and R. C. Bell.

Elevator Committee — Messrs. Nelson Malm, R. C. Bell, and Gerald Oberg.

Field Service & Field Crops Committee — Messrs. W. R. Mueller and Allan J. Macpherson.

Publicity and Education — Messrs. Nelson Malm and Allan J. Macpherson.

Legislation — Messrs. G. L. Harrold and G. Oberg.

Liaison Committee, F.U.A. — Messrs. W. R. Mueller and R. C. Bell.

During the 1957-58 fiscal year, your Directors held eleven regular meetings and four special meetings. As in past years, the Board accompanied the Delegates' Committee on an inspection trip to the Vancouver Terminal in February, 1958. The Board met twice with the Directors of the Saskatchewan Wheat Pool and Manitoba Pool Elevators during the year, and attended the annual meetings of the Alberta and Canadian Federations of Agriculture, and the Western Agricultural Conference.

At the annual meeting of the Alberta Federation of Agriculture, held in Calgary in January, 1958, Mr. G. L. Harrold was re-elected President of that Organization. In this capacity he also continued as a Director of The Canadian Federation of Agriculture.

Mr. Harrold served as Managing Director of the newly formed Alberta Wheat Pool Seed Division from August 1st until November 30th, 1957, and was appointed a member of the Advisory Committee of The Canadian Wheat Board on June 12th, 1958.

ALBERTA WHEAT POOL SEED DIVISION

Operations of the Seed Division were commenced on August 1st, 1957, using facilities acquired from Alberta Seed Growers' Co-operative, Limited, and with the staff formerly employed by that Co-operative. Management of this Division was assumed by Mr. G. L. Harrold on August 1st and continued until November 30th, 1957.

A policy of accepting seed was established, with a view to encouraging pooling and the operation of this Division as a service to the seed producers. Selling arrangements were continued with Northern Canadian Seed Sales, Limited, of Winnipeg, and existing outlets for domestic sales were maintained and enlarged. Sales of seed through elevator agents of the Pool increased sharply from

the year previous, assisted greatly by The Canadian Wheat Board's extension of over-delivery privileges for purchase of seed. Good progress was made during the year in integrating the operations of this Division with that of the Pool as a whole.

Early in 1958, the Sangudo-Mayerthorpe Seed Co-operative, Limited, requested amalgamation of its facilities with that of the Alberta Wheat Pool Seed Division. That Association owned seed cleaning and handling facilities at Sangudo and felt that the interests of its members would be better served in the long run by a large Co-operative able to withstand seasonal fluctuations in yields, and local market pressures. Following negotiation, the assets of the Sangudo-Mayerthorpe Seed Co-operative, Limited, were purchased and became part of the Seed Division on July 1st, 1958.

Unfavourable harvest conditions in the Fall of 1957 resulted in a considerable loss of seed to producers and curtailed the volume handled by the Seed Division.

The support of the seed producers during the year lends optimism to the possibility of the seeds operation becoming a valuable complement to the Pool's grain handling facilities.

ALBERTA WHEAT POOL OFFICE BUILDING

Architectural work for the Alberta Wheat Pool Office Building continued following the last annual meeting of our delegates. Plans satisfactory to your Board of Directors were completed in April, 1958, tenders were called, and a contract awarded on June 17th, 1958. Construction began on June 23rd, with completion scheduled for late October, 1959.

This project consists of an eight-storey structure covering about one-half of the site area, a single floor on a portion of the remainder, with design lay-out permitting expansion should more office space be required in the future.

MEMBERS' ACCIDENT INSURANCE PLAN

Following authorization given at the last annual meeting preparations were made to inaugurate an accident insurance plan for Alberta Wheat Pool members.

Recognition of the premium on such a plan as a deductible expense was obtained from the Income Tax Division, eligibility qualifications were established, and the experience of similar plans was thoroughly investigated.

Administration arrangements were made with Co-operative Fire & Casualty Company during the year and initiation of the plan was set for August 1st, 1958.

CONSTRUCTION POLICIES

A policy of replacement of elevator facilities was followed

throughout the year. Some additional annex space was built, and local circumstances resulted in the construction of an elevator at two new points, namely, Fort St. John, B.C., due to railway extension, and Lac la Biche, to provide facilities for a greater area and a handling point for seed. Several new dwellings were erected, and a modernization program carried out on existing dwellings and on elevator offices.

The construction program in every detail continues to receive the careful consideration of your Board. It is generally felt that sufficient elevator space is available in Alberta, and a successful future operation will depend on suitable location and efficient utilization of elevator space. Your Association has a number of consistently unprofitable elevators at the present time and future road patterns and changing delivery habits could increase this number.

An over all construction policy for the future, consistent with the broad objectives of the Alberta Wheat Pool, will require the continuing attention of the delegate body.

MEMBERSHIP

Your Board was encouraged throughout the year by the continued keen interest in the affairs of the Association by the membership and the delegate body. On numerous occasions elected officials came forward to assist in the direction of matters affecting the members in their respective sub-districts. This interest adds greatly to the stability of the Association.

Throughout the year a substantial publicity and field service program was maintained to keep the membership informed on affairs of the Alberta Wheat Pool, and events of concern to the farmers in general. The response to these programs and the continued support of this Association and its principles by the membership is a matter of deep satisfaction to your Directors.

During the 1957-58 year, 1,808 new members were enrolled while 988 cancellations were effected with respect to retired members and 644 memberships were terminated by death. The net increase was 176 and our total membership was 48,765 at the close of the year. By way of comparison, 1,818 new members were accepted during the preceding year 1956-57 and the average annual enrolment for the past five years was 1,918.

Since 1923, 100,369 members have been enrolled. Of this number, 51,604 memberships have been cancelled or terminated. The present membership, 48,765, is divided between 11,734 signers of the original Marketing Agreements and 37,031 applicants, since 1939, under Section 6 of our Act of Incorporation.

At the 1957 Annual Meeting it was decided to admit seed growers to membership and qualifying deliveries through Pool facilities were set at 100 bushels of cleaned cereal seed or 1,000 pounds

of any other cleaned seed. Accordingly, Section 6 of our Act was amended at the last sitting of the Alberta Legislature to provide for the acceptance of such growers as members.

ELECTION OF DELEGATES

During the summer of 1958, elections were held in the odd-numbered sub-districts. Twenty-nine delegates were elected by acclamation, and elections were held in six sub-districts.

During the year a by-election was held in sub-district 310 to fill the vacancy created by the resignation of the sitting delegate, Mr. Allan J. Macpherson of Delia, following his election as Director for District 3. Three candidates were nominated in this by-election, resulting in the election of Mr. John K. Sutherland of Hanna. The untimely death of Mr. John K. Sutherland on August 30th, 1958, necessitated a second by-election in sub-district 310. Two nominations were received, and Mr. Norman E. Nelson of Craigmyle was elected.

IN MEMORIAM

It is with deep regret that we record the deaths during the past year of a number of men who have filled positions of responsibility as elected officials of the Alberta Wheat Pool.

The death of Mr. Chris Jensen of Magrath occurred on January 21st, 1958. Mr. Jensen had been a member of the Provisional Board of this Association in 1923, and continued as a member of the Board of Directors until he retired in 1945. He had held the office of Vice-Chairman of the Board for the 1926-27 crop year, was elected to that office again in 1934, and continued in that capacity until 1941.

Mr. J. D. McKay of Mecheche, former delegate for sub-districts D-9 and D-7, 1928 to 1931, inclusive, passed away on August 11th, 1957.

Mr. J. A. Johansen of Woolford, former delegate for sub-district A-4, 1927 to 1941, inclusive, passed away on August 23rd, 1957.

Mr. H. George Hansen of Carolside, former delegate for sub-district C-3, 1933 to 1942, inclusive, and for sub-district C-2 from 1946 to 1949, died at Hanna on November 17th, 1957.

Mr. Alfred B. Haarstad of Bentley, delegate for sub-district E-4 from 1930 to 1943, for sub-district D-10 from 1946 to 1955, and for sub-district 409 in 1956 and 1957, passed away at Bentley on March 8th, 1958.

Mr. Gustav Regehr of Brooks, former delegate for sub-district 303, in 1952 and 1953, died at Brooks on April 11th, 1958.

Mr. John Fowlie of Bindloss, delegate for sub-district C-1 in 1925 and 1926, and from 1931 until his retirement in 1948, passed

away at Empress on May 23rd, 1958.

The death of Mr. E. A. Moen of Tofield occurred on July 17th, 1958. Mr. Moen held the office of delegate from 1936 continuously until the time of his death.

Mr. John K. Sutherland of Hanna, delegate for sub-district 310, passed away in Hanna on August 30th, 1958. Mr. Sutherland had served previously as a delegate for sub-districts D-7 and D-6, from 1927 to 1935, inclusive.

The death of Mr. Charles A. Johnson of Ponoka, former delegate for sub-district E-9, from 1949 to 1954 inclusive, occurred on September 30th, 1958.

The beneficial influence of these men is found in many aspects of agricultural life in Alberta. The whole co-operative movement in this Province suffers a heavy loss in the passing of these outstanding men.

STAFF

We wish to record our appreciation of the services rendered by our staff during the year which contributed to the efficiency with which our business was conducted. Worthy of special mention was the creditable manner in which the country and publicity personnel accepted their responsibilities in the inaugural year of the Seed Division operations.

AGRICULTURE'S POSITION

Dominion Bureau of Statistics figures indicate a slight increase in the cash income of Canadian farmers during the past year. The availability of export markets at favourable prices maintained a satisfactory level of income for livestock. Some indirect benefit also may have accrued to agriculture during the year through policies resulting from the insistence of the public that timely and purposeful action be taken to avoid unemployment. When viewed as part of the whole Canadian economy, however, the position of agriculture is far from satisfactory. Costs of goods and services are increasing and marketing continues to be a matter of serious concern.

Some domestic markets are still subject to seasonal pressure from low priced imports, while export markets are beleaguered by unpredictable forms of competition.

There is some encouragement in the increasing interest being shown in a world food bank. The handling of surplus food on a systematic basis by the major exporting Countries for the beneficial use of deficit areas would be highly preferable to an alternate and seemingly inevitable plan of production controls.

CONCLUSION

In a year which began with much uncertainty some gains were made in the direction of improvement for Canadian agriculture. Grain exports were increased, an improved price support program for key farm products was put into effect, and some recognition given to the inequitable financial position of the prairie grain producer.

The year saw further advancement in the gradual transition from the self sustaining pioneer farm unit to a modern and highly specialized business enterprise. In this change the family farm appears to have maintained its dominant position in the agricultural industry of this country.

On this Continent there appears to be growing favour for industries suitable for large scale production, able to use highly automatic machinery and equipment, and in which substantial amounts of capital can be applied toward lower cost production and distribution. To the extent that some of the same principles apply to agriculture, one of the basic requirements of the farmer of the future will be availability of credit for expansion and improvement. There has been more evidence, too, in the past year that several stages of agricultural production, processing and marketing are becoming inter-related and controlled in the same manner which fostered the large business corporation. It becomes increasingly clear that the future of the individual farmer in Canadian agriculture will be more and more closely dependent on co-operative effort in the various stages of handling, processing and marketing of farm products.

All of which is respectfully submitted,

G. L. HARROLD
W. J. BLAIR
NELSON MALM
W. R. MUELLER
R. C. BELL
GERALD OBERG
ALLAN J. MACPHERSON.

SUPPLEMENTARY INFORMATION TO REPORT OF BOARD OF DIRECTORS

PURCHASE OF RESERVES

RESERVES CREDITED FROM PATRONAGE DIVIDENDS COMMENCING 1940-41.

Purchases of Reserves, as authorized at the 1957 Annual Meeting, were completed during 1957-58 in the total sum of \$381,170.69 from the following categories:

Firstly, from 936 estates of members who died on or before December 31, 1957	\$110,712.11
Secondly, from 1,131 members retired from farming at December 31, 1957	160,318.13
Thirdly, from 1,421 members 75 years of age or more at December 31, 1957	109,790.96
Fourthly, from 8 corporate members which have held membership for not less than 20 years - 4% rateably	349.49
	<u><u>\$381,170.69</u></u>

In many cases two or three purchases are required in completing settlement of a deceased member's account because Reserves may be credited a considerable time after death. 319 of the above estates fell in this class, requiring another purchase to take care of reserves credited after completion of purchases in the year 1956-57. The other 617 estates had been recorded since the 1956-57 purchases and represent approximately the number of deaths reported during one year.

At the last Annual Meeting provision was made for purchasing reserves from all members retired from farming and not possessed of land. Formerly reserves could not be purchased from such members who still held grain to market or who had the prospect of receiving patronage dividends on grain already delivered. The removal of these qualifications resulted in a marked increase in purchases from retired members in 1957-58 with payments 53% above corresponding payments in 1956-57.

1,080 of the members whose reserves were purchased on the basis of age were actually 76 years of age or more at December 31, 1957 and most of them had received full settlement for reserves in 1956-57. Another purchase was made to deal with reserves subsequently credited. The other 341 members became 75 years of age during 1957 and had not previously qualified.

The 4% rateable purchase respecting 8 corporate members holding membership of not less than 20 years was the first purchase of this nature and it was provided for under an amendment to our Act of Incorporation in 1957.

Our purchases of reserves herein, first authorized at the 1952 Annual Meeting, now total \$2,820,341.10. Unpaid accounts amounted to \$30,384.16 (1.08% of total purchases) at July 31, 1958. Of this sum, \$29,554.34 was held in estates awaiting administration. \$558.00 was held for 41 members whose addresses were not known and \$271.82 applied to the 1955 5% rateable purchase. Several of these accounts have been paid in the meantime; most of the estates should be settled shortly and efforts are still being made to trace the missing members.

COMMERCIAL AND ELEVATOR RESERVES (1923-28).

Our efforts to locate missing members and the next of kin of those deceased, resulted in a substantial reduction in the unclaimed funds which were held

following the full purchase of commercial and elevator reserves (1923-28) on January 19, 1953. However, it has not been possible to reduce the account by very much in the past few years. During the 1957-58 year \$879.67 was paid in 33 accounts leaving an unclaimed balance of \$114,928.59 (1.38% of total purchases) at July 31, 1958.

CROP CONDITIONS, 1957

Weather and soil conditions were favourable for farm operations during the month of May, and spring seeding of all grains progressed rapidly. At May 15th, 60% of the wheat was in the ground, and by May 31st, it had all been seeded. This was the earliest general seeding of wheat since 1952.

Crops started out with fairly good moisture reserves. However, with hot weather occurring in May, and only scanty spring rains, it became apparent early in June that top soil moisture was inadequate to promote even germination of late sown grain with the exception of southern districts. In the month of June, average rainfall in the Province was only 2 1/4 inches, approximately half as much as in June, 1956. At no time during the growing period was there a general rain. All rainfall was in the nature of local showers.

At the beginning of July when crops were starting to draw more heavily on moisture, reserves were insufficient to enable crops to withstand a period of drought or hot weather. The effects of inadequate moisture supply became evident in the condition of crops at that time. Deterioration continued until at the end of July, the numerical condition was rated at 71, the lowest since 1949. This condition was maintained by good rains which were received at the end of July and during August. Maturity was delayed by cool, showery weather.

Harvesting was largely completed in the southern half of the Province by the end of September. In the central and northern districts progress was intermittent. In the Edmonton area about one-third of the harvest was left to be completed in October, while some forage harvesting in the western districts remained until spring due to rain and an early snowfall.

The Peace River area suffered almost record adversity in the matter of harvest weather. From nine to twelve inches of precipitation was recorded in August. Fields were too wet for operations during most of September and early in October a heavy snow fall occurred. With a good deal of variability in districts it was estimated that one-third to one-half of the grain remained unthreshed and a large proportion of a promising forage seed crop was lost. P.F.F.A. payments were made in many districts. About 40% of unthreshed grain was recovered in spring harvesting.

ALBERTA'S GRAIN PRODUCTION

	— 1957 —			— 1956 —		
	Area acres	Yield per acre	Production bushels	Area acres	Yield per acre	Production bushels
Wheat	4,881,000	19.1	93,000,000	5,296,000	26.5	140,000,000
Oats	2,791,000	34.4	96,000,000	2,935,000	48.7	143,000,000
Barley	3,714,000	25.8	96,000,000	3,606,000	33.6	121,000,000
Rye	114,000	16.7	1,900,000	83,600	15.6	1,300,000
Flax	572,000	8.6	4,900,000	511,000	13.9	7,100,000

GRAIN PRODUCTION

	— 1957 —		— 1956 —	
	Canada — Bushels —	Alberta	Canada — Bushels —	Alberta
Wheat	370,500,000	93,000,000	573,060,000	140,000,000
Oats	380,600,000	96,000,000	524,445,000	143,000,000
Barley	216,000,000	96,000,000	269,065,000	121,000,000
Rye	8,500,000	1,900,000	8,584,000	1,300,000
Flax	19,200,000	4,900,000	34,463,000	7,100,000

WHEAT PRODUCTION IN RECENT YEARS

	Canada bus.	Alberta bus.		Canada bus.	Alberta bus.
1958	367,300,000*	96,000,000*	1953	613,962,000	163,000,000
1957	370,500,000	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

*—Preliminary.

30 Year Average, 1928-57

Canada	400,500,000;	Alberta	124,300,000
--------------	--------------	---------------	-------------

PROTEIN CONTENT OF WHEAT 1957-58

THE THREE PRAIRIE PROVINCES

	Man.	Sask.	Alta.	W. Can.
1 Northern		12.8	13.2	12.9
2 Northern	12.7	13.0	12.9	13.0
3 Northern	13.2	13.4	12.8	13.2
4 Northern	13.0	13.1	12.8	13.0
3 C.W. Garnet			11.8	11.8
All Grades	13.1	13.2	12.8	13.1

VARIETIES OF WHEAT GROWN IN ALBERTA

	1958	1957	1956
Thatcher	64.2	58.7	58.2
Saunders	8.0	9.3	10.4
Chinook	10.2	8.9	9.0
Durum Varieties	3.1	7.9	6.7
Red Bobs	2.6	3.6	4.2
Marquis	2.1	3.3	3.5
Rescue	2.9	2.6	2.7
Garnet	1.4	1.5	1.8
Others	5.5	4.2	3.5

ALBERTA—QUALITY OF WHEAT MARKETED

The table below gives a breakdown, by grades, of wheat marketed through Alberta Wheat Pool elevators during the 1957-58 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.

	— 1957-58 —			— 1956-57 —			
	Straight	Tough & Damp		Total	Straight	Tough & Damp	
		%	%			%	%
1 Northern .....	.14	.....	.14	.20	.....	.....	.20
2 Northern	20.49	.02	20.51	15.43	.01	.....	15.44
3 Northern	26.79	.26	27.05	20.63	.36	.....	20.99
4 Northern	25.60	2.35	27.95	19.36	1.02	.....	20.38
No. 5	8.44	1.44	9.88	22.37	1.46	.....	23.83
No. 6	1.73	.41	2.14	6.34	.48	.....	6.82
Feed .....	.19	.10	.29	.67	.12	.....	.79
Amber Durum .....	.....	.....	8.80	.....	.....	.....	8.43
Other Grades .....	.....	.....	3.24	.....	.....	.....	3.12
	83.38	4.58	100.00	85.00	3.45	.....	100.00

MAXIMUM TARIFF OF CHARGES AND SHRINKAGE ALLOWANCE—1957-58

Maximum elevator charges and shrinkage allowances were established by the Board of Grain Commissioners as follows:—

Season 1957-58 ELEVATION CHARGES

	Western Country Elevators (per bushel)	Ft. William/Port Arthur and Vancouver Terminal Elevators (per bushel)
Wheat	2 $\frac{3}{4}$ c	2 $\frac{1}{4}$ c
Oats	2 $\frac{1}{4}$ c	2 $\frac{1}{4}$ c
Barley	2 $\frac{3}{4}$ c	2 $\frac{1}{4}$ c
Rye	2 $\frac{3}{4}$ c	2 $\frac{3}{4}$ c
Flax	4 $\frac{7}{8}$ c	3 $\frac{7}{8}$ 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 seller.

Shrinkage Allowance

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

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 1957-58 season handling margins were the same as in the previous year, namely:—

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

The storage rate was raised to 1/30th of a cent per bushel per day.

CANADIAN WHEAT BOARD PAYMENTS

WHEAT 1956-57

Grades:	Initial Payment	Interim Payment Feb. 17/58	Final Payment July 2/58	Total Payment	(Dollars per bushel)
					Feb. 17/58
No. 1 Northern	1.40	.10	.08838	1.58838	
No. 2 Northern	1.36	.10	.08892	1.54892	
No. 3 Northern	1.32	.10	.05978	1.47978	
No. 4 Northern	1.25	.10	.02880	1.37880	
No. 5 Wheat	1.08	.10	.07521	1.25521	
No. 6 Wheat	1.02	.10	.05871	1.17871	
Feed Wheat .....	.96	.10	.08886	1.14886	
No. 1 Amber Durum	1.50	.25	.19804	1.94804	
No. 2 Amber Durum	1.47	.25	.22054	1.94054	
No. 3 Amber Durum	1.40	.25	.24204	1.89204	

WHEAT 1957-58

For the 1957-58 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
No. 2 Northern	1.36
No. 3 Northern	1.32
No. 4 Northern	1.25
No. 5 Wheat	1.08
No. 6 Wheat	1.02
Feed Wheat	\$.96
No. 1 Amber Durum	1.50
No. 2 Amber Durum	1.47
No. 3 Amber Durum	1.40
Extra 4 Amber Durum	1.34
No. 4 Amber Durum	1.31

BARLEY 1956-57

Initial Payment	Final Payment June 10/58	Total Payment
(Cents per Bushel)		
No. 2 C.W. Six Row	98	8.92187
No. 3 C.W. Six Row	96	6.01103
No. 4 C.W. Six Row	90	4.80776
No. 2 C.W. Two Row	91	15.12279
No. 3 C.W. Two Row	88	10.30437
No. 1 Feed	87	5.15372
No. 2 Feed	83	6.83067
No. 3 Feed	76	10.99679
		86.99679

BARLEY 1957-58

Initial payment for the principal grades of barley in 1957-58 remained the same as in 1956-57 with the exception of No. 4 C.W. Six Row which was reduced by 2 cents per bushel. At the time this report was prepared no interim or final payment had been made.

OATS 1956-57

The operations on the 1956-57 Pool Account - Oats resulted in a deficit of \$2,113,093.24 which was funded by the Government of Canada. As a result of this deficit no final payment was made to producers.

OATS 1957-58

For the 1957-58 season initial prices for some of the principal grades were established as follows:

	Initial Payment per bushel
No. 2 Canada Western .....	.60
Extra No. 3 Canada Western .....	.57
No. 3 Canada Western .....	.57
Extra No. 1 Feed .....	.57
No. 1 Feed .....	.55
No. 2 Feed .....	.50
No. 3 Feed .....	.45

At the time this report was prepared no interim or final payment had been made.

DELIVERY QUOTA POLICY—1957-58

On July 23, 1957 The Canadian Wheat Board announced the main features of its delivery quota policy for 1957-58. These were:

(1) The initial delivery quota for each permit holder effective August 1, 1957, 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.

(2) Following the initial quota the Board provided for general delivery quotas based upon each permit holder's specified 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. The first general quotas were established by mid-September.

(3) 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. The Durum wheat quota was increased to eleven bushels per seeded acre with a minimum delivery of 400 bushels. Flaxseed was placed on an open quota basis on November 11, 1957.

(4) Over-quota provisions for the delivery of barley suitable for malting were continued in the crop year. Effective August 1, 1957, producers could deliver one carlot of barley suitable for malting providing a sample of such barley had been accepted by a maltster or shipper on a premium basis. Later in the crop year, over-quota deliveries on such barley were increased to two carlots and in the case of Two-Row varieties, to three carlots. Supplementary quotas up to six bushels per seeded acre were established on feeding grades of barley.

(5) Effective on November 7, 1957 a supplementary quota of five bushels per seeded acre was established for rye with a minimum delivery of 150 bushels. Later in the crop year the supplementary rye quota was increased to fifteen bushels per seeded acre with a minimum delivery of 450 bushels.

(6) Early in the crop year a supplementary quota of five bushels per seeded acre was established for Soft White Spring wheat; this supplementary quota was increased to ten bushels, later to fifteen bushels per seeded acre. In early July, Soft White Spring wheats were placed on an open quota basis.

(7) The usual provisions were made whereby producers could secure registered and certified seed on the basis of limited over-quota deliveries of commercial grades.

MARKETING QUOTAS BY PROVINCES AS AT JULY 31st, 1958

Alberta

6 Bu. per specified acre	219
7 Bu. per specified acre	347
Closed Stations	22
	588

Manitoba

7 Bu. per specified acre	375
Closed Stations	1
	376

Saskatchewan

6 Bu. per specified acre	98
7 Bu. per specified acre	995
Closed Stations	8
	1,101

British Columbia

6 Bu. per specified acre	4
	—

All Provinces

6 Bu. per specified acre	321
7 Bu. per specified acre	1,718
Closed Stations	32
	2,071

On July 24, 1958, The Board announced that effective August 1, 1958 acreages seeded to Durum wheat would form part of the producer's specified acreage.

During the crop year producers marketed 576 million bushels of grain and flaxseed as compared with 585 million bushels in the previous crop year.

REPORT OF THE GENERAL MANAGER

— to the —

THIRTY-SIXTH ANNUAL MEETING OF DELEGATES

November 25th, 1958

To the Chairman and Delegates,
Alberta Wheat Pool.

Gentlemen:

The 1957-58 crop year was not eventful for the grain business in Alberta, with the Wheat Pool operation following much the same pattern as in the previous year. There are indications, however, that after a period of great stability and security, we may be approaching the time when unfilled elevators in some areas bring an end to the unprecedented series of profitable years in grain handling. Year-end farm stocks were considerably reduced and, in spite of the successful harvesting of another good crop, many farm bins will be empty by next July if the high rate of disappearance through feeding and export continues. The formation of a seed division provided an important extension of Wheat Pool services to members and a measure of stability to the seed business in Alberta.

Country Elevator Operations

At the end of the crop year 202 points were on a six-bushel quota and 233 points on a seven-bushel quota. Receipts of all grains were 56,888,650 bushels compared with 61,457,190 bushels in the previous year. In addition your elevators handled 421,678 bushels of bulk seed consisting mainly of rapeseed. Average receipts per elevator were 106,645 bushels.

This reduction of almost 5,000,000 bushels in handling occurred in spite of the fact that our share of the Alberta deliveries remained at 37 per cent. Grain in store in our country elevators at July 31 was 37,215,000 bushels, which was practically the same as at July 31, 1957. The reduction in Alberta deliveries can be accounted for largely by smaller Eastern shipments.

On the other hand exports from the Pacific Coast were at an all time high of nearly 174,000,000 bushels. The Alberta Pool shipped West about the same amount as in the previous year, so it is obvious that the increased business came from Saskatchewan points having a less favourable freight rate to Vancouver than Alberta points. This was done to equalize quotas between provinces.

The regular weighing of stocks in country elevators is the only positive way of checking the agent's grain handling performance. During the long period of congestion it has been impractical to

complete regular cut-offs. This resulted in a most unsatisfactory condition for both management and the agents. Every effort was made during the past year to secure cut-offs at points which had not been weighed up for some time or at points where a grade loss was anticipated. The 139 elevators weighed up showed a gross overage of only .095 of 1%, which indicates that agents have weighed accurately and consistently with our general weighing policy.



A. T. BAKER
General Manager

The careful supervision which has been maintained over grading has prevented grade losses from becoming as high as might be expected under the difficult operating conditions of the last few years. The grade loss of \$37,462 is a considerable improvement over the previous year. Stocks at the end of the year were very closely graded and as a result little variation is expected in the 1958-59 crop year from the grades placed on stocks in country elevators at July 31 last.

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

Terminal Operations

Exports of grain from the Port of Vancouver during 1957-58 reached a record of 156,000,000 bushels. The Pool terminal also established a record by handling 46,485,488 bushels of grain and oil seed. Details of receipts and shipments are shown in Appendix "A". As in previous years, we received grain from other companies and

diverted to them as conditions warranted. Premiums were paid or received in connection with these diversions.

During the year additional cleaning facilities for small seeds were installed in the Vancouver terminal and provision was made for loading screenings on trucks. The concrete restoration was completed, trestle repairs continued and considerable work was done on conveyors, dumpers, cleaners and dust control system. The new access road and underpass were completed. Regular preventive maintenance was instituted in the expectation of substantial savings in repair costs.

Except for very brief periods, the terminal operated with an average of about 2,000,000 bushels of available space. It was impossible to get from the Wheat Board enough country shipping orders to make use of this without disturbing the established formula and we were unable to secure diversions from companies with a surplus of cars in the Vancouver area. This is one more instance of the injustice inflicted on the Pool member by the present system of car allocation.

The Port Arthur terminal was again leased by Manitoba Pool Elevators under a satisfactory joint operating agreement. Total receipts of grain by terminals operated by the Manitoba Pool were down substantially from the previous year. This was caused partly by smaller shipments from the country and partly because the lease on terminal #6 was relinquished, thereby reducing their plant to the point where it was necessary to divert over 12,000,000 bushels to other terminals. A diversion premium was received on this grain.

It is interesting to note that during the past two years all three Wheat Pools have made plans for increasing their terminal capacity so that they may better serve their members. The Alberta Wheat Pool constructed 2,000,000 bushels of additional storage space and increased its cleaning capacity by 65 per cent at Vancouver. The Saskatchewan Wheat Pool bought the 7,400,000 bushel #6 Terminal relinquished by the Manitoba Pool, and the Manitoba Pool delegates at their recent convention authorized the construction of 2,500,000 bushels of storage at Port Arthur. Other companies have not added to their terminal capacity.

Operating Results

Net earnings for the 1957-58 crop year were \$2,365,604 after taking into account normal and special capital cost allowances totalling \$1,383,490. In the previous year the net earnings were \$1,292,815 after providing for normal and special capital cost allowances of \$2,020,861. An increase in storage rates provided additional revenue from carrying charges. Terminal earnings were somewhat better on account of the larger handlings at Vancouver. The resulting higher gross earnings, together with a reduction in

capital cost allowances, accounted mainly for the increase in the net earnings. The cost of salaries, materials and services continued to advance in both country and terminal operations.

Working Capital

Pursuant to your instructions at the last annual meeting, the 1957-58 capital programme was financed from the funds retained out of 1956-57 earnings and funds recaptured by the return of capital cost allowances on the investment in properties. The latter was a charge against the earnings of 1957-58. The balance of the funds remaining from these two sources was added to the working capital, bringing it to an all time high of \$9,648,901 at July 31. The unpaid portion of the cost of the office building, scheduled for completion in December, 1959, in the amount of \$2,275,181, was then set up as a current liability, thereby reducing the working capital to \$7,373,720 compared to \$8,963,392 at the end of the previous year. The liability has been incurred although a large part will not be paid out until 1959-60. Delegates will be asked to authorize action to provide the money to meet this liability and strengthen the liquid position of the organization. No provision has been made in the current liabilities for repayment of the \$3,500,000 mortgage loan from the Bank of Montreal, due February 1, 1959, as arrangements will be made to extend all or part of this loan.

Capital Expenditures

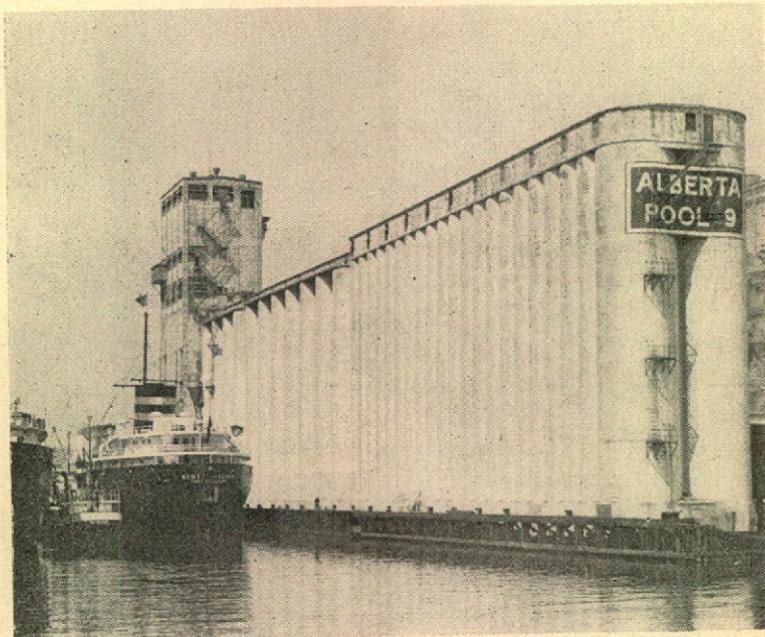
Capital expenditures during the year plus the outstanding commitments at the end of the year for construction of elevators and office building amounted to \$3,386,295, the details of which are shown in the attached schedule. It is anticipated that capital expenditures of at least \$1,000,000 will be required annually to maintain our plants and equipment in a satisfactory state of operating efficiency.

Properties

At the beginning and end of the 1957-58 season Alberta Wheat Pool owned 533 elevators. During the year elevators were constructed at McLennan, Minburn, Vegreville, Islay, Rockyford, Youngstown, Kathryn, Woking and Spruce Grove. The old elevator at Islay was dismantled. Fire destroyed the elevators at Green-shields, Spruce Grove and Woking. The old elevators at Kathryn, Minburn, Rockyford, Vegreville and Youngstown were converted to twin annexes. Two annexes at Spruce Grove and one each at Green-shields and Woking were destroyed by fire. A temporary balloon annex at Kathryn was dismantled. The total number of annexes, including the old elevators which were converted, remains at 560. Electric power systems have been installed in 381 of our present elevators; 152 are powered by other means. Storage capacity was

increased during the year by 288,100 bushels, bringing the total grain storage capacity at country points to 40,239,850 bushels. In addition, off-site buildings storing 2,132,110 bushels were rented for temporary storage.

Following your instructions given at the last meeting, additional emphasis was placed on improving dwellings. Nine new dwellings were constructed or purchased during the year and 15 which were unsuitable, or no longer needed, were sold, bringing the total owned at the end of the year to 404. Your organization also owns 24 coal sheds, 11 flour sheds and 2 warehouses. The 2 warehouses are located at Calgary and used for storing country elevator materials and supplies. Alberta Wheat Pool now owns 4 seed cleaning plants and 31 seed warehouses.



Loading grain at the Pool's Port Arthur Terminal.

The maintenance program for the year included the painting of 92 elevators, 46 annexes and 88 dwellings. As our buildings become older there is an increasing demand for repairs to our properties and a continuous inspection and repair programme has maintained these properties in good condition so far as we have been able to ascertain under the present congested conditions.

Seed Division

On August 1, 1957, the Alberta Wheat Pool took over the assets of the Alberta Seed Growers' Co-operative Limited at a

price of \$315,000, part of which has been paid. Payment of the balance is authorized and will be made whenever the liquidator is in a position to make final distribution to their reserve holders.

The first year of operations was considered very satisfactory despite many unfavourable factors which entered into these operations. Considerable reorganization was involved in establishing our own seed division and taking over the premises and staff of the former Seed Co-operative. It was necessary to secure grower acceptance of our ability to handle seed on a profitable basis. A short crop of grasses, red clovers and alsike, together with unfavourable harvesting conditions resulted in low yields and inferior quality. In consequence our receipts from growers were only 3,500,000 pounds of forage seed, much lower than the average of the Seed Growers' Co-operative for some years. Sales by elevator agents exceeded expectations and it was necessary to purchase seed from competitors in order to meet sales requirements. During the year the seed plant of the Sangudo-Mayerthorpe Seed Co-operative Limited was purchased. Under the many handicaps involved in starting up a business of this nature there is much satisfaction in reporting that in the first year of operations the loss for the seed division was restricted to \$13,483.

Better crop conditions and an improved grower relationship have assured much higher handlings in 1958-59. A personnel training program undertaken last year should result in a better handling organization. Repairs and improvements have increased the operating efficiency of our plants and the painting of warehouses has improved the appearance of these structures in the country. The results of 1958-59 will depend upon our success in expanding markets.

Winnipeg Office

The Winnipeg office continued to handle all Eastern shipments from our elevators in Alberta. Due to a record overseas export movement through Vancouver and Prince Rupert, the amount of grain shipped to Eastern destinations declined sharply from a total of 15,000,000 bushels last year to 11,000,000 bushels during the year under review.

Because of the advantage in price and transportation costs, 1,500,000 bushels of Flax were shipped to Vancouver or about three times the quantity shipped to the Lakehead. The hedging of all Flax and Rye purchased at our country elevators is handled through this office regardless of the destination to which it is shipped. Shipments of Barley to Eastern destinations of some 4,000,000 bushels were approximately the same as the previous year, of which 2,600,000 bushels represented malting Barley selected by domestic maltsters and exporters for which malting premiums and overdelivery permits were obtained for our Barley growers. The installation of a direct Telex communication system between

the Calgary and Winnipeg offices has given improved service to our members in this respect. Under an arrangement with the Saskatchewan Pool, the grades of all cars of grain shipped to Eastern destinations are carefully checked on inspection and unload, and advices sent to elevator agents and to our head office operating departments.

A close liaison with members and officials of the Canadian Wheat Board and the Board of Grain Commissioners is maintained and it is possible for us to be represented at frequent meetings held by both Boards with elevator operators and also with the Railway Companies, at which operating and transportation problems are discussed. Through contact with shippers and exporters, we are able to keep abreast of the export movement as it affects shipments of grain from Alberta, either via the Pacific or Atlantic routes.

Edmonton Office

This office maintains a close contact with head office, elevator agents, travelling superintendents, delegates and Pool members in the Edmonton area; grades and reports on samples submitted by country agents; checks bag samples taken from all cars passing through the Edmonton inspection division and consigned to the Alberta Wheat Pool; takes care of car diversions which apply against sales to feeders, mills and malting companies; and since the recent transfer of the Plant Products Division laboratory to Edmonton, handles all samples of grain submitted for germination test.

Change in Government Inspection Method

A change was made by the Government Inspection Branch, effective August 1, 1958. The inspection of cars at primary points such as Edmonton, Calgary and Winnipeg was discontinued, the reason being that most cars are loaded too full for proper probing and sampling and it was felt this method was no longer useful. In its place agents now hang two pound samples of the carlot inside the door of the car and these samples are collected and graded by the Inspection Branch. This grade is not official but serves as a guide to the agent. An official grade is placed on the car when unloaded at the terminal.

Public Relations

Increasing attention is being given the activities and the objectives of the Alberta Wheat Pool's public relations and educational departments - Publicity, Field Service and Country Information. Part of this stems from what must be the aim of all management — to provide steadily improving performance, but mainly it is the result of two important factors which, with the passing of time, have become increasingly apparent. First, since the inception of the

Alberta Wheat Pool a generation ago, there has been almost a complete turnover in the farming population. Many of the younger men are not fully aware of the achievements of the Wheat Pool on behalf of farm people and its potentialities for the future. These men must be made completely familiar with its operations, activities and objectives if they are to become the loyal and interested members which are so essential to continued success. Secondly, as the economy of the province continues to expand and diversify, agriculture no longer holds the predominant position it once held. Intensified effort is required to create and maintain in the province's growing population a favourable attitude toward this organization and the problems of agriculture.

To keep abreast of these changing conditions the Alberta Wheat Pool must continue to expand and strengthen its public relations activities. Considerable time and thought is being given this whole field, programmes have been expanded and new and improved techniques are now being employed. The activities of the three departments are outlined in some detail in the Supplementary Report.

Staff

It is with pleasure that I record my deep appreciation for the increasingly efficient service of our employees resulting from a growing loyalty to the Pool and a better understanding of its objectives.

The Board has continued to recognize long service by the presentation of gold watches to seven employees who have completed twenty-five years in the service of the Alberta Wheat Pool. The number of employees who have received this award now totals 207, and of this number 137 are still employed.

During the past year the retirement occurred of T. E. Oliver, Assistant General Manager; R. B. Saunders, Edmonton Manager; F. C. A. Clark, Assistant to the Comptroller; and George A. W. Wilson, Purchasing Agent. Agents who retired included F. C. Miller, T. Barry and H. G. Lee. Three of our Vancouver employees, J. N. Murdock, J. E. Austin and Charles Hay, also retired. All of these men served the organization well during long periods of service.

Changes were made in some of the key positions in our organization. J. A. Crawford was made General Superintendent; H. N. Merrick was promoted from Travelling Superintendent to Divisional Superintendent; H. K. Moen was made Manager of the Seed Division; M. G. Wood was appointed Edmonton Manager; R. A. Findlay appointed Supervisor of the Cereals Branch of the Seed Division; and A. Froebel, Supervisor of the Forage Seeds Branch of the Seed Division. F. E. Ball, A. J. Moore and G. S. White, former agents, were appointed Travelling Superintendents. J. M. Gardiner was made Treasurer and S. M. Vickerson, Chief Accountant.

It is with deep regret that we have to report the death of J. S. Hood, agent of Foremost; W. A. McDougall, agent at Aldersyde; and L. E. McFadden, agent at Vermilion. All of these men had served our organization faithfully for many years.

Conclusion

In recent years the grain business of Western Canada has been carried on under abnormal conditions. During this time the position of the Pool has been greatly improved by taking full advantage of the circumstances in which we found ourselves. There has been a substantial increase in country and terminal elevator capacity — nearly all paid for. Provision has been made for moving head office into one of the finest fully modern buildings in Alberta, which will be a credit to the farm people and a help in establishing the prestige of the agricultural industry on a basis of equality with any other. Properties have been kept in excellent repair. The capital structure has been firmly established on a sound basis and the revolving of reserves kept fully up to date, so that the ownership is entirely in the hands of those who have use for elevators. Services to members have been expanded. Our financial position is the strongest ever. Probably the most important of all has been the development of a properly organized and highly trained group of employees, which assures that your business will be well and efficiently conducted in the years which lie ahead. These accomplishments, all representing progress, should give our members a satisfying sense of achievement and justify facing the future with confidence.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "A. T. Baker". The signature is fluid and cursive, with a large, stylized 'A' at the beginning.

General Manager.

GENERAL MANAGER'S REPORT

Appendix "A"

Receipts from Producers 1957-58

	Through Country Elevators	Platform Shipments	Total	Last Year
Wheat	33,872,401	7,884	33,880,285	37,368,755
Oats	4,387,516	—	4,387,516	5,668,141
Barley	16,086,146	28,916	16,115,062	15,423,135
Flax	1,672,749	3,811	1,676,560	2,575,316
Rye	822,919	6,308	829,227	421,843
	<u>56,841,731</u>	<u>46,919</u>	<u>56,888,650</u>	<u>61,457,190</u>
Bulk Seeds	<u>421,678</u>		<u>421,678</u>	<u>193,506</u>

Vancouver Pool Terminal

Shipments from Country Points:	1957-58	Last Year
Alberta Wheat Pool	40,104,269	40,191,536
Saskatchewan Wheat Pool	6,219,884	6,406,407
Other Sources	1,348,167	429,872
	<u>47,672,320</u>	<u>47,027,815</u>
Total	47,672,320	47,027,815
Less Diverted to Other Terminals	3,531,594	4,753,187
	<u>44,140,726</u>	<u>42,274,628</u>
Bulk Seeds Unloaded	<u>2,344,762</u>	<u>399,439</u>

Vancouver Terminal Receipts by Grains

	1957-58	Last Year
Wheat	33,186,329	32,416,223
Oats	933,611	459,616
Barley	8,233,553	8,810,673
Flax	1,783,132	581,772
Sample Mxd. Grain	2,272	848
M. F. O.	1,829	5,496
	<u>44,140,726</u>	<u>42,274,628</u>
Total Grain	44,140,726	42,274,628
Rapeseed	2,316,952	399,439
Mustard	26,135	
Safflower	1,675	
	<u>46,485,488</u>	<u>42,674,067</u>
Total unloaded	<u>46,485,488</u>	<u>42,674,067</u>

Manitoba Pool Terminals

Shipments from Country Points:	1957-58	Last Year
Alberta Wheat Pool	7,406,636	10,885,706
Manitoba Pool Elevators	37,440,085	35,313,268
Other Sources	434,995	11,505,375
	<u>45,281,716</u>	<u>57,704,349</u>
Total	45,281,716	57,704,349
Less Diverted to Other Terminals	12,474,598	97,541
	<u>32,807,118</u>	<u>57,606,808</u>
Unloaded in Manitoba Pool Terminals	<u>32,807,118</u>	<u>57,606,808</u>

GENERAL MANAGER'S REPORT
Appendix "B"

DESTINATIONS OF ALBERTA WHEAT POOL SHIPMENTS

	(GROSS WEIGHTS)	1957-58 BUSHELS	1956-57 BUSHELS
Vancouver		37,955,739	38,141,088
Prince Rupert		3,240,113	3,047,133
New Westminster		157,298	134,877
Victoria		—	31,838
B.C. Domestic		902,431	905,299
Miscellaneous - B.C.		—	5,700
Alberta Terminals, Mills, Etc.		4,656,125	4,556,883
Saskatchewan Terminals, Mills, Etc.		686,925	1,477,296
Manitoba Terminals, Mills, Etc.		894,483	1,224,656
For William - Port Arthur		9,550,499	13,278,049
		<hr/> 58,043,613	<hr/> 62,802,819

VANCOUVER POOL TERMINAL SALES

1957-58

	EXPORT	DOMESTIC
	(Bushels)	(Bushels)
Wheat	—	841,718
Oats	560,000	698,578
Barley	—	409,786
Flax	1,415,845	—
Rye	252,217	21,953
Mixed Feed Oats	—	363,852
	<hr/> 2,228,062	<hr/> 2,335,887
Screenings (Tons)		<hr/> 29,688

**CAPITAL EXPENDITURES AND
COMMITMENTS 1957-58**

Country Elevators	\$ 384,940.05
Country annexes	50,104.63
Dwellings	201,098.46
Vancouver Terminal	141,557.36
Port Arthur Terminal	75,969.77
Seed Division Properties	343,123.82
Automobiles and Trucks	69,577.36
Calgary Office Building	2,351,631.00
Equipment	32,346.70
	<hr/> 3,650,349.15
Less Recoveries	264,053.80
	<hr/> \$ 3,386,295.35

GENERAL MANAGER'S REPORT
Appendix "C"

Country Elevator Shipments

	<u>Alberta</u>	<u>1957-58</u>	<u>Manitoba</u>
	<u>Saskatchewan</u>		
Wheat	89,404,000	242,656,000	41,101,000
Oats	17,021,000	27,877,000	22,476,000
Barley	42,059,000	55,858,000	20,470,000
Flax	3,680,000	8,467,000	3,090,000
Rye	2,150,000	3,942,000	1,007,000
	<u>154,314,000</u>	<u>338,800,000</u>	<u>88,144,000</u>

	<u>Alberta</u>	<u>1956-57</u>	<u>Manitoba</u>
	<u>Saskatchewan</u>		
Wheat	101,385,000	216,997,000	39,845,000
Oats	11,259,000	24,687,000	16,208,000
Barley	41,462,000	51,053,000	22,536,000
Flax	5,279,000	15,158,000	6,290,000
Rye	1,647,000	3,368,000	859,000
	<u>161,032,000</u>	<u>311,263,000</u>	<u>85,738,000</u>

Lakehead Terminal Receipts

		<u>1957-58</u>	<u>1956-57</u>
Wheat		176,400,000	195,200,000
Oats		55,100,000	49,600,000
Barley		80,200,000	77,700,000
Flax		10,100,000	22,600,000
Rye		5,300,000	5,900,000
		<u>327,100,000</u>	<u>351,000,000</u>

Exports From Eastern Seaboard (Including Maritimes)

	<u>1957-58</u>	<u>1956-57</u>	<u>(Can. Grain through U.S. Ports)</u>
			<u>1956-57</u>
Wheat	120,289,000	101,536,000	480,000
Oats	2,000,000	197,000	
Barley	23,032,000	24,149,000	
Flax	7,646,000	18,236,000	196,000
Rye	939,000	1,094,000	
	<u>153,906,000</u>	<u>145,212,000</u>	<u>676,000</u>

Exports to United States

		<u>1957-58</u>	<u>1956-57</u>
Wheat		7,166,000	5,872,000
Oats		21,581,000	17,615,000
Barley		21,458,000	21,562,000
Flax		—	
Rye		3,152,000	4,353,000
		<u>53,357,000</u>	<u>49,402,000</u>

Shipments from Churchill

		<u>1957-58</u>	<u>1956-57</u>
Wheat		18,395,000	16,250,000
Oats		57,000	101,000
		<u>18,452,000</u>	<u>16,351,000</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,
24th October, 1958.

Dear Sirs:—

We have completed our examination of the books of account of your association for the year ended 31st July, 1958 and submit herewith the undernoted statements which are in accordance with the books:

1. Balance sheet as at 31st July, 1958.
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, 1958 and 31st July, 1957.

OPERATIONS

Operations of the year resulted in net earnings of \$2,365,604.19, as summarized below:

Total operating revenue	\$11,909,458.77
Total operating expense	8,160,364.38
Earnings before providing for rental of elevator facilities	\$ 3,749,094.39
Deduct Rental equivalent to capital cost allowance or depreciation on structures and equipment	1,383,490.20
Net Operating Earnings	\$ 2,365,604.19

Pending decision of your delegates as to distribution, this amount less \$54,000.00 paid on account of income taxes is shown on the balance sheet as a current liability.

BALANCE SHEET

Stocks of Grain, Seed, Sacks and Coal—\$39,388,044.91

The above amount represents the value of all grain, etc. 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 139 points during the year and the stock records in respect of these points were adjusted accordingly. At all other points, inventories as shown by the stock records have been taken into account without adjustment. Stocks at the Vancouver terminal were not weighed over during the year and therefore the book stocks have been accepted.

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

Reserves—\$10,280,036.12

At the last annual meeting of delegates a resolution was passed instructing the Board of Directors to apply for the necessary amendments to "The Alberta Wheat Pool Act", to increase the capital of the Pool by increasing reserves from \$10,000,000.00 to \$15,000,000.00.

The Act of Incorporation was duly amended at the last session of the Alberta Legislature and Section 48 of the Act shows the authorized increase to \$15,000,000.00.

Changes in the reserves during the year are summarized hereunder:

Reserves issued as at 31st July, 1957		\$10,000,000.00
Deduct Purchases during		
the year	\$381,170.69	
Reserves purchased		
in advance 1956-7	667.61	381,838.30
		<hr/>
		\$ 9,618,161.70
Add Distributed as Patronage dividend 1956-7	\$661,591.88	
Adjustment of		
prior years	282.54	661,874.42
		<hr/>
Reserves issued as at 31st July, 1958		<u>\$10,280,036.12</u>

Income Taxes

The returns for income taxes have been assessed up to and including the year ended 31st July, 1956. The return for the year ended 31st July, 1957 has been filed but is still subject to review by the Department. Payments have been made in respect of the return and we believe these are adequate. The liability for income tax in respect of the year under review will be determined following the decision of your delegate as to the distribution of current 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, 1958

ASSETS

Current—

Cash in banks, on hand and in transit	\$ 477,907.64
Stocks of grain, seed, sacks and coal	39,388,044.91
Advances on grain	10,373.85
Accounts receivable	1,033,606.93
Accrued items receivable	71,320.91
Prepaid expenses	352,037.91
	\$41,333,292.15

Deferred—

Accounts receivable	43,762.64
---------------------------	-----------

Shares and Investments—

Alberta Pool Elevators Limited (fully paid)	\$ 4,850,000.00
Pool Insurance Company - (Par value \$75,000.00 called up 74% plus premium of \$62.00 per share)	102,000.00
Canadian Pool Agencies Limited (fully paid)	6,670.00
Seed Cleaning Plants and Associations	400.00
	4,959,070.00

Fixed Assets—

Grain Exchange memberships	9,302.00
----------------------------------	----------

\$46,345,426.79

CALGARY, Alberta, 24th October, 1958.

We have examined the balance sheet of Alberta Wheat Pool as at 31st July, 1958 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, 1958

LIABILITIES

Current—

Outstanding cheques, cash tickets and orders....	\$ 5,544,951.30
Bank grain loans	18,978,000.00
Call loans	3,388,123.60
Members loans	68,113.33
Accounts payable	776,491.97
Accrued items payable	274,876.89
Growers - outstanding payments	217,473.57
Net earnings - Season 1957-58	\$ 2,365,604.19
Less Prepaid income tax	54,000.00
	2,311,604.19
	\$31,559,634.85

Internal—

Alberta Pool Elevators Limited	1,740,164.75
--------------------------------------	--------------

Reserves and Surplus—

Reserves -	
Authorized	\$15,000,000.00
Issued to members	\$10,280,036.12
Surplus retained from earnings of previous years	2,765,591.07
	13,045,627.19

Contingent Liability—

Bank of Montreal debentures	\$ 3,500,000.00
-----------------------------------	------------------------

\$46,345,426.79

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, 1958 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, 1958

EXPENSES

Elevator Operating Expenses		
Salaries and wages		\$2,270,224.50
Helpers' wages		153,724.85
Repairs—		
Country elevators	\$429,232.11	
Dwellings	105,987.80	
Elevator grounds and approaches	7,272.05	
Terminals	411,954.59	954,446.55
Taxes—		
Municipal and school	\$461,693.38	
Business	15,015.00	476,708.38
Insurance—		
Grain	\$121,224.20	
Buildings	78,652.00	
Fidelity bonds	5,464.94	
Public liability	1,259.76	206,600.90
Power - Electric and natural gas		153,921.78
Rentals - Off-sites		135,037.20
Tools, supplies and repair parts		83,799.73
Annex transfer charges		60,289.09
Off-site transfer charges		9,584.62
Heat, light and water		38,857.29
Site rentals		35,843.73
Telephone rentals	\$ 20,984.03	
Telephone tolls and telegrams	11,085.04	32,069.07
Travelling and moving		23,635.35
Workmen's Compensation Board		21,832.68
Printing, stationery, supplies		21,245.53
Unemployment Insurance		18,777.24
Postage and box rentals		17,751.55
Gasoline and engine fuel		14,552.99
Car repairs and liners		9,916.08
Broadcasting grain prices		8,147.66
Boiler, scale and air tank inspections		7,017.20
Agents' meeting expenses		6,919.78
Licenses and bonds		5,904.42
Vac-U-Vator expenses		4,543.20
Mail allowances		4,453.50
Freight, express and trucking		4,423.18
Receiving grain prices		4,055.35
Lubricating oils and greases		3,947.57
Medical services		3,063.06
Terminal registration fees		1,872.11
Electrification line installation costs		1,600.00
Fuel for dryers		1,018.04
Automobile allowance		300.00
Professional fees and expenses		205.60
Portable cleaner maintenance		36.50
Miscellaneous		2,566.70
Carried Forward		\$4,798,892.98

ALBERTA WHEAT POOL

Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1958

REVENUE

Gross revenue from trading and grain operations	\$ 3,347,206.82
Country carrying charges from Canadian Wheat Board	5,742,805.43
Terminal elevation charges	1,142,362.83
Storage charges	413,741.73
Gross revenue - Seed Division	374,954.83
Cleaning and separation charges	252,707.51
Port Arthur terminal earnings	188,995.51
Diversion premiums	168,019.98
Rentals - Dwellings, etc.	117,859.55
Wharfage charges	96,698.57
Services to ships	47,276.23
Drying charges	5,225.63
Coal operations	2,411.22
Rentals - Portable grain cleaners	368.50
Miscellaneous revenue	8,824.43

Carried Forward

\$11,909,458.77

ALBERTA WHEAT POOL
Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR
ENDED 31st JULY, 1958 (Continued)

EXPENSES (Continued)

Brought Forward \$ 4,798,892.98

Office and General Expenses

Salaries and wages	\$ 726,758.41
Rentals	57,581.00
Equipment rentals	36,802.50
Printing, stationery, supplies	29,481.01
Telephone tolls and telegrams	\$ 7,132.59
Telephone and teletype rentals	14,275.62
	21,408.21
Postage and meter rentals	19,921.49
Audit fees and expenses	13,000.00
Travelling and moving	7,451.33
Business taxes	5,975.82
Insurance and maintenance of office equipment	5,821.83
Workmen's Compensation Board	5,195.15
Membership lists and ballots	4,298.21
Unemployment Insurance	4,005.35
Light and power	3,397.46
Membership fees	3,064.50
Freight, express, trucking	2,764.39
Property taxes	2,533.87
Automobile expenses and allowances	2,459.21
Professional fees and expenses	1,432.21
Repairs and alterations	797.09
Entertainment	694.98
Licenses and bonds	439.50
Fidelity bonds	348.93
Legal fees and expenses	331.32
Miscellaneous	10,917.15
	966,880.92

Elevator Superintendence

Salaries	\$ 138,155.90
Travelling and moving	20,567.02
Automobile expenses	16,442.21
Telephone tolls and telegrams	\$ 5,948.71
Telephone rentals	313.30
	6,262.01
Rentals	1,881.60
Automobile insurance	1,509.77
Supplies	906.77
Workmen's Compensation Board	698.27
Printing, stationery, supplies	526.17
Unemployment Insurance	363.81
	187,313.53

Carried Forward \$ 5,953,087.43

ALBERTA WHEAT POOL
Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR
ENDED 31st JULY, 1958 (Continued)

REVENUE (Continued)

Brought Forward \$11,909,458.77

Carried Forward \$11,909,458.77

ALBERTA WHEAT POOL
 Calgary, Alberta

**STATEMENT OF OPERATIONS FOR THE YEAR
 ENDED 31st JULY, 1958 (Continued)**

EXPENSES (Continued)

Brought Forward		\$ 5,953,087.43
Elevator Maintenance		
Salaries		\$ 68,581.90
Foremen's salaries - unallocated		21,567.13
Travelling and moving		20,346.51
Truck expenses		17,114.75
Holiday with pay stamps		11,789.69
Workmen's Compensation Board		5,682.17
Equipment and maintenance		4,055.80
Tools, supplies and repair parts		3,448.35
Unemployment Insurance		3,190.38
Automobile expenses		2,631.43
Rentals		2,400.00
Warehouse expense		1,903.58
Telephone tolls and telegrams	\$ 1,336.59	
Telephone rentals	527.82	1,864.41
Automobile and truck insurance		1,380.23
Printing, stationery, supplies		1,041.38
Freight, express, trucking		88.29
		<u>167,086.00</u>
Field Service		
Salaries		\$ 52,066.20
Traveling and moving		7,112.95
Automobile expense		6,602.26
Country meetings - hall rents, etc.		4,666.36
Motion picture expense		1,903.96
Complimentary supplies		1,523.48
Printing, stationery, supplies		1,130.38
Telephone tolls and telegrams	\$ 847.56	
Telephone rentals	78.32	925.88
Automobile insurance		647.47
Rentals		573.24
Workmen's Compensation Board		287.50
Unemployment Insurance		78.00
Miscellaneous		1,191.75
		<u>78,709.43</u>
Country Information		
Salaries		\$ 11,909.10
Automobile expense		803.76
Rentals		754.80
Travelling and moving		733.55
Printing, stationery, supplies		226.60
Telephone tolls and telegrams	\$ 13.00	
Telephone rentals	65.00	78.00
Workmen's Compensation Board		45.00
Unemployment Insurance		15.60
		<u>14,566.41</u>
Carried Forward		<u>\$ 6,213,449.27</u>

ALBERTA WHEAT POOL
Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR
ENDED 31st JULY, 1958 (Continued)

REVENUE (Continued)

Brought Forward \$11,909,458.77

Carried Forward \$11,909,458.77

ALBERTA WHEAT POOL
Calgary, Alberta

**STATEMENT OF OPERATIONS FOR THE YEAR
ENDED 31st JULY, 1958 (Continued)**

EXPENSES (Continued)

Brought Forward	\$ 6,213,449.27
Publicity and Advertising	
Salaries	\$ 15,151.20
Radio broadcasts	39,972.20
Pamphlets, circulars, calendars	9,444.48
The Budget	8,903.26
Advertising	5,744.75
Rentals	2,139.60
Printing, stationery, supplies	728.19
Postage	579.68
Printing plates and photos	481.85
Travelling and moving	479.65
Subscriptions and library	393.20
Telephone rentals	\$ 91.64
Telephone tolls and telegrams	89.35
	<u>180.99</u>
Workmen's Compensation Board	69.54
Unemployment Insurance	31.20
	<u>84,299.79</u>
Seed Division	
Office	\$ 90,944.54
Cereal Division	10,891.14
General expenses	34,397.02
Forage seed purchasing	19,557.57
Plant operations	119,118.61
Warehouse expense	32,514.97
Interest, exchange and commissions	48,605.19
	<u>356,029.04</u>
General Administration	
Employees' pension fund	\$ 93,241.56
Employees' supplementary retirement allowances	22,028.54
Directors' fees	24,368.00
Directors' expenses	16,122.02
Annual meeting of delegates	22,331.38
Legal fees and expenses	21,989.39
Contributions - Educational and charitable	17,393.00
Alberta Federation of Agriculture	16,592.96
Junior Clubs	
Junior Farm Clubs	\$3,481.73
Girls' Garden Clubs	2,932.17
Farm Young Peoples' Week	1,114.89
Junior Farm Camps	450.00
	<u>7,978.79</u>
Delegates country expenses	5,920.85
Interprovincial expenses	5,088.37
Professional fees and expenses	1,950.05
25 year service awards	1,651.30
Printing, stationery, supplies	193.98
Telephone rentals	156.64
Miscellaneous	8,032.49
	<u>265,039.32</u>
Carried Forward	\$ 6,918,817.42

ALBERTA WHEAT POOL
Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR
ENDED 31st JULY, 1958 (Continued)

REVENUE (Continued)

Brought Forward \$11,909,458.77

Carried Forward \$11,909,458.77

ALBERTA WHEAT POOL
Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR
ENDED 31st JULY, 1958 (Continued)

EXPENSES (Continued)

Brought Forward \$ 6,918,817.42

Interest, Exchange, Brokerage, etc.

Interest - Current operating	\$ 1,010,194.58
Mortgage interest	122,500.00
Bank exchange and payors' commission	98,361.07
Postage, insurance, etc. on funds	1,542.28
Brokerage	8,949.03
	<u>1,241,546.96</u>

Rental - equivalent to capital cost allowance or depreciation—

Country elevators, annexes, dwellings and sheds, Seed Cleaning Plants and warehouses—10% and 20%	\$ 551,617.03
Vancouver Terminal—5% and 20%	222,814.48
Port Arthur Terminal—5% and 20%	37,656.70
Automobiles and trucks—30%	38,221.61
Office equipment —20%	17,187.95
Calgary warehouses—10%	695.21
Terminal loose equipment —20%	566.62
Country elevator equipment—20%	29,303.60
	<u>\$ 898,063.20</u>

Special additional capital cost allowances—

Vancouver Terminal	
Structures — 10% & 30%)	
Equipment — 10% & 20%)	\$282,356.69
Country elevators and annexes—	
Structures — 10% & 30%)	
Equipment — 10% & 20%)	203,070.31
	<u>485,427.00</u>
Net Operating Earnings	<u>1,383,490.20</u>
	<u>2,365,604.19</u>

\$11,909,458.77

ALBERTA WHEAT POOL
Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR
ENDED 31st JULY, 1958 (Continued)

REVENUE (Continued)

Brought Forward \$11,909,458.77

\$11,909,458.77

**ALBERTA WHEAT POOL
AND ALBERTA POOL ELEVATORS LIMITED**
Calgary, Alberta

**CONSOLIDATED BALANCE SHEET AS AT 31st JULY, 1958
AND COMPARISON WITH 31st JULY, 1957**

ASSETS

Current —

	31st July 1958	31st July, 1957
Cash in banks, on hand and in transit	\$ 477,907.64	\$ 557,169.23
Stocks of grain, seed, sacks and coal	39,388,044.91	38,091,471.79
Advances on grain	10,373.85	73,500.37
Accounts receivable	1,033,606.93	1,201,058.90
Accrued items receivable	71,320.91	84,145.78
Prepaid expenses	352,037.91	365,281.82
Prepaid reserves purchases		667.61

Total Current Assets	\$41,333,292.15	\$40,373,295.50
----------------------------	-----------------	-----------------

Deferred —

Accounts receivable	\$ 43,762.64	\$ 35,000.00
---------------------------	--------------	--------------

Fixed Assets —

Buildings, sites and operating machinery	\$24,618,767.64	\$23,547,007.51
Less Accumulated capital cost allowances	17,874,511.41	16,642,411.07
	<hr/>	<hr/>
	\$ 6,744,256.23	\$ 6,904,596.44

Elevator and office equipment, autos and trucks and miscellaneous equipment	\$ 600,166.77	\$ 558,584.05
Less Accumulated capital cost allowances	322,750.33	289,092.93
	<hr/>	<hr/>
	\$ 277,416.44	\$ 269,491.12

Uncompleted construction (see contra) —

Country elevators, annexes and dwellings	\$ 124,756.08	\$ 178,123.61
Calgary office building	2,275,181.00	
	<hr/>	<hr/>
	\$ 2,399,937.08	\$ 178,123.61

Net Capital Assets	\$ 9,421,609.75	\$ 7,352,211.17
--------------------------	-----------------	-----------------

Investments —

Shares—Pool Insurance Company	\$ 102,000.00	\$ 102,000.00
—Canadian Pool Agencies Limited	6,670.00	6,670.00
—Seed Cleaning Plants and Associations	400.00	
Grain Exchange memberships	9,302.00	9,302.00
	<hr/>	<hr/>
	\$ 118,372.00	\$ 117,972.00
	<hr/>	<hr/>
	\$50,917,036.54	\$47,878,478.67

ALBERTA WHEAT POOL
AND ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

CONSOLIDATED BALANCE SHEET AS AT 31st JULY, 1958
AND COMPARISON WITH 31st JULY, 1957

LIABILITIES

Current —	31st July, 1958	31st July, 1957
Outstanding cheques, cash tickets and orders	\$ 5,544,951.30	\$ 5,173,236.80
Bank grain loans	18,978,000.00	22,760,000.00
Call loans	3,388,123.60	1,195,000.00
Members loans	68,113.33	38,690.83
Construction commitments (see contra)	2,399,937.08	178,123.61
Accounts payable	776,491.97	438,877.91
Accrued items payable	274,876.89	254,715.54
Growers - Outstanding payments	217,473.57	138,443.75
Earnings - Current period	2,365,604.19	1,292,814.96
Less Prepaid income tax	(54,000.00)	(60,000.00)
 Total Current Liabilities	 \$33,959,571.93	 \$31,409,903.40

Deferred —

Mortgage debenture 3 1/2% \$ 3,500,000.00 \$ 3,500,000.00

Reserves \$10,280,036.12 \$10,000,000.00

Surplus —		
Retained from earnings, prior years	\$ 2,765,591.07	\$ 2,623,331.28
Accrued from properties	411,837.42	345,243.99
	<hr/>	<hr/>
	\$ 3,177,428.49	\$ 2,968,575.27

Calgary, Alberta, 24th October, 1958.

Certified to be a consolidation of the balance sheets of Alberta Wheat Pool and Alberta Pool Elevators Limited as at 31st July, 1958, showing a comparison with the position as at 31st July, 1957, subject to our reports in connection therewith.

HARVEY, MORRISON & CO.,
Chartered Accountants.

MEMORANDA



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
24th September, 1958.

Dear Sirs:

We have completed our audit of the books of account of your company for the year ended 31st July, 1958 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 for a rental equivalent to the capital cost allowance or depreciation claimed on the various assets as follows:

<u>Asset</u>	<u>Rate</u>	<u>Amount</u>
Terminal—Vancouver		
Structures	Normal 5%)	
Machinery and Equipment	Normal 20%)	\$ 222,814.48
Structures	Special 10% and 30%)	
Equipment	Special 10% and 20%)	282,356.69
		<u>\$ 505,171.17</u>

Terminal—Port Arthur

Structures	Normal 5%	\$ 28,097.16
Machinery and Equipment	Normal 20%	9,559.54
		<u>37,656.70</u>

**Country Elevators, Annexes,
Seed Cleaning Plants and
Warehouses**

Structures	Normal 10%)	
Machinery	Normal 20%)	\$ 439,255.48
Structures	Special 10% and 30%)	
Machinery	Special 10% and 20%)	203,070.31
		<u>642,325.79</u>

Dwellings, Sheds and Warehouses	Normal 10%	113,056.76
Country and Terminal Elevator Equipment and Office Furniture and Equipment	Normal 20%	47,058.17
Automobiles and Trucks	Normal 30%	38,221.61
Total—Normal allowance	\$ 898,063.20	
—Special allowance	485,427.00	
Total allowance		<u>\$1,383,490.20</u>

The above rates are the maximum allowable under income tax regulations.

The total allowance claimed is approximately \$637,000.00 lower than the amount claimed in 1957. The main reason for the reduction is that the amount of capital expenditure subject to additional allowance has, for the most part, been recovered.

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

Capital expenditure excluding uncompleted construction of \$2,399,937.08, amounted to \$1,250,302.07, as follows:

Country properties	\$ 511,447.06
Vancouver Terminal	141,557.36
Port Arthur Terminal	75,969.77
Calgary office building	76,450.00
Seed Plants, warehouses and sites	315,020.20
Autos and trucks	86,477.36
Office equipment	24,388.88
Miscellaneous equipment	18,991.44
	<u>\$1,250,302.07</u>

Capital surplus reflects an increase of \$66,593.43. Of this amount, \$50,092.70 was the result of fire loss adjustments; the balance was in respect of disposals of property.

AUDITORS' CERTIFICATE

We have examined the balance sheet of Alberta Pool Elevators Limited as at 31st July, 1958 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.

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, 1958, 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, 1958

ASSETS

CURRENT

Due from Alberta Wheat Pool \$ 1,740,164.75

PROPERTY

Buildings and Operating Machinery (Cost)

Country elevators	(532)	\$10,778,897.09
Annexes	(549)	3,757,919.79

\$14,536,816.88

Coal sheds	(25)	10,980.35
Flour sheds	(21)	9,826.00
Dwellings and sites	(404)	2,224,381.14
Seed cleaning plants, warehouses and sites		315,020.20

\$17,097,024.57

Less Capital cost allowances	12,926,307.27	\$ 4,170,717.30
------------------------------------	---------------	-----------------

Vancouver Terminal	\$ 6,191,745.04
--------------------------	-----------------

Less Capital cost allowances	4,522,061.86	1,669,683.18
------------------------------------	--------------	--------------

Port Arthur Terminal	\$ 985,683.22
----------------------------	---------------

Less Capital cost allowances	413,599.12	572,084.10
------------------------------------	------------	------------

Calgary Warehouses (2)	\$ 18,800.00
-------------------------------	--------------

Less Capital cost allowances	12,543.16	6,256.84
------------------------------------	-----------	----------

Office Building—Structure	\$ 76,450.00
---------------------------------	--------------

—Land	232,166.39
-------------	------------

308,616.39

Equity in Wheat Pool Building

— Winnipeg	16,898.42
------------------	-----------

Uncompleted construction —

see contra Country eleva-

tors and dwellings	\$ 124,756.08
--------------------------	---------------

Office building	2,275,181.00
-----------------------	--------------

2,399,937.08 9,144,193.31

Equipment (Cost)

Office furniture and equip- ment	250,676.18
---	------------

Less Capital cost allowances	181,924.33	\$ 68,751.85
------------------------------------	------------	--------------

Automobiles and trucks	\$ 203,118.59
------------------------------	---------------

Less Capital cost allowances	113,934.85	89,183.74
------------------------------------	------------	-----------

Terminal equipment	\$ 18,382.15
--------------------------	--------------

Less Capital cost allowance	16,115.71	2,266.44
-----------------------------------	-----------	----------

Portable cleaners and loaders	\$ 11,313.15
-------------------------------------	--------------

Less Capital cost allowances	10,775.44
------------------------------------	-----------

537.71

Elevator maintenance and

sundry equipment — net

value

116,676.70

277,416.44

\$11,161,774.50

ALBERTA POOL ELEVATORS LIMITED
CALGARY, ALBERTA

BALANCE SHEET AS AT 31st JULY, 1958

LIABILITIES

CURRENT

Construction commitments — see contra \$ 2,399,937.08

DEFERRED

Mortgage debentures — 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 411,837.42 5,261,837.42

Approved on behalf of the Board:

G. L. HARROLD, Director.

W. J. BLAIR, Director.

CALGARY, Alberta,
24th September, 1958.

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

HARVEY MORRISON & CO.

CHARTERED ACCOUNTANTS

\$11,161,774.50

MEMORANDA



ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1958

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		\$41,333,292.15
CASH IN BANKS, ON HAND AND IN TRANSIT	\$ 477,907.64	
In banks	\$ 387,343.96	
On hand and in transit	89,623.68	
Petty Cash	940.00	
Representing the amounts on hand at Calgary and Edmonton for purposes of making sundry disbursements.		
	<u>\$ 477,907.64</u>	

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1958 (Continued)

ASSETS (Continued)

CURRENT (Continued)

STOCKS OF GRAIN, SEED, SACKS AND COAL \$39,388,044.91

Representing grain, seed, sacks and coal on hand in country and terminal elevators and in transit as at 31st July, 1958, as follows:

Wheat	28,211,932	Bus. \$30,736,539.69
Oats	5,344,384	" 2,364,207.97
Barley	6,566,647	" 4,534,678.46
Flax	386,183	" 1,231,041.23
Rye	270,840	" 241,829.70
Mixed feed oats	48,000	" 21,600.00
Mixed grain	3,120	" 2,807.66
Screenings	1,940 tons	23,240.00
Freight paid on grain in store		2,840.98
Coal		3,211.66

Seed Division —

Forage Stocks	468,845	lbs. \$ 39,981.99
Cereals	70,498	Bus. 136,108.15
Sangundo farm supplies stocks		7,672.81
Sacks		42,284.61

\$39,388,044.91

ADVANCES ON GRAIN \$ 10,373.85

Advances secured by grain in store

ACCOUNTS RECEIVABLE 1,033,606.93

Accounts owing to the Pool as at 31st July, 1958 as follows:

Canadian Wheat Board re Carrying charges	\$ 530,231.05
Manitoba Pool Elevators Ltd. re Port Arthur Terminal operations	219,273.93
General accounts	209,280.11
Railway and manifest charges collectible at Vancouver	36,113.58
Group Life and Health insurance premiums recoverable from employees	19,652.37
Growers account—current	\$ 13,403.26
Alberta Seed Growers Cooperative re current operations	3,124.73
Receiver General of Canada re Unemployment Insurance Commission	1,475.00
Public utilities deposits	886.90
Rentals receivable	166.00

\$1,033,606.93

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st July, 1958 (Continued)

ASSETS (Continued)

CURRENT (Continued)

ACCRUED ITEMS RECEIVABLE \$ 71,320.91

Amounts due as at 31st July, 1958
but not collectible until later as
follows:

Country Elevator Department—

Storage and elevation charges on outstanding storage tickets	\$ 10,350.55
Charges on cars in store, not delivered	3,532.36
Interest—	
On staff bond purchases	701.88
On advances on grain	420.92
Charges on cars shipped—	
Handling and commission	892.04
Prepaid storage on interior terminal stocks	709.30

Terminal Department—

Elevation charges	51,677.61
Diversion premiums	2,335.06
Storage charges	701.19

\$ 71,320.91

PREPAID EXPENSES \$ 352,037.91

Expenses applicable to 1958-59 season:

Country elevators	\$ 189,313.64
Seed division	15,228.06
Vancouver	68,758.35
Material inventories	66,613.89
Stationery and supplies	7,877.07
Payroll stamps	3,754.15
Postage stamps	492.75

\$ 352,037.91

TOTAL CURRENT ASSETS \$41,333,292.15

DEFERRED ACCOUNTS RECEIVABLE \$ 43,762.64

Cooperative Fire and Casualty Company —
loan \$ 41,000.00

Patronage dividends—

Cooperative Press Ltd.	2,286.56
Cooperative Wholesale Association Ltd.	476.08

\$ 43,762.64

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1958 (Continued)

ASSETS (Continued)

SHARES AND INVESTMENTS \$ 4,959,070.00

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 \$4,850,000.00 has been invested in shares of Alberta Pool Elevators Ltd. and represents all 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, 1958, 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 6,470.00

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.

Seed Cleaning Plants and Associations 400.00

\$ 4,959,070.00

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st July, 1958 (Continued)

ASSETS (Continued)

FIXED ASSETS \$ 9,302.00

Grain Exchange membership 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 \$ 46,345,426.79

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1958 (Continued)

LIABILITIES

CURRENT \$ 31,559,634.85

OUTSTANDING CHEQUES,
CASH TICKETS AND ORDERS \$ 5,544,951.30

Cheques, cash tickets and orders
issued prior to 31st July, 1958 but
not presented for payment, as follows:

Cheques and vouchers \$ 1,710,519.29

Cash tickets and orders 3,834,432.01

\$ 5,544,951.30

BANK GRAIN LOANS 18,978,000.00

Bank of Montreal \$ 9,488,000.00

Bank of Nova Scotia 4,745,000.00

The Royal Bank of Canada 4,745,000.00

\$18,978,000.00

CALL LOANS 3,388,123.60

Temporary loans by various companies
and individuals.

MEMBERS' LOANS 68,113.33

Loans from members on a temporary
basis.

ACCOUNTS PAYABLE 776,491.97

General accounts \$ 438,367.58

Staff savings accounts 188,579.59

Receiver General of Canada re
Prairie Farm Assistance Act

Levies 66,832.15

re Terminal weighing 12,254.40

re Employees' Pension Plan 249.26

Canadian Wheat Board re grain
operations 35,570.59

Freight and terminal charges on
cars of grain in store 34,317.51

Membership applications
deposits 284.89

Rentals paid in advance 36.00

\$ 776,491.97

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1958 (Continued)

LIABILITIES (Continued)

CURRENT (Continued)

ACCRUED ITEMS PAYABLE \$ 274,876.89

Representing provision for expenses accrued to 31st July, 1958 but payable later, as follows:

Taxes on properties	\$ 202,129.59
Grain insurance - July	21,471.70
Interest on Alberta Seed Growers Co-op agreement	11,025.00
Power accounts	6,099.93
Off-site storage rentals	3,371.76
Exchange on cash tickets	3,249.85
Provision for audit—	
Seed Division	1,906.20
Interprovincial Pool expense—	
July	665.34
Winnipeg office expense	395.91
Camrose expense—	
Seed Division	10.15
Salary guarantee funds	12,063.30
Provision for rebate of storage to Canadian Wheat Board re cars in transit and in store terminals	6,188.99
Interior terminal charges	5,833.98
Refunds on insurance accounts	13.90
Registration and cancellation fees	273.54
Accrued storage —	
Burrard Terminals	177.75
	<u>\$ 274,876.89</u>

GROWERS' OUTSTANDING PAYMENTS 217,473.57

Reserve purchases	\$ 145,312.75
Unclaimed patronage dividend cheques	972.06
Final payments on Seed Pools	71,188.76
	<u>\$ 217,473.57</u>

NET EARNINGS—SEASON 1957-58 2,311,604.19

Balance of net earnings for the year ended 31st July, 1958 after payment of \$54,000.00 on account of income tax. This is being carried as a liability pending decision of delegates as to distribution.

TOTAL CURRENT LIABILITIES \$31,559,634.85

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1958 (Continued)

LIABILITIES (Continued)

INTERNAL \$ 1,740,164.75

Owing to Alberta Pool Elevators
Limited on current account.

RESERVES AND SURPLUS 13,045,627.19

Members' Reserves \$10,280,036.12

By its Act of Incorporation as
amended, the Pool is authorized
to issue reserves to members by
way of patronage dividends in
the amount of \$15,000,000.00.

Movement in these reserves
during the year is summarized
below:

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

Deduct Purchases during the
year 381,170.69

Purchases in advance re
1956-57 667.61

\$ 9,618,161.70

Add Distributed as patronage
dividend 1956-57 661,591.88

Adjustment of prior years 282.54

Reserves issued as at 31st July
1958 \$10,280,036.12

SURPLUS 2,765,591.07

Representing the balance of
earnings undistributed up to 31st
July, 1958 as follows:

Balance as at 31st July, 1957 \$ 2,623,331.28

Add Transfer from 1956-57
operations \$ 142,753.16

\$ 2,766,084.44

Less Sundry adjustments re prior
years 493.37

\$ 2,765,591.07

\$13,045,627.19

TOTAL LIABILITIES OF ALBERTA WHEAT POOL \$46,345,426.79

CALGARY, Alberta.
31st October, 1958.

HARVEY, MORRISON & CO.
Chartered Accountants

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1958

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 \$1,740,164.75

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

PROPERTY 9,144,193.31

Consisting of Country Elevator System, Terminal Elevators at Vancouver and Port Arthur and Seed Cleaning Plants and Warehouses.

Net Undepreciated Cost, per Balance Sheet

Country property	\$4,170,717.30
Vancouver terminal	1,669,683.18
Port Arthur terminal	572,084.10
Calgary warehouses	6,256.84
Office building	308,616.39
Equity in Wheat Pool Building - Winnipeg	16,898.42
Uncompleted construction	2,399,937.08

Total Undepreciated Cost \$9,144,193.31

Property changes during the year were as follows:

Elevators—

31st July, 1957 533

Add Islay, Kathryn, McLennan, Minburn,
Rockyford, Vegreville, Woking,
Youngstown 8

Deduct Greenshields, Spruce Grove,
Woking-burned, Kathryn, Minburn
Rockyford, Vegreville, Youngs-
town - transferred to twin,
Islay dismantled (9)

Total - 31st July, 1958 532

ALBERTA POOL ELEVATORS LIMITED
CALGARY, ALBERTA

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1958 (Continued)

ASSETS (Continued)

PROPERTY (Continued)

Annexes - Cribbed - no change	108
<u>Annexes - Twin</u>	<u><u> </u></u>
31st July, 1957	22
Add Kathryn, Minburn, Rockyford, Vegreville, Youngstown	5
Deduct Spruce Grove Burned	(1)
	26
<u>Annexes - Permanent Balloon</u>	<u><u> </u></u>
31st July, 1957	102
Deduct Woking - burned	(1)
	101
<u>Annexes - Temporary Balloon</u>	<u><u> </u></u>
31st July, 1957	235
Deduct Greenshields, Spruce Grove burned, Kathryn dismantled	(3)
	232
<u>Annexes - Loxtave - no change</u>	<u><u> </u></u>
	80
<u>Steel Tanks - no change</u>	<u><u> </u></u>
	2
<u>Total Annexes - 31st July, 1958</u>	<u><u> </u></u>
	549
<u>Flour Sheds - no change</u>	<u><u> </u></u>
	21
<u>Coal Sheds</u>	<u><u> </u></u>
31st July, 1957	31
Deduct Greenshields, Hackett, Lanfine, New Brigden, Sedalia, Youngstown sold	(6)
	25
<u>Dwellings</u>	<u><u> </u></u>
31st July, 1957	410
Add Benalto, Boyle, Burdett, Coutts, Indus, New Norway, Ranfurly, Taber, Trochu	9
Deduct Acadia Valley, Calgary (3), Edmonton, Falher, Grande Prairie, Hemaruka, High Prairie, Indus New Norway, Ranfurly, Taber, Trochu, Two Hills	(15)
	404

ALBERTA POOL ELEVATORS LIMITED
CALGARY, ALBERTA

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1958 (Continued)

ASSETS (Continued)

EQUIPMENT

Net undepreciated cost per balance sheet	\$ 277,416.44
Office Furniture and equipment	\$ 68,751.85
38 automobiles, 32 trucks and 2 Vac-U-Vators	89,183.74
Terminal equipment	2,266.44
Portable cleaners and loaders	537.71
Miscellaneous equipment	116,676.70
Total Undepreciated Cost	\$ 277,416.44

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 six additional automobiles were acquired. One is in use by the Elevator Department and five are attached to the Seed Division. The Elevator Department has two less trucks than a year ago but six trucks were acquired for the Seed Division, thus making a net increase of four trucks in the year.

Terminal Equipment

Represents 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.

Financing of Property and Equipment

The property and equipment enumerated above had a total cost of \$27,618,871.49 and has been financed as follows:

Reserve payments	\$ 4,850,000.00
Accumulated capital cost allowances	18,197,261.74
Gain on capital realization	411,837.42
Debentures	3,500,000.00
Construction commitments	2,399,937.08
	<hr/>
	\$29,359,036.24
Less Due by Alberta Wheat Pool	1,740,164.75
	<hr/>
	\$27,618,871.49
TOTAL ASSETS OF ALBERTA POOL ELEVATORS LIMITED	\$11,161,774.50

ALBERTA POOL ELEVATORS LIMITED
CALGARY, ALBERTA

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1958 (Continued)

LIABILITIES

CURRENT

Construction commitments \$ 2,399,937.08

Representing the estimated liability for uncompleted construction as at 31st July, 1958.

DEFERRED

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

Liability for money borrowed for new construction as authorized at the annual meeting of delegates in November, 1954.

CAPITAL AND SURPLUS 5,261,837.42

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 411,837.42

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

\$5,261,837.42

TOTAL LIABILITIES OF ALBERTA POOL
ELEVATORS LIMITED

\$11,161,774.50

CALGARY, Alberta.
30th October, 1958.

HARVEY, MORRISON & CO.,
Chartered Accountants.

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

DIRECTORS' REPORT

1957-1958

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

Gentlemen:

This report of your Central Board covers the crop year 1957-58. Any review of agricultural conditions in western Canada must take into account events which take place not only within the industry itself but in the world at large. It is these world-wide events which give depth and meaning to the changing agricultural scene. We can comment only briefly on some of the things which have occurred even though these have been momentous and the effect cannot be measured. Man's most startling achievements during the year were, perhaps, in the field of science. It is challenging to us to watch its application to agriculture and to industry.

We are conscious that during the year under review international relationships were severely strained. Western Canadian farmers, who have produced abundantly and cherish the hope that this abundance will be used for the benefit of mankind, will regret that the cold war continues; they will watch with some apprehension the transition from an armament race to economic warfare.

We take pride in the continued growth of Canada and note the fact that industry and commerce continue to expand, even though the rate was slightly slower during 1957. The indicated rate of the Gross National Product reached the figure of \$31,252 million in the first quarter of 1957, \$31,312 million in the second quarter, increased to \$31,748 million in the third quarter and declined to \$31,460 million in the last quarter. The value of the Gross National Product for the previous year is given by the Dominion Bureau of Statistics at \$30,182 million.

In reviewing situations of more direct concern to the farmers of Canada, we note that the picture is clouded by lower yields of cereal crops on the prairies and that the price level for these crops was also lower, while in the same period the financial returns from animal products were somewhat higher than in the previous year.

The economic position of the Canadian farmer is illustrated by the fact that cash farm income totalled \$2,534.8 million 1957, about 5% less than the \$2,662.1 million realized in 1956.

Your board followed closely the enactment by the federal government of legislation designed to bring assistance to the farmers of Canada. While this governmental action touched many phases of agriculture we can make only brief reference to it in our report.

CENTRAL BOARD

We are pleased to submit the 34th annual report of the directors of Canadian Co-operative Wheat Producers Limited. The board of directors, commonly referred to as the Central Board, is composed of three directors from each of the three western Wheat Pools. The three Pools and the nine directors are the shareholders. The organization provides a common meeting ground for the consideration of policies and programs upon which the member Pools can act in their role of service organizations to the prairie grain producers whom they represent.

Early in the year Ben S. Plumer tendered his resignation from the board of directors, which we accepted reluctantly. Mr. Plumer had been a member of the Central Board from 1931 to 1933, from 1936 to 1941, and then continuously from 1942 until his resignation. He was a director of the Alberta Wheat Pool for 34 years and chairman of the board of that organization for 14 years. We appreciate the close and friendly contacts the board had with Mr. Plumer and realize the extent to which Mr. Plumer served the interests of the farmers of western Canada.

To fill the vacancy on the board of directors created by the resignation of Mr. Plumer, Nelson Malm, a director of the Alberta Wheat Pool, was appointed a director of this Company.

During the year numerous matters of great importance to our member organizations were considered by the Central Board. Many of these items are referred to under separate sections of this report.

Your board reviewed the various plans which had been developed over the last several years for the better distribution of available box cars. While these plans differed somewhat in method, the purpose in each case was to reaffirm the right of the producer to deliver to the elevator of his choice. It was agreed that the Box Car Distribution Inquiry Commission should be urged to hold public hearings to get evidence and opinions directly from producers.

Your board continued to press upon the Federal Cabinet the necessity for deficiency payments on wheat, oats and barley for the crop years 1955-56 and 1956-57. Various meetings between Pool representatives and members of the Federal Cabinet were held for the purpose of outlining a plan upon which the payments could be calculated and established.

After the trade mission to the United Kingdom had returned to Canada efforts were made to reorganize and enlarge the Dollar-Sterling Trade Council in Canada. The main function of the Council would be to encourage the development of the British share in Canada's total imports and provide more opportunities for the export of Canadian products to Great Britain and other sterling areas. We are pleased to report that Chas. W. Gibbings, one of our directors, was appointed regional director of the Winnipeg region of the Dollar-Sterling Trade Council. We also made a financial contribution to this organization.

INTERPROVINCIAL POOL MEETINGS

To place consideration of policy on a broader base than that provided by the Central Board, the full boards of directors of the three provincial Pools met on two occasions during the crop year—on January 22-23 and on July 18-19. The agendas for these meetings covered a wide range of subjects which can only be summarized under the general heading "agricultural policy." These meetings discussed and considered not only items of intimate concern to the three Pools but subjects which have a bearing on the welfare of farmers generally.

In the January meeting the Pools stated their position on deficiency payments in the following resolution.

That the Federal Government be urged to adopt a policy which will provide for deficiency payments being made on farm products, the marketing of which has resulted in unreasonably low returns to producers.

The Pools petitioned the Federal Government to assume the carrying charges on all grain bought and stored on Wheat Board account and at the same time urged the Government of Canada to establish a price support program based on the index of farm production costs.

The meeting discussed at length the matter of cash advances on grain.

The opinion of the directors of the Pools was set out in the following resolution.

That this Interprovincial Pool meeting of the boards of directors of our three Pools record appreciation of the action of the Government of Canada in effecting legislation to make available to grain producers cash advances on farm stored grain. While not increasing total farm income such cash advances will be useful to producers who are in need of short term credit.

The meeting considered various methods for the disposal of surplus foods, recognizing that this matter is of utmost importance to agricultural producers, and commended the Government of Canada for the action taken to increase support for international relief and other schemes such as the Colombo Plan. The Government was urged to establish a surplus disposal policy and provide leadership in developing international co-operation in the disposal of surplus food to the end that the needs of deficiency areas be met and the interests of food producers be protected.

The belief of the Pools in producer marketing boards was reaffirmed and the directors urged that flax and rye should be handled by the Canadian Wheat Board.

In regard to the St. Lawrence Seaway the Pool organizations agreed to take a stand against the imposition of tolls on vessels carrying freight. It was agreed that this position should be set out in a brief for submission to the Cabinet at the time the various provinces make their presentation.

The Interprovincial meeting recommended that the legislation authorizing the appointment of a transport controller should be extended beyond the 31st of May, 1958. It recommended that consideration should be given to the British proposal for the establishment of a free trade area between Canada and the United Kingdom.

It was with regret that the Interprovincial meeting recorded the death of Christian Jensen which occurred on January 20, 1958, at the age of eighty-nine. Mr. Jensen was a member of the Central Board in the years 1926-1932. He was a director of the Alberta Wheat Pool from 1923 until 1945 when he retired from farming. He contributed greatly in those years to the development of the organization with which he was associated.

At the July Interprovincial Pool meeting the value of the International Wheat Surplus Utilization Conference, being held at Brookings, South Dakota, July 20-August 1, was discussed. While the Pools would not be officially represented at the Conference it was agreed to send observers.

The meeting studied the operations of the International Wheat Council during the past year and considered the impact the International Wheat Agreement had had upon the world wheat trade. The International Wheat Agreement was endorsed in the following resolution:

That this meeting of the boards of directors of the three provincial Pools give full endorsement of the principle of the International Wheat Agreement and requests the Government of Canada to initiate proceedings through the International Wheat Council for a renewal of the Agreement.

WESTERN AGRICULTURAL CONFERENCE

The Western Agricultural Conference of the Canadian Federation of Agriculture was held in Winnipeg on January 24-25, 1958. Twenty-four delegates attended, representing the Federation of Agriculture of the four western provinces. In addition, 86 other persons were in attendance representing farm organizations of western Canada. This group included a majority of the directors of the three Wheat Pools.

The purpose of the Conference was to consider resolutions which had emanated from farm groups in western Canada for submission to the forthcoming meeting of the Canadian Federation of Agriculture, and to clarify opinion on the matters submitted. In all, 77 resolutions were considered, representing farm thinking on a wide range of subjects. The items on the agenda which caused lengthy debate were the resolutions on box car allocation and deficiency payments. It is interesting to note that the Conference endorsed the position of the three Wheat Pools on these subjects.

R. H. Dahl, of Alberta, was re-elected president by acclamation. The vice-presidents elected were Messrs. D. Arnold, British Columbia, T. G. Bobier, Saskatchewan, and P. E. Burnell, Manitoba. Mrs. C. T. Armstrong, of Alberta, was elected western women's representative to the Canadian Federation of Agriculture.

CANADIAN FEDERATION OF AGRICULTURE

The twenty-second annual meeting of the Canadian Federation of Agriculture was held in Montreal, January 27-31, 1958. This meeting was followed on February 5 by the annual CFA presentation to the Prime Minister and members of his Cabinet. The theme of the meeting and of the submission to the Government is best stated by citing a paragraph from the submission to the Cabinet:

We request that the Government of Canada, in co-operation with provincial governments, move forward with all possible speed toward giving Canadian agriculture a new outlook in policies and programs.

There were 26 directors in attendance representing the various Federations of Agriculture, the United Grain Growers, the Canadian Horticultural Council, Dairy Farmers of Canada, and the National Women's Committee.

For some time the Canadian Federation of Agriculture has had an amendment to its constitution under consideration. This meeting took action and amended the constitution thereby providing that the annual general meeting of the Federation shall be made up of a larger body of delegates than formerly. The new delegate body shall be composed of the board of directors and, in addition, two other delegates to be named by member bodies for each board member they nominate.

The meeting re-elected H. H. Hannam as president, and W. J. Parker and J. B. Lemoine as vice-presidents. An executive committee of nine members in addition to the president and vice-presidents was elected. This committee is representative of the member Federations and include persons engaged in various types of agriculture.

A delegation of fourteen directors represented the CFA when they met the Cabinet on February 5 and presented a formal submission. Their brief contended that price support and guarantee legislation were of prime importance to agriculture: these were the main fields which require immediate attention. The brief went on to say that the CFA considered the following items of major importance: farm credit, land use and rehabilitation, crop insurance, transportation matters, policies in agriculture to meet unemployment conditions, and a world food program. In each of these fields, the brief stated, "there is no doubt, imaginative programs need to be developed to promote the economic and social health of rural Canada and the nation as a whole."

The delegation reminded the Prime Minister that they had met with him six months earlier and explained in detail the reasons why the CFA believes a deficiency payment should be made to farmers on their wheat, oats and barley deliveries. It was pointed out that the principal difficulty facing the western grain grower is low grain prices resulting from heavily assisted and subsidized production and export programs in the United

States and other countries. These low prices are not caused by inability of the western grain producer to compete fairly; they are due to factors outside the areas of his control or responsibility, except as a citizen of Canada. Western farmers, the brief said, find it hard to see how their request for a reasonable deficiency payment can fairly be denied at this time.

In dealing with farm credit, the CFA said it was heartened to learn of the Government's intention to bring in improved farm credit legislation and asked the Government to give serious consideration to the recommendations of the CFA contained in its policy statement on farm credit.

Reference was made to the new Agricultural Stabilization Act and the following comments were offered:

1. We are appreciative of those features included in the Act which are in line with improvements in price support legislation requested by the Canadian Federation of Agriculture.
2. We regret that the government did not find it possible to include a formula or measuring rod by which the farmers' cost-price relationship in the economy could be measured and which could also be used as a guide to establishing the level of annually reviewed price supports.
3. The Federation appreciates the decision to establish an Advisory Committee to the Agricultural Stabilization Board, and wishes to consult with the government in establishing this Committee on the most satisfactory basis.

The delegation drew to the attention of the Cabinet its policies on land use, crop insurance, imports of agricultural products, general freight rate increases, Crows' Nest rates, the St. Lawrence Seaway, sales tax and tariffs on items of farm use, income tax, radio and television, and national health insurance.

The need for a world food policy was emphasized in the brief. Warm appreciation was expressed to the Prime Minister for having raised with NATO the question of an international food bank. The government was urged to pursue this ideal further. The aims of the CFA were set out in the following paragraph:

We firmly believe that some international program of this sort must be developed. It would be designed to turn surpluses, when they occur, from a disrupting and distressing problem into a manageable world asset to be used in an orderly way for the benefit of the hungry and poor of the world.

A note of tragedy struck the meeting when it was learned that Dr. Ernest Hope, the CFA economist, had died in the midst of the convention at Montreal.

INTERNATIONAL FEDERATION OF AGRICULTURAL PRODUCERS

The International Federation of Agricultural Producers did not meet in general session since the meeting held in the United States early in 1957. However, a two-day meeting of representatives of national farm organizations of the United States, Canada and Mexico was held in Ottawa, April 25 and 26, 1958. This regional meeting of the International Federation was attended by 22 Canadian representatives, 19 United States representatives, and one delegate from Mexico. The agenda provided for discussion on:

Developments in international arrangements for the discussion of surplus disposal problems.

The significance for North American agriculture of the European Common Market and the proposed free trade zone.

The possibilities and prospects for Common Market agreements in North America.

The trend to vertical integration and contract farming.

The subject of vertical integration had been placed on the agenda at the request of the Canadian Federation of Agriculture because it is a matter which is causing a great deal of concern to farmers in both the United States and Canada. The discussion covered a wide range and included the role of co-operatives and whether traditional co-operative policies of open membership to all were perhaps incompatible in some respects with the trend to contract arrangements. It was decided that before the next North American meeting all member organizations should study the problem of vertical integration and contract farming and report to IFAP so that a more comprehensive study of the whole question could be prepared.

Notices have been issued calling the Tenth General Conference of the International Federation of Agricultural Producers, to be held in Brussels, Belgium, on October 4-13, 1958. Two of our directors, Gordon L. Harrold and T. G. Bobier, are included in Canada's delegation to this conference.

The agenda provides for consideration of major problems requiring the attention of farmers and officials of farm organizations.

GOVERNMENT POLICY FOR AGRICULTURE

Just prior to the beginning of the 1957-58 crop year a new government was elected in Canada, and in March, 1958, the government in the new election, was sustained with a large majority. Your board made every effort to learn what the agricultural policy of the new government would be. Following numerous interviews with the Minister of Trade and Commerce and the Minister of Agriculture, we are assured that the government's attitude to western agriculture is most sympathetic. As evidence of this, we quote from an address given by the Minister of Trade and Commerce to the National Dairy Council of Canada, at Winnipeg, on September 9, 1957:

It would seem wise to take a long-range view of our wheat problem rather than living just from crop year to crop year. I think it is wrong to consider our surplus wheat production as a millstone around our necks. Rather, we should be deeply grateful that such an abundant food supply is available. Canada has been in the wheat business now for two full generations and our wheat production is a permanent feature of our economic history. From the experience of the past, we should recognize that there will be recurring instances of under-production and over-production.

We must also recognize the fact that the world demand for wheat does not rise and fall with the abundance of wheat that is available, but maintains year after year a remarkably steady total of consumption. Last year's increased world consumption can be attributed almost entirely to United States gifts of wheat to Eastern countries not ordinarily using wheat. We have also to recognize the fact that, as advanced countries achieve a higher standard of living, their consumption of wheat does not increase but that the extra money available for food is spent on meat, fruit and vegetables.

The long-range view with regard to our wheat entails a forward-looking policy with regard to general production, and it may well be that progressively over the years our acreage devoted solely to the growing of wheat should be appreciably reduced and greater emphasis should be placed on diversified crops and on the livestock industry. If this is done, wheat production might be kept to the average figure of 400 million bushels and the acreage released from

wheat growing might be more suitably utilized for fodder crops to support an increased number of livestock.

The Saskatchewan Wheat Pool invited the Minister of Trade and Commerce to address their annual meeting which was held in November, 1957. In dealing with wheat disposal policies it is reported that the Minister "referred to the difficult wheat situation and gave examples of the competition which Canada faced with the United States in ordinary commercial markets. He said that there was a very noticeable trend toward credit transactions for wheat and in this field Canada was prepared to be active if terms and security were satisfactory. A vigorous sales policy would be maintained in normal markets; there would be exploration of possible new markets and an emphasis where needed on increased marketing facilities as well as cash advances when deliveries could not be made."

Agricultural Stabilization Act

An act to provide for the stabilization of the prices of agricultural commodities received Royal Assent on January 31, 1958, and was proclaimed on March 3. This new legislation replaces the former Agricultural Prices Support Act. All programs which were effective under the old legislation were continued through March 31, 1958.

In its preamble the act is described as "a measure for the purpose of stabilizing the prices of agricultural commodities in order to assist the industry of agriculture to realize fair returns for its labour and investment, and to maintain a fair relationship between prices received by farmers and the costs of goods and services that they buy, thus to provide farmers with a fair share of the national income."

The main provision in the act establishes mandatory governmental support at 80 per cent of the average price during the preceding ten years for nine key commodities.

A three-man Agricultural Stabilization Board was appointed to carry out the provisions of the act, and an Advisory Committee consisting of farmers and representatives of farm organizations was named.

Royal Commission on Price Spreads

On December 10, 1957, the Prime Minister announced in the House of Commons that a Royal Commission on Price Spreads had been appointed. The Commission was to inquire into the extent and cause of the spread between prices received by producers of food products of agricultural and fishery origin, and the price paid by consumers for such food. The subject and scope of the inquiry is one of vital concern to the many thousands of producers this organization represents.

The three Pools presented argument and statistical information to the Commission, either separately or in association with other groups in their provinces. The case for the producer was presented by the Alberta Wheat Pool, at Edmonton, by the Saskatchewan Wheat Pool, at Regina, and by Manitoba Pool Elevators, in association with the Manitoba Federation of Agriculture and Co-operation, at Winnipeg. Both the Canadian Federation of Agriculture and the Co-operative Union of Canada presented formal submissions. We are anticipating the report of this Royal Commission.

Trade Mission to the United Kingdom

On November 8, 1957, the Minister of Trade and Commerce announced that a mission would proceed to the United Kingdom in an effort to stimulate purchases, from United Kingdom sources, of goods now imported by Canada from non-Commonwealth countries. We are happy that Mr. Chas. W. Gibbons,

one of our directors, was included in the mission to represent western agriculture. Other members of the group represented business and industry from all areas of Canada. It left Canada on November 21 and returned on December 19.

Deficiency Payments

A matter of greatest concern to your board has been the worsening financial condition of the prairie grain growers. The matter has been studied with a view to finding a remedy. For over two years consideration has been given to seeking deficiency payments on western grown wheat, oats and barley. On April 30, 1958, the three prairie Wheat Pools met the Wheat Committee of the Federal Cabinet and placed before them detailed proposals for making deficiency payments on western grown wheat, oats and barley delivered in the crop years 1955-56 and 1956-57.

The Pools proposed the following deficiency payments:

	<u>On 1955-56 Deliveries</u>	<u>On 1956-57 Deliveries</u>
Wheat	22c per bus.	30c per bus.
Oats	4c per bus.	15c per bus.
Barley	14c per bus.	19c per bus.

The final payments by the Wheat Board on deliveries of wheat and barley in the 1956-57 crop year raised the basis on which deficiency payments were calculated. In June, the Wheat Pools revised their proposals and notified Federal authorities that they were now seeking payments of 36c per bushel on wheat and 22c per bushel on barley.

The amounts suggested were designed to bring returns to the producer up to equality with the average during the eight-year period 1945-46 to 1952-53, a period when grain producer's income is considered reasonable.

In making their presentation to the Wheat Committee the Pools pointed out that the deficiency payment proposal is aimed simply at correcting an excessively low level of prices. They stated:

It should be noted that the above plan does not attempt to solve the sociological problems of agriculture arising from crop failures, uneconomic production units, etc. We believe that such matters should be dealt with outside the deficiency payment plan, rather than attempt to solve problems that it is obviously not designed to solve.

Frequent contacts were made with federal authorities urging early action by the government on the matter we deemed to be of the utmost urgency—deficiency payments to the western Canadian grain producers. It was on August 30 when the Prime Minister, in a statement to the House of Commons, outlined the government program designed to give financial assistance to the grain growers of the prairies.

Mr. Diefenbaker said:

The government has come to the conclusion that deficiency payments, however attractive they appear to be at first glance, would not provide a solution to the problem facing prairie agriculture but would indeed create new problems. Deficiency payments applied to deliveries of grain would fail to help those producers most in need and if adopted would require very large subsidies from the treasury, would inevitably lead to increased surpluses and would add further burdens in financing the disposal of those surpluses."

The Prime Minister announced that the government is now formulating long-range plans for Canadian agriculture which will be instituted as soon as

possible. He promised that these plans will constitute a truly national program. One of the first proposals of the government, Mr. Diefenbaker said:

is the provision for payments to western grain growers of \$1.00 per acre up to a maximum of 200 acres per farm in accordance with regulations of the governor-in-council, the amount of that distribution to be \$40 million. This amount, which is designed to meet the needs of the small farmer, will be distributed by the Canadian Wheat Board to producers on the basis of \$1.00 per specified acre, including acreage seeded to flax, up to a maximum of 200 acres.

The acreage which will be the basis for calculation will be the acreage specified in the producers 1958-59 Wheat Board delivery permit book. Payments will be made through the Canadian Wheat Board.

While your board is disappointed by the fact that the government rejected our plea for deficiency payments at this time, we are encouraged to learn that the government recognizes the economic position of the grain growers of the prairies.

Prairie Farm Assistance Act

Parliament amended the Prairie Farm Assistance Act, making several important changes in the legislation. The PFAA was first placed on the statute books in 1939. Its provisions provided a measure of assistance to farmers experiencing crop failure and prairie farmers have contributed one per cent of their returns from the sale of all wheat, oats, barley and rye. The act provides the basis of determining crop failure and also the payments which may be made to farmers upon a sliding scale dependent upon the average yield of wheat in a crop failure area.

The main amendments to which we refer reduce the minimum eligible area in one block to twelve sections instead of eighteen sections; make flax and rapeseed subject to the one per cent levy; change the definition of "farmer" so that anyone who operates a farm will be eligible; make provision for flooded land to become more easily eligible for awards, and, when calculating average yields, exclude those sections which gave a high yield.

The PFAA levy paid by western farmers in the crop year 1957-58 exceeded \$6 million. This amount shows little variation from the levies paid in each of the last five years. The payments for the period August 1, 1957, to April 15, 1958, totalled \$15,631,657. Only in four other years have the payments made been larger than those paid in the period under review.

We set out below the amount of the levy, number of awards and the amounts paid under PFAA for the four western provinces. This detail is shown not only for the last crop year but for the period since 1939 when the Prairie Farm Assistance Act became effective.

1957-58 CROP YEAR

	1% Levy	Awards	Payments
(Aug. 1/57 to Apr. 15/58)			
Manitoba	\$ 804,333.23	6,719	\$ 1,504,739.00
Saskatchewan	3,706,548.23	32,064	9,593,541.50
Alberta & Peace River Block	1,603,509.96	15,490	4,533,376.50
Unallocated	83.08	—	—
Totals	\$6,114,474.50	54,273	\$15,631,657.00

1939-40 TO 1957-58

	<u>1% Levy</u>	<u>Awards</u>	<u>Payments</u>	
		(to Apr. 15/58)		
Manitoba	\$16,031,583.52	91,600	\$ 13,731,544.27	
Saskatchewan	60,832,255.47	592,563	138,440,766.08	
Alberta & Peace River Block	30,426,908.66	262,078	50,081,951.55	
Unallocated	20,145.26	—	—	
 Totals	 \$107,311,189.91	 946,241	 \$202,254,261.90	

The crop conditions throughout the prairie provinces are reflected in the relationship between the amount collected by the 1% levy and that paid as awards—in the last crop year the awards exceeded the levy by 9½ million.

INTERNATIONAL WHEAT AGREEMENT

Earlier in this report we have referred to a decision made by the three Wheat Pools to seek a renewal of the International Wheat Agreement. The agreement now operating expires in 1959. It is difficult to assess the value of the International Wheat Agreement and to determine how effective the Agreement has been as a price stabilizing factor under marketing conditions as they exist today. But we express our conviction that the operations of the IWA have been of outstanding value, hence the effort we have made for the continuation of the Agreement.

The volume of sales under the International Wheat Agreement for the crop year 1957-58 was 193,598,000 bushels, approximately 20 million bushels less than the volume for the previous year. The quantity guaranteed under the Agreement in 1957-58 was 294.6 million bushels, compared with 293.6 million bushels a year ago. The total purchases made in the crop year under review represented 65.70% of the guaranteed quantities, whereas for the previous year the purchases represented 73% of the quantities guaranteed. Canada was able to supply 78.10% of the volume guaranteed, which compares favorably with 58.5% of our quota for the previous crop year. The volume of sales registered by the U.S.A. under IWA equalled 70.38% of the guaranteed quantity. In descending order the sales of wheat under the Agreement made by the following export countries is given as the percentage of sales to quantities guaranteed: France, 59.9%; Australia, 44.03%; Sweden, 38.78%; Argentina, .73%.

Of the 42 importing countries signatory to the Agreement, 13 took their full quota, while 10 countries took none. It is worth noting that of the 13 countries taking their full quota, Germany and Japan made the largest purchases. Canada made sales under IWA to 24 countries, whereas for the previous year, 26 countries bought wheat from Canada through IWA.

WHEAT SURPLUS DISPOSAL PROGRAM

The effect on the Canadian economy of the large wheat surplus or any plan for the utilization of these stocks is a matter that has been constantly before your board. We realize that the study of this matter has not been confined to farmers and farm organizations. Government and commerce have been equally concerned. Since the surplus of wheat is largely carried on the North American continent, it can be expected that a plan for the utilization of wheat stocks should properly emanate from either Canada or the United States of America.

We have been particularly concerned with the impact the Agricultural Trade Development and Assistance Act of the United States, commonly

referred to as PL 480, might make on Canada's traditional wheat markets. This Act provides for the sale of United States farm surplus to under-developed countries. Payment is made in the form of their own currency instead of U.S. dollars and the proceeds of the sale are loaned back to the country for economic development. This plan was prompted by both humanitarian and economic considerations. Everyone appreciates the generous spirit shown by the American people in providing billions of dollars of aid to under-developed countries, yet we have expressed our concern that the application of PL 480 is a form of competition that Canada cannot hope to meet.

In July, the President of the United States visited Ottawa for the purpose of holding a frank talk with Canada's highest officials over frictions and misunderstandings which have developed over trade practices of the United States. In the President's address he referred to their wheat disposal program as one of the matters which is a source of some friction between Canada and his own country. His statement indicated that the program would be extended. Of particular significance to Canadian farmers is the following excerpt from Mr. Eisenhower's address:

In several respects, despite inconvenience and even occasional damage in the past, Canada stands to benefit from our moving some surplus agricultural commodities into consumption overseas. First and most evident of all, many hungry people around the world have had food which they otherwise would not have had. Secondly, had these products remained in dead storage they would have had a depressing influence on the world market and world prices. Finally, the funds which we have been enabled to make available to recipient countries should in the long run help to raise standards of living and create enlarged markets for all of us.

The Agricultural Trade Development and Assistance Act has been extended for one and one-half years—to December 31, 1959—and will utilize an additional \$2.25 billion to be used for the sale of U.S. farm surpluses during that period.

WORLD SUPPLIES AND EXPORTS

Before reviewing statistics covering the production and disposition of the Canadian crop we refer briefly to the supplies and exports of wheat in the four principal exporting nations. Your board acknowledges with gratitude that our information is gathered mainly from reports of the board of Grain Commissioners and the Dominion Bureau of Statistics.

Supplies

On August 1, 1958, the supplies of wheat available for export and carryover in the four major exporting countries amounted to 2,404.1 million bushels. This is approximately 12% above the 2,151.7 million available in the previous crop year. It is interesting to note that as we enter a new crop year the bulk of these large supplies is situated in the United States and Canada. The volume at August 1, 1958, on hand in the four major exporting countries was as follows, stated in million bushels, with comparative figures for the previous year in brackets: United States, 1,665.6 (1,243.5); Canada, 614.8 (729.5); Argentina, 87.4 (101.4); Australia, 36.3 (77.3).

Included in these estimates are stocks held on farms as well as those in commercial positions. It should be pointed out that the new 1958 crop of the United States is included in the figure denoting their available supplies. The figures for the other three countries represent carryover only.

Exports

Total exports of wheat and wheat flour during August 1957 to July 1958, from the four major exporting countries were 17% below the volume exported during the previous crop year. The figure for 1957-58 stands at 851.5 million bushels, while that for the 1956-57 crop year was 1,021.7 million. Of the four countries, Canada was the only one showing wheat exports at a higher level than in the preceding year. The volume shipped from each of the four principal exporting nations and the percentage supplied by Canada, is set out in the following table, together with comparison for several preceding crop years:

Exports of Wheat and Flour in Terms of Wheat

From Four Principal Exporting Nations

Crop Year	Total	Argentine	Australia	United States	Canada	Canada's % of Total
						— in million bushels —
1950-51	838.6	94.5	127.8	375.3	241.0	28%
1951-52	939.9	24.1	93.4	466.6	355.8	37%
1952-53	854.0	38.9	107.0	322.6	385.5	47%
1953-54	640.2	110.3	63.4	211.4	255.1	39%
1954-55	761.1	134.5	94.3	280.4	251.9	33%
1955-56	884.7	108.6	107.5	359.4	309.2	36%
1956-57	1,021.7	100.2	120.2	539.5	261.8	25%
1957-58	851.5	77.0	61.9	397.0	315.6	37%

CANADIAN GRAIN PRODUCTION

The Dominion Bureau of Statistics, in its revised estimates for the crop year 1957-58, gives production of wheat, oats, barley, rye and flaxseed in Canada at 994.6 million bushels, a sharp reduction from the 1,409.6 produced in the previous year. It is worthy of note that these revised statistics show a reduction in the over-all acreage seeded to the five principal grain crops of over one million acres. In the three prairie provinces wheat acreage was down 1.7 million; oat acreage was down 800 thousand acres and barley acreage was increased by one million. The yield per acre of wheat, oats, barley and flaxseed grown in 1957-58 in the three prairie provinces was sharply reduced from that of the previous season and was on a level with that harvested in 1954-55.

The seeded acreage and production for Canada and for Alberta, Saskatchewan and Manitoba are set out in tabular form below:

Grain Production 1957 (Dominion Bureau of Statistics revised estimate)

	Canada		The West	
	Acres	Bushels	Acres	Bushels
— in millions —				
Wheat	21.0	370.5	20.3	349.0
Oats	11.0	380.6	7.8	234.0
Barley	9.4	215.9	9.2	209.0
Rye	.5	8.5	.4	6.3
Flaxseed	3.5	19.1	3.4	18.9
Totals	45.4	994.6	41.1	817.2

For purposes of comparison, similar data for 1958 (as forecast by DBS on 15 August) are set out in the following table:

Grain Production 1958
(Dominion Bureau of Statistics preliminary estimate)

	Canada		The West	
	Acres	Bushels	Acres	Bushels
— in millions —				
Wheat	20.9	338.7	20.2	313.0
Oats	11.0	384.0	7.6	221.0
Barley	9.5	228.8	9.3	222.0
Rye	.5	8.0	.4	5.2
Flaxseed	2.6	21.9	2.6	21.7
Totals	44.5	981.4	40.1	782.9

The forecast for Canada's 1958 wheat crop is set at 339 million bushels. This volume is 9% below last year's production of 370.5 millions and 31% below the ten-year (1948-57) average of 489.8 million bushels. The August forecast of the Dominion Bureau of Statistics estimates that the production of wheat in the three prairie provinces will be 36 million bushels lower than the crop of 1957. If this forecast holds true, the 1958-59 wheat crop will be the lowest volume since 1954.

The forecast for the production of oats and barley in Canada shows very little variation from the previous year. It is estimated that the production of oats in the prairie provinces will be 13 million bushels less than in 1957, while barley production in 1958-59 will be 13 million bushels larger than the previous crop year.

Farmers' Marketings

There are two sets of statistics which we believe may prove to be of great significance to those farmers who hold membership in the three western Wheat Pools. This data covers—first, production, and secondly, marketings. Your board desires to point to the fact that, while production of cereal grains in the prairie provinces in recent years has shown wide fluctuations, the total marketings by farmers have followed a fairly consistent pattern. The total volume of grain marketed by farmers through commercial channels, which include country elevators, mills, malt houses and loading platforms, is set out in the following table. The figures used were supplied by the Board of Grain Commissioners.

Producers' Marketings

at Country Elevators
at Public and Semi-public Terminals
at Interior Private and Mill Elevators,
and Loaded over Platform

Wheat, Oats, Barley, Rye and Flaxseed

	1957-57	1956-57	1955-56	1954-55
— in million bushels —				
Wheat	378.4	362.4	352.9	319.7
Oats	57.7	69.2	71.6	70.2
Barley	116.6	120.6	114.4	112.5
Rye	7.3	4.0	12.4	13.2
Flaxseed	15.4	29.0	15.7	8.8
Total	575.4	585.2	567.0	524.4

There are two outlets for grain utilized by farmers which are not included in the above figures. These outlets cover farm to farm sale and the sale of seed grain both for export and the domestic market. Each of these channels account for many million bushels of grain.

Canadian Grain Exports

The preliminary review issued by the Board of Grain Commissioners covering Canada's grain exports for the 1957-58 crop season shows that exports of the five major grains, together with the grain equivalent of wheat flour and milled oats, totalled 436 million bushels, a gain of 50.6 million over the corresponding total for the 1956-57 season (385.4 million). These exports are set out in detail in the following table:

Total Grain and Milled Products Exported

	<u>1957-58</u>	<u>1956-57</u>	<u>30-year Average</u> <u>1927-28 to 1956-57</u>
— in million bushels —			
Wheat (and flour)	315.6	262.8	252.9
Oats (meal, etc.)	26.2	18.7	27.9
Barley	75.1	76.9	29.2
Rye	5.4	5.4	5.8
Flaxseed	13.7	21.6	3.1
Totals	436.0	385.4	318.9

The amount of Canadian grain exported during the crop year ended July 31, 1958, represented 43.9% of the 994.6 million bushels produced. For the previous year 27.3% of the grain produced in Canada was exported. The volume exported during the crop year was more than 100 million bushels above the long-term (30 years) average of Canadian grain clearances, and 64 million above the post-war, 1945-46 to 1956-57, average of 372 million bushels.

The principal factor in the improved over-all export total was the increased sales of wheat. Export of wheat in grain form rose to 275.7 million bushels. This figure is 47.4 million above the 1956-57 clearance and the third highest year since the war. The contributing factors to the better export picture were the re-entry of the U.S.S.R. as an importer of Canadian wheat with a purchase of 14.8 million bushels, and shipments of wheat to India, amounting to 23.8 million, part of which moved under the Colombo Plan.

The export of Canadian oats reflected an increase of 7.6 million bushels over the 1956-57 movement, while barley was down slightly. The volume of Canadian flaxseed shipped to overseas countries dropped to 13.7 million bushels, the figure for the previous year being 21.6 million. It is worthy of note that the long term 30-year average of flaxseed overseas shipments is 3.1 million.

Leading Buyers of Canadian Grain

Again, in the 1957-58 crop year, the United Kingdom proved to be Canada's major grain market. That country purchased a total of 149.1 million bushels of the five principal grains and milled products, an increase of 18.6 million over 1956-57. This 149.1 million bushels was comprised of 90.3 million of wheat, 13.8 million of flour, 3.9 million of oats, 36.7 million of barley and 4.3 million of flaxseed. The second major market for Canadian grain was the United States with imports of 53.4 million bushels, followed closely by Japan with purchases of 51.5 million bushels. In fourth position came Germany who took 32 million bushels. The total purchases made by Germany reflected substantial wheat imports but a reduction in coarse grains and flaxseed from 11.6 million in 1956-57 to 2.2 million bushels in 1957-58.

Leading Buyers of Canadian Grain

Sales of Wheat, Oats, Barley, Rye and Flaxseed
— in million bushels —

	<u>1957-58</u>	<u>1956-57</u>
United Kingdom	149.1	130.5
United States	53.4	51.2
Japan	51.5	50.1
Germany	32.0	47.8

Carryover of Canadian Grain

The Dominion Bureau of Statistics estimates the total carryover of stocks of the five major Canadian grains at 903.7 million bushels in all North American positions. This volume of carryover is about 19% below last year's 1,120.3 million bushels and about 62% above the ten-year (1948-57) average of 557.3 million bushels. The carryovers of the five principal grains for the last four crop years and the annual average for the crop years 1948 to 1957, are set out in detail in the following table:

Canadian Carryover as at 31 July

	<u>1958</u>	<u>1957</u>	<u>1956</u>	<u>1955</u>	<u>Average 1948-57</u>
Wheat	614.8	729.5	579.6	536.7	354.6
Oats	155.0	226.2	119.1	84.0	105.6
Barley	118.3	142.8	110.9	91.5	81.7
Rye	10.1	14.2	15.3	18.5	11.4
Flaxseed	5.6	7.6	2.5	1.2	4.0
Total — 5 grains	903.7	1,120.3	827.4	731.9	557.3
On farms	376.3	584.4	335.4	207.1	229.9
Commercial	527.4	535.9	492.0	524.8	327.4

Farm Carryover

Since the total production of cereal grains and flaxseed in Canada in the crop year under review was approximately 400 million bushels lower than for the previous season, and also because the volume of exports increased by some 50 million bushels, it can be anticipated that farm-held stocks of grain would be substantially reduced.

The estimate made by the Dominion Bureau of Statistics of stocks of grain held on farms at July 31, 1958, is set out in the above table. Details of the total show a reduction in all grains compared to last year's stocks, but larger than is indicated by the average of the last ten years. Farm-held grain stocks in the prairie provinces account for approximately 93% of all grain held on farms in Canada.

FARM INCOME

Your board constantly reviews the economic position of the grain producers of western Canada. The measure of prosperity of these farmers is indicated in a review of the farm cash income, a statement issued by the Dominion Bureau of Statistics. The receipts from the sale of farm products were estimated at \$2.6 billion for 1957 - 2.7% less than the previous year's estimate of \$2.7 billion - while the net income of Canadian farmers in the same period fell to an estimated \$1.1 billion, down \$403 million from the revised estimate of \$1.5 billion for 1956. The decline of \$72 million in "Farm Cash Income" can be attributed in the main to lower cash returns from the sale of cereal grains which were offset only in part by higher returns from the sale of livestock and dairy products.

The decline in "Farm Net Income" in 1957 occurred in all provinces except British Columbia and Ontario. The most obvious reasons for the decline were a reduction in farm-held stocks of grain resulting from the smaller prairie grain crop, and smaller grain marketings. The DBS reports that of the \$403 million reduction in "Farm Net Income", \$395.5 million of this occurred in the three western provinces. The chief reason for the decline was lower income from grains in the prairie provinces. The following table illustrates the worsening position of the prairie farmer:

Total Net Farm Income

	<u>The West</u>	<u>6 Other Provinces</u>	<u>Canada</u>
	— in million dollars —		
1950	\$ 572.5	\$647.2	\$1,219.7
1951	1,126.4	810.5	1,936.9
1952	1,118.9	800.5	1,919.4
1953	918.8	725.5	1,644.3
1954	410.9	614.3	1,025.2
1955	634.8	655.1	1,289.9
1956	844.2	613.0	1,457.2
1957	448.6	605.3	1,053.9

It is also pointed out by the DBS that farm operating expenses for Canadian farmers remain fairly constant. Operating expenses and depreciation charges in 1957 were estimated at \$1.7 billion, compared with \$1.8 billion in the previous year. This decline can be attributed to, in the main, smaller gross rents resulting from the smaller grain crops in the prairie provinces and reduced expenditures for feed and building repairs. On the other hand, other farm costs increased and considerably offset the effects of the above noted declines. Higher costs for such items as hired labor, fertilizer, farm machinery operating costs and other relatively fixed charges which face the farm operator can be attributed largely to higher prices. The index of prices of commodities and services purchased by farmers increased by 3% in 1957, to a record high of 255.8 points (1935-39 = 100).

CONCLUSION

On this continent profound changes are taking place in agriculture. These changes have been more drastic in some phases of the agricultural industry than have been apparent in field crops. Constant change in the production and marketing of the products of the farm is a part of the scheme of things. Change and progress should be welcomed, but the challenge to farmers is that of meeting these changes.

The pool movement was born of difficult times. It has met changing circumstances and has served under changing conditions. In the 35 years since Canadian Co-operative Wheat Producers was established by the grain growers of western Canada, wheat has been marketed in one year only on the so-called open market. For eight of these 35 years the Central Selling Agency was an outstanding factor on the wheat market. This was followed by six years of stabilization proceedings by the federal government, and later by the Canadian Wheat Board operations covering a period of 20 years. During this period the changing circumstances have required the highest skill and alertness of the three Pools and it has been demonstrated that our organizations have played an important role in making policies designed to meet these changing situations.

Historians of the future will probably refer to this period as that of the agricultural revolution. The extent to which industry will invade agriculture is difficult to foresee, but in some agricultural commodities the application of

assembly line methods has been very extensive. It is evident that some farmers have accepted this new arrangement because of its apparent economic advantages. While shifting the responsibility of management to others a great concern must be this: are the benefits to be derived by sharing management and risks sufficiently attractive to justify transferring these responsibilities to related businesses?

While among our members there is great anxiety as to their own stability in agriculture, there is evidence of great loyalty to the three Pools. This loyalty is a demonstration of a faith in the co-operative way of doing things.

Looking to the future it seems certain that the pattern of agriculture will continue to be affected by new technical processes in production and new developments in marketing. It is evident that government intervention in agriculture will be necessary. This may take the form of marketing controls, price stabilization, and other economic assistance. Producers, we believe, will welcome this aid but we point out the danger in putting too much dependence upon it.

Through the years the farmers who compose the memberships of the western Pools have acted as free agents — they have made decisions and played the roles of policy makers. This essentially desirable position can be held by them acting in close association with their neighbors. Farmers must decide whether their industry will be controlled by commercial interests, by government, or whether, through the development of co-operative enterprises and producer marketing organizations, they can shape the future. The only way for the farmer to maintain the control of his own industry is by the development of co-operative enterprises.

We are convinced that the 200,000 grain producers who find common ground in the Pools, will exercise their numbers and influence so that they can retain their individualism rather than become mere pawns in the business world, and in so doing realize the aims and purposes for which this organization was established.

Respectfully submitted

Executive	{	JOHN H. WESSON
		W. J. PARKER
		G. L. HARROLD
		THOS. G. BOBIER
		W. J. BLAIR
		THOS. H. WILSON
		CHAS. W. GIBBINGS
		HAROLD B. SNEATH
		N. MALM

CANADIAN POOL AGENCIES LIMITED

DIRECTORS' REPORT

1957 - 1958

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

Gentlemen:

Your Directors submit the following report on the Company's affairs, together with the Auditors' Financial Statements, for the year ended July 31, 1958.

The surplus produced was \$96,843.63, and out of this sum \$579.03 is set aside for income tax, leaving \$96,264.60 available for payment of patronage dividends. This compares with \$97,287.13 last year.

Although it is important that the maximum commissions are secured, the value of your Agency is not measured entirely by the surplus produced. All the services provided do not show up in the financial statements. When the policies come up for renewal we obtain bids from different companies and this results in the Agency securing the lowest possible rates, and in this regard some reductions in rates on a few types of insurance were secured last year. The earnings vary from year to year on account of some insurance coming up for renewal every three years.

We can handle every type of insurance except life, and this year we handled fifteen types of insurance. The greatest income is derived from fire and explosion insurance, followed by fidelity bonds, and 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: No new loans were made during the year and this account will likely be cleaned up by the end of the coming year. Any surplus funds available may be loaned to the parent organizations.

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 \$4,176.14 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.

General 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
	<u>2,000</u>	<u>\$20,000.00</u>

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 Interprovincial Pool Account.

Respectfully submitted,

Executive { JOHN H. WESSON.
 W. J. PARKER.
 G. L. HARROLD.

 THOS. G. BOBIER.
 T. H. WILSON.
 H. B. SNEATH.
 CHARLES W. GIBBINGS.
 W. J. BLAIR.
 NELSON MALM.

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building — Winnipeg, Manitoba

BALANCE SHEET
As at July 31, 1958

ASSETS

AGENCY ASSETS—

Cash in Agency bank accounts	\$ 3,105.12	
Accounts receivable	147,347.42	
		<u>\$150,452.54</u>

SHAREHOLDERS' AND PATRONS' ASSETS—

Cash—

In general bank account	777.51	
-------------------------------	--------	--

Accounts Receivable—

Commissions — per contra....	\$123,863.86	
Loan accounts	2,153.91	
Pool Insurance Company	4,176.14	
Miscellaneous	4,611.58	
		<u>134,805.49</u>

Furniture and Fixtures

Cost — less depreciation	1,743.45	137,326.45
--------------------------------	----------	------------

\$287,778.99

AUDITORS' REPORT—

We have audited the accounts of Canadian Pool Agencies Limited for the year ended July 31, 1958 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 correct view of the financial position of Canadian Pool Agencies Limited at

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building — Winnipeg, Manitoba

BALANCE SHEET
As at July 31, 1958

LIABILITIES

AGENCY LIABILITIES—

Accounts payable	\$ 26,588.68
Commissions — per contra	123,863.86
	<hr/>

SHAREHOLDERS' LIABILITIES AND RESERVES—

Miscellaneous accounts payable	\$ 832.82
Reserved for income tax	229.03
Patronage dividend payable	96,264.60

\$ 97,326.45

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
	<hr/>
	20,000.00
	117,326.45

CAPITAL STOCK—

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

Approved on behalf of the Board:

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

\$287,778.99

July 31, 1958, 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.

DELOTTE, PLENDER, HASKINS & SELLS,
Chartered Accountants.

Winnipeg, Manitoba,
October 3, 1958.

Exhibit B.

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building — Winnipeg, Manitoba

SUMMARY OF SURPLUS ACCOUNT
For the Year ended July 31, 1958

	<u>Debit</u>	<u>Credit</u>
Surplus for the year ended July 31, 1958— Exhibit C		\$96,843.63
Reserved for income tax	\$ 579.03	
Patronage dividend for year 1957-58— Exhibit A.	96,264.60	
Allocated as follows:		
Alberta Wheat Pool	\$19,415.12	
Manitoba Pool Elevators	8,552.35	
Saskatchewan Wheat Pool	68,297.13	
	<u><u>\$96,264.60</u></u>	
		<u><u>\$96,843.63</u></u>
		<u><u>\$96,843.63</u></u>

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building — Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE
For the Year ended July 31, 1958

INCOME—**Commissions:**

Fire	\$ 57,910.81
Bonds	21,167.26
Automobile	5,508.19
Lake Marine	97.18
Ocean Marine	2,474.57
Accident and Sickness	504.50
Liability	5,002.96
Use and Occupancy	3,493.36
Robbery and Burglary	444.82
Inland Marine	2,642.41
Inland Transportation	247.89
Steam Boiler	146.47
Plate Glass	71.60
Forgery and Alteration	8.14
Composite	825.09
Contingent	9,068.34
	<hr/>
	\$109,613.59
Deduct Brokerage Paid	529.04
	<hr/>
	\$109,084.55

Other Income:

Interest	12,295.92
Total Income for the Year	\$121,380.47

EXPENSES—

Salaries	\$ 16,862.14
Directors' Fees and Expenses	559.19
Rent and Light	2,356.57
Telephone and Telegraph	451.64
Printing, Postage and Stationery	1,591.48
Taxes and Licenses	293.99
Travelling	370.45
Legal and Audit	910.36
Insurance	34.74
Staff Pension, Group and Unemployment Insurance	530.04
Depreciation	435.86
Miscellaneous Expense	440.38
	<hr/>
	24,836.84
Deduct: Recovery from Interprovincial Pool	300.00
	<hr/>
Total Expenses for the Year	\$24,536.84
	<hr/>
Balance—Surplus for the year ended July 31, 1958, carried to Exhibit B.	\$96,843.63
	<hr/>

MEMORANDA



POOL INSURANCE COMPANY

DIRECTORS' REPORT

1957 - 1958

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

Gentlemen:

This is the nineteenth annual report of your insurance Company, and we have pleasure in submitting herewith the Financial Statements for the year ended December 31, 1957.

The results for the year show a surplus of \$723,017.06 as compared with \$698,002.95 last year. While we had a higher loss ratio this year of 37.31% as compared with 30.22% the previous year, the surplus actually reflects a small increase directly attributable to the increase in our retention from 35% to 50%.

After transferring \$14,000.00 to Capital Surplus Account, and setting up the usual capital stock dividend as required by the Company's Charter, and a reserve of \$3,800.00 for income tax, the balance of \$705,215.21 has been allocated to the policyholders on the basis of their contribution to the surplus.

The total premium income amounted to \$1,381,381.91, as compared with \$1,353,321.10 last year.

After placing re-insurance on all risks with the exception of dwellings, the net earned premium income was \$683,643.50 as compared with \$561,316.16 last year.

The losses amounted to \$508,858.62; the Company's share being \$255,093.71.

Five elevators and their contents were totally destroyed. The locations were as follows:

In Alberta—Greenshields No. 1.

In Manitoba—Foxwarren "A", Springhill.

In Saskatchewan—Anglia, Fife Lake "A".

In addition to these total losses, twenty-nine small losses were sustained at elevators; four by fires and twenty-five by windstorms. Four dwellings suffered partial damage, and there were three miscellaneous losses.

We have four full time inspectors engaged in inspecting the property insured by your Company, and we consider this a most important feature of our operations.

We periodically send out pamphlets to the elevator agents on fire prevention; thus keeping fire prevention suggestions before them. Support is received from the parent organizations along this line by the sending out of circulars emphasizing the need to be aware of fire hazards and have them removed. We feel that this effort, together with inspection of the property, helps keep 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 December 31, 1957. The value of the grain is the daily average for the year.

Elevators	\$ 73,809,119.00
Grain	142,984,136.00
Dwellings	7,293,848.00
Miscellaneous	3,333,992.00
	<hr/>
	\$227,421,095.00
	<hr/>

The records of your Company are 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 Expenditures is made up of the earned premiums on our percentage of the risks, plus commission earned on the re-insurance, less losses. We also had interest earnings of \$26,948.45.

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 in Bank—

Under this heading the current bank account is 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 the re-insurers.

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—

Three new automobiles were purchased during the year, and after allowing depreciation on this account of \$2,517.56 at standard rates, the asset covering four automobiles is shown as \$5,874.30. These automobiles are used by our fire inspectors.

LIABILITIES

Current Liabilities—

Amounts due the re-insurance companies are shown. Losses in process consist of the Company's estimated net share of losses for which adjuster's reports have not been received. The item covering taxes accrued represents income tax, premium 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 re-insurance commissions as at December 31, 1957.

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>PaidUp</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.

Once again 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,

Executive { J. H. WESSON
 W. J. PARKER
 G. L. HARROLD

H. B. SNEATH
T. H. WILSON
N. MALM
THOS. G. BOBIER
W. J. BLAIR
CHAS. W. GIBBINGS

POOL INSURANCE COMPANY
Wheat Pool Building - Winnipeg, Manitoba

BALANCE SHEET
As at December 31, 1957

ASSETS

Cash in bank

Bank of Montreal	\$ 307,337.05
------------------------	---------------

Accounts receivable

Canadian Pool Agencies Limited	\$198,582.91
Re-insurance accounts	<u>76,634.55</u>
	275,217.46

Investments - at cost	903,627.50
-----------------------------	------------

Government of Canada bonds	\$915,000.00
----------------------------------	--------------

Listed value	<u>\$873 900.00</u>
--------------------	---------------------

Interest thereon:

Due	\$ 243.75
-----------	-----------

Accrued	<u>4,588.55</u>
---------------	-----------------

	4,832.30
--	----------

Automobiles	5,874.30
-------------------	----------

	<u>\$1,496,888.61</u>
--	-----------------------

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, 1957 and the result of its operations for the year ended that date, according to the best

POOL INSURANCE COMPANY
Wheat Pool Building - Winnipeg, Manitoba

BALANCE SHEET
As at December 31, 1957

Current liabilities

Miscellaneous accounts payable	\$ 700.00
Re-insurance accounts payable	40,798.66
Losses in process	14,301.76
Taxes accrued	14,541.65
Dividends payable as per Exhibit B	705,217.06 \$ 775,559.13

Reserve for unearned income

Unearned premiums	\$ 172,530.00
Unearned re-insurance commission	84,492.47 257,022.47

Capital stock

Authorized - 5,000 shares at \$100.00	\$500,000.00
Subscribed - 2,500 shares at \$100.00	\$250,000.00
Paid thereon	185,000.00

Capital surplus

Premium of 62% on capital stock	\$155,000.00
Surplus realized on investments sold	11,807.01
Transferred from Shareholders' and Patrons'	
Equity Account - 1949-1957	112,500.00 279,307.01

Signed:

J. H. WESSON, Director.

W. J. PARKER, Director.

\$1,496.888.61

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.

DELOTTE, PLENDER, HASKINS & SELLS,
Winnipeg, Manitoba, February 25, 1958. Chartered Accountants.

POOL INSURANCE COMPANY
Wheat Pool Building - Winnipeg, Manitoba

SUMMARY OF SHAREHOLDERS' AND PATRONS' EQUITY ACCOUNT
As at December 31, 1957

	<u>Debit</u>	<u>Credit</u>
Surplus for the year ended December 31, 1957 - Exhibit C		\$723,017.06
Transferred to capital surplus	\$ 14,000.00	
Provision for income tax	3,800.00	
Balance carried down	705,217.06	
	<u>\$723,017.06</u>	<u>\$723,017.06</u>
Balance brought down		\$705,217.06
Allocated as follows:		
Shareholders' dividend		
Alberta Wheat Pool	\$.55	
Manitoba Pool Elevators	.37	
Saskatchewan Wheat Pool	.93	\$ 1.85
Patrons' Dividend		
Alberta Wheat Pool	\$124,526.20	
Alberta Pool Elevators Limited	53.65	
Alberta Wheat Pool and Alberta Pool Elevators Limited	56,184.66	
Manitoba Pool Elevators	118,093.43	
Saskatchewan Pool Elevators Limited	135,179.06	
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited	7.22	
Saskatchewan Wheat Pool	268,337.31	
Saskatchewan Co-operative Livestock Producers Limited	2,546.97	
Modern Press Limited	286.77	705,215.21
	<u>\$705,217.06</u>	<u>\$705,217.06</u>

POOL INSURANCE COMPANY
Wheat Pool Building - Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE
For the year ended December 31, 1957

Premiums on business written	\$1,381,381.91	
Less: Ceded to other companies	680,011.71	\$701,370.20
Deduct: Increase in unearned premiums	17,726.70	
Premiums earned in 1957		683,643.50
Deduct: Losses and adjustment expenses	\$ 508,858.62	
Less: Re-insurance recoveries	253,764.91	255,093.71
Net underwriting income	428,549.79	
Add: Earned re-insurance commission	344,721.86	
Balance, available for expenses and to Shareholders and Patrons	773,271.65	
Expenses		
Taxes, licenses and association dues	\$ 23,538.24	
Inspection service		
Salaries	\$ 16,631.19	
Automobile expenses	6,779.31	
Other travelling expenses	4,477.87	
Staff pension, group and unemployment insurance	2,365.49	
Printing and stationery	970.53	
Postage, telegraph and telephone	268.86	31,493.25
Administration		
Salaries	\$ 16,345.00	
Rent and light	2,419.23	
Directors' fees and expenses	551.54	
Travelling expenses	455.13	
Printing and stationery	86.65	
Postage, telegraph and telephone	510.46	
Legal and audit	870.45	
Staff pension, group and unemployment insurance	465.79	
Miscellaneous expense	467.30	22,171.55
		77,203.04
Add Interest earned	\$696,069.61	
		26,948.45

Balance, surplus for the year 1957
carried to Exhibit B

\$723,017.06

MEMORANDA



