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ALBERTA WHEAT POOL

# ANNUAL REPORT

1955-1956



ISSUED BY  
ALBERTA WHEAT POOL

CALGARY, ALBERTA

DECEMBER, 1956

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ALBERTA WHEAT POOL

# Annual Report

1955-1956



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ALBERTA WHEAT POOL

CALGARY, ALBERTA

DECEMBER, 1956

## BOARD OF DIRECTORS

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



## DELEGATES

### LETHBRIDGE—District One.

101	(a)	Madill, Herbert A. ....	60091	Foremost
102	(e)	xNorris, Fred A. ....	44683	Warner
103	(a)	Oliver, W. A. ....	60602	Warner
104	(a)	Lee, Lester W. ....	12447	Cardston
105	(a)	Redd, Paul H. ....	18734	Raymond
106	(a)	Davidson, Edwin N. ....	61209	Coaldale
107	(a)	Erdman, Ralph L. ....	80319	Barons
108	(e)	Claeys, Lucien ....	73547	Vauxhall
109	(a)	Egan, Alfred ....	68422	Bow Island
110	(a)	Montgomerie, T. S. ....	50655	Medicine Hat

### CALGARY—District Two.

201	(a)	Pelletier, George E. ....	64025	Pincher Creek
202	(a)	O'Neil, James Jesse ....	60011	Claresholm
203	(e)	Hagerman, Thomas H. ....	8573	Parkland
204	(a)	Thompson, S. E. ....	22811	Carmangay
205	(a)	Bertrand, V. J. ....	1810	Milo
206	(e)	Morrison, W. Spence ....	54846	High River
207	(a)	xNoel, Felix H. ....	77706	Okotoks
208	(a)	Rosenberger, O. Keith ....	60024	Balzac
209	(e)	xClayton, C. S. ....	62873	Airdrie
210	(e)	Taggart, H. L. ....	56363	Olds

### DRUMHELLER—District Three.

301	(a)	Frey, Jake ....	7263	Arneson
302	(e)	Paetz, John T. ....	62427	Big Stone
303	(a)	xVoroney, Pete ....	78663	Tilley
304	(e)	xArrison, Arthur W. ....	62315	Bassano
305	(a)	xBurne, G. W. ....	77730	Gleichen
306	(a)	Cammaert, Emile ....	35501	Rockyford
307	(e)	Bates, Arthur C. ....	73708	Acme
308	(e)	xBiggs, George Henry, Jr. ....	60002	Lousana
309	(a)	Offord, Robert D. ....	73743	Morrin
310	(a)	Macpherson, Allan J. ....	71896	Delia

### RED DEER—District Four.

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



405	(e)	xMcCormick, J. E.	78480	Byemoor
406	(e)	xTipman, Joseph J.	62139	Stettler
407	(a)	Stone, John J.	65021	Alix
408	(e)	xBraithwaite, George W.	78714	Red Deer
409	(a)	Haarstad, Alfred B.	30752	Bentley
410	(a)	xAuten, Fred	72590	Ponoka

#### CAMROSE—District Five.

501	(a)	Murray, John Taylor	63264	Chauvin
502	(a)	Dobson, Parke	60982	Paradise Valley
503	(a)	Jackson, James	60986	Irma
504	(e)	Flaade, Bennie Alfred	64158	Rosyth
505	(e)	xKoehli, Ernest	12137	Daysland
506	(e)	Hayes, Charles P.	9290	Strome
507	(e)	xDrummond, Alexander	68601	New Norway
508	(a)	Johnson, Arne	62168	Camrose
509	(a)	Moen, E. A.	14776	Tofield
510	(a)	Rasmuson, Clarence H.	65747	Gwynne

#### VEGREVILLE—District Six.

601	(e)	xKent, W. R.	11736	Marwayne
602	(e)	Bennett, George	1655	Manville
603	(e)	Ziegler, George	44725	Vegreville
604	(e)	xRopchan, Mike	96842	Willmington
605	(a)	Alton, Willmot	40992	Fort Sask.
606	(a)	Ziegler, Alex	60694	Winterburn
(b) 607	(e)	xChauvet, Louis	83768	Legal
608	(e)	xBasaraba, William N.	86860	Smoky Lake
609	(a)	Lamothe, Armand	72533	St. Paul
610	(e)	xLund, John S.	72305	Boyle

#### EDMONTON—District Seven.

701	(a)	xHaley, Stephen	81702	Athabasca
702	(a)	Antonson, Carl	657	Pibroch
703	(a)	Paterson, Charles P.	68926	Mayerthorpe
704	(a)	xLevesque, Ferdinand	70713	Falher
705	(e)	xHelgason, C. J.	9447	Sexsmith
706	(a)	Powell, Uri	18284	Sexsmith
707	(a)	Hadland, Arthur R.	59388	Dawson Creek
708	(a)	White, Frank	68571	Spirit River
709	(e)	xEastman, John Wesley	5932	Brownvale
710	(a)	McAuley, William H.	15512	Fairview

(a) Elected by Acclamation.

(e) Elected.

(x) Delegates Elected in 1956 who did not  
serve in that capacity in 1955.

(b) By-election.

# REPORT OF BOARD OF DIRECTORS

## ALBERTA WHEAT POOL

— to —

### THIRTY-FOURTH ANNUAL MEETING OF DELEGATES

November 27th, 1956

Gentlemen:—

The Alberta Wheat Pool has concluded another successful year in the handling of the 1955-56 grain crop, in a volume of 54,220,106 bushels. This is a decrease of over one million bushels from the previous year, and is largely accounted for by congested conditions in our country elevators. This handling, while not being the largest, has represented sufficient volume to carry the costs of operating the organization without requiring a heavy increase in the cost per bushel in handling charges.

Our elevators throughout the province have been required to carry heavy stocks. Consequently, many Pool members have found themselves unable to support the elevators which they own by delivering their grain through them. Continued efforts have been made by your Board towards having a definite and permanent means provided by which farmers will be enabled to deliver to the elevators of their choice.

### WHEAT MARKETING

The 1955-56 crop year was one of great contrasts. When the season opened, Canada had a large carryover of grain; terminal and country elevators were filled nearly to capacity; and substantial stocks of grain remained on the prairie farms. A favorable growing season brought along another large prairie grain crop in 1955, the fourth in five years, and congestion became more critical than at any time in the past.



BEN S. PLUMER  
Chairman

At the same time, world markets were burdened with large supplies. On top of a heavy carryover in exporting countries from the previous year, a near record world wheat crop was produced. Sales in the autumn were light and the outlook was discouraging. Strong pressure for lower prices was being exerted from many quarters.

The unit system of quotas was established initially to divide the limited space in country elevators and later, quotas based on specified acreage were implemented. Producers were able to make only small deliveries and by the end of the first half of the crop year on January 31 over half of all prairie delivery points were still on the initial unit or a one-bushel quota.

The break for Canadian farmers came in early February when heavy frosts were experienced in France and across most of western Europe. This was followed by several weeks of cold weather, unfavorable to the development of winter crops. Almost immediately a heavy demand for Canadian grain developed in Europe. Another very important factor in increasing sales was the federal government's decision to extend short-term credit to "Iron Curtain" countries. The small crop harvested in the Argentine was also a factor in creating a demand for Canadian wheat.

The problem soon became not one of making sales, but rather of keeping the grain moving as rapidly as possible in order to make the maximum use of export facilities.



In the last six months of the 1955-56 season Canadian exports were maintained at a record or near record level. What started out as a discouraging year, actually ended up as one of Canada's best from an export standpoint. Wheat shipments from Canada amounted to 309 million bushels, an increase of 57 million from the 252 million exported in the previous year of 1954-55.

Notwithstanding this heavy movement Canada still ended the crop year with the large carryover of 499,748,000 bushels. Elevator facilities were full and 163,000,000 bushels of wheat remained in prairie farms, compared with about 100 million at the beginning of the 1955-56 crop year.

Partially offsetting the big increase in the wheat movement were declines in oat and barley exports. Shipments of flax and rye were up. The table below compares last year's Canadian grain exports with those of the previous year and the average of the previous thirty years.

	1955-56	1954-55 million bushels	30 Yr. Average 1925-26 - 1954-55
Wheat .....	308.7	251.8	254.4
Oats .....	4.1	22.2	28.8
Barley .....	64.3	77.1	26.9
Rye .....	12.9	9.3	5.7
Flax .....	11.6	6.4	2.2
	401.6	366.8	318.0

Your Board of Directors feels that special mention should be made of sales to "Iron Curtain" countries—Russia, Poland, Czechoslovakia, Eastern Germany and Hungary — which among them took some 45 million bushels of wheat, most of it of the lower grades which had been clogging elevator facilities on the prairies for several years. These sales opened up a large and, what we sincerely hope will be a steady market, and were particularly gratifying in view of the fact our delegate body had gone on record at the annual meeting last year as "favoring expansion of trade with all countries, including those behind the 'Iron Curtain'." Mention should also be made of the short term credit extended to several of these nations by the government of this country. It is our hope that this policy will be continued and possibly extended to enable Canadian wheat to compete in a highly competitive world market.

The surplus disposal measures of the United States continue to be a major factor affecting Canadian sales of grain, with the effects being particularly evident during the early months of 1955-56. At that time Canadian exports were



lagging while those of the U.S. were expanding steadily. A high percentage of the United States grain exports in the past year were made under terms of one of their various disposal schemes.

Your Board views these measures with grave concern as they present the most difficult type of competition and feel that if Canada is to preserve and expand export markets, it will be necessary to explore every possible means of sales promotion.

## COARSE GRAIN MARKETING

Reduced exports of oats and barley in the 1955-56 crop year resulted in slightly smaller coarse grain deliveries on the prairies and a moderate build-up in farm-held stocks.

Oat exports dwindled to the lowest level in many years—only 4.1 million bushels—mainly because of small shipments to the United States, ordinarily Canada's best customer. Barley exports of 64.3 million were down from the 77 million shipped in the previous year, as a result of a smaller movement to the United Kingdom.

On October 1, 1955, the United States lifted its import quota on Canadian oats and barley, but this action had little or no effect on exports to that country. With the exception of malting grades, the United States took little Canadian oats or barley because of a surplus of feed grains in that country and the generally higher level of prices prevailing in Canada. The rye quota of 3.3 million bushels a year remains in effect.

On July 31, 1956, prairie farmers had a 60-million-bushel carryover of oats on their farms, 20 million more than on the same date a year before, and only slightly less than the 66.5 million bushels delivered during the entire 1955-56 crop year.

The barley carryover was proportionately smaller, although during the year it increased by 9 million bushels to 49 million. Farm deliveries of barley in the prairies during the 1955-56 crop season amounted to 109.7 million bushels.

## THE CANADIAN WHEAT BOARD

During the past season the marketing operations of the Canadian Wheat Board have again been most satisfactory. They were particularly valuable during the period in the autumn of 1955 when there was great pressure for general lowering of prices. We have noted with interest that other grain exporting countries are now giving credit to Canada

for having prevented what could easily have been a catastrophic collapse in grain prices. The Board's position in respect to the maintenance of a reasonable price for wheat was vindicated by the strong demand which developed in the spring, though it is true it did find it necessary to make price reductions on the lower grades.

It is our contention, as it has been for several years, that a drastic paring of prices could have served no useful purpose and could easily have developed into a world-wide price war. Canadian wheat is fairly priced on the world market and we believe that lower prices would only result in ruin for countless grain producers in this country.

In 1955-56 the Board was able to dispose of considerable stocks of grain at good prices in direct competition with grain from other countries which was being offered on very attractive terms. The volume exported was a very definite credit to the efforts of the Canadian Wheat Board and the quality of Canadian grain.

## GRAIN MARKETING DIFFICULTIES

While grain deliveries by prairie farmers were extremely slow in the first half of the 1955-56 crop season, they were relatively good in the final six months. However, your Board and management were greatly concerned over the difficulty experienced in securing an adequate supply of box cars to move grain out of country elevators, particularly in southern regions of the province. At the end of the crop year quotas in the southern area were generally below those in effect in the remainder of the province and farmers there were deprived of a fair and reasonable delivery.

Furthermore, the failure of cars to arrive regularly at our terminal in Vancouver resulted in considerable lost time in terminal operations and delays in making export shipments. On a number of occasions boats were delayed in picking up cargoes of desired grades.

Every effort was made by your Board, the management and staff to secure a better supply of grain cars and the chairman of your Board appeared before the Agricultural Committee of the House of Commons to draw the situation to the attention of parliament. The matter was later discussed in considerable detail when Transport Controller R. W. Milner, and representatives of the Canadian Pacific Railways presented evidence.

Your Board is concerned over the failure of the Agricultural Committee to determine responsibility for the delays in grain shipments from country points as we fear a similar



situation could occur again in the future. We have declared in the past and now reiterate that to the best of our knowledge none of the blame for the delayed shipments can be attributed to tardiness on the part of this organization in unloading cars at our Vancouver terminal.

While appearing before the Agricultural Committee of the House of Commons, your chairman reaffirmed the intention of the Alberta Wheat Pool to continue pressing for a system of box car allocation between country elevators which will recognize the preference of grain producers.

## BOX CAR ALLOCATION

We must report that in the past year little concrete progress has been made in establishing a system which would enable grain producers to exercise their basic right of delivering grain to the elevator of their choice.

The Interprovincial Pool Committee, with Mr. Harrold as chairman, continued to pursue the matter and in the past year discussions were held with Rt. Hon. C. D. Howe and officers of the Canadian Wheat Board. Following our annual meeting last year a resolution calling for provision to be made in the Canadian Grain Act which would enable producers to express a preference, worked its way up through the Alberta Federation of Agriculture, the Western Conference and the Canadian Federation of Agriculture, and was included in the latter body's annual presentation to the federal cabinet in February. While general support was given to the resolution all along its route, some opposition was expressed, and this, we feel, is the main reason such a proposal has not been recognized. We are convinced that in the best interests of farm people we must continue our efforts to provide machinery to allow producers to deliver to the elevator of their choice.

## AGRICULTURE'S PROBLEM

High operating costs, still on the increase, continue as a serious burden for farm people. A survey made by the Food and Agriculture Organization of the United Nations has pointed out that between 1952 and the spring of 1956 prices received by Canadian farmers had dropped an average of 17 percent, while during the same period the cost of goods they required in their farming operations rose by 3 percent. This autumn the Dominion Bureau of Statistics reported that farm operating costs had risen to an all-time high.

On the other hand, cash income from the sale of farm produce in the prairie provinces declined steadily over the

past few years. This year may bring a slight reversal in the trend due to somewhat better grain deliveries during the summer months and higher livestock prices, but the recovery will not be significant.

Farmers must be prepared to take their ups and downs with the rest of the nation but not to accept a continual decrease in income while the business of the nation is at an all-time high, and profits and wages are at record level. We feel that it is time for more consideration to be given to agriculture which is still the basic industry of this country and still its greatest asset.

## WHEAT POOL REPRESENTATION

Your Board of Directors has not missed an opportunity to present the views of this organization on matters affecting the welfare of farm people. In the course of the past year members of your Board have spent considerable time in attendance at important conferences and have appeared before a number of hearings, inquiries and commissions in the interests of the prairie grain producer.

In November, 1955, your chairman presented a brief to the Royal Commission on Canada's Economic Prospects. He reviewed wheat marketing developments between World War I and II and pointed out that during this period the open speculative system of marketing proved ineffective as a pricing mechanism. He outlined the importance of maintaining the Wheat Board system of marketing and emphasized the importance of the government assuming responsibility in providing a degree of protection for grain producers.

On several occasions representatives of this organization appeared before the Board of Transport Commissioners in defence of low freight rates for prairie-grown grain. In January, 1956, G. L. Harrold, vice-chairman of the Board, presented a brief at a hearing in Vancouver opposing a proposed 10 percent increase in the domestic grain rates. It is a matter of satisfaction that the proposed increase was not implemented. Both grain producers and feeders in Western Canada benefited by the retention of the present rates.

Mr. Harrold again represented the organization at a June, 1956, hearing of the Board of Transport Commissioners in Ottawa at which time the freight rate on export flax to Vancouver was considered. Following the hearing the Board of Transport Commissioners ordered a substantial reduction. As a result the freight rate on export flax from Calgary to Vancouver was lowered from 45 cents to 21½ cents a hundred-weight. This action may be expected to open an export



market through Vancouver, which no doubt will be of value to the grain producers in Alberta.

In July, 1956, the railways, through the Canadian Car Demurrage Bureau, served notice of their intention of assessing demurrage on grain box cars not unloaded at terminal points within two days of their arrival. In September the Board of Transport Commissioners held a hearing into this claim at which representatives of the Alberta Wheat Pool were present. However, the hearing was adjourned before their evidence could be presented. The hearing is expected to resume early in 1957 at which time the Alberta Wheat Pool representatives will appear. In the meantime, the Board of Transport Commissioners have refused permission to the railways to assess demurrage on box cars at grain terminals.

## INTERNATIONAL WHEAT AGREEMENT

We are pleased to record in this report that a new International Wheat Agreement went into effect on August 1st, 1956. While there are certain disappointing features about the new pact it is a notable achievement in the face of the difficulties which confronted the negotiators.

The new agreement extends over a three year period from August 1, 1956, to July 31, 1959, and currently has, as members, six exporting nations—Canada, United States, Australia, France, Argentina, and Sweden—and 42 importing countries, of which clarification of the membership status of one is pending. As it now stands, the agreement covers a maximum of 293,618,000 bushels annually, of which Canada has contracted to sell slightly over 100 million bushels.

At the invitation of the Canadian Government, your Board chairman, Ben S. Plumer, along with representatives of other western farm organizations, attended the negotiations which took place in Geneva, Switzerland, during February and March.

We regard it as unfortunate that the United Kingdom refrained from taking part in the negotiations and declined to enter the pact. It is also regrettable that the volume of grain covered is not larger.

However, there are several factors on the credit side. With the entry of Argentina, all major wheat exporting countries in the world are members; importers and exporters were again able to agree on what they believe to be a fair price range and it seems likely that this range will govern prices for the entire wheat trade; and the mechanism of the International Wheat Council has maintained and should serve as a useful forum for exporters and importers to meet regularly and discuss grain problems in a manner not otherwise possible.

## FEDERAL LEGISLATION

During the 1955-56 crop year two important pieces of legislation entitled "Bill 82" and "Bill 83" were passed by the federal parliament.

### FARM CREDIT

Bill 82, recognized the difficulty of grain producers to finance due to inability to make more than token grain deliveries during the fall and early winter months of the 1955-56 crop season. Farmers, through their organizations, had insisted on federal assistance.

The bill entitled "Prairie Grain Producers Interim Financing Act, 1956" enabled farmers to secure bank loans, at an interest rate of 5 percent, up to a maximum of \$1,500 on the security of farm-stored grain. The banks were authorized to grant loans up to \$50,000,000 in aggregate, with the federal government guaranteeing the banks against loss on a portion of the loans made under provisions of the act.

Relatively little use was made of the loans in Alberta, as they did not appear to meet with approval or the needs of a great many producers. Because the federal guarantee removed most of the risk on the loans the interest rate was considered too high. The maximum loan was inadequate in many instances and in some districts the loans were not readily available due to the distances to a chartered bank.

Following the Western Conference meeting in Winnipeg, in January, 1956, a committee was established to review the needs of farmers for short-term loans on farm stored grain to meet temporary financial difficulties. The committee, of which Mr. Harrold was a member, had the following plans under consideration:

#### **Municipal Plan.**

That loans be made available through banks, credit unions or treasury branches at a rate of interest not to exceed that paid by the Canadian Wheat Board after having been approved by a representative of the municipality; that loans be based on a rate of \$4.00 per specified acre, with a maximum of \$3,200 to a permit holder, repayment to be at the rate of half of the value of succeeding grain deliveries; the liability to be split between the federal, provincial and municipal governments.

#### **Elevator Company Plan.**

This proposal offered the alternatives of cash advanced being made by the Wheat Board through the elevator com-



panies, or elevator companies making the loans without the involvement of the Wheat Board. Other conditions are much the same as those in the municipal plan but with the elevator companies bearing a portion of the loan risk.

### **Bank Loan Plan.**

Under this proposal the maximum limit of individual loans would be increased to \$3,500 but they would be made through banks or credit unions.

Your Board of Directors concurred in the recommendations of the Municipal Plan believing it to be fair and reasonable for both the grain producers and governments concerned. At the time this report was prepared no formal presentation by western farm organizations had been made to the federal government.

### **WHEAT CARRYING COSTS**

Bill 83, "The Temporary Reserves Act" 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. The act was made effective as at August 1st, 1955, and will continue until such time as the stocks of wheat held by the Board at the commencement of any crop year fall below 178,000,000 bushels.

For the 1955-56 crop season the excess amounted to 216,694,791.9 bushels and the funds paid to the Board, from the federal treasury, amounted to \$31,486,186.65. About three-fourths of this applied to the 1954-55 Wheat Pool and accounted for approximately 7.3 cents of the final payment which averaged nearly 12.5 cents per bushel. This latter legislation is of considerable value to prairie grain producers in these times of surplus, and here again we feel that the representations made by farm organizations, including the Alberta Wheat Pool, played an important part in securing this benefit for farm people.

### **BOARD OF DIRECTORS**

Following the 1955 annual meeting your Board of Directors met and elected the following officials: chairman, Ben S. Plumer; first vice-chairman, G. L. Harrold; second vice-chairman, W. J. B'air. The same three men were elected to the boards of the three central organizations—Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited and Pool Insurance Company.

The following committees were established:

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

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

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

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

Legislation: G. L. Harrold and Gerald Oberg.

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

During the 1955-56 fiscal year your Directors held eleven regular meetings. In addition, they met twice with the directors of the Saskatchewan Wheat Pool and Manitoba Pool Elevators. They attended the annual meeting of the Alberta Federation of Agriculture in Calgary and the Western Conference in Winnipeg. Representatives were in attendance at the annual meeting of the Canadian Federation of Agriculture at Hamilton, Ontario, in January and the semi-annual meeting at Fort William in July.

At the commencement of the 1955-56 marketing season, Ben S. Plumer was appointed to the Advisory Committee of the Canadian Wheat Board. At that time the committee was reorganized and is now made up entirely of farm representatives.

G. L. Harrold, who is a director of the Alberta Federation of Agriculture, was elected to the Board of Directors of the Canadian Federation and in the latter capacity was one of Canada's delegates to the North American Conference of the International Federation of Agricultural Producers held in Washington, D.C., U.S.A., in April.

## CONSTRUCTION POLICIES

The Alberta Wheat Pool has carried on its usual construction policy during the season 1955-56. For many years past new storage has been provided in the neighbourhood of a million bushels per year. During the current season 39 units have been authorized and constructed providing nearly 2 million bushels additional storage. Our construction policy for several years has been an especially difficult one on account of the unusual production in all parts of the province. In going back over the record of the years we find that many districts are affected at times by drought, frost and hail. In the past some have had a fairly regular record of loss of crop due to these hazards. With heavy construction costs facing



us, the Board has tried to make expenditures at points where the additional storage could be justified by the delivery record at the point. We also, of course, have the question of highway location and truck haulage that is becoming more of a factor as the years go by. This is quite an important item in our replacement program.

In the early years of the Pool's development we purchased some 120 houses at a similiar number of points thinking at the time that there was sufficient handling accommodation for the crops usually grown in that particular district, and thinking that our additional storage should be built at points which did not have enough elevators. Many of these houses purchased had been in operation for a number of years and it is now nearly 30 years since we bought them. These houses that have been in operation at points where good crops have been grown most years are now pretty well worn and replacement must be considered. We have taken care of quite a number of those points at which existing elevators were purchased. With the new elevators we built as replacements furnishing additional storage, we have hesitated to tear down many houses for quite a number of years past as the storage was badly needed, and the salvage is often small.

We question the wisdom of replacing houses with new structures where the sidings are too close together. It is easy to understand why these elevators were built at sidings (in some cases only a few miles apart) in the days when wheat was delivered with team and wagon. A few extra miles on each trip to the elevator was a considerable item for a man who had a large number of bushels. In these days of truck haulage those few miles are not so important. Their greatest importance is to the grower with a combine and a small truck. He finds that if the elevator is close enough, that small truck will usually keep his combine operating. It is questionable in these days of high construction and maintenance costs, and sometimes difficulty in getting good elevator operators, whether we should attempt to continue services by building replacements at sidings that are close to other elevators.

## TERMINAL ELEVATORS

The Annual Meeting of 1954 authorized the building of additional storage at our terminal plant at Vancouver. That two million bushel annex is now finished and is receiving grain. This addition to our plant is going to be quite valuable in guaranteeing supplies for ships coming into Vancouver. We have had periods of very heavy shipping in past seasons which taxed the capacity of the port to receive, clean and load grain into the ships as fast as those ships were presented for

loading. Any delay in arrival of cars of grain from the prairies has made it difficult to take care of boat loadings. Grain going to Vancouver meets certain hazards on the way that are not present in shipments to the Lakehead. Shipments have been held up many times on account of snow slides, mud slides, and sometimes by flood conditions of the Fraser and other rivers.

If it is possible to get grain cars in sufficient quantities to fill the two million bushels of storage that we have finished, there will be sufficient stocks in store to enable the Wheat Board to meet sales at the port of Vancouver. Our additional cleaning capacity will be a decided advantage in times of crisis. This additional storage can be very valuable in helping to attract the shipping of more grain by way of the west coast during the time navigation is closed in the St. Lawrence, saving a long rail haul to the Atlantic coast from the Lake ports.

## MEMBERSHIP

Following the 1955 redistribution, our membership was established at 48,699, but there was a net reduction of 454 during the 1955-56 season. At its close the membership was 48,245 comprising 13,279 signers of the original marketing agreements and 34,966 members enrolled since 1939 under Section 6 of our Act of Incorporation.

During the season 1,560 growers submitted applications and were accepted for membership. The fact that this was the smallest annual enrollment since new members were first accepted in 1939 under Section 6 was due mainly to the congested condition of our elevators and their inability to accommodate more patrons. The average for the preceding ten seasons was 2,597 and enrollments for the preceding three seasons were: 1952-53 — 3,593; 1953-54 — 2,314; 1954-55 — 2,092. While there has been a steady decline for the past three seasons, it will be noted that there was an exceptionally heavy enrollment in the 1952-53 season, this being the largest on record since 1939.

In 1955-56, 644 memberships were terminated owing to death. The memberships of 1,370 who had ceased to farm and had received full settlement for reserves were cancelled.

The cancellations, 1,370, were unduly large for one season and included many members who retired several years ago. With the purchases of patronage dividend reserves from retired members during the past three seasons, the resultant cancellations have removed a large accumulation of memberships which has been inactive for a considerable time. A falling off in membership cancellations may now be expected.





Section of the Alberta Wheat Pool's booth at Calgary, Edmonton, Red Deer and Vermilion exhibitions, 1956.

## ELECTION OF DELEGATES

During the past summer a general election was held in all sub-districts, this having been necessitated by the redistribution of districts and sub-districts sanctioned by the delegate body at the 1954 convention. Delegates were elected in the odd-numbered sub-districts for a period of two years. Those elected in the even-numbered sub-districts will serve for a one-year period.

A total of 105 candidates were nominated to fill the 70 positions. In three sub-districts, four candidates were nominated, in three sub-districts there were three nominees, and in 21 sub-districts, two candidates were nominated, making a total of 27 sub-districts in which elections were held.

In one sub-district no nominations were received prior to the deadline of 5:00 p.m., June 30, and a by-election was subsequently held and the position of delegate filled.

As a result of the election, there are now 23 sitting delegates who did not serve in that capacity in 1955.

## ADULT EDUCATION AWARD

We are pleased to report that the efforts of the Wheat Pools of Western Canada in the field of adult education are receiving nationwide recognition.

This year, on the occasion of its twenty-first anniversary, the Canadian Association for Adult Education presented the



"President's Awards" to five selected Canadian businesses for their "outstanding achievement in the education of the people". We are proud of the fact that the Alberta Wheat Pool was selected to share one of these awards with the Pools of Manitoba and Saskatchewan. The citation reads:

"For over a quarter of a century the Wheat Pools in Alberta, Saskatchewan and Manitoba have realized that successful commercial operations will only happen where there are vigorous intelligent people and flourishing communities. Accordingly, they have pioneered in libraries, art exhibitions, agricultural extension, health and safety education, film and radio discussion programs and many other forms of public education."

### IN MEMORIAM

It is with regret that we record the death of Jonathan M. Wheatley of Chancellor, in the Bassano hospital on July 31st, following an illness of several weeks.

Mr. Wheatley had been a delegate of the Alberta Wheat Pool for sub-district C-5 from 1941 until the time of his death. He was always a ready and willing worker for the farm people of this province and served them in many capacities. His passing is a loss to this organization and the agricultural industry of Alberta. Sincerest sympathy is extended to his family.

### STAFF

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

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

### THE CHALLENGE OF CO-OPERATIVES

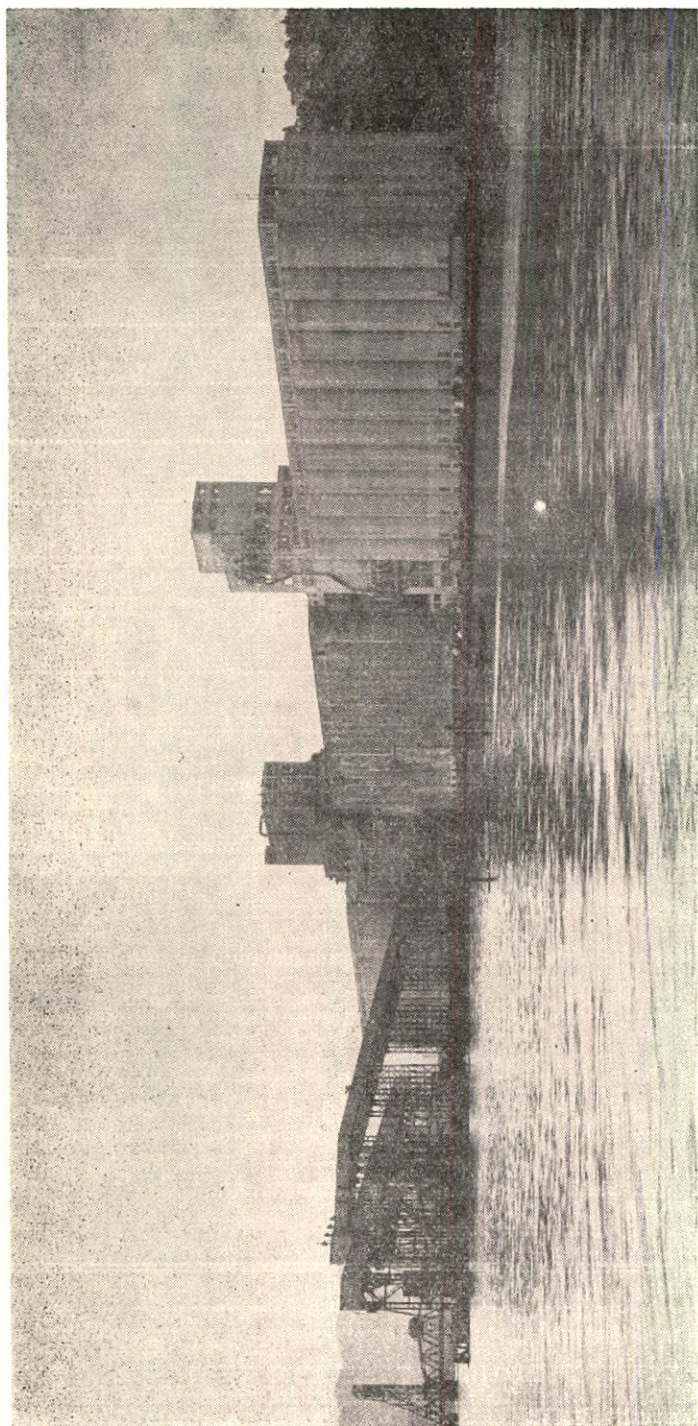
Your directors view with pride and considerable satisfaction the progress made by the Alberta Wheat Pool over the past third of a century. Its achievements on behalf of farm people have been substantial. At the same time we are mindful of the great challenge lying ahead for all co-operators and co-operatives, so well expressed by Dr. J. P. Warbasse,

noted co-operative teacher, writer and administrator, when he said:

"The time never comes in a real co-operative when it can say, 'we have arrived'. Co-operation is forever on the way. When one thing is accomplished there will still remain other goals to reach. There is no end, for the aim of co-operation is perfection—and perfection never comes."

All of which is respectfully submitted,

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



The Alberta Wheat Pool's 7,300,000-bushel terminal at Vancouver, the world's largest tidewater terminal. The new 2,150,000-bushel addition, officially opened on October 19, 1956, is on the right hand side of the picture.



## SUPPLEMENTARY INFORMATION TO REPORT OF BOARD OF DIRECTORS

### PURCHASE OF RESERVES

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

As authorized by resolution of the delegates at our last Annual Meeting, purchases of commercial and elevator reserves credited from patronage dividends were completed in the three categories and amounts as follows:

(a) from 1,094 estates of members who died on or before December 31, 1955 .....	\$146,956.52
(b) from 1,272 members retired from farming as at December 31, 1955 .....	123,450.12
(c) from 1,267 members 76 years of age or over as at December 31, 1955 .....	253,404.38
	<u>\$523,811.02</u>

The number of estates, 1,094, does not represent the number of deaths occurring during one year. Actually the purchases applied to only 675 new estates recorded since our purchases of the previous year. The other 419 were older estates from which reserves were formerly purchased in full and another purchase was required to deal with reserves credited at a later date on deliveries made during lifetime of the members.

With regard to purchases from 1,272 retired members, the corresponding figure for the previous year was 1,148 and it is believed both figures are high because they included many members who had not farmed for several years. The applications which we have received from retired members since completion of the last purchases are considerably fewer in number.

It will be recalled that full purchase in order of seniority in age was authorized of the reserves of members 75 years of age or over as at December 31, 1955 in so far as the fund remaining for the purpose would permit. With the funds available it was not possible to purchase reserves from any members in the group 75 years of age, i.e. those who were born in 1880, and they were so advised. In fact, it was found that the appropriation would permit purchase from little more than half the members in the 76 years group and your Board, considering it advisable to complete full purchase of reserves from all members in this group (year of birth 1879), authorized that the amount originally proposed for purchases be exceeded by approximately \$22,000 so this could be done.

Purchases of commercial and elevator reserves which have arisen from patronage dividends, initially credited on 1940-41 deliveries, were first authorized at the 1952 Annual Meeting in a limited number of estates only and now total \$2,044,714.93. At July 31st, 1956 there was unpaid (chiefly in estates awaiting administration) \$26,326.93 representing 1.28% of the total purchases.

#### COMMERCIAL AND ELEVATOR RESERVES DEDUCTIONS (1923-28)

Reports on missing members and the next-of-kin of deceased continue to reach us as a result of publicity provided mainly through distribution of booklets among members and while the response grows smaller, we were able during the year under review to pay out to members, personal repre-

sentatives and beneficiaries, \$17,181.21 from monies held respecting full purchase of commercial and elevator reserves (1923-28). Payments during the two preceding years were much larger, totalling \$151,529.89. The unclaimed amount at July 31st, 1953 was \$287,444.38 and had been reduced at July 31st, 1956 to \$118,733.28 or 1.42% of the total reserves purchased.

Several accounts have been paid since the 31st July last and we shall continue to pay accounts as we can although it does seem apparent that we shall be unable to account for a considerable portion of the outstanding balance to the members or their heirs.

## ALBERTA'S CROP CONDITION 1955

In 1955, crop yields throughout the greater part of the province were considerably above the long-time average. The quality, too, was uniformly good with the greatest part of the wheat crop grading 2 or 3 Northern. The protein content was below average. Only north of the Peace River were crops generally light due to insufficient moisture. Late seeded barley in all districts was also low in yield, due partly to high temperatures during the early stages of growth and partly to a severe aphid infestation in the latter half of July.

Seeding was later than usual getting started but was general by early May in all but the northeastern corner of the province where two to three week delays occurred because of cool, wet weather. Seeding was not completed until about June 10. Moisture was generally adequate for crop needs throughout the season.

Crops matured uniformly and quickly and harvest became general by late August and good progress was made until mid-September at which time wet and damp weather delayed harvesting for a full two to three weeks. Fine weather in October enabled farmers to complete their harvest, with almost all grain being garnered in a dry condition.

## ALBERTA'S GRAIN PRODUCTION

	— 1955 —			— 1954 —		
	Area acres	Yield per acre	Production bushels	Area acres	Yield per acre	Production bushels
Wheat	5,714,000	23.3	133,000,000	5,862,000	17.9	105,000,000
Oats	2,649,000	39.6	105,000,000	2,354,000	31.4	74,000,000
Barley	3,702,000	27.0	100,000,000	3,053,000	22.9	70,000,000
Rye	174,000	19.8	3,450,000	215,300	18.6	4,000,000
Flax	248,000	12.1	3,000,000	215,000	10.0	2,150,000

## GRAIN PRODUCTION

	— 1954 —		— 1955 —	
	Canada — Bushels —	Alberta	Canada — Bushels —	Alberta
Wheat	308,909,000	105,000,000	494,116,000	133,000,000
Oats	306,793,000	74,000,000	403,835,000	105,000,000
Barley	175,509,000	70,000,000	252,225,000	100,000,000
Rye	14,176,000	4,000,000	14,744,000	3,450,000
Flax	11,238,000	2,150,000	19,748,000	3,000,000

## WHEAT PRODUCTION IN RECENT YEARS

	Canada bus.	Alberta bus.		Canada bus.	Alberta bus.
1956 ....	512,250,000*	132,000,000*	1951 ....	553,646,000	152,000,000
1955 ....	494,116,000	133,000,000	1950 ....	466,490,000	117,000,000
1954 ....	308,909,000	105,000,000	1949 ....	366,028,000	103,000,000
1953 ....	613,962,000	163,000,000	1948 ....	381,413,000	115,000,000
1952 ....	701,922,000	172,000,000	1947 ....	338,506,000	105,000,000

\*Preliminary.

### 30 Year Average, 1926-55

Canada .....	404,000,000;	Alberta .....	125,900,000
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## PROTEIN CONTENT OF WHEAT 1955-56

### Three Prairie Provinces

	Alberta	Saskat- chewan	Manitoba	Western Canada
Grade	%	%	%	%
1 Northern .....	13.0	12.7	12.6	12.8
2 Northern .....	12.6	12.7	13.1	12.7
3 Northern .....	12.7	12.8	13.4	12.8
4 Northern .....	12.6	12.8	12.4	12.7
4 Special .....	.....	13.2	.....	13.2
2 C.W. Garnet .....	11.0	.....	.....	11.0
3 C.W. Garnet .....	11.6	10.7	.....	11.6
All Grades (weighted)	12.6	12.7	13.1	12.7

## VARIETIES OF WHEAT GROWN IN ALBERTA

	1956	1955	1954
Thatcher .....	58.2	56.0	60.2
Saunders .....	10.4	12.1	12.2
Chinook .....	9.0	.4	*
Durum Varieties .....	6.7	2.7	1.6
Red Bobs .....	4.2	5.2	6.1
Marquis .....	3.5	4.9	7.1
Rescue .....	2.7	6.1	5.4
Garnet .....	1.8	1.9	1.5
Others .....	3.5	10.7	5.9

\* not estimated separately.

## ALBERTA—QUALITY OF WHEAT MARKETED

The table below gives a breakdown, by grades, of wheat marketed through Alberta Wheat Pool elevators during the 1955-56 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.



	— 1955-56 —			— 1954-55 —		
	Straight %	Tough & Damp %	Total %	Straight %	Tough & Damp %	Total %
1 Northern .....	.91	....	.91	1.44	....	1.44
2 Northern .....	38.82	.03	38.85	25.42	.14	25.56
3 Northern .....	28.01	.43	28.44	26.22	.80	27.02
4 Northern .....	12.34	1.23	13.57	11.65	2.20	13.85
No. 5 .....	7.62	.94	8.56	16.21	3.03	19.24
No. 6 .....	.92	.15	1.07	5.19	1.18	6.37
Feed .....	.06	.02	.08	1.28	.33	1.61
Other Grades ..	....	....	8.52	....	....	4.91
	88.68	2.80		87.41	7.68	

### MAXIMUM TARIFF OF CHARGES AND SHRINKAGE ALLOWANCE—1955-56.

Maximum elevator charges and shrinkage allowances were established by the Board of Grain Commissioners as follows (all unchanged from the previous year and the same as those in effect during the 1956-57 marketing season):

#### Season 1955-56 ELEVATION CHARGES

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

#### Storage Charges

Country Elevators—1/35 of 1c per bushel per day after the first 15 days.  
Terminal Elevators—1/35 of 1c per bushel per day after the first 10 days,  
which period is divided equally between the buyer and the seller.

#### Shrinkage Allowance

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

While the Board of Grain Commissioners established maximum tariffs of charges and shrinkage allowance, handling margins and storage rates on Wheat Board grain were fixed under agreement with the Canadian Wheat Board. For the 1955-56 season these were the same as in the previous year, namely:

#### Handling margin:

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

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

# CANADIAN WHEAT BOARD PAYMENTS

## WHEAT 1954-55

Grades	Initial Payment	Interim Payment Feb. 9/56	Final Payment May 4/56	Total Payment
— Dollars per Bushel —				
No. 1 Northern .....	1.40	.10	.15066	1.65066
No. 2 Northern .....	1.36	.10	.15397	1.61397
No. 3 Northern .....	1.34	.10	.12387	1.56387
No. 4 Northern .....	1.26	.10	.11657	1.47657
No. 5 Wheat .....	1.12	....	.06619	1.18619
No. 6 Wheat .....	1.06	....	.08619	1.14619
Feed Wheat .....	1.00	....	.10619	
No. 1 Amber Durum .....	1.50	.25	.59498	2.34498
No. 2 Amber Durum .....	1.47	.25	.59498	2.31498
No. 3 Amber Durum .....	1.40	.25	.62998	2.27998
No. 4 Amber Durum .....	1.36	.25	.49498	2.10498

## WHEAT 1955-56

For the 1955-56 season initial prices for some of the main grades were established as follows:

Initial Payment per Bushel		Initial Payment per Bushel	
No. 1 Northern .....	\$ 1.40	Feed Wheat .....	\$ .98
No. 2 Northern .....	1.36	No. 1 Amber Durum .....	1.50
No. 3 Northern .....	1.34	No. 2 Amber Durum .....	1.47
No. 4 Northern .....	1.26	No. 3 Amber Durum .....	1.40
No. 5 Wheat .....	1.10	No. 4 Amber Durum .....	1.31
No. 6 Wheat .....	1.04		

## BARLEY 1954-55

Grades	Initial Payment	Interim Payment Mar. 12/55	Final Payment Nov. 21/55	Total Payment
— Cents per Bushel —				
No. 2 C.W. Six Row .....	.98	.10	7.10477	115.10477
No. 3 C.W. Six Row .....	.96	.10	4.50098	110.50098
No. 4 C.W. Six Row .....	.90	.10	2.59077	102.59077
No. 2 C.W. Two Row .....	.91	.10	11.79284	112.79284
No. 3 C.W. Two Row .....	.88	.10	8.84525	106.84525
No. 1 Feed .....	.87	.10	3.65207	100.65207
No. 2 Feed .....	.82	.10	7.83007	99.83007
No. 3 Feed .....	.75	.10	11.20669	96.20669

## BARLEY 1955-56

Initial payments for the main grades for the 1955-56 crop year were the same as those in 1954-55 as listed above and at the time this report was prepared no interim or final payment had been made.

N.B. Initial prices for wheat are on the basis of grain in store at Fort William/Port Arthur or Vancouver. For oats and barley initial prices are on the basis of grain in store Fort William/Port Arthur. All initial prices and payments listed are prior to P.F.A.A. deductions.

## OATS 1954-55

<u>Grades</u>	Initial Payment	Interim Payment Mar. 18/55	Final Payment Nov. 30/55	Total Payment
	— Cents per Bushel —			
No. 2 C.W. ....	.65	.07	8.74281	80.74281
Extra No. 3 C.W. ....	.62	.07	9.92941	78.92941
No. 3 C.W. ....	.62	.07	6.23482	75.23482
Extra No. 1 Feed ....	.62	.07	4.26917	73.26917
No. 1 Feed ....	.60	.07	4.35056	71.35056
No. 2 Feed ....	.55	.07	6.33896	68.33896
No. 3 Feed ....	.48	.07	9.66167	64.66167

## OATS 1955-56

Initial payments for the main grades for the 1955-56 crop year were the same as those in 1954-55 as listed above and at the time this report was prepared no interim or final payment had been made.

## DELIVERY QUOTA POLICY—1955-56

Before outlining the Board's delivery quota policy for 1955-56 it should be pointed out that the Board arranged in the early part of 1955-56 for the delivery of the balance of the grain which producers had not been able to deliver under the final eight bushel general quota for 1954-55.

On July 19th, 1955, the Board outlined its delivery quota policy for the crop year 1955-56. The principal features of the policy were:

1. Durum wheat and flaxseed were exempted from quota control for the crop year 1955-56.
2. The initial delivery quota for each permit holder was established at 100 units; the 100-unit quota permitting the initial delivery of 300 bushels of wheat OR 800 bushels of oats OR 500 bushels of barley OR 500 bushels of rye OR any combination of these grains not exceeding 100 units. Unit quotas came into effect at individual stations as announced by the Board.
3. The Board continued its policy of permitting the delivery of barley suitable for malting (including pot and pearling barley) in excess of established quotas, providing a representative sample of the barley had been accepted by a maltster or shipper and a premium was paid to the producer for such barley.
4. Following the initial quota the Board provided for general delivery quotas based upon each permit holder's acreage, specified acreage being each permit holder's acreage seeded to wheat (other than Durum), oats, barley or rye plus his acreage in summerfallow. General delivery quotas were established as local space became available and increased in accordance with local elevator space as the crop year progressed.

As the crop year proceeded the demand for Canadian wheat improved but much of the demand was for specific grades and qualities which could not be supplied in equal volume by all delivery points. In moving wheat and other grains forward to meet market requirements inequalities were created in delivery quotas throughout the prairie provinces. It became apparent by the spring of 1956 that a continuing demand for particular grades and grains would make it impossible for The Canadian Wheat Board to



equalize delivery quotas by the end of the crop year and a statement to this effect was made in the House of Commons by the Ht. Honourable C. D. Howe, Minister of Trade and Commerce, on May 3, 1956. As at July 31, 1956, general delivery quotas in effect in Alberta were as follows:

- Five (5) bushels per specified acre, 85 delivery points;
- Six (6) bushels per specified acre, 142 delivery points;
- Seven (7) bushels per specified acre, 155 delivery points;
- Eight (8) bushels per specified acre, 195 delivery points.

In addition to the foregoing, delivery quotas and authorizations, special and supplementary delivery quotas were established from time to time. Effective December 1st, the Board authorized a supplementary quota of 1,000 bushels of barley grading No. 3 C.W. Six Row. On January 11 a supplementary quota of three (3) bushels per seeded acre for rye was authorized with a minimum delivery of 100 bushels. On January 13 a special authorization was provided for the delivery of one (1) carlot of commercial seed oats or barley. On February 29 a supplementary quota of 1,000 bushels of oats grading Extra 1 Feed or better was authorized. On March 5 provision was made for a second carlot of malting barley to be delivered over the quota on the same basis as the first carlot. In April the supplementary rye quota was increased to six (6) bushels per seeded acre, and on May 31 a supplementary oats quota of 1,000 bushels applicable to all grades became effective.

Under the extension of the 8 bushel general quota, and delivery quotas and authorizations established in 1955-56 Western producers delivered 567 million bushels of grain as compared with 525 million bushels in the previous crop year.

# MEMORANDA



A series of horizontal dashed lines for writing.

# REPORT OF THE GENERAL MANAGER

— to the —

## THIRTY-FOURTH ANNUAL MEETING OF DELEGATES

November 27th, 1956

To the Chairman and Delegates,  
Alberta Wheat Pool.

Gentlemen:

As a result of an unprecedented series of large crops, continuous congestion again prevailed in all Canadian grain handling facilities in the year under review. As a matter of government policy, the Canadian Wheat Board was faced with the difficult problem of providing elevator space for a general quota of 8 bushels for the 1954-55 year. This aggravated the congestion and made it difficult to move saleable grades into position during the early part of the crop year.

In order to meet the aggressive sales policy of the United States, the asking price for low grade wheat was substantially reduced in October. This stimulated demand from Europe for the lower grades, and from the United States for heavily frosted wheat which was used in processed animal feeds. In January, a severe frost damaged European crops and this stimulated buying of Canadian grain. As an effective means of meeting competition from United States sales made under Public Law 480, the Canadian government gave valuable assistance to the Wheat Board by entering into a trade agreement with the U.S.S.R., and by the granting of credits to Poland, Czechoslovakia and Hungary. These two events, resulting in an increase in sales of nearly 50 million bushels, were particularly important to Vancouver as a major portion of the grain was shipped through that port.

### Country Elevator Operations.

Alberta Pool country elevators commenced the year with all available storage facilities practically filled to effective working capacity with 32,463,192 bushels of grain. At the end of the year, with increased storage facilities, stocks of grain had risen to 36,585,374 bushels, the highest inventory on record. Receipts of all grains at your country elevators in the past season totalled 54,220,106 bushels. Details of these receipts and platform shipments by grains and a comparison with last year are shown on Schedule "A" following this report. Average net receipts through country elevators were 103,080 bushels compared with 105,960 bushels in the previous year. Your elevators handled 36.18% of all grains delivered



by Alberta producers to country elevators in 1955-56, compared to 35.72% during the previous year.

With congested conditions which existed throughout the year, it was possible to weigh up only 130 of your 526 elevators. Under these circumstances the weighing practices of most agents could not be determined. At elevators which were weighed, however, the gross average was 0.032 of 1% and we believe agents, generally, have consistently followed our fixed policy of accurate weighing.



A. T. BAKER  
General Manager

As was expected, some losses occurred because of heated kernels appearing in grain which had been stored for some time. While every effort was made to maintain losses from this source at a minimum, such losses were considerably in excess of those of most years. In view of the heavy stocks of grain carried in store, country elevators and on the farms, losses incurred were not out of proportion. Losses and gains on grades, which were determined by actual cut-offs, have been taken into account, but because of the heavy stocks at the end of the year, it is not possible to provide an accurate statement of all grade gains and losses which may have occurred. Close supervision has been maintained over grading at all times and little variation is expected from the grades which were placed on the year-end inventory.

The number of coal handling points has been reduced from 13 to 9. These are at stations where coal sheds were taken over with elevator properties.

## Terminal Operations.

The Vancouver terminal unloaded 38,986,719 bushels of grain, an increase of more than 4,000,000 bushels over the previous year. The details are shown in the table (Schedule "A") following this report. The arrangement with Saskatchewan Pool Elevators was continued on the same basis as previous years whereby a diversion premium was paid on all grain received from them, and a service charge collected for processing documents in connection with deliveries to the Canadian Wheat Board. The Saskatchewan Wheat Pool has this year taken over the No. 2 terminal at Vancouver, owned by the National Harbours Board, and will be handling a large proportion of their own grain during the current season through this terminal.

The Alberta Wheat Pool maintains a sales department, operating from the Vancouver office, through which a considerable volume of feed wheat, oats and barley is sold for domestic purposes in B.C. This is considered a profitable operation and also provides additional shipping orders at Alberta country points which is of great assistance under present congested conditions. Total domestic feed sales for the crop year 1955-56 amounted to approximately 2,690,000 bushels. This department also disposes of all screenings which accumulate from the Vancouver terminal cleaning operations.

Your Port Arthur terminal was again operated by Manitoba Pool Elevators under the terms of a satisfactory joint operating arrangement. The Alberta Wheat Pool's share of the earnings of this joint terminal operation was less than last year due to lower eastern shipments, and smaller per bushel earnings. The per bushel earnings were reduced because of the increased cost of terminal operation and smaller revenue from by-products. Total handlings through the terminals operated by the Manitoba Pool were approximately the same as during the previous year, but the Saskatchewan Pool contributed some 16 million bushels and participated in the earnings.

During the past two years an expensive repair job has been carried out at the No. 9 terminal at Port Arthur to arrest serious slippage of the foundation. Extensive repairs have also been made to the terminal and dock at Vancouver. As a result of these large expenditures, both terminals are in good shape and no more than normal repairs is anticipated for some years to come.

Since the last Delegates' Meeting, a new contract has been negotiated with the Grain Workers' Union at the Vancouver terminal. This contract, which expires November



30th, 1957, granted a basic wage rate increase of 6c per hour for the first year and an additional 5c for the second year of the agreement. Other concessions were of a minor nature.

### **Operating Results.**

Net earnings for the 1955-56 season were \$1,042,807 after taking into account normal and special capital cost allowances totalling \$1,745,227. Country elevator revenues were maintained at approximately the same level as the previous year. Terminal revenues were somewhat higher. However, increased costs due in part to expansion of our operations, largely off-set the additional revenues. The allowances for capital cost return were higher than the previous year due to special allowances on new grain storage constructed in the past three years; this accounts mainly for the difference between the net earnings of this year and those of last year.

### **Working Capital.**

Working capital, which represents the excess of current assets over current liabilities, was \$7,972,656, compared with \$6,864,323 at the end of the previous year. The increase is accounted for partially by the amount retained out of 1954-55 earnings through the allocation of new reserves to member patrons to bring the total reserves to \$10,000,000, and partially by the return of a capital cost allowance on new structures which was a charge against the earnings of the year 1955-56.

### **Capital Expenditures.**

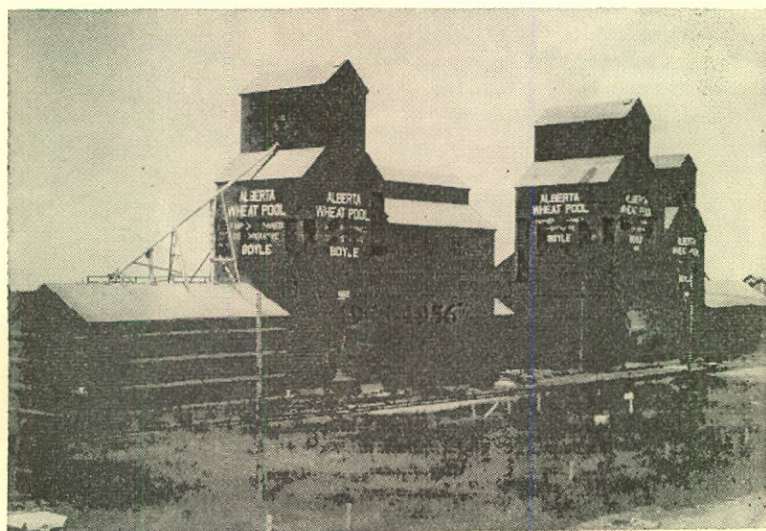
Capital expenditures during the year and commitments for construction of elevator structures amounted to \$903,487 compared with \$4,488,642 in 1954-55. The latter included an expenditure for the construction of the addition to the Terminal at Vancouver.

### **Properties.**

At the commencement of the 1955-56 crop season, the Alberta Wheat Pool owned 523 country elevators. During the year, old elevators at Bassano, Strathmore, Orion and Sexsmith were converted to twin annexes and new elevators were built at those points. The No. 1 elevator at Chinook was torn down. New elevators were also constructed at Chinook, Consort, Falher and Vulcan, and the elevator at Fairview was completed replacing the one destroyed by fire last year. This year the elevator at Rose Lynn was lost by fire. The number of elevators at the end of the year was 526. One cribbed and 29 balloon annexes were constructed, and one balloon was lost by fire. The total number of annexes, including the old elevators which were converted to twin annexes during the year, is now 553.



New construction during the year increased the capacity of our country storage facilities by 1,853,000 bushels, bringing the total country grain storage capacity to 39,165,750 bushels. In addition, off-site buildings capable of storing 2,900,000 bushels were maintained on a rental basis during the season. The maintenance program for the year included the painting of 49 elevators, 124 annexes and 96 dwellings. A continuous inspection and repair program has maintained Pool properties in good condition so far as we have been able to ascertain under the present congested conditions. It is a source of satisfaction that with the exception of building one balloon annex and a small amount of painting and siding, all of the construction was done by Wheat Pool crews.



Serving farmers at Boyle with a quarter of a million bushels of space.

Your organization now owns 404 dwellings, 29 coal sheds, 13 flour sheds and 2 warehouses in Calgary, in addition to grain handling facilities. During the year 4 dwellings were purchased, 7 dwellings built, and 9 which were not suitable for our purposes were sold. One flour shed and 3 coal sheds were sold. The 2 warehouses in Calgary are used for storing country elevator materials and supplies.

The expansion of electrical power lines in the province, has made it possible to convert eight additional power units to electricity and your system of 526 elevators is now electrically operated with the exception of 147 elevators, for which electric power is not available.

## **Winnipeg Office.**

The Winnipeg Office continued to maintain a close and valuable liaison with the Canadian Wheat Board, the Board of Grain Commissioners, and the trade generally. Our relationship with both Boards is most harmonious and, we believe, important to our operations. More specifically, the office received large numbers of samples of malting barley for selection by domestic maltsters and exporters, and provided a service to our barley growers in obtaining barley premiums and over-quota delivery permits. During the year arrangements were made for the sale and export to the United States of over 2½ million bushels of frosted, No. 6 and feed wheat. This disposed of the entire stocks of these grades, some of which had been carried in elevators for two or three years. Arrangements were also made for the shipment of a quantity of high protein wheat from country elevators. This method of buying wheat by domestic mills on the basis of protein content is becoming more prevalent each year, with the mills now selecting from individual bins in country elevators according to protein content, rather than from designated shipping stations which had been their practice in previous years. It involves the submission of many samples for protein test. During the year some 700,000 bushels of flax and over one million bushels of rye were hedged in the open market and merchandised through this office.

## **Edmonton Office.**

The primary function of the Edmonton office staff is the grading of samples and reporting such grades to elevator agents, as well as the checking of government inspectors' grading of all cars passing through the Edmonton inspection division and consigned to the Alberta Wheat Pool. This office also takes care of numerous car diversions to apply against sales to feed dealers, mills and malting companies, and at times certain grades of grain to our terminals at Vancouver and Fort William. Contact is maintained with Head Office and various elevator agents, travelling superintendents, repair foremen, delegates and Pool members in the Edmonton district.

## **Public Relations.**

The Field Service and Publicity Departments, whose chief function is to inform the public and create goodwill for the Pool, carried on much the same work as in previous years. Continuous study has, however, resulted in more effective techniques and improved programmes. A detailed description of the activities of both departments appears in the supplementary report.



It is respectfully submitted that the present information and public relations services and programmes are no longer adequate to cope with the growing complexity of our business, a new membership and the changing rural community. Unless the membership is increasingly well informed, there is grave danger that the distinctive character of this organization may be lost. Recognition of this fact led to the recent establishment of a Country Information Department.

#### Staff.

The Board has continued to recognize 25 years of service by the presentation of a gold watch, and during the year 7 more employees joined the Quarter Century Club. Of the 184 people who have received this award, 139 are still in the employ of the Pool.

The following people retired during the year: M. C. Hunter and H. F. Whittred of the Head Office staff; Travelling Superintendents N. E. Nelson and G. E. H. Johnston; Fieldman N. D. Stewart; and Agents C. W. Blair, W. A. Cowan, S. E. Fleming, F. G. Gilliland, F. N. Horning, S. J. Hurl, H. J. Loree, J. S. Sinclair, E. G. Thomas, S. R. Vivian, and R. F. Wacker.

W. E. Smith, agent at Vegreville was promoted to Traveling Superintendent; D. G. Campbell, agent at Consort and J. Weerstra, agent at Barons were promoted to the Field Service Department. Allan Gibson and J. N. Rhyason were promoted from the Field Service Department to the positions of Director of the Department of Information and Assistant Director of the Department of Information respectively.

In an organization of this kind, with such a large number of employees, we are occasionally saddened by the deaths of some who have served long and well. It is with considerable regret that we have to report the death of Alex L. Patterson of our Head Office staff, and John Campbell, former agent at Federal.

I am pleased to record my appreciation of the services of the staff whose efforts made possible the operating results reported for your consideration. The character of an organization is determined by its people and Wheat Pool members can consider themselves fortunate in the type of employee that has been attracted to this service since 1923.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "A. I. Baker". The signature is fluid and cursive, with a long horizontal stroke extending to the right.



# GENERAL MANAGER'S REPORT

## Schedule "A"

### Receipts of Grain from Producers 1955-56.

	Through Country Elevators	Platform Shipments	Total	Last Year
Wheat .....	34,650,452	3,895	34,654,347	35,407,287
Oats .....	5,135,803		5,135,803	6,074,899
Barley .....	12,363,364	29,562	12,392,926	11,960,292
Flax .....	761,462		761,462	592,478
Rye .....	1,274,038	1,530	1,275,568	1,394,421
Total .....	<u>54,185,119</u>	<u>34,987</u>	<u>54,220,106</u>	<u>55,429,377</u>
Last Year .....	<u>55,417,243</u>	<u>12,134</u>	<u>55,429,377</u>	

### Vancouver Pool Terminal Receipts.

Shipments from Country Points:	1955-56	Last Year
Alberta Wheat Pool .....	30,919,678	29,446,307
Saskatchewan Wheat Pool .....	16,685,227	10,159,774
Other Sources .....	781,290	574,584
Total .....	48,386,195	40,180,665
Less Diverted to Other Terminals .....	9,399,476	5,482,766
Net Unloaded Vancouver Terminal .....	<u>38,986,719</u>	<u>34,697,899</u>

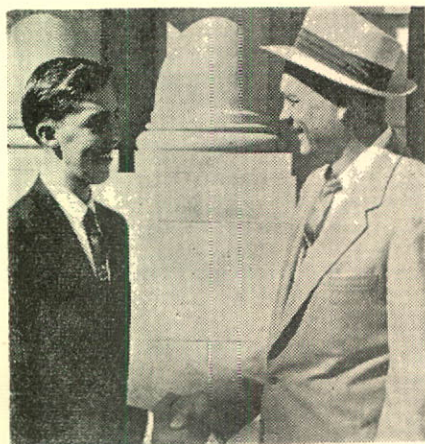
### Manitoba Pool Terminal Receipts.

Shipments from Country Points:	1955-56	Last Year
Alberta Wheat Pool .....	10,527,129	11,213,852
Manitoba Pool Elevators .....	26,417,579	32,985,264
Other Sources .....	16,711,585	6,782,526
Total .....	53,656,293	50,981,642
Less Diverted to Other Terminals .....	152,816	259,500
Net Unloaded Manitoba Terminals .....	<u>53,503,477</u>	<u>50,722,142</u>

## WHEAT POOL RECOGNIZES 4-H CLUBS

Alberta's 4-H Clubs are making an outstanding contribution to the training of farm boys and girls—not only in creating an understanding and an interest in good farming practices, but what is perhaps more important, in building forward-looking, community-minded citizens who will be the farm leaders of tomorrow.

The Alberta Wheat Pool recognizes the value of 4-H Club work and, upon the instruction of the delegates, supports it in many ways. It encourages and assists 4-H members and offers recognition to those of outstanding achievement.



Here Andrew Schlachter, winner of Alberta's 4-H wheat plot competition in 1956, is receiving congratulations from W. W. Wagler, fieldman. The Alberta Wheat Pool will present him with an engraved wrist watch.

Young Jerry Leiske, of Beiseker, brought honour to Alberta and the 4-H movement by winning the world's wheat crown at Chicago in 1955. Joe Weerstra, fieldman, is making a presentation on behalf of the Pool.



# MEMORANDA



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



## HARVEY, MORRISON & CO.

CHARTERED ACCOUNTANTS

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

W. H. NIELD, C. A.

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

G. H. JARMAN, C. A.

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

Lougheed Building,  
Calgary, Alberta,  
30th October, 1956.

Dear Sirs:—

We have completed our examination of the books of account of your association for the year ended 31st July, 1956 and submit herewith the undernoted statements which are in agreement with the books:

1. Balance Sheet as at 31st July, 1956.
2. Statement of Operations for the year ended 31st July, 1956.
3. Consolidated Comparative Balance Sheet of Alberta Wheat Pool and Alberta Pool Elevators Limited as at 31st July, 1956 and 31st July, 1955.

### OPERATIONS

The operations of the year resulted in net earnings of \$1,042,806.82 as summarized below:

Total Operating Revenue .....	\$9,304,240.48
Total Operating Expense .....	6,516,206.62
Earnings before providing for Rental of Elevator Facilities .....	\$2,788,033.86
Deduct Rental equivalent to Capital Cost Allowance, or Depreciation on Structures and Equipment .....	1,745,227.04
Net Operating Earnings .....	<u>\$1,042,806.82</u>

Pending decision of your delegates as to distribution, this amount less \$48,000.00 paid on account of income taxes is shown on the balance sheet as a current liability.

## BALANCE SHEET

### Stocks of Grain and Coal—\$40,668,247.25

This amount represents the value of all grain and coal on hand according to the records as at 31st July, 1956.

Stocks at the Vancouver Terminal were weighed over in October, 1955 and during the year weighovers were completed at one hundred and thirty country points. Due to continuous heavy stocks at other points weighovers were not practicable and therefore the book records of stocks have been accepted.

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

### Reserves—\$10,000,000.00

The above amount represents the maximum sum now authorized by the Act of Incorporation to be issued to members by way of reserve payments. Changes during the year are summarized hereunder:

Balance, 31st July, 1955 — issued to members .....	\$9,813,188.78
Deduct Purchases during year .....	523,809.99
	<hr/>
	\$9,289,378.79
Add Distributed as Patronage dividend 1954-55 .....	\$689,078.86
Adjustments of previous years .....	501.71
	<hr/>
	689,580.57
Issued to members as at 31st July, 1956	\$9,978,959.36
Add Reserves Purchased in Advance and held by Pool .....	21,040.64
	<hr/>
Reserves Authorized .....	<u><u>\$10,000,000.00</u></u>

### Income Taxes.

Income tax returns up to and including the year ended 31st July, 1954 have been reviewed and approved by the Tax Department and all taxes due thereunder have been paid. The return for the year ended 31st July, 1955 was prepared and submitted in accordance with regulations but it is still subject to review. The liability in respect of the year under review will be determined following the decision of your delegates as to distribution of the earnings.

## ANALYSIS

In accordance with previous practice, 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, 1956

### ASSETS

#### **Current—**

Cash in Banks, on Hand and in Transit .....	\$ 472,852.04	
Stocks of Grain and Coal .....	40,668,247.25	
Advances on Grain .....	2,138.00	
Accounts Receivable .....	1,022,903.33	
Accrued Items Receivable .....	92,962.82	
Prepaid Expenses .....	320,959.77	
Prepaid Reserves Purchases .....	21,040.64	
		<u>\$42,601,103.85</u>

#### **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	
		<u>4,958,670.00</u>

#### **Fixed Assets—**

Grain Exchange Membership .....	9,302.00
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\$47,569,075.85

CALGARY, Alberta, 30th October, 1956.

We have examined the balance sheet of Alberta Wheat Pool as at 31st July, 1956 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, 1956

### LIABILITIES

#### **Current—**

Outstanding Cheques, Cash Tickets and Orders ..\$	6,691,585.19
Bank Loans .....	23,500,000.00
Call Loans .....	2,082,500.00
Members' Loans .....	34,284.60
Accounts Payable .....	538,140.57
Accrued Items Payable .....	264,248.26
Growers—Outstanding Payments .....	146,014.92
Net Earnings—1955-56 .....	\$1,042,806.82
Less Prepaid Income Taxes .....	48,000.00
	<u>994,806.82</u>
	\$34,251,580.36

#### **Internal—**

Alberta Pool Elevators Limited .....	864,012.74
--------------------------------------	------------

#### **Reserves and Surplus—**

Reserves—Authorized and Issued .....	\$10,000,000.00
Surplus retained from earnings of previous years .....	2,453,482.75
	<u>12,453,482.75</u>

#### **Contingent Liability—**

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

\$47,569,075.85

In our opinion, subject to our attached report, the above balance sheet and the 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, 1956 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, 1956

### EXPENSES

#### Elevator Operating Expenses—

Salaries and Wages .....	\$1,716,812.69	
Cost of Living Bonuses .....	205,588.16	
Helpers' Wages .....	129,257.11	
Repairs—		
Country Elevators .....	\$387,258.05	
Dwellings .....	105,383.01	
Elevator Grounds and Approaches .....	8,823.49	
Terminals .....	108,837.24	
		610,301.79
Taxes—Municipal and School .....	\$392,192.70	
Business .....	10,883.89	
		403,076.59
Insurance—Grain .....	\$149,345.91	
Buildings .....	63,359.04	
Fidelity Bonds .....	5,009.84	
Public Liability .....	1,223.94	
		218,938.73
Power—Electric and Natural Gas .....		130,106.49
Annex Transfer Charges .....		106,043.97
Tools, Supplies and Repair Parts .....		83,525.87
Rentals—Off-Sites .....		74,952.32
Heat, Light and Water .....		39,593.53
Site Rentals .....		36,143.74
Telephone Rentals .....	\$ 20,610.04	
Telephone Tolls and Telegrams .....	9,241.88	
		29,851.92
Printing, Stationery and Supplies .....		18,120.98
Unemployment Insurance .....		17,971.05
Postage and Box Rentals .....		15,902.17
Travelling and Moving .....		15,740.93
Workmen's Compensation Board .....		14,880.42
Gasoline and Engine Fuel .....		14,042.78
Car Repairs and Liners .....		8,842.57
Broadcasting Grain Prices .....		8,060.26
Boiler, Scales and Air Tank Inspections .....		6,813.40
Licenses and Bonds .....		5,679.92
Freight, Express and Trucking .....		5,549.36
Agents' Meetings Expenses .....		4,919.83
Lubricating Oils and Greases .....		4,536.59
Receiving Grain Prices .....		4,425.25
Vac-U-Vator Expenses .....		3,931.97
Mail Allowances .....		3,731.35
Fuel for Driers .....		3,700.95
Medical Services .....		2,941.90
Terminal Registration Fees .....		1,575.23

Carried Forward ..... \$3,945,559.82



ALBERTA WHEAT POOL  
Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR  
ENDED 31st JULY, 1956

REVENUE

Gross Revenue from Trading and Grain Operations .....	\$2,646,943.91
Country Carrying Charges from Canadian Wheat Board .....	4,734,007.62
Terminal Elevation Charges .....	823,578.29
Port Arthur Terminal Earnings .....	264,732.74
Storage Charges .....	230,687.33
Diversion Charges .....	141,081.26
Cleaning and Separation Charges .....	144,525.99
Rentals—Dwellings, etc. ....	118,517.50
Wharfage Charges .....	79,647.45
Service Charges—Saskatchewan Pool .....	41,498.13
Drying Charges .....	41,487.09
Coal Operations .....	3,171.01
Rentals—Portable Grain Cleaners .....	398.50
Miscellaneous Revenue .....	33,963.66

Carried Forward ..... \$9,304,240.48

# ALBERTA WHEAT POOL

Calgary, Alberta

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1956 (Continued)

### EXPENSES

Brought Forward .....		\$3,945,559.82
Rural Electrification Line Installation Costs .....		1,140.00
Automobile Allowance .....		300.00
Portable Cleaner Maintenance .....		20.89
Miscellaneous .....		3,317.34
		<hr/>
		\$3,950,338.05
<b>Office and General Expenses—</b>		
Salaries and Wages .....	\$562,859.99	
Cost of Living Bonus .....	75,370.00	
Rentals .....	59,387.09	
Printing, Stationery, Supplies .....	29,154.87	
Equipment Rental .....	26,392.80	
Postage and Meter Rental .....	18,657.86	
Audit Fees and Expenses .....	13,025.00	
Telephone Tolls and Telegrams ..	\$9,207.25	
Telephone Rentals .....	6,212.43	
	<hr/>	15,419.68
Insurance and Maintenance of Office Equip- ment .....	7,417.03	
Membership Lists and Ballots .....	6,638.43	
Business Taxes .....	5,336.52	
Travelling and Moving .....	4,396.31	
Unemployment Insurance .....	4,005.77	
Freight, Express, Trucking .....	3,763.95	
Workmen's Compensation Board .....	3,554.22	
Light and Power .....	3,334.73	
Auto Expenses and Allowances .....	2,879.43	
Repairs and Alterations .....	2,385.71	
Membership Fees .....	2,130.00	
Professional Fees and Expenses .....	1,453.45	
Licenses and Bonds .....	665.24	
Entertainment .....	663.87	
Legal Fees and Expenses .....	597.47	
Fidelity Bonds .....	370.90	
Miscellaneous .....	7,607.18	
	<hr/>	857,467.50
<b>Elevator Superintendence—</b>		
Salaries .....	\$110,095.25	
Cost of Living Bonus .....	9,684.00	
Travelling and Sustenance .....	16,231.30	
Automobile Expenses .....	15,669.10	
Telephone Tolls and Telegrams ..	\$6,048.54	
Telephone Rentals .....	321.36	
	<hr/>	6,369.90
Rentals .....	1,881.60	
Automobile Insurance .....	1,572.84	
Printing, Stationery, Supplies .....	498.70	
Supplies .....	446.08	
Workmen's Compensation Board .....	444.37	
Unemployment Insurance .....	211.90	
	<hr/>	163,105.04
Carried Forward .....		<hr/>
		\$4,970,910.59

ALBERTA WHEAT POOL  
Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR  
ENDED 31st JULY, 1956 (Continued)

REVENUE

Brought Forward ..... \$9,304,240.48

Carried Forward ..... \$9,304,240.48



# ALBERTA WHEAT POOL

Calgary, Alberta

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1956 (Continued)

### EXPENSES

Brought Forward ..... \$4,970,910.59

#### **Elevator Maintenance—**

Salaries .....	\$ 61,697.99	
Cost of Living Bonus .....	13,106.45	
Foremen's Wages .....	19,392.53	
Truck Expenses .....	21,848.77	
Travelling and Sustenance .....	19,231.78	
Holidays with Pay Stamps .....	10,087.60	
Equipment and Maintenance .....	5,731.72	
Workmen's Compensation Board .....	4,182.41	
Tools, Supplies and Repair Parts .....	3,184.82	
Unemployment Insurance .....	3,123.49	
Rentals .....	2,875.00	
Telephone Tolls and Telegrams ..	\$1,279.86	
Telephone Rentals .....	486.44	
		1,766.30
Warehouse Expense .....	1,214.00	
Automobile and Truck Insurance .....	1,120.32	
Freight, Express, Trucking .....	1,107.55	
Printing, Stationery, Supplies .....	946.56	
Automobile Expenses .....	838.28	
		<u>171,455.57</u>

#### **Field Service—**

Salaries .....	\$ 40,259.20	
Cost of Living Bonus .....	3,672.00	
Travelling and Sustenance .....	7,025.48	
Automobile Expenses .....	6,340.36	
Country Meetings—Hall Rents, etc. ....	2,559.49	
Printing, Stationery, Supplies .....	1,494.81	
Complimentary Supplies .....	1,381.00	
Motion Picture Expense .....	897.60	
Automobile Insurance .....	622.45	
Telephone Tolls and Telegrams ..	\$ 501.65	
Telephone Rentals .....	80.30	
		581.95
Rentals .....	573.24	
Workmen's Compensation Board .....	153.79	
Unemployment Insurance .....	130.52	
Miscellaneous .....	794.53	
		<u>66,486.42</u>

Carried Forward ..... \$5,208,852.58

# ALBERTA WHEAT POOL

Calgary, Alberta

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31st JULY, 1956 (Continued)

### REVENUE

Brought Forward ..... \$9,304,240.48

Carried Forward ..... \$9,304,240.48

**ALBERTA WHEAT POOL**  
Calgary, Alberta

**STATEMENT OF OPERATIONS FOR THE YEAR  
ENDED 31st JULY, 1956 (Continued)**

**EXPENSES**

Brought Forward ..... \$5,208,852.58

**Publicity and Advertising—**

Salaries .....	\$ 14,239.80
Cost of Living Bonus .....	1,296.00
Radio Broadcasts .....	40,884.90
Advertising .....	8,135.78
The Budget .....	6,862.98
Pamphlets, Circulars, Calendars .....	6,501.61
Rentals .....	2,139.60
Travelling and Sustenance .....	669.10
Postage .....	644.92
Subscriptions and Library .....	463.37
Printing Plates and Photos .....	338.04
Telephone Rentals .....	\$ 160.64
Telephone Tolls and Telegrams ..	58.67
	219.31
Printing, Stationery, Supplies .....	172.76
Workmen's Compensation Board .....	84.92
Unemployment Insurance .....	28.88
Miscellaneous .....	4.50

**82,686.47**

**General Administration—**

Employees' Pension Fund .....	\$ 78,460.70
Employees' Supplementary Retirement Allowances .....	15,535.17
Directors' Fees .....	23,372.00
Directors' Expenses .....	16,322.74
Annual Meeting of Delegates .....	19,864.41
Contributions—Educational and Charitable .....	15,283.00
Alberta Federation of Agriculture .....	13,904.50
Legal Fees and Expenses .....	9,393.63
Junior Clubs—	
Junior Farm Clubs .....	\$7,426.68
Girls' Garden Clubs .....	2,190.95
Farm Young People's Week ....	947.00
Junior Farm Camps .....	470.00
	11,034.63
Interprovincial Expenses .....	5,005.82
Delegates' Country Expenses .....	4,213.80
Quarter Century Club .....	1,428.18
Mortgage Bond Trustee's Fee .....	600.00
Telephone Rentals .....	\$ 160.64
Telephone Tolls and Telegrams ..	124.08
	284.72
Miscellaneous .....	6,577.85

**221,281.15**

Carried Forward ..... \$5,512,820.20



ALBERTA WHEAT POOL  
Calgary, Alberta

STATEMENT OF OPERATIONS FOR THE YEAR  
ENDED 31st JULY, 1956 (Continued)

REVENUE

Brought Forward ..... \$9,304,240.48

Carried Forward ..... \$9,304,240.48

**ALBERTA WHEAT POOL**  
Calgary, Alberta

**STATEMENT OF OPERATIONS FOR THE YEAR  
ENDED 31st JULY, 1956 (Continued)**

**EXPENSES**

Brought Forward .....		\$5,512,820.20
<b>Interest, Exchange, Brokerage, Etc.—</b>		
Interest—Current Operating .....	\$788,828.20	
Mortgage Interest .....	93,928.29	
Bank Exchange and Payors' Commissions .....	106,183.00	
Postage, Insurance, etc. on Funds .....	1,743.03	
Brokerage .....	12,703.90	
		<u>1,003,386.42</u>
<b>Rental—Equivalent to Capital Cost Allowances—</b>		
Country Elevators, Annexes, Dwellings and Sheds—5% and 10% .....	\$299,452.29	
Vancouver Terminal—3% and 10% .....	174,738.56	
Port Arthur Terminal—3% and 10% .....	21,490.26	
Automobiles and Trucks—30% .....	31,004.68	
Office Equipment—20% .....	17,265.74	
Calgary Warehouses—10% .....	858.28	
Terminal Loose Equipment—20% .....	716.17	
Country Elevator Equipment—20% .....	32,620.62	
		<u>\$578,146.60</u>
<b>Special Additional Capital Cost Allowances—</b>		
Vancouver Terminal—		
Structures—		
30% .....	\$477,795.93	
Equipment—		
20% .....	137,057.64	
		<u>\$614,853.57</u>
Country Elevators and Annexes—		
Structures—		
10% & 30% .....	\$484,144.15	
Equipment—		
10% & 20% .....	68,082.72	
		<u>552,226.87</u>
		<u>1,167,080.44</u>
		<u>1,745,227.04</u>
<b>Net Operating Earnings .....</b>		<u>1,042,806.82</u>

\$9,304,240.48

**ALBERTA WHEAT POOL**  
Calgary, Alberta

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**STATEMENT OF OPERATIONS FOR THE YEAR  
ENDED 31st JULY, 1956 (Continued)**

**REVENUE**

Brought Forward ..... \$9,304,240.48

**\$9,304,240.48**



# ALBERTA WHEAT POOL AND ALBERTA POOL ELEVATORS LIMITED

Calgary, Alberta

## CONSOLIDATED BALANCE SHEET AS AT 31st JULY, 1956, AND COMPARISON WITH 31st JULY, 1955

ASSETS		
Current—	31st July, 1956	31st July, 1955
Cash in Banks, on Hand and In Transit .....	\$ 472,852.04	\$ 492,392.57
Stocks of Grain and Coal .....	40,668,247.25	37,463,821.78
Advances on Grain .....	2,138.00	5,125.42
Accounts Receivable .....	1,022,903.33	905,261.48
Accrued Items Receivable .....	92,962.82	64,743.63
Prepaid Expenses .....	320,959.77	307,079.72
Prepaid Reserves Purchases .....	21,040.64	
Total Current Assets .....	\$42,601,103.85	\$39,238,424.60
 Fixed Assets—		
Buildings and Operating Machinery .....	\$22,293,984.12	\$19,314,307.38
Less Accumulated Capital Cost Allowances .....	14,742,904.81	13,146,908.98
	\$ 7,551,079.31	\$ 6,167,398.40
 Elevator and Office Equipment, Autos and Trucks and Miscellaneous Equipment ....	\$ 546,817.76	\$ 515,565.44
Less Accumulated Capital Cost Allowances .....	272,063.36	252,142.63
	\$ 274,754.40	\$ 263,422.81
 Incomplete Construction (see contra)—		
Vancouver Terminal .....	\$ 308,845.04	\$ 2,359,165.30
Country Elevator, Annexes and Dwellings .....	68,021.93	222,917.28
	\$ 376,866.97	\$ 2,582,082.58
Net Capital Assets .....	\$ 8,202,700.68	\$ 9,012,903.79
 Investments—		
Shares—Pool Insurance Company .....	\$ 102,000.00	\$ 79,500.00
Canadian Pool Agencies Limited ..	6,670.00	6,670.00
Grain Exchange Memberships .....	9,302.00	9,302.00
	\$ 117,972.00	\$ 95,472.00
	\$50,921,776.53	\$48,346,800.39

# ALBERTA WHEAT POOL AND ALBERTA POOL ELEVATORS LIMITED

Calgary, Alberta

## CONSOLIDATED BALANCE SHEET AS AT 31st JULY, 1956, AND COMPARISON WITH 31st JULY, 1955

<u>LIABILITIES</u>		
<u>Current—</u>	31st July, 1956	31st July, 1955
Loans—Bank Grain Loans .....	\$23,500,000.00	\$16,200,000.00
Call Loans .....	2,082,500.00	3,257,000.00
Members' Loans .....	34,284.60	6,230.43
Outstanding Cheques, Cash Tickets and Orders .....	6,691,585.19	7,925,781.40
Construction Commitments (see contra) ....	376,866.97	2,582,082.58
Accounts Payable .....	538,140.57	631,840.35
Accrued Items Payable .....	264,248.26	322,484.95
Growers—Outstanding Payments .....	146,014.92	162,146.21
Earnings—Current Period .....	1,042,806.82	1,333,278.49
Less Prepaid Corporation Income Tax .....	(48,000.00)	(46,742.46)
Total Current Liabilities .....	\$34,628,447.33	\$32,374,101.95
 <u>Deferred—</u>		
Mortgage Debenture—3½% .....	\$ 3,500,000.00	\$ 3,500,000.00
Reserves .....	\$10,000,000.00	\$ 9,813,188.78
 <u>Surplus—</u>		
Retained from Earnings Prior Years .....	\$ 2,453,482.75	\$ 2,351,200.01
Accrued from Properties .....	339,846.45	308,309.65
	\$ 2,793,329.20	\$ 2,659,509.66
	<u>\$50,921,776.53</u>	<u>\$48,346,800.39</u>

CALGARY, Alberta, 30th October, 1956.

Certified to be a consolidation of the balance sheets of Alberta Wheat Pool and Alberta Pool Elevators Limited as at 31st July, 1956 showing a comparison with the position as at 31st July, 1955, subject to our reports in connection therewith.

HARVEY, MORRISON & CO.,  
Chartered Accountants.

# MEMORANDA



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# 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,  
19th September, 1956.

Dear Sirs:—

We have completed our audit of the books of account of your company for the year ended 31st July, 1956 and submit herewith the balance sheet as at that date, which is in accordance with the books.

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

<u>Asset</u>	<u>Rate</u>	<u>Amount</u>
<b>Terminal—Vancouver—</b>		
Structures .....	Normal 3%)	
Machinery and	)	
Equipment ....	Normal 10%)	\$174,738.56
Structures .....	Special 30%	477,795.93
Equipment .....	Special 20%	137,057.64
		<hr/> \$ 789,592.13
<b>Terminal—Port Arthur—</b>		
Structures .....	Normal 3%)	
Machinery and	)	
Equipment ....	Normal 10%)	21,490.26
<b>Country Elevators and Annexes—</b>		
Structures .....	Normal 5%)	
Machinery .....	Normal 10%)	\$247,441.51
Structures		
Special .....	10% & 30%)	
Machinery	)	
Special .....	10% & 20%)	552,226.87
		<hr/> 799,668.38
<b>Dwellings, Coal and Other Sheds and Warehouses ..</b>		
	Normal 5%	52,869.06

<b>Country and Terminal Elevator</b>		
Equipment and Office Furniture		
and Equipment .... Normal 20%		50,602.53
<b>Automobiles and</b>		
Trucks .....	Normal 30%	31,004.68
Total—Normal Allowance .... \$ 578,146.60		
Special Allowance ..... 1,167,080.44		
Total Allowance ..... <u>\$1,745,227.04</u>		

For the year ended 31st July, 1955 the total allowance was \$1,487,355.87, made up as follows:

Normal .....	\$ 908,093.29
Special .....	579,262.58
Total .....	<u>\$1,487,355.87</u>

The special allowance is granted by income tax regulations to influence the building of additional grain storage and full advantage has been taken of same. The rates for normal allowances have been reduced from the maximum permitted for the year under review.

Property changes during the year are summarized here-under:

	31st July	
	1956	1955
Elevators .....	526	523
Annexes .....	541	508
Dwellings .....	404	402
Flour Sheds .....	23	24
Coal Sheds .....	30	33
Warehouses .....	2	2

Details of these changes will be reported in the analysis submitted to your delegates.

Capital expenditure during the year—including incomplete construction of \$376,066.97—amounted to \$3,602,015.16 as follows:

Country Properties .....	\$ 935,505.46
Vancouver Terminal .....	2,387,190.97
Port Arthur Terminal .....	165,955.01
Autos and Trucks .....	61,888.85
Office Equipment .....	13,003.27
Miscellaneous Equipment .....	38,471.60
	<u>\$3,602,015.16</u>

The amount owing in respect of incomplete construction at 31st July, 1956 has been set up in the accounts, in order to show the liability accruing during the period under review.

Capital surplus reflects an increase for the year of \$31,536.80. This was in respect of disposals of property and equipment, and fire losses.

### AUDITORS' CERTIFICATE

We have examined the balance sheet of Alberta Pool Elevators Limited as at 31st July, 1956 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, 1956, 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, 1956

<u>CURRENT—</u>	<u>ASSETS</u>	
Due from Alberta Wheat Pool .....		\$ 864,012.74
<b><u>PROPERTY—</u></b>		
<b>Buildings and Operating Machinery (Cost)—</b>		
Country Elevators (526) .....	\$10,060,756.14	
Country Annexes (541) .....	3,606,069.60	
	<u>\$13,666,825.74</u>	
Coal Sheds (30) .....	13,426.35	
Flour Sheds (23) .....	10,826.00	
Dwellings and Sites (404) .....	1,999,592.95	
	<u>\$15,690,671.04</u>	
Less Accumulated Capital Cost		
Allowances .....	11,338,620.11	
		<u>\$4,352,050.93</u>
Vancouver Terminal .....	\$ 5,688,131.15	
Less Accumulated Capital Cost		
Allowances .....	3,054,793.75	
		<u>2,633,337.40</u>
Port Arthur Terminal .....	\$ 878,367.06	
Less Accumulated Capital Cost		
Allowances .....	338,415.45	
		<u>539,951.61</u>
Calgary Warehouses (2) .....	\$ 18,800.00	
Less Accumulated Capital Cost		
Allowances .....	11,075.50	
		<u>7,724.50</u>
Equity in Wheat Pool Building, Winnipeg .....		18,014.87
Incomplete Construction—see contra		
Vancouver Terminal addition .....	\$ 308,845.04	
Country elevator and dwellings .....	68,021.93	
		<u>376,866.97</u>
<b><u>EQUIPMENT (Cost)—</u></b>		<u>7,927,946.28</u>
Office Furniture and Equipment .....	\$ 236,077.04	
Less Accumulated Capital Cost		
Allowances .....	167,014.09	
		<u>\$ 69,062.95</u>
Automobiles and Trucks .....	\$ 151,398.23	
Less Accumulated Capital Cost		
Allowances .....	79,053.97	
		<u>72,344.26</u>
Terminal Equipment .....	\$ 18,065.53	
Less Accumulated Capital Cost		
Allowances .....	15,200.83	
		<u>2,864.70</u>
Portable Cleaners and Loaders .....	\$ 11,859.64	
Less Accumulated Capital Cost		
Allowances .....	10,794.47	
		<u>1,065.17</u>
Elevator Maintenance and Sundry Equipment—		
Net Value .....	129,417.32	
		<u>274,754.40</u>
		<u>\$9,066,713.42</u>

**ALBERTA POOL ELEVATORS LIMITED**  
Calgary, Alberta  
**BALANCE SHEET AS AT 31st JULY, 1956**

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**LIABILITIES**

**CURRENT—**

Construction Commitments—see contra ..... \$ 376,866.97

**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** ..... 339,846.45

5,189,846.45

Approved on behalf of the Board:

BEN S. PLUMER, Director.

G. L. HARROLD, Director.

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\$9,066,713.42

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CALGARY, Alberta, 19th September, 1956.

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

HARVEY, MORRISON & CO., Chartered Accountants.

# ALBERTA WHEAT POOL

## Calgary, Alberta

### ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956

**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** ..... \$42,601,103.85

#### **CASH IN BANKS, ON HAND, AND IN**

**TRANSIT** ..... \$ 472,852.04

**In Banks** ..... \$ 433,675.45

**On Hand and In Transit** ..... 38,576.59

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

**Petty Cash Fund** ..... 600.00

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

\$ 472,852.04

**STOCKS OF GRAIN AND COAL** ..... \$40,668,247.25

Representing grain and coal on hand in country and terminal elevators and in transit as at 31st July, 1956 as follows:

Wheat	30,547,402 Bus.	\$34,071,395.75	
Oats	3,877,320 "	1,866,039.04	
Barley	5,911,151 "	4,175,299.97	
Flax	19,797 "	61,003.65	
Rye	416,170 "	441,146.84	
Mixed Feed			
Oats	29,412 "	15,882.48	
Screenings	2,260 Tons	33,880.00	
Coal		3,221.32	
Freight Paid on Grain in Store		378.20	

\$40,668,247.25



**ALBERTA WHEAT POOL**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956**

**ASSETS (Continued)**

**CURRENT (Continued).**

**ADVANCES ON GRAIN** ..... \$ 2,138.00  
Advances secured by grain in store.

**ACCOUNTS RECEIVABLE** ..... 1,022,903.33

Representing accounts owing to the Pool as at 31st July, 1956, as follows:

**Manitoba Pool Elevators in respect of Port Arthur Operations** ..... \$ 294,732.74

**Canadian Wheat Board re Carrying Charges and Grain Operations** .... 467,264.02

**General Accounts** ..... 170,036.27

**Railway and Manifest Charges Collectible at Vancouver** ..... 45,334.43

**Group Life Insurance Premiums recoverable from Employees** ..... 12,785.79

**Growers' Accounts—Current** ..... 12,388.70

**Bond and Insurance Claims re Fire Loss at Rose Lynn** ..... 18,251.00

**Public Utilities Deposits** ..... 651.90

**Deposit with Unemployment Insurance Commission—Vancouver** .... 225.00

**Rentals Receivable** ..... 15.00

**Receiver General re Unemployment Insurance Commission** ..... 1,218.48

\$1,022,903.33

**ACCRUED ITEMS RECEIVABLE** ..... \$ 92,962.82

Amounts due as at 31st July, 1956, but not collectible until later, as follows:

**Country Elevator Department—**

Storage and Elevation Charges on Outstanding Storage Tickets \$ 3,868.48

Charges on Cars in Store, not delivered ..... 2,136.10

Adjustment re 1955-56 Carrying Charge Rate ..... 1,766.06

Prepaid Storage on Stocks in Government Elevator at Lethbridge ..... 1,717.04

Interest—  
On Staff Bond Purchases ..... 589.57  
On Advances on Grain ..... 80.42

Charges on Cars Shipped, Handling and Commission ..... 408.08

# ALBERTA WHEAT POOL

Calgary, Alberta

## ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956

### ASSETS (Continued)

#### CURRENT (Continued).

#### ACCruED ITEMS RECEIVABLE—(Continued).

##### Terminal Department—

Elevation Charges .....	46,226.41
Storage Charges .....	27,690.00
Diversion Premiums .....	8,480.66
	<u>\$ 92,962.82</u>

##### PREPAID EXPENSES ..... \$ 320,959.77

Expenses applicable to 1956-57

Season—

Country Elevators .....	\$ 169,508.84
Vancouver .....	50,301.40
Materials Inventories .....	92,220.94
Stationery Stocks .....	6,506.84
Postage Stamps .....	1,269.53
Payroll Stamps .....	1,152.22

\$ 320,959.77

##### PREPAID RESERVES PURCHASES ..... 21,040.64

Reserves purchased in excess of requirements for the year.

TOTAL CURRENT ASSETS ..... \$42,601,103.85

##### SHARES AND INVESTMENTS ..... \$4,958,670.00

##### Alberta Pool Elevators Limited ..... \$4,850,000.00

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

##### Shares in Pool Insurance Company ..... 102,000.00

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

**ALBERTA WHEAT POOL**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956**

**ASSETS (Continued)**

**SHARES AND INVESTMENTS—(Continued).**

**Shares in Pool Insurance Company (Continued).**

1956, 74% of this amount has been called up, plus a premium of \$62.00 per share, thus bringing the amount paid in respect of these shares to the above-mentioned figure of \$102,000.00. Your Pool participates in the earnings of this company on the basis of business contributed.

Shares in Canadian Pool Agencies Limited .....	6,670.00
--	----------

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

\$4,958,670.00

<b><u>FIXED ASSETS</u></b> .....	<b>\$ 9,302.00</b>
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Grain Exchange Memberships as follows:

Winnipeg Grain Exchange—Two Seats .....	\$ 5,300.00
Winnipeg Grain and Produce Exchange Clearing House—Five Seats .....	3,500.00
Vancouver Merchants' Exchange—	
Two Seats .....	500.00
Two Shares .....	2.00
	<u>\$ 9,302.00</u>

**TOTAL ASSETS OF ALBERTA WHEAT POOL \$47,569,075.85**



**ALBERTA WHEAT POOL**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956**

**LIABILITIES**

**CURRENT** .....\$34,251,580.36

**OUTSTANDING CHEQUES,  
CASH TICKETS & ORDERS** .....\$6,691,585.19

Cheques, cash tickets and orders  
issued prior to 31st July, 1956 but  
not presented for payment, as fol-  
lows:

Outstanding Cheques and Vouch-  
ers .....\$1,344,362.19

Outstanding Cash Tickets and  
Advance Orders ..... 5,347,223.00

\$6,691,585.19

**BANK LOANS** ..... 23,500,000.00

Against security of grain—

Bank of Montreal .....\$11,750,000.00

Bank of Nova Scotia ..... 5,875,000.00

The Royal Bank of Canada .... 5,875,000.00

\$23,500,000.00

**CALL LOANS** .....\$2,082,500.00

Money loaned by various com-  
panies and individuals on a tem-  
porary basis.

**MEMBERS' LOANS** ..... 34,284.60

Money loaned by members on a  
temporary basis.

**ACCOUNTS PAYABLE** ..... 538,140.57

Receiver General of Canada re:

Prairie Farm Assistance Act

Levies .....\$ 99,246.96

Employees' Income Tax ..... 19,636.55

Employees' Pension Plan ..... 12,642.63

Terminal Weighing ..... 8,794.45

General Accounts ..... 286,018.73

Staff Savings Accounts ..... 85,307.17

Freight and Terminal Charges on

Cars of Grain in Store ..... 26,086.08

Membership Application Deposits ..... 380.00

Rentals Paid in Advance ..... 28.00

\$ 538,140.57

**ALBERTA WHEAT POOL**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956**

**LIABILITIES (Continued)**

**ACCRUED ITEMS PAYABLE** ..... \$ 264,248.26

Representing provision for expenses accrued to 31st July, 1956 but payable later, as follows:

Accrued Taxes on Properties .....	\$ 180,292.33
Grain Insurance—July .....	24,353.16
Exchange on Cash Tickets .....	7,174.04
Power Accounts .....	5,839.03
Interprovincial Pool—July .....	695.05
Winnipeg Office—Expenses .....	271.58
Charges on Grain in Terminals ....	14,271.83
Past Services Annuities Fund .....	12,554.74
Salary Guarantee Funds .....	12,422.19
Reserve for Staff Sickness and Accidents .....	3,806.00
Adjustment in 1955-56 Carrying Charge Rate .....	2,306.69
Refunds on Insurance Accounts ..	11.82
Registration and Cancellation Fees .....	249.80
	<u>\$ 264,248.26</u>

**GROWERS' OUTSTANDING PAYMENTS** .. 146,014.92

Reserve Purchases—

Commercial and Elevator .....	\$ 118,733.28
Patronage Dividend .....	25,881.14
1955 Rateable .....	445.79
Unclaimed Patronage Dividend	
Cheques .....	954.71
	<u>\$ 146,014.92</u>

**NET EARNINGS—SEASON 1955-56** ..... \$ 994,806.82

Balance of net earnings for the year ended 31st July, 1956 after payment of \$48,000.00 on account of income taxes. This is being carried as a current liability pending decision of delegates as to distribution.

**TOTAL CURRENT LIABILITIES** ..... \$34,251,580.36

**INTERNAL** ..... \$ 864,012.74

Owing to Alberta Pool Elevators Limited on current account.

**ALBERTA WHEAT POOL**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956**

**LIABILITIES (Continued)**

**RESERVES AND SURPLUS** ..... 12,453,482.75

**Members' Reserves** .....\$10,000,000.00

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

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

Balance, 31st July, 1955—issued to members .....\$9,813,188.78

Deduct Purchases during year ..... 523,809.99

\$9,289,378.79

Add Distributed as Patronage Dividend 1954-55 ..... 689,078.86

Adjustments of previous years ..... 501.71

Issued to Members as at 31st July, 1956 .....\$9,978,959.36

Add Purchased in Advance and held by the Pool ..... 21,040.64

**Reserves Authorized** .....\$10,000,000.00

**SURPLUS** ..... 2,453,482.75

This represents the undistributed balance of earnings up to 31st July, 1956, as follows:

Balance as at 31st July, 1955 .....\$2,351,200.01

Add Balance of Earnings for the year ended 31st July, 1955 not distributed ..... 111,363.16

\$2,462,563.17

Less Sundry Adjustments in respect of prior years ..... 9,080.42

\$2,453,482.75

\$12,453,482.75

**TOTAL LIABILITIES OF ALBERTA WHEAT POOL** .....\$47,569,075.85

CALGARY, Alberta,  
1st November, 1956.

HARVEY, MORRISON & CO.,  
Chartered Accountants.



# MEMORANDA



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**ALBERTA POOL ELEVATORS LIMITED**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956**

**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 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** .....\$ 864,012.74

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

**PROPERTY** ..... 7,927,946.28

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

**Country Property—**

526 Elevators .....	\$10,060,756.14
541 Annexes .....	3,606,069.60
	\$13,666,825.74
30 Coal Sheds .....	13,426.35
23 Flour Sheds .....	10,826.00
404 Dwellings and Sites .....	1,999,592.95
	\$15,690,671.04

Less Accumulated Capital Cost  
Allowances ..... 11,338,620.11

**Net Undepreciated Cost of  
Country Property** ..... \$4,352,050.93

**Terminal Elevators—**

Vancouver .....	\$5,688,131.15
Port Arthur .....	878,367.06
	\$6,566,498.21

Less Accumulated  
Capital Cost  
Allowances—  
Vancouver .... \$3,054,793.75  
Port Arthur .. 338,415.45

3,393,209.20

**Net Undepreciated Cost of  
Terminal Elevators** ..... 3,173,289.01

# ALBERTA POOL ELEVATORS LIMITED

Calgary, Alberta

## ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956

### ASSETS (Continued)

#### PROPERTY—(Continued).

Calgary Warehouses .....	\$ 18,800.00	
Less Accumulated Capital Cost Allowances .....	11,075.50	7,724.50
Equity in Wheat Pool Building, Winnipeg .....		18,014.87
Incomplete Construction—		
Vancouver Terminal addition ....	\$ 308,845.04	
Country Elevator and Dwellings .....	68,021.93	
		376,866.97

Net Undepreciated Cost of Property ..... \$7,927,946.28

Property changes during the year were as follows:

#### Elevators—

31st July, 1955 .....	523
Add Bassano, Chinook, Consort No. 2, Fairview No. 2, Falher No. 3, Orion, Sexsmith No. 2, Strathmore, Vulcan No. 3 .....	9
Deduct Bassano, Orion, Sexsmith No. 2, Strathmore converted to twin, Chinook wrecked, Roselynn burned .....	(6)

Total Elevators, 31st July, 1956 ..... 526

#### Annexes—Cribbed—

31st July, 1955 .....	105
Add High Prairie .....	1
	<u>106</u>

#### Annexes—Twin—

31st July, 1955 .....	15
Add Bassano, Orion, Sexsmith No. 2, Strathmore .....	4
	<u>19</u>

#### Annexes—Permanent Balloon—

31st July, 1955 .....	73
Add Bashaw, Beynon, Brockett, Burdett, Cadogan, Endiang, Esther, Foremost No. 2, Gadsby, Hairy Hill, Hay Lake, Hayter, Huxley, Lyalta, Manyberries,	



**ALBERTA POOL ELEVATORS LIMITED**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956**

**ASSETS (Continued)**

**PROPERTY—(Continued).**

**Annexes—Permanent Balloon—(Continued).**

Morinville, New Day-	
ton, Nobleford No. 1,	
Redland, Ribstone,	
Rosebud, Spring Coul-	
ee, Tangent, Travers,	
Walsh, Warspite,	
Warwick, Wembley,	
Wrentham .....	29
Deduct Hussar (burned) .....	(1)
	<u>101</u>

**Annexes—Temporary Balloon—**

No change .....	234
	<u>234</u>

**Annexes—Loxtave—**

No change .....	80
	<u>80</u>

**Steel Tanks (2)—(regarded as 1 unit) No change .....**

1

**Total Annexes, 31st July, 1956 ..** 541

**Flour Sheds—**

31st July, 1955 .....	24
Deduct Bassano .....	(1)
	<u>23</u>

**Coal Sheds—**

31st July, 1955 .....	33
Deduct Chinook No. 1, Dal-	
roy, Michichi .....	(3)
	<u>30</u>

**Dwellings—**

31st July, 1955 .....	402
Add Elnora, Empress, Fore-	
most, Fort Kent, Gir-	
ouxville, Heisler, Nam-	
pa, Nobleford, Sex-	
smith No. 2, Swalwell,	
Tangent .....	11
Deduct Calgary, Edmonton,	
Elnora, Fort Kent.	
High River, Lacombe,	
Lethbridge, Nobleford,	
Edmonton .....	(9)
	<u>404</u>

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

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956**

**ASSETS (Continued)**

**EQUIPMENT** ..... **\$ 274,754.40**

Consisting of the following:—

Office Furniture and Equipment—	
Cost .....	\$ 236,077.04
30 Automobiles, 25 Trucks and 2	
Vac-U-Vators—Cost .....	151,398.23
Terminal Equipment—Cost .....	18,065.53
Portable Cleaners and Loaders—	
Cost .....	11,859.64
Elevator Maintenance and Sundry	
Equipment—Net Value .....	129,417.32
	<hr/>
	<b>\$ 546,817.76</b>

*Less* Accumulated Capital Cost  
 Allowances—

Office Furniture and Equipment ..	\$ 167,014.09
Automobiles and Trucks .....	79,053.97
Terminal Equipment .....	15,200.83
Portable Cleaners and Loaders ....	10,794.47
	<hr/>
	<b>\$ 272,063.36</b>

**Net Undepreciated Cost of Equipment** ..... **\$ 274,754.40**

**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 a further two automobiles and four trucks were acquired, also two Vac-U-Vators.

**Terminal Equipment—**

Representing movable equipment in use at the terminals.

**Portable Cleaners and Loaders—**

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

**Elevator Maintenance and Sundry Equipment—**

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

ALBERTA POOL ELEVATORS LIMITED  
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956

ASSETS (Continued)

EQUIPMENT—(Continued).

**Financing of Property and Equipment—**

The property and equipment as enumerated above had a total cost of \$23,217,668.85 and has been financed as follows:

By: Reserve Payments .....	\$ 4,850,000.00
Accumulated Allowances for Capital Cost ..	15,014,968.17
Gain on Capital Realization .....	339,846.45
Debentures .....	3,500,000.00
Accounts Payable .....	376,866.97
	<hr/>
	\$24,081,681.59
Less Due by Alberta Wheat Pool .....	864,012.74
	<hr/>
	<u>\$23,217,668.85</u>

TOTAL ASSETS OF ALBERTA POOL ELEVATORS LIMITED .....	<hr/>
	<u>\$9,066,713.42</u>



# ALBERTA POOL ELEVATORS LIMITED

Calgary, Alberta

## ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1956

### LIABILITIES

**CURRENT** ..... \$ 376,866.97

#### **Construction Commitments—**

This represents the estimated liability accrued at 31st July, 1956 re incomplete construction.

**DEFERRED** ..... 3,500,000.00

#### **Debentures — Bank of Montreal —**

Interest  $3\frac{1}{2}\%$ , Maturity 1st February, 1959.

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

**CAPITAL AND SURPLUS** ..... 5,189,846.45

**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** ..... 339,846.45

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

\$5,189,846.45

**TOTAL LIABILITIES OF ALBERTA POOL  
ELEVATORS LIMITED** ..... \$9,066,713.42

CALGARY, Alberta,  
1st October, 1956.

HARVEY, MORRISON & CO.,  
Chartered Accountants.

# MEMORANDA



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## DIRECTORS' REPORT

1955-1956

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

Gentlemen:

The 1955-56 crop year was one of paradoxes for the farmers of our Canadian West. In 1955 they harvested bigger production than in the disastrous preceding year. But, whereas 1954 had subjected them to their worst economic setback for years—their net cash income fell even lower in 1955. Meanwhile, the rest of our Canadian economy expanded, with increasing speed. There is evidence of a growing concern that failure to establish and maintain essential balance between agriculture and booming industry and business may threaten the entire structure of prosperity.

A further paradox emerged in marketing. Early in 1955-56 export grain sales were disappointing and slow. Before the crop year ended they accelerated to reach near records.

During the year, Western farm people had further hard lessons in the necessity for organizing their strength—as effectively as Canadians engaged in other occupations.

Despite all difficulties, Western farmers continued to reap substantial and growing benefits from that part of their productive enterprise in which they handle their own grain through their own Pool facilities.

The Alberta, Saskatchewan and Manitoba Pool organizations are made up of members who are actively engaged in farming. Replacement of retiring farmers by new members in the past six years accounts for some 40% of the total membership of 183,000.

Even in disastrous 1954 the operation of their own facilities earned Pool members cash returns of over \$6.7 million. In their consolidated operations since 1924, these Pool members have acquired ownership of fixed assets, which cost originally \$89.7 million; and, in addition, have earned for themselves cash returns in patronage dividends, etc., a total exceeding \$117.6 million. Over and above these monetary returns, Pool members have harvested far bigger benefits in improved services and expanding influence through the years.

Expansion, extension and consolidation of their Pools and kindred co-operatives offer the means by which Canadian farm people can develop the strength they must exert—to build agriculture into the position of balance which is vital to our Canadian economy.

The farm people of our Canadian West are profoundly affected in their daily living by what other peoples of the world are doing. In the history which mankind is making today, a salient phenomenon is the surge to industrialization.

Nations the world over are building industrial production—at varying speeds. In many countries the statistics recording the creation of capital capacity for industrial output are startling. An example is Japan—where high skills at lower cost levels are capturing an increasing share of the world's

shipbuilding. Perhaps no other people are developing industries to utilize vast resources at a faster pace than are Canadians.

Old countries of Europe, and even more ancient people of Asia, share in the race for industrialism. However, they maintain the age-old concept of farming as the foundation of any enduring economy. While working to build up their industries, many of these nations are devoting tremendous efforts to rebuilding their agriculture—to grow more food for their own people and for export. This is true also of Latin American countries. The United States, having achieved industrial dominance, views expanded farm production as an aggravating problem. The resources of that vastly wealthy nation are available to move farm surpluses into use, by almost any means—and still pay producers a margin over their production costs. Nations the world over are moving—either to reduce the handicaps which have been artificially imposed upon agriculture; or to provide compensating benefits to balance such handicaps.

These developments have a decisive impact upon Canadian agriculture—and upon our entire economy. Domestic demand has always provided Canadian farmers their best and biggest market. With expanding industrialization, this home market steadily grows. At the same time, the surplus farm production which we must sell on export markets encounters more intensified competition. With all this, the percentage of Canada's workers who engage in farming steadily diminishes. The percentage of the national income which our farm people get, shrinks even more rapidly.

These are issues which challenge all Canadians—and particularly the Western farm people who make up our Pool organizations. To build permanence into Canada's prospering economy, Canadians must work out ways and means to balance our booming industry, commerce and transportation with an agriculture which is equally productive, powerful and progressive.

## CENTRAL BOARD

Throughout the year your Central Board provided constant and close liaison between our three provincial Pool organizations.

This liaison benefits each Pool in matters of administration, management and policy; and provides the centre for related, or united, action in issues of common concern. All Pool members benefit from such interior liaison. They reap further benefits in a wider field.

Your Board is in a unique position to get the facts of the condition and needs of Western farming; to make those facts known; and to press for the action which is necessary to establish Western farm people on a basis of balance with Canadians in other vital occupations.

Pursuant to these objectives, your Central Board—at full meetings on 6th and 7th October, 1955, and 8th and 9th May, 1956, and by Executive and Committee action throughout the year—dealt with farm finance, labor-management understanding, railway boxcar allocation, Canadian Wheat Board, public relations, and many related issues affecting Pool members, Western Canada and the nation.

During the year, T. H. Wilson became a director—succeeding Watson Crossley.

## INTERPROVINCIAL POOL MEETINGS

A further measure of liaison between our provincial Pool organizations is achieved by periodic assembly of the three full boards of directors. Two



such Interprovincial Pool meetings were held in 1956. The first, on 17th and 18th January, was prior to the Western Agricultural Conference and the annual meeting of the Canadian Federation of Agriculture. The second, on 19th and 20th July, preceded the hearings called by the Board of Grain Commissioners on elevator tariffs.

Pool directors, in these meetings, urged aggressive sales policies for Canadian grain; and commended the special arrangements which made possible substantial sales to Poland. Public sharing in the carrying charges on wheat carryover was also commended. Discussions with Wheat Board Commissioners covered sales, quotas, boxcars, shipping orders and many other problems. It was agreed that elevator handling charges should be increased; and storage charges reduced. Protests were registered against higher freight rates on feed grains, demurrage at terminals, limitation of competition on the St. Lawrence Seaway, and efforts to circumvent the Crow's Nest Pass Agreement.

To help meet the emergency in farm finance, directors urged advances on farm stored grain; and a domestic price of \$2.05 per bushel for wheat. To stabilize markets and move grain to points of need, a United Nations food bank was recommended, including 500 million bushels of wheat.

Resolutions registering the decisions of the united Pool directors on these and many related issues were forwarded for action—to the Western Agricultural Conference, governments and the public. For example, after months of fighting for better distribution of boxcars to allow producers to deliver grain through the elevator of their choice, it became apparent that one railroad was trying to meet the need. The appreciation of Pool members was expressed in the following resolution. It went to the railroad president, members of parliament, and press and radio outlets across the nation.

RESOLVED that the directors of Alberta Wheat Pool, Saskatchewan Wheat Pool and Manitoba Pool Elevators in Interprovincial Pool meeting assembled, record unanimous and deep appreciation of the manner in which Canadian National Railways has served Western farm people and all Canadians throughout this difficult crop year—first, in realistic assessment of the difficulties which Western farmers faced in marketing their grain, as well as the vital importance of that grain movement to our entire national economy; and further, in the efficient action taken to move grain forward in the utmost possible volume. The courteous co-operation of the Western staff of Canadian National Railways, at all levels, is particularly appreciated by the farm people who comprise our Pool organizations.

The directors united in urging that the public relations work carried on by our Pool Central Office be steadily expanded.

## WESTERN AGRICULTURAL CONFERENCE

Our three provincial Pool organizations and the Federations of Agriculture of British Columbia, Alberta, Saskatchewan and Manitoba were represented by delegates who assembled at Winnipeg in the Western Agricultural Conference on 19th and 20th January, 1956.

The Conference debated seventy-two resolutions on production, finance and marketing—research, transportation and trade—and many other issues affecting farm life in our Canadian West. Originating "at the grass roots" in neighborhood farm locals, the resolutions passed by the Conference were forwarded to the Canadian Federation of Agriculture annual meeting for final action.

Officers of the Conference elected for the ensuing year were: President, J. W. Wilton, Manitoba; Vice-Presidents, V. E. Ellison, British Columbia; G. L. Harrold, Alberta, and T. G. Bobier, Saskatchewan; with Mrs. C. T. Armstrong, of Calgary, as women's representative.

## CANADIAN FEDERATION OF AGRICULTURE

Some 300 delegates representing farmer organizations across Canada met at Hamilton, Ontario, on 23rd-28th January, 1956, in the annual meeting of the Canadian Federation of Agriculture. This twentieth annual assembly of Canada's "Farmer Parliament" registered decisions on resolutions forwarded through local and regional organizations and covering problems over the entire farm economy.

A CFA executive delegation met the Prime Minister and members of his cabinet on 14th February, 1956; and presented the recommendations of the annual meeting.

The CFA submission emphasized that during 1955 Canada set all-time records in production, commerce, investment, construction and gross national product. Canadians enjoy one of the world's highest standards of living. But farming is not sharing this prosperity. In striking contrast to boom prices, wages and profits, farm prices are far below fair levels.

With 33% less than pre-war manpower, Canadian farmers have achieved the highest production in history—by heavy investment in equipment and supplies. While other nations (exporting and importing) have widespread policies of protection for their farm production, Canada has taken only minor steps in this direction.

It was urged that the 58 cents floor price for butter be confirmed for two years in advance; and that necessary legislation be provided to make marketing boards fully effective. The CFA brief endorsed grain marketing by the Canadian Wheat Board; recommended continued quotas with equitable distribution of boxcars; and called for initial payments at present levels for 1956-57, as well as a price of \$2.05 per bushel for wheat sold in Canada for human food. Support prices for hogs and eggs should be maintained and extended.

The basic principles upon which Canadian broadcasting is being built should be retained and supported with the necessary public funds. Establishment of public insurance coverage for hospital, medical, dental and optical needs was recommended, as well as federal grants to assure a decent education for all Canadian children.

The brief stressed specific recommendations to meet the need for farm finance, including: lower interest, expanded limits and longer terms for Farm Board Loans; decreased interest on Farm Improvement Loans; and provision of interest-free emergency, or disaster, credit. The CFA also recorded opposition to any change in Crow's Nest Pass Agreement freight rates; and to any exclusion of Commonwealth shipping from the Canadian coasting trade. The brief called for duty free entry into Canada of all equipment and supplies used in farm production. Recommended amendments to income tax laws would allow full depreciation for buildings and equipment on farms transferred from parent to child; and would provide accelerated depreciation on approved farm storage for grain. It was urged that funds be provided for river management; and for expansion of the good work being done in farm research.

Throughout the year, the CFA national office made submissions to various commissions, departments and boards—reiterating the foregoing facts;



presenting supporting statistics; and emphasizing that "farmers are the only group in the economy whose purchasing power and living standards have been declining while the rest of the economy is enjoying a prosperity boom."

## INTERNATIONAL FEDERATION OF AGRICULTURAL PRODUCERS

Canadian farm people are joined with farmers of other lands through CFA membership in the IFAP. The idea of a global organization of farm people took definite form ten years ago. On 31st May, 1946, representatives of some 30 countries met in London; and launched the IFAP.

From the first, the CFA took a leading part in the world farm organization. At the original meeting the Canadian delegation stated: "Farmers desire only returns adequate to reward them for their services; and to safeguard their heritage of soil fertility . . . That objective can and must be achieved by price and trade policies fair alike to producers and consumers."

In the ten intervening years, this objective has not been reached; but IFAP has made some progress in generating the goodwill, understanding and co-operation upon which "freedom from want" and peace must be based. Today, IFAP embraces 42 farm organizations representing 35 million farm families, over the earth.

The Eighth General Meeting of IFAP on 9th-17th September, 1955, at Rome, declared that "the intervention of individual governments to get larger shares of a total world market which is expanding slowly, if at all, cannot fail to lead to grave international friction. It is imperative that ways be found, through international co-operation in both the political and economic spheres, to bring some order out of the prospective chaos . . . No machinery—however good in theory—can be effective in the absence of the active good will and co-operation of the governments concerned on both the import and export side."

The 200 delegates decided that under-developed peoples lack the money to buy surplus farm production; and the policy of their governments, generally, is to import machinery, implements and other capital goods.

Further, governments have failed to establish world food reserves or distribution plans because of: national policies in agriculture and trade; and reluctance to hand over to an untested international agency surpluses which might be used for direct national advantage. Above all, they have not come to grips with the problems of pricing—and how surpluses can be moved into use without damaging trade in those commodities.

The meeting elected: President, John Andrew, New Zealand; and Vice-Presidents, Nils Westermarck, Finland, Andreas Hermes, Germany, and James G. Patton, United States. The next General Meeting will be in 1957 in the United States.

## INTERNATIONAL WHEAT AGREEMENT

An outstanding example of international co-operation in commodity marketing is the International Wheat Agreement. The 1955-56 crop year was the third and final year of the Agreement which expired on 31st July, 1956, and was succeeded by the renewed Agreement, beginning on 1st August, 1956.

Quotas and exports for the three years of the expired Agreement are tabulated below:

Exporter	Quota	Exported	% of Quota Exported
— in million bushels —			
<b>1953-54</b>			
Canada .....	150.8	90.9	62.0%
Australia .....	44.3	27.6	62.4%
France .....	.3	.3	108.5%
United States .....	193.6	106.2	54.8%
Totals .....	389.1	225.2	57.8%
<b>1954-55</b>			
Canada .....	152.3	109.5	71.9%
Australia .....	44.8	41.4	92.4%
France .....	.3	.3	109.9%
United States .....	195.6	139.8	71.5%
Totals .....	393.0	291.2	74.8%
<b>1955-56</b>			
Canada .....	153.0	75.2	49.1%
Australia .....	45.0	41.8	92.9%
France .....	.3	.3	105.5%
United States .....	196.5	132.5	67.4%
Totals .....	394.9	249.9	63.2%

The figures used for 1955-56, in the foregoing tabulation as well as in the one that follows, are those published by the Dominion Bureau of Statistics in "The Wheat Situation", for July, 1956; and being preliminary, are subject to revision.

Twenty-six importing countries bought wheat from Canada within the Agreement in 1955-56. The tabulation below lists some of our bigger customers, showing their Agreement quotas and purchases; and the percentage of their Agreement purchases bought from Canada.

Importer	Quota	Purchases	% of Purchases from Canada
— in million bushels —			
Austria .....	9.1	2.1	48%
Belgium .....	23.8	12.6	59%
Ecuador .....	2.3	1.2	78%
Germany .....	55.1	46.2	38%
Ireland .....	10.1	4.4	70%
Japan .....	36.7	36.3	43%
Netherlands .....	24.8	14.9	18%
Norway .....	8.4	7.9	50%
Philippines .....	8.6	8.8	56%
Switzerland .....	7.9	5.3	100%
South Africa .....	13.2	6.0	87%
Venezuela .....	6.2	6.2	43%

The renewed IWA will cover the three crop years 1956-57, 1957-58 and 1958-59. Fifty-one nations are in the Agreement. Guaranteed quantities total about 75% of those in the expired Agreement; and 52% of the original IWA. The new total represents about 30% of current annual world trade in wheat.

The amounts guaranteed by the six exporting nations (including Sweden and Argentina) are tabulated below:



# IWA GUARANTEED QUANTITIES

Nation	IWA ended 31 July, 1956	IWA beginning 1 August, 1956
	— in million bushels —	
Argentina .....		14.7
Australia .....	45.0	30.5
Canada .....	153.1	102.9
France .....	.3	16.5
Sweden .....		6.4
United States .....	196.5	132.1
Totals .....	394.9	303.1

Under the renewed IWA several importing nations reduced their guaranteed purchases. Some of the biggest reductions were: India, 80%; Mexico, 75%; and, among Canada's customers, Union of South Africa, 55%, and Ireland, 45%. Germany and Japan remain the largest importing nations.

The new Agreement calls for a price range of \$1.50 to \$2.00 per bushel, basis No. 1 Northern in Lakehead store. This represents a drop of 5 cents a bushel below the previous Agreement. The International Wheat Council, established in 1949 to administer IWA has been given extended responsibilities in continuous study of the world wheat situation; and consultation with governments thereon.

## CANADIAN FARM PRODUCTION

Canada's farmers harvested considerably increased output from their operations in 1955, over 1954. Acreages devoted to principal field crops and the value of the crops taken off in the past three years as estimated by D.B.S. are set out in the following table:

	Acreage in Crops		Value of Crops	
	Canada	The West	Canada	The West
	— in million acres —		— in million \$ —	
1953 .....	60.6	44.7	\$ 1,806	\$ 1,263
1954 .....	58.6	42.6	1,242	695
1955 .....	60.1	44.1	1,564	1,036

Acreages sown to wheat, oats, barley, rye and flaxseed—and the outturn therefrom—for 1954 and 1955, in Alberta, Saskatchewan and Manitoba and for all Canada, are estimated as follows:

	Acres Sown		Bushels Produced	
	Canada	The West	Canada	The West
	— in millions —			
1954				
Wheat .....	24.2	23.4	308.9	282.0
Oats .....	10.1	6.7	306.7	196.0
Barley .....	7.8	7.5	175.5	167.0
Rye .....	.8	.7	14.1	12.1
Flaxseed .....	1.2	1.1	11.2	10.9
Totals .....	44.3	39.6	816.6	668.1
1955				
Wheat .....	21.5	20.8	494.1	472.0
Oats .....	11.1	7.7	403.8	290.0
Barley .....	9.9	9.6	252.2	244.0
Rye .....	.7	.7	14.7	13.3
Flaxseed .....	1.9	1.9	21.4	21.2
Totals .....	45.3	40.9	1,186.4	1,040.5

From the foregoing it is seen that while wheat was seeded on somewhat smaller acreage in 1955, the total acreage sown to the five grains was about one million acres greater than in 1954.

Western farmers harvested some 1,040 million bushels of the five grains in 1955. This comprised 87.7% of the national production; and was 55.7% above 1954.

Livestock on the farms of Canada and of Alberta, Saskatchewan and Manitoba increased moderately in 1955; but poultry population decreased 5%. Estimated numbers as at 1st December, 1955, are compared with one year earlier in the tabulation following:

	Canada		The West	
	1955	1954	1955	1954
	— in thousands —		— in thousands —	
Cattle .....	9,666	9,473	3,935	3,768
Hogs .....	5,981	5,425	2,606	2,444
Sheep .....	1,181	1,183	531	520
Horses .....	871	951	447	491
Poultry .....	41,829	43,972	13,483	13,911

Production of meat from slaughter of farm animals in Canada increased to about 2,427 million pounds (including offal) in 1955, compared to 2,292 million pounds in 1954. Meat exports decreased 18%, to 104 million pounds. Per capita consumption rose 3.5 pounds. The average Canadian ate 72 pounds of beef; 8.8 pounds of veal; 2.8 pounds of mutton and lamb; 58 pounds of pork; 5.7 pounds of offal and 4.2 pounds of canned meats—a total of 151.5 pounds in the year. Per capita consumption of meats in Canada was 118.1 pounds in the 1935-39 period; 140.5 pounds in 1953; and 148 pounds in 1954. During the first quarter of 1956 slaughter of cattle increased 8% above the same period of 1955; calves, 7%; and hogs, 9.5%.

The business of Western farmers centres on grain production. At the same time, they share substantially in the national earnings from livestock, etc. The following tabulation (based on D.B.S. reports) sets out the main sources of farm cash income in the West, the other six provinces (omitting Newfoundland) and the nation for the past three years.

	The West	Other 6 Provinces	Canada
<b>1955</b>	— in thousand dollars —		
Grains, seeds and hay .....	\$ 510,388	\$ 39,200	\$ 549,588
Vegetables, etc. ....	14,593	164,363	178,956
Livestock and poultry .....	308,809	552,028	853,837
Dairying, etc. ....	109,998	516,311	626,309
Total cash income from farm products .....	\$ 958,250	\$ 1,394,313	\$ 2,352,563
<b>1954</b>			
Grains, seeds and hay .....	\$ 592,758	\$ 39,577	\$ 632,335
Vegetables, etc. ....	15,140	150,244	165,384
Livestock and poultry .....	313,186	527,450	840,636
Dairying, etc. ....	103,792	510,587	614,379
Total cash income from farm products .....	\$ 1,048,158	\$ 1,347,163	\$ 2,395,321
<b>1953</b>			
Grains, seeds and hay .....	\$ 1,004,544	\$ 58,338	\$ 1,062,882
Vegetables, etc. ....	16,619	148,821	165,440
Livestock and poultry .....	293,673	498,974	792,647
Dairying, etc. ....	106,050	504,510	610,560
Total cash income from farm products .....	\$ 1,448,749	\$ 1,327,046	\$ 2,775,795

## CANADIAN GRAIN EXPORTS

While 1955-56 sales of Canadian grain were smaller within IWA than for the year preceding, total exports of grain were considerably heavier. Nearly one-half of the year's exports cleared in the four months from the beginning of April to the end of July, 1956. Preliminary estimates by the Board of Grain Commissioners place export sales of wheat (and flour), oats (and meal), barley, rye and flaxseed at 401.6 million bushels for the crop year. This is 34.8 million bushels (or 9.4%) above the 1954-55 total; and 83.6 million bushels (or 26.2%) higher than the average for the 30 years, 1925-26 to 1954-55, inclusive. The following tabulation compares total exports of the five grains for each of the last two years with the long-time average:

### TOTAL GRAIN EXPORTS

	1955-56	1954-55	30-year average
	— in million bushels —		
Wheat (and flour) .....	308.7	251.8	254.4
Oats (meal, etc.) .....	4.1	22.2	28.8
Barley .....	64.3	77.1	26.9
Rye .....	12.9	9.3	5.7
Flaxseed .....	11.6	6.4	2.2
Totals .....	401.6	366.8	318.0

The United Kingdom bought 136 million bushels of Canadian grain (and products) during 1955-56. This compares with the 1954-55 total of 154.2 million bushels. Other substantial buyers of Canadian grain in 1955-56 were: United States, 43.7 million; Japan, 37.8 million; Germany, 37.1 million; and Belgium, 19.7 million bushels. For the first time since 1945-46, "Iron Curtain" countries bought wheat from Canada. USSR took 14.8 million; Poland, 14 million; and Czechoslovakia, 12.8 million bushels. It will be seen from the foregoing that wheat exports to these latter three nations totalled 41.6 million bushels; and that the entire increase in 1955-56 exports over the preceding year totalled 56.9 million bushels.

The 401.6 million bushels of wheat, oats, barley, rye and flaxseed exported in 1955-56, represents 33.8% of Canada's production of these five grains during that crop year. Records for the years from 1908-09 to 1949-50 (inclusive) indicate that, of the five grains produced in those 41 crop years, about 31% moved into export markets. In the five crop years 1950-51 to 1954-55, we exported more than 36% of production.

These statistics emphasize that, while export markets are vital to our Canadian agriculture, the most important market for the grain we grow is our own home market.

### CARRYOVER OF CANADIAN GRAIN

At the close of the Canadian crop year on 31st July, 1956, the quantities of wheat, oats, barley, rye and flaxseed carried over into 1956-57 are estimated by the Board of Grain Commissioners to total 768.4 million bushels. This is some 11% above the carryover for the preceding year; about 12% below the 1954 total; and 95% higher than the average carry-over for the ten years 1946 to 1955, inclusive.



During the 1955-56 crop year farmers delivered 541.7 million bushels of the five grains to licensed elevators—13 million more than in 1954-55. Comparative deliveries for the past two crop years are as follows:

	1955-56	1954-55
	— in million bushels —	
Wheat .....	337.8	323.3
Oats .....	66.5	70.3
Barley .....	110.0	112.9
Rye .....	11.9	13.3
Flaxseed .....	15.5	8.9
Totals .....	541.7	528.7

Estimated carryover as at 31st July, 1956, is compared with previous periods in the tabulation below (based on D.B.S. reports):

### CARRYOVER OF CANADIAN GRAIN

31st July	1956	1955	1954	1953	1946-55 10-year average
	— in million bushels —				
Wheat .....	527.5	499.7	582.7	369.2	234.3
Oats .....	116.0	84.0	125.8	144.4	85.8
Barley .....	107.5	91.5	145.9	111.7	62.2
Rye .....	15.0	18.5	19.3	16.2	8.6
Flaxseed .....	2.3	1.2	2.6	3.9	3.3
Totals .....	768.4	694.9	876.2	645.4	394.2
Commercial .....	472.0	461.7	428.6	361.0	242.7
On Farms .....	296.4	207.1	413.8	225.2	151.5

Of the total carryover on farms, nearly 16 million bushels was estimated to be in Manitoba; 163 million in Saskatchewan; and about 103 million in Alberta.

### TRANSPORTATION

Among the basic problems which face the farm people of our Canadian West, transportation is outstanding. This has been true since earliest pioneer days. The development of transport has been an integral part of the economic development of the nation.

The accelerated industrial expansion of recent years has thrown a tremendous additional load upon Canada's railways, particularly. Whether rail systems are increasing their facilities with the speed necessary to keep pace with the needs of our growing economy is a question which only time can resolve. Further, only the future can determine the impact upon our transportation problem of the St. Lawrence Seaway; the slow, steady increase in shipping through Hudson's Bay; and the improvement of highways and highway freighters.

Construction of the Seaway is being rapidly pushed ahead. Physical operation of this great waterway from the heart of the continent to the oceans of the world is assured within the foreseeable future. Already, the full usefulness of this traffic artery is being challenged by organizations seeking special privileges. The benefits which the Seaway shall yield to Western agriculture, in great degree, depend upon defeating such challenges



of narrow interests; and developing use upon the widest, freest possible basis.

Against tremendous odds, traffic through Hudson's Bay is steadily expanding. A gradually increasing share of Canada's export grain is taking this more direct route and by-passing a thousand expensive miles on its way to overseas markets. Overseas export wheat shipments since 1950-51 are set out, by seaboards, in the tabulation following:

	Pacific Ports	Atlantic Ports	Churchill	Total
	— in million bushels —			
1950-51 .....	64.7	91.4	6.7	240.9
1951-52 .....	103.1	151.2	7.5	355.8
1952-53 .....	104.7	188.8	8.6	385.5
1953-54 .....	113.3	76.5	10.9	255.0
1954-55 .....	79.9	114.6	12.2	251.8
1955-56 .....	98.3	150.5	12.8	308.6

It is expected that 49 cargoes will clear through Churchill in the 1956-57 crop year—to establish another record.

Highway mileage and traffic are multiplying across the Western plains. With increasing industrialization and the Lakehead becoming a seaport, highway carriers may handle a growing share of some classes of freight. It appears certain, however, that long hauls of bulk grain will continue to be by rail.

Meantime, Canadians who live in Alberta, Saskatchewan and Manitoba are isolated from markets and sources of supply by geography and distance. Lacking any adequate competition from other freight carriers, the West must depend upon the railways. Naturally, the railways exploit these facts to their utmost advantage. Western farm people—and their contribution to the nation—suffer from such exploitation in three main ways: (1) continuous pressure by the railways to extract higher and higher payment for their services; (2) an unending succession of direct and oblique attacks upon the Crow's Nest Pass Agreement; and (3) failure to give effect to the inherent right of Western farmers to choose the elevator through which they shall deliver their own grain.

Western farm people, through their Pools and other organizations, are forced to wage persistent protective war against this exploitation. Results have not been fully successful.

For example, organized Western farmers have battled for years to have available boxcars allocated at country shipping points so that each producer can deliver his grain through the elevator of his own choice. Other freight-payers have cars spotted to their order. The Parliament of Canada has confirmed this same right to farmers, in legislation. Nevertheless, while confirmed in principle, in practice this right is denied to farmers. Governments, and their multiple agencies, have failed to give effect to the nation's laws. Progress toward practical solution is limited to debate; and to a recommendation by the Committee on Agriculture of the House of Commons that the Canadian Wheat Board call a conference of all concerned in proper allocation of railway boxcars.

Experience emphasizes that, if action to protect the interests of Western farm people is to go beyond pious hope, farm people themselves must establish their rights by organizing their full strength to maintain those rights.

## PRAIRIE FARM ASSISTANCE

The levy of 1% taken under the Prairie Farm Assistance Act from farmers in Alberta, Saskatchewan and Manitoba on all grain delivered—

together with the number of awards and the amount paid thereunder—are detailed below:

1st August, 1955, to 31st July, 1956

	<u>1% Levy</u>	<u>Awards</u>	<u>Payments</u>
Manitoba .....	\$ 731,305	14,160	\$ 2,050,038
Saskatchewan .....	3,791,927	7,687	1,148,613
Alberta .....	1,697,305	8,232	1,294,753
Totals .....	\$ 6,239,614	30,989	\$ 4,639,959

From 1939 to 31st July, 1956

	<u>1% Levy</u>	<u>Awards</u>	<u>Payments</u>
Manitoba .....	\$14,357,115	78,011	\$ 11,330,892
Saskatchewan .....	53,504,179	555,378	128,075,344
Alberta .....	27,090,298	237,511	44,041,931
Totals .....	\$94,990,566	874,533	\$183,968,878

It will be seen from the foregoing that, since the inception of PFAA in 1939, payments awarded exceeded the 1% levy by \$88,978,312.

### WESTERN FARM INCOME

The Dominion Bureau of Statistics, in their tabulation of "Farm Net Income 1955", report that Canadian farmers got 22% more net income from their farm operations this year than in 1954.

Any interpretation of this as recovery from the disaster of 1954 in our Canadian West is disproved by further analysis. On a cash basis the farm people of Alberta, Saskatchewan and Manitoba got less from their operations in 1955 than in 1954—or in any year since the "forties".

The total net income to Canada's farmers from 1950 to 1955, inclusive, is divided as between the West and the other six provinces (omitting Newfoundland) in the following tabulation:

### TOTAL NET FARM INCOME

	<u>The West</u>	<u>Six Other Provinces</u>	<u>Canada</u>
	— in million dollars —		
1955 .....	\$ 631.5	\$ 822.8	\$1,454.3
1954 .....	412.3	777.6	1,189.9
1953 .....	883.4	813.4	1,696.9
1952 .....	1,083.2	817.5	1,900.7
1951 .....	1,127.3	1,027.3	2,154.5
1950 .....	630.1	817.9	1,448.0

The foregoing supports the statement that 1955 income to Canada's farmers was up 22% over 1954. Further, the indicated improvement in the West is 53%. However, these calculations include various factors which may help picture overall agricultural conditions; but which do not reflect the cash position of the family on the farm.

For example, Canada's farm people are charged, each year, with around \$400 million "income in kind". Under this head, main items are food

(milk, eggs, meat, garden stuff) and house rent. Such home-grown victuals made up \$80.5 million of Western farmers' income in 1950 and 1951; but the total has fallen, in the last three years, to around \$70 million. On the other hand, the amount charged to the income of Western farm people for living in their own homes has increased from \$39.5 million in 1950 to over \$47 million in 1955.

A much more misunderstood item is "value of inventory changes". Under this head, a farmer's income is increased by the value of produce he has on hand at year-end **above the amount held the preceding year-end**. In the year when he has less grain in the bin than the year before, his income is decreased by the value of the amount of the reduction.

For example, the record net income of \$1,127 million credited to Western farmers in 1951, included \$273.5 million in "value of inventory changes". This represented the amount of unsold grain held over and above the amount so held at the end of 1950. This farm held carryover increased year by year, until 1954. In that year, the value of grain held in Western farm inventories was reduced by \$110.2 million; and that amount was deducted from "total net income"—to give a low of \$412.3 million.

The end of 1955 found the farmers of the West with more grain on hand, again; and the value of the estimated increase (\$207.3 million) was added—to bring "total net income" up to the estimated total of \$631.5 million. This, of course, is a healthy increase above the "total net income" for the preceding year, calculated on the same basis.

More important to the farmer than statistical calculations, however, are the cash results of his operations. These cash results are disclosed by a simple sum in arithmetic. It involves three factors: 1. the cash the farmer gets in from produce sold; 2. the cash he must pay out for operating expenses; and 3. the net cash (if any) left in his hand—when 2 is subtracted from 1. On this cash basis the position of Western farm people resulting from 1955 operations is cause, not for smug satisfaction—but rather for alarm and action!

This is emphasized by the following tabulation—showing cash results of Western farm operations in "the Fifties".

#### WESTERN FARM NET CASH INCOME

Year	1. Cash received from products sold	2. Cash paid for operating expenses	3. Net cash income
— in million dollars —			
1950 .....	\$ 973.1	\$ 479.3	\$ 493.8
1951 .....	1,361.8	540.3	821.5
1952 .....	1,466.5	608.9	857.5
1953 .....	1,448.7	569.3	879.4
1954 .....	1,048.1	509.0	539.0
1955 .....	958.2	553.3	404.9

From the foregoing figures (supplied in Dominion Bureau of Statistics reports) it is seen that Western farm people got less cash from operations in 1955 than in 1954, or in any year since "the Forties". Their "net cash income" in 1955 was 24.8% below 1954; and less than one-half that earned in 1951, 1952 or 1953!

The drastic drop in farm net cash income in the last two years was concentrated in the West—as shown in the following table:



## FARM NET CASH INCOME

Year	Alberta, Saskatchewan and Manitoba	6 Other Provinces	Canada
— in million dollars —			
1950 .....	\$ 493.8	\$ 600.2	\$ 1,094.1
1951 .....	821.5	786.9	1,578.4
1952 .....	857.5	599.6	1,456.7
1953 .....	879.4	600.0	1,478.4
1954 .....	539.0	616.4	1,155.4
1955 .....	404.9	649.3	1,054.2

While operating expenses of Western farming have maintained fairly constant totals, some items have varied. The farm people of Alberta, Saskatchewan and Manitoba paid taxes of over \$39 million on land and buildings they owned in 1950. The tax total climbed to above \$53 million in 1955. Gross rents rose from \$96 million in 1950 to \$147 million in 1952; and, for 1955, are estimated at \$92.6 million. Hired labor exceeded \$71 million in 1950; increased to over \$88 million in 1952; and in 1954 and 1955 cost around \$70 million. Faced with the necessity to cut expenses wherever possible, on the one hand; and with steadily rising wage rates on the other, Western farmers have been forced to minimize employment of hired labor. Similarly, they have reduced their investment in chemical fertilizers.

Modern farming is mechanized. The cost is terrific. For operating and repairing their machinery, Western farmers paid \$162 million in 1950. Steadily climbing costs of what farmers must buy have boosted these operating expenses, year by year. By 1955 they topped \$206 million.

When to these bare expenses of machinery operation and maintenance estimated depreciation is added, the total paid on account of machinery by Western farm people exceeded \$279 million in 1953; topped \$291 million in 1955; and for the past three years (1953-55, inclusive) reached the staggering total of \$784.7 million!

These facts emphasize the short cash position of Western agriculture. They provide the basis for warnings voiced by various financial authorities that continued depression of agriculture may explode the boom being enjoyed by Canadians in other occupations.

## CONCLUSION

Canadian farm cash income increased in the first six months of 1956. Preliminary estimates by the Dominion Bureau of Statistics indicate that the farmers of Canada (exclusive of Newfoundland) during that period received from the sale of farm products and participation payments a total of \$1,188 million. This is 13% above the January-June period of 1955; and second only to the record of \$1,241 million for the first six months of 1951.

The rise in 1956 cash income resulted, largely, from increased proceeds from wheat and coarse grain sales, amounting to around 50%. In the West, farm cash income for the six months, January to June, for 1956, was 24% above 1955. This, in some degree, relieved the drastic shortage of cash in Alberta, Saskatchewan and Manitoba.

Nevertheless—while the gross national product rose to a record annual rate of \$29.5 billion in the second quarter of 1956 (according to D.B.S.)—the relative position of agriculture in the national economy persistently



weakens. The "keep home pay" of Canadians engaged in farming steadily falls behind the increasing incomes in other occupations.

Sales of Canadian grain to export markets are still vital to our national progress and welfare. These sales are achieved against competition of increasing intensity. For example, in the biggest surplus disposal deal in history, the U.S. Government is moving to India, in an involved three-year give away program, 130 million bushels of wheat, along with other farm products worth a total of \$360 million at current world prices. These commodities actually cost nearly twice this total under U.S. price supports. U.S. accepts payment of the \$360 million in Indian currency; loans 85% of the proceeds back to India for economic development; spends the remaining 15% in India; and pays \$54 million for shipping the commodities to India. U.S. offers the loan at 3% for 25 years. India seeks a lower interest rate and a 40-year term. Indications are that this type of competition will increase, rather than diminish.

Reviewing the state of world agriculture, the Food and Agriculture Organization of the United Nations reports that farm production continued to increase in 1955-56. The industrial boom stimulated demand; and trade in farm products rose sharply to the highest level since the war. However, this peak in farm trade was only 5% above 1934-38—whereas the rise in world trade as a whole was 70%. Food supplies per capita regained pre-war level. Stocks of grain continued to mount. Farm prices declined—with little benefit to retail prices.

FAO declares that "the basic dilemma of most governments" is to better the economic position of farmers; and, at the same time, to provide adequate food at low prices to consumers. The position of farm populations continues to deteriorate. Despite steady decline in the number of farmers, farm incomes are far below those in other occupations. Some trend is evident toward improving net farm incomes—by reducing prices of farm needs; and, thus, helping farmers cut costs. There is great pressure on farmers to increase production. Less developed countries are striving to produce more food. In the most progressive nations, states FAO, it appears that incomes can be maintained only by increasing production to offset the adverse movements of falling prices and rising costs. Under existing conditions surplus stocks of farm products already pose a world problem. FAO says "it has become clear" that governmental policies have failed to reduce these surpluses; and, alone, are unlikely to bring about their absorption. Increased consumption is the most effective and beneficial method of solving the problem of surpluses.

It is apparent that new distributive methods must be developed. There is some evidence that new concepts are taking shape. For example, making deposits from surplus grain stocks to a world food bank has been advocated through United Nations. Our Western Canadian Pool organizations, through the CFA, have consistently urged such a world food bank. Until recently the idea encountered official frustration. Now, in the U.S. presidential campaign, it emerges as a major issue.

Meanwhile, convinced co-operators are sure that the manifold problems of making the productive capacity of farm people and their farms fully useful in meeting the needs of mankind can find their solution in wider, more complete application of the basic principles of co-operation. It must be admitted, however, that the co-operative movement is not keeping pace with the expansion of national economies, the world over. The International Co-operative Alliance estimates that the membership of all its affiliates represented 8.86% of world population in 1952; and, by 1954, 8.76%. In U.K., the percentage was 22.6%; and in Canada, 5.3% of population. If producers and consumers are to reap full potential benefits from co-operation they can do so only through a great revival of co-operative faith and a driving advance all along the line of co-operative action.

The problems which beset farm people can be solved. Agriculture can be built into a position of balance with other essential parts of our economy. The farm people of our Canadian West can contribute to this achievement—by mobilizing their full strength in the use and unity of their Pools and kindred organizations; and by enlisting the support of all Canadians who know that only as our agriculture prospers can our national prosperity endure.

Respectfully submitted,

JOHN H. WESSON,	} Executive.
W. J. PARKER,	
BEN S. PLUMER,	
CHAS. W. GIBBINGS,	
THOS. G. BOBIER,	
THOS. H. WILSON,	
GEO. N. McCONNELL,	
W. J. BLAIR,	
G. L. HARROLD.	

CANADIAN POOL AGENCIES LIMITED

**DIRECTORS' REPORT**

1955-1956

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

Gentlemen:

This Agency has completed its twenty-eighth year of operation, and we present herewith for your approval the Annual Report and Financial Statements for the year ended July 31st, 1956.

A surplus of \$72,259.61 was produced, and out of this sum \$496.21 was provided for income tax, and an amount of \$86.78 deducted due to a loss on Government Bonds maturing, leaving \$71,676.62 available for patronage dividends, compared with \$55,075.51 last year.

The earnings vary from year to year and follow the experience of the parent organizations to some extent depending on the price and volume of grain stored, but the increase in surplus this year is mainly due to the profit commission we receive from the insurance companies on account of our favourable loss experience.

The \$35,000.00 Government of Canada Bonds, which we had retained for a number of years, matured in June, 1956. At the present time we have no investments. Any excess money can be readily taken up by the parent companies and we receive a favourable rate of interest.

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

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

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

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

**BALANCE SHEET**

**Agency Assets and Liabilities:**

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



## Shareholders' and Patrons' Assets:

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

**Loan Accounts:** Twelve new loans were made during the year and seven were repaid, leaving the total number now outstanding at fifteen. Four loans were made to finance the purchase of automobiles, and the balance were made to employees of one of the parent organizations and are fully guaranteed. Interest is thus earned on a part of our surplus funds without tying them up for any lengthy period. The Agency secures insurance on automobiles and property financed thereby, and insurance once obtained in this manner is usually renewed.

**Pool Insurance Company Account:** This Agency and Pool Insurance Company are operated by the same management and staff, and the salaries of the office employees are split between both organizations, as are other items of expense that are not definitely applicable to either organization. Included in this item is the balance due Canadian Pool Agencies Limited on the inter-office account of \$12,437.59 and a loan of \$55,261.16.

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

## Shareholders' Liabilities and Reserves:

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

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

## Capital Stock:

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

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

## Income and Expenditure Statement:

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

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

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

Respectfully submitted,

JOHN H. WESSON,	}	Executive.
W. J. PARKER,		
BEN S. PLUMER,		
CHAS. W. GIBBINGS,		
THOS. G. BOBIER,		
THOS. H. WILSON,		
GEO. N. McCONNELL,		
W. J. BLAIR,		
G. L. HARROLD.		

**CANADIAN POOL AGENCIES LIMITED**  
Winnipeg, Manitoba

**BALANCE SHEET**  
As at July 31st, 1956

**ASSETS**

<b>AGENCY ASSETS</b> .....		\$152,391.52
Cash in Agency Bank Accounts .....	\$ 9,962.13	
Accounts Receivable .....	142,429.39	
	<u>\$152,391.52</u>	
<b>SHAREHOLDERS' AND PATRONS' ASSETS</b> .....		113,052.22
<b>Cash</b> .....	\$ 1,741.53	
In General Bank Accounts .....	\$ 1,681.53	
On Hand .....	60.00	
	<u>\$ 1,741.53</u>	
<b>Accounts Receivable</b> .....		109,795.30
Commissions—per contra .....	\$30,819.30	
Loan Accounts—secured .....	8,302.43	
Pool Insurance Company .....	67,698.75	
Miscellaneous .....	2,974.82	
	<u>\$109,795.30</u>	
<b>Membership Deposit</b> .....		100.00
Insurance Agents' Association ..	<u>\$100.00</u>	
<b>Furniture and Fixtures</b> .....		1,415.39
Cost—less depreciation .....	<u>\$1,415.39</u>	
	<u>\$113,052.22</u>	
		<u>\$265,443.74</u>

**AUDITORS' REPORT—**

We have audited the accounts of Canadian Pool Agencies Limited for the year ended July 31, 1956 and have received all the information and explanations we have required. Bank balances have been confirmed by certificate direct from the Company's bankers. Accounts receivable and payable have been confirmed by circularization.

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



**CANADIAN POOL AGENCIES LIMITED**  
Winnipeg, Manitoba

**BALANCE SHEET**  
As at July 31st, 1956

**LIABILITIES**

<b>AGENCY LIABILITIES</b> .....		\$152,391.52
Accounts Payable .....	\$121,572.22	
Commissions—per contra .....	30,819.30	
	<u>\$152,391.52</u>	
<b>SHAREHOLDERS' LIABILITIES AND RESERVES</b> .....		93,052.22
Miscellaneous Accounts Payable .....	\$ 1,229.39	
Reserve for Income Tax .....	146.21	
Patronage Dividend Payable—Exhibit B .....	71,676.62	
General Reserve Against Unearned Income .....	20,000.00	
Allocated as follows:		
Alberta Wheat Pool .....	\$ 5,568.12	
Manitoba Pool Elevators .....	3,146.82	
Saskatchewan Wheat Pool ..	11,285.06	
	<u>\$20,000.00</u>	
	<u>\$ 93,052.22</u>	
<b>CAPITAL STOCK</b> .....		20,000.00
Authorized .....	\$20,000.00	
Issued and Fully Paid .....	\$20,000.00	
(2,000 Shares of \$10.00 each)		

Signed on behalf of the Board:

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

\$265,443.74

correct view of the financial position of Canadian Pool Agencies Limited as at July 31, 1956, 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.

Winnipeg, Manitoba,  
September 12, 1956.

(Signed) MILLAR, MACDONALD & CO.,  
Chartered Accountants.

**CANADIAN POOL AGENCIES LIMITED**  
Winnipeg, Manitoba

Exhibit B.

**SUMMARY OF SURPLUS ACCOUNT**  
For the Year Ended July 31, 1956

	<u>Debit</u>	<u>Credit</u>
Surplus for the year ended July 31, 1956— Exhibit C .....		\$72,259.61
Reserve for Income Tax .....	\$ 496.21	
Loss on Bonds Matured .....	86.78	
Patronage Dividend for year 1955-56—Exhibit A .....	71,676.62	
Allocated as follows:		
Alberta Wheat Pool .....	\$10,800.07	
Manitoba Pool Elevators .....	22,250.08	
Saskatchewan Wheat Pool .....	38,626.47	
	<u>\$71,676.62</u>	
	<u>\$72,259.61</u>	<u>\$72,259.61</u>

**CANADIAN POOL AGENCIES LIMITED**  
Winnipeg, Manitoba

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

**INCOME—**

<b>Commissions:</b> .....		<b>\$89,358.08</b>
Fire .....	\$43,669.62	
Bonds .....	21,775.21	
Lake Marine .....	154.63	
Ocean Marine .....	1,147.50	
Automobile .....	4,145.55	
Accident and Sickness .....	463.78	
Liability .....	1,194.46	
Use and Occupancy .....	1,828.87	
Robbery and Burglary .....	613.08	
Inland Marine .....	456.04	
Inland Transportation .....	240.43	
Steam Boiler .....	142.41	
Composite .....	696.20	
Contingent .....	13,211.95	
	<u>\$89,739.73</u>	
Deduct Brokerage Paid .....	381.65	
	<u><u>\$89,358.08</u></u>	

**Other Income:**

Interest .....	4,766.19
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**TOTAL INCOME FOR THE YEAR .....** **\$94,124.27**

**EXPENSES .....** **21,864.66**

Salaries .....	\$15,541.80
Directors' Fees and Expenses .....	547.44
Rent and Light .....	1,916.37
Telephone and Telegraph .....	290.96
Printing, Postage and Stationery .....	1,353.15
Taxes and Licenses .....	237.74
Travelling .....	202.75
Legal and Audit .....	841.15
Depreciation .....	353.85
Insurance .....	9.75
Staff Pensions, Group and Unemployment Insurance .....	458.71
Miscellaneous .....	410.99

\$22,164.66

Deduct Recovery from Interprovincial Pool ..... 300.00

\$21,864.66

Balance—Surplus for year ended July 31, 1956, carried to Exhibit B ..... \$72,259.61

# MEMORANDA



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POOL INSURANCE COMPANY

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**DIRECTORS' REPORT**

1955-1956

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

Gentlemen:

This is the seventeenth annual report of your insurance Company, and we have pleasure in submitting herewith the Financial Statements for the year ended 31st of December, 1955.

The results for the year show a surplus of \$643,126.11 as compared with \$640,254.88 last year. While we had a higher loss ratio this year of 26.12% as compared with 16.54% the previous year, the surplus actually reflects a small increase directly attributable to the increase in our retention from 25% to 35% from August, 1955, and our low loss experience since that date.

After transferring \$13,500.00 to Capital Surplus Account, and setting up the usual capital stock dividend as required by the Company's Charter, and a reserve of \$3,830.00 for income tax, the balance of \$625,794.26 has been allocated to the policyholders on the basis of their contributions to the surplus.

The total premium income amounted to \$1,316,376.18 as compared with \$1,302,813.12 last year.

After placing reinsurance on all risks with the exception of dwellings, the net earned premium income was \$393,266.38 as compared with \$331,998.87 last year.

The losses amounted to \$358,145.26; the Company's share being \$102,721.16.

Five elevators and their contents were totally destroyed and grain at one offsite location. The locations were as follows:

In Alberta—Fairview; Youngstown (offsite grain).

In Saskatchewan—Beaubier, Coderre, Invermay, Wolverine.

In addition to these total losses, fifty small losses were sustained at elevators; twelve by fires and thirty-eight by windstorms. Six dwellings suffered partial damage.

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 our losses to a minimum.

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

hereunder. Building values change from time to time, and the values shown are as at 31st of December, 1955. The value of the grain is the daily average for the year.

Country Elevators .....	\$ 66,761,770.00
Grain .....	142,969,792.20
Dwellings .....	6,623,185.00
Miscellaneous .....	2,832,845.00
	<hr/>
	\$219,187,592.20
	<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 reinsurance, less losses, and earned commission paid to Canadian Pool Agencies Limited. We also had interest earnings of \$22,889.62.

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

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

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

### ASSETS

#### **Cash On Hand and In Bank—**

Under this heading the current and savings bank accounts are shown.

#### **Accounts Receivable—**

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

#### **Investments—**

You will notice the listed value of the Company's investments exceed the cost by \$5,872.50. 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 \$2,812.51 at standard rates, the asset covering five automobiles is shown as \$6,562.53. These automobiles are used by our fire inspectors.

### LIABILITIES

#### **Current Liabilities—**

Premiums due the reinsurance 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 repre-

sents premium tax, income tax and fire prevention taxes due respectively to the Federal and Provincial Governments.

#### Reserve for Unearned Income—

These reserves are calculated on the basis of one hundred percent of the unearned premiums on our own retention and one hundred percent of the unearned portion of the reinsurance commissions as at 31st December, 1955.

#### Capital Stock—

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

	<u>Shares</u>	<u>Subscribed</u>	<u>Paid Up</u>	<u>Premium Paid</u>
Alberta Wheat Pool	750	\$ 75,000.00	\$ 55,500.00	\$ 24,000.00
Manitoba Pool Elevators .....	500	50,000.00	37,000.00	16,000.00
Saskatchewan Wheat Pool .....	1,250	125,000.00	92,500.00	40,000.00
	<u>2,500</u>	<u>\$250,000.00</u>	<u>\$185,000.00</u>	<u>\$ 80,000.00</u>

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

As of the first of the year, the premium on capital stock was increased by a further \$50,000.00 to provide the necessary surplus to permit our increased retention. It is a requirement of the Insurance Act that we maintain a surplus at least equal to our unearned premiums before refund of excess charges are made.

We have also increased our surplus by \$13,500.00 out of this year's earnings which further strengthens the Company.

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

Respectfully submitted,

JOHN H. WESSON,  
W. J. PARKER,  
BEN S. PLUMER,  
CHAS. W. GIBBINGS,  
THOS. G. BOBIER,  
THOS. H. WILSON,  
GEO. N. McCONNELL,  
W. J. BLAIR,  
G. L. HARROLD.

**POOL INSURANCE COMPANY**  
Winnipeg, Manitoba

**BALANCE SHEET**  
As at December 31, 1955

**ASSETS**

<b>Cash in Bank</b> .....		\$ 162,130.65
In Bank of Montreal—Current Account .....	\$ 22,130.65	
Savings Account .....	140,000.00	
	<u>\$162,130.65</u>	
<b>Accounts Receivable</b> .....		183,801.75
Canadian Pool Agencies Limited .....	\$145,897.18	
Reinsurance Accounts .....	37,904.57	
	<u>\$183,801.75</u>	
<b>Investments—at cost</b> .....		903,627.50
Government of Canada Bonds .....	<u>Par Value</u> <u>\$915,000.00</u>	
Listed Value .....	<u>\$909,500.00</u>	
Interest Thereon: .....		4,832.30
Due .....	\$ 243.75	
Accrued .....	4,588.55	
	<u>\$4,832.30</u>	
<b>Automobiles</b> .....		6,562.53

\$1,260,954.73

**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, 1955 and the result of its operations for the year ended that date, according to



**POOL INSURANCE COMPANY**  
Winnipeg, Manitoba

**BALANCE SHEET**  
As at December 31, 1955

**LIABILITIES**

<b>Current Liabilities</b> .....		\$ 705,359.63
Miscellaneous Accounts Payable .....	\$ 650.00	
Reinsurance Accounts Payable .....	69,727.43	
Fire Losses in Process (net of reinsurance) .....	611.25	
Taxes Accrued .....	8,574.84	
Dividends Payable as per Exhibit B .....	625,796.11	
	<u>\$705,359.63</u>	
<b>Reserve for Unearned Income</b> .....		197,788.09
Unexpired Portion of Premium Income .....	\$113,394.08	
Unexpired Portion of Reinsurance Commissions .....	84,394.01	
	<u>\$197,788.09</u>	
<b>Capital Stock</b> .....		185,000.00
Authorized—5,000 shares at \$100 .....	\$500,000.00	
Subscribed—2,500 shares at \$100 .....	\$250,000.00	
Paid Thereon .....	<u>\$185,000.00</u>	
<b>Capital Surplus</b> .....		172,807.01
Premium at 32% on Capital Stock .....	\$ 80,000.00	
Surplus realized on Investments Sold .....	11,807.01	
Transferred from Shareholders' and Patrons' Equity Account—1949-55 .....	81,000.00	
	<u>\$172,807.01</u>	

Signed:

J. H. WESSON, Director.

W. J. PARKER, Director.

\$1,260,954.73

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

Winnipeg, Manitoba,  
February 25, 1956.

(Signed) MILLAR, MACDONALD & CO.,  
Chartered Accountants.

**POOL INSURANCE COMPANY**  
Winnipeg, Manitoba

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

For the Year Ended December 31, 1955

	<u>Debit</u>	<u>Credit</u>
Balance at Credit December 31, 1954 .....		\$621,554.88
<b>Distributed during 1955:</b>		
Shareholders' Dividend 1954 .....	\$ 1.85	
Alberta Wheat Pool .....	\$ .55	
Manitoba Pool Elevators .....	.37	
Saskatchewan Wheat Pool .....	.93	
	<u>\$ 1.85</u>	
Patrons' Dividend 1954 .....	621,553.03	
Alberta Wheat Pool .....	\$105,469.96	
Alberta Pool Elevators .....	50.55	
Alberta Wheat Pool and Al-		
berta Pool Elevators Limited	51,808.25	
Manitoba Pool Elevators .....	107,173.61	
Saskatchewan Pool Elevators		
Limited .....	107,634.16	
Saskatchewan Pool Elevators		
Limited and Saskatchewan		
Pool Terminals Limited .....	11.23	
Saskatchewan Wheat Pool .....	247,534.99	
Saskatchewan Co-operative		
Livestock Producers Limited	1,615.67	
Modern Press Limited .....	254.61	
	<u>\$621,553.03</u>	
	\$621,554.88	\$621,554.88
Surplus for Year 1955—Exhibit C .....		643,126.11
Transferred to Capital Surplus .....	13,500.00	
Reserve for Income Tax .....	3,830.00	
Balance Carried Down .....	625,796.11	
	<u>\$1,264,680.99</u>	<u>\$1,264,680.99</u>
Balance Brought Down .....		\$625,796.11
Allocated as follows:		
Shareholders' Dividend .....	\$ 1.85	
Alberta Wheat Pool .....	\$ .55	
Manitoba Pool Elevators .....	.37	
Saskatchewan Wheat Pool .....	.93	
	<u>\$ 1.85</u>	
Patrons' Dividend .....	625,794.26	
Alberta Wheat Pool .....	\$114,350.60	
Alberta Pool Elevators Limited	47.74	
Alberta Wheat Pool and Al-		
berta Pool Elevators Limited	51,038.55	
Manitoba Pool Elevators .....	106,130.07	
Saskatchewan Pool Elevators		
Limited .....	111,756.82	
Saskatchewan Pool Elevators		
Limited and Saskatchewan		
Pool Terminals Limited .....	11.14	
Saskatchewan Wheat Pool .....	240,239.51	
Saskatchewan Co-operative		
Livestock Producers Limited	1,925.44	
Modern Press Limited .....	294.39	
	<u>\$625,794.26</u>	
	\$625,796.11	\$625,796.11

**POOL INSURANCE COMPANY**  
Winnipeg, Manitoba

**STATEMENT OF INCOME AND EXPENDITURE**  
For the Year Ended December 31, 1955

<b>Premiums on Business Written</b> .....	\$1,316,376.18	
<b>Less Ceded to Other Companies</b> .....	896,265.58	\$ 420,110.60
<b>Deduct Increase in Unearned Premiums</b> .....		26,844.22
		<hr/>
<b>Premiums Earned in 1955</b> .....		\$ 393,266.38
<b>Deduct Losses and Adjustment Expense</b> .....	\$ 358,145.26	
<b>Less Reinsurance Recoveries</b> .....	255,424.10	
		102,721.16
		<hr/>
<b>Net Underwriting Income</b> .....		\$ 290,545.22
<b>Add Earned Reinsurance Commission</b> .....		403,860.41
		<hr/>
<b>Total Income Before Commissions Paid</b> .....		\$ 694,405.63
<b>Deduct Commissions Paid (on earned premiums only)</b> .....		659.57
		<hr/>
<b>Balance, Available for Expenses and to Shareholders and Patrons</b> .....		\$ 693,746.06
<b>Expenses—</b>		
Taxes, Licenses and Association Dues .....	\$ 21,532.44	
<b>Inspection Service—</b>		
Salaries .....	\$17,454.88	
Automobile Expenses .....	7,908.62	
Other Travelling Expenses .....	4,421.61	
Staff Pension, Group and Unemployment Insurance .....	1,321.57	
Printing and Stationery .....	659.79	
Postage, Telegrams, Telephones and Express .....	209.92	
		31,976.39
<b>Administration—</b>		
Salaries .....	\$15,020.80	
Rent and Light .....	1,844.16	
Directors' Fees and Expenses ..	617.90	
Travelling Expense .....	287.21	
Printing and Stationery .....	117.90	
Postage, Telegrams, Telephones and Express .....	564.09	
Legal and Audit .....	688.71	
Staff Pension, Group and Unemployment Insurance .....	464.02	
Miscellaneous .....	395.95	
		20,000.74
		<hr/>
		73,509.57
		<hr/>
		\$ 620,236.49
<b>Add Interest Earned</b> .....		22,889.62
		<hr/>
<b>Balance—Surplus for the Year 1955—carried to Exhibit B</b> .....		<u>\$643,126.11</u>

# MEMORANDA



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