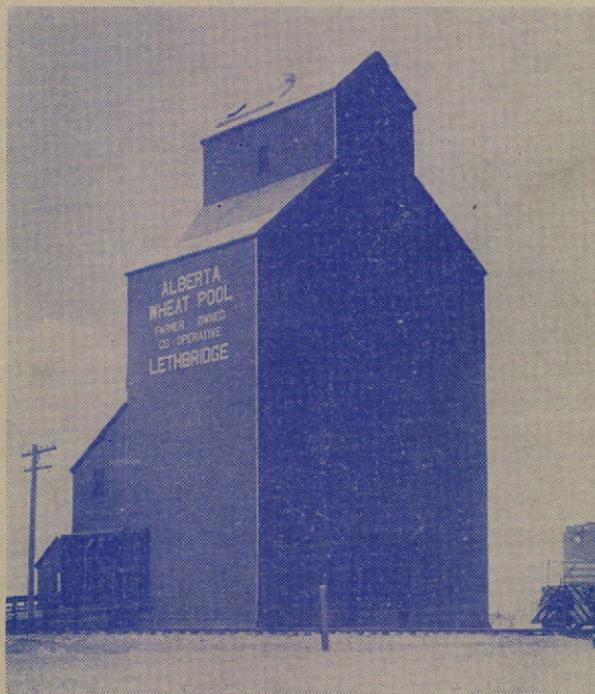


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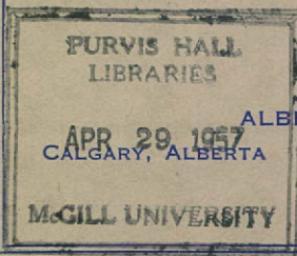
ALBERTA WHEAT POOL

# Annual Report

1954-1955



Lethbridge Country Elevator



ISSUED BY

ALBERTA WHEAT POOL

DECEMBER, 1955

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ALBERTA WHEAT POOL

**Annual Report**

**1954-1955**



ISSUED BY  
ALBERTA WHEAT POOL

CALGARY, ALBERTA

DECEMBER, 1955

## 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 .....	Box 174, Vauxhall
R. C. Bell .....	Carstairs
Gerald Oberg .....	Forestburg



## DELEGATES

### LETHBRIDGE—District One.

101 ( ra ) Madill, Herbert A. ....	60091	Foremost
102 ( ra ) Blackmer, Russell .....	46434	Coutts
103 ( ra ) Oliver, W. A. ....	60602	Warner
104 ( nn ) Redd, Paul H. ....	18734	Raymond
105 ( ra ) Lee, Lester W. ....	12947	Cardston
106 ( ra ) Davidson, Edwin N. ....	61209	Coaldale
107 ( ra ) Erdman, Ralph L. ....	80319	Barons
108 ( ra ) Claeys, Lucien .....	73547	Vauxhall
109 ( ra ) Egan, Alfred .....	68422	Bow Island
110 ( ra ) Montgomerie, T. S. ....	50655	Medicine Hat

### CALGARY—District Two.

201 ( ra ) Pelletier, George E. ....	64025	Pincher Creek
202 ( e ) O'Neil, James J. ....	60011	Claresholm
203 ( ra ) Hagerman, Thomas H. ....	8573	Parkland
204 ( re ) Morrison, W. S. ....	54846	High River
205 ( ra ) Rudolph, Evenis .....	67908	Dalemead
206 ( ra ) Rosenberger, O. Keith .....	60024	Balzac
207 ( ra ) Wood, Ray W. ....	25064	Carstairs
208 ( ra ) Thompson, S. E. ....	22811	Carmangay
209 ( ra ) Brown, Sam, Jr. ....	68454	Blackie
210 ( ra ) Bertrand, V. J. ....	1810	Milo

### DRUMHELLER—District Three.

301 ( ra ) Frey, Jake .....	7263	Arneson
302 ( ra ) Pearce, J. M. ....	27078	Carolside
303 ( nn ) Christensen, Ansgar .....	89741	Tilley
304 ( nn ) Petersen, T. A. ....	29309	Rosedale
305 ( ra ) Wheatley, J. M. ....	24466	Chancellor
306 ( ra ) Cammaert, Emile .....	35501	Rockyford
307 ( ra ) Bates, Arthur C. ....	73708	Acme
308 ( ra ) Offord, Robert D. ....	73743	Morrin
309 ( re ) Kaechele, David .....	11490	Ghost Pine Crk.
310 ( ra ) Taggart, H. L. ....	56363	Olds

RED DEER—District Four.

401 ( ra )	Anderson, Ezekiel	436	Excel
402 ( ra )	Massam, R. R.	14139	Sedalia
403 ( ra )	Paetz, John T.	62427	Big Stone
404 ( e )	Macpherson, Allan J.	71896	Delia
405 ( nn )	McBride, Hamilton J.	72459	Leo
406 ( re )	Judd, S. S.	11486	Stettler
407 ( re )	Domoney, Fred	5566	Penhold
408 ( e )	Stone, John J.	65021	Alix
409 ( ra )	Murray, James	82130	Eckville
410 ( ra )	Haarstad, Alfred B.	30752	Bentley

CAMROSE—District Five.

501 ( ra )	Fawcett, George G.	47033	Consort
502 ( nn )	Smith, George F.	61111	Provost
503 ( ra )	Hallett, John	8662	Fleet
504 ( e )	Flaade, Bennie Alfred	64158	Rosyth
505 ( re )	Weber, Ben S.	24243	Sedgewick
506 ( ra )	Hayes, Charles P.	9290	Strome
507 ( e )	xVikse, O. M.	72285	Donalda
508 ( ra )	Johnson, Arne	62168	Camrose
509 ( a )	xHoar, Donald J.	82372	Ponoka
510 ( e )	Rasmussen, C. H.	65747	Gwynne

VEGREVILLE—District Six.

601 ( re )	Murray, John T.	63264	Chauvin
602 ( ra )	Dobson, Parke	60982	Paradise Valley
603 ( e )	xMathison, D. H.	50621	Dewberry
604 ( nn )	Jackson, James	60986	Irma
605 ( ra )	Bennett, George	1655	Manville
606 ( e )	Kapicki, George	86770	Andrew
607 ( ra )	Moen, E. A.	14776	Tofield
608 ( ra )	Ziegler, George	44725	Vegreville
609 ( ra )	Alton, Willmot	40992	FtSaskatchewan
610 ( re )	Lamothe, A.	72533	St. Paul

EDMONTON—District Seven.

701 ( re )	Boychuk, John W.	60408	Smoky Lake
702 ( re )	Ewasiw, William	68304	Egremont
703 ( ra )	Antonson, Carl	657	Pibroch
704 ( nn )	Rigney, W. Frank	79476	Gibbons
705 ( a )	xZiegler, Alex	60694	Winterburn
706 ( re )	Paterson, Charles P.	68926	Mayerthorpe
707 ( ra )	Powell, Uri	18284	Sexsmith
708 ( ra )	Hadland, Arthur R.	59388	Baldonnel, B.C.
709 ( ra )	White, Frank	68571	Spirit River
710 ( re )	McAuley, W. H.	15512	Fairview

( a ) Elected by Acclamation.

( ra ) Re-elected by Acclamation.

( e ) Elected.

( re ) Re-elected.

( nn ) No Nomination.

( x )—Delegates elected in 1955 who did not serve in that capacity in 1954, replacing the following:

507	Haner, Raymond M.	42732	Red Willow
509	Johnson, Charles A.	69802	Ponoka
603	Davies, George H.	62999	Lloydminster
705	Saffin, M.	19803	Morinville

# REPORT OF BOARD OF DIRECTORS ALBERTA WHEAT POOL

— to —

## THIRTY-THIRD ANNUAL MEETING OF DELEGATES

November 22nd, 1955



**BEN S. PLUMER**  
Chairman, Board of Directors  
Director since November 14, 1923

Gentlemen:—

Your Directors are pleased to report for the year ending July 31st, 1955, that our Association had successful financial operating results, but due to the congestion of storage facilities and to the arbitrary allocation of railway cars was unable to offer our services to all of our members who desired to deliver grain to Pool elevators.

The year 1955 also marks the Fiftieth Anniversary of the formation of the Province of Alberta, and in this Jubilee Year many tributes are being paid to the farmers of Alberta, who through trying periods have persevered in order to bring Alberta's basic industry — agriculture — to its present peak of efficiency. In this period of fifty years the accomplishments of the agricultural producers have been many, and worthy of

recognition. They have been leaders in the struggle to secure economic stability for the people of Canada.

## HANDLING AND OPERATING RESULTS

The handlings of all grains through Pool elevators in the year under review was 55,417,243 bushels. This was nearly 770,000 less than the previous year, and over 24 million bushels less than the record handlings of the season 1952-53. Use of our facilities during the season 1954-55 was greatly hampered by the congestion of grain stored therein, and it is our opinion that the handlings as such represent a commendable achievement and an indication of the firm support of the membership in general.

Our net operating surplus for the year was \$1,333,278.49. The earnings, before special additional capital cost allowances were deducted, were \$1,912,541.07, as compared with earnings in 1953-54 before these deductions were made of \$2,652,208.12.

## 1954 ANNUAL MEETING

The delegates at the 1954 annual meeting decided many matters that affected the welfare of our members. Included in these matters was the election of an inspection committee of delegates to examine our Pool Terminal at Vancouver, the selection of Messrs. C. H. Rasmuson and P. H. Redd, the Field Service and Directors, to study the subject of scholarships and awards by our Association, affirmation of our support of freight rates established by the Crow's Nest Pass Agreement, provision for the acceptance of loans from members, approval of the issue of reserves on 1953-54 deliveries, and authorization of the purchase of reserves from two categories of members, and the purchase of 5% of the reserves of the remaining members.

Also approved at this former meeting was a redistribution of district and sub-districts. A committee of the Board has now completed its work in this connection and its report has been accepted by your Directors. This report will be submitted later in this meeting.

## BUILDING PROGRAM

We have built and purchased in this crop season additional country facilities in order to provide more opportunity for our members to deliver their crops. In this expansion it is believed necessary to take a long range view of our building

program by giving careful consideration to possible changes in production that may be caused by weather conditions. We believe, with this factor in mind, that we have carried on a reasonably active program in construction of elevators, particularly at the country points where conditions appear to justify more facilities. There were also five elevators in the planning or construction stage at the close of this financial year.

It is expected that we will have at Vancouver an additional two million bushels of storage and adequate cleaning facilities ready in time to handle the 1956 crop.

### RESEARCH INTO COUNTRY ELEVATORS, INCLUDING CONCRETE STRUCTURES

Research into country elevator construction was carried out during the year under review. Particular attention was given to building of concrete structures and estimates were received of the costs of four types of elevators.

Your Directors report, following a study of the cost and uses of this kind of elevator, that they are unable at this time to recommend the erection of any concrete elevators at country points. It is believed that greater service can be rendered to our members by constructing frame elevators.

### DISPOSITION OF SURPLUS, 1953-54

At our annual meeting last year your Board was authorized to dispose of the surplus from our operations for the fiscal year 1953-54, as follows:—

In payment of income tax .....	\$ 99,364.00
In payment of a cash patronage dividend to producer members .....	601,389.00
In allocation of reserves to the credit of member patrons .....	1,632,096.00
Surplus to be retained .....	115,257.00
 Total .....	 <u>\$2,448.106.00</u>

The undernoted disposition was made:—

In payment of income tax .....	\$ 99,364.52
In payment of a cash patronage dividend to producer members .....	596,783.24
In the allocation of reserves to the credit of member patrons .....	1,619,564.91
Transferred to earned surplus account .....	132,393.80
 Total .....	 <u>\$2,448.106.47</u>

## PURCHASE OF RESERVES

### Patronage Dividend Reserves Commencing 1940-41.

The purchase of patronage dividend reserves commencing 1940-41 was authorized at the last annual meeting in the amount of \$634,896.00 Purchases were completed as follows:

(a) from 976 estates of deceased members as at December 31st, 1954 .....	\$ 143,676.41
(b) from 1,148 members no longer farming as at December 31st, 1954 .....	129,803.30
(c) ratably 5% .....	430,864.60
	<hr/> <u>\$ 704,344.31</u>

Purchases, which commenced in 1953, of these patronage dividend reserves, now total \$1,520,904.94, of which there remains unpaid as at July 31st, 1955, the amount of \$25,160.29 (1.65%).

### 1923-28 Reserves.

As a result of further searching for lost members, \$40,306.46 was paid on unclaimed 1923-28 commercial and elevator reserves during the 1954-55 season, thereby reducing the unclaimed balance in these reserves to \$135,914.49 (1.63%).

## GROWING AND HARVESTING CONDITIONS

This report covers the growing season in the year 1954, in which the Spring was late and wet. Little seeding was done in April, and so delayed were the early farm operations that wheat seeding was necessary in June in some parts, particularly in Central Alberta. Seeding of coarse grains was as late as July 1st at a few unfortunate points.

The crop season developed into one of the wettest and most backward on record. A slight shortage of moisture developed in July in only two parts of Alberta, the central south portion and parts of the northwest area. This month was followed by a wet, cold August, which resulted in crops maturing very slowly. Leaf and some stem rust invaded the Province and seriously affected the quality and quantity of the crops in many portions of Alberta. Killing frosts did not occur until the nights of September 16th and 19th, but so late was the crop that extensive damage resulted therefrom.

Hail was very widespread in Alberta in 1954, although total losses, which were above average, did not reach the damage experienced the previous year, 1953.

The late harvest started slowly, but in October excellent harvesting weather prevailed, and 90% to 95% of the grain was harvested in dry condition. From the effects of rust and frost, over 40% of the wheat produced did not qualify for the milling grades of One Northern to Four Northern.

## MEMBERSHIP

During the season 1954-55 our membership increased by 283, from 48,530 to 48,813.

Accepted during the season were 2,092 new members, but 585 names were removed by reason of death of the holders, and there were 1,224 memberships cancelled, the holders having retired from farming and received full settlement of their reserves.

## STAFF

Our appreciation is expressed to our staff at country points and in Departments at Head Office, Vancouver, Edmonton and Winnipeg, for their faithful and energetic service during the year.

In July, our General Manager, with the approval of your Directors, accepted a directorship in the Bank of Nova Scotia. In the person of Mr. Baker, this Bank has a representative of Western agriculture well qualified to present the viewpoint of the producers.

## ELECTIONS OF DELEGATES

### Odd-Numbered Sub-Districts.

A general election was held this year in the thirty-five odd-numbered sub-districts, which resulted as follows:—

- (a) in each of seven sub-districts more than one candidate was nominated and an election was held; five of the delegates elected had previously served in that capacity, and two were elected for the first time;
- (b) one candidate only was nominated in each of twenty-six sub-districts, and therefore each such candidate was elected by acclamation; two of these were chosen for the first time;
- (c) the members in each of two sub-districts failed to submit a nomination, and the sitting delegate therefore continues to hold office.

Elections in both even-numbered and odd-numbered sub-districts will be held in the summer of 1956, as a consequence of the redistribution of districts and sub-districts.

## BOARD OF DIRECTORS

### Officials.

Following the 1954 annual meeting, while at Vancouver to inspect our Terminal there, your Directors held a special meeting and elected Mr. Ben S. Plumer as Chairman, Mr. Gordon L. Harrold as First Vice-Chairman, and Mr. W. J. Blair as Second Vice-Chairman of this Association. These same three Directors were also elected our representatives on the respective Boards of Canadian Co-operative Wheat Producers, Limited, Canadian Pool Agencies, Limited, and Pool Insurance Company.

### Meetings.

During the financial year 1954-55, your Directors held nine regular meetings and three special meetings. As the Board of our subsidiary Company, Alberta Pool Elevators, Limited, your Directors met nine times in regular meetings and twice in special meetings.

## IN MEMORIAM

Mr. Lew Hutchinson of Duhamel retired as a Director of Alberta Wheat Pool at the annual meeting in 1953, and tribute was paid to his years of service on this Board in the last Annual Report. Regrettfully we now note his death, which took place on Friday, February 11th, 1955, at his home in Calgary.

Mr. Hutchinson was a Director of this Association for thirty years, 1923 to 1953, Vice-Chairman of the Board for seven years, 1927 to 1934, and Chairman for four years, 1937 to 1941. He also served on the three Central Boards, being a Director of Canadian Co-operative Wheat Producers, Limited, for ten years, a Director of Canadian Pool Agencies, Limited, for eight years, and a Director of Pool Insurance Company for three years.

Francis Gordon Huggard, formerly of Kathryn, and delegate for sub-district "B-10" in the year 1929, died at the Holy Cross Hospital, Calgary, on March 6th, 1955. Mr. Huggard commenced farming in the Balzac district in 1913, was a pioneer member of Alberta Wheat Pool, and prior to his death resided in Calgary.

We also regret to report the death of Mr. Osia Rosenberger, an early member, and a delegate from sub-district "B-6" for five years, 1945 to 1949, who lived at Balzac. Following attendance at a Municipal Council meeting on September 9th, 1955, he passed away at his home the next day.

James Pullar Watson, a former delegate from Chinook, died during the third week of September at the West Coast, where he had been living for some time. In 1923 Mr. Watson took an active part in organizing the Pool and was elected as one of the ten delegates to represent the "D" District. For four years, 1925 to 1928 inclusive, he was elected delegate to represent sub-district "D-5". He resigned as delegate on November 8th, 1928 and was appointed a Fieldman for this organization, serving for five years until October 31st, 1933.

These four men have left the influence of their characters and work on the history and progress of our Organization.

## ALBERTA MASTER FARM FAMILIES

We wish to extend our heartiest congratulations to three families who were declared winners of the Alberta Master Farm Family Awards in 1955, as follows:—

B. O. Brown Family, Acme  
F. E. M. Robinson Family, Pincher Creek  
Chris Schneider Family, Vegreville.

With a feeling of gratification we mention that the three Family heads are members of our Organization. This is the seventh year of this Award, and during these years thirty-one out of thirty-two families which have been selected to receive same were represented in our membership.

## OBJECTIVES OF ALBERTA WHEAT POOL

Your Directors earlier in the year selected certain objectives of our Association for the purposes of guidance in deciding policy, of use in publicity and of information and education of our members. These objectives are as follows:—

"To operate an efficient and financially sound grain handling system on a co-operative basis which will offer producers the highest standard of service at the lowest possible cost and provide them with the assurance of fair and equitable treatment when they market their grain. Service to members is the primary objective of the Alberta Wheat Pool.

"To give leadership in shaping grain marketing policies—on both the national and international level—in the best interests of grain producers, keeping in mind their need for stabilized prices and economic security.

"To provide farm people with sound and vigorous representation on matters affecting the social and economic position of the farming industry and to make every effort to secure for agriculture the returns and the recognition it deserves as the basic industry of this nation.

"To keep our members informed and to assist in the development of the co-operative movement in the firm belief that it can bring about a more equitable distribution of the wealth produced and offer farm people protection obtainable in no other way."

These are presented for the earnest consideration of all persons who are interested in the welfare and future of this grain Co-operative.

## HANDLING CHARGES

For grain delivered on a "street" basis, The Canadian Wheat Board pays handling charges of  $4\frac{1}{2}$  cents per bushel on wheat and barley, and  $3\frac{1}{2}$  cents per bushel on oats. These rates have been fairly static through the years, of which an example is the charge on higher grades of wheat which is the same now as it was in 1935, the year the Wheat Board came into existence. Another important income to our Association is the storage charges on elevator grain stocks.

The expense, including normal capital cost allowances but not interest, of handling a bushel of grain in the crop season 1953-54 was 9.314 cents, and in the season 1954-55 was 9.764 cents. When the storage revenue is reduced to amounts similar to those received in 1947 to 1950, the matter of a revision of the handling margin will be of greatest importance.

## BOXCAR ALLOCATION

Your Board of Directors must report that to date we consider no satisfactory solution has been reached to the problem of boxcar allocation. During the year under review many Pool members were again forced to deliver their grain to the opposition simply because sufficient boxcars were not made available to Pool elevators to permit them to handle all offerings of member patrons. The Interprovincial Pool Committee, under the chairmanship of Mr. Harrold, remained

active holding many interviews with Rt. Hon. C. D. Howe, Minister of Trade and Commerce, the heads of both large railways, and The Canadian Wheat Board. In addition, the Chairman of your Board, accompanied by Mr. Harrold, appeared before the Standing Committee on Agriculture and Colonization of the House of Commons to argue the case for the western grain producer. While it was generally agreed that he, along with representatives of the Saskatchewan and Manitoba Pools, made a favourable and forceful impression, the report of the Committee did not make provision for the producers to indicate the elevator of their choice.

Unfortunately there is opposition within the Western farm movement itself to the plan proposed by the Wheat Pools and supported by most other farm Organizations. Until the farm movement presents a united front the problem of restoring this basic right of producers, recognized a half century ago, will be most difficult. Every effort has been made to bring unanimity but those in opposition have remained adamant. Your Board, however, is unanimous in the opinion that we must continue to press for a method which will recognize the basic right of producers, namely, that of having the opportunity to patronize the elevator of their choice.

Since our last annual meeting several important changes have been made in the method by which shipments of grain out of country elevators are regulated. Previous to July 31st, 1954, the railways had followed a general plan of distributing boxcars equally among the elevators at each point—on a one-elevator one-car basis. In the 1954-55 season cars were allocated at each Station by the railway agent with the purpose of fulfilling the shipping orders held by each elevator agent. This Autumn of 1955 they were instructed by the Transport Controller to allocate cars at each point in proportion to the Wheat Board orders approved for the point. This arrangement is an improvement over that employed in the past but it does not provide an answer to the problem of boxcar allocation. Shipping orders are divided among elevator companies on an arbitrary basis. We maintain that only farmers can decide where they wish to deliver their grain and that provision should be made for them to express their preference. It is only when orders and boxcars are provided on this basis that the right of producers to patronize the elevator of their own choice will be recognized.

## WHEAT MARKETING

The year 1954-55 was one of increasing competition in world wheat markets. Canadian exports dropped slightly below those of the preceding year to 251.8 million bushels. At the same time those of most other important surplus producing

Nations showed moderate to substantial increases. The United States, demonstrating a determination to reduce the huge wheat surplus accumulated under its price support program, implemented a variety of schemes aimed at increasing exports. Other Countries also employed export subsidies and made sales by barter arrangement. As a result The Canadian Wheat Board has found it increasingly difficult to sell our wheat abroad.

Your Directors feel that in the face of most difficult marketing conditions the Wheat Board has again done a commendable selling job for the grain producers of Western Canada. The fact that exports have been maintained at a level approximately equal to the average of the past thirty years stands as a real credit to the Board.

We are concerned, however, over the slight reduction in Canadian wheat exports which took place in the 1954-55 crop year and the decline in our share of the International wheat trade. We are also greatly concerned over the tremendous build-up of wheat supplies throughout the world. At the beginning of the 1955-56 crop year Canada and the United States alone had a carryover of about 1,500 million bushels, or sufficient to cover the entire world trade in wheat for more than a year and a half. At the same time, we are convinced that Canadian sales policies have been a major stabilizing factor in the world wheat market. In every wheat exporting Country, outside of Canada and Australia, farmers are receiving support prices and exports are subsidized from government funds. With world production continuing at a record or near-record level it is a problem as to how long Canadian farmers can continue to bear the load alone.

Because of continuous congestion in country elevators grain producers have been able to make only token deliveries of grain this Autumn. Those whose income rests mainly with the sale of wheat, oats and barley, are hard pressed to find the cash to meet operating and living expenses. Your Board joined with other farm Organizations at a meeting held in Saskatoon in late September in approving a proposal urging the Federal Government to provide financial assistance to farmers who needed it, and was represented in the Western delegation which met with the Federal Cabinet on October 11th. Your Board also approved the stand taken at that meeting against Canada entering into a price war with other exporting Countries. In the event of a price war, Canadian farmers, without the protection of support prices, would be the big losers. We also know from experience that low prices do not necessarily mean greater sales.

The International Wheat Agreement is now in its third and final year. Already, important discussions on its renewal have taken place at a meeting held in Geneva under the

auspices of the United Nations. The Alberta Wheat Pool has always been a staunch advocate of the principle of greater International co-operation among wheat importing and exporting Countries. In view of the present large accumulation of wheat in exporting Countries and the policies of many of the importers aimed at self-sufficiency, your Board is firmly convinced an Agreement is perhaps more important today than at any time in the past. Many of the European Countries are producing increasing quantities of grain at a much higher cost than wheat of better quality could be purchased from abroad. The solution to this paradox can only lie in greater International co-operation. It is our hope that by the time the present Agreement expires next July 31st, a new pact will have been negotiated which will embrace a larger number of importing and exporting Nations and cover a much larger share of the total volume of wheat moving into International trade.

## AGRICULTURAL ECONOMY

We are apprehensive over the continued deterioration in the economic position of prairie farmers. We are especially concerned for, while farm income has been falling, almost all other segments of the National economy are enjoying unprecedented prosperity and Canadian business activity is at an all-time high. The net income of Alberta farmers reached a peak level of \$392 million in 1951. Since that time most farm prices have declined and grain deliveries have been curtailed but the cost of goods and services required by farmers has remained high. Last year Alberta farmers had a net income of only \$177 million, a drop of 55 percent in three years. When the final results for 1955 are available, a further reduction in net farm income is expected.

Apart from the drastic decline in income which has taken place there are other issues which threaten the welfare of the prairie farmer. Railway officials have continued to protest against the Crow's Nest Pass Agreement. Our grain travels long distances to seaports and this Agreement is essential to prairie farmers because it assures them of low freight rates on export grain. Every effort must be made to see that it remains unchanged, and gives Canadian grain a chance to compete in world markets. Farm operating expenses remain high, certain of them steadily advancing due mainly to the increasing demands of labour. Just this past Autumn the cost of farm machinery and parts increased by about 7 percent. Shipping interests are actively lobbying against permitting foreign vessels to operate freely on the Great Lakes following completion of the St. Lawrence Seaway. If they are successful in their efforts prairie grain producers may not enjoy the anticipated lower freight rates on grain moving eastward from the lake-

head or on manufactured goods moving from the East to Western Canada. If shipping is restricted to vessels of Canadian registry then the seaway could very well prove to be of little benefit to the farm people of the West.

The deterioration which has taken place in the agricultural economy and the factors which threaten its future welfare point to the necessity of strengthening the entire organized farm movement. Experience has shown us that farmers must be prepared to look after their own interests—that no one else will do this for them. It has shown that unity is necessary if the voice of the farmer is to carry weight. As individuals farmers have little strength or influence, but united they can form a mighty army with a chance of maintaining agriculture's proper position in the economy of this Nation.

## FUTURE TRENDS

Your Directors anticipate a continued change—practically a gradual revolution—in farming conditions in Alberta. Mechanization, improved farming methods, the use of fertilizers, research into the products which may be processed from various grains, and a possible change in the world's markets, will profoundly affect in the coming years the agricultural producer in this Province.

It will be the concern of our members, the delegates, and your directors, to carefully plan our future policy and our construction program so that the marketing needs of the grain producer of Alberta may be met in as efficient and economical a manner as possible. These changing needs will be affected by any population move from the rural to the urban areas, and by a centralization of services in the larger centers of this Province. When schools, hospitals, medical and dental services and stores become concentrated in fewer centers, the roads will be built to such urban points and there will be a decided trend for grain deliveries to be made at such Stations. We therefore anticipate the gradual elimination of the Siding, and this tendency will have to receive consideration in our future construction program.

## EXPANSION OF CO-OPERATIVE SERVICES

There is a need today for the extension of co-operative services. Recent declines in farm income have brought to the fore the value of the co-operatives in reducing the operating costs of the grain producer of Alberta. Your Association represents one of the producer co-operatives of this Province, all of which are in business for the purpose of giving service to the primary producer.

In the field of consumer co-operatives there is an awakening of interest in the future of these organizations in Canada, Great Britain and United States. Both at home and abroad plans are being made to establish research foundations for the purpose of conducting investigations into means of expanding co-operative institutions. In Saskatchewan it was recently announced that a Co-operative Institute would be established at Saskatoon for the purpose of training co-operative personnel and conducting general co-operative educational courses and workshops. In Great Britain the co-operative authorities announce they are going to set up an independent Board to investigate the co-operative movement, its present status, its weaknesses, and its possible future. At a recent Convention in the United States the General President of the National Council of Farmer Co-operatives urged that such Institutions expand their research into product innovation, product quality and usage, and in distribution and marketing patterns as a means of maintaining leadership or keeping up with the competitive procession.

There is a vital necessity at this critical economic period for an awakening of the farmer's interest in the use of co-operatives, both producer and consumer.

All of which is respectfully submitted,

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

# SUPPLEMENTARY INFORMATION TO REPORT OF BOARD OF DIRECTORS

## CROP STATISTICS AND QUOTA REGULATIONS

Following is an index of tables giving information concerning the 1954 crop and deliveries in the 1954-55 crop season. Principally, the figures concern Alberta's crop. The tables are printed in the order listed below:—

- Varieties of Wheat Sown in Alberta.
- Grain Production; Canada and Alberta.
- Alberta's Grain Production.
- Alberta—Quality of Wheat Marketed.
- Protein Content of 1954 Wheat—Three Prairie Provinces.
- Elevation Charges.
- Storage Charges.
- Shrinkage Allowance.
- Canadian Wheat Board Payments, 1953-54.
- Canadian Wheat Board Payments, 1954-55.

A report of delivery quota regulations follows the tables.

### VARIETIES OF WHEAT SOWN IN ALBERTA

	<u>1954</u>	<u>1953</u>
Thatcher .....	60.2%	52.7%
Saunders .....	12.2	11.4
Marquis .....	7.1	9.8
Red Bobs .....	6.1	6.3
Rescue .....	5.4	7.1
Durum .....	1.6	.6
Garnet .....	1.5	7.1
Others .....	5.9	5.0
	<hr/> 100.0	<hr/> 100.0

### GRAIN PRODUCTION: CANADA AND ALBERTA

— 1954 —

	Canadian Crop in Bushels	Alberta Crop in Bushels	Per- cent- age	Canadian Crop in Bushels	Alberta Crop in Bushels	Per- cent- age
Wheat ....	298,909,000	95,000,000	31.8	613,962,000	153,000,000	24.9
Oats ....	306,793,000	74,000,000	24.1	406,960,000	110,000,000	27.0
Barley ....	175,509,000	70,000,000	39.9	262,065,000	115,000,000	43.9
Rye ....	14,176,000	4,000,000	28.2	28,775,000	10,000,000	34.8
Flax ....	11,238,000	2,150,000	19.1	9,912,000	1,900,000	19.2

## ALBERTA'S GRAIN PRODUCTION

	— 1954 —			— 1953 —		
	Yield Area Sown	per Acre	Production in Bushels	Yield Area Sown	per Acre	Production in Bushels
Wheat ..	5,862,000	16.2	95,000,000	6,340,000	24.1	153,000,000
Oats .....	2,354,000	31.4	74,000,000	2,357,000	46.7	110,000,000
Barley .....	3,053,000	22.9	70,000,000	3,489,000	33.0	115,000,000
Rye .....	215,300	18.6	4,000,000	460,000	21.7	10,000,000
Flax .....	215,000	10.0	2,150,000	148,000	12.8	1,900,000

## ALBERTA—QUALITY OF WHEAT MARKETED

	— 1954-55 —			— 1953-54 —		
	Straight %	Tough & Damp %	Total %	Straight %	Tough & Damp %	Total %
1 Northern .....	1.44	...	1.44	2.19	...	2.19
2 Northern .....	25.42	.14	25.56	37.80	.15	37.95
3 Northern .....	26.22	.80	27.02	34.65	1.68	36.33
4 Northern .....	11.65	2.20	13.85	9.10	1.46	10.56
No. 5 .....	16.21	3.03	19.24	2.54	.48	3.02
No. 6 .....	5.19	1.18	6.37	.33	.11	.44
Feed .....	1.28	.33	1.61	.03	.04	.07
Other Grades .....	.....	.....	4.91	.....	.....	9.44

These tables do not indicate the quality of wheat grown, as the carry-over of wheat from one crop season will be marketed in the next or later seasons, and also because poorer grades of this grain may be fed.

## PROTEIN CONTENT OF 1954 WHEAT Three Prairie Provinces

Grade	Alberta %	Saskatchewan %	Manitoba %	Western Canada %
1 Northern .....	13.0	13.3	.....	13.2
2 Northern .....	12.5	12.9	12.1	12.7
3 Northern .....	12.7	12.8	12.2	12.7
4 Northern .....	12.6	12.9	12.4	12.8
4 Special .....	.....	12.9	.....	12.9
2 C.W. Garnet .....	11.9	12.0	.....	11.9
3 C.W. Garnet .....	12.0	11.5	.....	12.0
All Grades (weighted) .....	12.6	12.9	12.2	12.7

## Season 1954-55 ELEVATION CHARGES

	Country Elevators (per bushel)	Fort 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 $\frac{5}{8}$ 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—1/35th of 1c per bushel per day after the first 15 days.

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

### Shrinkage Allowance—Country Elevators

	<u>Dry</u>	<u>Tough and Damp</u>
Wheat .....	3/8 %	1/2 %
Oats and Barley .....	1/4 %	1/2 %
Rye .....	1/2 %	1 %
Flax .....	1 1/2 %	2 %

### CANADIAN WHEAT BOARD PAYMENTS

1953-54

#### W H E A T

	<u>Initial Payment</u>	<u>Interim Payment Nov. 23/54</u>	<u>Final Payment May 19/55</u>	<u>Total Payments</u>
No. 1 Northern .....	1.40	.10	.06426	1.56426
No. 2 Northern .....	1.37	.10	.04920	1.51920
No. 3 Northern .....	1.34	.10	.05488	1.49488
No. 4 Northern .....	1.26	.10	.08568	1.44568
No. 5 Wheat .....	1.12	.10	.10924	1.32924
No. 6 Wheat .....	1.06	.10	.13538	1.29538
Feed Wheat .....	1.00	.10	.16726	1.26726
No. 1 Amber Durum .....	1.50	.10	.52613	2.12613
No. 2 Amber Durum .....	1.47	.10	.52936	2.09936
No. 3 Amber Durum .....	1.40	.10	.57098	2.07098
No. 4 Amber Durum .....	1.36	.10	.55720	2.01720

N.B.—All prices and payments are those prior to deduction for Prairie Farm Assistance Act levy.

### CANADIAN WHEAT BOARD PAYMENTS

1954-55

(Initial Payments Effective August 1st, 1954)

Wheat—basis No. 1 Northern in store Fort William/Port Arthur or Vancouver .....	\$ 1.40 per bushel
Oats—basis No. 2 Canada Western in store at Fort William/Port Arthur .....	.65 per bushel
Barley—basis 3 Canada Western 6-Row in store at Fort William/Port Arthur .....	.96 per bushel

#### WHEAT

Spreads were established which resulted in the following initial payments on some grades of wheat:

<u>Grade</u>	<u>Initial Payment per Bushel</u>	<u>Grade</u>	<u>Initial Payment per Bushel</u>
No. 1 Northern .....	\$ 1.40	Feed Wheat .....	\$ 1.00
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 .....	1.12	No. 4 Amber Durum .....	1.36
No. 6 Wheat .....	1.06		

## OATS

The initial payments on oats, basis in store Fort William/Port Arthur, effective August 1st, 1954, were increased by an adjustment payment of Seven Cents on all grades. The payments for certain grades are listed below:—

<u>Grade</u>	<u>Initial Payment Per Bushel</u>	<u>Adjustment Payment Per Bushel</u>
		<u>March 21st, 1955</u>
No. 2 C.W. .....	\$ .65	\$ .07
No. Extra 3 C.W. ....	.62	.07
No. 3 C.W. .....	.62	.07
Extra No. 1 Feed .....	.62	.07
No. 1 Feed .....	.60	.07
No. 2 Feed .....	.55	.07
No. 3 Feed .....	.48	.07

## BARLEY

Basis in Store Fort William/Port Arthur

<u>Grade</u>	<u>Initial Payment Per Bushel</u>	<u>Adjustment Payment Per Bushel</u>
		<u>March 14th, 1955</u>
No. 2 C.W. Six Row .....	\$ .98	\$ .10
No. 3 C.W. Six Row .....	.96	.10
No. 4 C.W. Six Row .....	.90	.10
No. 2 C.W. Two Row .....	.91	.10
No. 3 C.W. Two Row .....	.88	.10
No. 1 Feed .....	.87	.10
No. 2 Feed .....	.82	.10
No. 3 Feed .....	.75	.10

## DELIVERY QUOTA REGULATIONS

Delivery permits were issued for the crop season ended July 31st, 1955 on "specified acreage", which consisted of the acreages seeded in 1954 to wheat (other than Durum), oats, barley and rye, plus the producer's summerfallow acreage.

The Canadian Wheat Board authorized the delivery, effective August 1st, 1954, of 1,000 bushels of oats or 1,000 bushels of barley, or a combination of both these grains not to exceed 1,000 bushels, and directed that this delivery would not apply against any future quotas. Four days later the Board announced consideration would be given to applications for delivery, in excess of the established quota, of one carlot of malting, pot or pearling barley. A representative sample of this barley had to be accepted by a malster or shipper as suitable for malting, pot or pearling.

An initial delivery quota of 100 units was made effective on August 28th for three Alberta points. Each unit was constituted the equivalent of 3 bushels of wheat, or 8 bushels of oats, or 5 bushels of barley, or 5 bushels of rye. Accordingly, this initial delivery quota authorized the delivery of 300 bushels of wheat, or 800 bushels of oats, or 500 bushels of barley or rye, or any combination of these grains not in excess of 100 units. An important regulation was that this quota was in addition to any previous or subsequent quotas to be declared. On the same date it was also stipulated that when the initial delivery quota was in effect at a station, then the special quota of 1,000 bushels of oats or barley was cancelled at that point.

Subsequent to August 28th, on various dates the initial delivery quota was made effective at additional Alberta points.

On September 23rd, another regulation cancelled the quota of 1,000 bushels of barley which was established August 1st. This meant that if the initial delivery quota was not in effect at a producer's shipping point, he could deliver 1,000 bushels of oats under the special quota of August 1st, but not any barley.

The Canadian Wheat Board desired further substantial oats deliveries, so therefore on October 8th further amended the regulation in regard to the quota of August 1st for 1,000 bushels of oats by allowing such delivery at shipping points where the initial delivery quota was in effect.

On October 15th, 1954, the initial delivery quota of 300 units was declared effective at all points in Western Canada.

A general quota of 2 bushels per specified acre was declared effective by the Board at certain individual stations in Alberta on October 15th. Deliveries under this quota were in addition to the initial quota deliveries. At intervals this general 2 bushel delivery quota was declared in effect at various Alberta points.

Handling Companies were also allowed on and after October 15th to exchange Board stocks of oats and barley of grades found suitable for seeding purposes, for lower grades of the same kind of grain in order to enable producers to secure seed requirements up to a maximum of 300 bushels. Subsequently, on October 29th, the Board announced that consideration would be given to individual applications on behalf of a producer to deliver, in excess of the quota, a carload of commercial seed oats or barley, provided such producer had not previously delivered a carload of malting barley.

A general quota of 4 bushels per specified acre was authorized on November 26th at two Alberta points. This quota was later extended on various dates to other selected shipping points. By December 22nd, the general 2 bushels per specified acre quota had been placed in effect at all Alberta points.

On December 29th, the 3 bushels per specified acre general quota was authorized for 6 stations in Alberta, and later on various dates this quota was authorized for other Alberta points, although at some stations this general quota was jumped from 2 bushels to 4 bushels.

A producer desiring to purchase up to 150 bushels of registered or certified seed wheat, oats or barley, or any combination of these grains up to 150 bushels, was authorized on January 4th, 1955, to deliver in excess of the previous quotas a quantity not exceeding 400 bushels of any kind of commercial grain, such quantity not to exceed in value the price for the registered or certified seed. This date also marked the announcement of a supplementary barley quota of 3 bushels per acre seeded to barley, which was again additional to any previous quota.

The Canadian Wheat Board modified the regulation of October 29th in regard to the delivery of one carload of commercial seed oats or barley in order to allow a producer now to deliver such a carload of commercial oats if he had previously been authorized to ship a carlot of malting barley. Then, in regard to the supplementary barley quota of 3 bushels per seeded acre authorized January 4th, the Board on January 18th provided for a minimum delivery of 300 bushels of barley under this supplementary quota irrespective of whatever acreage the producer had seeded in barley.

Applications were authorized on February 9th for delivery of commercial Selkirk wheat in excess of all present or future delivery quotas, when such Selkirk wheat was designated for distribution for seeding purposes in Western Canada. On the same date other producers were authorized to deliver a quantity not exceeding 400 bushels of any kind of grain in order to purchase 150 bushels of this commercial Selkirk wheat for use as seed.

It was announced on February 25th, 1955, that the Board was prepared to consider applications from producers to deliver damp grain in excess of quotas presently in effect, but with the regulation that such deliveries of damp grain would apply against subsequent general quotas. Open delivery quotas at all points on soft white spring wheat were declared on the same day.

A general quota of five bushels per specified acre was declared in effect at one Alberta point on March 4th, 1955, and the quota of 6 bushels per specified acre was declared in effect on the same date at 41 Alberta points. Subsequently, at various times, 5 or 6 bushels quotas on specified acreage were declared in effect at groups of Alberta points. April 15th was the last day on which any Alberta point was placed on the 3 bushel quota. April 22nd marked the date of the first general 8 bushels per specified acre quota, which was declared in effect at that time at 54 points. The authorization of 4 bushels at Alberta points was completed on May 20th.

A supplementary quota of 100 bushels of oats in addition to any previous quotas was authorized on May 31st, 1955, at all Western Canada points.

The last authorization of 5 bushel quotas at Alberta points was made on June 30th, and on July 15th the last 6 bushels quotas at Alberta points were declared. On July 27th, 1955, delivery of the general 8 bushels quota per specified acre was made effective at the remaining Alberta stations.

Certain regulations in regard to the 1954-55 quota deliveries were necessary after the end of the crop season. On August 9th, 1955, the Board announced that any further deliveries on the general 1954-55 eight bushels quota would be entered in the new delivery permit book, and such delivery was for the 1955-56 pool account. September 2nd, 1955 was the date of an announcement that applications from permit holders at certain stations would be accepted for a special permit in order to allow delivery of any grain which had not previously been delivered under the 1954-55 eight bushels quota. On September 8th, 1955, additional directions in regard to this special permit were issued.

# REPORT OF THE GENERAL MANAGER

— to the —

## THIRTY-THIRD ANNUAL MEETING OF DELEGATES

November 22nd, 1955



A. T. BAKER  
General Manager

To the Chairman and Delegates,  
Alberta Wheat Pool.

Gentlemen:

As a consequence of continuous congestion in all Canadian grain handling facilities during the year under review, producers were again able to deliver only as export sales and domestic consumption made elevator space available. Alberta Pool elevators commenced the year practically filled to effective capacity with 31,571,899 bushels of grain, remained full throughout the year, and reached July 31, 1955 with 32,463,192 bushels in store. During the year the Canadian Wheat Board continued to issue shipping orders to the elevator companies for grain required. With some minor exceptions, grain could be shipped only on a Wheat Board order. While this system

did not fully recognize the producer's right to deliver where he wished, it did effect a more equitable arrangement for Pool members. The combined result of the Wheat Board's allocation of orders and new Pool construction was that our elevators handled 35.94% of all grains delivered by Alberta producers through country elevators compared to 32.18% during the previous year. An additional 1% in our share of the Alberta grain business was due to construction or purchase of elevators and annexes, with the remainder being due to the Wheat Board allocation of shipping orders.

### Country Elevator Operations.

Grain received from producers at country points totalled 55,429,377 bushels. This was the fourth largest handling in the history of our organization. In the previous year we handled 56,186,415 bushels. The table (Schedule "A") following this report shows a breakdown of receipts at country elevators and platform shipments by grains and a comparison with last year. Average net receipts through country elevators was 105,960 bushels compared with 111,037 bushels the previous year.

Under the congested conditions which existed, it was not possible to weigh up more than 47 elevators during the year and, consequently, there was no means of determining the results of the weighing practices of most agents. At the elevators which were weighed, the gross overage was 1/25 of 1% and we believe that agents, generally, have consistently followed our fixed policy of accurate weighing.

As was expected, some losses occurred from heated grain during the season but, apart from this, grade gains and losses were not an important factor in our operations. Known losses and gains have been taken into account but, because of heavy stocks at the end of the year, it is not possible to provide an accurate statement of grade gains or losses. Close supervision has, however, been maintained over grading at all times and little variation is expected from the grades which were placed on the year-end inventory.

We have continued to serve our members again this year in the distribution of coal at 13 points, where coal sheds were taken over with elevator properties.

### Terminal Operations.

The Vancouver Terminal unloaded 34,697,899 bushels of grain, which is approximately 8,000,000 bushels less than the previous year. The details are shown in the table (Schedule "A") following this report. Our 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 we collected a service charge for processing documents in connection with deliveries to the Canadian Wheat Board.

Our Port Arthur Terminal was again operated by Manitoba Pool Elevators under the terms of a very satisfactory joint operating agreement.

Work is progressing on the 2,100,000 bushel addition to the Vancouver Terminal, which was authorized by the delegates at the last Annual Meeting, and it is expected that this structure will be ready to receive grain by the end of the present season.

Major repairs to our Terminals at both Vancouver and Port Arthur were necessary during the year. \$299,074.68 was spent at Vancouver on dock rehabilitation, renewal of cleaners and belts, and sundry repairs. At Port Arthur, an underpinning and anchorage job was necessary to arrest slippage of a storage annex. \$156,497.92 has been spent on this operation, which is not yet completed. The auditors' report will show that, due to the nature of these extraordinary repairs, a considerable portion is considered as capital expenditure.

### Operating Results.

Net earnings for the 1954-55 season were \$1,333,278 after charging normal and additional depreciation totalling \$1,487,356. Country elevator revenues and expenses were maintained at a fairly even level, comparable with the season 1953-54 when handlings were approximately the same. Terminal revenues fell off sharply, due largely to decreased shipments to Vancouver. Details of revenue and expenses will be presented in our auditors' report.

By late July, when the Board of Grain Commissioners held the annual public hearing on maximum elevator tariffs, it seemed reasonably certain that country elevators would enjoy another year of very large storage earnings. This organization, therefore, requested that there be no change in the maximum tariffs. The opinion was placed on record, however, that substantial increases in elevator handling charges would be necessary to meet the cost of operation when a return to more normal production and volume inevitably results in greatly reduced storage earnings. Subsequently, a new handling agreement was negotiated with the Canadian Wheat Board on the same basis as for the previous year. Under this agreement, country elevators receive  $4\frac{1}{2}$  cents per bushel handling and elevation charge for Wheat and Barley, and  $3\frac{1}{2}$  cents for Oats. Storage is collected at the rate of  $1/35$  of a cent per bushel per day.

## Working Capital.

Working capital, which represents the excess of current assets over current liabilities, was \$6,864,323 at the end of the year, compared with \$5,334,260 a year ago. The increase is accounted for, largely, by an amount retained out of 1953-54 earnings which was allocated to member-patrons by way of new reseryes and by bank borrowings. Capital expenditures during the year and commitments for construction of elevator structures amounted to \$4,488,642.

## Properties.

At the commencement of the 1954 crop season this organization owned 507 country elevators. During the year, one of these was converted to a twin annex, eleven new elevators were constructed, and seven purchased. Our No. 2 elevator at Fairview was destroyed by fire and is being rebuilt. The total number of elevators now owned is 523. Cribbed annexes were constructed at five points and permanent balloon annexes at ten points, bringing the total number of annexes to 520.

New construction during the year increased the capacity of our country storage facilities by 1,771,900 bushels, bringing total country grain storage capacity to 37,312,750 bushels. In addition, off-site buildings capable of storing 738,600 bushels of grain were rented.

Twelve new dwellings were acquired and seven sold. We now have 402 dwellings, fourteen flour sheds, thirty-two coal sheds, and two warehouses in Calgary for storing materials and supplies.

The policy of installing electrical power in Pool country elevators, as soon as it is available, has continued. During the year 33 elevators were converted to electrical power, which now leaves our elevator system with only 152 elevators powered by other than electricity.

The year's program included the painting of 68 elevators, 48 dwellings and 154 other buildings. This work, along with a continuous inspection and repair program, has maintained our elevator properties in good condition, but congestion during the season again prevented a complete assessment of the repairs which may have to be made at a later date.

## Public Relations.

Extensive public relations activities are carried on by informing members and the public generally, with the objective of creating good-will for our organization and strengthening its position with the public. Public relations is part of the management function. In the Wheat Pool the management

function is shared by the elected representatives and some employees. It follows, therefore, that the practice of good public relations is the duty of both these groups. Direct responsibility for most of these activities is, however, delegated to the Publicity and Field Service departments, and I refer you to the supplementary reports for a more detailed description of their work.

### Staff.

The Board of Directors continued to recognize 25 years of service to the Pool by the presentation of gold watches to 34 employees. Of the 177 employees who have received these long-service watches, 143 are still actively employed in our organization.

In carrying out the gradual process of decentralization of authority and responsibility, several organizational changes have been made. The position of Operations Manager was created. This executive is responsible for the supervision, co-ordination and direction of the work of all those engaged in the maintenance and operation of our country elevators and other properties. The Construction Department has divided the province into four districts, each of which is to be under the supervision of a district foreman. These district foremen assign and supervise the repair work authorized for their respective districts. Pool crews now do all of our repair and maintenance work, with the exception of some painting. Approximately 60 men are employed on repair work during the summer months, with some reduction in this number in the winter months. The Construction Department has assembled crews totalling about 50 men to implement the decision to do our own building. By the end of July, 1955, five elevators and four annexes had been built by our Construction Department and results seem to justify this new venture. The office organizational structure has undergone some changes in the past year in order to keep pace with an expanding organization and the modern business practices which provide for greater effectiveness and efficiency in our operation.

Joseph Bennett retired during the year, after being in charge of our Vancouver operation since its inception, but his services have been retained in the capacity of Superintendent of Terminal Construction. He was succeeded as Vancouver Manager by F. D. Paterson. After holding the position of Vancouver Sales Manager for fourteen years, L. O. Green retired and was succeeded by T. E. Anders. Because of the increasing amount of repair work, resulting from age and heavy usage at the No. 1 plant, plus the construction of the new addition, it was considered desirable to set up our own tinsmithing shop and hire a full-time tinsmith.

C. L. Nowlin was promoted from Divisional Superintendent, in charge of "C" Division, to the position of Operations Manager, and the vacancy so created was filled by J. B. Gant. Another long-service employee, M. W. Jennings, retired from the position of Superintendent of Construction and was replaced by L. J. Treleaven.

I also wish to report the retirements of Travelling Superintendent W. D. Anderson, and Agents C. Fuller, H. D. Harris, W. Milton, S. P. Hunter, and F. C. Krause. I regret to report the deaths of Travelling Superintendent A. L. Oliver, and Agents A. V. Southall, W. G. Brinton and J. A. Barber. During the year Agents A. Christianson, G. R. Farnham, I. L. Black, H. E. Ripley and R. A. Findlay were promoted to the position of Travelling Superintendent, and M. D. Fleming and B. F. Kellicut to the position of Field Service man.

I wish to record my appreciation of the services rendered by your employees during the past year. Those engaged in the country operation have worked under particularly trying circumstances.

In developing an efficient and effective administrative organization, it is recognized that a well-informed and trained group of employees will give greater service to farm people and originate many of the ideas for the improvement of this association. The practice of sending selected employees to courses in business administration, supervision and training techniques, has, therefore, continued and considerable on-the-job training has been carried out within the organization. It must be recognized, however, that even the most efficient staff can not alone achieve the objectives of this co-operative nor fully discharge its responsibility to the farming community. The Alberta Wheat Pool can not assume the place its importance warrants in the Canadian economy nor even survive as a vital grass roots co-operative unless an informed membership is actively participating in the affairs of their own organization.

Respectfully submitted,



General Manager.

## GENERAL MANAGER'S REPORT

### Schedule "A"

#### Receipts of Grain from Producers 1954.55.

	Through Country Elevators	Platform Shipments	Total	Last Year
Wheat .....	35,401,961	5,326	35,407,287	35,161,767
Oats .....	6,074,899	.....	6,074,899	8,471,288
Barley .....	11,953,484	6,808	11,960,292	10,934,598
Flax .....	592,478	.....	592,478	543,567
Rye .....	1,394,421	.....	1,394,421	1,075,195
<b>Total .....</b>	<b>55,417,243</b>	<b>12,134</b>	<b>55,429,377</b>	<b>56,186,415</b>
<b>Last Year .....</b>	<b>56,073,973</b>	<b>112,442</b>	<b>56,186,415</b>	

#### Vancouver Pool Terminal Receipts.

Shipments from Country Points:	1954-55	Last Year
Alberta Wheat Pool .....	29,446,307	33,289,548
Saskatchewan Wheat Pool .....	10,159,774	12,228,891
Other Sources .....	574,584	1,633,480
<b>Total .....</b>	<b>40,180,665</b>	<b>47,151,919</b>
<i>Less Diverted to Other Terminals .....</i>	<i>5,482,766</i>	<i>4,722,002</i>
<b>Net Unloaded Vancouver Terminal .....</b>	<b>34,697,899</b>	<b>42,429,917</b>

#### Manitoba Pool Terminal Receipts.

Shipments from Country Points:	1954-55	Last Year
Alberta Wheat Pool .....	11,213,852	12,497,610
Manitoba Pool Elevators .....	32,985,264	36,099,927
Other Sources .....	6,782,526	12,473,100
<i>Less Diverted to Other Terminals .....</i>	<i>50,981,642</i>	<i>61,070,637</i>
<i>Net Unloaded Manitoba Terminals .....</i>	<i>259,500</i>	<i>151,765</i>
<b>Net Unloaded Manitoba Terminals .....</b>	<b>50,722,142</b>	<b>60,918,872</b>

## MEMORANDA





Vancouver Pool Terminal

**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,  
20th October, 1955.

Dear Sirs:—

We have completed our examination of the books of your association for the year ended 31st July, 1955, and submit herewith the undernoted statements which are in agreement with the books:

1. Balance Sheet as at 31st July, 1955.
2. Statement of Operations for the year ended 31st, July, 1955.
3. Consolidated Comparative Balance Sheet of Alberta Wheat Pool and Alberta Pool Elevators Limited as at 31st July, 1955 and 31st July, 1954.

## OPERATIONS

The operations of the year resulted in net earnings of \$1,333,278.49 as summarized below:

Total Operating Revenue .....	\$9,076,597.20
Total Operating Expense .....	6,255,962.84
Earnings before providing for Rental of Elevator Facilities .....	\$2,820,634.36
<b>Deduct</b> Rental equivalent to Capital Cost Allowances on Elevators, Dwel- lings and Equipment .....	1,487,355.87
<b>Net Operating Earnings</b> .....	<u><u>\$1,333,278.49</u></u>

## BALANCE SHEET

### Stocks of Grain and Coal—\$37,463,821.78

This figure represents the value of all grain and coal on hand according to the records as at 31st July, 1955.

Due to heavy stocks on hand throughout the year a weighover was not made at the Vancouver Terminal nor at the majority of country points and therefore the book records of stocks have been accepted.

Valuation is on a basis consistent with that of previous years.

### Reserves—\$9,813,188.78

As at 31st July, 1954 the reserves in the hands of members totalled \$8,897,914.43 compared with the above figure as at 31st July, 1955. The net increase is accounted for as follows:

Balance, 31st July, 1954 .....	\$8,897,914.43
<b>Deduct</b> Purchases .....	704,344.31
	<u><u>\$8,193,570.12</u></u>
<b>Add</b> Distributed as Pat- ronage dividends 1953-54 .....	\$1,619,564.91
Sundry Adjustments ....	53.75
	<u><u>1,619,618.66</u></u>
Reserves, 31st July, 1955 .....	<u><u>\$9,813,188.78</u></u>

## Income Tax.

The Income Tax Department have reviewed the returns of your association up to 31st July, 1953 and assessments to 31st July, 1952 have been issued and paid. The 1953 return has also been examined by the Department and final approval is expected shortly. The returns for the year ended 31st July, 1954 have been made in accordance with the regulations and the tax as determined has been paid but the return has not yet been examined by the Department. The liability for the current year will be determined after the delegates decide as to the distribution of earnings. Pending this decision, the net earnings for the year amounting to \$1,333,278.49, less \$46,742.46 paid on account of income tax, are shown on the balance sheet as a current liability.

## 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, 1955

ASSETS

**Current—**

Cash in Banks, on Hand and in Transit .....	\$ 492,392.57
Stocks of Grain and Coal .....	37,463,821.78
Advances on Grain .....	5,125.42
Accounts Receivable .....	905,261.48
Accrued Items Receivable .....	64,743.63
Prepaid Expenses .....	307,079.72
	<u>\$39,238,424.60</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 \$32.00 per share) .....	79,500.00
Canadian Pool Agencies Limited (fully paid) ...	6,670.00
	<u>4,936,170.00</u>

**Fixed Assets—**

Grain Exchange Memberships .....	9,302.00
	<u>\$44,183,896.60</u>

CALGARY, Alberta, 20th October, 1955.

We have examined the balance sheet of Alberta Wheat Pool as at 31st July, 1955, 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, 1955

LIABILITIES

**Current—**

Outstanding Cheques, Cash Tickets and Orders ..	\$ 7,925,781.40
Bank Loans .....	16,200,000.00
Call Loans .....	3,257,000.00
Growers' Loans .....	6,230.43
Accounts Payable .....	631,840.35
Accrued Items Payable .....	322,484.95
Growers—Outstanding Payments .....	162,146.21
Net Earnings—Season 1954-55 .....	\$1,333,278.49
Less Prepaid Income Taxes .....	46,742.46
	1,286,536.03
	————— \$29,792,019.37

**Internal—**

Alberta Pool Elevators Limited .....	2,227,488.44
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**Reserves and Surplus—**

**Reserves—**

Authorized .....	<u>\$10,000,000.00</u>
Issued to Members .....	\$9,813,188.78
Surplus retained from earnings of previous years .....	2,351,200.01
	————— 12,164,388.79

**Contingent Liability—**

Bank of Montreal Debentures .....	<u>\$3,500,000.00</u>
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\$44,183,896.60

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, 1955, 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, 1955**

**EXPENSES**

**Elevator Operating Expenses—**

Salaries and Wages .....	\$1,653,618.08
Cost of Living Bonuses .....	200,250.80
Helpers' Wages .....	129,178.06

**Repairs—**

**Country Elevators—**

By Maintenance Department .....	\$362,043.50
By Agents .....	5,925.75
	<hr/>
	\$367,969.25

**Dwellings—**

By Maintenance Department .....	\$ 87,972.00
By Agents .....	4,880.42
	<hr/>
	92,852.42

Elevator Grounds and Approaches .....	10,692.44
Terminals .....	234,614.15
	<hr/>

706,128.26  
 402,150.00

Taxes—Municipal and School .....	
----------------------------------	--

**Insurance—**

Grain .....	\$139,219.06
Buildings .....	60,875.75
Fidelity Bonds .....	5,554.42
Public Liability .....	1,342.20
	<hr/>

206,991.43  
 119,757.90  
 74,089.63  
 38,119.46  
 33,024.56

Power—Electric and Natural Gas .....	
--------------------------------------	--

Tools, Supplies and Repair Parts .....	
--	--

Site Rentals .....	
--------------------	--

Heat, Light and Water .....	
-----------------------------	--

Telephone Rentals .....	\$ 20,527.02
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Telephone Tolls and Telegrams .....	8,158.17
	<hr/>

28,685.19  
 25,551.90  
 16,255.35

Rentals—Off-sites .....	
-------------------------	--

Unemployment Insurance .....	
------------------------------	--

Workmen's Compensation Board .....	
------------------------------------	--

Postage and Box Rentals .....	
-------------------------------	--

Printing, Stationery, Supplies .....	
--------------------------------------	--

Gasoline and Engine Fuel .....	
--------------------------------	--

Travelling and Moving .....	
-----------------------------	--

Car Repairs and Liners .....	
------------------------------	--

Boiler Scales and Air Tank Inspections .....	
--	--

Broadcasting Grain Prices .....	
---------------------------------	--

Rural Electrification Line Installation Costs .....	
---	--

Licenses and Bonds .....	
--------------------------	--

Freight, Express and Trucking .....	
-------------------------------------	--

Receiving Grain Prices .....	
------------------------------	--

Lubricating Oils and Greases .....	
------------------------------------	--

Agents' Meetings Expenses .....	
---------------------------------	--

Mail Allowances .....	
-----------------------	--

Medical Services .....	
------------------------	--

Terminal Registration Fees .....	
----------------------------------	--

1,397.87

Carried Forward .....

\$3,764,733.47

ALBERTA WHEAT POOL  
CALGARY, ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR  
ENDED 31st JULY, 1955

REVENUE

Gross Revenue from Trading and Grain Operations .....	\$2,836,683.16
Country Carrying Charges from Canadian Wheat Board .....	4,402,353.80
Terminal Elevation Charges .....	741,331.40
Port Arthur Terminal Earnings .....	364,652.62
Storage Charges .....	245,899.34
Diversion Premiums .....	156,683.97
Rentals—Dwellings, etc. .....	108,971.25
Cleaning and Separation Charges .....	87,166.14
Wharfage Charges .....	64,937.94
Service Charges—Saskatchewan Pool .....	25,743.42
Drying Charges .....	12,270.99
Coal Operations .....	2,145.03
Rentals—Portable Grain Cleaners .....	430.25
Miscellaneous Revenue .....	27,327.89
Carried Forward .....	\$9,076,597.20

**ALBERTA WHEAT POOL**  
**CALGARY, ALBERTA**

**STATEMENT OF OPERATIONS FOR THE YEAR  
 ENDED 31st JULY, 1955 (Continued)**

**EXPENSES**

Brought Forward .....	\$3,764,733.47
Spring Coulee Storage .....	1,102.43
Automobile Allowances .....	300.00
Miscellaneous .....	1,474.96
	<hr/>
	\$3,767,610.86

**Office and General Expenses—**

Salaries and Wages .....	\$567,356.04
Cost of Living Bonus .....	75,628.26
Rentals .....	57,205.83
Printing, Stationery, Supplies .....	32,008.18
Telephone Tolls and Telegrams ..	\$ 8,964.49
Telephone Rentals .....	6,325.23
	<hr/>
Postage and Meter Rentals .....	15,289.72
Professional Fees and Expenses .....	19,413.43
Equipment Rental .....	18,611.98
Repairs and Alterations .....	16,782.45
Audit Fees and Expenses .....	16,286.16
Insurance and Maintenance of Office Equipment .....	12,025.00
Travelling and Moving .....	8,451.03
Business Taxes .....	8,429.65
Workmen's Compensation Board .....	4,656.72
Membership Lists and Ballots .....	4,226.98
Freight, Express, Trucking .....	4,201.62
Unemployment Insurance .....	4,199.28
Light and Power .....	3,965.18
Auto Expenses and Allowances .....	3,384.30
Membership Fees .....	2,404.12
Legal Fees and Expenses .....	1,503.75
Licenses and Bonds .....	1,302.80
Entertainment .....	757.88
Fidelity Bonds .....	362.85
Miscellaneous .....	358.20
	<hr/>
	7,154.67
	<hr/>
	885,966.08

**Elevator Superintendent—**

Salaries .....	\$104,465.48
Cost of Living Bonus .....	9,600.00
Travelling and Sustenance .....	20,089.54
Automobile Expenses .....	15,903.95
Telephone Tolls and Telegrams ..	\$ 5,767.00
Telephone Rentals .....	358.76
	<hr/>
Rentals .....	6,125.76
Automobile Insurance .....	1,881.60
Supplies .....	1,622.14
Unemployment Insurance .....	1,010.79
Workmen's Compensation Board .....	508.23
Printing, Stationery, Supplies .....	471.58
	<hr/>
Carried Forward .....	251.88
	<hr/>
	161,930.95
	<hr/>
	\$4,815,507.89

ALBERTA WHEAT POOL  
CALGARY, ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR  
ENDED 31st JULY, 1955 (Continued)

REVENUE

Brought Forward ..... \$9,076,597.20

Carried Forward ..... \$9,076,597.20

**ALBERTA WHEAT POOL**  
**CALGARY, ALBERTA**

**STATEMENT OF OPERATIONS FOR THE YEAR  
 ENDED 31st JULY, 1955 (Continued)**

**EXPENSES**

Brought Forward ..... \$4,815,507.89

**Elevator Maintenance—**

Salaries .....	\$ 59,057.92
Cost of Living Bonus .....	12,359.48
Foremen's Wages .....	18,124.94
Travelling and Sustenance .....	18,671.33
Truck Expenses .....	15,978.53
Holiday with Pay Stamps .....	6,807.39
Tools, Supplies and Repair Parts .....	3,460.93
Equipment and Maintenance .....	3,430.61
Rentals .....	3,189.25
Workmen's Compensation Board .....	2,928.00
Unemployment Insurance .....	2,076.21
Automobile Expenses .....	1,862.67
Warehouse Expense .....	1,415.96
Telephone Tolls and Telegrams ..	\$ 1,085.20
Telephone Rentals .....	397.04
	1,482.24
Automobile and Truck Insurance .....	1,046.74
Freight, Express, Trucking .....	901.51
Printing, Stationery, Supplies .....	821.01
	153,614.72

**Field Service—**

Salaries .....	\$ 38,348.40
Cost of Living Bonus .....	3,573.36
Travelling and Sustenance .....	8,366.18
Automobile Expense .....	5,292.99
Motion Picture Expense .....	3,032.79
Country Meetings .....	3,000.27
Printing, Stationery, Supplies .....	1,079.53
Automobile Insurance .....	658.55
Telephone Tolls and Telegrams ..	\$ 653.97
Telephone Rentals .....	79.33
	733.30
Rentals .....	573.24
Unemployment Insurance .....	209.43
Workmen's Compensation Board .....	170.26
Miscellaneous .....	417.11
	65,455.41

Carried Forward ..... \$5,034,578.02

ALBERTA WHEAT POOL  
CALGARY, ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR  
ENDED 31st JULY, 1955 (Continued)

REVENUE

Brought Forward ..... \$9,076,597.20

Carried Forward ..... \$9,076,597.20

**ALBERTA WHEAT POOL**  
**CALGARY, ALBERTA**

**STATEMENT OF OPERATIONS FOR THE YEAR  
 ENDED 31st JULY, 1955 (Continued)**

**EXPENSES**

Brought Forward ..... \$5,034,578.02

**Publicity and Advertising—**

Salaries .....	\$ 18,934.54
Cost of Living Bonus .....	1,425.12
Radio Broadcasts .....	42,202.85
The Budget .....	7,827.01
Advertising .....	6,554.77
Pamphlets, Circulars, Calendars .....	6,540.70
Rentals .....	2,139.60
Postage .....	1,219.63
Travelling and Sustenance .....	1,055.95
Subscriptions and Library .....	475.65
Printing, Plates and Photos .....	410.46
Printing, Stationery, Supplies .....	190.01
Telephone Rentals .....	\$ 158.79
Telephone Tolls and Telegrams .....	38.10
	196.89
Workmen's Compensation Board .....	63.04
Unemployment Insurance .....	28.08
Miscellaneous .....	160.55
	89,424.85

**General Administration—**

Employees' Pension Fund .....	\$ 72,151.34
Employees' Supplementary Retirement Allowances .....	11,000.00
Director's Fees .....	23,449.16
Directors' Expenses .....	17,242.20
Annual Meeting of Delegates .....	19,553.04
Alberta Federation of Agriculture .....	15,571.83
Contributions—Educational and Charitable ...	15,263.00
Legal Fees and Expenses .....	9,941.93
Junior Clubs—	
Junior Farm Clubs .....	\$ 6,446.49
Girls' Garden Clubs .....	2,579.97
Farm Young Peoples' Week ...	874.64
Junior Farm Camps .....	720.00
	10,621.10
Interprovincial Expenses .....	5,073.44
Delegates' Country Expenses .....	4,605.45
Quarter Century Club .....	3,762.48
Telephone Rentals .....	\$ 158.89
Telephone Tolls and Telegrams .....	130.85
	289.74
Entertainment .....	147.95
Miscellaneous .....	9,366.80
	218,039.46

Carried Forward ..... \$5,342,042.33

ALBERTA WHEAT POOL  
CALGARY, ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR  
ENDED 31st JULY, 1955 (Continued)

REVENUE

Brought Forward ..... \$9,076,597.20

Carried Forward ..... \$9,076,597.20

**ALBERTA WHEAT POOL**  
**CALGARY, ALBERTA**

**STATEMENT OF OPERATIONS FOR THE YEAR  
 ENDED 31st JULY, 1955 (Continued)**

**EXPENSES**

Brought Forward .....	\$5,342,042.33
<b>Interest, Exchange, Brokerage, etc.—</b>	
Interest—Current Operating .....	\$767,192.99
Mortgage Interest .....	31,547.95
Bank Exchange and Payors' Commissions .....	101,463.33
Postage, Insurance, etc., on Funds .....	1,878.91
Brokerage .....	11,837.33
	<hr/>
	913,920.51
<b>Rental—Equivalent to Capital Cost Allowances—</b>	
Country Elevators, Annexes, Dwellings and Sheds—10% and 20% .....	\$653,099.60
Vancouver Terminal—5% and 20% .....	143,389.31
Port Arthur Terminal—5% and 20% .....	33,917.54
Automobiles and Trucks—30% .....	26,106.06
Office Equipment—20% .....	18,461.85
Calgary Warehouses—10% .....	953.64
Terminal Loose Equipment—20% .....	800.53
Country Elevator Equipment—20% .....	31,364.76
	<hr/>
	\$908,093.29
<b>Special Additional Capital Cost Allowances—</b>	
Vancouver Terminal — Struc- tures—30% .....	\$ 59,878.60
Country Elevators and Annex- es—20% and 30% .....	519,383.98
	<hr/>
	579,262.58
<b>Net Operating Earnings .....</b>	<b>1,487,355.87</b>
	1,333,278.49
	<hr/>
	\$9,076,597.20

ALBERTA WHEAT POOL  
CALGARY, ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR  
ENDED 31st JULY, 1955 (Continued)

REVENUE

Brought Forward ..... \$9,076,597.20

\$9,076,597.20

ALBERTA WHEAT POOL AND ALBERTA POOL  
ELEVATORS LIMITED  
CALGARY, ALBERTA

**CONSOLIDATED BALANCE SHEET AS AT 31st JULY,  
1955, AND COMPARISON WITH 31st JULY, 1954**

## ASSETS

<b>Current—</b>	<b>31st July, 1955</b>	<b>31st July, 1954</b>
Cash in Banks, on Hand and in Transit .....	\$ 492,392.57	\$ 547,700.95
Stocks of Grain and Coal .....	37,463,821.78	32,829,580.80
Advances on Grain .....	5,125.42	5,132.97
Accounts Receivable .....	905,261.48	927,198.95
Accrued Items Receivable .....	64,743.63	48,245.52
Prepaid Expenses .....	307,079.72	332,671.20
 Total—Current Assets .....	<u>\$ 39,238,424.60</u>	<u>\$ 34,690,530.39</u>
 <b>Fixed Assets—</b>		
Buildings and Operating Machinery .....	\$ 19,314,307.38	\$ 17,716,761.31
<i>Less</i> Accumulated Allowances for Capital		
Cost .....	13,146,908.98	11,976,872.19
	<u>\$ 6,167,398.40</u>	<u>\$ 5,739,889.12</u>
 Elevator and Office Equipment, Autos and		
Trucks and Miscellaneous Equipment .....	\$ 515,565.44	\$ 489,814.94
<i>Less</i> Accumulated Allowances for Capital		
Cost .....	252,142.63	235,514.20
	<u>\$ 263,422.81</u>	<u>\$ 254,300.74</u>
 Incomplete Construction (see contra)		
Vancouver Terminal .....	\$ 2,359,165.30	
Country Elevators and Annexes .....	222,917.28	
	<u>\$ 2,582,082.58</u>	
 Net—Capital Assets .....	<u>\$ 9,012,903.79</u>	<u>\$ 5,994,189.86</u>
 <b>Investments—</b>		
Shares—Pool Insurance Company .....	\$ 79,500.00	\$ 64,500.00
Canadian Pool Agencies Ltd. .....	6,670.00	6,670.00
Grain Exchange Memberships .....	9,302.00	9,302.00
	<u>\$ 95,472.00</u>	<u>\$ 80,472.00</u>
	<u>\$ 48,346,800.39</u>	<u>\$ 40,765,192.25</u>

ALBERTA WHEAT POOL AND ALBERTA POOL  
ELEVATORS LIMITED  
CALGARY, ALBERTA

CONSOLIDATED BALANCE SHEET AS AT 31st JULY,  
1955, AND COMPARISON WITH 31st JULY, 1954

<u>LIABILITIES</u>		
	<u>31st July, 1955</u>	<u>31st July, 1954</u>
<b>Current—</b>		
Loans—Bank Grain Loans .....	\$16,200,000.00	\$22,020,000.00
Call Loans .....	3,257,000.00	
Members' Loans .....	6,230.43	
Outstanding Cheques, Cash Tickets and Orders .....	7,925,781.40	4,023,618.64
Construction Commitments (see contra) ....	2,582,082.58	
Accounts Payable .....	631,840.35	460,292.89
Accrued Items Payable .....	322,484.95	260,675.99
Growers—Outstanding Payments .....	162,146.21	199,346.03
Earnings—Current Period .....	1,333,278.49	2,448,106.47
Less Prepaid Income Tax .....	(46,742.46)	(55,770.15)
 Total—Current Liabilities .....	<u>\$32,374,101.95</u>	<u>\$29,356,269.87</u>
 <b>Deferred—</b>		
Mortgage Debenture—3½% .....	<u>\$ 3,500,000.00</u>	
 <b>Reserves</b> .....	<u>\$ 9,813,188.78</u>	<u>\$ 8,897,914.43</u>
 <b>Surplus—</b>		
Retained from Earnings of Prior Years .....	\$ 2,351,200.01	\$ 2,220,125.57
Accrued from Properties .....	308,309.65	290,882.38
 \$ 2,659,509.66	<u>\$ 2,659,509.66</u>	<u>\$ 2,511,007.95</u>
 \$48,346,800.39	<u>\$48,346,800.39</u>	<u>\$40,765,192.25</u>

CALGARY, Alberta, 20th October, 1955.

Certified to be a consolidation of the balance sheets of Alberta Wheat Pool and Alberta Pool Elevators Limited as at 31st July, 1955, showing a comparison with the position as at 31st July, 1954, subject to our reports in connection therewith.

HARVEY, MORRISON & CO.,  
Chartered Accountants.

## MEMORANDA





Port Arthur Pool Terminal

**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.  
Dear Sirs:—

Lougheed Building,  
Calgary, Alberta,  
20th September, 1955.

We have completed our audit of the books of account of your company for the year ended 31st July, 1955 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 facilities is measured by the capital cost allowance, previously called depreciation, on the various assets leased and has resulted in the following amount:

<u>Asset</u>	<u>Capital Cost Allowance Rate</u>	<u>Amount</u>
<b>Terminal Vancouver—</b>		
Structures .....	5% Normal )	
Equipment .....	20% Normal )	\$145,670.10
Structures .....	Special—30%	59,878.60
		————— \$ 205,548.70

**Terminal Port Arthur—**

Structures .....	5% Normal )	
Equipment .....	20% Normal )	34,289.15

**Country Elevators**

**and Annexes—**

Structures .....	10% Normal )	
Equipment .....	20% Normal )	\$549,675.25
Structures .....	Special—30%	519,383.98
		1,069,059.23

**Dwellings, Coal and**

**Other Sheds**

and Warehouses ..	10% Normal	104,377.99
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**Country and Terminal Elevator**

Equipment and Office Furniture		
and Equipment .....	20% Normal	47,974.74

**Automobiles and**

Trucks .....	30% Normal	26,106.06
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<b>Total .....</b>	<b>\$1,487,355.87</b>
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Total Normal Allowance .....	\$ 908,093.29
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Total Special Allowance .....	579,262.58
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<b>Total Allowance .....</b>	<b>\$1,487,355.87</b>
------------------------------	-----------------------

For the year ended 31st July, 1954 the total allowance was \$1,037,721.64, made up as follows:

Normal .....	\$ 833,619.99
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Special .....	204,101.65
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<b>Total .....</b>	<b>\$1,037,721.64</b>
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The special amount is allowed by the income tax regulations to encourage the building of additional grain storage and has been in effect from 1st August, 1953 and continues to 31st July, 1956.

Capital surplus reflects a net increase for the year of \$17,427.27, which amount is in respect of sales of property and equipment, fire losses, etc.

Property changes during the year are summarized hereunder:

	<u>31st July, 1955</u>	<u>31st July, 1954</u>
Elevators .....	523	507
Annexes .....	508	491
Dwellings .....	402	397
Flour Sheds .....	24	23
Coal Sheds .....	33	31
Warehouses .....	2	2
	<u>==</u>	<u>==</u>

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

Net capital expenditure during the year was \$2,025,364.01 made up as follows:

Country Properties .....	\$1,472,072.72
Vancouver Terminal .....	366,981.05
Port Arthur Terminal .....	78,248.95
Autos and Trucks .....	63,515.59
Office Equipment .....	21,416.90
Miscellaneous Equipment .....	23,128.80
	<u>\$2,025,364.01</u>

#### **Incompleted Contracts—**

A number of contracts have been let during the year for construction of additional elevators, etc., and at 31st July the undernoted were incompletely completed and have been set up in the books in order to show the liability accruing during the current period:

Country Properties .....	\$ 222,917.28
Vancouver Terminal .....	2,359,165.30
<u>\$2,582,082.58</u>	

#### **AUDITORS' CERTIFICATE**

We have examined the balance sheet of Alberta Pool Elevators Limited as at 31st July, 1955 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, 1955 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, 1955**

<u>PROPERTY—</u>	<u>ASSETS</u>
<b>Buildings and Operating Machinery (Cost)—</b>	
Country Elevators (523) .....	\$ 9,768,962.98
Country Annexes (508) .....	3,254,857.92
	<u>\$13,023,820.90</u>
Coal Sheds (33) .....	14,623.35
Flour Sheds (24) .....	11,526.00
Dwellings and Sites (402) .....	1,904,766.76
	<u>\$14,954,737.01</u>
<i>Less Accumulated Allowances for Capital Cost</i> .....	10,554,564.95
	<u>\$4,400,172.06</u>
Vancouver Terminal .....	\$ 3,609,785.22
<i>Less Accumulated Allowances for Capital Cost</i> .....	2,265,201.62
	<u>1,344,583.60</u>
Port Arthur Terminal .....	\$ 712,412.05
<i>Less Accumulated Allowances for Capital Cost</i> .....	316,925.19
	<u>395,486.86</u>
Calgary Warehouses (2) .....	\$ 18,800.00
<i>Less Accumulated Allowances for Capital Cost</i> .....	10,217.22
	<u>8,582.78</u>
Equity in Wheat Pool Building, Winnipeg .....	18,573.10
	<u>\$6,167,398.40</u>
<b>EQUIPMENT (Cost)—</b>	
Office Furniture and Equipment ....	\$ 231,609.50
<i>Less Accumulated Allowances for Capital Cost</i> .....	157,762.08
	<u>\$ 73,847.42</u>
Automobiles and Trucks .....	\$ 130,281.85
<i>Less Accumulated Allowances for Capital Cost</i> .....	69,367.71
	<u>60,914.14</u>
Terminal Equipment .....	\$ 17,686.80
<i>Less Accumulated Allowances for Capital Cost</i> .....	14,484.66
	<u>3,202.14</u>
Portable Cleaners and Loaders ....	\$ 11,859.64
<i>Less Accumulated Allowances for Capital Cost</i> .....	10,528.18
	<u>1,331.46</u>
Elevator Machinery and Sundry Equipment—	
Net Value .....	124,127.65
	<u>263,422.81</u>
<b>INCOMPLETED CONSTRUCTION</b> —see contra .....	2,582,082.58
<b>INTERNAL</b> —Alberta Wheat Pool .....	2,227,488.44
	<u>\$11,240,392.23</u>

ALBERTA POOL ELEVATORS LIMITED  
CALGARY, ALBERTA

BALANCE SHEET AS AT 31st JULY, 1955

LIABILITIES

CURRENT—

Construction Commitments—see contra ..... \$2,582,082.58

DEFERRED—

Debentures—Bank of Montreal—Interest 3½%—  
Maturity 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 ..... 308,309.65  
..... 5,158,309.65

Approved on behalf of the Board:

BEN S. PLUMER, Director.  
G. L. HARROLD, Director.

\$11,240,392.23

CALGARY, Alberta, 20th September, 1955.

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, 1955**

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**

<b>CURRENT</b>	\$39,238,424.60
<b>CASH IN BANKS, ON HAND AND IN TRANSIT</b>	
In Banks	\$ 421,300.79
On Hand and In Transit	70,491.78
Petty Cash Fund	600.00
	<u>\$ 492,392.57</u>

**STOCKS OF GRAIN AND COAL** ..... \$37,463,821.78

Representing grain and coal on hand in country and terminal elevators and in transit as at 31st July, 1955, as follows:

Wheat	29,752,332.3 Bus.	\$31,669,289.98
Oats	2,235,362.4 "	1,238,232.85
Barley	5,635,537.1 "	4,265,034.85
Flax	17,252.9 "	51,698.25
Rye	309,788.5 "	213,506.43
Mixed Feed		
Oats	27,941.2 "	16,197.50
Screenings	570 Tons	3,300.00
Coal		4,360.80
Freight Paid on Grain in Store ..		2,201.12

\$37,463,821.78

**ALBERTA WHEAT POOL**  
 Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1955**

**ASSETS (Continued)**

**CURRENT (Continued)**

**ADVANCES ON GRAIN** ..... \$ 5,125.42

Advances secured by grain in store.

**ACCOUNTS RECEIVABLE** ..... 905,261.48

Representing accounts owing to the Pool as at 31st July, 1955, as follows:

Due from Manitoba Pool Elevators in respect of Port Arthur Operations	.....	\$ 394,652.62
Due from Canadian Wheat Board in respect of Carrying Charges	.....	386,521.71
General Accounts	.....	66,218.38
Railway and Manifest Charges Collectible at Vancouver	.....	32,880.59
Group Life Insurance Premiums recoverable from Employees	.....	12,834.77
Growers' Accounts—Current	.....	11,273.51
Public Utilities Deposits	.....	532.40
Deposit with Unemployment Insurance Commission—Vancouver	.....	225.00
Payment on Canada Savings Bonds recoverable from Employees	.....	85.00
Rentals Receivable	.....	37.50
		<b>\$ 905,261.48</b>

**ACCRUED ITEMS RECEIVABLE** ..... \$ 64,743.63

Representing amounts due as at 31st July, 1955, but not collectible until later, as follows:

**Country Elevator Department—**

Storage and Elevation Charges on Outstanding Storage Tickets	.....	\$ 5,847.97
Charges on Cars in Store, not delivered	.....	5,063.57
Prepaid Storage on Stocks in Interior Government Terminal	.....	1,718.01
Charges on Cars Shipped, Handling and Commission	.....	1,263.09
Interest—		
On Staff Bond Purchases	.....	647.79
On Advances on Grain	.....	40.80

**Terminal Department—**

Elevation Charges	.....	29,649.31
Storage Charges	.....	16,794.69
Carrying Charges on Open Sales	.....	3,517.80
Diversion Premiums	.....	200.60

**\$ 64,743.63**

**ALBERTA WHEAT POOL**  
 Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1955**

**ASSETS (Continued)**

**CURRENT (Continued)**

**PREPAID EXPENSES** ..... \$ 307,079.72

Expenses applicable to 1955-56

Season—

Country Elevators .....	\$ 161,915.26
Vancouver Terminal Department .....	50,825.19
Materials Inventories .....	82,692.00
Stationery Stocks .....	9,482.76
Postage Stamps .....	1,422.39
Payroll Stamps .....	742.12

\$ 307,079.72

**TOTAL CURRENT ASSETS** ..... \$39,238,424.60

**SHARES AND INVESTMENTS** ..... \$4,936,170.00

**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 of these reserves, together with additional reserves, has been used for the purpose of building elevators and these reserves will be discussed at a later part of this analysis.

**Shares in Pool Insurance Company** ..... 79,500.00

Your Organization has subscribed for shares in this company to a par value of \$75,000.00. As at 31st July, 1955, 74% of this amount has been called up, plus a premium of \$32.00 per share, thus bringing the amount paid in respect of these shares to the above-mentioned figure of \$79,500.00. 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 sup-

ALBERTA WHEAT POOL  
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1955

ASSETS (Continued)

SHARES AND INVESTMENTS—(Continued).

ervises 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.

\$4,936,170.00

FIXED ASSETS ..... \$ 9,302.00

Grain Exchange Memberships as follows:—

Winnipeg Grain Exchange—Two seats ..... \$ 5,300.00

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

Vancouver Merchants' Exchange—

Two seats ..... 500.00

Two shares ..... 2.00

\$ 9,302.00

TOTAL ASSETS OF ALBERTA WHEAT POOL \$44,183,896.60

**ALBERTA WHEAT POOL**  
 Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1955**

**LIABILITIES**

**CURRENT** ..... \$29,792,019.37

**OUTSTANDING CHEQUES,  
 CASH TICKETS & ORDERS** .. \$7,925,781.40

Representing cheques, cash tickets and orders issued prior to 31st July, 1955 but not presented for payment, as follows:—

Elevator Department—

Outstanding Cheques and Vouchers	.....	\$1,194,012.95
Outstanding Cash Tickets and Advance Orders	.....	6,730,882.13
<hr/>		

Membership Department—

Outstanding Cheques and Money Orders	.....	886.32
<hr/>		

**\$7,925,781.40**

**BANK LOANS** ..... 16,200,000.00

Against Security of Grain—

Bank of Montreal	.....	\$8,100,000.00
Bank of Nova Scotia	.....	3,240,000.00
Royal Bank of Canada	.....	2,430,000.00
Toronto-Dominion Bank	.....	2,430,000.00
<hr/>		

**\$16,200,000.00**

**CALL LOANS** ..... 3,257,000.00

Money loaned by various companies and individuals on a temporary basis.

**GROWERS' LOANS** ..... 6,230.43

Money loaned by members on a temporary basis.

**ACCOUNTS PAYABLE** ..... 631,840.35

Canadian Wheat Board in respect of grain transferred to new price basis	.....	\$ 207,606.23
---	-------	---------------

Receiver General of Canada re—

Prairie Farm Assistance Act Levies	.....	104,362.91
Employees' Income Tax	.....	44,707.35
Employees' Pension Plans	.....	35,954.82
Terminal Weighing and Inspection Fees	.....	8,903.54
Unemployment Insurance Commission	.....	2,021.30
General Accounts	.....	115,160.78
Staff Savings Accounts	.....	66,988.72
Freight and Terminal Charges on Cars of Grain in Store	.....	34,181.51

ALBERTA WHEAT POOL  
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1955

LIABILITIES (Continued)

CURRENT (Continued)

ACCOUNTS PAYABLE—(Continued).

Canadian Wheat Board in respect of Grain Purchased .....	10,796.88
Coal Commissions Payable .....	643.31
Deposits re Membership Appli- cations .....	455.00
Rentals Paid in Advance .....	58.00
	<u>\$ 631,840.35</u>

ACCRUED ITEMS PAYABLE ..... \$ 322,484.95

Representing provision for ex-  
penses accrued to 31st July, 1955  
but payable later, as follows:

Accrued Taxes on Properties .....	\$ 183,682.25
Grain Insurance—July .....	20,912.14
Power Accounts .....	6,250.00
Exchange on Cash Tickets .....	3,895.57
Mutual Telephone Rentals .....	861.35
Interprovincial Pool—July .....	359.06
Winnipeg Office—Expenses .....	174.50
Accrued Interest on Mortgage Bonds and Grain Loans .....	40,366.75
Past Services Annuity Fund .....	36,218.19
Charges on Grain in Terminals ..	14,570.03
Salary Guarantee Funds .....	8,955.97
Reserve for Staff Sickness and Accidents .....	6,004.18
Refunds Due on Insurance Accounts .....	40.01
Registration and Cancellation Fees .....	194.95
	<u>\$ 322,484.95</u>

GROWERS' OUTSTANDING PAYMENTS .. 162,146.21

For various reasons it has not  
been possible to distribute this sum  
to growers:

Reserves Purchases—

Commercial and Elevator .....	\$ 135,914.49
Patronage Dividend .....	24,437.63
1955 Rateable .....	722.66
Unclaimed Patronage Dividend Cheques .....	1,071.43
	<u>\$ 162,146.21</u>

ALBERTA WHEAT POOL  
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1955

LIABILITIES (Continued)

CURRENT (Continued)

NET EARNINGS, SEASON 1954-55 ..... \$1,286,536.03

Being the net earnings for the year ended 31st July, 1955, after payment on account of income taxes of \$46,742.46. This balance is carried as a current liability pending decision of delegates as to distribution.

TOTAL CURRENT LIABILITIES ..... \$29,792,019.37

INTERNAL ..... \$2,227,488.44

Alberta Pool Elevators Limited.

Balance owing by Alberta Wheat Pool on current account.

RESERVES AND SURPLUS ..... 12,164,388.79

Reserves ..... \$9,813,188.78

Under the Pooling Contracts with the growers certain deductions for elevator and commercial reserves were authorized. These deductions were made in the years 1923 to 1928 inclusive and the total amount contributed was \$8,467,830.71.

These original reserves have now been fully settled either by purchase by the Pool or by assignment of the original holder to another member.

The delegates, at the annual meeting in 1953, authorized an amendment to the Act of Incorporation whereby the elevator and commercial reserves were increased from the above figure of \$8,467,830 to \$10,000,000. The reserves thereby created were declared to be identical with the reserves accumulated by deduction under the marketing agreements. A further amendment was also secured which had the effect of permitting the Pool to issue to members who were patrons in any crop year, in proportion to their patronage of that year, reserves for which they would become liable. The Pool was also authorized to apply against the liability of each member for these reserves a cash patronage dividend which would have the effect of paying for the reserves in question. The Pool has

ALBERTA WHEAT POOL  
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1955

LIABILITIES (Continued)

RESERVES AND SURPLUS—(Continued).

Commercial and Elevator Reserves (Continued).

therefore authority to issue these new reserves either by direct sale or by way of patronage dividend as previously explained. As a result of these conditions, the reserves in the hands of members have been increased from the figure as at 31st July, 1954 of \$8,897,914.43 to the amount at 31st July, 1955 of \$9,813,188.78.

Details of the above increase are as follows:

Balance, 31st July, 1954 .....	\$8,897,914.43
Less Purchases—Estates .....	273,479.71
Rateable .....	430,864.60
	<hr/>
	\$8,193,570.12

Add Distributed as Patronage	
Dividends—	
Reserves Purchased and Re-	
distributed .....	607,331.31
New Reserves .....	1,012,233.60
Adjustment of Prior Years .....	53.75
	<hr/>
Balance, 31st July, 1955 .....	<u>\$9,813,188.78</u>

**SURPLUS, retained from earnings of previous years** ..... \$2,351,200.01

This represents the undistributed balance of earnings up to 31st July, 1955, as follows:

Balance as at 31st July, 1954 .....	\$2,220,125.57
Add Balance of Earnings for the	
year ended 31st July,	
1954, not distributed .....	132,393.80
	<hr/>
	\$2,352,519.37
Less Sundry adjustments in respect	
of prior years .....	1,319.36
	<hr/>
	\$2,351,200.01
	<hr/>
	\$12,164,388.79

**TOTAL LIABILITIES OF ALBERTA WHEAT POOL** ..... \$44,183,896.60

CALGARY, Alberta,  
27th October, 1955.

HARVEY, MORRISON & CO.,  
Chartered Accountants.

## MEMORANDA



ALBERTA POOL ELEVATORS LIMITED  
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1955

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

<u>PROPERTY</u>	.....	\$6,167,398.40
<b>Consisting of Country Elevator System and Terminal Elevators at Vancouver and Port Arthur:</b>		
<b>Country Properties—</b>		
523 Country Elevators .....	\$ 9,768,962.98	
508 Country Annexes .....	3,254,857.92	
	<u>.....</u>	\$13,023,820.90
33 Coal Sheds .....	14,623.35	
24 Flour Sheds .....	11,526.00	
402 Dwellings and Sites .....	1,904,766.76	
	<u>.....</u>	\$14,954,737.01
<i>Less Accumulated Allowances for Capital Cost .....</i>	<i>10,554,564.95</i>	
<b>Net Undepreciated Cost of Country Property .....</b>	<b>\$4,400,172.06</b>	
<b>Terminal Elevators—</b>		
Vancouver .....	\$3,609,785.22	
Port Arthur .....	712,412.05	
	<u>.....</u>	\$4,322,197.27
<i>Less Accumulated Allowances for Capital Cost—</i>		
Vancouver .....	\$2,265,201.62	
Port Arthur .....	316,925.19	
	<u>.....</u>	2,582,126.81
<b>Net Undepreciated Cost of Terminal Elevators .....</b>	<b>1,740,070.46</b>	
Calgary Warehouses .....	\$ 18,800.00	
<i>Less Accumulated Allowances for Capital Cost .....</i>	<i>10,217.22</i>	
	<u>.....</u>	8,582.78
Equity in Wheat Pool Building, Winnipeg .....	18,573.10	
<b>Net Undepreciated Cost of Property .....</b>	<b>\$6,167,398.40</b>	

ALBERTA POOL ELEVATORS LIMITED  
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1955

ASSETS (Continued)

PROPERTY—(Continued).

Property changes during the year  
were as follows:

**Elevators—**

Number, 31st July, 1954 .....	507
<i>Add</i> Azure No. 2, Calahoo No. 2, Dalroy No. 2, Ellerslie No. 2, Fair- view No. 2, Federal No. 2, Hemaruka No. 2—purchased .....	7
Carbon, Champion No. 2, Enchant No. 2, Gir- ouxville No. 2, Granum No. 2, Hussar No. 2, Lethbridge, Nampa, Spirit River No. 2, Stettler No. 2, Taber No. 2—built .....	11
<i>Deduct</i> Fairview No. 2, burn- ed; Carbon, converted to twin .....	(2)
<b>Total Elevators, 31st July, 1955 .....</b>	<b>523</b>

**Annexes—Cribbed—**

Number, 31st July, 1954 ...	100
<i>Add</i> Fairview No. 2, purchas- ed .....	1
Benalto, Forestburg, Grassy Lake, Hilda, Standard, built .....	5
<i>Deduct</i> Fairview No. 2, burned (1)	
<b>105</b>	

**Annexes—Twin—**

Number, 31st July, 1954 .....	14
<i>Add</i> Carbon, converted from elevator .....	1
<b>15</b>	

**Annexes—Permanent Balloon—**

Number, 31st July, 1954 .....	63
<i>Add</i> Benton, Bindloss, Card- ston, Carmangay, Elk Point, Hilliard, Lo- mond, Picardville, Wayne, Whitla, built	10
<b>73</b>	

ALBERTA POOL ELEVATORS LIMITED  
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1955

ASSETS (Continued)

PROPERTY—(Continued).

Annexes—Temporary Balloon—

No change .....	234
	<u><u>  </u></u>

Annexes—Loxtave—

No change .....	80
	<u><u>  </u></u>

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

1	<u><u>  </u></u>
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Total Country Annexes, 31st  
July, 1955 .....

508	<u><u>  </u></u>
-----	------------------

Coal Sheds—

Number, 31st July, 1954 .....	31
Add Dalroy, Fairview, Hem- aruka, purchased .....	3
Deduct Fairview, burned .....	(1)
Number, 31st July, 1955 .....	<u><u>  </u></u> 33

Flour Sheds—

Number, 31st July, 1954 .....	23
Add Calahoo, Ellerslie, Fair- view, purchased .....	3
Deduct Fairview, burned .....	(1)
Carbon, sold .....	(1)
Number, 31st July, 1955 .....	<u><u>  </u></u> 24

Dwellings and Sites—

Number, 31st July, 1954 .....	397
Add Calgary, Dewberry, En- ilda, Fairview, Hemar- uka, Spirit River, pur- chased .....	6
Bulwark, Claysmore, Grimshaw, Legend, Oyen, Rivercourse, built .....	6
Deduct Bulwark, Calgary, Dewberry, Duhamel, Fairview, Heisler, Oyen, sold .....	(7)
Number, 31st July, 1955 .....	<u><u>  </u></u> 402

ALBERTA POOL ELEVATORS LIMITED  
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1955

ASSETS (Continued)

EQUIPMENT ..... \$ 263,422.81

Consisting of the following:—

Office Furniture and Equipment—	
Cost .....	\$ 231,609.50
28 Automobiles and 21 Trucks—	
Cost .....	130,281.85
Terminal Equipment—Cost .....	17,686.80
Portable Cleaners and Loaders—	
Cost .....	11,859.64
Elevator Maintenance and Sundry Equipment — Net Undepreciated	
Cost .....	124,127.65
	..... \$ 515,565.44

*Less* Accumulated Allowances for Capital Cost—

Office Furniture and Equipment	\$ 157,762.08
Automobiles and Trucks .....	69,367.71
Terminal Equipment .....	14,484.66
Portable Cleaners and Loaders .....	10,528.18
	..... \$ 252,142.63

Net Undepreciated Cost of Equipment ..... \$ 263,422.81

**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 18 vehicles were traded in and 24 vehicles were purchased. There were 6 more trucks on hand at the end of the year than at the beginning.

**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, 1955

ASSETS (Continued)

EQUIPMENT—(Continued).

Financing of Property and Equipment—

The property and equipment as enumerated above had a total cost of \$19,829,872.82 and has been financed as follows:

By Reserve Payments .....	\$ 4,850,000.00
By Accumulated Allowance for Capital Cost .....	13,399,051.61
By Gain on Capital Realization .....	308,309.65
By Debentures—Bank of Montreal .....	3,500,000.00
	<u>\$22,057,361.26</u>

Less Amount being used by Alberta Wheat Pool in its operations .....	2,227,488.44
	<u>\$19,829,872.82</u>

INCOMPLETED CONSTRUCTION ..... \$2,582,082.58

A number of contracts have been let during the year for construction of additional elevators, etc. At 31st July the undernoted were incomplete and have been set up in the books in order to show the liability which will accrue during the current year:

Country Properties—elevators, annexes, and dwellings .....	\$ 222,917.28
<b>Vancouver Terminal—</b>	
Storage Addition .....	\$2,350,404.66
Sundry .....	8,760.64
	<u>2,359,165.30</u>
	<u>\$2,582,082.58</u>

INTERNAL—Alberta Wheat Pool ..... 2,227,488.44

By authority of the delegates at the annual meeting in November, 1954, Alberta Pool Elevators Limited borrowed the sum of \$3,500,000.00 by the issue of debentures to the Bank of Montreal. All of this money was not used for the purpose of construction as at 31st July last and the above amount of \$2,227,488.44 was used by the Wheat Pool in their operations.

TOTAL ASSETS OF ALBERTA POOL ELEVATORS  
LIMITED ..... \$11,240,392.23

ALBERTA POOL ELEVATORS LIMITED  
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1955

LIABILITIES

CURRENT ..... \$2,582,082.58

**Construction Commitments—**

The details of this liability are shown in the explanation of Incompleted Construction and the amount is shown on the balance sheet in order that the liability to be met during the current year may be known.

DEFERRED ..... 3,500,000.00

**Debentures — Bank of Montreal—**  
Interest 3½%, 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. At the date of the balance sheet an amount of \$2,227,488.44 was not expended for construction and was being used by the Wheat Pool in its operations.

CAPITAL AND SURPLUS ..... 5,158,309.65

**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** ..... 308,309.65

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

\$5,158,309.65

**TOTAL LIABILITIES OF ALBERTA POOL  
ELEVATORS LIMITED** ..... \$11,240,392.23

CALGARY, Alberta,  
19th October, 1955.

HARVEY, MORRISON & CO.,  
Chartered Accountants.

## MEMORANDA





Farm Stored Grain

LETHBRIDGE HERALD PHOTO

## CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

### DIRECTORS' REPORT

1954-1955

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

Gentlemen:

The 1954-55 crop year imposed severe tests upon Western grain producers and their Pool organizations. Other parts of our Canadian economy continued to boom with increasing population and expanding prosperity. Western grain farmers faced disaster in production; frustration in deliveries; difficulties in marketing; declining prices; and drastically decreased income.

Farmers in the rest of Canada planted wheat, oats, barley, rye and flaxseed on somewhat bigger acreages—and harvested only slightly less of these grains—than in the preceding year. In the West, flooding and excessive rainfall retarded spring work. Western farmers seeded 2.5 million acres less—and summerfallowed that much more—than in 1953.

Throughout the growing season government official crop reports were optimistic. When harvest got underway, in August, the outturn of the five grains was forecast at 1,144 million bushels. A record carryover jammed farm and commercial storage. The problem of space for the new crop seemed beyond solution. Then, an unprecedented combination of losses from rust, rain, sawflies, wind and hail cut estimates of Western production in half. Grade losses were drastic. Compared with 1953, estimated total production of wheat, oats, barley, rye and flaxseed in the Canadian West fell from 1,147 million bushels to 658 million; and gross value from \$1,149 million to \$531 million.

Unsatisfactory allocation of railway boxcars aggravated the problems of producer deliveries throughout the year. All efforts to have the right of each producer to deliver his grain through the elevator of his own choice confirmed in effective legislation have been frustrated. The members of our Pool organizations have accepted restrictions imposed by big carry-over; and have endorsed quotas which guarantee each grower his fair share of available space. But—they challenge present practices under which the allocation of boxcars among elevators at country shipping points is manipulated to deny the right, and defy the will, of the farmers who pay the freight. This issue—which became increasingly acute during the past year—is part of the carryover of vital problems for which solutions must be worked out in the years ahead.

Difficulties in marketing grain were aggravated by big carryover from previous years; and by below-average grades in 1954 yields. Sales competition sharpened as other exporting countries exploited loans, credits and currencies. While Canada continued to lead the world in total trade per capita, exports of grain fell behind. For example, total quantities of wheat (including flour) entering into world trade in the first eleven months of 1954-55 were 19% above the total for the same period of the previous year. But—while Australia exported 55% more wheat, United States 32% more and Argentina 21% more—Canada's exports were 1% less. Competition, forced to its ultimate essence, is the exploitation of advantage. It may be that the time has come in exporting wheat when our traditional sales effort and superior quality must be reinforced by using every advantage Canada possesses.

Grain prices have tended downward as world supplies grew to overbalance demand (as measured by acceptable currencies). Traders in both exporting and importing countries continue to use this condition to drive prices lower; to wreck orderly marketing; and to re-establish the violent price fluctuations of speculative marketing. In Canada, government influence on domestic and export prices is less than in any other wheat growing country. The Western producers who are members of our Canadian Pools, continued to record their conviction that the operations of the Canadian Wheat Board exert a stabilizing influence on prices, which nets Canadian farmers tremendous benefits; and that orderly marketing must be not curtailed, but expanded.

In Canada, industrialization is expanding with accelerating rapidity and scope. In the process, the percentage of Canadians who carry on the nation's vital agriculture becomes smaller and smaller. This is a basic phenomenon of current Canadian history. In one brief generation we have changed—from a nation trading farm (and other) primary products—to a nation trading processed manufactures, principally. The nature and needs of their occupations have led workers in transportation, manufacturing and other industries to organize their strength. Today, they occupy positions of dominance in our economy on a par with management, finance and other elements of big business.

It is increasingly apparent that Canada's farmers—in order to protect and develop agriculture to fill its vital role in our expanding economy—must speak in the councils of the nation with a power as organized, militant and effective as similar numbers of Canadians who follow other occupations.

The loss of bushels, grades and gross returns from the 1954-55 crop reduced the net income of Canada's farm people far below the average of recent years. The loss in net income was concentrated in the West. The severity of this loss and its subsequent effects tend to obscure the fact that, in a period of unparalleled national prosperity, net farm income has fallen further behind the take home pay in other occupations. Today, 19% of Canada's workers are in agriculture. They secure 8% of the national income.

Combined with the foregoing, attacks continued upon the concept and machinery of orderly marketing—as well as upon our co-operative faith

and organizations. The Western producers who are members of our Pools reaffirmed their faith in practical co-operation; and their resolution that orderly marketing shall be expanded to meet the challenge of changing times. Your Directors continued to work (through all levels of our farm organizations, co-operatives and governments) to develop solutions for all these problems which shall best serve Canadian farm people and the nation.

## CENTRAL BOARD

With deep regret we record the death, on 11th February, 1955, of Mr. Lew Hutchinson. He had been an original director of Alberta Wheat Pool; and had served on your Central Board for many years.

During the year C. W. Gibbings became a director on your Central Board—succeeding W. J. Ball, who resigned to become manager of the country elevator and terminal division of Saskatchewan Wheat Pool.

At Central Board meetings on 6th and 7th October, 1954, and 22nd and 23rd February, 1955, your Directors urged that the Government of Canada help meet the serious financial situation which handicapped many Western farmers by: earlier interim payments on the 1953-54 wheat pool; by providing adequate interim farm finance, as recommended by the Canadian Federation of Agriculture; and by having banks reduce excessive rates of interest on loans secured by grain. Quotas, tariffs, exports and other vital matters relating to marketing our grain were discussed with Canadian Wheat Board representatives. Equitable allocation of railway boxcars was debated repeatedly; and urged upon government ministers, the Agricultural Committee of the House of Commons, and other officials—as well as upon railway managements. Labor-management relations were kept under continued review.

## INTERPROVINCIAL POOL MEETINGS

The united boards of our three Wheat Pools assembled in Interprovincial Pool meetings in Calgary, on 19-20th January, 1955; and in Winnipeg on 22-23rd July, 1955.

At these meetings, directors debated the full range of complex factors which have an impact upon the lives of Pool members and all Western farm people. On certain of these issues, resolutions and recommendations were directed to government ministers, officials and agencies. On many others, resolutions were forwarded through the Western Agricultural Conference to the Canadian Federation of Agriculture for action.

The issues discussed included: the Prairie Farm Assistance Act and crop insurance; better understanding and relations between Pool members and terminal workers; and putting grain handling on a proper basis—by raising elevation tariffs and reducing charges for storage.

Pool directors pledged full support for the International Wheat Agreement; and urged that the Government of Canada work for its renewal. The directors approved enforcement of grain delivery quotas based upon acreages—with suitable minimums. They likewise endorsed the principle of hog grading—giving the producer his choice between rail and live grading; and urged that pork be sold on the basis of grade to benefit both producer and consumer.

Problems of grain deliveries, handling, storage, transport and marketing were discussed with Wheat Board representatives.

Resolutions approved Wheat Board sales to Poland and the conditions upon which such sales were made; and stressed the necessity for maintaining

a close watch on the developing St. Lawrence Seaway—to protect Western producers as rates, regulations and traffic are established.

Other resolutions called upon the Government of Canada to make the Canadian Wheat Board permanent; fix domestic wheat prices at maximum IWA levels; maintain the provisions of the Crow's Nest Pass Agreement; make fuller use of the Agricultural Prices Support Act; expand markets rather than curtail production; and to establish a Board of Livestock Commissioners.

## RAILWAY BOXCAR ALLOCATION

The allocation of boxcars by the railways among elevators at country shipping points persists as an issue which irritates Western producers and denies their rights as members of our Pool organizations.

For more than two years your directors have invited the co-operation of every agency concerned; and utilized every available method to solve this vexed problem. Progress, to date, has been disappointing; and the producer is becoming increasingly irritated—because of inability to deliver.

The case for the Western producer is succinctly summarized in the following resolution forwarded by the united boards of our three Pools assembled in Interprovincial meeting:

"That we urge upon the Government of Canada the need for amendments to the Canada Grain Act the effect of which would provide for the placing of boxcars at country elevators in accordance with the farmer's preference to the end that farmers may be able to deliver to the country elevator of their choice; and, at the same time, retain to individual growers their right to order cars under the Car Order Book sections of the Canada Grain Act."

Over the last two years an Interprovincial Pool Committee on Railway Boxcar Allocation has worked to resolve this issue. The Committee has interviewed the Minister of Trade and Commerce repeatedly; and has submitted to him successive drafts of proposed amendments to the Canada Grain Act and the Canadian Wheat Board Act. Pursuant to the Minister's suggestion, the Committee conferred with the heads of the railways. Canadian National Railway officials expressed willingness to co-operate. Canadian Pacific Railway management insisted that the Canada Grain Act required "one car, one elevator unless the Car Order Book is being used."

The Canadian Federation of Agriculture recommended to the Cabinet that railway boxcar allocation be based upon the farmer's preference. The Standing Committee on Agriculture of the House of Commons, following presentations by Pool representatives in May, 1955, was reported to have recommended better boxcar distribution. As at the end of the crop year, the necessary legislation had not been provided by the Government.

## WESTERN AGRICULTURAL CONFERENCE

The 1955 meeting of the Western Agricultural Conference was held 21-22nd January, at Edmonton, with delegates attending from the provincial federations of British Columbia, Alberta, Saskatchewan and Manitoba. A total of 63 resolutions relating to farm problems in provincial, national and international fields were considered.

Under the general headings of marketing, tariffs and trade, poultry, livestock, income tax and freight rates, delegates debated farmers' needs.

Among miscellaneous resolutions was one urging continued pressure on provincial and federal governments for the establishment of a Great Plains Water Authority. Another asked that the Conference strongly urge governing bodies to immediately implement a comprehensive long-term program of farm financing. Support prices for agricultural products were discussed at length.

Officers elected for the following year were: President, T. G. Bobier, Saskatchewan; Vice-Presidents, J. D. Wilton, Manitoba; K. V. Kapler, Alberta; and V. E. Ellison, British Columbia.

## CANADIAN FEDERATION OF AGRICULTURE

Following its 19th annual meeting at Edmonton, the Canadian Federation of Agriculture presented its annual brief to the Government of Canada on 3rd March, 1955. This brief summarized resolutions which, originating in local farm communities, had been distilled (through debate, compromise and decision in provincial, regional and national farm organizations) into the democratic expression of the thinking and will of the farm people of Canada.

The farmers' brief emphasized that falling farm prices and rising costs subject Canadian farm people to a cost-price squeeze that is undercutting the standard of farm living. Farm prices on this continent have fallen more drastically than elsewhere in the world. Once again, farm people suffer from abundant production.

World tension has raised steel, chemical, metal and lumber prices. This pyramids farm costs. The Government of Canada should keep agriculture in reasonable balance with other segments of our economy—in the national interest.

To repair the heavy losses suffered by Canada's dairy industry, the CFA brief recommended: halting cheese imports; support prices for butter of 58 cents per pound for another two years; and disposal of surpluses without reducing returns to producers.

The brief urged extension of the Agricultural Prices Support Act—beginning with a basic definition for establishing support prices; and recommended "fair relationship" of farm prices to costs.

Support prices should be mandatory on wheat, oats, barley, corn, hogs, eggs, cheese, butter and dried milk at between 65 percent and 85 percent of the "fair relationship" price—to assure flexibility in operation of the support program; a decent measure of security to farm people; and satisfactory stability to producers, consumers and the entire economy.

The brief urged higher hog support prices; floor prices for poultry meats; and a support price of 38 cents for eggs to producers, less storage and handling. Price supports for forage crop seeds were recommended, also, to help correct violent seasonal fluctuations.

The brief assured the Government of Canada of the continued support and co-operation of producers in negotiating renewal of the International Wheat Agreement. It recorded, also, the overwhelming support of Canadian farmers for the Canadian Wheat Board as the sole marketing agency for wheat, oats and barley; approved delivery quotas based on specified acreage; and urged that the Wheat Board Act be made permanent. The CFA recommended that flax and rye be marketed through the Wheat Board; that domestic wheat sales be at the existing maximum IWA price; that the Wheat Board discontinue use of the futures market for oats and

barley; and that the Canada Grain Act be amended to require railways to allot boxcars so that each producer may deliver his grain through the elevator of his choice. It was further recommended that the former scale of feed freight assistance be restored; and made permanent.

The recommendation of a jurist (while investigating an unrelated issue) that railways get bigger government subsidies to compensate for alleged losses resulting from Crow's Nest Pass rates was repudiated; and the Government of Canada was urged to resist granting subsidies on account of such rates—until it is proved that such rates are not compensatory.

The brief recommended that the Agricultural Products Marketing Act be amended to give provincial marketing boards authority essential for efficient marketing; emphasized that the freest possible trade is essential to Canadian prosperity; and urged that free entry be extended to more farm items, including: milk coolers; steel fence posts; drainage pumps; metal buildings; steel stanchions; electric fences; beekeepers' supplies; metal feeding and watering equipment for hogs and poultry; vitamins; antibiotics and chemicals for livestock feeds; veterinary drugs; brooders and heat lamps.

Income tax deductions were recommended which would include costs of clearing, draining and breaking land—as well as medical, optical, dental, hospital and funeral expenses; and would allow farm people to provide for old age on a basis of equality with industrial pensioners. Further recommendations were that net worth statements be not required more than six years back; and that accelerated depreciation on new grain storage be extended to farmers on the same basis as to grain companies.

The brief called for government action on former CFA recommendations for: a national policy of land and water conservation; adequate joint crop insurance; grants to assure education for every Canadian child; help to finance university students; restoration of grants for physical fitness; enforcement of the Standard Brands Act to protect consumers; and denying postal service to criminal and obscene literature.

## INTERNATIONAL FEDERATION OF AGRICULTURAL PRODUCERS

All regional committee meetings of the International Federation of Agricultural Producers, during the past year, have given the problem of agricultural surpluses first place in their deliberations.

In March, 1955, IFAP's European Committee held its 21st session; and a meeting was also held of IFAP African members. In April, 1955, thirty-five delegates attended the two-day North American regional meeting in Washington.

At the Washington meeting, delegates discussed action being taken by international organizations to help stabilize prices in world markets—with particular reference to the role of the Food and Agriculture Organization and the General Agreement on Tariffs and Trade. European delegates considered that special attention should be given to the GATT section providing for consultation on surplus proposals; and, also, urged that full use be made of the FAO Consultative Subcommittee. At the African meeting, delegates considered the present problem of agricultural surpluses as presenting a serious threat to agricultural stability.

The 8th general meeting of IFAP was held in Rome, 9-17th September, 1955, at FAO headquarters. Prairie representatives were W. J. Parker, Manitoba, and T. G. Bobier, Saskatchewan.

## FOOD AND AGRICULTURE ORGANIZATION

In October, 1945, representatives of nations united in war established the Food and Agriculture Organization of the United Nations; and laid down principles for its operation—geared to the belief that all people should be adequately fed, clothed and sheltered.

To that end, FAO has carried on programs designed to stimulate production of food and fibre by reclamation, irrigation, disease control, and improvement of plant varieties. In forests, fisheries, nutrition and agricultural information, also, FAO has worked to serve the principles for which it was organized.

Of particular interest to Canadian farmers is the work of the Committee on Commodity Problems which met in Rome in May, 1955, to discuss moving into use North American (and other) food surpluses—by such ways and means as would not dislocate the agricultural economies of other countries.

The Committee reviewed replies from member governments regarding specific principles of surplus disposal recommended by FAO. These principles provide that surplus disposal should be sought, wherever possible, through efforts to increase consumption rather than restrict production; that governments disposing of excess stocks should do so in an orderly manner—to avoid undue pressure on world markets; and that, where surpluses were disposed of under special terms, these should not harm normal production and trade. It is significant that replies from 32 countries—including the United States—indicated practically unanimous acceptance of these principles.

The Committee also stressed the opportunities which existing surpluses offer for building up emergency national food reserves in countries vulnerable to famine.

Another proposal made by FAO was the use of surplus foods now owned by governments, to finance additional economic development in under-developed countries. For example, a number of specific projects in India could be added to the present development program—if financed by food surpluses.

World food proposals by FAO which culminated in the recommendation of an International Commodity Clearing House, in 1949, have reappeared in another form in a resolution presented to the United Nations by Costa Rica.

Our 1953-54 report emphasized the tragedy resulting from the bypassing of FAO by its member governments—which prevented fulfilment of the functions for which it was created by those governments. An even greater tragedy appears to be emerging with the expansion of the UN technical assistance program; and the fact that the work for which FAO was originally created, by that action is being brought into the political orbit of the United Nations.

## INTERNATIONAL WHEAT AGREEMENT

The current International Wheat Agreement was made to embrace three crop years—beginning 1st August, 1953, and ending 31st July, 1956. The year under review was the second year of operation. Quantities guaranteed by the four exporting countries were 1% greater than for the preceding year. Importing countries bought 29% more bushels than in 1953-54.

Quotas and exports for the first and second years of the Agreement are compared in the following tabulation:

Exporter	1953-54			1954-55		
	Quota Exported		% of Quota Exported	Quota Exported		% of Quota Exported
	— in million bushels —			— in million bushels —		
Canada .....	150.8	90.9	62.0%	152.3	109.5	71.9%
Australia .....	44.3	27.6	62.4%	44.8	41.4	92.4%
France .....	.3	.3	108.5%	.3	.3	109.9%
United States .....	193.6	106.2	54.8%	195.6	139.8	71.5%
Totals .....	389.1	225.2	57.8%	393.0	291.2	74.08%

Denmark, Jordan and Italy made no purchases on their quotas (totalling 8.4 million bushels); and representing 4.6% of the total quantities guaranteed by the Agreement). Nine importing countries bought their full quotas. In addition, Norway took 99.9%, Yugoslavia 98.9%, and Switzerland 90% of their quotas.

Twenty-eight importing countries bought Canadian wheat under the Agreement. Some of our good customers are listed in the following tabulation, together with Agreement quotas and purchases; and percentages of purchases supplied by Canada:

Importer	Quota	% of Purchases from Canada	
		Purchases	— in million bushels —
Austria .....	9.2	5.3	49%
Belgium .....	23.9	20.3	75%
Costa Rica .....	1.3	1.3	51%
Cuba .....	7.4	7.3	28%
Ecuador .....	2.4	2.2	84%
Germany .....	55.1	54.7	39%
India .....	36.7	24.8	9%
Ireland .....	10.1	5.9	65%
Israel .....	8.3	8.4	22%
Japan .....	36.7	36.9	45%
Netherlands .....	30.3	27.9	38%
Norway .....	8.4	8.3	39%
Philippines .....	8.6	8.7	57%
Switzerland .....	7.9	7.1	100%
South Africa .....	13.2	7.7	73%
Venezuela .....	6.2	6.2	55%
Yugoslavia .....	3.6	3.6	99%

Canada supplied 40% of the wheat purchased by importing signatories in the first year of the Agreement; and 37.6% in 1954-55.

## PRODUCTION OF GRAIN—WORLD

World output of farm products in 1954-55 is estimated by the U.S. Department of Agriculture to be almost as big as the record output in 1953-54. Crop production was down some 2%—with smaller output in North America and Asia. This decline was largely offset by record livestock production. Losses in North America—and failure to maintain the recovery of recent years in the Middle East and Asia—contributed to the first decrease in world farm production in nine years. World production of selected farm products for 1954 is compared with other periods in the following tabulation.

## WORLD PRODUCTION OF SELECTED FARM PRODUCTS

	Averages			
	<u>1935-39</u>	<u>1945-49</u>	<u>1953</u>	<u>1954</u>
	— in millions —			
Wheat—bushels .....	6,025	5,840	7,260	6,790
Rye—bushels .....	1,732	1,525	1,490	1,525
Oats—bushels .....	4,365	3,930	4,155	4,400
Barley—bushels .....	2,365	2,170	2,755	2,825
Corn—bushels .....	4,760	5,280	5,730	5,500
Meat—lbs. .....	68,000	67,000	80,400	82,700
Rice, milled—short tons	117.2	114.3	131.7	127.0

World grain production (while below 1953-54) was high. Wheat and corn were well above average; barley a record; and oats and rye close to record crops.

It is estimated (by IFAP) that the farmers of the world grew 6,800 million bushels of wheat in 1954. This is some 500 million bushels less than in 1953. Biggest production gains were in Argentina, Spain and France. The biggest loss was in Canada. Highest average-per-acre yields were in the Netherlands (56 bushels) and in Denmark (45 bushels).

Production in 1954, compared with 1953, is estimated for the twelve leading wheat producing countries as follows:

<u>Country</u>	<u>PRODUCTION</u>		
	— in million bushels —	1953	1954
Russia .....			1,300
United States .....	1,168		960
China .....			800
France .....	330		386
Canada .....	613		300
India .....	275		291
Italy .....	332		285
Argentina .....	228		260
Spain .....	125		180
Australia .....	199		165
Pakistan .....	105		137
West Germany .....	116		103

About 96% of the world's 1954-55 wheat crop was produced and marketed under government control. Price supports are world-wide—from a high of \$3.21 per bushel (U.S.) in Turkey, down to \$1.40 in Canada. Importing countries use tariffs, controls and subsidies to increase production for two related reasons: first, to attain greater self-sufficiency; and second, because exporting countries will not accept their currencies in trade. Exporting countries strive to market surpluses; and to return producers a decent living.

Turkey, after exporting for some years, imported wheat in 1954-55. Much western European wheat and rye was low quality; and was used for feed—when the feed grain output fell by 8%.

Rice output was some 2% below the 1953-54 record crop. However, supplies were ample to provide for an 8% expansion of trade—which had been held down by high prices in 1953.

## PRODUCTION OF GRAIN—CANADA

The outturn from Canada's 1954 harvest of wheat, oats, barley and rye (as reported by the Dominion Bureau of Statistics) is compared, in the following tabulation, with the 1953 outturn—and with world production (as estimated by the U.S. Department of Agriculture):

### OUTTURN OF SELECTED GRAINS—1953 and 1954

	1953		1954	
	World	Canada	World	Canada
	— in million bushels —			
Wheat .....	7,255	614	6,790	299
Oats .....	4,155	407	4,345	307
Barley .....	2,755	262	2,790	175
Rye .....	1,490	29	1,520	14
Totals .....	15,655	1,312	15,445	795

It will be seen that Canada supplied 8.37% of the world total of these four grains in 1953; and, in the harvest of 1954, only 5.15%.

Compared with the foregoing, the world harvest of rice (a major competing human food) was estimated at 5,973 million bushels in 1953, and 5,829 million bushels in 1954; while corn (a major feed grain) totalled 5,730 million bushels in 1953 and 5,490 million bushels in 1954.

Western Canada acreages and production of wheat, oats, barley, rye and flaxseed for 1954 are compared with previous years in the tabulation below:

### ACREAGES AND PRODUCTION OF WHEAT, OATS, BARLEY, RYE AND FLAXSEED IN ALBERTA, SASKATCHEWAN AND MANITOBA

<u>Year</u>	<u>Total Acreages</u>	<u>Total Bushels</u>
	— in millions —	
1954 .....	39.6	658.1
Average 1950-53 .....	42.2	1,110.5
Average 1940-49 .....	39.9	816.8

Total Western acreage sown to the five grains in 1954 was 6% less than the average for the four years 1950-53; but only slightly below the average for the decade of "the forties" (1940-49). Total 1954 production was 40.7% below the average for the four preceding years (1950-53); and 19.4% less than the average for the ten years 1940-49.

### WORLD TRADE IN GRAIN

World trade in wheat, according to U.S. Department of Agriculture estimates, totalled 942 million bushels in the 1954-55 crop year. This is 7% higher than in 1953-54; 3% above the 1945-53 average; but 12% below the 1951-52 record of 1,066 million bushels.

The fraction of total production which enters into world trade is indicated in the tabulation below:

## WORLD WHEAT PRODUCTION AND TRADE (Incl. Flour)

	Averages						
	1934- 38	1945- 49	1950- 51	1951- 52	1952- 53	1953- 54	1954- 55
— in million bushels —							
Production .....	6,025	5,840	.....	.....	7,400	7,255	6,790
Traded .....	549	888	937	1,066	987	834	942
% of Production into Trade .....	9.1%	15.2%	.....	.....	13.3%	11.4%	13.8%

The following tabulation indicates the changing relative positions of both exporting and importing nations. The United States has multiplied exports from the 1934-38 level. Europe's share of imports has shrunk—while bigger percentages of total shipments go to Asia and Africa.

## EXPORTS OF WHEAT (Incl. Flour)—in Million Bushels

	Averages						
	1934- 38	1945- 49	1950- 51	1951- 52	1952- 53	1953- 54	1954- 55
United States .....	45	416	365	475	317	216	
Australia .....	106	83	127	99	99	71	
Argentina .....	122	76	103	30	29	109	
Canada .....	175	252	221	347	392	288	
Others .....	101	61	121	115	150	150	
Totals .....	549	888	937	1,066	987	834	942
<u>% of Shipments to Continents</u>							
Europe .....	73%	61%	55%	50%	54%	50%	
Americas .....	15%	13%	15%	16%	16%	15%	
Asia .....	10%	21%	24%	27%	24%	29%	
Africa .....	2%	5%	6%	7%	6%	6%	

Estimates by FAO indicate that more than 85% of the wheat produced by the farmers of the world goes to home markets; and that 97% of the rice grown is consumed in the land of production.

## RICE PRODUCTION AND TRADE—in Thousand Metric Tons

		1952	1953	1954
		159,100	169,900	162,600
World production (ex Russia) .....	159,100	169,900	162,600	
Into world trade .....	4,479	3,922	3,871	
% of production into trade .....	2.8%	2.3%	2.3%	

(This tabulation is set out in metric tons of milled rice. A metric ton of milled rice represents about 74 bushels of rough rice.)

Burma has recovered her former position as the world's leading exporter of rice. Thailand is second—with the United States a close third.

## CANADIAN GRAIN EXPORTS

Canada's exports of wheat (and flour), oats (and meal), barley, rye and flaxseed during the 1954-55 crop year totalled 366.7 million bushels,

according to preliminary estimates by the Board of Grain Commissioners. While this total was 71 million bushels below 1953-54 and 216 million less than the record total of 582 million set in 1952-53, it was 16% higher than the average for the 30 years 1923-24 to 1952-53. Quantities exported in the year under review are compared with the previous year and the long-time average in the following tabulation:

### CANADIAN GRAIN EXPORTS

	1954-55	1953-54	30 year average 1923-24 to 1952-53
— in million bushels —			
Wheat (& flour) ....	251.8	255.1	255.4
Oats (& meal) ....	22.2	70.7	28.4
Barley .....	77.1	90.1	22.8
Rye .....	9.3	16.8	5.3
Flaxseed .....	6.3	5.2	2.1
Totals .....	366.7	437.9	314.0

Principal buyers of Canadian wheat (as grain) in 1954-55 are listed below—with comparative purchases for 1953-54 and the average over the preceding 30 years:

	1954-55	1953-54	30 year average 1923-24 to 1952-53
— in million bushels —			
United Kingdom ....	89.2	65.8	127.3
Japan .....	27.5	39.4	5.0
Germany .....	23.6	20.7	4.5
Belgium .....	15.5	13.3	9.9
Netherlands .....	10.1	6.8	7.0
Switzerland .....	8.2	9.9	2.3
29 other countries ..	37.2	52.9	56.6
Totals .....	211.3	208.8	212.6

Leading customers for Canadian flour included the United Kingdom (12.7 million bushels—grain equivalent); the Philippines (6.5 million); and Venezuela (4.3 million). Substantial quantities were sold to Central American markets.

Exports of Canadian oats fell sharply in 1954-55, from the 60-million-bushel levels of the three preceding years—when United States imports shrank from 65.9 million bushels in 1953-54 to only 14.8 million in 1954-55.

Barley exports in 1954-55 fell below the preceding year; but, were far above the 30-year average—as indicated in the following table:

	1954-55	1953-54	30 year average 1923-24 to 1952-53
— in million bushels —			
United Kingdom ....	48.5	19.6	7.6
United States .....	19.0	36.9	7.2
Japan .....	4.4	19.7	1.2
Belgium .....	1.7	3.2	1.9
Germany .....	1.2	7.0	2.4
Netherlands .....	1.2	0.8	1.2
Other countries ..	1.1	2.9	1.3
Totals .....	77.1	90.1	22.8

Exports of Canadian rye moved overseas, very largely. United States purchases fell to 1.8 million bushels—from 16.3 million in 1953-54. Flaxseed exports went to Japan, France and United Kingdom—as well as to six other countries in Europe.

With purchases of Canadian grains sharply curtailed by the United States, our southern neighbor was displaced in 1954-55 as Canada's best grain customer by the United Kingdom.

### WORLD CARRYOVER OF WHEAT

Quantities of wheat remaining about 1st July in the four major exporting countries for carryover at the close of their respective 1954-55 crop years are compared with former years as follows (based on estimates by the Canadian Wheat Board):

	1955	1954	1953	1952
— in million bushels —				
Canada .....	489.6	603.0	369.2	217.2
United States .....	1,020.0	901.9	1,087.9	838.0
Australia .....	127.3	126.8	61.4	43.5
Argentina .....	126.6	114.5	101.9	1.8
Totals .....	1,763.5	1,746.2	1,620.4	1,100.5

### CARRYOVER OF GRAIN IN CANADA

Carryover of Canadian grain at the close of the 1954-55 crop year is tabulated below (from estimates published by the Board of Grain Commissioners and the Dominion Bureau of Statistics):

### CARRYOVER OF PRINCIPAL CANADIAN GRAINS (In All North American Positions)—in Million Bushels

31st July	1955	1954	1953	10-year Average 1941-50
Wheat .....	481.3	582.7	369.2	255.5
Oats .....	81.1	125.8	144.4	72.6
Barley .....	87.2	145.9	111.7	30.6
Rye .....	17.9	19.3	16.2	5.2
Flaxseed .....	1.2	2.6	3.9	3.2
Totals .....	668.8	876.2	645.4	367.9
Commercial .....	461.7	428.6	361.0	241.1
On Farms .....	207.0	413.8	225.2	117.1

While "on farm" carryover at 31st July, 1955, is estimated at barely half the 1954 total, the volume of grain in commercial positions is higher by 32 million bushels; and constitutes an all-time record. Further, the oncoming 1955 crop far exceeded the harvest of the previous year.

### THE WEST'S HALF-CENTURY

In 1905 Alberta and Saskatchewan were created Canadian provinces. This was a salient event in the history of our nation. It was an achievement of particular significance to Manitoba. The northern boundary of the new

provinces was set at the sixtieth parallel of latitude. Forthwith, efforts were renewed in Manitoba which expanded the old "postage stamp" area of this province, eventually, to "60" and the West's ocean outlet on Hudson's Bay. Thus, it may be stated with peculiar truth, that the fifty years from 1905 to 1955 were "The West's half-century". It was a half-century of phenomenal development and magnificent production.

While pioneer records are fragmentary, it is certain that—from the first fields cropped at early fur forts down to the present century—Western farm production expanded steadily. As early as 1880, some 107,000 farmed acres produced 2,785,000 bushels of grain. In 1900, the yield from 2,663,000 acres exceeded 33,500,000 bushels. The great year, 1905, saw 175,715,000 bushels harvested from 5,831,000 Western acres.

The following tabulation shows how—during the decade beginning with 1910—average acreages of over 21 million produced crops averaging 472 million bushels. In the "twenties" these averages rose to 34 million acres and 712 million bushels. Then the "terrible thirties" cut average harvests to 587 million bushels from over 38 million acres. Grain acreages averaged nearly 40 million during the "forties", yielding above 816 million bushels. In the four years, 1950-53 inclusive, averages climbed to peaks of 42 million acres and 1,110 million bushels. In disastrous 1954, acreage fell to 39 million and outturn was slashed to 658 million bushels. Estimates for 1955 are that 40 million Western acres produced 1,096 million bushels of grain.

### ACREAGES AND PRODUCTION

#### Wheat, Oats, Barley, Rye and Flaxseed—Alberta, Saskatchewan and Manitoba

	000 Acres	000 Bushels
1900 .....	2,663	33,510
1905 .....	5,831	175,717
1910-19 average 10 years .....	21,438	472,988
1920-29 average 10 years .....	34,491	713,838
1930-39 average 10 years .....	38,066	587,087
1940-49 average 10 years .....	39,957	816,780
1950-53 average 4 years .....	42,187	1,110,550
1954 .....	39,650	658,129
1955 (estimated) .....	40,904	1,096,940

The records, which became more comprehensive and complete after 1909, disclose many things of significant interest. In the 25 years from 1880 to 1904 (inclusive) pioneer production of the five principal grains exceeded the astonishing total of 1,068 million bushels.

The first recorded flaxseed harvest produced 36,000 bushels, in 1891. Following World War I, the flaxseed outturn boomed to 9.6 million bushels in 1924; and, again, to 17.6 million in 1943. Both these records were far surpassed by the 2.59 million bushel crop of 1912—when "sod busting" was in full swing over our Canadian West.

One thousand bushels of rye was harvested in 1881. The first million-bushel crop was in 1916. Six years later (in 1922) rye production reached its peak of 29.4 million bushels.

In many years, Western farmers grew more oats than wheat. Production reached a peak of 391.7 million bushels in 1923; then, with the shift to tractor power, steadily declined—until the 1942 harvest of 500 million bushels; and the 1943 outturn of 392 million.

Barley production first topped 100 million bushels in the bumper harvest of 1928; and, after climbing to 241 million in 1942, has exceeded 100 million

bushels every year. Barley output reached its peak in the "fifties"—when it exceeded 281 million bushels for 1952; and, for the three harvests of 1951, 1952 and 1953, totalled 766 million bushels.

During the half-century since 1905, the farmers of our Canadian West have produced the stupendous total of 33.2 billion bushels of wheat, oats, barley, rye and flaxseed. This vast production provided the bulk of the 12.9 billion bushels exported by Canada since 1908-9; and supplied a big share of the 20 billion bushels of these grains used in Canada during that period.

An increasing percentage of all Canadians now live in the West. Westerners numbered less than 8% of Canada's population early in this century; today, over 18%. In the interval, the population of the nation has multiplied by three; and the West by six-and-a-half times.

In planning our agriculture for the future, two phenomena are fundamental. First, Canada's natural rate of population increase is one of the highest among all peoples. Second, early in this half century agriculture boomed to a dominating position in our Canadian economy. Today, industry and commerce are far in the lead in growth, production and profits; and, with high levels of earnings, are attracting the vast majority of Canada's workers.

Fifty years ago 40% of Canadian workers were in agriculture; today, less than 19%. Tremendous investment in farm mechanization has helped fewer workers multiply farm output by two-and-a-half times. Industrialization has expanded even faster. Canada has changed to an industrial nation—with manufactures dominating production, as our rich primary resources are more fully utilized and processed.

The West is contributing to the industrialization of the nation. Abundant power resources are a vital factor in economic development. Canada has more installed hydroelectric capacity than any other nation, except the United States; and more per capita than any other country, except Norway. In our Canadian West, installations totalling 1.1 million horsepower utilize only 14% of available water-power. In addition, vast resources of coal, oil and gas are being brought into use. While, in Eastern Canada, iron ore developments from Gaspe to Labrador have speeded the St. Lawrence Seaway—in the West, petroleum has boosted Alberta to second position in mineral production among all Canadian provinces. During 1953, more than 147 million barrels of Western oil was carried through some 3,700 miles of Canadian pipelines. Canada's mineral production has trebled in 10 years, to total \$1,454 million in 1954. The West contributed more than one-quarter of this total.

As the West's half-century closes, services, transportation, construction and manufacturing are booming at record and accelerating rates. National dollar income is multiplying.

All this emphasizes that our Canadian economy is increasingly industrial; and that the biggest and fastest growing market for grain grown on our Western farms is our home market. Coupled with these fundamentals is the further fact that trade in grain between nations is controlled by governments, to a greater degree than ever before in times of peace. Therefore, to solve the gigantic problems confronting them, Western farmers require—in fuller measure than ever before—co-operative action by the Government of Canada.

## GOVERNMENT OF CANADA FARM POLICY

On 28th January, 1955, the Federal Minister of Agriculture announced reduction of freight assistance rate on Western grains and millseeds by

approximately one-third. Freight-assisted shipments of wheat, oats, screenings and millfeeds from the West again declined during the 1954-55 crop year—while barley and rye shipments repeated last year's upward trend. As recorded at 31st July 1955 (complete information not expected until the end of October) the statistical position of freight-assisted shipments follows:

	<u>1953-54</u>	<u>1954-55</u>
Wheat, bushels .....	13,529,000	12,532,833
Oats, bushels .....	42,272,824	38,047,412
Barley, bushels .....	19,867,333	21,125,417
Rye, bushels .....	166,893	303,393
Screenings, tons .....	79,175	60,956
Millfeeds, tons .....	472,575	465,276

During the year it was evident, again, that an endless campaign by powerful interests aims at wrecking the Crow's Nest Pass Agreement—and raising the freight rates guaranteed by that covenant. The full strength and eternal vigilance of farm organizations are required to defend this basic safeguard to Western producers; and maintain it as a vital part of national farm policy.

It is evident, likewise, that construction of the St. Lawrence Seaway is being paralleled by a campaign engineered to rob the West of the economic benefits of this outlet—and divert these into profits for favored interests. Our Canadian West can reap its fair share of benefits from the Seaway only if our farm organizations maintain close watch on the Seaway development; and press the Government of Canada for rates regulated in the national interest.

Recognizing the necessity for assisting the Canadian Wheat Board in every possible way in its tremendous task of marketing grain for Western producers, the Government of Canada reorganized the Advisory Committee to the Board. Former members, representing various interests, were replaced by elected leaders of Western farm organizations.

A major instrument of government farm policy, insofar as the Canadian West is concerned, has been the Prairie Farm Assistance Administration. With the Prairie Farm Assistance Act, 1939, becoming increasingly subject to criticism, it appears wise to review the history of its operation.

Prior to 1939, Western crop losses from drought, flood, pests and other hazards imposed heavy burdens on municipal and provincial authorities in providing financial assistance. In response to requests from provincial legislatures, the Government of Canada developed an arrangement known as Direct and Agricultural Relief.

A subsequent survey was made by the federal Minister of Agriculture "with a view to evolving some plan" that would more effectively meet the need "in years when there might be widespread crop loss from causes beyond the farmer's control." As a result, the Government of Canada passed the Prairie Farm Assistance Act on 3rd June, 1939. The Act came into operation on 1st August, 1939.

In the years since 1939, the Act has been amended, repeatedly. Originally designed to aid farmers who suffer drought damage, its provisions have been broadened to partially indemnify farmers who lose crops by flooding. For this restricted measure of crop insurance, Western farmers pay a levy of 1% of cash returns from all grain delivered; and are guaranteed that costs in excess of this total shall be met from the national treasury.

Indemnities paid have exceeded the 1% levy in all years—with the exception of 1951, 1952 and 1953. To 31st July, 1955, levies under the Act totalled \$88,750,952; while total indemnities paid until 10th June, 1955, totalled \$177,397,625.

Of particular interest are the following comments on PFAA by a commission studying crop insurance in Manitoba:

"The Prairie Farm Assistance Act has been in operation during a period of relatively high average yields; for that reason the record . . . does not present an accurate picture of the operations of the Act on a long-term basis . . . If the Act is continued in force for a long period of time and the present levy of 1% is maintained, all evidence indicates that indemnities will exceed the sum collected by a substantial amount."

The Commission concluded that the 1% levy now paid by Western farmers is inadequate to provide any form of all-risk crop insurance.

Payments and awards made in Alberta, Saskatchewan and Manitoba during the year under review and since the inception of PFAA are set out in the following tabulations:

	1% Levy	Awards	Payments
	Aug. 1, 1954-July 31, 1955	Aug. 1, 1954-July 22, 1955	Aug. 1, 1954-July 22, 1955
Manitoba .....	\$ 748,694.05	26,494	\$ 4,698,504.00
Saskatchewan .....	3,169,787.24	88,556	21,564,347.00
Alberta .....	1,614,486.03	33,585	5,721,298.50
<b>Total .....</b>	<b>\$5,532,967.32</b>	<b>148,635</b>	<b>\$31,984,149.50</b>
	1% Levy	Awards	Payments
	1939 to 31st July, 1955	1939 to 22nd July, 1955	1939 to 22nd July, 1955
Manitoba .....	\$13,625,809.92	60,216	\$ 8,719,367.77
Saskatchewan .....	49,712,252.50	546,151	126,602,442.58
Alberta .....	25,392,993.17	228,984	42,685,378.80
Unallocated .....	19,896.51	2,716	372,968.25
<b>Total .....</b>	<b>\$88,750,952.10</b>	<b>838,067</b>	<b>\$178,380,157.40</b>

It is apparent that Western farm people are increasingly interested in having the impact of hazards which too often wreck production on individual farms, spread by insurance—so that efficient farmers may continue operations; and the best interests of community and nation shall be served.

## CO-OPERATION IN CANADA

The statistics of co-operative business in Canada for successive years have indicated that co-operation is not keeping pace with the economic development of the nation. Reports (by the Department of Agriculture) covering activities for the crop year ending 31st July, 1954, emphasize this lagging trend.

Through a total of 2,571 Co-operatives doing business in Canada during the 1953-54 crop year, a total membership of 1,395,905 conducted operations aggregating \$1,016 million. This was a downward movement of \$186 million, compared with 1953 figures; and represented, largely, a decrease in wheat sales by producers of \$140 million.

Farm products marketed co-operatively totalled \$733 million; while merchandise and supplies sold exceeded \$234 million. Fish Co-operatives reported a total business of nearly \$15 million; and service Co-operatives had overall revenues of above \$12 million.

In addition, Co-operative Wholesales (excluding Interprovincial Co-operatives Limited) reported a total business volume of \$149 million. The marketing of farm products through Co-operative Wholesales amounted to

\$96 million—plus livestock sales of \$25 million and supplies of almost \$52 million.

These figures may be impressive. Nevertheless, they stress the fact that, if Canadians are to benefit from co-operation—as a balancing corrective to competitive profiteering — tremendously increased percentages of the nation's expanding business must be transacted through Co-operatives.

## CONCLUSION

Accurate appreciation of our farm situation focuses sharply on the fact that—while industrialization has boomed to dominance in our national economy—net farm income has fallen in our Canadian West.

Canada's net farm income during 1954 dropped for the third successive year. For Western farm families the drop was disastrous.

The Dominion Bureau of Statistics estimated net income to Canadian farmers in 1954 at \$1,125.6 million. This was 33% below 1953; 41% below 1952; and 47% less than 1951. For our farm people in Alberta, Saskatchewan and Manitoba 1954 net income was estimated at \$376 million—the lowest since 1941.

Over the nation, 1954 net farm income was 33% below 1953. This represents a decrease of 8.1% for farmers in the other six provinces (omitting Newfoundland); and, for the West, a drop of 57.4%.

Compared with 1952, 1954 net farm income for the nation dropped 41%. The decrease for the rest of Canada was 11%. For Alberta, Saskatchewan and Manitoba it was 65%.

Compared with 1951, net farm income in 1954 was 47% lower—representing losses of 27% for the other six provinces; and of 67% for the West.

Compared with the average for the ten years 1940-49, net farm income for Canada in 1954 was 1% higher. This represented a gain of 30.3% in the other six provinces; and a loss of 30.5% for Western farmers.

The foregoing calculations are based upon dollars of current value. According to CFA estimates, however, our dollar today buys less than in 1935-39; and "looked at in this way, the Canadian farmer's purchasing power for living expenses (in 1954) was down 42% compared with 1949 and 50% compared with 1951." Extension of this calculation (based upon 1935-39 constant dollars and compared with 1949 as 100) shows the index of net income for farmers in Canada's other six provinces to be 76 in 1954; that is: 24 points below 1949 and 31 points below 1951. For the farm people of Alberta, Saskatchewan and Manitoba the index of 1954 net income is 61 points below 1949 and 82 points below 1951. This puts the 1954 income of our Western producers below the level of the 1935-39 period—or any year since.

Decisive action to permit Western agriculture to carry on at full efficiency is a national necessity. However, this immediate need must not obscure the more basic necessity for realignment of the attitude of Canadians and their governments toward agriculture, as a vital part of our national economy.

The stability and permanence of this economy must be built, largely, upon balance between its several parts. From Confederation, agriculture fathered our "infant industries"; pap-fed their hungry years, and nursed their phenomenal growth—with heavy payments in protective tariffs.

To achieve the necessary balance, agriculture must be established on a basis of equity with the other components of our Canadian economy. A fundamental step toward achievement of such balanced and equal status for agriculture is that the farm people of the West and of the nation organize and utilize their united strength.

Respectfully submitted,

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



Combine

LETHBRIDGE HERALD PHOTO

## CANADIAN POOL AGENCIES LIMITED

### DIRECTORS' REPORT

1954-1955

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

Gentlemen:

This is the twenty-seventh year of operation of your Agency, and we submit herewith for your approval the Annual Report and Financial Statements for the fiscal year ended July 31st, 1955.

The results show a surplus of \$55,563.09. Out of this sum \$487.58 has been set aside for income taxes, leaving \$55,075.51 available for dividends, as compared with \$71,046.50 last year. The reason for this substantial difference is that some of our business is placed for three years, and the year in which it is placed benefits.

Although it is important that the maximum commissions are received, the value of your Agency is not measured entirely by the surpluses produced. Where rates are competitive the best possible rates are secured, making certain that the companies are satisfactory as to financial strength and service available. The forms of contract are analysed and improved where possible, to eliminate any possibility of dispute in case of loss.

Thirteen types of insurance were handled during the year. The greatest income is derived from fire insurance, followed by fidelity bonds, then automobile and liability 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:** Nine new loans were made during the year and seven were repaid, leaving the total number now outstanding at fifteen. Three 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 Pool Insurance Company on the inter-office account of \$8,740.73 and a loan of \$5,051.70.

**Investments:** The amount shown under this heading represents the cost price of purchases of \$35,000.00 of Dominion of Canada Bonds, 3 1/4%, redeemable June, 1966. The market value of these bonds as at the date of the Balance Sheet represented an amount of \$35,420.00 which is slightly more than the cost price of the bonds. While there may be some fluctuations in the value of these bonds, it is our belief that they offer the best medium of obtaining an earning without risk of loss. We are in the satisfactory position of being able to invest considerably more than our capital and reserve the year round, and operate the Agency on current income.

**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 year's expenses, but which had not actually been paid prior to year end.

**Reserve:** This sum was built up over a period of years to provide for the possibility of unusual cancellations; for investment losses, and any other contingencies that may arise. 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,

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

**CANADIAN POOL AGENCIES LIMITED**  
**Winnipeg, Manitoba**

**BALANCE SHEET**  
**As at 31st July, 1955**

**ASSETS**

<b>AGENCY ASSETS</b>		<b>\$133,907.55</b>
Cash in Agency Bank Accounts	\$ 11,063.78	
Accounts Receivable	122,843.77	
		<b>\$133,907.55</b>
<b>SHAREHOLDERS' AND PATRONS' ASSETS</b>		<b>95,978.49</b>
<b>Cash</b>		<b>\$ 2,751.88</b>
In General Bank Accounts	\$ 2,691.88	
On Hand	60.00	
		<b>\$ 2,751.88</b>
<b>Accounts Receivable</b>		<b>56,969.61</b>
Commissions—per contra	\$27,017.42	
Loan Accounts Secured	13,356.50	
Pool Insurance Company	13,792.43	
Miscellaneous	2,803.26	
		<b>\$56,969.61</b>
<b>Investments—at cost</b>		<b>35,086.78</b>
\$35,000.00 Dominion of Canada		
Bonds, 3 1/4%, maturing June		
June 1, 1966	\$35,086.78	
		<b>\$35,086.78</b>
(Quoted value 31st July, 1955		
\$35,420.00)		
<b>Membership Deposit</b>		<b>100.00</b>
Insurance Agents' Association ..	\$100.00	
<b>Furniture and Fixtures</b>		<b>1,070.22</b>
Cost—less depreciation ..	\$1,070.22	
		<b>\$95,978.49</b>
		<b>\$229,886.04</b>

**AUDITORS' REPORT—**

We have audited the accounts of Canadian Pool Agencies Limited for the year ended 31st July, 1955, 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. Dominion of Canada bonds held for investment were produced for examination.

We certify that, in our opinion, the above Balance Sheet and related

**CANADIAN POOL AGENCIES LIMITED**  
Winnipeg, Manitoba

**BALANCE SHEET**  
As at 31st July, 1955

## LIABILITIES

AGENCY LIABILITIES .....	\$133,907.55
Accounts Payable .....	\$106,890.13
Commissions—per contra .....	27,017.42
	<u>\$133,907.55</u>
SHAREHOLDERS' LIABILITIES AND RESERVES .....	75,978.49
Miscellaneous Accounts Payable .....	\$ 715.40
Reserve for Income Tax .....	187.58
Patronage Dividend Payable—Exhibit B .....	55,075.51
General Reserve Against Unearned Income and Investments .....	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>\$75,978.49</u>
CAPITAL STOCK .....	20,000.00
Authorized .....	\$20,000.00
Issued and Fully Paid .....	\$20,000.00
(2,000 Shares of \$10.00 each) .....	<u>\$20,000.00</u>

Signed on behalf of the Board:

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

\$229,886.04

statements are properly drawn up so as to exhibit, respectively, a true and correct view of the financial position of Canadian Pool Agencies Limited as at 31st July, 1955, 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,  
8th September, 1955.

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

CANADIAN POOL AGENCIES LIMITED  
Winnipeg, Manitoba

SUMMARY OF SURPLUS ACCOUNT  
For the Year Ended 31st July, 1955

	<u>Debit</u>	<u>Credit</u>
Surplus for the year ended 31st July, 1955— Exhibit C .....		\$55,563.09
Reserved for Income Tax .....	\$ 487.58	
Patronage Dividend for the year 1954-55—Ex- hibit A .....	55,075.51	
Allocated as follows:		
Alberta Wheat Pool .....	\$ 8,447.69	
Manitoba Pool Elevators .....	9,550.56	
Saskatchewan Wheat Pool ..	37,077.26	
	<u><u>\$55,075.51</u></u>	
	<u><u>\$55,563.09</u></u>	<u><u>\$55,563.09</u></u>

CANADIAN POOL AGENCIES LIMITED  
Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE  
For the Year Ended 31st July, 1955

## INCOME—

Commissions:		\$73,149.62
Fire	\$36,888.60	
Bonds	22,425.83	
Lake Marine	126.21	
Ocean Marine	1,148.43	
Automobile	4,332.62	
Accident and Sickness	429.91	
Liability	3,639.10	
Use and Occupancy	1,664.60	
Robbery and Burglary	435.86	
Inland Marine	701.92	
Inland Transportation	157.19	
Steam Boiler	208.06	
Plate Glass	76.60	
Contingent	1,257.35	
		\$73,492.28
Less Brokerage Paid	342.66	
		<u>\$73,149.62</u>

## Other Income:

Interest		3,002.91	
		TOTAL INCOME FOR THE YEAR	\$76,152.53

EXPENSES		20,589.44
Salaries	\$14,354.73	
Directors' Fees and Expenses	608.58	
Rent and Light	1,860.51	
Telephone and Telegraph	321.93	
Printing, Postage and Stationery	1,432.23	
Taxes and Licenses	237.66	
Travelling	131.35	
Legal and Audit	688.71	
Depreciation	267.55	
Insurance	9.80	
Staff Pension, Group and Unemployment Insurance	483.77	
Miscellaneous	492.62	
		\$20,889.44
Deduct Recovery from Interprovincial Pool	300.00	
		<u>\$20,589.44</u>
Balance—Surplus for year ended 31st July, 1955, carried to Exhibit B		<u>\$55,563.09</u>



Maligne Lake

POOL INSURANCE COMPANY

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## DIRECTORS' REPORT

1954

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

Gentlemen:

Your Company has completed sixteen years of service to the parent organizations, and we have pleasure in submitting herewith for your approval the Annual Report and Financial Statements covering operations for the year ended 31st December, 1954.

The results for the year show excess of income over expenditure of \$640,254.88, as compared with \$481,248.76 last year. After transferring \$15,000.00 to Capital Surplus Account; setting up the usual capital stock dividend as required by the Company's Charter and a reserve of \$3,700.00 for income tax, the balance of \$621,553.03 has been allocated to the policy-holders on the basis of their contribution to the surplus.

The total premium income amounted to \$1,302,813.12, as compared with \$1,205,030.63 last year.

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

\$306,291.89 last year. The net losses and adjustment expenses of \$54,910.45 produced a loss ratio of 16.54% as compared with 44.11% last year.

Three total losses were reported and they occurred when substantial grain stocks were in store. The elevators were located as follows:

In Alberta—Hythe (grain only).

In Saskatchewan—Rokeby and Montmartre.

In addition to these total losses, forty-one small losses were sustained at elevators: fifteen by fires and twenty-six by windstorms. Four dwellings suffered partial damage.

The inspection of all pool property insured by the Company for the purpose of detecting and removing fire hazards is, we consider, a most important feature of our operations, and we cannot overemphasize fire prevention. We do depend to a large extent on the year round alertness of the elevator agents, in detecting and removing fire hazards, and continued watchfulness is essential if we are to maintain or improve the present loss experience. Extra precautions against fire hazards at the time of continued operation of the elevator is important, particularly in regard to checking of the machinery, and a close watch should be kept upon starting operations when the machinery has been idle for some time.

The property insured by your Company has reached an all time high and you may be interested in the figures which we list hereunder. Building values change from time to time and the values shown are as at 31st December, 1954. The value of the grain is the daily average for the year.

Country Elevators .....	\$ 63,891,325.00
Grain .....	142,794,319.17
Dwellings .....	6,022,231.00
Miscellaneous .....	2,628,229.99
	<u>\$215,336,105.16</u>

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 revenue shown in the Statement of Income and Expenditure is made up of the earned premiums on our percentage of the risks, plus commission earned on the reinsurance, less losses, and earned commission paid to Canadian Pool Agencies Limited.

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 two of our reinsurers.

### Investments—

You will notice the market value of the Company's investments is more than the ledger value by \$17,872.50. 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—

Two new automobiles were purchased during the year, and after allowing depreciation on this account of \$2,033.33 at standard rates, the asset covering four automobiles is shown as \$4,744.46. 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 represents premium tax, income tax and fire prevention taxes due respectively to the Federal and Provincial Governments.

### Reserve for Unearned Income—

These reserves are calculated on the basis of one hundred percent of the unearned premiums on our own retention and one hundred percent of the unearned portion of the reinsurance commissions as at 31st December, 1954.

### 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	\$ 9,000.00
Manitoba Pool Elevators .....	500	50,000.00	37,000.00	6,000.00
Saskatchewan Wheat Pool .....	1,250	125,000.00	92,500.00	15,000.00
	<u>2,500</u>	<u>\$250,000.00</u>	<u>\$185,000.00</u>	<u>\$30,000.00</u>

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

The \$30,000.00 premium on capital stock referred to above, was originally provided to create a surplus required by the superintendent of insurance. According to the insurance act, we are required to retain a surplus at least equal to our unearned premiums before refunds of excess charges are made. With the increase in volume of business over the past

few years it is necessary to build up our retained surplus, and a further \$15,000.00 of this year's net earnings has been transferred to the Capital Surplus Account, which has been further increased by \$2,875.00 profit realized on our holding of Dominion of Canada bonds called 1st December, 1954.

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

Respectfully submitted,

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

POOL INSURANCE COMPANY  
Winnipeg, Manitoba

BALANCE SHEET  
As at 31st December, 1954

ASSETS

Cash in Bank .....	\$ 110,525.36
In Bank of Montreal—Current Account .....	\$110,360.04
Savings Account .....	165.32
	<u>\$110,525.36</u>
Accounts Receivable .....	130,537.44
Canadian Pool Agencies Limited .....	\$126,010.94
Reinsurance Accounts .....	4,526.50
	<u>\$130,537.44</u>
Investments—at cost .....	903,627.50
Government of Canada Bonds .....	<u>Par Value</u>
	\$915,000.00
Market Value .....	<u>\$921,500.00</u>
Interest Thereon:	5,963.55
Due .....	\$1,375.00
Accrued .....	4,588.55
	<u>\$5,963.55</u>
Automobiles .....	4,744.46
	<u>\$1,155,398.31</u>

AUDITORS' CERTIFICATE—

In our opinion the above balance sheet and related statements of Pool Insurance Company are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at 31st December, 1954, and the result of its operations for the year ended that date, according to

**POOL INSURANCE COMPANY**  
**Winnipeg, Manitoba**

**BALANCE SHEET**  
**As at 31st December, 1954**

**LIABILITIES**

<b>Current Liabilities</b>		<b>\$ 695,150.44</b>
Miscellaneous Accounts Payable	\$ 650.00	
Reinsurance Accounts Payable	60,635.92	
Fire Losses in Process (net of reinsurance)	1,532.54	
Taxes Accrued	10,777.10	
Dividends Payable as per Exhibit B	621,554.88	
	<b>\$695,150.44</b>	
<b>Reserve for Unearned Income</b>		<b>165,940.86</b>
Unexpired Portion of Premium Income	\$86,549.86	
Unexpired Portion of Reinsurance Commissions	80,026.37	
	<b>\$166,576.23</b>	
Less Commissions Paid on Business not yet taken into Income	635.37	
	<b>\$165,940.86</b>	
<b>Capital Stock</b>		<b>185,000.00</b>
Authorized—5,000 shares at \$100	<u>\$500,000.00</u>	
Subscribed—2,500 shares at \$100	<u>\$250,000.00</u>	
Paid Up Thereon	<b>\$185,000.00</b>	
<b>Capital Surplus</b>		<b>109,307.01</b>
Premium at 12% on Capital Stock	\$ 30,000.00	
Surplus realized on Investments Sold	11,807.01	
Transferred from Shareholders' and Patrons' Equity Account—1949-54	67,500.00	
	<b>\$109,307.01</b>	
Signed:		
J. H. WESSON, Director.		
W. J. PARKER, Director.		
		<b>\$1,155,398.31</b>

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, (Signed) MILLAR, MACDONALD & CO.,  
22nd February, 1955. Chartered Accountants.

POOL INSURANCE COMPANY  
SUMMARY OF SHAREHOLDERS' AND PATRONS' EQUITY  
ACCOUNT

Exhibit B.

For the Year Ended 31st December, 1954

	<u>Debit</u>	<u>Credit</u>
Balance at Credit, 31st December, 1953 .....		\$462,648.76
<b>Distributed during 1954:</b>		
Shareholders' Dividend, Year 1953 .....	\$ 1.85	
Alberta Wheat Pool .....	\$.55	
Manitoba Pool Elevators .....	.37	
Saskatchewan Co-operative		
Producers Limited .....	.93	
	<u>\$ 1.85</u>	
Patrons' Dividend, 1953 .....		462,646.91
Alberta Wheat Pool .....	84,700.25	
Alberta Pool Elevators Limited .....	54.38	
Alberta Wheat Pool and Alberta Pool Elevators Limited .....	40,502.05	
Manitoba Pool Elevators .....	73,669.21	
Saskatchewan Pool Elevators Limited .....	81,973.83	
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited .....	9.06	
Saskatchewan Co-operative		
Producers Limited .....	180,257.85	
Saskatchewan Co-operative		
Livestock Producers Limited .....	1,274.85	
Modern Press Limited .....	205.43	
	<u>\$462,646.91</u>	
Surplus for Year 1954—Exhibit C .....	\$462,648.76	\$462,648.76
Transferred to Capital Surplus .....	640,254.88	
Reserve for Income Tax .....	15,000.00	
Balance Carried Down .....	3,700.00	
	<u>621,554.88</u>	
	<u>\$1,102,903.64</u>	<u>\$1,102,903.64</u>
Balance Brought Down .....		\$ 621,554.88
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 .....		621,553.03
Alberta Wheat Pool .....	\$105,469.96	
Alberta Pool Elevators Limited .....	50.55	
Alberta Wheat Pool and Alberta 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>	
	<u>\$621,554.88</u>	<u>\$621,554.88</u>

POOL INSURANCE COMPANY  
Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE  
For the Year Ended 31st December, 1954

Premiums on Business Written .....	\$1,302,813.12
Less Ceded to Other Companies .....	958,946.80
<i>Deduct Increase in Unearned Premiums Reserve .....</i>	<i>11,867.45</i>
Premiums Earned in 1954 .....	331,998.87
<i>Deduct Losses and Adjustment Expense .....</i>	<i>\$ 214,661.89</i>
Less Reinsurance Recoveries .....	159,751.44
	54,910.45
Net Underwriting Income .....	277,088.42
Add Commissions on Reinsurance placed with other Companies (earned portion only) .....	415,660.32
Total Income Before Commissions Paid .....	692,748.74
<i>Deduct Commissions Paid (on earned premiums only) .....</i>	<i>1,754.31</i>
Balance Available for Expenses and to Shareholders and Patrons .....	690,994.43
<i>Deduct—Expenses—</i>	
Taxes, Licenses and Association Dues .....	\$ 22,828.17
<i>Inspection Service—</i>	
Salaries .....	\$15,568.00
Automobile Expenses .....	6,595.07
Other Travelling Expenses .....	4,580.95
Staff Pension, Group and Un- employment Insurance .....	1,318.98
Printing and Stationery .....	521.50
Postage, Telegrams, Telephones and Express .....	207.65
	28,792.15
<i>Administration—</i>	
Salaries .....	\$13,992.14
Rent and Light .....	1,723.86
Directors' Fees and Expenses ..	792.90
Travelling Expense .....	226.85
Printing and Stationery .....	286.29
Postage, Telegrams, Telephones and Express .....	513.81
Legal and Audit .....	712.62
Staff Pension, Group and Un- employment Insurance .....	518.68
Miscellaneous .....	877.90
	19,645.05
	71,265.37
<i>Add Interest Earned .....</i>	<i>\$619,729.06</i>
	20,525.82
Balance—Surplus for the Year 1954—carried to Exhibit B .....	\$640,254.88





