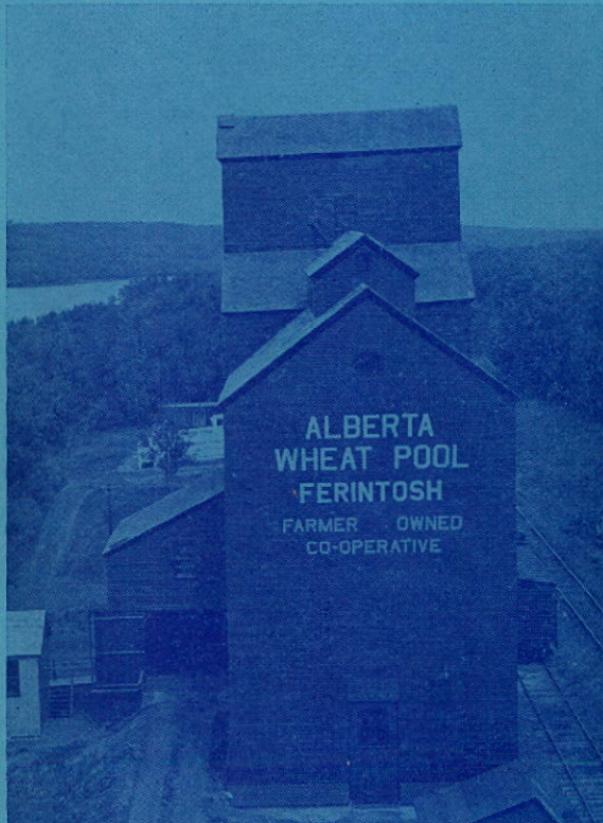


C
Stack

ALBERTA WHEAT POOL

Annual Report

1953-1954



PURVIS HAN
LIBRARIES
CALGARY, ALBERTA

APR 29 1997

McMILLAN UNIVERSITY

ISSUED BY

ALBERTA WHEAT POOL

DECEMBER, 1954

INDEX

	Page
List of Alberta Wheat Pool Delegates	2-3
Alberta Wheat Pool—	
(a) Board of Directors' Report	4-22
(b) Manager's Report	23-30
(c) Auditors' Report, Balance Sheet and Statement of Operations	32-45
(d) Consolidated Balance Sheet	46-47
(e) Analysis of Balance Sheet	52-59
Alberta Pool Elevators, Limited—	
(a) Auditors' Report and Balance Sheet	48-51
(b) Analysis of Balance Sheet	61-66
Canadian Co-operative Wheat Producers, Limited—	
(a) Board of Directors' Report	68-88
Canadian Pool Agencies, Limited—	
(a) Board of Directors' Report	89-91
(b) Auditors' Report and Balance Sheet	92-93
(c) Summary of Surplus Account	94
(d) Statement of Income and Expenditure	95
Pool Insurance Company—	
(a) Board of Directors' Report	96-99
(b) Auditors' Report and Balance Sheet	100-101
(c) Summary of Shareholders' and Patrons' Equities	102
(d) Statement of Income and Expenditure	103

ALBERTA WHEAT POOL

Annual Report

1953-1954



ISSUED BY

ALBERTA WHEAT POOL

CALGARY, ALBERTA

DECEMBER, 1954

BOARD OF DIRECTORS

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



DELEGATES

LETHBRIDGE—District A.

A 1. (ra)	Madill, Herbert A.	60091.....	Foremost
A 2. (ra)	Blackmer, Russell	46434.....	Coutts
A 3. (ra)	Oliver, W. A.	60602.....	Warner
A 4. (nn)	Redd, Paul H.	18734.....	Raymond
A 5. (ra)	Lee, Lester W.	12947.....	Woolford
A 6. (ra)	Davidson, Edwin N.	61209.....	Coaldale
A 7. (e)	Erdman, Ralph L.	80319.....	Barons
A 8. (ra)	Claeys, Lucien	73547.....	Vauxhall
A 9. (ra)	Egan, Alfred	68422.....	Bow Island
A 10. (ra)	Montgomerie, T. S.	50655.....	Medicine Hat

CALGARY—District B.

B 1. (ra)	Pelletier, George E.	64025.....	Pincher Creek
B 2. (e)	xO'Neil, James J.	60011.....	Claresholm
B 3. (e)	Hagerman, T. H.	8573.....	Parkland
B 4. (re)	Morrison, W. S.	54846.....	High River
B 5. (a)	Rudolph, Evenis	67908.....	Dalemead
B 6. (ra)	Rosenberger, O. Keith	60024.....	Balzac
B 7. (a)	—Wood, Ray W.	25064.....	Carstairs
B 8. (ra)	Thompson, S. E.	22811.....	Carmangay
B 9. (e)	Brown, Sam, Jr.	68454.....	Blackie
B 10. (ra)	Bertrand, V. J.	1810.....	Milo

DRUMHELLER—District C.

C 1. (ra)	Frey, Jake	7263.....	Arneson
C 2. (ra)	Pearce, J. M.	27078.....	Carolside
C 3. (a)	—xChristensen, Ansgar	89741.....	Tilley
C 4. (nn)	Petersen, T. A.	29309.....	Rosedale
C 5. (re)	Wheatley, J. M.	24466.....	Chancellor
C 6. (ra)	Cammaert, Emile	35501.....	Rockyford
C 7. (re)	Bates, A. C.	73708.....	Acme
C 8. (ra)	Offord, Robert D.	73743.....	Morrin
C 9. (e)	Kaechele, D.	11490.....	Ghost Pine Crk.
C 10. (ra)	Taggart, H. L.	56363.....	Olds

RED DEER—District D.

D 1. (ra)	Anderson, Ezekiel	436.....	Excel
D 2. (ra)	Massam, R. R.	14139.....	Sedalia
D 3. (ra)	Paetz, John T.	62427.....	Big Stone
D 4. (e)	xMacpherson, Allan J.	71896.....	Delia
D 5. (a)	McBride, Hamilton J.	72459.....	Leo
D 6. (re)	Judd, S. S.	11486.....	Stettler
D 7. (re)	Domoney, Fred	5566.....	Penhold
D 8. (e)	xStone, John J.	65021.....	Alix
D 9. (ra)	Murray, James	82130.....	Eckville
D 10. (ra)	Haarstad, Alfred B.	30752.....	Bentley

CAMROSE—District E.

E 1. (ra)	Fawcett, George G.	47033	Consort
E 2. (nn)	Smith, George F.	61111	Provost
E 3. (ra)	Hallett, John	8662	Fleet
E 4. (e)	xFlaade, Bennie Alfred	64158	Rosyth
E 5. (e)	—xWeber, Ben S.	24243	Sedgewick
E 6. (ra)	Hayes, Charles P.	9290	Strome
E 7. (re)	Haner, Raymond M.	42732	Red Willow
E 8. (ra)	Johnson, Arne	62168	Camrose
E 9. (ra)	Johnson, Charles A.	69802	Ponoka
E 10. (e)	xRasmussen, C. H.	65747	Gwynne

VEGREVILLE—District F.

F 1. (nn)	Murray, John T.	53264	Chauvin
F 2. (ra)	Dobson, Parke	60982	Paradise Valley
F 3. (ra)	Davies, George H.	62999	Lloydminster
F 4. (nn)	Jackson, James	60986	Irma
F 5. (ra)	Bennett, George	1655	Mannville
F 6. (e)	xKapicki, George	86770	Andrew
F 7. (re)	Moen, E. A.	14776	Tofield
F 8. (ra)	Ziegler, George	44725	Vegreville
F 9. (ra)	Alton, Willmot	40992	Ft Saskatchewan
F 10. (re)	Lamothe, A.	72533	St. Paul

EDMONTON—District G.

G 1. (e)	Boychuk, J. W.	60408	Smoky Lake
G 2. (re)	Ewasiw, William	68304	Egremont
G 3. (nn)	Antonson, Carl	657	Pibroch
G 4. (nn)	Rigney, W. Frank	79476	Gibbons
G 5. (a)	Saffin, M.	19803	Morinville
G 6. (re)	Paterson, Charles P.	68926	Mayerthorpe
G 7. (ra)	Powell, Uri	18284	Sexsmith
G 8. (ra)	Hadland, Arthur R.	59388	Baldonnel, B.C.
G 9. (re)	White, Frank	68571	Spirit River
G 10. (re)	McAuley, W. H.	15512	Fairview

(a) Elected by Acclamation.

(ra) Re-elected by Acclamation.

(e) Elected.

(re) Re-elected.

(nn) No Nomination.

(—) —By-election.

(x) —Delegates elected in 1954 who did not serve in that capacity in 1953, replacing the following:—

B 2.	Walker, Gordon B. (deceased)	73156	Claresholm
C 3.	Regehr, Gustav	59742	Brooks
D 4.	Nelson, Edward	16454	Craigmyle
D 8.	Armstrong, Mark	709	Lacombe
E 4.	Wallsten, Gustav A.	63804	Edmonton
E 5.	Oberg, Gerald	16900	Forestburg
E 10.	Howes, T. H.	10280	Millet
F 6.	Kokotailo, Tom	12152	Willingdon

REPORT OF BOARD OF DIRECTORS

ALBERTA WHEAT POOL

— to —

THIRTY-SECOND ANNUAL MEETING
OF DELEGATES

November 23rd, 1954



BEN S. PLUMER

Chairman, Board of Directors
Director since November 14, 1923

Gentlemen:—

Your directors are pleased to report that the Alberta Wheat Pool enjoyed financial success in the fiscal year ending July 31st, 1954, and a substantial surplus was earned. We are concerned, however, with the deteriorating economic position of agriculture and the decline in Alberta Pool Elevator handlings from nearly 80 million bushels in the previous year to 56 million bushels in the immediate year past, a drop of about 24 million bushels.

The reduction in Pool elevator handlings was due mainly to grain congestion and the system of freight car distribution. At the beginning of the crop year most Pool country elevators were filled to capacity. At the end of the year the same condition prevailed. The Alberta Pool Elevators percentage of

the total Alberta grain deliveries was 31.2 compared with 33 in the 1952-53 crop year, and 34.11 in the 1951-52 crop year.

The present system of car distribution provides for one car per elevator at each shipping point. This plan works out to the disadvantage of Pool elevators and only too many Pool members have been forced against their will to deliver their grain to opposition elevators. For over a generation, the western farmer's struggle has been directed to obtaining the right to deliver his grain to the elevator of his choice. Under the present method of car distribution, past achievements towards obtaining that right have been nullified.

During the year under review various efforts were made with the objective of rectifying the situation. The use of the car order book was tried at a number of points, particularly in the Peace River area, with a measure of success, but the car order book does not seem to provide the complete answer to the problem. Under an order by the Transport Controller the operations of the car order book were suspended from October 19th, 1953 to December 16th, 1953, and previously from December 4th, 1951 to July, 1952.

An Interprovincial Pool Committee, under the chairmanship of G. L. Harrold, made a careful study of the situation and had frequent interviews with Rt. Hon. C. D. Howe, Minister of Trade and Commerce, R. W. Milner, Transport Controller, and The Canadian Wheat Board. A plan was submitted to Rt. Hon. C. D. Howe for amendments to "The Canadian Wheat Board Act" and "The Canada Grain Act", which would provide that a producer could indicate by ballot his choice of elevator, and cars would be distributed accordingly. The Minister was not prepared to accept the recommendations but suggested as an alternative the setting up of a "car cycle" based on a period of shipping wheat when there was a reasonably free movement of grain. The Pools recommended the best period for such a cycle should be the crop years 1945-46 to 1949-50, inclusive. Subsequently, the Minister reported that further study of such a plan suggested that certain restrictions prevented its practical operation.

Your directors are not satisfied with that answer. They believe that some reasonable plan can be developed to give to the grain producer the right to which he is fully entitled, namely, that of delivering his grain to the elevator of his own choice.

There is a long history of the prairie grain producers' efforts to build up a farmer-owned system of grain handling operating in a truly co-operative manner. It started with difficulties and disappointments. Progress has been achieved with comparative slowness over obstacles erected by people

who do not like to see farmer co-operatives achieve substantial success.

Unquestionably, handlings of Pool elevators would have been far larger than has been the case during the last few years were it not for the unfair allocation of cars. Your directors are determined to continue to press for the historic objective of our grain producers—the right to deliver their grain to the elevator of their choice.

Your directors hope that the Wheat Pool members who have been compelled by necessity to deliver grain to other elevators in recent years will return their support to Pool elevators when the congestion is eased.

DETERIORATION IN AGRICULTURE'S POSITION

Your board is concerned with economic developments as they affect Canadian agriculture. Farm prices have been on the decline while farm costs have remained relatively rigid. For the nation as a whole there has been a net decline in farmers' real income of 23 percent between 1951 and 1953. On the other hand, retail prices dropped only 8 percent. This illustrates the rigidity which has been introduced into the nation's economy by the manufacturing and distributing business interests. Our efforts must be continually directed towards levelling out the situation, to opposing tariff increases and freight rate increases, and any attempts to raise the costs of farm operations. A determined effort is now being made to have parliament cancel the Crow's Nest Pass freight rate agreement. That move must be opposed with all the vigor farm organizations can engender for the freight rates on export grain regulated by that agreement provide much needed assistance in competing with other wheat exporting countries. If the advantages of the Crow's Nest agreement rates are lost, freight rates on export grain might well be doubled.

BUILDING PROGRAM

The crops produced in some districts during the past several years have been somewhat abnormal; consequently, the board and management, looking to the future, have found it difficult in some cases to determine just what storage should be provided to handle the production which may be expected in ordinary years.

It is very possible that the sections of the province formerly known as "drought districts" may not suffer the crop disasters which have sometimes plagued them in years gone

by. With present methods of weed control and combine harvesting, there is good reason to believe that a much larger proportion of light crops can be saved than has been the case in past years, when weed growth has seriously hindered the harvesting of rather light crops in drought years. On the other hand, it may very well be that in districts where fairly heavy crops are produced regularly, farmers may find it desirable to vary their grain production with a fair proportion of summerfallow and forage crops. Given these conditions, grain handling facilities can be provided which will handle the resulting crops with the minimum of embarrassing conditions which sometimes arise through extremely heavy or extremely light crops.

Our construction program is continuing in a manner intended to give the best possible grain handling service to the farmers of Alberta.

NEGOTIATIONS WITH TERMINAL EMPLOYEES

The agreement with terminal elevator employees at Vancouver and New Westminster terminated on November 30th, 1953. Grain Workers' Union Local No. 333, International Union of United Brewery, Flour, Cereal, Soft Drinks and Distillery Workers of America, of which the terminal employees are members, asked for substantial increases. During the progress of negotiations a committee of fifteen Alberta Wheat Pool delegates, appointed at the last annual meeting, journeyed with the board of directors to Vancouver and met with employees of the terminal. A lengthy but friendly discussion ensued during which both sides presented their views. In our opinion the meeting resulted in an improved relationship with the employees.

After this meeting negotiations were resumed and resulted in a two-year contract with an increase of 4 cents per hour in the basic wage for the first year and an additional 4 cents an hour for the second year with an escalator clause based on the rise or fall of one cent per hour in the basic wage for each six-tenths of a point increase or decrease in the consumer index. The wage increase was retroactive to December 1st, 1953. The basic wage at July 31st, 1954 is \$1.61½ an hour.

Also agreed to were medical benefits on a fifty-fifty contributory basis, the cost to employers being \$3.90 a month for married men and \$1.30 for single men. An additional statutory holiday was agreed to, bringing the total up to nine each year. Some other minor concessions were also made.

While the terms of the agreement are now in force the same has not actually been signed due to a disagreement on a certain issue not of outstanding importance. In our opinion the employees appreciated the concessions made to them.

MARKETING POLICY BENEFICIAL

The grain congestion is the result of abundant production in the prairie provinces. In the three years from 1951 to 1953 inclusive this great area has produced over 3,600,000,000 bushels of wheat, oats, barley, rye and flax. That is an average annual production of 1,200,000,000 bushels, an unprecedented outpouring of grain never previously believed possible in this area. Wheat production alone in the three years totalled 1,777,000,000 bushels, an annual average of over 592 million bushels. Notwithstanding substantial export sales, particularly in the first two years, the extraordinary production resulted in the steady accumulation of carryovers. The wheat carryover on July 31, 1954, totalled 587,487,000 bushels, the second highest on record.

Your Directors are convinced that the Wheat Board and its method of marketing saved the grain producers of this country from a calamitous economic situation during the past three years. With the postwar world-wide wheat scarcity easing and exports diminishing a chaotic price situation would have developed in our opinion. In support thereof we can only point to disastrous slumps in grain prices which occurred in past years under the "open market" system. The prosperity of Canada has depended, and will continue to depend to an important extent, on the sale at good prices of substantial quantities of grain from the prairies. Falling wheat prices have in the past been the forerunner of depression.

Your directors believe that the Canadian grain marketing policies supported by the Wheat Pools and farmer organizations since the end of World War II have been sound and beneficial to the grain producers. Down through the years the farmers have usually been on the short end of the bargain. It has always been the same story—brief periods of inflation, usually caused by war, in which period farmers expanded operations and then followed by ruinous deflation when farm prices drop first and farthest. The inevitable result was burdensome mortgage and other debts and only too often the loss of farms.

Through the adoption of a policy of reasonable prices for wheat in the years of greatest scarcity following the war, our farmers were able to plan their operations intelligently, our overseas customers were not antagonized and grain producers gained the assurance of price supports when surpluses

threatened price collapses. Through the International Wheat Agreement a friendly association with wheat importing nations has been gained which has been a benefit in many ways. Had peak prices been demanded from bankrupt European and other nations in the postwar period, the advantage would have been temporary and an intensive effort of greater home production and restrictions against imported wheat would have been made by those nations. Furthermore, under such conditions our wheat producers would have no substantial grounds for demanding price support from the Federal Government.

ANNUAL MEETING PROCEDURE

The annual meeting of the Alberta Wheat Pool is more than a business session. It is an inspiring show of democracy in action in the field of business. Each delegate representing his elective membership has the same rights as other delegates and one vote. The majority rules. Full discussions and requests for information are freely granted. The delegates decide the policies of the Alberta Wheat Pool. This organization becomes what its members want it to be.

At the various sessions the whole broad field of agriculture is thoroughly discussed. The Alberta Wheat Pool is intensely interested in everything that deals with farm life. Such includes farm income, storage needs, grain varieties, marketing difficulties, problems of drought, hail and insect pests, farm health improvement, educational matters, the affairs of other co-operatives, and other organizations in which the farmers are interested. Arrangements are made to bring before you top officials of the Wheat Board, the Board of Grain Commissioners, the Governments, sister Wheat Pools, the Canadian Wheat Pool, Pool Insurance Companies, and so on. Your directors consider the annual Alberta Wheat Pool meeting to be a form of farmers' parliament.

Of course our own affairs have priority consideration and every opportunity is given to provide the fullest information for the benefit of the whole delegate body. The directors, Pool officials, and the auditing firm, are here to provide you with information and answer any questions you may ask. Your responsibility is to inform yourselves fully on Pool affairs so that the information you gather may be communicated to the membership at Pool meetings and in your daily contact with Pool members. In this way the membership will be kept fully informed and hence encouraged to support Alberta Pool Elevators.

Your directors have maintained friendly and co-operative relations with other farmer organizations. We have continued

our support of the Alberta and Canadian Federations of Agriculture and through them with the International Federation of Agricultural Producers. These associations enable the Alberta Wheat Pool to be a participant in farmer organizations which are influential in Alberta, in Canada, and throughout the world. Nations everywhere are becoming aware of the importance of maintaining agriculture on a highly productive and sound financial basis. Through organization the farming industry is making its voice heard and its importance recognized.

Friendly associations have also been maintained with the Farmers' Union of Alberta and the farm co-operatives. We have always tried to be of assistance to them. We believe that the farming industry is best served when farmer organizations work in harmony with each other.

GROWING AND HARVESTING CONDITIONS

As a general summarization, growing conditions in Alberta were favourable in the 1953 crop season, the result being a bumper crop of more than 390 million bushels of all grains.

The carryover of moisture from 1952 was below average. However, the early spring of 1953 experienced cold, wet weather which delayed seeding and plant development. The precipitation in June and July was adequate but the summer was unusually cool and the crop was later than average in maturing. Hail damage was heavy.

In the autumn favourable harvest weather was general after the first week of September. Slight frost damage was experienced in a few districts but an exceptionally long frost-free period prevailed over most of the province. With the use of modern mechanized equipment nearly all the harvest, although late, was rushed safely to completion.

ELECTION OF DELEGATES

Even-numbered Sub-districts.

In even-numbered sub-districts a general election was held this year, which resulted as follows:—

(a) In each of twelve sub-districts more than one candidate was nominated and an election was held. Six of the delegates elected had previously served in that capacity, and six were elected for the first time.

(b) In each of eighteen sub-districts only one candidate was nominated, and each candidate was therefore elected by acclamation.

(c) In each of five sub-districts the members therein failed to submit any nomination, and the sitting delegate therefore continued to hold office.

By-elections.

For sub-district "E-5", Ben S. Weber of Sedgewick was elected as delegate in March, 1954. This by-election was held for the purpose of filling the vacancy created by the election of Gerald Oberg to the Board of Directors.

In sub-district "C-3", Gustav Regehr resigned as delegate on May 9th last for reason of pressure of business. To fill this vacancy only one nomination, that of Ansgar Christensen of Tilley, was received, and Mr. Christensen was therefore elected by acclamation.

PURCHASE OF RESERVES

By resolution of the delegates at our annual meeting last year your board was authorized to use Five Hundred Thousand (\$500,000.00) dollars to purchase commercial and elevator reserves accumulated through patronage dividends.

Pursuant to the terms of this resolution reserves were purchased to the aggregate value as indicated below:—

From 1345 estates of deceased members as at December 31st, 1953	\$ 168,254.31
From 4311 members no longer farming as at December 31st, 1953	332,317.48
<hr/>	
TOTAL RESERVES PURCHASED	
1953-54	\$ 500,571.79

Total of second series reserves purchased 1953 and 1954 (i.e. reserves from patronage dividends) \$816,571.55, of which amount \$22,109.46 (2.71%) remains to be disbursed.

As at July 31st, 1953, we had \$287,444.38 reserve accounts payable in respect to 1923-1928 commercial and elevator reserves purchased. Your board authorized an extensive campaign in an endeavour to locate the individuals to whom we owed this money. During the fiscal year 1953-1954, \$111,223.43 was paid out, leaving \$176,220.95 (2.12%) still unclaimed. Further steps will be taken to locate the owners.

MEMBERSHIP

During the season 1953-54, 2314 new members were accepted.

During the same season 11,410 memberships were cancelled. A total of 41,452 memberships have now been cancelled.

As at July 31st, 1954, our total membership is 48,530.

DISPOSITION OF SURPLUS, 1952-53

At our annual meeting last year your board was authorized to dispose of the surplus from our operations of the fiscal year 1952-53, as follows:—

In payment of income tax	\$ 100,313.00
In payment of a cash patronage dividend to producer members	583,455.00
In the allocation of reserves to the credit of member patrons	1,896,184.00
Surplus to be retained	110,785.00
	<hr/>
	\$2,690,737.00

The undernoted disposition was made:—

In payment of income tax	\$ 92,438.85
In payment of a cash patronage dividend to producer members	587,093.42
In the allocation of reserves to the credit of member patrons	1,908,006.27
Transferred to earned surplus account	103,198.86
	<hr/>
	\$2,690,737.40

BOARD OF DIRECTORS

Lew Hutchinson.

Lew Hutchinson of Duhamel contributed thirty years of continuous service as a director of our association, from the first meeting of the provisional board in 1923 until his retirement at the annual meeting in 1953. He served as chairman of the board for four years, 1937 to 1941. Appreciation for his counsel and guidance was made evident by the presentation of a watch by the delegates at the last annual meeting, and by the presentation of a chair and a framed scroll by the directors.

Gerald Oberg.

Following the retirement of Mr. Hutchinson, the ten delegates of District "E", which Mr. Hutchinson had represented, elected on November 27, 1953, Gerald Oberg of Forestburg as director for that District. Mr. Oberg served



LEW HUTCHINSON
Director, 1923 to 1953

as delegate for sub-district "F-8" for two years, 1943 and 1944, and after the redistribution, as delegate for sub-district "E-5" for nine years, from 1945 to 1953 inclusive.

Officials.

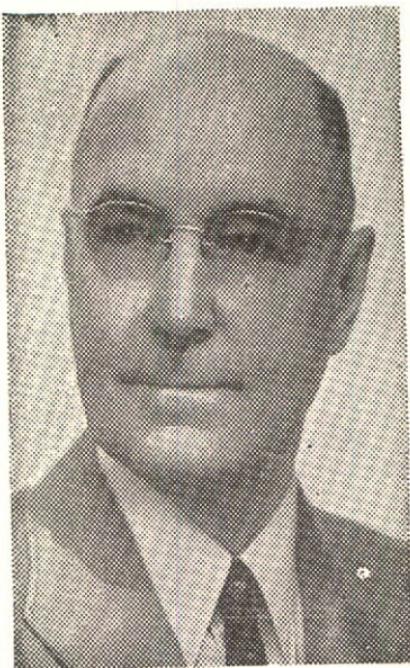
Ben S. Plumer was elected as chairman of the board of directors, and G. L. Harrold as vice-chairman, at a special meeting held on December 4, 1953, immediately following the last annual meeting. Your representatives on the boards of the three central organizations, Canadian Co-operative Wheat Producers, Limited, Canadian Pool Agencies, Limited, and Pool Insurance Company, were Ben S. Plumer, G. L. Harrold and W. J. Blair.

Meetings.

Nine regular meetings and five special meetings of your seven directors were held during the financial year 1953-54. These men served as the board of directors of our subsidiary company, Alberta Pool Elevators, Limited, and in this capacity they also held nine regular meetings and five special meetings.

R. O. GERMAN RETIRES

After thirty-one years as secretary of our association, R. O. German expressed a wish to be released from his duties.



R. O. GERMAN
Secretary, 1923 to 1954

Your directors wish to record their appreciation of the valuable services he rendered to the board, the delegates and the members, for the eventful period from December 16, 1923, which was the first year of operation of this Pool, to his retirement on August 31, 1954. Mr. German was an excellent secretary, zealous in the performance of his work and unceasing in his efforts on behalf of the Alberta Wheat Pool and the co-operative movement in general.

PROMOTIONAL ACTIVITIES

Scholarships.

To promote the welfare of agriculture, with special emphasis on the education and training of farm young people, support, both financial and physical, was provided during the past year. Our contribution in support of 4-H club activities has been particularly gratifying in the results reflected.

Alberta Wheat Pool scholarships to rural students of \$500.00 each per year, up to a period of five years, were awarded to Miss Esther Russell of Joffre, representing the southern section of the province, and Michael Denega of St. Paul in the northern section. Mr. Denega intends to follow commerce, administration or engineering, and Miss Russell's course will include home economics. The two students who

were awarded the Alberta Wheat Pool scholarships last year were recommended by the University Board of Governors for the second year term.

Henry Wise Wood Memorial scholarships, six in number, to assist members of 4-H Clubs under our sponsorship to enter the Schools of Agriculture, were awarded as follows:— Olds, Wanda Waddy of Alix and Donald Mashford of Trochu; Vermilion, Florence Morris of Spruce Grove and Ronald Peterson of Ohaton; Fairview, James Irwin and Patsy Dalglish.

Alberta Wheat Pool scholarships in home economics for members of Girls' Garden Clubs were awarded to Miss Annabelle Ziemmer of Lacombe, Miss Valerie Liss of Sangudo and Miss Arlene Nelson of Veteran, in the first, second and third courses respectively.

Alberta Wheat Pool scholarship of \$150.00, tenable at the Provincial Institute of Technology and Art, Calgary, was awarded to Frank Nemeth of Picture Butte.

Country Meetings.

Three hundred and seven country meetings were held during the year throughout the province as compared with three hundred and fifty-seven the year previous. Total attendance was 27,105, or an average attendance per meeting of eighty-eight persons. Fewer meetings were held due to the illness of one of our field service representatives.

IN MEMORIAM

It is with regret that the passing of three members of the delegate body is herewith recorded.

On February 5th last, W. H. Baldwin died in a Calgary hospital. He formerly resided at Rowley and in 1930, 1931 and 1932 represented the sub-district at that time designated as "D-8".

On March 4th, 1954, Charles Adam Fawcett, former delegate from Consort, died. He represented the same locality for twenty-five years, 1925 to 1935 inclusive, and 1937 to 1950, inclusive. He will be remembered as chairman of the Order of Business Committee at various annual meetings.

In the Claresholm hospital on July 5th last, Gordon B. Walker of that address, died. He was delegate for sub-district "B-2" from 1946 until the date of his death. He was a member of the Alberta Legislature during the period in which the Farmers' Government held office.

INSPECTION OF TERMINALS

While in Vancouver at the period of the labour negotiations, your directors took the opportunity to inspect the Pool terminal there.

In July of 1954, while attending an Interprovincial Pool meeting at Winnipeg, the journey was extended to Port Arthur, in order to inspect the Alberta Wheat Pool terminal at the Lakehead. This is called "Pool Terminal No. 9" and is operated by Manitoba Pool Elevators on our behalf. Replacement of two hundred and ninety feet of the offshore trestle will be made this winter.

CONCLUSION

The methods of democratic development represented by the farmer co-operative movement are distinctive but the roots lie deep in the soil of Canadian tradition and common experience. Such methods differ from those customarily employed by private enterprise and public agencies. Nevertheless, our co-operative business is carried on under the existing rules of the game of Canadian life. Breadth of purpose and distinctive methods constitute the most important part of our movement. Its aim is to prove to the nation that the co-operative method can provide a greater diffusion of wealth to the creators of that wealth, can destroy monopolistic practices, and provide a measure of protection to people that can be obtained by no other means.

There must be a conviction, a confidence, that we are on the right track. There must be a sense of urgency. The world is in the throes of a desperate struggle for the minds of men. The improvement of the physical environment of mankind is a continuing process. It is never finished. There is no end, no blueprint of a finished product. But the inherent altruism of our co-operative movement justifies our belief that it must occupy a prominent place in any improved form of free society that can be devised in the years ahead.

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

CONVERSION TO BUSHELS AND TENTHS

Effective August 1, 1953, the Board of Grain Commissioners for Canada ordered that all records, reports and documents pertaining to grain would be made in bushels and tenths of a bushel, instead of bushels and pounds as heretofore. An exception was authorized for some products, such as sample mixed grain, sample grain and screenings, which were ordered to be recorded in pounds.

As an example, a conversion table of odd pounds to tenths of a bushel of wheat is listed below:—

Tenths of a Bushel of Wheat	Pounds	Tenths of a Bushel of Wheat	Pounds
0	1 to 3	6	33 to 39
1	4 to 8	7	40 to 44
2	9 to 15	8	45 to 51
3	16 to 20	9	52 to 56
4	21 to 27	1 bushel	57 to 60
5	28 to 32		

CROP STATISTICS

Following is an index of tables giving information concerning the 1953 crop and deliveries in the 1953-54 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,
- Protein Content of 1953 Wheat—Three Prairie Provinces,
- Elevation Charges,
- Storage Charges,
- Shrinkage Allowance,
- Canadian Wheat Board Payments, 1952-53,
- Canadian Wheat Board Payments, 1953-54.

A report of delivery quota regulations follows the tables.

VARIETIES OF WHEAT SOWN IN ALBERTA

	1953	1952
Thatcher	52.7%	53.3%
Saunders	11.4	12.8
Marquis	9.8	10.1
Garnet	7.1	6.3
Rescue	7.1	7.0
Red Bobs	6.3	5.2
Durum .....	.6	.7
Others	5.0	4.6
	100.0	100.0

GRAIN PRODUCTION: CANADA AND ALBERTA

	— 1953 —			— 1952 —		
	Canadian Crop in Bushels	Alberta Crop in Bushels	Per-cent-age	Canadian Crop in Bushels	Alberta Crop in Bushels	Per-cent-age
Wheat ..	613,962,000	153,000,000	24.9	687,922,000	172,000,000	25.0
Oats	406,960,000	110,000,000	27.0	466,805,000	129,000,000	27.6
Barley	262,065,000	115,000,000	43.9	291,579,000	118,000,000	40.5
Rye	28,775,000	10,000,000	34.8	24,557,000	7,800,000	31.8
Flax	9,912,000	1,900,000	19.2	12,961,000	2,000,000	15.4

ALBERTA'S GRAIN PRODUCTION

	— 1953 —			— 1952 —		
	Area Sown per	Yield	Production	Area Sown per	Yield	Production
	Acres	Acre	in Bushels	Acres	Acre	in Bushels
Wheat	6,340,000	24.1	153,000,000	6,404,000	26.9	172,000,000
Oats	2,357,000	46.7	110,000,000	2,587,000	49.9	129,000,000
Barley	3,489,000	33.0	115,000,000	3,336,000	35.4	118,000,000
Rye	460,000	21.7	10,000,000	380,000	20.5	7,800,000
Flax	148,000	12.8	1,900,000	151,000	13.2	2,000,000

ALBERTA—QUALITY OF WHEAT

	— 1953-54 —			— 1952-53 —		
	Straight %	Tough & Damp %	Total %	Straight %	Tough & Damp %	Total %
1 Northern	2.19	...	2.19	5.82	.03	5.85
2 Northern	37.80	.15	37.95	30.22	.64	30.86
3 Northern	34.65	1.68	36.33	26.20	.95	27.15
4 Northern	9.10	1.46	10.56	16.05	.89	16.94
No. 5	2.54	.48	3.02	11.62	.71	12.33
No. 6 .....	.33	.11	.44	1.65	.12	1.77
Feed .....	.03	.04	.07	.19	.04	.23
Other Grades .....	...	...	9.44	...	...	4.87

PROTEIN CONTENT OF 1953 WHEAT

Three Prairie Provinces

	Alberta %	Saskatchewan %	Manitoba %	Prairie Provinces %
1 Northern	12.8	13.2	12.0	13.1
2 Northern	12.4	13.0	12.1	12.8
3 Northern	12.7	12.8	12.0	12.7
4 Northern	12.7	13.1	12.0	12.9
2 C.W. Garnet	11.7	11.4	----	11.7
3 C.W. Garnet	11.6	12.0	----	11.7
All Grades	12.6	13.0	12.1	12.8

Season 1953-54

ELEVATION CHARGES

	Country Elevators (per bushel)	Fort William/Port Arthur and Vancouver Terminal Elevators (per bushel)
Wheat	2½c	2½c
Oats	2½c	2½c
Barley	2½c	2½c
Rye	2½c	2½c
Flax	4¾c	3¾c

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

	Dry	Tough	Damp
Wheat	¾%	½%	½%
Oats	¼%	½%	½%
Barley	¼%	½%	½%
Rye	½%	1%	1½%
Flax	1½%	2%	2%

CANADIAN WHEAT BOARD PAYMENTS

1952-53

WHEAT

	Initial Payment	First Adjust- ment Payment	Second Adjust- ment Payment	Final Payment Mar. 9/54	Total Payments
(Dollars per bushel)					
No. 1 Northern	1.40	.20	.12	.09872	1.81872
No. 2 Northern	1.37	.20	.12	.10185	1.79185
No. 3 Northern	1.34	.20	.12	.10567	1.76567
No. 4 Northern	1.26	.20	.12	.13711	1.71711
No. 5 Wheat	1.16	.20	.12	.09507	1.57507
No. 6 Wheat	1.06	.20	.12	.14664	1.52664
Feed Wheat	1.00	.20	.12	.14948	1.46948
No. 1 Amber Durum	1.40	.25	.12	.46330	2.23330
No. 2 Amber Durum	1.37	.25	.12	.48073	2.22073
No. 3 Amber Durum	1.30	.25	.12	.54309	2.21309
No. 4 Amber Durum	1.26	.25	.12	.52763	2.15763

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

OATS

	Initial Payment	Final Payment	Total Payments
(Cents per bushel)			
No. 2 Canada Western	65	09.119	74.119
Extra 3 Canada Western	62	09.976	71.976
No. 3 Canada Western	62	09.220	71.220
Extra No. 1 Feed	62	09.220	71.220
No. 1 Feed	60	08.478	68.478
No. 2 Feed	53	13.408	66.408
No. 3 Feed	48	16.021	64.021

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

BARLEY

	Initial Payment	Adjustment Payment	Final Payment Nov. 23/53	Total Payments
(Dollars per Bushel)				
No. 2 C.W. 6-Row .....	.98	.15	.14242	1.27242
No. 3 C.W. 6-Row .....	.96	.15	.13492	1.24492
No. 4 C.W. 6-Row .....	.90	.15	.11742	1.16742
No. 2 C.W. 2-Row .....	.91	.15	.19367	1.25367
No. 3 C.W. 2-Row .....	.88	.15	.20367	1.23367
No. 1 Feed .....	.87	.15	.10867	1.12867
No. 2 Feed .....	.80	.15	.16367	1.11367
No. 3 Feed .....	.75	.15	.16492	1.06492

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

CANADIAN WHEAT BOARD PAYMENTS

1953-54

Initial Payments Effective August 1st, 1953

Wheat—basis No. 1 Northern in store Ft. 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 No. 3 Canada Western 6-Row in store at Fort William/Port Arthur .....	.96 per bushel

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

Wheat

Grade	Initial Payment	Grade	Initial Payment
No. 1 Northern	\$ 1.40	No. 5 Wheat	\$ 1.12
No. 2 Northern	1.37	No. 6 Wheat	1.06
No. 3 Northern	1.34	Feed Wheat	1.00
No. 4 Northern	1.26		

On November 9, 1954, the mailing of final payment cheques on 1953-54 Oats Pool Account was commenced. The total payments were as follows:—

Oats

<u>Grade</u>	<u>Initial Payment</u>	<u>Final Payment Nov. 9, 1954</u>	<u>Total Payments</u>
No. 2 C.W.	\$.65	\$.05462	\$.70462
Extra No. 3 C.W. ....	.62	.06305	.68305
No. 3 C.W. ....	.62	.05780	.67780
Extra No. 1 Feed ....	.62	.06081	.68081
No. 1 Feed ....	.60	.06113	.66113
No. 2 Feed ....	.55	.09089	.64089
No. 3 Feed ....	.48	.13236	.61236

On October 19th, 1954, the Board commenced mailing final payment cheques for 1953-54 Barley pool. The total payments made on this account were as follows:—

Barley

<u>Grade</u>	<u>Initial Payment</u>	<u>Final Payment Oct. 19/54</u>	<u>Total Payments</u>
No. 2 C.W. Six Row	\$.98	\$.11370	\$ 1.09370
No. 3 C.W. Six Row ....	.96	.09885	1.05885
No. 4 C.W. Six Row ....	.90	.05801	.95801
No. 2 C.W. Two Row ....	.91	.13845	1.04845
No. 3 C.W. Two Row ....	.88	.11989	.99989
No. 1 Feed ....	.87	.07929	.94929
No. 2 Feed ....	.82	.11642	.93642
No. 3 Feed ....	.75	.15107	.90107

DELIVERY QUOTA REGULATIONS

Delivery permits were issued for the crop season ended July 31, 1954, based on "specified acreage". This acreage was established by adding each individual producer's seeded acreage of wheat, oats, barley and rye to his 1953 summerfallow acreage. Since Durum wheat and flax were not subject to delivery controls, acreages of those grains were not included in the "specified acreage".

From August 1 until August 15, 1953, for the purpose of completing delivery of as much of the crop grown in 1952 as space permitted, The Canadian Wheat Board allowed delivery of wheat, oats and barley, on an open quota basis to any point where space was then available.

Effective August 1, 1953, for rye, and August 17, 1953, for wheat, oats and barley, the initial general quota was three bushels per specified acre or five hundred bushels, whichever was greater. The producer had the choice of delivering any one of the regulated grains or combinations of same, but he was confined to the delivery point specified in his 1953-54 permit book.

An exception to the above was made in the case of malting, pot or pearl barley, which was accepted by a malster or shipper, as one carlot of such barley from each producer was allowed in excess of the initial general quota. Later this same exception was applied to the second and subsequent general quotas.

When The Canadian Wheat Board required oats for prompt shipment from country elevators to terminal positions, it was announced on October 5, 1953 that applications for delivery of additional quantities of oats would be received from producers whose 1953 oats crop was 50% or over of their 1953 "specified acreage". A sliding scale of quotas for the additional amounts was later announced, based on the ratio of the seeded acres of oats to the specified acreage.

For the same reason as quoted in the paragraph above, on October 20, The Canadian Wheat Board established a supplementary quota on oats of three bushels per seeded acre of oats. For this the specified acreage was not used.

On November 1, 1953, the first use of alternative delivery points since August 15, was allowed by designating a total of thirty-two points in Alberta as authorized to receive the initial general quota and the supplementary three bushel oats quota from producers at other points where space was inadequate for their initial quotas. At later dates other stations in Alberta were also declared alternative delivery points.

On November 4, the minimum delivery of grain was increased from five hundred to seven hundred bushels. This changed the initial general quota to "three bushels per specified acre or 700 bushels of grain whichever was greater". Also on this date it was announced applications would be received for delivery, in excess of the general quota, of one car only of either seed oats or seed barley.

Commencing December 3, increases of one or two bushels per specified acre were allowed, on application, at some points. This was followed on December 14 by an increase effective at all points by which a second general quota of two bushels per specified acre and a new minimum delivery of one thousand bushels were placed in effect. The general delivery quota was then five bushels per specified acre, or 1000 bushels, whichever was the greater. At the same time alternative delivery points were disallowed.

As the Board required more oats, a second supplementary oats quota of three bushels per seeded acre of oats was authorized on December 18, and a third supplementary oats quota of six bushels per seeded acre of oats was sanctioned on January 20, 1954.

On March 17, The Canadian Wheat Board announced increases in the general quota to seven bushels per specified acre at 23 Alberta points and to six bushels per specified acre at 59 Alberta points. During the following months at frequent intervals lists of points were issued at which quotas of seven or six bushels were applicable; also the designation of certain points as alternative delivery points was authorized during this period, commencing on April 20.

For the purpose of assisting rye growers, applications for delivery of additional quantities of this grain in excess of the general quota, were accepted effective April 29. A sliding scale of delivery per seeded acre of rye was adopted which was determined by the percentage of seeded rye acreage to the total acreage seeded to all grains.

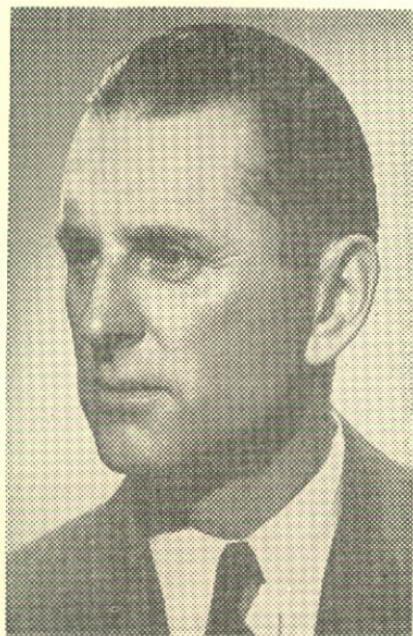
A fourth supplementary oats quota of three bushels per seeded acre of this grain was established on June 10. On July 19, provision was made throughout the Province for the delivery of the general quota of seven bushels per specified acre. Finally, all stations became alternative delivery points for the period July 26 to July 31, 1954.

REPORT OF THE MANAGER

— to the —

THIRTY-SECOND ANNUAL MEETING OF DELEGATES

November 23rd, 1954



A. T. BAKER
Manager

To the Chairman and Delegates,
Alberta Wheat Pool.

Gentlemen:

The year under review commenced with our country elevators practically filled with 30,052,723 bushels of grain. All other Canadian grain handling facilities, both country and terminal, were similarly congested. Consequently, grain could be received only as export sales and domestic consumption resulted in space being made available. Producers' deliveries, therefore, returned to more normal proportions as exports declined from last year's record volume and our handlings for the 1953-54 crop year totalled 56,186,415 bushels compared to 79,789,409 and 76,927,178 bushels in the two previous

years. While a return to lower volume through country elevators is normal and not unexpected, the reduction in the percentage of the Alberta crop handled by Pool facilities is a matter of serious concern to all Pool members. According to figures compiled by the Board of Grain Commissioners our elevators handled 31.21 per cent of all grain delivered by Alberta producers to country elevators in the 1953-54 crop year. This is a reduction from 33 per cent in the previous year and continues the steady decline from the high percentage of 37.4 achieved in the 1949-50 crop year. In the prevailing practice of allotting the same number of cars to each elevator at individual shipping points, the producer is being unwarrantably coerced in the distribution of his patronage. We believe that the wishes of the shipper should have priority over those of the handling company and that it should not be the prerogative of the railways to determine his choice.

Country Elevator Operations.

The volume of grains handled during the year follows:

	Receipts at Country Elevators (Bus.)	Platform Shipments (Bus.)	Total All Receipts (Bus.)
Wheat	35,078,022	83,745	35,161,767
Oats	8,460,187	11,101	8,471,288
Barley	10,925,738	8,860	10,934,598
Flax	534,831	8,736	543,567
Rye	1,075,195	.....	1,075,195
Total	56,073,973	112,442	56,186,415

Net receipts of all grains averaged 111,037 bushels per elevator compared with 164,028 bushels per elevator in the previous season.

Heavy stocks of grain were carried in our country elevators during the whole crop year, and at July 31st, there was in store 31,571,899 bushels. This made it impossible to weigh up more than 170 elevators during the year, and as a consequence, the results of weighing over the whole elevator system for the year cannot be accurately stated at the present time. Where weigh-ups were completed it was established, with very few exceptions, that agents had consistently followed our policy of accurate weighing. The net results at these 170 elevators indicated a gross overage of .052 of 1% and a net overage of .204.

The close supervision maintained over grading at all times prevented grade gains and losses from being an import-

ant factor in our operations during the past year. Known losses and gains have been taken into account, but because of heavy stocks carried at the end of the year, it is not possible to give an accurate figure of such gains and losses.

We have continued to serve our members by handling coal at 14 points where coal sheds were taken over with elevator properties.

Terminal Operations.

This organization owns a Terminal Elevator at Vancouver with a capacity of 5,150,000 bushels and one in Port Arthur of 2,000,000 bushels capacity. Alberta Pool Country Elevators shipped 31,222,000 bushels to the Vancouver Terminal. Saskatchewan Pool Elevators shipped 11,764,000 bushels under the same arrangement as in previous years whereby we paid a diversion premium and received a service charge for the handling of documents in connection with their deliveries to the Canadian Wheat Board. From this total of 42,986,000 bushels directed to our Vancouver Terminal Department, 42,429,917 bushels was unloaded at the Pool Terminal and the remainder was diverted to other Vancouver Terminals under an agreement for payment to us of a diversion premium. Receipts at our Terminal consisted of 36,392,274 bushels of wheat and 6,037,643 bushels of coarse grains. The elevator also handled 23,873 tons of screenings. The volume handled during the previous season was 38,436,739 bushels of wheat and coarse grains and 22,122 tons of screenings.

Under a very satisfactory joint operating agreement, the Alberta Pool Terminal at Port Arthur was again operated by the Manitoba Pool, along with their own terminals and a terminal leased from the Canadian National Railways. Shipments made to Fort William and Port Arthur by either organization were directed to terminals controlled and operated by Manitoba Pool Elevators or in the alternative to mills or terminals of line companies with which an agreement existed for the payment of a diversion premium. The earnings were divided in proportion to the shipments of each pool. In the past season 60,918,872 bushels of grain were unloaded into the five terminals operated by the Manitoba Pool, of which Manitoba Pool Country Elevators shipped 36,001,907 bushels and Alberta Pool Country Elevators 12,443,865 bushels. Grain unloaded from other sources totalled 12,473,100 bushels.

Installation of the dust-control system in the Vancouver Terminal has now been completed and provides that plant with the most modern protection against the dust hazard.

Operating Results.

Net earnings of the 1953-54 season amounted to \$2,448,106 which is somewhat less than the record earnings of the season 1952-53. Gross revenue from all sources amounted to \$9,656,093. Operating expenses, including interest, were \$6,160,265, leaving operating earnings from our elevator system of \$3,495,828 from which a deduction must be made for rental to Alberta Pool Elevators Limited consisting of depreciation on elevator property and equipment totalling \$1,037,722 as well as interest of \$10,000 paid to the bank in connection with our mortgage loan.

Canadian Wheat Board handling and carrying charge rates were the same as the previous year. Due to the smaller volume, the revenue from fixed handling charges was considerably less than in the previous year. On the other hand, larger stocks of grain being carried in country elevators resulted in greater revenue from carrying charges. Other country elevator revenues were fairly well maintained. Vancouver terminal earnings were increased over the previous year, due in part to the larger handling through that elevator and also, due to the fact that we took into our accounts, overages which had accumulated over a three year period. An official weigh-up was made at our terminal this year for the first time since 1951.

The large stocks of grain carried all during the year once more necessitated very heavy bank borrowings. The rate of 4 per cent charged by the banks on grain loans seems to be an unduly high levy upon the producers of Western Canada in view of the security offered. Interest on current borrowings is recovered through the payment to us of carrying charges by the Canadian Wheat Board. Operating expenses, apart from interest, were again slightly higher because of the continued upward trend of salaries, wages, taxes, materials and services. The amount of \$1,037,722 taken for depreciation is the maximum allowed by income tax authorities and is approximately \$273,000 higher than the previous year because of additions to our country properties and special allowances on new grain storage construction.

Working Capital.

Working capital, which represents the excess of current assets over current liabilities was \$5,334,260 at the end of the year compared with \$4,496,283 a year ago. The increase is accounted for largely by that portion of the 1952-53 earnings which was credited to member patrons' Reserve Accounts and retained as working capital under authority given by our Delegates at the last Annual Meeting. Capital expenditure during the year amounted to \$1,320,697.

Properties.

At the commencement of the 1953 crop season we owned 486 country elevators. During the year ten new elevators were constructed and two purchased; one elevator was sold and one converted to a twin annex. The Picture Butte elevator was destroyed by fire and later rebuilt. It was considered advisable to convert twin elevators at eleven points to separate elevators in order to overcome the handicap of the "one elevator-one car" distribution system. We were thus able to obtain separate licenses and a greater proportion of the cars at the points affected. The total number of elevators now owned is 507. Cribbed annexes were constructed at two points and permanent balloon annexes were built at nine points, giving a total, including converted flour sheds and steel tanks, of 505 annexes. New construction completed during the year increased the capacity of our country storage facilities by 1,126,000 bushels to 35,540,850 bushels. In addition we had rented 403,000 bushels of off-site storage capacity. Twelve new dwellings were acquired during the year and five were sold, so that at July 31st, 1954, our properties, exclusive of grain handling facilities, consisted of 397 dwellings, twelve flour sheds, thirty 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 been continued and we now have 338 elevators powered by electricity.

Essential repairs and replacements were made to our properties throughout the year, but congested conditions during the season have prevented complete assessment of their condition. Extensive repairs are being made to the dock at Vancouver Terminal No. 1. During the year, 49 elevators, 50 dwellings, and 48 other buildings were painted. This work, along with a continuous repair program, has maintained our elevator properties in good condition.

Sales and Shipments.

Offices at Calgary, Vancouver, and Winnipeg, handled documents representing shipments of 62,790,037 bushels of grain with respect to our 1953-54 operations compared with 75,499,431 bushels in the 1952-53 season. With the marketing of wheat, oats and barley under the control of the Canadian Wheat Board our sales of these grains are restricted mainly to feeders and feed dealers. Such sales added to sales of flax and rye on an open market basis during the season amounted to a total of 6,584,394 bushels compared with 6,607,481 bushels in the previous year.

Deliveries of grain to the Canadian Wheat Board at terminal points under our agreement covering the handling

of wheat, oats and barley totalled 56,205,643 bushels in the 1953-54 season compared with 68,891,950 bushels in 1952-53. Shipments eastward by our organization amounted to 15,770,000 bushels, compared with 26,837,000 bushels in the previous season. 39,124,000 bushels was shipped to British Columbia either to terminals or for domestic consumption, and 3,455,000 bushels was shipped to mills in Alberta or sold locally.

Public Relations.

By means of radio programs, advertising in weekly newspapers and farm journals, the issuance of articles and pamphlets, and by other methods the Publicity Department during the year followed a program calculated to keep the Alberta Wheat Pool prominently and constantly before the Alberta public and particularly before the farming people of this province. It is considered good business, even in the face of congested elevator conditions, to keep constantly reminding farm people of the accomplishments of the Alberta Wheat Pool and the importance of patronizing Pool elevators whenever possible.

The Field Service Department was energetically engaged in arranging for, and conducting Wheat Pool meetings, in personal contacts with farmers, in taking an active part in 4-H Club work, and in promoting the advancement of the Alberta Wheat Pool in a variety of other ways. The field-men occupy a position of importance in general public relations and in the educational program of our organization. A co-operative association such as the Alberta Wheat Pool, must follow a long-range program in public relations in order to make steady progress and to achieve the aims of the pioneers of the movement.

Prospects for 1954-55.

Grain stored on Alberta farms at July 31st, 1954, was estimated at approximately 133,000,000 bushels of which 55,000,000 bushels was wheat, 35,000,000 bushels oats and 39,000,000 bushels barley. In the previous year the carry-over on farms was estimated at approximately 64,000,000 bushels of all grains. The prospective earnings for the ensuing year are somewhat uncertain because of the many variable and immeasurable factors beyond our control. Adverse conditions have greatly reduced the volume of grain produced in 1954, but with the large bushelage of the 1953 crop left on farms, the volume handled by our country elevators could equal the handlings of the past year, as there is prospect of a continuation of a good export movement of grain. Taking

various factors into account we anticipate another year in which a fairly substantial volume of grain will be handled with satisfactory financial results.

Staff.

The Board of Directors have continued to recognize 25 years of service to the Pool by the presentation of a gold watch. Of the 143 persons who have received watches, 120 are still actively employed in our organization.

We are keenly aware of the necessity of maintaining a sound managerial organization of experienced, competent executives able to carry out the objectives of the Pool and to make it capable of survival in the future. The management team tries to keep informed and alert to changing conditions and constantly strives to make improvements. The need for developing executives is urgent and several employees have been given the opportunity to take advantage of the training offered in the various short courses held at the Banff School of Business Administration. Employees are encouraged to attend lecture courses and undertake home studies to improve their knowledge of business methods in preparation for positions of greater responsibility. Changes have been made in the structure of our management organization in keeping with the growth of the Pool, and the advances in the techniques of modern management. The great technological development in the mechanics of accounting was recognized in the installation of Electronic Punched Card Accounting Machines, which will result in a cheaper, faster and more efficient operation.

It is with regret that I report the deaths of D. B. Freeman of the Calgary Office, Earl Howard, T. O'Conner and A. L. Frumerie, agents at Clive, Mannville, and Turin respectively. Through retirement we lost the services of R. O. German, Secretary, Alex Cameron, Treasurer, E. Simon, Office Manager, L. O. Green, Vancouver Sales Manager, and George Barrs, Traffic Superintendent. Also retired were Mrs. Johnson from the head office and agents Charley Fuller, A. Lamoureux, J. W. Cochlin, A. McKinnon, A. R. B. Scott, J. H. Dixon, J. E. Comeault and M. J. Molle. It is interesting to note that these fifteen employees had a combined total of 358 years of service with the Pool, or an average of over twenty-five years. The work of all those whose services were lost contributed greatly to the progress of our organization and to the welfare of farm people.

I would like to express my appreciation of the fine spirit of loyalty and co-operation prevailing in our employees. Among the most valuable assets possible to the success of a

great business organization, such as the Wheat Pool, are those employees who bring to their work the right attitude of mind, abundant energy and a proper diligence. The results of the year's operation, now being presented for your consideration, are adequate testimony of a job well done by all departments, and proof that many of our employees have these desirable qualities. Special mention should be made of the efforts of the members of our country organization who have worked under particularly trying and difficult circumstances over which they had no control. If the Alberta Wheat Pool is adequately to discharge its responsibilities to the farm people, employees must be encouraged and helped to do an even better job. They, however, cannot alone accomplish this tremendous task, but must have the loyal and whole-hearted support of the members and their elected representatives. The problems of agriculture can only be solved by patient, intelligent and persistent effort, made at the cost of considerable personal sacrifice, by those in the industry.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "A. T. Baker".

Manager.

MEMORANDA



HARVEY, MORRISON & CO.
CHARTERED ACCOUNTANTS

K. J. MORRISON, O. B. E., F. C. A.
W. H. NIELD, C. A.
J. S. SIMPSON, F. C. A.
G. H. JARMAN, C. A.

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

Lougeed Building,
Calgary, Alberta,
15th October, 1954.

Dear Sirs:

We have completed our examination of the books of account of your Association for the year ended 31st July, 1954 and submit herewith the undernoted statements which are in agreement with the books:

1. Balance Sheet as at 31st July, 1954.
2. Statement of Operations for the year ended 31st, July, 1954.
3. Consolidated Comparative Balance Sheet of Alberta Wheat Pool and Alberta Pool Elevators Limited as at 31st July, 1954 and 31st July, 1953.

OPERATIONS

The operations of the year under review resulted in net earnings of \$2,448,106.47 as summarized below:

Total Operating Revenues	\$9,656,093.29
Total Operating Expenses	6,160,265.18

Earnings before providing for Bond Interest and Rental on Elevator Facilities	\$3,495,828.11
---	----------------

Deduct

Interest in respect of 1929 Pool Overpayment	\$ 10,000.00
Rental equivalent to Depreciation on elevators, dwellings and equipment	1,037,721.64
	1,047,721.64

Net Operating Earnings	\$2,448,106.47
-------------------------------------	-----------------------

BALANCE SHEET

Stocks of Grain and Coal—\$32,829,580.80

This figure represents the value of all grain and coal on hand according to the records as at 31st July, 1954.

Stocks in the Vancouver Terminal were officially weighed over during the month of July, 1954 and stocks at several country points were weighed over during the year under review. Due to heavy stocks throughout the year a weigh-over was not made at a majority of the country points.

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

Elevator and Commercial Reserves.

As authorized by the Delegates on December 3rd, 1953 an amendment was secured to the Act of Incorporation whereby the elevator and commercial reserves were increased from \$8,467,830 to \$10,000,000 and the reserves thereby created were declared to be identical with the reserves accumulated by deduction under the marketing agreements.

An amendment was also secured which has 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 shall become liable. The Pool shall apply against the liability of each such member a cash patronage dividend payable to the member in payment of these reserves.

The above amendments were made retroactive to the resolutions passed at the annual meeting of the delegates held in Calgary in November, 1953. As a result the reserves have increased so that at 31st July, 1954 the total reserve in the hands of the membership was \$8,897,914.43 compared with \$7,478,788.26 as at 31st July, 1953.

During the fiscal period ended 31st July, 1954 reserves were purchased from members in the amount of \$500,583.11 and it will be recalled that authority to purchase reserves to this extent was given by the delegates at the last annual meeting.

Income Taxes.

The liability for income taxes up to 31st July, 1953 has been calculated in accordance with the provisions of the new amendments to the Act of Incorporation. The liability for the year under review will be determined after the delegates at the present meeting decide as to the distribution of earnings.

Pending this decision the net earnings for the year amounting to \$2,448,106.47, less \$55,770.15 paid on account of income taxes, are shown on the balance sheet as a current liability.

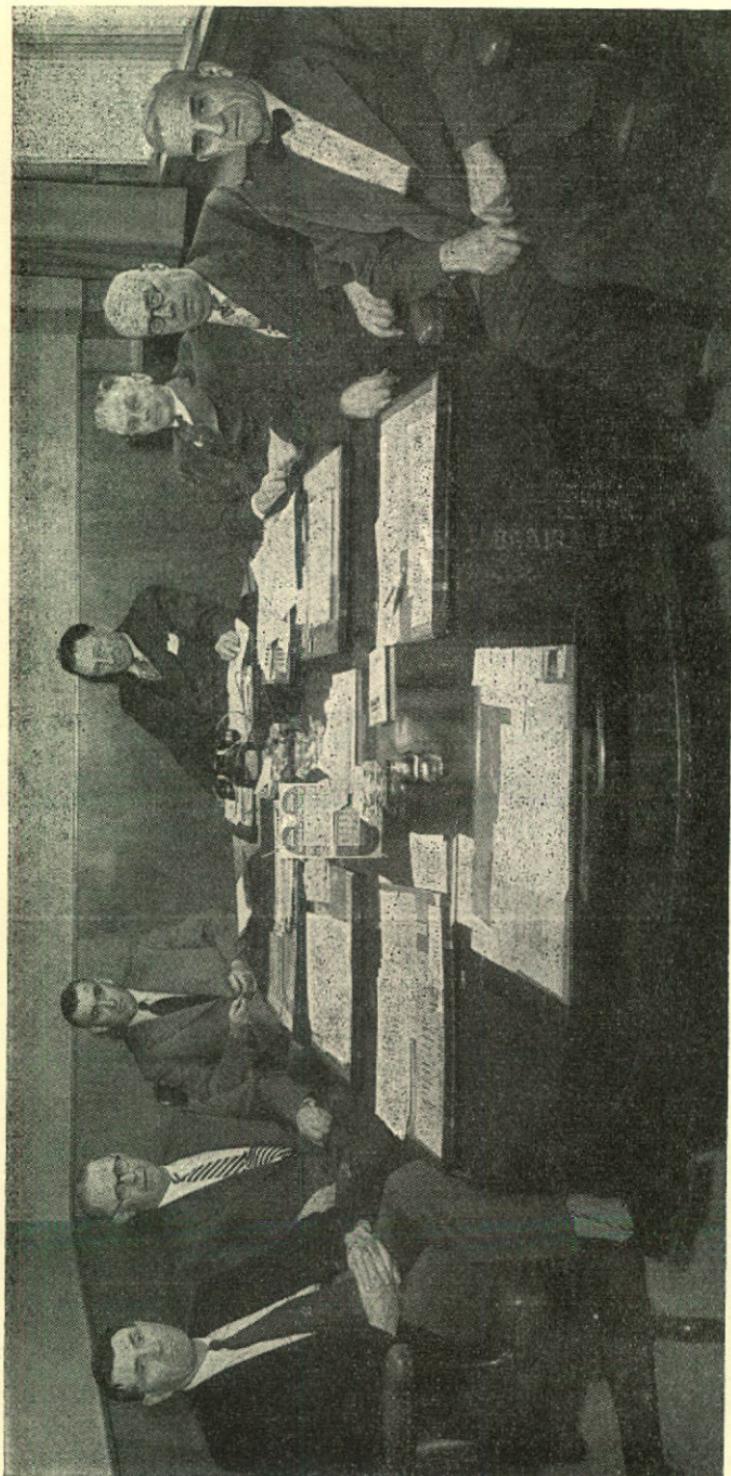
Analysis.

In accordance with previous practice an analysis, giving a detailed explanation of the assets and liabilities of the Pool at the close of the fiscal period, is supplied to the delegates.

Yours faithfully,

HARVEY, MORRISON & CO.,

Chartered Accountants.



BOARD OF DIRECTORS, 1954, ALBERTA WHEAT POOL

R. C. Bell, Carstairs; Nelson Malm, Vauxhall; G. L. Harrold, Lamont; Ben S. Plummer, Bassano; Gerald Oberg, Forestburg; W. R. Mueller, Spirit River; W. J. Blair, Naco.

ALBERTA WHEAT POOL
CALGARY, ALBERTA

BALANCE SHEET AS AT 31st JULY, 1954

ASSETS

Current—

Cash in Banks, on Hand and in Transit	\$ 547,700.95
Stocks of Grain and Coal	32,829,580.80
Advances on Grain	5,132.97
Accounts Receivable	927,198.95
Accrued Items Receivable	48,245.52
Prepaid Expenses	332,671.20
	\$34,690,530.39

Internal—

Alberta Pool Elevators Limited	820,404.48
--------------------------------------	------------

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 \$12.00 per share)	64,500.00
Canadian Pool Agencies Limited (Fully Paid)	6,670.00
	4,921,170.00

Fixed Assets—

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

\$40,441,406.87

CALGARY, Alberta, 15th October, 1954.

We have examined the balance sheet of Alberta Wheat Pool as at 31st July, 1954 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, 1954

LIABILITIES

Current—

Outstanding Cheques, Cash Tickets and Orders ..	\$ 4,023,618.64
Bank Loans	22,020,000.00
Accounts Payable	427,389.89
Accrued Items Payable	260,675.99
Growers—Outstanding Payments	199,346.03
Net Earnings, Season 1953-54	\$2,448,106.47
Less Prepaid Income Taxes	55,770.15
	2,392,336.32
	\$29,323,366.87

Reserves and Surplus—

Commercial and Elevator Reserves—

Authorized—

Act of Incorporation

\$10,000,000.00

Issued to Members

\$8,897,914.43

Surplus retained from earnings of previous years

2,220,125.57

11,118,040.00

\$40,441,406.87

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, 1954, 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, 1954**

EXPENSES

Elevator Operating Expenses—

Salaries and Wages	\$1,677,325.95
Cost of Living Bonus	186,924.98
Helpers' Wages	156,813.40

Repairs—

Country Elevators—

By Maintenance Department	\$332,540.48
By Agents	8,342.05
	<hr/>
	\$340,882.53

Dwellings—

By Maintenance Department	\$ 95,364.74
By Agents	4,278.74
	<hr/>
	99,643.48

Elevator Grounds and Approaches	9,489.47
Terminals	131,151.85
	<hr/>
	\$581,167.33

Maintenance Department—Overhead—

Salaries	\$ 62,535.47
Cost of Living Bonus	9,856.49
Travelling and Sustenance ..	16,326.39
Automobile and Truck Ex- penses	15,909.67
Warehouse Stocks Expense ..	2,501.08
Holidays with Pay Stamps ..	2,345.77
Supplies and Repair Parts ..	2,179.66
Warehouse Expenses	1,765.08
Unemployment Insurance ..	1,095.84
Equipment and Maintenance ..	1,015.38
Auto and Truck Insurance ..	850.02
Workmen's Compensation Board	729.26
Freight, Express, Trucking ..	610.03
	<hr/>
	117,720.14
	<hr/>
	698,887.47
	360,345.01

Taxes—Municipal and School

Insurance—

Grain	\$147,739.53
Buildings	72,011.55
Fidelity Bonds	6,115.04
Public Liability	1,327.96
	<hr/>
	227,194.08

Power—Electric and Natural Gas

Tools, Supplies and Repair Parts	118,478.70
Site Rentals	66,212.59
Heat, Light and Water	34,387.71
Telephone Rentals	32,682.51
Telephone Tolls and Telegrams	<hr/>
	26,446.57

Carried Forward

\$3,585,698.97

ALBERTA WHEAT POOL
CALGARY, ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR
ENDED 31st JULY, 1954

REVENUE

Gross Revenue from Trading and Grain Operations	\$3,394,914.65
Country Carrying Charges from Canadian Wheat Board	4,341,968.75
Terminal Elevation Charges	912,698.94
Port Arthur Terminal Earnings	345,520.27
Storage Charges	211,430.07
Cleaning and Separation Charges	114,232.49
Rentals—Dwellings, etc.	100,578.00
Wharfage Charges	87,115.48
Diversion Premiums	83,054.57
Service Charges—Saskatchewan Pool	31,043.55
Coal Operations	2,950.94
Sacked Grain Charges	1,392.06
Rentals—Portable Grain Cleaners	579.75
Miscellaneous Revenues	28,613.77

Carried Forward

\$9,656,093.29

ALBERTA WHEAT POOL
CALGARY, ALBERTA

**STATEMENT OF OPERATIONS FOR THE YEAR
 ENDED 31st JULY, 1954 (Continued)**

EXPENSES

Elevator Operating Expenses (Continued)—

Brought Forward	\$3,585,698.97
Unemployment Insurance	16,725.09
Gasoline and Engine Fuel	16,253.34
Workmen's Compensation Board	14,150.41
Postage and Box Rentals	13,652.96
Travelling and Moving	13,460.64
Stationery	9,922.63
Off-site Storage Rentals	8,331.99
Railway Car Liners and Repairs	7,947.08
Boiler, Scales and Air Tank Inspections	6,905.51
Broadcasting Grain Prices	6,049.00
Freight, Express and Trucking	5,048.13
Lubricating Oils and Greases	4,747.76
Receiving Grain Prices	4,733.55
Licenses and Bonds	4,394.69
Rural Electrification Line Installation Costs	4,205.09
Mail Allowances	3,263.00
Agents' Meetings Expenses	1,908.90
Terminal Warehouse Receipts Registration Fees	1,716.94
Medical Services	1,556.60
Spring Coulee Storage	1,156.26
Agents' Rental Allowances	1,004.50
Portable Cleaner Parts and Repairs	619.13
Government Inspection and Weighing Overtime	38.08
Miscellaneous	2,703.35
	\$3,736,193.60

Office and General Expenses—

Salaries and Wages	\$588,512.40
Cost of Living Bonus	72,394.80
Rentals	54,062.08
Printing, Stationery, Supplies	26,813.68
Repairs and Alterations	21,509.70
Telephone Calls and Telegrams	\$14,948.63
Telephone Rentals	6,259.59
	21,208.22
Business Taxes	14,781.46
Postage and Meter Rentals	13,313.98
Audit Fees and Expenses	12,025.00
Travelling and Moving	7,598.20
Insurance and Maintenance of Office Equipment	6,632.07
Unemployment Insurance	4,088.63
Workmen's Compensation Board	3,197.69
Light and Power	2,611.06
Legal Fees and Expenses	2,492.99

Carried Forward

\$851,241.96 \$3,736,193.60

ALBERTA WHEAT POOL
CALGARY, ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR
ENDED 31st JULY, 1954 (Continued)

REVENUE

Brought Forward \$9,656,093.29

Carried Forward \$9,656,093.29

ALBERTA WHEAT POOL
CALGARY, ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR
ENDED 31st JULY, 1954 (Continued)

EXPENSES

Brought Forward	\$3,736,193.60
Office and General Expenses (Continued) —	
Brought Forward	\$851,241.96
Automobile Expenses	2,257.02
Freight, Express, Trucking	2,005.82
Licenses and Bonds	1,680.47
Membership Fees	1,397.00
Fidelity Bonds	443.65
Miscellaneous	8,710.22
	867,736.14
Elevator Superintendence —	
Salaries	\$101,971.40
Cost of Living Bonus	8,882.80
Travelling and Sustenance	16,740.75
Automobile Expenses	14,951.41
Automobile Insurance	1,630.99
Unemployment Insurance	505.44
Workmen's Compensation Board	349.66
Supplies	308.78
	145,341.23
Publicity and Advertising —	
Salaries	\$ 15,464.75
Cost of Living Bonus	1,206.72
Radio Broadcasts	40,443.15
Advertising	9,621.04
The Budget	7,501.77
Pamphlets, Circulars, Calendars	5,035.85
Travelling and Sustenance	1,679.75
Subscriptions and Library	538.93
Printing, Plates and Photos	267.52
Postage	232.45
Unemployment Insurance	30.42
Miscellaneous	240.65
	82,263.00
Field Service —	
Salaries	\$ 36,325.25
Cost of Living Bonus	3,284.96
Travelling and Sustenance	5,839.47
Automobile Expenses	5,522.39
Motion Picture Expenses	1,801.22
Automobile Insurance	665.43
Telephone Tolls and Telegrams	548.82
Supplies and Postage	497.03
Unemployment Insurance	201.24
Workmen's Compensation Board	132.54
	54,818.35
Carried Forward	\$4,886,352.32

ALBERTA WHEAT POOL
CALGARY, ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR
ENDED 31st JULY, 1954 (Continued)

REVENUE

Brought Forward \$9,656,093.29

Carried Forward \$9,656,093.29

ALBERTA WHEAT POOL
CALGARY, ALBERTA

**STATEMENT OF OPERATIONS FOR THE YEAR
 ENDED 31st JULY, 1954 (Continued)**

EXPENSES

Brought Forward	\$4,886,352.32
General Administration—	
Employees' Pension Fund	\$119,786.35
Employees' Supplementary Retirement Allowances	6,460.00
Directors' Fees	19,445.00
Directors' Expenses	18,505.90
Professional Fees	29,429.64
Annual Meeting of Delegates	16,543.40
Legal Fees and Expenses	15,631.80
Contributions—Educational and Charitable	15,588.00
Alberta Federation of Agriculture	15,384.11
Proportion Central Expenses	7,244.00
Membership Lists and Ballots	6,660.70
Junior Clubs—	
Junior Farm Clubs	\$1,712.32
Girls' Garden Clubs	2,538.03
Farm Young People's Week	1,133.46
Junior Farm Camps	550.00
	5,933.81
Delegates' Country Expenses	4,493.43
Country Meetings—Hall Rents, etc.	2,377.95
Miscellaneous	12,995.75
	296,479.84
Interest, Exchange, Brokerage, etc.—	
Interest—Current Operating	\$858,392.92
Mortgage Interest	10,000.00
Bank Exchange and Payors' Commissions	104,422.47
Brokerage on Grain	12,553.51
Postage, Insurance, etc. on Funds	2,064.12
	987,433.02
Rental—Equivalent to Depreciation—	
Country Elevators, Annexes, Dwellings and Sheds—10% and 20%	\$582,845.01
Vancouver Terminal—5% and 20%	142,825.39
Port Arthur Terminal—5% and 20%	34,859.92
Automobiles and Trucks—30%	20,291.75
Office Equipment—20%	17,449.27
Calgary Warehouses—10%	1,059.60
Terminal Loose Equipment—20%	787.67
Country Elevator Equipment—20%	33,501.38
	\$833,619.99
Special—Additional Storage—	
Country Elevators and Annexes—30%	\$176,538.41
Machinery—20%	27,563.24
	204,101.65
Net Operating Earnings	1,037,721.64
	2,448,106.47
	<u><u>\$9,656,093.29</u></u>

ALBERTA WHEAT POOL
CALGARY, ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR
ENDED 31st JULY, 1954 (Continued)

REVENUE

Brought Forward \$9,656,093.29

\$9,656,093.29

ALBERTA WHEAT POOL AND ALBERTA POOL
ELEVATORS LIMITED
CALGARY, ALBERTA

CONSOLIDATED BALANCE SHEET AS AT 31st JULY,
1954, AND COMPARISON WITH 31st JULY, 1953

ASSETS

Current—	31st July, 1954	31st July, 1953
Cash in Banks, on Hand and in Transit	\$ 547,700.95	\$ 550,294.41
Bonds, Dominion of Canada—Cost		2,351,250.00
Stocks of Grain and Coal	32,829,580.80	38,286,724.66
Advances on Grain	5,132.97	21,403.36
Accounts Receivable	927,198.95	1,064,796.45
Accrued Items Receivable	48,245.52	91,480.68
Prepaid Expenses	332,671.20	345,201.85
Total—Current Assets	<u>\$34,690,530.39</u>	<u>\$42,711,151.41</u>
Fixed Assets—		
Buildings and Operating Machinery	\$17,716,761.31	\$16,526,680.02
Less Depreciation Reserves	11,976,872.19	11,044,086.46
	<u>\$ 5,739,889.12</u>	<u>\$ 5,482,593.56</u>
Elevator and Office Equipment, Autos, Trucks, etc.	\$ 489,814.94	\$ 394,803.38
Less Depreciation Reserves	235,514.20	219,289.80
	<u>\$ 254,300.74</u>	<u>\$ 175,513.58</u>
Grain Exchange Memberships	\$ 9,302.00	\$ 9,302.00
Shares—Pool Insurance Company	64,500.00	64,500.00
Canadian Pool Agencies Limited	6,670.00	6,670.00
	<u>\$ 80,472.00</u>	<u>\$ 80,472.00</u>
Net—Capital Assets	<u>\$ 6,074,661.86</u>	<u>\$ 5,738,579.14</u>
	<u><u>\$40,765,192.25</u></u>	<u><u>\$48,449,730.55</u></u>

ALBERTA WHEAT POOL AND ALBERTA POOL
ELEVATORS LIMITED
CALGARY, ALBERTA

CONSOLIDATED BALANCE SHEET AS AT 31st JULY,
1954, AND COMPARISON WITH 31st JULY, 1953

<u>LIABILITIES</u>		
Current—	<u>31st July, 1954</u>	<u>31st July, 1953</u>
Bank Loans	\$22,020,000.00	\$25,350,000.00
Outstanding Cheques, Cash Tickets and Orders	4,023,618.64	9,256,264.19
Accounts Payable	460,292.89	441,657.72
Accrued Items Payable	260,675.99	222,175.59
Growers—Outstanding Payments	199,346.03	296,333.11
Earnings for Current Period less Prepaid Taxes	2,392,336.32	2,648,437.40
Total—Current Liabilities	<u>\$29,356,269.87</u>	<u>\$38,214,868.01</u>
Deferred—		
Bank of Montreal—First Mortgage Bond		\$ 300,000.00
Reserves—		
Commercial and Elevator	<u>\$ 8,897,914.43</u>	<u>\$ 7,478,788.26</u>
Surplus—		
Retained from Earnings from prior years	\$ 2,220,125.57	\$ 2,218,299.01
Accrued from Properties	290,882.38	237,775.27
	<u>\$ 2,511,007.95</u>	<u>\$ 2,456,074.28</u>
	<u><u>\$40,765,192.25</u></u>	<u><u>\$48,449,730.55</u></u>

CALGARY, Alberta, 15th October, 1954.

Certified to be a consolidation of the Balance Sheets of Alberta Wheat Pool and Alberta Pool Elevators Limited as at 31st July, 1954, showing a comparison with the position as at 31st July, 1953, subject to our Reports in connection therewith.

HARVEY, MORRISON & CO.,
Chartered Accountants.

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 Shareholders,
Alberta Pool Elevators Limited,
Calgary, Alberta.

Lougheed Building,
Calgary, Alberta,
20th September, 1954.

Dear Sirs:—

We have completed our audit of the books of account of your company for the year ended 31st July, 1954 and submit herewith the balance sheet as at that date.

As in previous years, the elevator facilities of your company were leased to the Alberta Wheat Pool. The rental of these facilities measured by the capital cost allowance or depreciation on the assets has been provided at the following rates:—

Terminal—Structures	5%
Equipment	20%
Country Elevators and Annexes—	
Structures	10% normal and 30% special
Equipment	20% normal and 20% special
Dwellings, Coal and Flour Sheds and	
Warehouses	10%
Country and Terminal Elevator Equipment	
and Office Furniture and Equipment	20%
Automobiles and Trucks	30%

Application of these rates to the undepreciated costs as at 31st July, 1954 has resulted in a total provision of \$1,037,721.64 made up of \$833,619.99 normal depreciation and \$204,101.65 special depreciation. The special depreciation is allowed by the Income Tax Regulations to encourage the building of additional grain storage. The total amount of depreciation for the previous year amounted to \$765,009.76.

Capital surplus reflects a net increase for the year of \$53,107.11. This was in respect of sales of property and equipment, fire losses, etc.

Property changes during the year are summarized hereunder:—

	31st July, 1954	31st July, 1953
Elevators	507	486
Annexes	491	496
Dwellings	397	390
Flour Sheds	23	23
Coal Sheds	31	31
Warehouses	2	2
	<u> </u>	<u> </u>

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

Net capital expenditures during the year amounted to \$1,285,092.85.

AUDIT CERTIFICATE

We have examined the balance sheet of Alberta Pool Elevators Limited as at 31st July, 1954 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, 1954, according to the best of our information and the explanations given to us and as shown by the books of the company.

HARVEY, MORRISON & CO.,
Chartered Accountants.

ALBERTA POOL ELEVATORS LIMITED
CALGARY, ALBERTA

BALANCE SHEET AS AT 31st JULY, 1954

ASSETS

PROPERTY—

Buildings and Operating Machinery (Cost)—		
Country Elevators (507)	\$ 8,788,827.88	
Country Annexes (491)	2,994,181.71	
	<hr/>	
	\$11,783,009.59	
Coal Sheds (31)	13,788.35	
Flour Sheds (23)	11,948.00	
Dwellings and Sites (397)	1,768,757.02	
	<hr/>	
	\$13,577,502.96	
Less Accumulated Allowances for Capital Cost	9,401,708.81	
	<hr/>	
	\$4,175,794.15	
Vancouver Terminal	\$ 3,388,994.96	
Less Accumulated Allowances for Capital Cost	2,204,643.20	
	<hr/>	
	1,184,351.76	
Port Arthur Terminal	\$ 712,412.05	
Less Accumulated Allowances for Capital Cost	361,256.60	
	<hr/>	
	351,155.45	
Calgary Warehouses (2)	\$ 18,800.00	
Less Accumulated Allowances for Capital Cost	9,263.58	
	<hr/>	
	9,536.42	
Equity in Wheat Pool Building, Winnipeg	19,051.34	
	<hr/>	
	\$5,739,889.12	

EQUIPMENT (Cost)—

Office Furniture and Equipment	\$ 212,218.36	
Less Accumulated Allowances for Capital Cost	142,421.28	
	<hr/>	
	\$ 69,797.08	
Automobiles	\$ 115,988.17	
Less Accumulated Allowances for Capital Cost	68,640.74	
	<hr/>	
	47,347.43	
Terminal Equipment	\$ 16,834.79	
Less Accumulated Allowances for Capital Cost	13,684.13	
	<hr/>	
	3,150.66	
Portable Cleaners and Loaders	\$ 12,432.37	
Less Accumulated Allowances for Capital Cost	10,768.05	
	<hr/>	
	1,664.32	
Elevator Maintenance and Sundry Equipment—		
Net Value	132,341.25	
	<hr/>	
	254,300.74	
	<hr/>	
	\$5,994,189.86	

ALBERTA POOL ELEVATORS LIMITED
CALGARY, ALBERTA

BALANCE SHEET AS AT 31st JULY, 1954

LIABILITIES

CURRENT—

Contracts Payable \$ 32,903.00

INTERNAL—

Alberta Wheat Pool 820,404.48

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 290,882.38

5,140,882.38

Approved on behalf of the Board.

BEN S. PLUMER, Director.

G. L. HARROLD, Director.

\$5,994,189.86

CALGARY, Alberta, 20th September, 1954.

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, 1954

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 depreciation on the assets of the Company. The active operations are carried on by Alberta Wheat Pool, and Alberta Pool Elevators Limited may be regarded, for the present, as merely a holding company.

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

ASSETS

CURRENT	\$34,690,530.39
CASH IN BANKS, ON HAND AND IN TRANSIT	\$ 547,700.95
In Banks	\$ 499,262.95
On Hand and In Transit	47,838.00
 Petty Cash Funds	 600.00
Representing the amounts on hand at Calgary and Edmonton for purposes of making sundry disbursements.	\$ 547,700.95

STOCKS OF GRAIN AND COAL \$32,829,580.80

Representing grain and coal on hand in country and terminal elevators and in transit as at 31st July, 1954, as follows:

Wheat	22,884,402.3	Bus.	\$25,820,525.40
Oats	3,688,553.5	"	1,765,852.51
Barley	7,184,041.6	"	4,884,987.39
Flax	29,672.1	"	72,980.26
Rye	327,924.1	"	241,319.08
Mixed Grain	32,635.4	"	30,700.77
 Mixed Feed	 Oats	7,646.6	 " 3,187.96
Screenings	400	Tons	3,300.00
Coal			5,529.45
Freight Paid on Grain in Transit			1,197.98

\$32,829,580.80

ALBERTA WHEAT POOL
 Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954

ASSETS (Continued)

CURRENT (Continued)

ADVANCES ON GRAIN 5,132.97

Advances secured by grain in store.

ACCOUNTS RECEIVABLE 927,198.95

Representing accounts owing to the Pool as at 31st July, 1954 as follows:—

Due from Canadian Wheat Board in Respect of Carrying Charges .. \$ 381,576.16

Due from Manitoba Pool Elevators in Respect of Port Arthur Operations 375,520.27

General Accounts 95,335.41

Railway Charges on Cars Unloaded at Vancouver for Saskatchewan Wheat Pool 27,424.62

Domestic Freight Collectible in Respect of Feed Grains Sold at Vancouver 17,552.34

Manifest Charges in Respect of Grain Shipments through Vancouver 14,499.68

Growers' Accounts—Current 8,150.80

Great West Life Assurance Company Group Life Premiums 6,347.27
 Recoverable from employees.

Public Utilities Deposits 472.40

Deposit with Unemployment Insurance Commission, Vancouver 225.00

Rentals Receivable 95.00

\$ 927,198.95

ACCRUED ITEMS RECEIVABLE \$ 48,245.52

Representing amounts due as at 31st July, 1954, but not collectible until later, as follows:—

Country Elevator Department—

Charges on Outstanding Storage Tickets—Storage Charges and Elevation Charges \$ 4,151.65

Charges on Cars in Store, not delivered 3,736.16

Charges on Cars Shipped—Handling and Commission 416.29

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954
ASSETS (Continued)

CURRENT (Continued)

ACCRUED ITEMS RECEIVABLE—(Continued).

Interest—	
On Staff Bond Purchases	776.77
On Advances on Grain	65.13
Siding Rental 1953-54 — Port Arthur	300.00
Prepaid Storage on Stocks in Government Elevator, Lethbridge	43.58
	<u> \$ 9,489.58</u>

Terminal Department—

Elevation Charges	26,995.27
Storage Charges	7,358.12
Diversion Premiums	4,262.41
Grain Insurance Rebate	140.14
	<u> \$ 48,245.52</u>

PREPAID EXPENSES \$ 332,671.20

Expenses applicable to 1954-55

Season:—	
Country Elevators	\$ 177,222.35
Terminal Department	47,109.42
Repair Stocks	92,676.40
Stationery Stock	14,736.00
Postage Stamps	618.66
Payroll Stamps	308.37
	<u> \$ 332,671.20</u>

TOTAL CURRENT ASSETS \$34,690,530.39

INTERNAL \$ 820,404.48

Alberta Pool Elevators Limited.

Balance owing to Alberta Wheat Pool on current account.

SHARES AND INVESTMENTS 4,921,170.00

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

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954

ASSETS (Continued)

SHARES AND INVESTMENTS—(c.)

Alberta Pool Elevators Limited (Continued).

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 64,500.00

Your Organization has subscribed for shares in this Company to a par value of \$75,000.00. As at 31st July, 1954, 74% of this amount has been called up, plus a premium of \$12.00 per share, thus bringing the amount paid in respect of these shares to the above-mentioned figure of \$64,500.00. 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 supervises insurance matters of your Organization. In order to provide working capital, the above amount has been invested in shares of this Company. Your Pool participates in the distribution of the earnings on the basis of business contributed.

\$4,921,170.00

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 \$40,441,406.87

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954

LIABILITIES

CURRENT \$29,527,468.52

**CUTSTANDING CHEQUES,
CASH TICKETS & ORDERS .. \$4,023,618.64**

Representing cheques, cash tickets and orders issued prior to 31st July, 1954 but not presented for payment, as follows:—

Elevator Department—

Outstanding Cheques	\$1,010,871.95
Outstanding Cash Tickets	3,005,304.09
Advance Orders	6,360.12
Wartime Salvage Ltd.—Vouchers	196.16

Membership Department—

Consolidated Payments	139.89
Reserve Interest Payments	267.17
1928 Final Payment	10.24
1934 Interim Payment	34.02
Capital Stock Refund Money	
Orders	435.00

\$4,023,618.64

BANK LOANS 22,020,000.00

Against Security of Grain—

Bank of Montreal	\$11,010,000.00
The Royal Bank of Canada	4,404,000.00
The Bank of Toronto	3,303,000.00
Bank of Nova Scotia	3,303,000.00

\$22,020,000.00

ACCOUNTS PAYABLE 427,389.89

General Accounts	\$ 167,173.73
Receiver General of Canada re—	
Prairie Farm Assistance Act	
Levies	55,071.87
Employees' Income Tax	52,986.84
Employees' Pension Plans	33,832.02
Terminal Weighing and Inspection Fees	7,938.77
Unemployment Insurance Commission	1,942.48
Staff Savings Accounts	47,264.09
Canadian Wheat Board in respect of Grain Operations	44,462.60
Freight and Terminal Charges on Cars of Grain in Store	15,031.71
Deposits pending Acceptance of Membership Applications	875.00
Coal Commissions Payable	762.78
Rentals Paid in Advance	48.00

\$ 427,389.89

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954

LIABILITIES (Continued)

CURRENT (Continued)

ACCRUED ITEMS PAYABLE \$ 260,675.99

Representing provision for expenses accrued at 31st July, 1954 and payable later, as follows:—

Country Elevator Department—

Accrued Taxes on Properties	\$ 145,599.31
Accrued Expenses—	
Grain Insurance—July	18,984.59
Exchange on Cash Tickets	3,788.05
Power Accounts	3,300.00
Mutual Telephone Rentals	626.95
Winnipeg Office Expenses	358.73
Accrued Interest—on Grain Loans	8,706.40
Past Services Annuities Fund	51,436.11
Charges on Grain in Interior Terminals	14,308.08
Reserve for Staff Sickness and Accidents	5,798.52
Salary Guarantee Funds	4,799.07
Refunds Due on Insurance Accounts	37.11

Terminal Department—

Diversion Premiums	2,770.90
Registration and Cancellation Fees	151.69
Storage on Grain in Other Terminals	10.48

\$ 260,675.99

GROWERS' OUTSTANDING PAYMENTS .. \$ 199,346.03

For various reasons, it has not been possible to distribute the above sum to growers. Details are as follows:—

Reserves Purchases—

Commercial and Elevator	\$ 176,220.95
Patronage Dividend	22,109.46
	<u>\$ 198,330.41</u>

Unclaimed Patronage Dividend Cheques	1,015.62
	<u>\$ 199,346.03</u>

NET EARNINGS, SEASON 1953-54 2,392,336.32

Being the net earnings for the year ended 31st July, 1954, less \$55,770.15 paid on account of income taxes. This amount is carried as a current

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954

LIABILITIES (Continued)

CURRENT (Continued)

NET EARNINGS—(Continued).
liability pending decision of dele-
gates as to distribution.

TOTAL CURRENT LIABILITIES ...\$29,323,366.87

RESERVES AND SURPLUS \$11,118,040.00

Commercial and Elevator Reserves \$8,897,914.43

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 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, 1953 of \$7,478,788.26 to the

ALBERTA WHEAT POOL
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954

LIABILITIES (Continued)

RESERVES AND SURPLUS—(Continued).

Commercial and Elevator Reserves (Continued).

amount at 31st July, 1954 of
\$8,897,914.43.

The above increase in reserves includes all of the reserves previously purchased by the Pool and held in the treasury. At 31st July, 1953 these reserves in the treasury amounted to \$989,042.45.

SURPLUS, retained from earnings of previous years \$2,220,125.57

This balance represents the undistributed balance of earnings up to and including 31st July, 1954 as follows:—

Balance as at 31st July, 1953 \$2,218,299.01

Add Balance of Earnings for the year ended 31st July, 1954, not distributed 103,198.86

\$2,321,497.87

Less Sundry adjustments in respect of prior years 1,684.80

Loss on sale of Dominion of Canada Bonds 99,687.50

\$2,220,125.57

\$11,118,040.00

TOTAL LIABILITIES OF ALBERTA WHEAT POOL \$40,441,406.87

CALGARY, Alberta,
25th October, 1954.

HARVEY, MORRISON & CO.,
Chartered Accountants.

MEMORANDA



ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954

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

PROPERTY	\$5,739,889.12
Consisting of Country Elevator System and Terminal Elevators at Vancouver and Port Arthur:	
Country Properties—	
507 Country Elevators	\$ 8,788,827.88
491 Country Annexes	<u>2,994,181.71</u>
	<u>\$11,783,009.59</u>
397 Dwellings and Sites	1,768,757.02
31 Coal Sheds	13,788.35
23 Flour Sheds	<u>11,948.00</u>
	<u>\$13,577,502.96</u>
Less Accumulated Depreciation ..	<u>9,401,708.81</u>
	<u>Net Value of Country Property</u>
	<u>\$4,175,794.15</u>
Terminal Elevators—	
Vancouver	\$3,388,994.96
Port Arthur	<u>712,412.05</u>
	<u>\$4,101,407.01</u>
Less Accumulated Depreciation—	
Vancouver	\$2,204,643.20
Port Arthur	<u>361,256.60</u>
	<u>2,565,899.80</u>
	<u>Net Value Terminal Elevators</u>
	<u>1,535,507.21</u>
Calgary Warehouses	\$ 18,800.00
Less Accumulated Depreciation	<u>9,263.58</u>
	<u>9,536.42</u>
Equity in Wheat Pool Building, Winnipeg	<u>19,051.34</u>
	<u>Net Value of Property</u>
	<u>\$5,739,889.12</u>

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954

ASSETS (Continued)

PROPERTY—(Continued).

Property Changes during the year
 were as follows:

Elevators—

Number, 31st July, 1953	486
<i>Add</i> Barrhead No. 2, Castor	
No. 2, Enilda, Foremost	
No. 2, Hays, Magrath	
No. 2, Milo No. 2,	
Sibbald No. 2, Skiff	
No. 2, Spruce Grove, built	10
Duhamel No. 2, St.	
Paul No. 2, purchased	2
Dalemead No. 2, Delia	
No. 2, Etzikom No. 2,	
High River No. 2, Nan- ton No. 3, Nobleford	
No. 2, Oyen No. 2,	
Wainwright No. 2,	
Warner No. 3, Wetas- kiwin No. 2, Wilson	
No. 2, converted from twin	11
<i>Deduct</i> Mundare sold, Spruce Grove, converted to twin (Picture Butte burned and rebuilt)	(2)
	<hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/>
	507

Annexes—Cribbed—

Number, 31st July, 1953	98
<i>Add</i> Edgerton, Pibroch, built	2
	<hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/>
	100

Annexes—Twin—

Number, 31st July, 1953	25
<i>Add</i> Spruce Grove converted from elevator	1
<i>Deduct</i> Picture Butte burned (1)	
Dalemead No. 1, Delia	
No. 1, Etzikom No. 1,	
High River No. 1, Nan- ton No. 1, Nobleford	
No. 1, Oyen No. 1,	
Wainwright No. 1,	
Warner No. 1, Wetas- kiwin No. 1, Wilson	
No. 1, converted to elevator	(11)
	<hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/>
	14
	<hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/>
	62

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954
ASSETS (Continued)

PROPERTY—(Continued).

Annexes—Permanent Balloon—

Number, 31st July, 1953.....	55
<i>Add</i> Bow Island, Hussar, Kil- lam, New Norway, Pouce Coupe, Provost, Schuler, Stavely, Win- nifred, built	9
<i>Deduct</i> Picture Butte, burned ..	(1)
	<u>63</u>

Annexes—Temporary Balloon—

Number, 31st July, 1953	236
<i>Add</i> High River No. 2, War- ner No. 3	2
<i>Deduct</i> High River No. 1, Warner No. 1 (see above)	(2)
Magrath No. 1 wreck- ed, Mundare sold	(2)
	<u>234</u>

Annexes—Loxtable—

Number, 31st July, 1953	80
<i>Add</i> Wetaskiwin No. 2	1
<i>Deduct</i> Wetaskiwin No. 1 (see above)	(1)
	<u>80</u>

Total—Country Annexes 491

Sheds (for Storage)—

Number, 31st July, 1953	11
<i>Add</i> Claresholm No. 2 (coal shed)	1
	<u>12</u>

Steel Tanks—no change 2

Flour Sheds—including above—
no change

no change	23
-----------------	----

Coal Sheds—including above—

Number 31st July, 1953	31
<i>Add</i> Duhamel No. 2, purchas- ed	1
<i>Deduct</i> Bindloss, sold	(1)
	<u>31</u>

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954
ASSETS (Continued)

PROPERTY—(Continued).

Dwellings—

Number, 31st July, 1953	390
<i>Add</i> Equity, Hazeldine, Pouce	
Coupe, Purple Springs,	
built	4
Acadia Valley No. 2,	
Bonnyville No. 2,	
Daysland, Duhamel No.	
2, Hythe, Parkland,	
Sexsmith, Venice, pur-	
chased	8
<i>Deduct</i> Daysland, Hythe, Jar-	
row No. 2, Purple	
Springs, Sexsmith, sold (5)	
	<hr/>
	397
	<hr/>

EQUIPMENT \$ 254,300.74

Consisting of the following:—

Office Furniture and Equipment—	
Cost	\$ 212,218.36
28 Automobiles and 15 Trucks—	
Cost	115,988.17
Terminal Equipment—Cost	16,834.79
Portable Cleaners and Loaders—	
Cost	12,432.37
Elevator Maintenance and Sundry	
Equipment—Net Value	132,341.25
	<hr/>
	\$ 489,814.94

Less Accumulated Depreciation—

Office Furniture and Equipment	\$ 142,421.28
Automobiles and Trucks	68,640.74
Terminal Equipment	13,684.13
Portable Cleaners and Loaders	10,768.05
	<hr/>
	235,514.20

Net Value of Equipment \$ 254,300.74

Office Furniture and Equipment—

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

Automobiles and Trucks—

During the year 13 vehicles were traded in and 14 vehicles were purchased. There was one more truck on hand at the end of the year than at the beginning.

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954

ASSETS (Continued)

EQUIPMENT—(Continued).

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 depreciation.

Financing of Property and Equipment—

The property and equipment as enumerated above had a total cost of \$18,206,576.25 and has been financed as follows:—

By Elevator Reserve Payments	\$ 4,850,000.00
By Accumulated Allowances for Depreciation	12,212,386.39
By Gain on Capital Realization	290,882.38
By Borrowing from Alberta Wheat Pool	820,404.48
By Contracts Payable	32,903.00
	<u>\$18,206,576.25</u>

TOTAL ASSETS OF ALBERTA POOL ELEVATORS LIMITED	<u>\$5,994,189.86</u>
---	-----------------------

ALBERTA POOL ELEVATORS LIMITED
Calgary, Alberta

ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1954

LIABILITIES

CURRENT \$ 32,903.00

Contracts Payable—

Amounts owing in respect of dwellings under construction.

INTERNAL 820,404.48

Alberta Wheat Pool—

Borrowings from Alberta Wheat Pool in respect of current expenditures on property and equipment.

\$ 853,307.48

CAPITAL AND SURPLUS 5,140,882.38

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 290,882.38

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

\$5,140,882.38

TOTAL LIABILITIES OF ALBERTA POOL
ELEVATORS LIMITED \$5,994,189.86

CALGARY, Alberta,
19th October, 1954.

HARVEY, MORRISON & CO.,
Chartered Accountants.

MEMORANDA



CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

DIRECTORS' REPORT

1953-1954

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

Gentlemen:

The crop year which closed on 31st July, 1954, again produced big world grain harvests. World trade in grain fell considerably below the peak volumes of the two preceding years. The major wheat exporting countries accumulated record reserves.

Canadian farmers harvested their fourth successive bumper crop—and their third biggest on record. Total quantities sold into export were above average. Nevertheless, the estimated carryover of wheat, oats, barley, rye and flaxseed as at 31st July, 1954, exceeded even the peak established in 1943—with more grain in farm storage than ever before. Cash returns to farmers on grain sold were above average. Farm costs increased persistently.

CENTRAL BOARD

Your directors record, with deep regret, the passing of W. A. MacLeod, One of the Pool pioneers, he was director of publicity for our Central organization to the day of his death, on 29th May, 1954.

During the year, G. L. Harrold joined your Board, representing the Alberta Wheat Pool; and replacing A. T. Baker, who resigned to become general manager of that organization.

The work of your Central Board includes direction of Canadian Pool Agencies Limited and Pool Insurance Company. These activities assure efficient insurance service for our three Pools; and return substantial patronage dividends in cash to these member organizations. A vital function of your Central Board is assembling and exchanging information; and basing united action on common decisions.

Salient among current issues facing Western producers is the distribution of railway box cars to country elevators. The right of the producer to deliver his grain to the elevator of his choice is recognized and confirmed by law. In current practice, the distribution of railway box cars denies this right.

At board meetings on 8-9th October, 1953, and 23-24th March, 1954, and throughout the year, your directors worked for proper solutions to this and other issues vital to the welfare of Pool members and all Western farm people.

Steps were discussed for closer liaison with farm organizations in other countries, to develop understanding of common problems and build mutually beneficial trade. Relations between our Pools and the unions representing workers in Pool terminals, as well as the whole impact of labor-management relations upon our farm people, have been subject to continuous study. The need for farm finance and the related problem of farm grain storage have been closely watched. Additional appointments

to the Canadian Wheat Board were discussed with the Minister of Trade and Commerce.

As a practical step in scientific research, your board made it possible for Dr. I. Hlynka, of the Board of Grain Commissioners Research Laboratory, to take part in a congress of cereal chemists in Europe. Action taken by our three Pools for development of better livestock marketing was reviewed in Central Board meetings. The operation of the International Wheat Agreement in this critical year was closely watched. While our Pools were represented by W. J. Ball at the conference of the International Federation of Agricultural Producers in Kenya, it was agreed that a greater number from our Canadian West should attend future meetings.

INTERPROVINCIAL POOL MEETINGS

Three times during the 1953-54 crop year the full boards of our three Pools assembled in Interprovincial Pool meetings.

Meeting on 19-20th January, 1954, the united Pool directors recorded recognition of the long and faithful service rendered by Lew Hutchinson, recently retired from the board of the Alberta Wheat Pool. Mr. Hutchinson was the last of the provisional directors who pioneered our Pool movement.

At this meeting, a major issue was the allotment of railway cars between elevators at country shipping points—to permit each producer to exercise his right to deliver his grain to the elevator of his choice. The Inter-

provincial Pool Committee which had been working on this matter for some months, reported progress. Two main proposals were debated. One, that cars be allotted on the basis of producer deliveries; and that an "elevator car allotment book" be legalized to make the operation effective. The second proposed that cars be allotted on the basis of each producer's preference, as declared in his delivery permit book. The meeting decided that both proposals should be studied by the Committee; considered by our respective Pool boards; and finalized at a special Interprovincial Pool session to be held during the annual meeting of the Canadian Federation of Agriculture in London, Ontario.

Resolutions forwarded from the January Interprovincial Pool meeting to the Western Agricultural Conference urged:

That the International Wheat Agreement be a permanent feature of Canadian agricultural policy.

That the Canadian Wheat Board market all Western grains, eliminate speculative marketing of coarse grains and enforce delivery quotas. That appointees to the Board have the Western farmer's viewpoint; and the Advisory Committee to the Board be representative of farm organizations.

That fuller use be made of the Agricultural Prices Support Act; that livestock support prices be applied at licensed stockyards; that a board of Livestock Commissioners be established to administer and regulate the trade; and that hog grading be compulsory—with producers choosing between live and rail grading.

That the Government of Canada study needs for interim advances on farm-stored grain; co-operate with provincial legislatures and producers in adequate crop insurance; and negotiate agreements with other countries which would expand trade.

After full discussion, the united Pool boards passed the following resolution:

WHEREAS the principles of agricultural conservation in its broadest sense, that of utilization of land and the products therefrom, is in the national interest; and

WHEREAS the fundamental principle on which our democratic civilization is founded is that of law and order and that the supreme governing body shall be that of government legally elected to administer the law; and

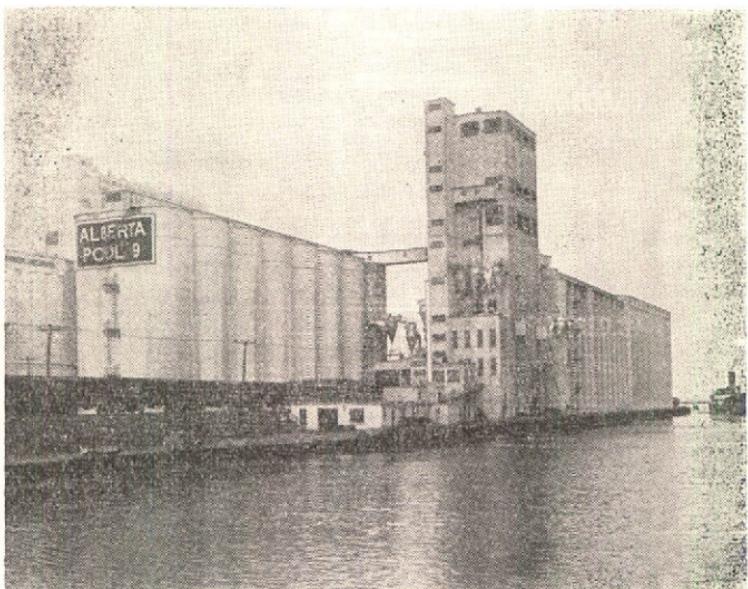
WHEREAS we recognize the right of the worker to organize and withhold his labor; and

WHEREAS the right of the employer to combine with others is prohibited by law if the combination is against the public interest; and

WHEREAS it is our belief that, even with the best of intentions on both sides, work stoppages by strike or lockout are inevitable where a clash of economic interest occurs and where no scientific system of democratic law is provided to protect the innocent bystander of society, in cases where the strike is a combination on a sufficiently wide scale to be disruptive of the functions of our social and economic structure; and

WHEREAS it is our opinion that individual and collective freedom ends where the freedom and well-being of society is challenged or violated;

THEREFORE we respectfully submit that just as laws were made in the interest of society to make illegal settlement by force of disputes between individuals, that now where the public welfare is jeopardized, laws should be made to settle by legal process disputes between organized sections of our economy.



PORT ARTHUR TERMINAL
One of Two Owned by Alberta Wheat Pool

The boards of our three Pools assembled in a special Interprovincial Pool meeting in London, Ontario, on 26th January, 1954. The meeting agreed that our Pools shall use their united strength to advance the proposal that railway cars be allotted to country elevators on the basis of the declared preference of the producer. It was decided that the Interprovincial Pool Committee on Railway Car Distribution should continue to give first priority to working out details; invite the co-operation of

other farm organizations; and press this issue with the Minister of Trade and Commerce.

The Interprovincial Pool meeting of 16-17th July, 1954, dealt primarily with recommendations to the Board of Grain Commissioners regarding tariffs of elevator charges for the 1954-55 crop year. It was agreed that to put tariffs on the basis of service at cost, handling charges must be increased and storage charges reduced. In view of the uncertainty of the immediate future, however, it was decided that the respective Pools should recommend tariffs similar to 1953-54.

The meeting endorsed fixing initial payments on wheat, oats and barley in the new crop year at the same levels as in 1953-54.

Canadian Wheat Board Commissioners attended the meeting and discussed marketing problems, including the International Wheat Agreement. They reported sales in our traditional markets maintained at traditional percentage levels. In the International Wheat Council, Canada held that the door should be left open to nations now outside the Agreement, with no concessions to lure them in! Recent reductions in wheat prices by the United States and Canada were reported to be well-timed; and probably headed off price-cutting by other exporting countries.

The Interprovincial Pool Committee on Railway Car Distribution reported on their conference with the Minister of Trade and Commerce on 13th July, 1954. The Minister had ruled that our Pool proposal for basing the allocation of box cars upon the declared preference of producers was not possible under existing legislation. He urged that our Pools accept an arbitrary division of the business of grain handling, based on the handle of respective companies in recent years.

The meeting recommended that producers building proper farm storage for grain be allowed the accelerated depreciation now enjoyed by many other industries. It was agreed that our Pools must be vigilantly active to counter-attack moves designed to nullify the Crow's Nest Pass Agreement. Further, we have a vital interest in promoting full development and use of the St. Lawrence Seaway. Finally, the meeting agreed that the Board of Grain Commissioners, to discharge efficiently its increasingly heavy responsibilities, should be reinforced with well selected replacements when present personnel retires.

WESTERN AGRICULTURAL CONFERENCE

Delegates representing the Agricultural Federations of British Columbia, Alberta, Saskatchewan and Manitoba assembled in the Western Agricultural Conference at Winnipeg, on 21-22nd January, 1954.

The Conference dealt with a wide range of matters in 73 resolutions. Resolutions recommending (1) the use of the 100-lb. measure for grain handling; and (2) fair allocation of railway box cars to country elevators —were relayed to the grain co-operatives. A recommendation that a crop insurance committee be established was referred to provincial Federations. Another resolution urged farmers to fill their machinery needs through their own Canadian Co-operative Implements Limited. The executive was instructed to call a meeting on 9th February, in Saskatoon, to consider hog marketing; and to press the railways for higher payments for livestock damaged in transit, and lower minimum carloads.

Sixty-three resolutions were forwarded from the Conference, for action by the Canadian Federation of Agriculture. These embraced a great variety of issues which are factors in farm life in our Canadian West; including—production and marketing of grain, poultry, livestock, dairy and

vegetable products; farm finance, support prices and income tax; conservation, transportation and freer trade; and education, health and labor-management relations.

The Conference elected the following officers for the ensuing year: President, W. J. Ball; Vice-Presidents, C. E. S. Walls, K. Kapler, J. D. Wilton.

CANADIAN FEDERATION OF AGRICULTURE

The Canadian Federation of Agriculture held its 18th annual meeting in London, Ontario, 25-29th January, 1954. The meeting debated resolutions forwarded from the Eastern and Western Agricultural Conferences; and reports of beef, hog, poultry and dairy committees. From discussion of all these emerged 95 resolutions as the summarized thinking of the organized farmers of Canada.

The essence of resolutions passed at the annual meeting was embodied in the annual CFA presentation to the Government of Canada on 19th February, 1954. This brief pointed out that our farm economy is deteriorating. More effective international action is needed to solve "surpluses"—and other food and farm problems. Canadian farmers are ready to co-operate in working out sound solutions to marketing problems, through marketing boards.

The brief reaffirmed unanimous support of the Canadian Wheat Board as sole marketing agency for Western wheat, oats and barley; asked that Board marketing be extended to rye and flaxseed; and urged elimination of the speculative market for coarse grains. International agreements were endorsed. Freight assistance on feed grains was recommended as permanent policy. The Government was urged to build more Eastern terminal elevators.

The brief, likewise, reaffirmed faith in IFAP, FAO and the principle of abundant food production to feed mankind and promote peace. Orderly marketing was urged, to make reserves of storable commodities valuable assets. Progressive expansion of freer trade was recommended—together with more technical assistance; moving surpluses into use; and building world food reserves.

In Canada, increased use should be made of the Agricultural Prices Support Act, the CFA brief stated, with support prices announced well in advance and floor prices for all products under the Act. Live grading for export hogs was urged; also the establishment of fair floor prices for eggs and poultry; and seasonal restrictions on turkey imports. The Government was asked to establish supervision of the livestock industry under a Board of Livestock Commissioners; and also to lower trade barriers, to accept foreign currencies and to protect Canadian producers from cut-price imports. The Government was urged, also, to be prepared to provide interim farm finance, when needed.

Farmers should not pay import duties on goods needed for production, the brief stated; and free entry should be extended to include: feeding equipment; mixed fertilizers; wagons and sleighs; electric fencing; electric feed cookers; metal silos and grain bins; chemicals for animal feeds; and veterinary drugs.

The CFA presentation urged, further, that laws be made to settle by legal process, labor disputes which jeopardize public welfare; and that provincial and national legislation require secret ballots on strike votes. The need was stressed for definition of income tax requirements which shall be uniform and clear to both farmers and tax officials. Recommendations called for balanced regional representation on the Board of Transport

Commissioners; a permanent Transport Controller; and a rail outlet from the Peace River to the Pacific. National conservation legislation was urged, under which the provinces may co-operate in full development and use of land and water resources. A Great Plains water authority and extension of the Prairie Farm Rehabilitation Administration were specifically recommended. Finally, the brief asked that unclaimed Canadian Wheat Board participation funds be entrusted to a foundation for research in the interests of Western producers; that a national plan provide pensions for incurably crippled persons; and that National Film Board services be expanded.

The annual mid-year meeting of the CFA assembled on 27-29th July, 1954, at Amherst, Nova Scotia. Reports were considered from delegates to the IFAP annual meeting in Kenya; from committees; and from the CFA office. Debate emphasized the need for farm organizations to develop public relations. It was urged that member bodies maintain liaison with their members of parliament; and that our national office keep CFA members advised of how M.P.'s support farmer interests in session. Head office was instructed to resist tariff increases on British woollens which might prejudice sales of Canadian farm products to the United Kingdom. The meeting approved co-operation in a national committee for study, public information and action on conservation of land and water resources.

INTERNATIONAL FEDERATION OF AGRICULTURAL PRODUCERS

The North American counterpart of the European Committee of the International Federation of Agricultural Producers held its first meeting at Washington, 23-24th February, 1954, with thirty leaders from farm organizations in Canada, Mexico and the United States participating. It was agreed that informal meetings of the committee should be held periodically to provide a forum for the discussion of mutual problems.

The 1954 IFAP conference was held 21-29th May, 1954, at Nairobi, Kenya, with W. J. Ball, Regina, the lone representative from Western Canada. More than 100 delegates and observers shared in conference activities. Allan B. Kline, head of the American Farm Bureau Federation, was re-elected to the presidency. The conference urged important shifts in food and fibre production to help solve the present surplus problem; and urged governments to co-operate in disposing of present surpluses. Other resolutions recommended that governments try to expand consumption, rather than reduce production; and urged reductions in trade barriers—accompanied by full convertibility of national currencies.

IFAP also sponsored meetings, held at London and Washington in September, 1954, to discuss the problems of dairy farmers.

FOOD AND AGRICULTURE ORGANIZATION

For the first time since the end of World War II, world food production, in 1953, caught up with the growth of world population. The expanded production was reflected in heavy surpluses of some commodities in some countries. Over large areas of the world, however, millions of people remained inadequately fed. This was the situation facing the November, 1953, conference of the Food and Agriculture Organization of the United Nations, in Rome.

FAO set up a standing subcommittee of its Committee on Commodity Problems, to provide for inter-governmental consultations on agricultural surpluses and their disposal. It also recommended that all governments review their food and agricultural policies in the light of present circum-

stances; and, further, that FAO should provide facilities for periodic regional as well as international consultations to enable governments to coordinate policies more effectively.

Dr. P. V. Cardon (U.S.), who was elected Director General to succeed Norris E. Dodd at the November conference, pointed out that the present situation is not merely one of overproduction and surplus. "Over large areas of the world agricultural production is still well below its pre-war level in relation to population. Fully half the world's people are still inadequately housed, clothed and nourished." Dr. Cardon stated that there was no sign of a slackening in the growth of human requirements; and to meet them was essentially a continuing problem.

FAO has continued its assistance in irrigation, land reclamation, disease control and plant improvement. Of particular interest is research in the development of vaccines to combat animal diseases. FAO technicians also are providing leadership in programs for efficient management of forests and fisheries. In the field of nutrition, efforts are underway to stimulate improved food habits. The outstanding achievement of FAO, perhaps, is in assembling, integrating and making known economic and statistical information on a more completely world-wide basis than ever before.

The tragedy of FAO is the apparent bypassing, even by its member governments, of its work towards international co-operation in the fields of food and agriculture. While membership in FAO has grown from the 42 signatories who met at Quebec City in 1945, to an impressive total of 71 nations—and continues to demonstrate how much can be accomplished by international co-operation—only a great expansion and intensification of the work of FAO can achieve the aims and purposes for which it was created by those member nations.

INTERNATIONAL WHEAT AGREEMENT

Four exporting and 43 importing nations are co-operating in the renewed International Wheat Agreement, which became operative on 1st August, 1953. During 1953-54, the new Agreement operated under conditions very different from those in effect during the final year of the former Agreement. United Kingdom, Italy and Sweden (assigned import quotas totalling 209 million bushels) decided to stay outside the Agreement. In fact, the latter became an exporter of wheat. During the year, Jordan, Korea, Vatican City and Yugoslavia joined the Agreement importing nations (with quotas totalling 8.6 million bushels).

The following table records total quantities which (after successive adjustments) the importers guaranteed to buy at the floor price of \$1.50, compared with the quantities actually exported during the first year of operation.

Exporter	Guaranteed Quantities	Quantities Exported	% of Quota Exported
— in million bushels —			
Canada	150.8	90.9	62.0%
Australia	44.3	27.6	62.4%
France .....	.3	.3	108.5%
United States	193.6	106.2	54.8%
Totals	389.1	225.2	57.8%

Guaranteed quantities for 1953-54, it will be seen, were just two-thirds of the 580.9 million guaranteed the year previous. Agreement sales in 1953-54 were just under 40% of the 572.2 million bushels sold during 1952-53.

India harvested big crops; and took only 7% of her Agreement quota of 36.7 million bushels. Austria, Denmark and Jordan made no purchases against their quotas. Five nations took 20% or less of the quantities they had undertaken to buy. Four other nations bought below 40% of their quotas.

On the other hand, eleven importing countries bought their full quotas, including: Philippines, 8.6 million; Spain, 9.1 million; and Japan, 36.7 million bushels.

In this first year under the new Agreement, 29 importing nations bought wheat from Canada. Switzerland took 88% of her Agreement quota; and bought 100% of requirements from Canada. Brazil also made all Agreement purchases from Canada—although the 3.8 million bushels so purchased represented only 29% of her quota. Other substantial customers for Canadian wheat were:

Country	Purchased from Canada	
	% of Total Agreement Purchases	Million Bushels
Germany	45.3%	16.9
Belgium	85.2%	12.9
Japan	32.5%	12.0
Netherlands	33.4%	5.7
Union of S. Africa	72.8%	5.5
Philippines	57.7%	5.0
Israel	75.8%	4.4
Venezuela	58.9%	3.6
Ecuador	77.3%	1.8
Ireland	67.7%	1.7

The 90.9 million bushels exported by Canada under the Agreement represented 40% of total IWA sales during the 1953-54 crop year.

Despite the fact that Agreement sales represented a smaller fraction of current world trade in wheat, participating nations agree that, in the face of the very conditions which brought this about, the operation of IWA has proved vitally useful—in providing a basic price range around which world prices tended to stabilize.

Representatives of 39 nations assembled at London in June, 1954, in the International Wheat Council. At the conclusion of this meeting the Council issued a statement which, in part, declared: "Even in abnormal conditions during 1953-54, IWA has functioned. Lower volume of Agreement transactions reflects reduced import demand due largely to importers' increased production and the use of reserve stocks . . . Where more wheat is available for export than is currently demanded by importers, trade could deteriorate and damage the internal trade and the economies of both wheat exporting and importing countries."

CANADIAN GOVERNMENT GRAIN POLICY

Initial payments on wheat, oats and barley delivered in the 1953-54 crop year by Western Canadian producers were announced on 2nd July, 1953, as follows (basis Lakehead or Vancouver): wheat, No. 1 Northern, \$1.40 per bushel; oats, 2 C.W., 65c; and barley, 3 C.W., 96c per bushel.

On 11th September, 1953, the Minister of Trade and Commerce announced that the Canadian Wheat Board would distribute an interim payment of 12 cents per bushel on all grades of 1952-53 pool wheat, beginning 1st October. A final payment averaging 9.2 cents per bushel on 1952-53 pool oats was announced on 30th October; and on 19th November, distribution began on a final payment averaging 13 cents per bushel on the 1952-53 barley pool. These combined payments distributed a total of close to \$100 million to Western producers. Later, on 25th February, 1954, the Minister announced a final payment on deliveries to the 1952-53 wheat pool averaging 10.934 cents on all grades.

The Transport Controller, on 19th October, 1953, cancelled operation of the car order book until the end of the year. On 3rd December, however, the Minister of Trade and Commerce announced that the car order book would be restored, beginning 14th December, 1953.

The Department of Agriculture, on 10th December, licensed the new "Selkirk" wheat; and made 130,000 bushels available for sale to producers.

During December, 1953, a Grain and Flour Mission, including officials of the Wheat Board and the Department of Trade and Commerce, visited Japan and the Far East.

The Minister of Trade and Commerce on 14th December announced that Canada would voluntarily limit export of oats to the United States to a total of 23 million bushels during the period from 10th December, 1953, to 30th September, 1954. On 31st March, 1954, President Eisenhower stated that imports of rye into the United States from all countries would be limited—for the period 1st April to 30th June, 1954, to 553,572 bushels; and for the United States crop year ending 30th June, 1955, to 3,321,428 bushels.

The Canadian Wheat Board on 16th February, 1954, began to quote separate selling prices for wheat—to compensate for freight differentials, basis No. 1 Northern in store at Lakehead, \$1.78½; at Vancouver, \$1.85½; and at Churchill, \$1.87½. On 7th June, 1954, the Board reduced its price for wheat, basis No. 1 Northern, by 10½ cents per bushel—pursuant to similar action by the United States.

In mid-May, 1954, the Canadian Wheat Board and Great Lakes shippers in a new contract, reduced freight rates on all grains by 1½ cents per bushel from Lakehead to Montreal; and 1 cent from Lakehead to Georgian Bay terminals. On wheat, for example, Lakehead to Montreal rates were reduced from 16 cents to 14.5 cents per bushel; and for the shorter haul to Bay ports, from 5.5 cents to 4.5 cents per bushel.

The Minister of Trade and Commerce on 16th July, 1954, announced that initial payments on 1954-55 grain deliveries would remain unchanged.

WORLD GRAIN PRODUCTION

Reports of world grain production (based upon estimates of the U.S. Foreign Agricultural Service) indicate that 1953 crops of bread grains were below 1952 harvests. Stocks were bigger, however; and world supplies of essential foods were at about the record 1952-53 levels.

As rice is a major competitor in world markets with our Canadian export grains, it is worthy of note that bigger acreages were sown to rice in major producing countries; and record crops were harvested in 1953-54. On the other hand, even with increased acreage, rice production has not kept pace with population increases in traditional rice-eating countries. Hence, world trade in rice is below pre-war levels.

Estimated world production of the five grains in which the producers of our Canadian West are principally interested is detailed in the following tabulation, along with corn and rice:

GRAIN PRODUCTION—WORLD

	1953	1952	Average 1935-39
— in million bushels —			
Wheat	7,025	7,290	6,025
Oats	3,970	4,190	4,365
Barley	2,720	2,745	2,365
Rye	1,570	1,600	1,732
Flaxseed	133	132	133
Total—5 grains ..	15,418	15,957	14,620
Corn	5,630	5,640	4,760
Rice	7,985	7,927	7,442

Grain acreages are tabulated below (based on FAO reports):

	North America		World	
	1934-38 Average	1952	1934-38 Average	1952
— in million acres —				
Wheat	80.5	96.8	316.5	338.5
Oats	48.4	49.4	94.1	91.4
Barley	13.8	16.8	88.2	100.1
Rye	3.9	2.7	39.5	37.6
	146.6	165.7	538.3	567.6
Corn	93.6	81.5	207.3	208.8
Millet & Sorghum	3.9	4.9	171.9	191.2
Rice	1.0	2.0	212.0	235.7
Total Grains	245.4	254.2	1,129.7	1,203.3

Livestock provides a basic source of food supply, closely related to grain. With feed grains plentiful because of big stocks in surplus areas, cattle and sheep numbers continued to increase through 1953-54. This increase maintained increased meat production, despite some decrease in hog slaughter.

Livestock populations for North America and for the world are reported by FAO as follows:

	North America			World		
	Prewar	1949-50	1951-52	Prewar	1949-50	1951-52
— in millions —						
Cattle	74.0	91.0	96.0	687.0	738.0	782.0
Sheep (& goats)	58.1	32.0	33.0	984.8	1,002.8	1,062.9
Hogs	54.8	66.0	69.2	294.0	302.9	326.1

These figures indicate that in 1951-52, the number of cattle, sheep and hogs in North America was 9.1% of the world total; and that in the interval between prewar and 1951-52, the world population of cattle, sheep and hogs increased by 127 million, or 6.2%.

GRAIN PRODUCTION—CANADA

In 1953, Canadian farmers harvested 1,321.8 million bushels of wheat, oats, barley, rye and flaxseed. This represented 7.8% of world production of these five grains.

Canada's 1953 crop fell short of 1952 production; and was below the record output of 1942. Nevertheless, it marked the first time in our nation's history when four successive harvests have exceeded the billion-bushel mark.

The total acreage cropped to our five principal grains has remained remarkably constant. For the thirty years from 1921 to 1950 inclusive, the average was 43.6 million acres. This rose to 47 million in 1951 and 1952; receded to 46.6 million in 1953; and, in the spring of 1954, fell to 44.3 million acres.

While total cropped acreages have varied little, average yields in bushels-per-acre have fluctuated widely, as follows:

	30-year average 1921-1950	3-year average 1951-1953
— bushels per acre —		
Wheat	15.7	24.0
Oats	29.6	41.5
Barley	23.2	31.7
Rye	12.6	18.1
Flaxseed	7.0	9.8

Such variations in yields from stabilized acreages have resulted in tremendous and unpredictable variations in total production. In the thirty years, 1921 to 1950, Canada's grain harvests varied between the low of 538 million bushels in 1937 to the high of 1,507 million in 1942; and averaged 904 million bushels. In the three years 1951-53, from substantially the same total cropped acreage, harvests have averaged 1,373 million bushels. That is 51.8% higher than for the preceding three decades.

WORLD USE OF GRAIN

Comparisons of grain production and trade, currently and in by-gone "base" periods, have significance only when related to the demands of the increasing numbers of mankind.

Vital statistics reported by FAO indicate that world population increased from 2,136 million in 1937, to 2,468 million in 1952. That is an increase in fifteen years of 332 million—or 15.5%. The increase has accelerated, in recent years, to 1.5% per annum. During the 15-year period, the increase in the United States was 22.2%; and in Canada, 27.2%.

The shift from agriculture to other occupations, as industrialization develops in every corner of the earth, is indicated in the following tabulation, based on FAO reports. Russia is listed separately, because current figures are not available.

Continent	1937		1952	
	Population in millions	% in Agriculture	Population in millions	% in Agriculture
North America	140	25%	172	18%
Central America	39	70%	53	66%
South America	84	62%	115	59%
Europe	371	36%	399	32%
Africa	168	76%	209	73%
Asia	1,137	73%	1,305	70%
Oceania	11	34%	14	29%
World (ex. Russia)	1,950	62%	2,267	59%
Russia (1926)	147	78% (1939)	170	57%

In 1953, FAO reports the problems of world agriculture assumed new form. Successive big crops have brought farm production into step with population increases. Heavy supplies of some products, in some countries, remain unused. At the same time, half of mankind is inadequately fed.

Some progress is reported in translating need into "effective demand." There is growing recognition of the fact that food and farm problems are vital and common to all peoples. Currency exchange is easing. The spread of knowledge is generating demand for better levels of living. Industrial development is giving more people buying power.

On the other hand, there is need for closer co-operation between nations; for selective adjustment of production; and for enlarging markets —by assuring that lower prices to farmers shall mean lower retail prices to consumers.

Any action taken to bring retail prices into balance with declining farm prices—so that consumers may buy more—has particular significance for grain exporting nations. This lies in the fact that most grain is used in the country where it is produced. Only a fraction is exported into world trade. Therefore, any small overall increase in world grain consumption would require additional quantities equal to a large share of current world trade.

The following tabulation, based on FAO reports, shows world production and exports (ex. Russia) of wheat, oats, barley and rye in million metric tons; and the percentage of production which entered into world export trade:

WORLD PRODUCTION AND EXPORTS of Wheat, Oats, Barley and Rye

Year	Production	Exported	% of Production Exported	
			— in million metric tons —	
1934-38 average	236.7	21.9		9.2%
1948-50 average	254.7	29.7		11.6%
1951	263.0	35.7		13.5%
1952	290.0	36.0		12.4%

Our Canadian economy depends upon exports taking a big share of the grain we produce—as indicated in the table below:

CANADIAN PRODUCTION AND EXPORTS Wheat, Oats, Barley and Rye

Year	Production	Exported	% of Production Exported	
			— in million metric tons —	
1934-38 average	14.2	5.2		36.6%
1948-50 average	20.2	6.8		33.6%
1951	28.3	10.9		38.5%
1952	32.8	12.4		37.8%

GRAIN USED IN CANADA

The combined total of wheat, oats, barley, rye and flaxseed used in Canada, in relation to total production of these grains by Canadian farmers, is shown in the following table—based on the average for the five crop years 1947-48 to 1951-52 inclusive:

Production, 5-year average (in million bushels)	987.4
Used in Canada:	
Human food	53.6
Seed	77.9
Industrial	16.9
Handling losses	1.6
Feed and waste	468.2
Total used in Canada—5-year average	618.2
Percentage of average production used in Canada	62.6%

It is noteworthy that while the number of Canadians has trebled in the past half century, the consumption of grain as human food has not increased proportionately. Requirements for seed have remained remarkably constant. Industrial demand is principally for brewing barley; and has changed very little. Losses incurred in handling and drying were well below a million bushels annually, until the 1950 and 1951 harvests multiplied this toll.

The use of grain for feed shows substantial increase. This reflects the trend toward a diet including more meat, which commonly accompanies expansion of industrial earnings. It appears certain that continued industrialization will call for the use of more and more grain for feed in Canada. Surveys by FAO disclose that industrialization decreases the use of grain for human food—but increases the per capita consumption of grain for all purposes.

Canadian producers marketed 1,547,000 head of cattle in 1953. Marketings in 1950 totalled 1,660,000. But, whereas 38% of the cattle sold in 1950 were exported and 1,154,000 were consumed in Canada—in 1953 only 8% of the cattle marketed went into export; and our domestic markets took 1,470,000 head. This is an increase in home consumption in two years of 27.4%.

On the other hand, the marketing of hogs has declined—as shown in the following table:

Average for five years 1941-45	6,863,400
Average for five years 1946-50	4,637,800
Marketings in 1951	4,894,000
Marketings in 1952	6,699,000
Marketings in 1953	5,003,000

Hog marketings in the first five months of 1954, compared with the same period in 1953, show a further decline of over 14%. At the same time the hog-barley ration (which averaged 15.7 in 1952) climbed in 1953 to 27.4; rose in the first five months of 1954 from 28.1 to 31.6; and then fell to 28.3 in June and to 23.6 in July.

WORLD TRADE IN GRAIN

While farmers have increased production in recent years, world trade in farm commodities has remained almost unchanged at 1934-38 levels. Trade in cereals dropped in the 1953-54 crop year, largely due to big harvests and reduced import requirements in many Western European and Far Eastern countries. For example, the wheat import requirements of Western Europe were 1.5 million metric tons (or 10%) below 1952-53.

Trade in farm products between nations of Western Europe increased in 1953-54. Some countries had unaccustomed surpluses for export. Agricultural exports from Latin America reversed recent trends; and rose 20% above the preceding year. During the 1934-38 period North America

supplied about 12% of the world volume of gross exports of farm products. This rose to a peak of 24% in 1951; and declined to 20% in 1953.

While world grain shipments fell some 8% in 1953-54, exports increased from the Near East, Oceania, France and Sweden. Exports from North America, however, were 30% below 1952-53.

World wheat exports during 1953-54 totalled 22 million metric tons. This was 16% below the 26.1 million shipped in 1952-53—which, in turn, was 8% below the total exported in the peak year 1951-52. Canada and the United States together contributed 22 million metric tons to the 1951-52 total; but in 1953-54 exported only 13 million metric tons. Whereas these two nations supplied 75% to 80% of world wheat trade in the two preceding years, in 1953-54 they provided only about 60% of world exports.

Canada's share of world wheat trade averaged 33.3% in the five years 1934-38; reached a peak of 41.8% in 1945-46; averaged 25.3% through the next five crop years; rose to 39.5% in 1952-53; and maintained that level in 1953-54.

Prices for export wheat, generally, declined during 1953-54. The new IWA, which went into effect in August, 1953, introduced a higher range of prices. For a time sales were made at prices above the former IWA range. Then, Agreement price levels declined. Prices for wheat traded outside the Agreement also fell steadily. By the end of the year most sales, whether in or outside the Agreement, were at identical price levels—around the middle of the IWA price range. Over most of the year, sales of Canadian wheat (both Agreement and Class II) were at similar prices. By June, 1954, price levels for Canadian No. 1 Northern were about 12% below July, 1953; and 16% below July, 1952.

Domestic wheat prices, generally, continued to be determined by national marketing arrangements, insulated from world markets. Only in Canada, of all wheat exporting countries, are wheat prices the same to domestic consumers as for export. Conversely, the United States, Argentina, France and Turkey sell export wheat at less than prices paid to producers.

Good world crops and bigger carryovers of coarse grains in 1953-54 made increasing supplies available. Export prices declined. Europe harvested bigger crops; but also imported heavily. World trade totalled about 12.8 million metric tons—about the same as in 1952-53. Argentina exported more, and Canada somewhat less, coarse grains than in the preceding year.

The revival of the private grain trade in the United Kingdom—and the reopening of the Liverpool Corn Exchange on 1st December, 1953—had little, if any, discernible influence on the trend of world grain trade or prices.

WORLD CARRYOVER OF WHEAT

Carryover of wheat into the new crop year beginning 1st August, 1954, in the four major exporting nations is estimated and compared with the two preceding years as follows:

	1954	1953	1952
— in million bushels —			
Canada	587.5	369.2	217.2
Australia	121.3	61.4	43.5
Argentina	83.6	101.9	1.8
United States	1,201.0	1,087.9	838.0
Total	1,993.4	1,620.4	1,100.5

The combined stocks held in the four major wheat exporting countries in 1954 were 23% above 1953; which, in turn, exceeded 1952 by 44%. The 1954 carryover is more than double the current annual level of exports from these four nations. World surveys by FAO point out that wheat is the crux of the surplus problem.

CARRYOVER OF GRAIN IN CANADA

Canada's grain carryover from the 1953-54 crop year represents an all-time record. The table below (compiled from figures published by the Board of Grain Commissioners and the Dominion Bureau of Statistics) details estimated commercial, farm and total carryover of the five principal grains for the past two crop years—compared with the previous high in 1943; the low in 1938; and the average for the ten years, 1941 to 1950, inclusive:

CARRYOVER OF CANADIAN GRAIN

In All North American Positions

31st July	1954	1953	10-year	Previous	Low
			average 1941-50	high 1943	
— in million bushels —					
Wheat	587.5	369.2	255.5	594.6	24.5
Oats	123.8	144.4	72.6	149.3	19.5
Barley	144.3	111.7	30.6	69.3	6.6
Rye	18.8	16.2	5.2	15.2	1.0
Flaxseed	2.5	3.9	3.2	3.7	0.2
Total	877.0	645.4	367.9	832.1	51.8
In Commercial Storage	428.6	361.0	241.1	451.0	26.1
In Farm Storage	413.8	225.2	117.1	356.2	24.5

Carryover grain occupied about 39% of Canada's total elevator space as at 31st July, 1951; about 47% a year later; and, at the close of the 1953-54 crop year, nearly 77%.

CANADIAN GRAIN EXORT TRADE

The volume of Canada's exports of our five principal grains (wheat, oats, barley, rye and flaxseed) during the 1953-54 crop year, compared with the three years preceding and the 10-year average (based on Board of Grain Commissioners estimates) is set out in the following tabulation:

GRAIN AND MILLED PRODUCTS EXPORTED

	1953-54	1952-53	1951-52	1950-51	10-year average 1939-40 to 1948-49	
					1949-50	1948-49
— in million bushels —						
Wheat (& Flour)	255.1	385.9	355.8	241.0	255.1	256.2
Oats (meal, etc.)	70.7	65.4	70.6	35.4	20.5	38.0
Barley	90.0	118.9	73.5	27.4	20.8	16.0
Rye	16.8	9.0	6.8	9.4	10.0	5.2
Flaxseed	5.2	4.1	2.9	4.1	3.0	2.7
Total	437.8	583.3	505.0	312.3	309.4	318.1

It will be seen that 1953-54 exports of the five grains were 24.9% below the 1952-53 record volume; but above the 10-year average by 37.6%.

Principal buyers of Canadian wheat are as follows:

	1953-54	1952-53	10-year average 1939-40 to 1948-49
— in million bushels —			
United Kingdom	65.8	102.0	123.0
Japan	39.4	13.9	...
Germany (Fed. Rep.)	20.7	24.1	.3
Belgium	13.3	20.9	4.3
Switzerland	9.9	10.5	2.4
United States	7.7	22.9	27.5
Brazil	7.7	11.1	.1
Netherlands	6.8	15.6	3.8
India	4.3	14.1	5.3
Italy .....	.4	13.5	2.5
Pakistan .....	...	14.4	...
Yugoslavia .....	...	10.2	.3
Other Nations	32.8	55.8	31.3
Total	208.8	329.0	200.8

Exports of oats in 1953-54 were far above average; but below the record of 77.6 million bushels exported in 1944-45. The bulk of 1953-54 sales were to the United States, which nation bought 65.9 million bushels.

The 90 million bushels of barley exported was 5½ times the 10-year average; and second only to the record exports of 1952-53. Principal customers were:

	1953-54	1952-53
— in million bushels —		
United States	36.9	24.1
Japan	19.7	19.4
United Kingdom	19.6	16.1
Germany (Fed. Rep.)	7.0	30.4
Belgium	3.2	12.2
Other Nations	3.6	16.7
Total	90.0	118.9

Grain exports during 1953-54 were distributed between Commonwealth and foreign nations as follows:

	21 Commonwealth Countries	64 Foreign Countries	Total 85 Countries
— in million bushels —			
Wheat (& Flour)	106.1	149.0	255.1
Oats (& meal)	1.7	69.0	70.7
Barley	19.6	70.4	90.0
Rye .....	...	16.8	16.8
Flaxseed .....	.6	4.6	5.2
Total	128.0	309.8	437.8

The geographic distribution of Canada's 1953-54 grain exports, by continents, is tabulated as follows:

	Europe	Africa	Asia	N.America	S.America	Total
— in million bushels —						
Wheat (& Flour)	147.0	11.3	57.9	19.2	19.6	255.1
Oats (& Meal)	4.0	.....	.....	66.2	.5	70.7
Barley	33.1	.....	20.0	36.9	.....	90.0
Rye .....	.5	.....	.....	16.3	.....	16.8
Flaxseed	4.0	.....	1.2	.....	.....	5.2
Total	188.6	11.3	79.2	138.6	20.1	437.8

During the 1953-54 crop year nearly 11 million bushels of the wheat exported went through Hudson Bay. Atlantic ports handled 76.6 million. Pacific ports handled 56% of Canada's overseas wheat shipments; and had a total grain handle of 133.3 million bushels.

FARM INCOME AND COSTS

Gross income, operating costs and net income for the farm operators of all Canada (except Newfoundland) and of Alberta, Saskatchewan and Manitoba for the past four calendar years are compared in the following table:

	Canada	The West
— in millions —		
1953—Gross farm income	\$3,194.8	\$1,589.5
Operating costs	1,538.3	697.5
Net farm income	1,656.5	892.0
1952—Gross farm income	3,482.9	1,814.0
Operating costs	1,582.2	730.2
Net farm income	1,900.7	1,083.8
1951—Gross farm income	3,588.8	1,778.9
Operating costs	1,434.3	651.7
Net farm income	2,154.5	1,127.2
1950—Gross farm income	2,741.2	1,209.3
Operating costs	1,293.1	579.2
Net farm income	\$1,448.1	\$ 630.1

Gross farm income (including cash income, income in kind, value of inventory changes and P.F.A.A. payments) for Canada in 1953 was 8% below 1952; and 12.3% below the all-time high in 1951.

Operating costs (including taxes, rent, hired labor, interest, feed, seed, tractors, trucks, farm autos, combines, repairs, supplies and depreciation on buildings and machinery) were 3% below the 1952 peak; but 7% above the 1951 level.

Net farm income for Canada in 1953 was 13% below 1952; and 23% less than the record high for 1951. In the West, net farm income for 1953 was 17.6% below 1952; 20.8% below 1951; but 41.5% above 1950.

Cash income to Canadian farmers from the sale of farm products in the first six months of 1954 totalled an estimated \$1,093.9 million. This is 7.5% below the same period in 1953; and nearly 12% below the all-time high in 1951. Western producers suffered the biggest reduction—as indicated in the table below. Wheat deliveries were down 40% and cash income from wheat was 45% below the level for the first half of 1953. Income from barley also was down—compared with the previous year. Initial payments for these grains were not increased during the first six months of 1954.

CASH INCOME FROM THE SALE OF FARM PRODUCTS JANUARY-JUNE, INCLUSIVE

	Canada	The West
1954	\$1,093.9	\$444.6
1953	1,182.6	577.9
1952	1,185.3	557.8

These figures, compiled from Dominion Bureau of Statistics reports, indicate that the cash income of Western farmers for the first half of 1954 was 23% below the same period of 1953.

FAO reports that farm incomes have fallen sharply in North America in recent years; but have been more stable in Western Europe, mainly because of increased production with domestic price supports. In most countries per capita farm incomes are one-third to one-half below earnings in other sectors of the economy.

FREIGHT ASSISTANCE

Freight-assisted shipments of wheat, oats, screenings and mill-feeds declined slightly in the 11-month period from 1st August, 1953, to 30th June, 1954, but barley and rye shipments edged upward, as indicated in the following tabulation.

	<u>1953-54</u>	<u>1952-53</u>
— for eleven months —		
Wheat, bus.	11,725,000	13,436,000
Oats, bus.	37,227,000	43,497,000
Barley, bus.	17,403,000	16,405,000
Rye, bus.	128,000	2,000
Screenings, tons	71,822	89,864
Millfeeds, tons	417,179	492,708

As in other years, the bulk of these shipments moved into Ontario, Quebec and British Columbia with smaller quantities going to Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.

PRAIRIE FARM ASSISTANCE

During the 1953-54 crop year levies, awards and payments to producers under provisions of the Prairie Farm Assistance Act were as follows:

	1% Levy	Number of Awards	Payments
Manitoba	\$ 973,258.03	4,655	\$ 586,425.50
Saskatchewan	4,939,452.16	5,475	1,105,286.75
Alberta	2,069,163.48	5,369	988,558.25
	<hr/>	<hr/>	<hr/>
	\$7,981,873.67	15,499	\$2,680,270.50

Compared with the crop year 1952-53 there was an increase of 5,915 in the number of awards made, representing an increase in the amount paid of \$1,112,603.00, and a decrease in the 1% levy of \$2,892,438.32.

Payments made under the P.F.A.A. since its inception in 1939 amount to \$146,282,074.65. Of this total, \$83,217,832.47 has been collected under the 1% levy. The balance — \$63,064,242.18 — was paid from government funds.

PRODUCERS' RIGHTS AND BOX CARS

Reference has been made earlier in this report to the recognized right of producers to forward grain through facilities of their own choosing; and the frustration of that right by a custom of box car distribution which has not yet been corrected.

When greatly increased yields began to fill Western elevators with more grain than could be moved into use readily, all companies began to press for box cars. The service which any elevator could render to the producers of its community was controlled by the number of box cars which that elevator could get to load and ship. In general the railways adopted a practice of distributing available cars equally between all elevators at a shipping point. Thus, the will of the producers who marketed the grain and paid the freight was disregarded and frustrated.

Producers fell back on the Canada Grain Act and the provisions therein, designed specifically to guarantee each producer full exercise of his right to deliver his grain where he chose, through the operation of the car order book. Congestion of grain handling facilities, with the consequent quotas imposed, made satisfactory operation of the car order book extremely difficult. Finally, the operation of the car order book was suspended by the Transport Controller from time to time; as, for example, from 4th December, 1951, to 15th July, 1952; and again from 19th October to 16th October, 1953.

Producers demanded legislation which would guarantee to them their right to deliver to the elevator of their choice. The directors of our three Pools set up an Interprovincial Pool Committee on Railway Car Distribution. This Committee, early in 1953, met the Board of Grain Commissioners; and pressed for amended regulations which would restore and protect the producer's right. The Commissioners, on the advice of the Department of Justice, took the stand that they lacked authority to effect such regulations.

Restoration of the right to deliver to the elevator of the producer's choice became a salient issue at annual meetings of Pool delegates and at Pool board meetings. The issue was discussed with administrators at various levels. Alternate plans were devised and debated. Finally, Pool directors agreed on a plan whereby box cars should be distributed to elevators at a shipping point according to the declared preference of the producers of that community.

This plan (with necessary amendments to the Wheat Board Act and the Canada Grain Act) was submitted on 19th February, 1954, to the Minister of Trade and Commerce. The Minister was not prepared to accept the recommendations of the Pool Committee.

After further consideration—and discussions with the Transport Controller—our Pool Committee met the Minister of Trade and Commerce on 27th March, 1954; discussed a car cycle—to be based on deliveries from 1945-46 to 1949-50, when the flow of grain was reasonably free; and urged that such a cycle be operative by 31st July, 1954. The Committee conferred with the Canadian Wheat Board; and on 13th July, 1954, again met the Minister of Trade and Commerce. The Minister expressed regret that a car cycle could not be effected under then existing conditions.

The Interprovincial Pool meeting on 16-17th July, 1954, reviewed the situation; and instructed our Committee to continue to press for legislation which shall restore and maintain the producer's right.

Meantime, representations have been made directly to the railways by the Pools—pointing out that cars are supplied to the order of other shippers;

and that identical service should be provided for producers who pay the freight on grain.

CO-OPERATION IN CANADA

In the year ending 31st July, 1953, 2,773 Canadian co-operatives, representing a total membership of 1,429,003, transacted business totalling \$1,202,325,902. This was a slight increase over the year previous. In addition, regional wholesales, in the same period, reported sales of \$127 million, with total assets of \$38 million, exclusive of Interprovincial Co-operatives Limited.

Farm products marketed co-operatively accounted for \$876.3 million, while sales of merchandise and farm supplies reached \$256.7 million. Sales of fish and products by fishermen's co-operatives totalled \$17.2 million; and the revenue of service co-operatives, \$20.6 million.

These totals of co-operative membership and business are impressive. When related to our growing Canadian economy, however, they emphasize that co-operative development must be tremendously accelerated and expanded.

Co-operation (more than any other known concept) recognizes the economic, political and human elements which are entangled in the problems of mankind. Co-operation blueprints the process by which these elements must be integrated in a mechanism designed to achieve plenty, peace and partnership for all people. Any positive progress toward these objectives is measured by increased use of the principles and methods inherent in co-operation.

CONCLUSION

Each passing year challenges our Pool organizations with a succession of problems. These problems change ceaselessly. Nevertheless, they have one thing in common: their ultimate solution must be found in co-operative action.

Our Canadian economy is expanding with tremendous rapidity. In less than ten years, our national income more than doubled (from \$9,212 million in 1946 to \$18,977 million in 1953). This development is featured by manifold industrialization which is increasing in income, dominance and concentrated power.

It is admitted that a sound and progressive agriculture must be the foundation of our economy. Nevertheless, agriculture's share of the national income is steadily diminishing. Farmers represented 19% of Canada's labor force in 1952; and less than 17% in 1953. In 1951 farm income was over 12% of the national total; in 1952 nearly 10%; and in 1953 only 8.7%.

To build agriculture into the sure foundation of a strong economy, Western producers must master certain basic problems. We must work to develop most efficient use of land and water for utmost permanent production at lowest cost. We must strive to move production into use to serve the growing needs of mankind. We must establish, for agriculture, an equality with other parts of our economy in status, opportunity and income.

These basic problems can all be mastered by working together to build co-operatives which shall be:

1. More efficient in buying and selling more goods and services at cost;

2. More effective in enlisting the active participation of more Canadians; translating their thinking into decisions; and registering those decisions in the councils of the nation;
3. More successful in bringing Canadian producers and consumers together with people the world over—to develop increasing use of the tools and concepts of democracy to satisfy human needs.

Today, more than ever before, the need is for each Western producer to be fully active in using, improving and expanding his Pool—and related co-operative organizations.

Respectfully submitted,

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

CANADIAN POOL AGENCIES LIMITED

DIRECTORS' REPORT

1953-1954

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

Gentlemen:

We submit herewith for your approval, the Twenty-sixth Annual Report and Financial Statements of your Company for the fiscal year ended July 31st, 1954, resulting in an operating surplus of \$70,670.18. After crediting the surplus account with a depreciation adjustment of \$766.97 and charging it with \$390.65 for income taxes, a balance of \$71,046.50 is available for dividends, as compared with \$32,985.79 last year.

The earnings vary from year to year and follow the fortunes of the parent organizations to a great extent. However, there is a substantial amount of insurance that is renewed every three years and this year the statement reflects the large volume of these renewals. In addition extra earnings were derived due to a general increase in terminal elevator rates.

Your Agency is operated on the principle of providing service to the Parent organizations and protecting their interests in the insurance field. The value of this service does not always reflect itself in the earnings of the Company, as we at all times endeavor to place the business at the lowest possible rates commensurate with security, and over the years we have been able to secure reductions in rates.

Sixteen types of insurance were handled during the year. The greatest income is derived from fire insurance, followed by fidelity bonds, then automobile and use and occupancy insurance.

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: Ten new loans were made during the year and nine were repaid, leaving the total number now outstanding at eighteen. Four loans were made to finance the purchase of automobiles, and the balance were made to employees of one of the Parent Organizations and are fully

guaranteed. Interest is thus earned on a part of our surplus funds without tying them up for any lengthy period. The Agency secures insurance on automobiles and property financed thereby, and insurance once obtained in this manner is usually renewed.

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 \$35,175.00 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.

Furniture and Equipment: In past years we have left this account at \$500.00. However, the income tax department insisted on adjusting our figures to the basis called for by the Act, and a credit of \$766.97 was made to the surplus account.

Shareholders' Liabilities and Reserve:

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

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. This item is the balance due Pool Insurance Company on the inter-office account.

Patronage Dividends: The item of \$71,046.50 represents the net amount available for dividends after provision for income tax. On the basis of patronage each Pool will receive the dividends as shown on Surplus Account, Exhibit "B".

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:

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

INCOME AND EXPENDITURE STATEMENT

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

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

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

Respectfully submitted,

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

CANADIAN POOL AGENCIES LIMITED
Winnipeg, Manitoba

BALANCE SHEET
As at 31st July, 1954

ASSETS

AGENCY ASSETS	.....	\$ 101,104.04
Cash in Agency Bank Accounts	.....	\$ 3,974.11
Accounts Receivable	.....	97,129.93
		<u><u>\$101,104.04</u></u>
SHAREHOLDERS' AND PATRONS' ASSETS	.....	112,594.18
Cash	.....	\$ 53,973.53
In General Bank Accounts	.....	\$53,834.97
On Hand	.....	138.56
		<u><u>\$53,973.53</u></u>
Accounts Receivable	.....	22,300.60
Commissions—per contra	.....	\$ 4,425.36
Loan Accounts Secured	.....	17,003.35
Miscellaneous	.....	871.89
		<u><u>\$22,300.60</u></u>
Investments—at cost	.....	35,086.78
\$35,000.00 Dominion of Canada Bonds 3 1/4 % maturing June 1, 1966	.....	<u><u>\$35,086.78</u></u>
(Quoted value 31st July, 1954 \$35,175.00)		
Membership Deposit	.....	100.00
Insurance Agents' Association ..	.....	<u><u>\$100.00</u></u>
Furniture and Fixtures	.....	1,133.27
		<u><u>\$112,594.18</u></u>
		<u><u>\$213,698.22</u></u>

AUDITORS' REPORT—

We have audited the accounts of Canadian Pool Agencies Limited for the year ended 31st July, 1954, 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, 1954

LIABILITIES

AGENCY LIABILITIES	\$ 101,104.04
Accounts Payable	\$ 96,678.68
Commissions—per contra	4,425.36
	<hr/>
	\$101,104.04

SHAREHOLDERS' LIABILITIES AND RESERVES	92,594.18
Miscellaneous Accounts Payable	\$ 800.38
Pool Insurance Company	747.30
Patronage Dividend Payable—Exhibit B	71,046.50
General Reserve Against Unearned Income and Investments	20,000.00

Allocated as follows:

Allocated as follows:	
Alberta Wheat Pool	\$ 5,568.12
Manitoba Pool Elevators ..	3,146.82
Saskatchewan Wheat Pool ..	11,285.06
	\$20,000.00

CAPITAL STOCK	20,000.00
Authorized	<u><u>\$20,000.00</u></u>
Issued and Fully Paid (2,000 shares of \$10.00 each)	<u><u>\$20,000.00</u></u>

Signed on behalf of the Board:

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

\$213,698.22

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, 1954, 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.

to the best of our information and belief.
Winnipeg, Manitoba (Signed) MILLAR, MACDONALD & CO.,
14th September, 1954. Chartered Accountants

CANADIAN POOL AGENCIES LIMITED
Winnipeg, Manitoba

SUMMARY OF SURPLUS ACCOUNT
For the Year Ended 31st July, 1954

	<u>Debit</u>	<u>Credit</u>
Surplus for the year ended 31st July, 1954— Exhibit C		\$70,670.18
Adjustment of Depreciation Reserve to 31st July, 1953		766.97
Reserved for Income Tax	\$ 390.65	
Patronage Dividend for the year 1953-54—Ex- hibit A	71,046.50	
Allocated as follows:		
Alberta Wheat Pool	\$12,237.79	
Manitoba Pool Elevators	16,261.36	
Saskatchewan Wheat Pool	42,547.35	
	<u><u>\$71,046.50</u></u>	
	<u><u>\$71,437.15</u></u>	<u><u>\$71,437.15</u></u>

CANADIAN POOL AGENCIES LIMITED
Winnipeg, Manitoba

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

INCOME—

Commissions:		\$88,575.30
Fire	\$59,429.96	
Bonds	20,135.22	
Lake Marine	94.77	
Ocean Marine	978.60	
Automobile	3,907.01	
Accident and Sickness	208.80	
Liability	167.12	
Use and Occupancy	1,465.15	
Robbery and Burglary	536.97	
Inland Marine	678.01	
Inland Transport	163.44	
Sprinkler Leakage .....	.61	
Steam Boiler	415.85	
Plate Glass	53.82	
Forgery and Alteration	63.60	
Hail	24.80	
Contingent	554.89	
		<hr/> \$88,878.62
Less Brokerage Paid	303.32	
		<hr/> \$88,575.30

Other Income:

Interest	2,404.08
----------------	----------

TOTAL INCOME FOR THE YEAR	\$90,979.38
--	--------------------

EXPENSES

Salaries	\$14,065.02
Directors' Fees and Expenses	372.29
Rent and Light	1,683.41
Telephone and Telegraph	259.51
Printing and Stationery	1,496.43
Postage and Excise	200.32
Taxes and Licenses	217.45
Travelling Expenses	268.73
Legal and Audit	645.88
Depreciation	283.32
Insurance	22.92
Staff Pension, Group and Unemployment Insurance	517.24
Miscellaneous	576.68
	<hr/> \$20,609.20
Deduct Recovery from Interprovincial Pool	300.00
	<hr/> \$20,309.20

Balance—Surplus for Year Ended 31st July, 1954, carried to Exhibit B	<hr/> \$70,670.18
--	-------------------

POOL INSURANCE COMPANY

DIRECTORS' REPORT

1953

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

Gentlemen:

Your Company has completed fifteen 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, 1953.

The results for the year show Excess of Income over Expenditure of \$481,248.76, as compared with \$392,361.86 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 \$3,600.00 for income tax, the balance of \$462,646.91 has been allocated to the policyholders on the basis of their contribution to the surplus.

The total premium income amounted to \$1,205,030.63, as compared with \$989,779.46 last year.

After placing reinsurance on all risks with the exception of dwellings, the net earned premium income was \$306,291.89, as compared with \$255,096.47 last year. The net losses and adjustment expenses of \$135,112.69 produced a loss ratio of 44.11% as compared with 32.47% last year.

Four total losses were reported and they occurred when substantial grain stocks were in store at most of the locations. The elevators were located as follows:

In Alberta—Picture Butte.

In Manitoba—Lowe Farm "B".

In Saskatchewan—Muenster and Rosemound.

In addition to these total losses, forty-three small losses were sustained at elevators; ten by fires and thirty-three by windstorms. Four dwellings suffered partial damage by fires.

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 31st December, 1953. The value of the grain is the daily average for the year.

Country Elevators	\$ 62,202,795.00
Grain	130,215,689.14
Dwellings	5,373,633.00
Miscellaneous	2,397,850.00
	<hr/>
	\$200,189,967.14

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.



HARVEST SCENE

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 less than the ledger value by \$17,018.75. 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 \$2,114.05 at standard rates, the asset covering four automobiles is shown as \$4,932.79. 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 report 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, 1953.

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 and the decline in the market value of our investments 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.

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

Respectfully submitted,

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

POOL INSURANCE COMPANY
Winnipeg, Manitoba

BALANCE SHEET
As at 31st December, 1953

ASSETS

Cash in Bank	\$ 210,168.74
In Bank of Montreal—Current Account	\$184,410.52
Savings Account	25,758.22
	<u><u>\$210,168.74</u></u>
Accounts Receivable	161,292.90
Canadian Pool Agencies Limited	\$129,944.76
Reinsurance Accounts	31,348.14
	<u><u>\$161,292.90</u></u>
Investments—at cost	640,118.75
Government of Canada Bonds	
Market Value	<u><u>\$623,100.00</u></u>
Interest Accrued Thereon	3,350.00
Automobiles	4,932.79
	<u><u>\$1,019,863.18</u></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, 1953, and the result of its operations for the year ended that date, accord-

POOL INSURANCE COMPANY
Winnipeg, Manitoba

BALANCE SHEET
As at 31st December, 1953

LIABILITIES

Current Liabilities	\$ 590,596.12
Miscellaneous Accounts Payable	\$ 653.43
Reinsurance Accounts Payable	101,022.02
Fire Losses in Process (net of reinsurance)	14,396.05
Taxes Accrued	11,875.86
Dividends Payable as per Exhibit B	462,648.76
	<u>\$590,596.12</u>
Reserve for Unearned Income	152,835.05
Unexpired Portion of Premium Income	\$74,682.41
Unexpired Portion of Reinsurance Commissions	80,395.90
	<u>\$155,078.31</u>
Less Commissions Paid on Business not yet taken into Income	2,243.26
	<u>\$152,835.05</u>
Capital Stock	185,000.00
Authorized—5,000 shares at \$100	<u>\$500,000.00</u>
Subscribed—2,500 shares at \$100	<u>\$250,000.00</u>
Paid Up Thereon	<u>\$185,000.00</u>
Capital Surplus	91,432.01
Premium at 12% on Capital Stock	\$30,000.00
Surplus realized on Investments Sold	8,932.01
Transferred from Shareholders' and Patrons' Equity Account—1949-1953	52,500.00
	<u>\$91,432.01</u>
	<u>\$1,019,863.18</u>

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

Winnipeg, Manitoba, (Signed) MILLAR, MACDONALD & CO.,
26th February, 1954. Chartered Accountants.

POOL INSURANCE COMPANY

Exhibit B.

Winnipeg, Manitoba

SUMMARY OF SHAREHOLDERS' AND PATRONS' EQUITY
ACCOUNT

For the Year Ended 31st December, 1953

	Debit	Credit
Balance at Credit, 31st December, 1952		\$382,661.86
Distributed during 1953	\$382,661.86	
Shareholders' Dividend, Year 1952:		
Alberta Wheat Pool	\$.55	
Manitoba Pool Elevators .....	.37	
Saskatchewan Co-operative Producers Limited .....	.93	
Patrons' Dividend, 1952:		
Alberta Wheat Pool	62,071.09	
Alberta Pool Elevators Limited	26,084.59	
Alberta Wheat Pool and Al- berta Pool Elevators Limited	16,014.67	
Manitoba Pool Elevators	61,103.55	
Saskatchewan Pool Elevators Limited	150,889.81	
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited	9.01	
Saskatchewan Co-operative Producers Limited	65,033.73	
Saskatchewan Co-operative Livestock Producers Limited	1,236.05	
Modern Press Limited	217.51	
	\$382,661.86	
Surplus for Year 1953—Exhibit C	\$382,661.86	\$382,661.86
Transferred to Capital Surplus	15,000.00	481,248.76
Reserve for Income Tax	3,600.00	
Balance Carried Down	462,648.76	
	\$863,910.62	\$863,910.62
Balance Brought Down		\$462,648.76
Allocated as follows:		
Shareholders' Dividend	\$ 1.85	
Alberta Wheat Pool	\$.55	
Manitoba Pool Elevators .....	.37	
Saskatchewan Wheat Pool .....	.93	
	\$ 1.85	
Patrons' Dividend		462,646.91
Alberta Wheat Pool	\$ 84,700.25	
Alberta Pool Elevators Limited	54.38	
Alberta Wheat Pool and Al- berta 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 Wheat Pool	180,257.85	
Saskatchewan Co-operative Livestock Producers Limited	1,274.85	
Modern Press Limited	205.43	
	\$462,646.91	
	\$462,648.76	\$462,648.76

POOL INSURANCE COMPANY
Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE
For the Year Ended 31st December, 1953

Premiums on Business Written	\$ 1,205,030.63
Less Ceded to Other Companies	903,054.43
	<hr/>
Add Decrease in Unearned Premium Reserve	\$ 301,976.20
	4,315.69
	<hr/>
Premiums Earned in 1953	306,291.89
Deduct Losses and Adjustment Expense	\$ 538,226.71
Less Reinsurance Recoveries	403,114.02
	<hr/>
	135,112.69
	<hr/>
Net Underwriting Income	171,179.20
Add Commissions on Reinsurance placed with other Companies (earned portion only)	370,621.81
	<hr/>
Total Income Before Commissions Paid	541,801.01
	<hr/>
Deduct Commissions Paid (on earned premiums only)	3,184.43
	<hr/>
Balance Available for Expenses and to Shareholders and Patrons	\$ 538,616.58
	<hr/>
Deduct—Expenses—	
Taxes, Licenses and Association Dues	\$ 24,141.64
	<hr/>
Inspection Service—	
Salaries	\$ 15,497.00
Automobile Expenses	6,258.09
Other Travelling Expenses	3,969.25
Staff Pension, Group and Un- employment Insurance	1,350.44
Printing and Stationery	895.15
Postage, Telegrams, Telephones and Express	164.86
	<hr/>
	28,134.79
	<hr/>
Administration—	
Salaries	\$ 13,847.61
Rent and Light	1,597.70
Directors' Fees and Expenses ..	529.22
Travelling Expense	111.47
Printing and Stationery	50.06
Postage, Telegrams, Telephones and Express	517.74
Legal and Audit	747.87
Staff Pension, Group and Un- employment Insurance	2,321.58
Miscellaneous	480.90
	<hr/>
	20,204.15
	<hr/>
	72,480.58
	<hr/>
Add Interest Earned	\$ 13,765.07
Other Income	1,347.69
	<hr/>
	15,112.76
	<hr/>
Balance—Surplus for the Year 1953—carried to Exhibit B	\$ 481,248.76



