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# ALBERTA WHEAT POOL

# 1965

## ANNUAL REPORT

FOR THE YEAR ENDED 31 JULY



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Alberta Wheat Pool is a partner-owner of this 24 million dollar fertilizer plant, which stands as a monument to the vision of prairie co-operators. Its objective is to help the farm community grow.

Photos by K. J. MacRae



# ALBERTA WHEAT POOL

## Board of Directors

G. L. HARROLD, LAMONT — *President*  
NELSON MALM, VAUXHALL — *1st Vice-President*  
A. J. MACPHERSON, DELIA — *2nd Vice-President*  
KEITH ROSENBERGER, BALZAC  
G. W. BRAITHWAITE, RED DEER  
FRANK WHITE, SPIRIT RIVER  
ARNE JOHNSON, CAMROSE  
O. J. BROUGHTON — *Secretary to the Board*

## Solicitors

ALLEN, MACKIMMIE, MATTHEWS, WOOD, PHILLIPS & SMITH

## Auditors

CLARKSON, GORDON & CO.

## Head Office

ALBERTA WHEAT POOL BUILDING, CALGARY



# SEASON 1964 - 1965

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## Officers

A. T. BAKER, *General Manager*  
C. L. NOWLIN, *Country Operations Manager*  
J. S. HARBURN, *Sales and Traffic Manager*  
J. M. GARDINER, *Treasurer*  
S. M. VICKERSON, *Chief Accountant*  
G. M. CHANDLER, *Office Manager*  
F. D. PATERSON, *Vancouver Manager*  
C. F. USHER, *Victoria Manager*  
H. K. MOEN, *Winnipeg Manager*  
M. G. WOOD, *Edmonton Manager*  
R. A. FINDLAY, *Seed Division Manager*

## Bankers

BANK OF MONTREAL  
THE BANK OF NOVA SCOTIA  
THE ROYAL BANK OF CANADA

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Look up! the wide extended plain  
Is billowy with its ripened grain.  
Wm. Henry Burleigh



No richer gift has Autumn poured  
From out her lavish horn!  
John Greenleaf Whittier





# ALBERTA WHEAT POOL

## LIST OF DELEGATES

### LETHBRIDGE — District One

101	Gogolinski, B. ....	Orion	106	Hallworth, Fred W. ....	Taber
102	Norris, Fred A. ....	Warner	107	Konynenbelt, Evert J. ....	Nobleford
103	Oliver, W. A. ....	Warner	108	Goughnour, Marvin J. ....	Enchant
104	Newton, Kenneth E. ....	Del Bonita	109	Thurston, Clarence F. ....	Bow Island
105	Patching, Harry R. ....	Lethbridge	110	Bayer, Robert ....	Schuler

### CALGARY — District Two

201	Dyck, Nick ....	Pincher Creek	206	Christofferson, Karl B. ....	Brant
202	O'Neil, James Jesse ....	Claresholm	207	Bricker, Arthur G. ....	Calgary
203	Coote, Donald H. ....	Cayley	208	Schmaltz, C. M. ....	Beiseker
204	Versluys, C. J. ....	Champion	209	Clayton, Clifford S. ....	Airdrie
205	Magnuson, Melvin O. ....	Lomond	210	Richards, Ralph E. ....	Olds

### DRUMHELLER — District Three

301	Muza, John E. ....	Empress	306	Cammaert, Emile ....	Rockyford
302	Curry, Lyall A. ....	Sunnynook	307	Luoma, Sulo S. ....	Trochu
303	Schindeler, Albert P. ....	Brooks	308	Hoppins, Frank J. ....	Huxley
304	Arrison, Arthur W. ....	Bassano	309	Adie, John L. ....	Drumheller
305	Burne, G. W. ....	Gleichen	310	Nelson, Norman E. ....	Craigmyle

### RED DEER — District Four

401	Warwick, Ernest ....	Oyen	406	Laisnez, C. J. ....	Big Valley
402	Smith, George F. ....	Provost	407	Stone, John J. ....	Alix
403	Cochrane, G. H. ....	Coronation	408	Johnson, K. K. ....	Red Deer
404	Turner, H. H. ....	Alliance	409	Phillips, J. Duane ....	Eckville
405	McCormick, J. E. ....	Byemoor	410	Wheeler, S. M. R. ....	Ponoka

### CAMROSE — District Five

501	Redmond, D. R. ....	Edgerton	506	Hayes, Charles P. ....	Strome
502	Dobson, Parke ....	Paradise Valley	507	Drummond, Alexander ....	New Norway
503	Jackson, James ....	Irma	508	Pepper, Clifford G. ....	Ohaton
504	Flaade, Bennie Alfred ....	Hardisty	509	Ness, Ingvald ....	Kingman
505	Lefsrud, Harold ....	Viking	510	Rasmuson, Clarence H. ....	Gwynne

### VEGREVILLE — District Six

601	Golightly, Robert C. ....	Streamstown	606	Ziegler, Alex ....	Winterburn
602	Mead, George B. ....	Vermilion	607	Montpetit, Paul ....	Legal
603	Ziegler, George ....	Vegreville	608	Boyko, John A. ....	Vilna
604	Ropchan, Mike ....	Willingdon	609	Lamothe, Armand ....	St. Paul
605	Galloway, Kenneth D., Fort Saskatchewan		610	Hewko, Nicholas ....	Sarrai

### PEACE RIVER — District Seven

701	Parrent, Fred J. ....	Clyde	706	McNab, James A. ....	Beaverlodge
702	Anderson, Hubert N. ....	Freedom	707	Vandergrift, Lloyd F. ....	Dawson Creek
703	Hallowes, Arthur W. ....	Sangudo	708	Dufour, Gerard M. ....	Spirit River
704	Labrecque, Romeo ....	Falher	709	Bulmer, Amos ....	Berwyn
705	Gummer, Howard F. ....	Buffalo Lake	710	Proctor, C. M. ....	Fairview



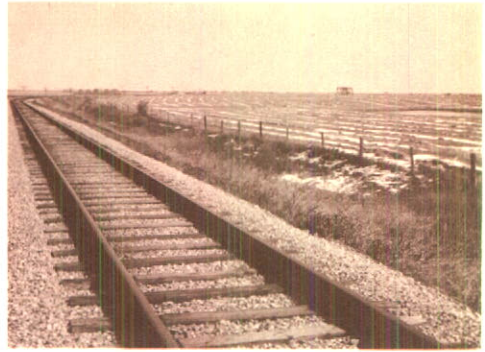
# 1964-1965 THE YEAR IN REVIEW

Net Earnings .....	\$ 3,833,013
Grain and Oil Seed Handlings — in bushels .....	84,254,713
Forage Seed Handlings — in pounds .....	10,750,521
Percentage of Alberta Grain Deliveries Handled .....	43.3%
Gross Value of Board Deliveries and Other Sales .....	\$110,744,629
Capital Expenditures .....	\$ 2,482,328
Total Invested in and Provided for Capital Assets .....	\$ 36,724,163
Working Capital .....	\$ 11,480,309
Patronage Refunds Distributed (out of previous year's earnings) .....	\$ 4,574,129
Percentage of Member Business in Previous Year .....	97%
Cumulative Total of Patronage Refunds Distributed .....	\$ 40,981,738
Cumulative Total of Reserves Purchased from Members .....	\$ 17,082,169
New Members .....	2,157
Total Membership .....	51,311
Number of Elevators — Country .....	535
Terminal .....	3
Elevator Capacities in Bushels — Country .....	43,886,500
Terminals .....	10,340,000
Number of Employees .....	1,104



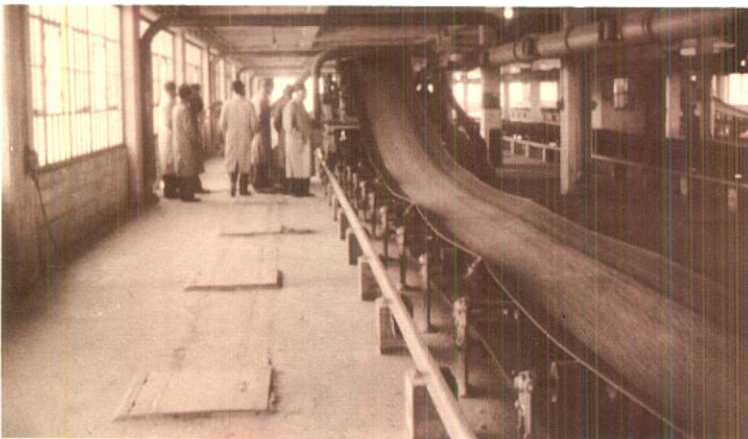
## COMPARATIVE SUMMARY

	1965	1964
Handlings — Grain in bushels .....	82,231,256	85,918,382
Oil seed in bushels .....	2,023,457	1,135,448
Forage seed in pounds .....	10,750,521	12,414,054
Cereal seed in bushels .....	378,757	315,318
Gross Value of Deliveries to Canadian Wheat Board and Other Sales	\$110,744,629	\$120,977,037
Earnings Before Capital Cost Allowances .....	\$ 5,033,268	\$ 5,924,000
Net Earnings .....	\$ 3,833,013	\$ 4,896,435
Current Assets .....	\$ 49,044,967	\$ 44,210,540
Current Liabilities .....	\$ 37,564,658	\$ 35,369,726
Working Capital .....	\$ 11,480,309	\$ 8,840,814
Capital Expenditures on Properties and Equipment .....	\$ 2,482,328	\$ 1,394,227



... some seed fell where the ground was good,  
It flourished and grew, in the sunshine's gold,  
And when it was grown, it bore much fruit.

Elma Helgason.





# **Report of Board of Directors**

## **ALBERTA WHEAT POOL**

### **TO FORTY-THIRD ANNUAL MEETING OF DELEGATES**

Gentlemen:

Your Association in the 1964-65 crop year enjoyed its second largest volume of business in its history. Grain handlings were approximately 3.3 per cent below the high record established in the previous year, and represented a slight decrease in the percentage of deliveries by Alberta farmers.

The Association's properties and facilities were well maintained, and the building and replacement programme expanded in line with present-day requirements. Services to the membership were continued on a basis consistent with the previous year, and active representation on behalf of our membership and agriculture in general were made as occasion arose.

#### **SUMMARY OF OPERATIONS**

Grain handlings through country elevators totalled 84,254,713 bushels, a reduction of approximately 2,800,000 bushels from the previous year. This volume represented about 43.3 per cent of Alberta marketings in contrast to 44.15 per cent the year earlier. Terminal unloads of grain at Vancouver of 50,412,620 bushels were 12,368,566 bushels less than the all-time record enjoyed the previous year. Handlings at Victoria were 8,522,674 bushels. Some loss of handlings undoubtedly occurred as in several recent years, due to congestion in our country elevators in the last two months of the crop year, a situation aggravated this year by shut-down of the Vancouver Terminal from June 2 to August 12 due to labour difficulties.

Forage seed handlings totalled 10,750,521 pounds, a drop of 1,663,533 pounds from the previous year, but represented a substantial portion of Alberta marketings during that year.

Rapeseed was again handled during the year on both a pooling and outright basis, while mustard was accepted on an outright purchase basis only.

Available for distribution from the year's operations are net earnings of \$3,833,013 before provision for income tax. While this figure is \$1,063,422 less than last year previous, it is still the second highest net earning in our history.

#### **GRAIN MARKETING**

Canadian wheat exports in the form of wheat and flour during 1964-65 fell short by some 195 million bushels of the record of the previous year, but a total of 396.2 million bushels is still the second highest year in our history. Preliminary figures issued by the Board of Grain Commissioners indicate exports of Canada's five principal grains total 433.3 million bushels, the fourth largest clearance figure on record.

Flour exports declined to the equivalent of 29.5 million bushels of wheat, which, when included, bring Canadian grain and flour exports to a total of 462.8 million bushels. Export of grains other than wheat declined in various amounts. Shipments of oats amounted to 14.7 million bushels, about 2.8 million bushels less than the previous year; while barley exports at 32.7 million bushels reflected a decline of about twenty per cent from 1963-64. Rye exports of 4.9 million bushels were slightly below the previous crop year; while flaxseed clearance, amounting to 14.3 million bushels, is surpassed only by the 1956-57 crop year, when it totalled 21.6 million bushels.

Several principal importers purchased less Canadian wheat during 1964-65 than in the previous season, including Britain, Czechoslovakia, and the Federal Republic of Germany. Mainland China and Poland increased their purchases over the previous year, and the amount going to Japan was also slightly higher. The major market of the previous year, the U.S.S.R., which purchased 162.2 million bushels in 1963-64, imported only 8.8 million bushels during the crop year. Asian countries were the greatest single market for Canadian wheat, taking 36.4 per cent of our exports. Shipments to eastern European countries counted for 21.5 per cent, while member countries of the European Economic Community were the destination for 13.4 per cent. Shipments to Britain of 70.4 million bushels, our largest single wheat market, represented 19.2 per cent of our 1964-65 total figure.

#### **WHEAT POOL REPRESENTATIONS**

##### **Railroad Rationalization**

On September 15, 1964, a railway bill, known as C 120, was introduced in the House of



Commons, providing for changes in railway legislation. Amongst other things, it proposed to:

1. Eliminate freight rate ceilings, and allow most rates to be set at a "pay as you go" level.
2. Freeze all rates relating to grain and flour, with resulting losses to railways to be covered by annual subsidies.
3. Maintain the Crow's Nest Pass rates on export grain, for which a firm annual subsidy would be paid to railways.
4. Eliminate, through a five-year subsidization programme, uneconomical passenger train services.

As some features of this Bill, we felt were not in the best interests of prairie agriculture, the three Wheat Pools made early representation to the Government. Discussions were also held in this regard with officials representing the Province of Alberta. At the same time, we undertook a detailed study of railroad branch lines in Alberta to determine their future probability in view of the proposed legislation.

The House of Commons Standing Committee on Railways heard numerous representations in respect to this Bill. The Government did not proceed with it during the last parliament.

#### **"At and East" Freight Rates on Export Grain**

As reported to you in each of the last four years, your Association, along with the other two prairie wheat pools, has protested the authorization of the Board of Transport Commissioners for a substantial increase in the rail rates on bulk grain moving from the Georgian Bay and related ports to the Atlantic winter ports. Through Orders in Council, the effective dates of these increases have been repeatedly postponed until December 31, 1965. These rates, along with more extensive railroad legislation, are expected to be dealt with at the next parliament.

### **LEGISLATION**

THE TEMPORARY WHEAT RESERVES ACT remained in effect during the year, and under its provisions, the Federal Treasury provided funds for carrying charges on the volume of wheat held by the Canadian Wheat Board on August 1, 1964, in excess of 178 million bushels. This amount was 149,584,500 bushels, and, therefore, under the provisions of the Act, the Canadian Wheat Board received during the 1964-65 crop year the sum of \$28,567,652, which has been allocated as follows:

1963-64 Pool Account	\$13,003,564
1964-65 Pool Account	\$15,564,088
For a total of	\$28,567,652

### **Prairie Grain Advance Payments Act**

The Prairie Grain Advance Payments Act was again in force during the crop year. This Act provides for an advance to grain producers on the basis of 50 cents per bushel on wheat, 20 cents per bushel on oats, and 35 cents per bushel on barley, which the permit holder has on his farm, and undertakes to deliver on a quota of six bushels per specified acre. The maximum advance to any one permit holder is \$3,000.00. The funds for advances made under this Act were provided by the Canadian Wheat Board to the elevator companies, with interest charges absorbed by the Federal Government.

Advances in an amount of \$32,961,844 were made to 38,375 producers in the Prairie Provinces. Of this amount, payments totalling \$9,555,288 were made to 12,355 producers in Alberta. Advances made by Alberta Wheat Pool during the year amounted to \$4,219,676 to 5,140 producers.

### **Canada Labour Standards Code**

On October 1, 1964, the Government introduced in the House of Commons Bill No. C 126, entitled Canada Labour "Standards" Code, respecting hours of work, minimum wages, and annual vacations and holidays with pay.

Certain aspects of the proposed legislation, particularly those respecting hours of work, would seriously interfere, it was felt, with country elevator operations. The Pools and other spokesmen for country elevator operations attempted to gain an exemption from the provisions of the proposed legislation for the grain handling industry, but were unsuccessful. Its provisions became effective on July 1, 1965. Your Association has applied for deferment from the provisions of this Bill for a period of eighteen months, the maximum time allowable, but at the time of printing this report, we have had no reply.

The application of the provisions of this Bill, we feel, will, in addition to creating certain administrative difficulties, add materially to the cost of country elevator operations and render difficult extended seasonal service, which has been a traditional feature of country elevator operations.

### **PROVINCIAL**

#### **The Marketing of Agricultural Products Act**

At the 1965 session of the Legislature, a number of amendments were made to The Mar-



keting of Agricultural Products Act, permitting greater flexibility in its use by Alberta agricultural producers. One of the amendments established the Alberta Agricultural Products Marketing Council, of from three to seven members to be appointed by the Lieutenant Governor in Council, with powers to supervise and regulate producer boards and marketing commissions within the Province.

Under the provisions of the Act, Alberta producers now have the choice of:

1. Maintaining the present marketing system,
2. Establishing a commission to stimulate sales, research, and quality improvement,
3. Establishing a commission to determine the time and place a product should be sold,
4. Establishing a producer marketing board.

The legislation came into force on April 12, 1965, and four personnel were appointed to the Council during the summer.

The amendments to this Act have met with favourable response from Alberta producers, and discussions have now been held with the Council by representatives of the potato, broiler, and swine industries within the Province.

### **Crop Insurance in Alberta**

A programme of crop insurance, sponsored jointly by the Federal and Provincial Governments, was initiated in Alberta in 1965. Three areas of approximately thirty townships each were selected, and 1,312 grain producers insured their crops. This represented approximately 45 per cent of eligible farmers, well over the minimum sign-up of 25 per cent required before the crop insurance could become operative.

Under the plan, an insured farmer is guaranteed a return from his insured grain crops based on sixty per cent of the long-term average production in his area. Should his production fail to reach this level as a result of damage from natural perils, he is paid the deficiency.

The programme is administered by the Alberta Crop Insurance Corporation, a Crown corporation of the Government of Alberta, with administration costs being shared equally by the Federal and Provincial Governments. In addition, the Federal Government pays twenty per cent of the total cost of premiums, the balance being paid by the policyholders.

Crop insurance is intended to provide stability to the farming industry by protecting grain producers from major crop losses. While the programme in 1965 was limited to only three areas, it is intended that ultimately crop insurance will be made available over the major portion of the agricultural sections of Alberta.

### **THE CANADIAN WHEAT BOARD**

Canada's orderly system of grain marketing, as carried out by the Canadian Wheat Board, continues to serve Prairie grain producers and the Nation well. Our overwhelming dependence on export markets makes it imperative that wheat marketing remain in firm hands, capable of:

1. The carrying of surpluses at times to avoid undue depression of markets,
2. Making agreements with importing countries for shipments over extended periods of time, with provision for some flexibility in respect to quality and ports of delivery,
3. Arranging credit sales — A seeming requirement in modern international commodity trading.

The performance of the Canadian Wheat Board in the past on behalf of Prairie grain producers, and as a stabilizer in the international marketing of wheat, fully justifies its continued strong support as one of the Nation's unique and valuable commercial organizations.

### **INTERNATIONAL WHEAT AGREEMENT**

The Fifth International Wheat Agreement, due to expire on July 31, 1965, was extended for one year on the recommendation of the International Wheat Council. The Directors of the three prairie wheat pools had requested the Government of Canada to pursue negotiation of a new International Wheat Agreement, but, as this was not found acceptable, agreed to a one-year extension in view of the possibility of broader international agreements on cereals, now under consideration during the current round of G.A. T.T. negotiations.

Of a total of 597,845,000 bushels of wheat sales registered by the International Wheat Council during the year by eight exporting countries, Canada's share amounted to 207,981,000 bushels. The U.S.S.R., who had signed the present Agreement as an exporter, requested, and was relieved of its responsibility during the year, and, therefore, registered no sales under the Agreement.



## **ALBERTA WHEAT POOL SEED DIVISION**

Seed crop prospects in the summer of 1964 appeared favourable, but early frost and indefinite harvest weather created appreciable losses. Despite this, handlings were fairly well maintained at 10,750,521 pounds, about 1¾ million pounds less than the previous year. A strong market developed for cereal seeds in the Province, which, with other markets mainly in eastern Canada, brought total sales to 377,153 bushels.

Cereal handlings were on an outright purchase basis only during the year, while members were given the option of an outright, or pooling basis for forage seed. About 63 per cent of the volume of grass seed was handled on a pooling basis, but only 21 per cent of the legumes.

Total sales of fertilizer amounted to 6,160 tons.

After substantial final payments on forage seeds handled during the year, net earnings of the Division were \$23,455.91.

## **INTERIOR FEEDS LIMITED**

Interior Feeds Limited, your wholly-owned British Columbia company, completed its fifth year in the domestic feed grain business in the coastal Province. It enjoyed the highest handling in its history, with total purchases of 2,620,466 bushels of grain. While operating margins were reduced from the previous year, the increased volume of business resulted in net earnings, after provision for income tax, of \$15,977, which is only slightly reduced from the previous year. In addition to reimbursement for all necessary services rendered, elevation and storage charges were also realized by our Association on the volume of grain handled by this company.

## **VICTORIA ELEVATOR LIMITED**

Your Association was able to utilize the Victoria Terminal during the year to the extent of shipments of 8,522,674 bushels of wheat and rapeseed, an increase of about 3/4 of a million bushels over the record handling of the previous year, which was entirely wheat. Storage revenues were reduced through the rapid shipment of grain through this terminal, but increased volume accounted for net earnings, after provision for income tax, of \$81,441. The properties were kept in good repair, and full capital allowances were taken in arriving at the net position. This was the fifth year of operation of Victoria Elevator Limited as a wholly-owned company of our Association.

Full details of the operation of this Company and of Interior Feeds Limited will later be presented to the Meeting.

## **MEMBERS' ACCIDENT INSURANCE PLAN**

The experience of the seventh year of operation of the Members' Accident Insurance Plan was similar to that of 1963-64. Reports of 747 accidents involving members and their dependents and sponsored farm workers of members were received during 1964-65, this being five more than the previous year. Claims on 330 of the accidents have been paid, or settlements are pending. Claims on 240 were closed as ineligible for benefits. Claim papers have not yet been received for the remaining 177 accidents. Fatal accidents claimed 40 lives, 31 adults, and 9 children. There were fifteen cases of dismemberment, and five of loss of eyesight. Insurance coverage was placed by members on 909 farm workers, this being the highest number of applications during any one season. Several accidents involving farm workers were reported, and claims on three of these were settled, while others are in process of adjustment.

To meet the claims already paid, and those which are in process of adjustment, the sum of \$83,099 has been charged to the 1964-65 operation.

During its seven years of operation, from August 1, 1958, to July 31, 1965, the total cost of this plan has been \$511,438. Benefits have been paid in 2,252 accidents involving 234 fatalities (151 adults and 83 children), 133 cases of dismemberment, and 31 cases of loss of eyesight.

## **CONSTRUCTION AND PROPERTIES**

The facilities of your Association were maintained in good order throughout the year, and an increased replacement programme was carried on. Authorization was granted for the construction of thirteen new elevators. Two of these replaced elevators lost by fire, and one was an entry into a new shipping point.

The year's programme also included authorization for annexes at seven points, the construction of eleven new dwellings, and the modernization of four existing dwellings. Dust collection systems and car movers for a number of elevators were also authorized during the year. Three elevators during the year were lost by fire, one of which will not be replaced. Some facilities beyond economic operation were dismantled for salvage, and others were sold.

An extensive fertilizer warehouse programme was undertaken, with authorization for bulk fertilizer warehouses at seven major distribution



centres; and smaller warehouses, some of which will also serve as retail seed warehouses, at fifty-nine points. Construction of the new seed plant at Grande Prairie, mentioned in our last Report, was completed and placed in operation during the year.

All properties were maintained in good operating condition, which, with the increased building program, is a tribute to the staff of the Construction and Repair Department.

Late in the crop year the Wheat Pool Building in Winnipeg in which your Association had a four per cent equity was sold.

### **FERTILIZER**

As reported to you at the last Annual Meeting, construction of a fertilizer manufacturing plant, jointly owned by the Saskatchewan Wheat Pool, Federated Co-operatives Limited, and Alberta Wheat Pool, commenced at Calgary in June of 1964.

Construction proceeded fairly well on schedule, despite a severe winter, and most sections of the plant were mechanically accepted from the contractor by July 1, 1965, and have been in various stages of operation since that date.

Our Association, as reported earlier, undertook a substantial warehouse construction programme and other preparations for distribution of fertilizer, as production increases during the current season.

Our involvement in the fertilizer industry raises two questions of policy, which will be submitted to this Annual Meeting for consideration. The first of these concerns selling policy and consideration of extension of credit to member patrons of our Association. The second is the broad question of the extent to which our Association may wish to participate as a beneficial influence on behalf of our members in the industry.

### **PUBLICITY AND PROMOTIONAL ACTIVITIES**

In September, 1964, the Publicity, Field Service, and Country Information Departments were combined to form a Public Relations Department. The activities of each of the three sections were continued and expanded as occasion arose. Programmes were maintained to keep members informed and interested in the affairs of the Association, and a good deal of information on the agricultural industry and farm

organizations was disseminated to the membership and to the public in general. Radio and television programmes were continued, as well as publication of the "Budget," and special news releases were prepared throughout the year. The Field Service Department continued its regular activities, and found increasing demands on its services throughout the Province.

Liaison was maintained with the Farmers' Union of Alberta, and our membership and participation in the Farmers' Union and Co-operative Development Association was continued. Our Association also maintained its affiliation with the Federations of Agriculture on both the Provincial and Federal level.

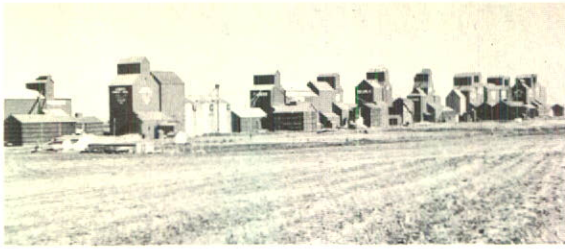
### **MEMBERSHIP**

During 1964-65, 2,157 applicants for membership were accepted, compared with 2,418 in the previous season. Cancellations resulting from retirement from farming numbered 1,037, while 646 memberships were terminated by death. Although fewer new members were accepted, the cancellations were down considerably from those of the preceding year, resulting in an increase of 474 in the membership over the previous year. This is a continuation of the upward trend which has prevailed for a considerable time, and is particularly gratifying, as it also represents an increased percentage of the commercial farmers in this Province. The membership at July 31, 1965, stood at 51,311 made up of 7,378 signers of the original marketing agreements and 43,933 who have been accepted since 1939 under Section 6 of the Alberta Wheat Pool Act.

### **ELECTION OF DELEGATES**

During the summer of 1965, elections were held in the even-numbered sub-districts. Twenty-eight delegates whose terms had expired, were re-elected by acclamation, and three more were re-elected. Two new delegates were elected in districts where the previous delegate had retired. These were: Mr. Kenneth E. Newton of Del Bonita in Sub-district 104, and Nicholas Hewko of Sarrair in Sub-District 610. In Sub-District 406, Mr. C. J. Laisnez of Big Valley was elected; and, as no nominations were received in Sub-District 704 within the prescribed time, a by-election was held, resulting in the re-election by acclamation of Mr. Romeo Labrecque of Falher. In this by-election, no nominations were received within the prescribed time, and an extension of the deadline for a further two-week period was found necessary.





### IN MEMORIAM

We regret to record the passing since our last Annual Meeting of five former Delegates of our Association.

Mr. Alois Reumiller of Irricana, formerly of Keoma, and a Delegate for Alberta Wheat Pool from 1950 to 1952, passed away on December 4, 1964.

Mr. Tom Dawson, formerly of Veteran, and a Delegate for Alberta Wheat Pool from 1960 to 1962, passed away on October 19, 1964.

The death of Mr. Torgeir Johnson of Loyalist, Delegate for Alberta Wheat Pool for a period of ten years between the years 1924 and 1944, occurred on July 8, 1965.

On May 18, 1965, the death occurred of Mr. Chris Helgason of Sexsmith, who served as a member of our Delegate body from 1956 to 1959.

The death of Mr. Edward Nelson of Drumheller, formerly of Craigmyle, occurred on October 19, 1965. Mr. Nelson had served as a Delegate from 1940 to 1954.

We wish to record our sincere appreciation for the service and support these men extended to our Association.

### STAFF

The favourable handlings and net result of our year's operations, notwithstanding the period of inactivity at the Vancouver Terminal, is a credit to the staff, who carried on sometimes under difficult circumstances.

Our appreciation for those efforts is gratefully extended.

### BOARD OF DIRECTORS

At the first meeting of the Board of Directors of Alberta Wheat Pool held after the 1964 Annual Meeting, the following officials were elected:

President ..... G. L. Harrold  
First Vice-President ..... N. Malm  
Second Vice-President ..... A. J. Macpherson

The same three Directors were elected to the Board of the four central organizations: Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited, Pool Insurance Company, and Northern Canadian Seed Sales Limited.

Committees of the Board were re-established to deal with internal matters concerning office, elevators, field service, publicity, legislation, and liaison with the Farmers' Union of Alberta.

Regular meetings were held each month during the year, and, as usual, the Board met with Directors of Saskatchewan and Manitoba Wheat Pools on two occasions. Attendance was maintained at the annual meetings of the Alberta Federation of Agriculture, Canadian Federation of Agriculture, and the Western Agricultural Conference held early in 1965, and your Directors accompanied the Delegates' Committee to the Vancouver and Victoria Terminals for an annual inspection. In June, the Board, on the occasion of the official opening of the new seed plant at Grande Prairie, made an inspection tour of several districts and elevators in the Peace River area.

Numerous occasions arose during the year requiring the time and attention of the Directors. In January, 1965, Mr. Malm was re-elected President of the Alberta Federation of Agriculture. He also continued as a member of the Board of Directors and Executive Committee of the Canadian Federation of Agriculture. In April, 1965, Mr. Malm was appointed as the Representative of Agriculture to a "Special Committee to Review Work and Functions of Government Boards and Tribunals," established by the 1965 session of the Alberta Legislature.

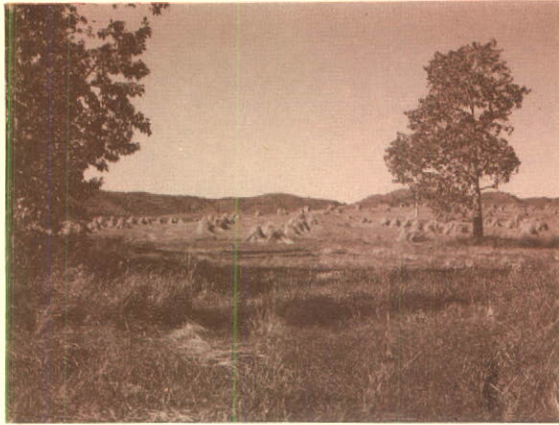


### CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

Canadian Co-operative Wheat Producers Limited continued during the year its role as a liaison and co-ordinating organization of the three prairie wheat pools. Its activities during the year, including several matters of common concern, are including in its annual report to be submitted to you later in this meeting.



On December 31, 1964, Mr. D. W. Richmond, Secretary, retired from his position, with tribute for the valuable services which he had rendered. Early in the new year, Mr. Arthur R. Stevens, retired Secretary of the Saskatchewan Wheat Pool, assumed the duties of Secretary of the central organization.



### GENERAL

Since 1923, when our Association came into existence, considerable progress has been made in grain handling in western Canada. Country elevators have improved in efficiency, terminals have been expanded, market roads and local transportation have improved, all in addition to the great benefits resulting from active producer interest in the handling and marketing fields.

For several years your Association has recognized further opportunities for improvement by a greater co-ordination of the various services and facilities involved. Until about 1961 we could not foresee the acute necessities which have become apparent since that time, and which in the current season is most evident. With grain sales commitments and possibilities in the current crop year, any weakness in the handling and marketing chain would appear to be transportation from country elevators on the prairies to lakeshore and ocean front terminals. While we fully recognize the increasing demands on the railroads resulting from continuous industrial developments on the Prairies, the apparent shortage of motive power by one of the major railroads at the present time is cause for anxiety on the part of the prairie grain producer, and probably by all concerned with the future development and prosperity of the prairie region.

There appears at this time to be some diversion of railroad capital and management from railroad transportation to other fields. The importance in the foreseeable future of adequate

transportation facilities for grain and other bulk commodities seems evident and we are concerned that provision should be made to meet these demands.

In view of the immense benefits received by the railways from the Nation in the past and present subsidies, the current diversion of railway activities away from transportation might well be a subject of concern and keen interest by the public and the Government of Canada.

### THE ROAD AHEAD

During and immediately following the Second World War, increasing demands for human food in the world received greater recognition than at any prior time in history. Individuals had previously recognized that in certain areas of the world large numbers of people literally went to bed hungry each night, but, with the exception of missionaries, scholars, and a few assorted travellers, the problem largely went without widespread appreciation until the persistent and convincing voice of Sir John Boyd Orr was heard; rapid political developments began to take place; and, with greater world-wide travel and communication, a generally enlightened society began to take notice.

Recently, and more particularly in the last five years so far as Western Canada is concerned, we have glimpsed the prospect that agricultural surpluses may no longer be considered a burden. In that period of time, large quantities of cereal grains have been purchased by Asian countries, indicating an increasing demand for food and a realization that this must be met. Increasing populations, when added to the philosophy that the hungry shall have bread, may indicate the beginning of a new era for the agricultural industry of the world, and particularly in those countries generously endowed with resources for the production of food.

This is of special significance to Canada with its tremendous dependence on export markets as an outlet for its grain production and as a source of trade to offset our traditional balance of payments position. Several developments would appear to be working in our favour. We are, first of all, an export-minded nation, and have for several decades lent support and encouragement toward greater world trade and international commodity agreements, the most successful of which have been the International Wheat Agreements. Throughout the world there is an increasing awareness of the value of greater international trade, and to this end considerable progress is being made through specialization of production, economic union of groups of nations, and the promotion of International Commodity Agreements.



Within our own country we have developed an orderly system of grain marketing, permitting us to take advantage of greater opportunities in the world's markets. More interest is being shown also in the possibilities of export of other products from the beef, hog, poultry, and dairy industries, with the great production potential which they have. Industry-wise we are fairly well organized in Canada, enjoying the benefits of some favourable legislation, a high standard of education, extensive research and development facilities, and an aggressive spirit amongst our agricultural producers.

However favourable the present situation is in many respects, there is little room for complacency. The number of people engaged in agriculture is steadily declining, both as a percentage of population and in total numbers, with the result that we are continually losing some of the political strength on which we have relied in the past to minimize, to a degree, legislation and national policies detrimental to our industry. The recent Federal election may be the last before

a redistribution of constituency boundaries takes place, which, as proposed, will again substantially reduce the voice of the man on the land.

It would seem that farmers will need to rely to an even greater extent than in the past, on stronger farm organizations to assure themselves and their industry a desirable place in the economy and society of this nation. With this in mind, we commend for your attention a further discussion at this Meeting on the future role of your Association.

All of which is respectfully submitted.

G. L. Harrold  
Nelson Malm  
Allan J. Macpherson  
George W. Braithwaite  
O. Keith Rosenberger  
Frank White  
Arne Johnson





# Report of the General Manager

## ON THE 1964-65 CROP YEAR

To: The President and Directors,  
Alberta Wheat Pool,  
Calgary, Alberta.

### Gentlemen:

Production of all grains in Alberta in 1964 was 345,300,000 bushels, only slightly less than for the previous outstanding year. The wheat harvest of 145 million bushels was well above average and compares with 149 million bushels in 1963. Oat and barley production was down by a proportionately greater amount mainly because of lower acreage. More flax, rapeseed and rye were harvested than in 1963. Producers delivered 194,300,045 bushels of grain, compared with 196,870,353 the year before.

With the late season and wet weather the quality of the crop was not as good in some areas where sprouting, bleaching and frost damage occurred which resulted in lower grades. Over 60 per cent of the wheat delivered was in the four top grades. More than 14 per cent of all deliveries graded Tough or Damp, but there were no serious handling problems.

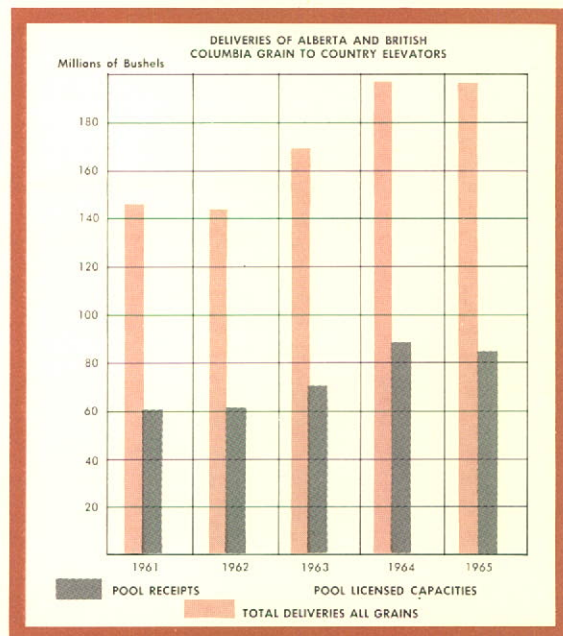
Although Canada's wheat exports of 367 million bushels did not match the record set in 1963-64, the year closed with the announcement of new sales to Mainland China which hold promise of moving more grain to export markets than ever before.

The heavy shipments required to meet the unusual 1963-64 export demand created a considerable amount of available space in country elevators by August 1, 1964 and this, coupled with regular shipments in the early part of the year, made it possible to open quotas rapidly. By year end all points were on a 6 bushel quota plus a supplementary wheat quota of 9 bushels per seeded acre, exclusive of durum. Rye, flax and rapeseed were on open quota. In spite of good quota levels, strikes at both east and west coast ports, and a shortage of rail shipping, interfered with the overall grain movement late in the year and reduced producers' opportunities to deliver in some areas.

### Country Operations

The year was started with more space than usual in country elevators. Shipments were made freely and regularly with the result that member customers were able to deliver to Pool elevators. Both total receipts and percentage of deliveries increased over the previous exceptional year until

the last two months when receipts fell behind, ending with a total of 84,254,713 bushels, down almost 3 million bushels. Handling was 43.3 per cent of the deliveries of grain in Alberta and the designated areas of British Columbia, compared with 44.14 per cent in the year before.



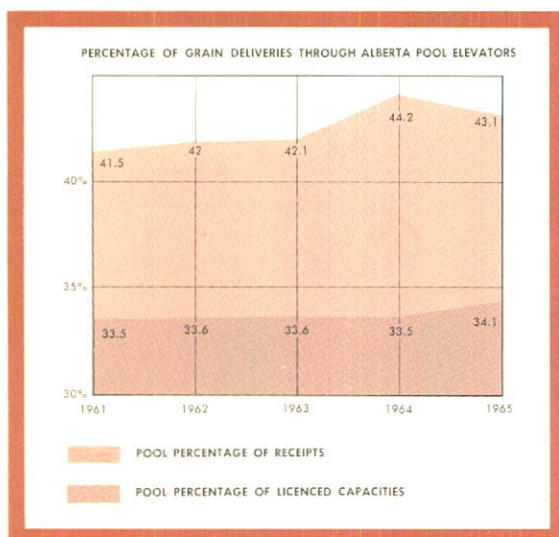
During the month of May there was a definite reduction in the number of cars placed at country elevators by the railroads and this slowdown became even more pronounced after the terminals at Vancouver were strike-bound and continued until the end of the crop year. During this period shipments from country elevators were much less than receipts. It is significant that our percentage of the cars loaded was maintained and, indeed for the month of July, was increased from the average of 44 per cent for the entire year to 47 per cent. The effect of the strike, coupled with the railways' previous failure to spot sufficient cars, was to aggravate the situation which has prevailed in July for several years past.

The percentage of shipping orders allocated to the Alberta Wheat Pool is not in proportion to the delivery wishes of Alberta producers. Our orders do not enable us to ship as much grain as our members would like to deliver to Pool elevators. Therefore, during most of the year Pool elevators have less available space than competitors' elevators and consequently Pool customers hold back their deliveries. In the meantime, competitors accumulate additional space because they



are allotted more orders than they require to ship the grain received. Until the end of June the Wheat Pool percentage is usually maintained, or even increased, but by that time Pool elevators are plugged because the shipping orders are inadequate to take care of the grain received. Competitors, on the other hand, have ample space and our customers, no longer able to withhold deliveries, are forced to deliver to other than the elevator of their choice and the Pool percentage drops off. Thus the strike, by slowing down the total movement westward, affected both the volume and percentage of our deliveries. The potential curtailment of farm deliveries was partially avoided by regular shipments to mills, Victoria Elevator, Prince Rupert, government interior terminals and the Lakehead.

Grain was received at 532 elevators and the average handling for each elevator was 158,812 bushels. Last year's average was 162,414. The No. 1 elevator at Fort St. John established a Western Canadian record by handling 1,133,343 bushels in the crop year. Pool agents are to be commended on the accuracy and care with which they weighed the grain coming into their elevators. The weigh-ups taken at 193 elevators disclosed overages of .077 per cent of the grain handled compared with .086 and .095 in the two previous years.



### Barley Selection

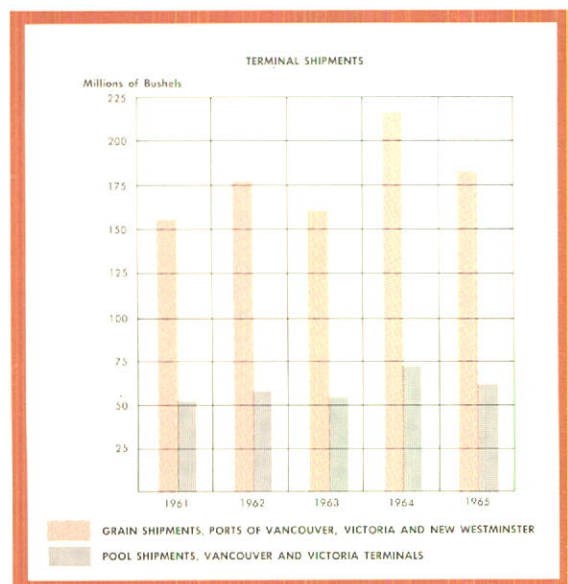
The procedure for selecting barley has been highly unsatisfactory to your association and its members. The initiative lay entirely with the maltsters and exporters. Order and stability were lacking and at times our percentage of barley selections was considerably lower than our overall percentage of provincial deliveries of all grains.

In an attempt to overcome these disadvantages, we started selling contract barley two years ago and selecting at Winnipeg against the sales. This experiment was successful but demonstrated that the selection should be done nearer to the source of supply and where a close liaison could be maintained with our operating people. We also learned that our merchandise must be on display, in position and available to prospective buyers.

Your Head Office grading department has been expanded to include a complete laboratory fitted with the finest equipment and providing a selection service second to none. Suitable barley is selected, binned according to its characteristics and offered for sale. It is now possible to supply barley on contract true to variety and protein content. Substantial sales have been made and indications are that a satisfactory service can now be given to Pool members and to buyers of selected barley.

### Terminal Operations

The movement of grain to the Vancouver terminal was neither normal nor regular. An illegal work stoppage in September closed the plant for a week. During December and January unusually severe weather curtailed railway operations and resulted in an acute shortage of grain at the terminal. In May there again were not enough loaded cars to give a normal operation. In spite of all this, unloads up to June 2nd, when the employees went on strike, were greater than at the same date in the record 1963-64 year. As the strike continued no more grain was received before the year end and the total handling was 50,412,620 bushels. This figure, while less than the 62,781,186 bushels received last year, is better than average and has been exceeded only twice.





Continuing attention is being given to keeping your terminal up to date to meet new demands in handling greater volumes and greater varieties of grades and types of grain. During the year buildings and equipment at Vancouver were maintained in good condition and several improvements were made. Four new terminal 12-cleaners were installed to increase wheat cleaning capacity and other plans are being made for handling greater volumes of grain. The renovation of the electrical system in the old workhouse and annexes, started three years ago, is nearly complete.

The terminal at Victoria, owned by your subsidiary company, Victoria Elevator Limited, enjoyed its best year since being acquired by the Pool. This is a relatively small elevator but, with the increasing movement of prairie grain westward, its capacity gives your system a good balance. The Port Arthur terminal continues to be operated for your organization by Manitoba Pool Elevators. Lakehead shipments of 11,500,137 bushels were practically the same as for last year. Of this total, 3,840,965 bushels were selected barley.

The events of the past year have once more clearly demonstrated that a steady terminal operation cannot be anticipated because of the uncertainty of a regular supply of loaded cars and the periodic labour disputes which shut down the plant. While the welfare of Pool members is directly affected by any interruption to the continuous, planned export flow of grain, the resultant impact on the whole economy makes these problems of vital national interest. They should be so treated.

## Seed Division

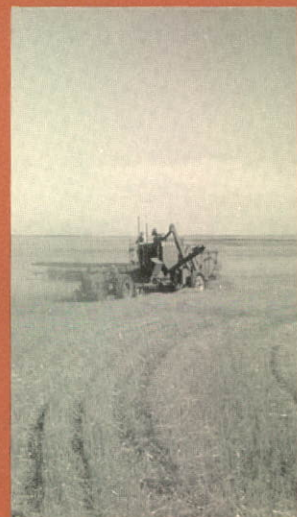
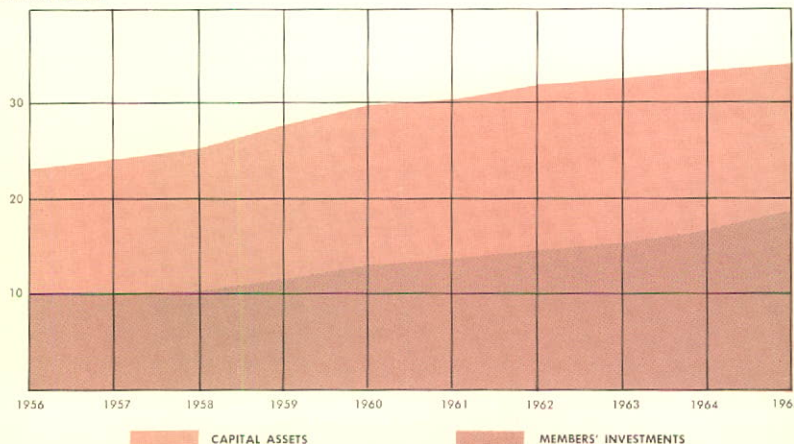
Unfavourable harvesting conditions complicated seed marketing for 1964-65. Early in the year a better than average crop of all forage seed was anticipated but bad weather reduced yields and quality, delayed deliveries and created market uncertainty. Prices fluctuated widely and buyers were cautious about making commitments for a full year's requirement. In spite of these handicaps, your Seed Division experienced reasonably good handlings of 10,751,000 lbs. and net earnings from all operations of \$23,455 after making substantial final payments on Pooled seed.

Most legumes suffered serious losses in quality because of the poor weather and germination was reduced materially except for Alsike. Quality and germination of grasses held up surprisingly well; however, a few lots of brome failed to meet the germination standard required for export. Poor quality and high dockage slowed cleaning operations but delays were not serious.

The majority of producers showed a preference for selling on the Outright basis and approximately 56 per cent of all seed received was handled in this manner. A new departure, by a few producers, was the contracting of Pedigreed Foundation seed with your organization, under the regulations of the Department of Agriculture. Although the acreage is small, this trend is expected to continue in the future.

Cereal sales were slow early in the year but gained momentum as seeding time approached and, in final analysis, your Seed Division is able to report one of the best years on record. A total of 377,153 bushels was sold, mostly in the province, compared to 285,839 last year.

Millions of Dollars





The fertilizer manufacturer who had been supplying Interprovincial Co-operatives Limited declined to renew the contract for 1965 and we were, therefore, unable to meet members' requirements. It was possible to supply only 6,163 tons compared to sales of 16,179 the year before. In anticipation of securing adequate supplies from Western Co-operative Fertilizers Limited, preparations are being made for a greatly expanded fertilizer business. Warehouses for bulk and bagged fertilizer are being built and the staff is being instructed in their new duties.

### Subsidiary Companies

Victoria Elevator Limited established new records in handlings and earnings. Receipts of 8,522,675 bushels compared with the previous year's former high of 7,790,408 bushels. Shipments totalled 8,900,889 bushels. Storage earnings were reduced as a result of the rapid turnover of stocks, but other sources of revenue, especially the sales of by-products and drying charges, showed higher returns. Wages were up due mainly to the larger handling, but other expenses remained fairly constant. Net earnings after provision of \$81,316 for income taxes were \$81,441. Payment of \$220,422 was made to the parent organization for diversion premiums, allowances for screenings, management fees, interest and payment of dividends on common stocks. In addition, the company paid the parent \$80,000 in redemption of all outstanding preference shares and a portion of the debenture bonds. The company's total long-term debt is now only \$40,000 represented by bonds held by the Pool.

Interior Feeds Limited, which operates only in British Columbia, had a very active year. Purchases of 2,620,466 bushels were the highest since the company was incorporated. Competitive buying and selling were less erratic than in former years and sales spreads were uniformly held throughout the year. Higher storage charges, however, resulting from the slower turnover of grain stocks, reduced the net income to a figure similar to last year. The net earnings after setting aside \$15,977 for income tax were \$15,977. Returns to the parent company for elevator handling charges, storage, interest and other services were \$127,909.

### Operating Results

This is a consolidated report on the operations of the Alberta Wheat Pool, Victoria Elevator Limited and Interior Feeds Limited. Combined net earnings before income taxes were \$3,833,013 after provision for capital cost allowances totalling \$1,200,255. These allowances were —

\$1,027,565 last year. The increase was due partially to the accelerated capital programme and partially to tax regulations which permitted additional depreciation on new construction.

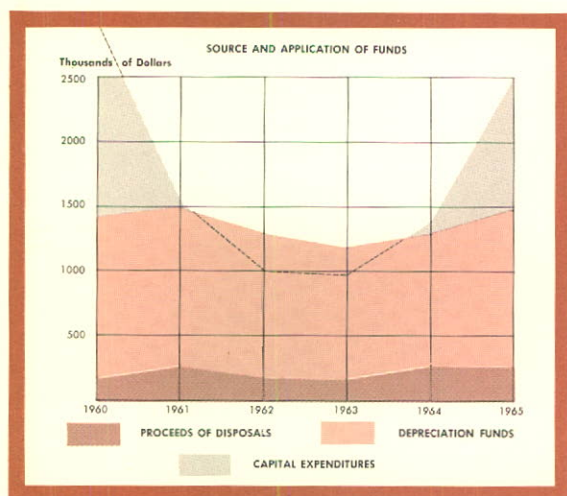
Net earnings were the second highest in our history. Reduction from the previous year was due mainly to lower volume which resulted in less revenue from country shipments and less terminal earning. Another factor was the smaller volume of terminal by-products because the grain was much cleaner than last year. The satisfactory movement for most of the year kept some space available in country elevators and reduced storage earnings. Seed and fertilizer earnings also were down. A smaller payment was made on account of the pension fund liability so that, in spite of steadily rising costs, total expenses were less than last year. The earnings of subsidiary companies were more favourable than last year.

The policy of revolving members' reserves was continued and during the year an increase was registered in their equities. Purchases of reserves totalling \$939,507 were made from estates of deceased members, from members who had retired from farming, from members 70 years or older and from corporate members. Of this amount reserves to the value of \$83,749 were redeemed under the authorization given at the last Annual Meeting for purchase from estates of members who died between January 1st and July 31st, 1965 immediately upon receipt of the necessary documents. Reserves representing patronage refunds to member patrons of the 1963-64 year were issued amounting to \$2,786,865. The liability of the Pool to its members is now \$17,530,809. In addition to increased equity in the organization, patrons of the 1963-64 season received \$1,787,264 in cash, making a total distribution from the earnings of that year of \$4,574,129.





Capital expenditures were increased by over a million dollars to meet the requirements for additional elevator, seed and fertilizer facilities. The sum of \$2,482,328 was spent throughout the year. Of this amount \$2,189,720 went into buildings, properties and operating machinery. The balance of \$292,608 was for new equipment. This total exceeded by over a million dollars the funds developed through capital cost allowances and the proceeds of disposal of capital assets. The necessary funds were taken from operating capital.



### Properties

It was an active year for Pool construction crews who built 4 elevators of the conventional type and 4 composite elevators. Lloydminster and High Level were added to the points where we are represented, which now number 419. Five elevators were dismantled and 8 converted to twins. We suffered our most disastrous season from the standpoint of fire losses with 3 elevators and one cribbed annex being burned. No elevators were affected by railway line abandonment. Pool crews also built 14 cribbed annexes, 13 dwellings and 10 seed and fertilizer warehouses. Two country dwellings and one storage warehouse were purchased and 16 dwellings were sold. These changes, together with our usual maintenance and renovation programme, have kept our properties in excellent shape.

A new seed cleaning plant was completed at Grande Prairie. It is anticipated that this addition to our seed handling facilities will remove some of the pressure on the Edmonton warehouse and the Camrose plant. The old plant was unable

to handle all of the forage seed raised in the Peace River area and had deteriorated beyond repair. Pending disposal, it is being used for the storage of seed.

At the end of the year your properties consisted of 535 elevators with 617 annexes or other storage facilities, having a combined capacity of 43,886,500 bushels. This represents 34.1 per cent of the licenced country elevator space in Alberta and British Columbia. Other properties were 388 dwellings, 3 seed cleaning plants, 101 seed and fertilizer warehouses, 13 flour sheds, 11 coal sheds, 2 construction warehouses, 3 terminal elevators and an office building and parking lot

### Public Relations

With the growth of the Pool and the broadening of its activities the work and responsibility of the departments dealing with publicity, education, training and extension services has greatly expanded. In the interests of avoiding duplication of effort and assuring close co-operation and co-ordination, Publicity, Country Information and Field Service were combined in the Public Relations Department. The objective of this department is to bring an appreciation to members of the organization's efforts on their behalf and impress upon them the value of the services rendered to farm people in order that they will patronize its facilities and take an active part in the conduct of its affairs; to give the Wheat Pool employees an understanding of its principles of service and fair dealing, and create in their minds a genuine desire and enthusiasm to make these objectives a reality for their farmer patrons; to establish understanding and a favourable 'image' of the organization in the minds of the general public.

As the efficiency of food production increases, the Agricultural industry becomes numerically weaker and, therefore, wields less political influence. To offset this loss and assure that the problems of our members and of the industry are given proper consideration in relation to other sectors of the economy, an intensified effort should be made to tell the farmer's story and promote a sympathetic understanding of the business of farming with its unique circumstances.

It is worthy of comment that, as a result of the prosperity engendered by exports of grain in the last few years, the general public has become more conscious of the importance of agriculture to the economy. This re-awakened interest is bringing a notable increase in reference to the Wheat Pool for information on agricultural matters, creating excellent opportunities for the staff of the Public Relations Department to improve the Pool's image with the general public.



## Staff

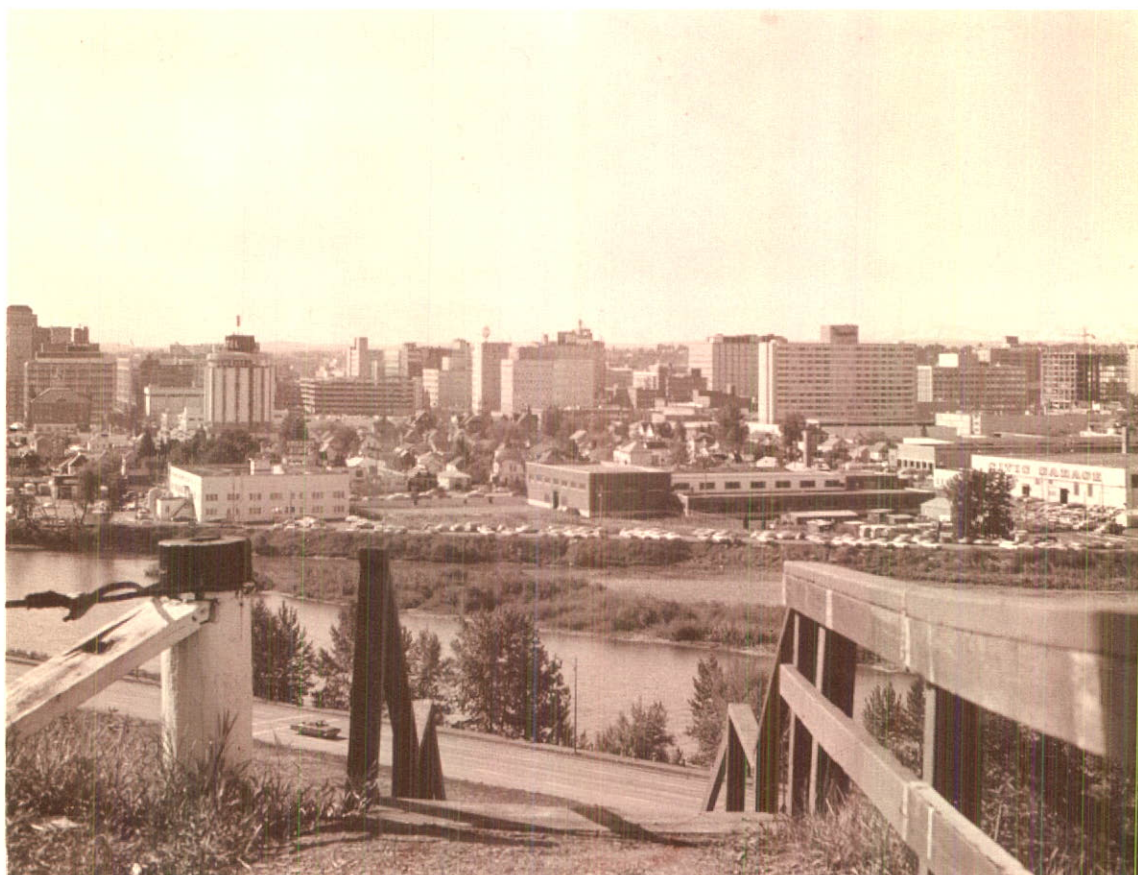
Each year the growing complexity of business makes new demands on the men and women working for the Pool. It is a source of great satisfaction to management that our record of progress is a good indication that the staff has capably dealt with these growing responsibilities and continues to help the organization achieve the goals desired by the members. It is a fact that even greater demands will be made of the employee in the future if progress is to continue. To assist employees to fit themselves better for

their jobs, the Pool offers excellent opportunities for training and development. Good staff benefits, steadily becoming more generous in keeping with current trends, are provided. I would like to thank our staff for their contribution to the success of the Alberta Wheat Pool.

Respectfully submitted,

*A. T. Baker*

General Manager.





*Clarkson, Gordon & Co.*  
*Chartered Accountants*  
*Calgary*

**AUDITORS' REPORT**

To the Members of  
ALBERTA WHEAT POOL

We have examined the consolidated balance sheet of Alberta Wheat Pool and subsidiary companies as at July 31, 1965 and the statements of consolidated earnings and consolidated earnings retained from prior years 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.

In our opinion and according to the best of our information and the explanations given to us, and as shown by the books of the organizations, the statements mentioned above are properly drawn up so as to exhibit a true and correct view of the state of the affairs of Alberta Wheat Pool and subsidiary companies at July 31, 1965, the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Clarkson, Gordon & Co.*

Calgary, Alberta.  
October 22, 1965.

CLARKSON, GORDON & CO.  
Chartered Accountants.



# ALBERTA W

## and Subsidia

### CONSOLIDATED

AS AT JULY 31, 1965 and

## ASSETS

	1965	1964
<b>Current:</b>		
Cash in banks, on hand and in transit .....	\$ 596,574	\$ 351,114
Stocks of grain (Note 2) .....	45,756,215	41,107,750
Stocks of seed and supplies (Note 3) .....	606,588	766,328
Advances on grain .....	10,240	42,543
Accounts receivable .....	1,359,595	1,332,906
Accrued items receivable .....	227,689	136,312
Prepaid expenses .....	488,066	473,587
Total current assets .....	<u>49,044,967</u>	<u>44,210,540</u>
<b>Fixed — at cost:</b>		
Buildings, sites and operating machinery .....	34,718,083	32,777,938
Less accumulated capital cost allowances .....	<u>24,397,715</u>	<u>23,453,389</u>
	10,320,368	9,324,549
Uncompleted construction (see contra) .....	<u>1,224,574</u>	<u>570,966</u>
	<u>11,544,942</u>	<u>9,895,515</u>
Elevator and office equipment, autos, trucks and miscellaneous equipment .....	781,506	665,614
Less accumulated capital cost allowances .....	<u>429,663</u>	<u>402,962</u>
	<u>351,843</u>	<u>262,652</u>
Net fixed assets .....	<u>11,896,785</u>	<u>10,158,167</u>
<b>Investments — at cost</b>		
Shares and bonds of affiliated companies .....	5,300,493	293,830
Grain Exchange memberships and trade associations .....	11,152	11,152
Co-operative associations .....	<u>1,379</u>	<u>1,053</u>
	<u>5,313,024</u>	<u>306,035</u>
<b>Other:</b>		
Deferred accounts receivable .....	48,200	50,468
Claims .....		313,783
Excess of cost of investment in subsidiary company over book value at date of purchase .....	155,420	155,420
	<u>203,620</u>	<u>519,671</u>
	<u>\$66,458,396</u>	<u>\$55,194,413</u>

See accompanying notes to consolidated financial statements.

# HEAT POOL

ry Companies

## BALANCE SHEET

comparison with July 31, 1964

### LIABILITIES

	1965	1964
<b>Current:</b>		
Outstanding cheques, cash tickets and orders .....	\$ 7,172,235	\$ 7,849,946
Bank loans (secured) .....	15,540,000	6,680,000
Call and short term loans .....	4,909,763	3,812,695
Demand loans from members .....	2,890,692	9,053,226
Accounts payable .....	1,479,891	1,678,211
Construction commitments (see contra) .....	1,224,574	570,966
Income tax payable .....	67,543	44,340
Mortgage debenture instalment due February 1, 1965 .....		416,667
Accrued items payable .....	395,941	352,472
Growers' outstanding payments .....	192,618	125,858
Net earnings — current year (Note 4) .....	3,833,013	4,896,435
Less estimated minimum income tax (Note 5) .....	(141,612)	(111,090)
Total current liabilities .....	<u>37,564,658</u>	<u>35,369,726</u>
 <b>Term Loans from Members</b>	 <u>6,977,260</u>	
 <b>Reserves and Surplus:</b>		
Reserves (Note 6) —		
Authorized .....	<u>\$20,000,000</u>	
Issued to members —		
Members' investments .....	17,530,809	15,683,365
Surplus —		
Retained from earnings of prior years .....	3,679,937	3,504,787
Arising from disposals of properties .....	705,732	636,535
	<u>21,916,478</u>	<u>19,824,687</u>
 <b>Contingencies and Commitments (Notes 9 &amp; 10)</b>		
	<u>\$66,458,396</u>	<u>\$55,194,413</u>

See accompanying notes to consolidated financial statements.



## STATEMENT OF CONSOLIDATED EARNINGS

	Year ended July 31 1965	1964
Operating revenues (note 7) .....	\$15,628,636	\$17,147,426
Deduct:		
Elevator and seed plant operating expenses .....	\$ 4,674,918	\$ 4,528,304
Office, administration and supervisory expenses .....	2,492,265	2,407,413
Terminal elevator operating expenses .....	1,690,212	1,790,799
Contribution to employees' pension plan —		
re past services .....	664,520	1,277,589
Interest charges .....	1,073,453	1,219,321
	<u>\$10,595,368</u>	<u>\$11,223,426</u>
Earnings before capital cost allowances .....	\$ 5,033,268	\$ 5,924,000
Capital cost allowances .....	<u>1,200,255</u>	<u>1,027,565</u>
Net earnings for the year before income tax .....	<u>\$ 3,833,013</u>	<u>\$ 4,896,435</u>

See accompanying notes to consolidated financial statements

# STATEMENT OF CONSOLIDATED SURPLUS RETAINED FROM EARNINGS OF PREVIOUS YEARS

	Year ended July 31 1965	1964
Balance at beginning of year .....	\$3,504,787	\$3,362,269
Less sundry adjustments .....	140	259
	<u>\$3,504,647</u>	<u>\$3,362,010</u>
 Add:		
Earnings of the previous year .....	\$4,896,435	\$3,190,941
Less patronage refunds:		
In cash .....	1,787,264	1,121,083
In members' investments redeemed .....	939,507	828,811
In additions to members' investments .....	1,847,358	971,075
	<u>322,306</u>	<u>269,972</u>
Less income taxes paid .....	147,016	127,195
	<u>\$ 175,290</u>	<u>\$ 142,777</u>
Balance at end of year .....	<u><u>\$3,679,937</u></u>	<u><u>\$3,504,787</u></u>

See accompanying notes to consolidated financial statements



# 1964-1965

## FACTORS AFFECTING WORKING CAPITAL

Working capital, July 31, 1964 .....	\$ 8,840,814
1963-64 earnings (note 4) .....	4,896,435
Operating earnings, 1964-65, before capital cost allowances .....	5,033,268
Conversions of members' loans .....	6,977,260
Proceeds of Disposals —	
Buildings and operating machinery .....	101,204
Equipment .....	95,190
Capital gains .....	69,197
Return re Winnipeg office investment .....	669
Decrease in deferred accounts .....	316,051
	<u>\$26,330,088</u>

1964-65 net earnings held pending disposition .....	\$3,691,401
New buildings and operating machinery .....	2,189,720
New equipment .....	292,608
Patronage refunds paid in cash .....	1,787,264
Members' investment reserves purchased .....	939,507
Funds provided for completion of construction program .....	653,608
Income Taxes Paid or Provided for —	
1964 — Dominion of Canada .....	146,852
1965 — Dominion of Canada .....	141,612
1964 — Province of Ontario .....	164
Investment in bonds of Western Co-operative Fertilizers Limited .....	5,000,000
Increase in other investments .....	6,990
Sundry adjustments .....	53
	<u>\$14,849,779</u>
Working capital, July 31, 1965 .....	<u>\$11,480,309</u>

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July 31, 1965

- NOTE 1           The consolidated financial statements include the accounts of the Alberta Wheat Pool and its wholly-owned subsidiary companies, Alberta Pool Elevators Limited, Victoria Elevator Limited and Interior Feeds Limited.
- NOTE 2           Stocks of wheat, oats and barley have been valued at Canadian Wheat Board delivery prices and stocks of other grains at market or open sales contract prices where applicable. Allowance has been made for handling and other charges.
- NOTE 3           Stocks of forage and cereal seeds and other supplies have been valued at lower of cost or market, or where applicable, at open sales contract prices less cost of handling.
- NOTE 4           Current year's net earnings, less estimated minimum income tax, are shown as a current liability pending action by the delegates at the annual meeting regarding patronage refunds.
- NOTE 5           Income tax has been provided on the current year's earnings at the estimated minimum amount under the provisions of the Income Tax Act.
- NOTE 6           Ownership in Alberta Wheat Pool is by investment in the reserves of the organization. Funds to make this investment have been provided from patronage refunds.
- NOTE 7           Revenues accrue from grain and seed handlings, terminal operations and diversion premiums, carrying charges, storage and interest, rentals from office building and agents' dwellings, etc.
- NOTE 8           Earnings of the previous year, after provision for income tax, were made available for distribution in the current year giving effect to action taken at the last annual meeting. See also Note 4.
- NOTE 9           The Alberta Wheat Pool is contingently liable as joint guarantor of bank loans of Western Co-operative Fertilizers Limited to a maximum of approximately \$3,800,000. In addition, the Alberta Wheat Pool has undertaken to purchase an additional \$2,000,000 in bonds of that company if requested.
- NOTE 10          Based on an actuarial evaluation of the Employees' Pension Plan as at January 1, 1964 the Alberta Wheat Pool has an unrecorded liability of approximately \$500,000 at July 31, 1965 in respect of past service benefits.
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# 1923 - 1965

## SOURCE AND APPLICATION OF FUNDS

### SOURCE

Depreciation and Capital Cost Allowances .....	\$24,827,378
Members' Investment Reserves .....	17,530,809
Term Loans from Members .....	6,977,260
Earned Surpluses Retained .....	3,679,937
Capital Surpluses from Properties .....	705,732
	<u>\$53,721,116</u>

### APPLICATION

Elevators, Terminals, Cleaning Plants and other Properties .....	\$35,942,657
Elevator and Office Equipment, Automobiles and Trucks, Miscellaneous Equipment .....	781,506
Excess of Cost of Investment in Subsidiary Company	
over Book Value at Date of Purchase .....	155,420
Investments in Affiliated Companies and Miscellaneous Memberships .....	5,313,024
Deferred Accounts .....	48,200
Working Capital .....	11,480,309
	<u>\$53,721,116</u>

## RECORD OF PROGRESS

### *Income Statistics*

<b>Year Ending</b>	<b>Bushels Handled</b>	<b>Operating Earnings</b>	<b>Operating Expenses</b>	<b>Capital Cost Allowances</b>	<b>Patronage Refunds</b>	<b>Earnings Retained</b>
1965	84,254,713	\$15,628,636	\$10,595,368	\$1,200,255	(see Note 4)	
1964	87,053,840	17,147,426	11,223,426	1,027,565	\$4,574,129	\$175,290
1963	70,765,924	13,220,241	9,019,640	1,009,660	2,920,969	142,777
1962	60,104,981	12,913,333	9,018,268	1,107,296	2,584,894	114,126
1961	59,802,637	13,929,055	9,830,341	1,238,306	2,526,905	177,518
1960	59,849,309	12,724,923	9,068,946	1,229,468	2,192,499	124,074
1959	61,980,782	12,709,152	8,254,234	1,146,324	3,083,089	100,523
1958	56,888,650	11,553,430	7,804,335	1,383,490	2,185,165	82,168
1957	61,457,190	10,586,430	7,272,755	2,020,860	1,033,444	142,208
1956	54,220,106	9,304,240	6,516,206	1,745,227	746,925	162,018

### *Balance Sheet Statistics*

<b>Year Ending</b>	<b>No. of Elev.</b>	<b>Capital Investment</b>	<b>Current Assets</b>	<b>Current Liabilities</b>	<b>Working Capital</b>	<b>Retained Surplus</b>
1965	535	\$36,724,163	\$49,044,967	\$37,564,658	\$11,480,309	\$3,679,937
1964	543	34,014,518	44,210,540	35,369,726	8,840,814	3,504,787
1963	548	32,682,814	42,949,570	34,248,120	8,701,450	3,362,269
1962	559	32,131,549	31,124,651	22,494,865	8,629,786	3,248,590
1961	563	31,227,253	43,424,884	35,247,611	8,177,273	3,071,203
1960	567	29,921,931	48,680,149	40,615,283	8,064,866	2,947,844
1959	533	27,470,298	44,521,860	37,189,985	7,331,875	2,847,628
1958	533	25,218,934	41,333,292	33,959,572	7,373,720	2,765,591
1957	533	24,105,592	40,373,295	31,409,903	8,998,392	2,623,331
1956	526	22,840,802	42,601,104	34,628,447	7,972,657	2,453,483



### WHEAT

The sight of wheat!

Such majesty

Lifts up the very

Soul of me.

The sound of wheat!

On windy days

It's worth a thousand

Roundelays.

The smell of wheat!

No perfume rare

Has an aroma

Half so fair.

The worth of wheat!

A boon to man

Incomparable

Since time began.

— Gates Hebbard





**CANADIAN CO-OPERATIVE WHEAT  
PRODUCERS LIMITED  
DIRECTORS' REPORT**

**1964-1965**

To the Shareholders,  
CANADIAN CO-OPERATIVE WHEAT  
PRODUCERS LIMITED,  
Winnipeg, Manitoba

Gentlemen:

We take pleasure in submitting the Directors' Report of Canadian Co-operative Wheat Producers Limited for the year ended July 31, 1965. The Report contains a review of agricultural and marketing operations for the year under review.

In recent years world wheat production has been increasing and in 1964 reached an all time high of 9,170 million bushels compared to the previous record set in 1962 of 8,760 million bushels. Wheat production in North America for the year 1964 was 1,965 million bushels.

In 1964 the wheat crop in Western Europe was estimated at 1,570 million bushels — a near record. In spite of this heavy production there appears to be an increasing demand for food grains to keep pace with the ever increasing population of the world. World production figures for 1965 will not be available until well after the close of the calendar year but an official forecast places production at close to the 1964 figure.

In Canada the Bureau of Statistics estimated 1965 wheat production at 677.9 million bushels — the third highest production on record next to the high of 723.4 million bushels produced in 1963.

The estimated 1965 prairie wheat yield of 661.0 million bushels is substantially ahead of last year's crop of 578 million but down from the 1963 record production of 703 million bushels.

According to a preliminary review of marketing conducted by the Statistics Branch of the Board of Grain Commissioners for Canada, visible stocks of Canadian wheat, either in store or in transit at the close of business on July 31, 1965, amounted to 398.5 million bushels — some 63 million above the revised 1964 crop year ending figure. Canadian farmers, both east and west, delivered a total of 663.1 million bushels of the five principal grains to licensed facilities during

the 1964-65 crop year — one of the heaviest marketing figures on record.

Notwithstanding the reduced export movement in the latter part of the 1964-65 crop year due to the Grain Handlers' Strike, elevator licensees' preliminary reports indicate Canadian wheat exports of 366.7 million bushels, second only to the record 1963-64 figure of 536.7 million. Clearances of the other principal grains were below 1963-64 shipments with the exception of the two major oil seeds as indicated by the following figures:

Oats .....	14.7 (17.6) million bushels
Barley .....	32.7 (41.5) million bushels
Rye .....	4.9 ( 5.5) million bushels
Flaxseed .....	14.3 (13.6) million bushels
Rapeseed .....	9.1 ( 5.1) million bushels

The 193.4 million bushels of wheat, oats, barley, rye and flaxseed, moved to the Canadian domestic market through the licensed system during the crop year under review, represents a decline of some 30 million on the comparable 1963-64 amount. This figure includes grain milled for subsequent export.

Lakehead terminal operators reported a vessel movement totalling 377.7 million bushels of the five major Canadian grains during 1964-65. This figure represents the heaviest outflow of Western grain recorded during the past 10 years with the exception of the 1963-64 crop year.

Several principal customers purchasing less Canadian wheat during 1964-65 crop year than in the previous season were Britain, Czechoslovakia, and the Federal Republic of Germany. Overseas clearances to Communist China and Poland reflected increases over the prior year's figures, while sales to Japan were only fractionally heavier than those recorded in 1963-64.

The major market for the previous crop year, the USSR, with 162.2 millions, imported only 8.8 million bushels during the 1964-65 crop year. Asia was the greatest single market area for Canadian wheat, taking 36.4% of the 1964-65 export movement. Shipments to Eastern Europe and Communist countries accounted for 21.5%, while member nations of the European Economic Community were the destination for 13.3% of Canadian wheat exports. Shipments to Britain — 70.4 million bushels, was the largest single wheat market, representing 19.2% of the 1964-65 total figure.

The following table shows the major Canadian wheat importers for the 1964-65 crop year compared with the 1963-64 crop year. It also shows the 30-year average from 1934-35 to 1963-64:



**Major Canadian Wheat Importers**  
1964-65 and Comparative  
(millions of bushels)

	1964-65	1963-64	30-Year Average 1934-35 to 1963-64
Britain .....	70.4	79.0	99.8
China, Communist .....	62.4	41.3	7.1
Japan .....	50.1	49.7	16.8
Czechoslovakia .....	26.2	28.7	2.0
Germany, Federal Republic of .....	20.5	37.3	13.3
Poland .....	18.9	16.8	2.8
Belgium & Luxembourg .....	15.5	15.5	10.3
Others .....	102.7	268.4	79.3
<b>TOTAL .....</b>	<b>366.7</b>	<b>536.7</b>	<b>231.4</b>

**WHEAT FLOUR**

Exports of Canadian wheat flour during the 1964-65 crop year are estimated at 29.5 million bushels.

The following tabulation shows the major importers of Canadian grain and wheat flour for 1964-65 compared with the four previous years:

**Major Importers of Canadian Grain  
and Wheat Flour**  
(in million bushels)

	1964-65*	1963-64	1962-63	1961-62	1960-61
Britain .....	94.5	106.5	103.4	99.8	108.7
Japan .....	67.8	61.6	51.7	53.6	61.2
China, Communist .....	64.4	56.0	57.5	91.3	55.1
Germany, Federal Republic of .....	26.6	40.6	35.5	48.0	34.1
Benelux .....	28.8	33.7	30.2	19.0	20.7
Others .....	190.0	376.0	106.1	105.5	134.6
<b>TOTAL .....</b>	<b>472.1</b>	<b>674.1</b>	<b>384.4</b>	<b>417.2</b>	<b>414.4</b>

\*Includes August-June Wheat Flour Clearances

In spite of substantial sales Canada began the new crop year August 1, 1965 with a wheat carryover estimated by the Dominion Bureau of Statistics of 487.2 million bushels, which is 27.8 million bushels above last year's revised estimate of 459.4 million bushels. The DBS estimate of production of wheat from the 1965 crop is 677.9 million bushels, so that as of August 1, 1965 there were available in Canada as estimated 1274.2 million bushels for domestic use, export and carry-over. This figure includes an estimated 109.1 million bushels farm carryover.

**NET FARM INCOME**

According to a DBS estimate, net farm income in 1964 amounted to 1,432.0 million dollars, nearly 14% below the 1963 level of 1,654.8 million dollars but about 4% above the average of 1,379.4 million dollars for the 5 years, 1959 to 1963 inclusive.

The Minister of Agriculture is quoted in Hansard to the effect that the national average realized net income for Canadian farmers in 1964

was about \$3,800 compared with a national average industrial wage of about \$4,500 — a difference of \$700.

Canada's trade with all countries in 1964 continued the expansion evidenced in 1963 and reached a total of some \$8,304,000,000 (excluding gold), with a balance of exports over imports of approximately \$816,000,000.

**CENTRAL BOARD**

The Board of Directors of Canadian Co-operative Wheat Producers Limited is made up of the three executive officers of Manitoba Pool Elevators, Saskatchewan Wheat Pool and Alberta Wheat Pool. Mr. C. W. Gibbings, President of the Saskatchewan Wheat Pool was President of the Central Board during the year under review and Mr. W. J. Parker, President of Manitoba Pool Elevators was Vice-President. These two along with Mr. Gordon L. Harrold, President of Alberta Wheat Pool, constitute the Executive of the organization.

The Board of Directors held three meetings during the year and in general terms business transacted at the meetings centered around those things in which the three Pool organizations have a common interest. These included Railway Rationalization, Fundamental Research in Co-operation, International Wheat Agreement, International Federation of Agricultural Producers, support of the Canadian Council on 4H Clubs, opposition to seaway tolls on the St. Lawrence Seaway and Welland Canal, Royal Commission on Taxation, the grading and testing of forage crop seeds, support for the income of grain producers, opposition to certain sections of the Labour Code, Bill C-126, as it affected grain elevator agents, and requests for government action to prevent the further deterioration of grain prices after they took a steep drop in the latter part of January 1965.

During the week of January 25, the Canadian Wheat Board began a series of price adjustments in all grades of Canadian wheats ranging from 11 $\frac{1}{4}$ th cents a bushel to 20 $\frac{3}{4}$ th cents a bushel. The reason for this decrease was to keep Canadian wheat competitive in international trade at a time when other exporters were offering wheat at reduced prices.

The Board of Canadian Co-operative Wheat Producers Limited in session on February 24 agreed to recommend to the Government of Canada that the Prime Minister, Rt. Hon. L. B. Pearson and Hon. Mitchell Sharp, Minister of Trade and Commerce, should seek an early session with President Johnson and O. L. Freeman, U.S. Secretary of Agriculture, to discuss the whole question of recent price cuts in wheat with a view to heading off any further price cutting.



In the early summer, on June 1 and 2, representatives of the three Pools took the lead in arranging a conference in Regina with representatives of Great Plains Wheat Incorporated. The purpose of the meeting was to enlist the support of the Great Plains Association in recognizing the futility of price cutting as a means of increasing sales of grain on the world market. Five members of the Board of Directors of Canadian Co-operative Wheat Producers Limited, including the President, Vice-President and Executive Member, attended the Conference. Out of this Conference came the suggestion that further meetings would be helpful from time to time in order to maintain liaison on all matters of common interest in the marketing of grain.

On July 30 a similar meeting was held between executive officers of Canadian Co-operative Wheat Producers Limited and officials of the National Farmers Union of the United States and the American Farm Bureau. The meeting was held at St. Paul, Minn.

In the matter of rail line rationalization, close contact was maintained with seven provincial governments (all but Ontario, Quebec and Newfoundland), with a view to presenting a united front on matters relative to the new railway legislation. However, the dissolution of Parliament and the onset of the election campaign will delay this matter until after the new parliament assembles sometime in late 1965 or early 1966.

The Report of the Royal Commission on Taxation has still not been tabled in the House of Commons and will not now be tabled until after the election.

Canadian Co-operative Wheat Producers Limited, in association with the Co-operative Promotions Board of Manitoba and Federated Co-operatives Limited, have sponsored a fundamental research study on Co-operation, at the University of Manitoba. The research is being conducted by the Economics Division of the Faculty of Agriculture, University of Manitoba.

In late August, 1965, it was learned that the St. Lawrence Seaway Authority was planning a program of works at the Welland Canal that would necessitate keeping the Canal closed until April 10, 1966. A strong letter of protest against this procedure was lodged with the Seaway, with particular emphasis placed on the fact that owing to the Russian purchase of 187 million bushels of wheat it would require all the facilities to work full time to complete the movement of grain on time.

### INTERPROVINCIAL POOL MEETINGS

During the year under review the Boards of Directors of the three provincial Pools met in joint session on two occasions. These meetings were held on January 20-21 and July 22-23,

1965. A number of important matters affecting the welfare of Pool members came before these meetings.

In the matter of rail line rationalization emphasis was placed on four points for which it was felt recognition should be granted. These four points were:

- (1) To provide initiative to the Rationalization Authority and not exclusively to the railways in the designation of lines to be examined.
- (2) To introduce the area concept to the examination instead of the line by line approach presently provided in both the Federal Government's legislation and the proposed Saskatchewan Government amendments.
- (3) To put more teeth in the Authority's powers to recommend management changes in railway operation (i.e., joint use of trackage, exchange of lines, etc.), by suggesting that the Authority require the railways to undertake its recommendations before abandonment is authorized or a study granted.
- (4) To provide railway users an opportunity to be heard when the Board of Transport Commissioners is determining criteria to be used in any costing of railway operations preliminary to line abandonment.

The meeting set up a committee consisting of the Presidents of the three Pools and the three Vice-Presidents and instructed the Committee to examine the railway rationalization situation in the light of developments and if deemed advisable arrange to have draft legislation prepared for submission to Ottawa. There were further delays in the introduction of the legislation in Parliament and when the House was dissolved to make way for the election the whole question was shelved until the new parliament meets.

On other matters the meetings urged that the Government of Canada set up a department under the Seed Section of the Production and Marketing Branch of the Canadian Department of Agriculture to regulate dockage and grading of forage crop seeds in country buying; gave approval to the extension for one year of the International Wheat Agreement which was due to expire July 31, 1965, and opposed the re-imposition of tolls on the Welland Canal and recommended no increase in tolls on the rest of the Seaway.

The meetings also voiced:

- (1) Support for the provisions of the Prairie Farm Assistance Act and urged that in



the development and extension of crop insurance programs continuous attention be given to ensure that the benefits of PFAA be not lost until other satisfactory alternatives are developed.

- (2) Took a strong stand on the labour legislation affecting elevator agents then before Parliament. A resolution was passed and the contents transmitted to the Prime Minister of Canada and four other ministers of the Government expressing concern over the application of Canada's Labour Standards Code, Bill C-126, as it applied to country elevators. It was pointed out that provision for averaging working hours of elevator agents over a twelve month period was rejected on the grounds of being administratively unworkable. The Pool's resolution called for the exclusion of country elevator personnel from the operation of the Act. Subsequently each Pool asked for an 18-month deferment of the application of the Act.
- (3) Reviewed the circumstances leading up to the Grain Handlers' Strike and agreed that an effort should be made to arrange for a meeting of representatives of the Canadian Wheat Board, the Board of Grain Commissioners, and the Ministers of Agriculture, Labour, and Trade and Commerce, in seeking a solution of the Grain Handlers' Strike.
- (4) Went on record giving support to the FAO first regional meeting on Cereals and Bread, in Cairo, on February 5-10, 1966, at which it was expected 20 persons concerned with the technical aspects of milling and baking, representing the member countries in the area, would be in attendance.

The Pools agreed to sponsor the appointment of Mr. A. G. O. Whiteside to act as consultant at FAO under the Freedom from Hunger Campaign, to undertake the work preliminary to the Conference to be held in Cairo, in February.

- (5) Directed attention to the fact that certain people were failing to recognize the validity of Order No. 1000 for the movement of grain from congested elevators. It was agreed that the proper authority should be approached with a view to having the full benefits of the congested order policy made available to producers.

#### **WESTERN AGRICULTURAL CONFERENCE**

The Western Agricultural Conference was held in Regina on January 22-23, 1965, and was

attended by representatives of the Federations of Agriculture in the three provinces, the Wheat Pools and United Grain Growers Limited.

Mr. L. A. Boileau, First Vice-President of the Saskatchewan Wheat Pool and a Director of Canadian Co-operative Wheat Producers Limited was elected President of the Western Conference. Mr. Nelson Malm, of Calgary, Vice-President of the Alberta Wheat Pool and a member of the Board of Directors of Canadian Co-operative Wheat Producers Limited was elected one of the two Vice-Presidents. More than 50 resolutions were discussed and dealt with and many of them were forwarded to the Canadian Federation of Agriculture for inclusion in the list of resolutions to come before that body.

On the subject of grain and grain marketing, the meeting expressed confidence in the Canadian Wheat Board system of marketing; approved of its selling policies; reaffirmed its support of the quota system of deliveries; recommended the establishment of Canadian Wheat Board legislation on a permanent basis; asked for the marketing of flax, rye and rapeseed through the Board; and called for the renewal of the International Wheat Agreement.

The Conference also:

- (1) Urged the Government of Canada and the Canadian Wheat Board to acquire new markets for wheat and to promote the use of bread wheats in areas where they have not been used before.
- (2) Called for the retention and expansion of traditional markets for Canadian grain.
- (3) Commended the Government of Canada for its efforts to expand wheat markets and urged the acceleration of these policies with the objective of achieving increased exports of farm products.
- (4) Urged the Government of Canada to promote policies aimed at broadening opportunities for an expansion of two-way trade between Canada and Mainland China, Japan and other Asiatic countries.
- (5) Recommended greater participation by Canada in international food programs and the use of food as a stimulant for economic development in under developed areas.
- (6) Advocated technical assistance programs for developing countries.
- (7) Called for legislation to provide for a rational transportation system and for the retention of Crow's Nest statutory grain rates.



As the Western Agricultural Conference can be regarded as the western arm of the Federation of Agriculture, most of the subject matter of the resolutions dealt with by the Western Agricultural Conference were later submitted for inclusion in the CFA agenda.

### CANADIAN FEDERATION OF AGRICULTURE

The Wheat Pools took an active part in the formation of the Canadian Federation of Agriculture 29 years ago and they have been strong supporters of the organization ever since. In the opinion of the founders of the CFA there were many items of policy on which farmers, both east and west, could agree. It was felt that there would be an advantage in speaking with one voice on those things on which there was agreement and that they would discuss and negotiate further on items on which there was disagreement. There has been evidence through the years that this policy has borne fruit and the areas of disagreement are becoming less and less as the years go by.

The 29th meeting of the Canadian Federation of Agriculture was held in Regina on January 26-28 inclusive. Of the delegates attending the meetings six were directors of one or other of the Wheat Pools. Mr. L. A. Boileau and Mr. Nelson Malm, two Canadian Co-operative Wheat Producers Limited directors were elected to the Board of Directors of CFA, as was also Mr. G. E. Franklin, a Director of Manitoba Pool Elevators. A number of other directors of the Wheat Pools attended the meeting as observers.

On the 23rd of February, 1965, representatives of the Federation of Agriculture met the Prime Minister of Canada and members of his Cabinet to place before the Government of Canada the decisions reached at the Annual Meeting of the Federation earlier in the year. The following paragraph taken from the submission summarizes the area covered by the Federation in its deliberations:

"We present a range of policy concerns that embrace the better organization of markets, the improvement of agricultural productivity, the better education and training of farm and rural people, the most effective organization of our transportation system, the development of trade, the useful expansion of foreign aid in general, and food aid in particular, the improvement of farm labour policy, improvement in laws to protect the public, and the improvement in the expansion of the general structure of social policy in this country."

On March 25, the Federation made a submission to the Minister of Trade and Commerce

regarding wheat policy for Canada. On that occasion the Federation said:

"There is, of course, no question about the fundamental importance of a successful policy of intensive selling effort by the Canadian Wheat Board supported by the best credit and trade policies and services that can be devised. We are confident that the Board and the Government will continue to intensify their efforts in these directions. We are particularly concerned about the need for attention to:

- (a) The maximum development of new commercial markets and expansion of existing ones by making available credit terms and provisions that meet the particular need of the countries concerned.
- (b) The ensuring of long term sharing by Canada in new and potentially growing markets for wheat in the developing countries of the world. This involves constructive participation in food aid programs on an expanding basis.
- (c) The closest attention to the needs of developing countries in terms of their learning the best utilization of Canadian wheat in their diets and helping meet the technological problem requirements that they may face in using Canadian wheat."

With reference to the question of price cutting in world markets, the Federation stated:

"Apart from the necessity of avoiding any further price deterioration at the moment, it is our view that the attitude of the Canadian Government should be to press for an improvement in price levels."

With reference to food aid programs, the Submission contained the following statement:

"Not only do we favor a significant enlargement of Canada's food aid program but we attach great importance to the increasing use of the multilateral approach in this field. We are recommending a six-fold increase in the annual amounts which have been expended on the World Food Program, due for renewal this year, to 200 million dollars per annum. Canada should willingly accept its full share of such an enlarged program. More than this, it should take the initiative in pressing for the continuation and major enlargement of it."

The Federation warned, however, that even with a solid commercial demand, reinforced by an adequate food aid program, sales do the wheat producer little good if they are made at price levels that do not give him a reasonable return.



for his labour and investment. It suggested that the market outlook reinforces the validity of the CFA position that we must legitimately look to rising, not falling, international price levels.

### **Domestic Feed Grain Policy**

The Federation renewed its request for early enactment of legislation to provide for an Eastern and British Columbia feed grains agency. The basic purpose of the agency, in the view of the Federation, is to ensure the most effective administration of the feed-freight assistance policy and to provide a means of ensuring stability of price and elimination of speculative profits by middlemen, the provision of adequate eastern storage space and stocks, and the careful consideration of the implementation of import permit policy.

The Federation visualized the function of the agency:

- (1) To administer feed-freight assistance.
- (2) To administer storage assistance and exercise adequate powers to make storage available when required for needed supplies of grain.
- (3) To advise the Government on import permit policy.
- (4) To continuously study feed grain markets and problems with a view to dealing with them in an equitable and efficient manner and as necessary, proposing new policy.

The Federation stressed that such an agency should not in any way interfere with the Canadian Wheat Board with regard to its responsibility to market western grain in an orderly fashion in the interests of western grain producers.

The Federation recommended that the agency should have the authority to purchase, sell and distribute feed grains, and to place feed grain supplies in public storage at locations and in such quantities as may seem necessary, to provide a stable market, reasonable margins, and adequate supplies.

It was not the intention of the CFA that the agency should have exclusive authority to purchase for or sell in the Eastern market but only that it should have power to act in the best interests of the producer as one agent in the market.

It was suggested that the agency should be a state institution and should have advisory to it a committee composed of persons who are formally representative of organized farm groups in Eastern Canada and British Columbia. Provision for effective consultation with and advice from producers was deemed essential.

The Standing Committee of the House of Commons on Agriculture and Colonization, which had been studying this question, submitted its report to Parliament on March 22. Many of the recommendations of the Canadian Federation of Agriculture were embodied in the report.

### **International Trade**

The CFA stressed that the expansion of international trade was one of the major keys to the future development and growth of the Canadian economy. It recognized trade as a two-way street. In this connection the CFA made the following statement:

"Policies which are developed by Canada must provide not only for increased exports but for the receipt of goods that make the exchange possible. Increasingly too, it is clear that for the future we must devote attention to the development of trade between Canada and countries such as Japan, China and the USSR.

The potentialities for agricultural export to these countries are great and they will continue to grow if we find ways and means of providing increased opportunities for the expansion of trade with these countries, such as with other countries representing new and growing markets in new economies. We urge the Canadian Government to give the fullest study to the problems and possibilities in this area."

On the question of credit terms, the Federation stated:

"It is also necessary in a world in which many nations often combine a growing need for food with special financial circumstances and difficulties, to recognize that credit arrangements and trade agreements must often be especially designed to meet special problems in expanding farm product exports. We urge the Government to continue and accelerate its efforts to achieve increased exports of farm products through appropriate credit arrangements and trade agreements."

### **INTERNATIONAL FEDERATION OF AGRICULTURAL PRODUCERS**

The 14th General Conference of the International Federation of Agricultural Producers was held in Rotorua, New Zealand, November 23 to December 3 inclusive, 1964. The Conference reviewed in particular the following main subjects:

- (a) World Economic Growth.
- (b) Farmers in the World Economy.
- (c) Accomplishments of IFAP.
- (d) Trends in National Agricultural Policies.



- (e) International Trade Policy.
- (f) Food Aid and the World Feed Program.
- (g) Freedom from Hunger Campaign.
- (h) Role of Farm Organizations.

The Conference noted with concern that the exceptional prosperity which had characterized the economies generally in most of the countries in the Western World had not been reflected in the agricultural sectors, although income per head in agriculture had risen in a number of countries, the increases had not been sufficient to narrow the gap between the level of income in farming and that in other operations. Producer prices had, in general, been higher but in the majority of the countries these prices had not kept pace with the rise in the cost of production. For the economies of developed countries growth and prosperity involve the following obligations:

- (a) That agricultural policy and general economic policy should ensure the participation of agriculture in the general prosperity.
- (b) That the level of agricultural income should be such as to provide farmers with a level of remuneration for their own work, management and capital investment, similar to that received by other sections of the community.

### Freedom from Hunger Campaign

The Conference reaffirmed its support for the Freedom from Hunger Campaign launched by the Director-General of FAO, in 1960. As a result of the Campaign the public conscience throughout the world had been awakened to the problem of malnutrition and starvation resulting from the low level of food production in many countries and the weaknesses in food distribution methods. The IFAP Conference took note of the proposal adopted by the General Assembly of the United Nations that a new campaign against hunger, disease and ignorance, should be launched. The Conference accordingly adopted the following resolution:

- (1) That the 1965 Conference, when considering the future of the Freedom from Hunger Campaign, should agree to continue the Campaign until this objective is more nearly achieved.
- (2) That the purpose of the Campaign should continue to be as heretofore, to improve the nutritional standards of undernourished peoples by helping them to increase the per capita level of their food production and consumption.
- (3) That the Conference call on member organizations to continue and increase

their contributions to the Campaign. Contributions from developed countries should take the form of increased financial resources, and from developing countries preparation of suitable projects. IFAP member organizations in developing countries should bring such projects to the attention of all possible contributors, competent national committees and agencies.

The Conference also recommended renewal of the International Wheat Agreement on a more comprehensive basis, the negotiation of a multi-lateral agreement on coarse grains and the establishment of an international grains council to administer these agreements.

Eight delegates from Canada attended the meeting and three of them, Mr. W. J. Parker, President of Manitoba Pool Elevators, Mr. L. A. Boileau, First Vice-President of the Saskatchewan Wheat Pool, and Mr. E. A. Boden, Second Vice-President of the Saskatchewan Wheat Pool, are directors of Canadian Co-operative Wheat Producers Limited.

## GOVERNMENT POLICY FOR AGRICULTURE

### Farm Credit Corporation

The number and total amount of long term mortgage loans approved and disbursed by the Farm Credit Corporation reached new peaks during the year ended March 31, 1965. The following table illustrates the growth in lending operations:

#### Number of Loans Approved

Fiscal Year	No. of Loans	Increase over Previous Year Number	% Increase
1960-61	5,597	258	5
1961-62	5,885	288	5
1962-63	7,438	1,553	26
1963-64	8,689	1,251	17
1964-65	10,142	1,453	17

#### Amount of Loans Approved

Fiscal Year	Amount Approved \$	Increase over Previous Year Amount \$ %	Average Loan \$
1960-61	60,704,050	20,672,800 32	10,120
1961-62	68,574,850	7,870,800 13	11,960
1962-63	90,924,300	22,349,450 32	12,220
1963-64	108,009,100	17,084,800 19	12,430
1964-65	154,813,900	46,804,800 43	15,270

It will be noted that the number of loans during 1964-65 increased by 17% over the previous year and the total amount loaned increased 43% over the previous year.

The Corporation has decided to establish Appeal Boards in each province, composed of active and progressive farmers. They will hear



complaints and make recommendations to the Corporation on appeals made by dissatisfied persons.

### **Farm Improvement Loans Act**

Since the Farm Improvement Loans Act was passed by Parliament in 1944 well over one billion dollars has been loaned to farmers under the Act. By amendments to the Act reported last year the amount of an individual loan was raised from \$7,500 maximum to \$15,000 maximum. Farm improvement loans are made by the chartered banks at 5% and are guaranteed by the Federal Government. Only a farmer may borrow under this Act but privileges under the Act apply to both owner and tenant.

In the spring of 1965 a number of important changes were made in the regulations under the Act. The maximum repayment period on loans for the purchase of farm implements was raised from 4 to 5 years. It is possible also to get a loan for the purchase of a truck or station-wagon needed for farming. Such a loan is repayable over a period of up to 2½ years. For other loan purposes the maximum repayable period is 10 years, although the actual period may be shorter, depending on the circumstances.

One of the changes in the regulations provided for loans up to 75% of the purchase price of new or used implements as compared with only 66⅔'s on new implements and 60% on used implements before the change.

Benefits of the Act are also available on joint purchase by two farmers. If more than two farmers want to own and operate equipment jointly they should consider the New Farm Machinery Syndicate Act which was proclaimed December 11, 1964, and is administered by the Farm Credit Corporation. Under this Act the Corporation may make loans to a farm machinery syndicate for the purchase of farm machinery. The amount of the loan made under this Act shall not exceed 80% of the actual price of the machinery to the farm machinery syndicate.

For purposes of this Act a co-operative farm is considered to be a syndicate.

The total amount outstanding on loans made under this Act to a farm machinery syndicate shall not exceed the amount obtained by multiplying \$15,000 by the number of members in the syndicate, or \$100,000, whichever amount is lesser. Every loan made under this Act shall be for a term not exceeding 7 years. Every loan made under this Act shall bear interest at the rate prescribed by the Corporation.

### **Agricultural Rehabilitation and Development**

Early in September it was announced that all provinces had signed a new Federal-Provincial ARDA Agreement covering the period 1965 to 1970. Under it the Federal Government can spend up to \$25 million a year — an increase of \$5,000,000 per year over the amount previously provided. A special fund for rural economic development provides the program with a further \$50 million of federal funds.

Generally, the ARDA Agreement places heavy emphasis on the alleviation of poverty in rural areas by means of broad programs of resource development, land-use adjustment, and farm consolidation. Stress is placed on community development and rehabilitation of people.

The following list indicates the federal funds available to the provinces from the date the ARDA Program was initiated until the Agreement expired on March 31, 1965:

Prince Edward Island .....	\$ 1,359,168
Nova Scotia .....	3,243,333
New Brunswick .....	3,314,166
Quebec .....	10,439,997
Ontario .....	10,992,500
Manitoba .....	3,540,834
Saskatchewan .....	6,345,834
Alberta .....	5,552,502
British Columbia .....	3,625,833

### **Royal Commission on Taxation**

The Report of the Royal Commission on Taxation has not yet been tabled in the House of Commons and therefore there are no new developments to report.

### **St. Lawrence Seaway**

The decision to freeze seaway tolls at the existing levels until 1966 was announced simultaneously in Ottawa and Washington, on June 30, 1964. The Canadian Government had also decided not to reimpose tolls on the Welland Ship Canal "at the present time." There is no doubt strong influences are at work on both sides of the International Boundary to have the tolls on the Seaway increased. Canadian Co-operative Wheat Producers Limited, both directly and through its membership in the Great Lakes Waterways Development Association, has made strong submissions in opposition to increased tolls.

On August 2, 1963, the Government of Canada announced in Parliament the intention of twinning the remaining single locks on the Welland Ship Canal. The project is estimated to cost between \$180 and \$220 million. Completion date has been suggested as 1971 or 1972.



On May 10, 1965, it was announced in Parliament that in 1964 \$3,987,500 was expended in preparation for the twinning project and in 1965 expenditures of \$18,997,000 were made on further preparatory work. Additional preparatory work will be undertaken during the closed season of navigation in 1965-66.

#### **Agricultural Economics Research Council of Canada**

The third annual meeting of the Agricultural Economics Research Council of Canada was held in April of 1965. At the meeting progress reports on three research projects were given, namely:

- (1) Development of Agricultural Policy in Canada.
- (2) Economic Analysis of the Feed-Grain Freight Assistance.
- (3) Labour Income in the Farm and Non-Farm Sectors.

These projects were under the direction of the Council's Research Directorate, which at March 31, 1965 consisted of the following people:

Melvin E. Andal,  
Economics Branch,  
Canadian Department of Agriculture.

William H. Cook,  
Director, Division of Biosciences,  
National Research Council of Canada.

John J. Deutsch,  
Chairman, Economic Council of Canada.

David Kirk,  
Executive Secretary,  
Canadian Federation of Agriculture.

William F. McLean,  
President, Canada Packers Limited.

William Y. Smith,  
Head, Economics Department,  
University of New Brunswick.

Marc-Adelard Tremblay,  
Professor, Department of Sociology and Anthropology.

Hadley Van Vliet,  
Head, Department of Agricultural Economics,  
University of Saskatchewan.

J. Robert Weir,  
Secretariat for Scientific Research of the  
Privy Council of Canada.

The Director of Research is Dr. Walton J. Anderson. The offices of the Director and his staff are at Carleton University in Ottawa.

The number one project, namely Development of Agricultural Policy in Canada, was undertaken by W. M. Drummond, whose appointment to staff was reported last year. Unfortunately

Dr. Drummond died on April 7, 1965 and the work which he had begun had to be continued by others.

All three projects are expected to be completed by December, 1965.

Research projects on the current priority list for 1965-66 are as follows:

1. Capital Supply for Canadian Agriculture.
2. Structure, Conduct and Performance of Markets in the Food Industries in Canada.
3. Analysis of Farm Income.
4. The Functioning of the Labour Market Between Farm and Non-Farm Employment.
5. An Economic Analysis of the Dairy Industry in Canada.
6. The Transportation of Feed Grains from the Prairie Provinces.

In addition, plans call for the engaging of a senior economist to interpret and analyze the Report of the Royal Commission on Taxation with respect to the agricultural industry, when the Report is made public.

#### **Agricultural Stabilization Board**

The last annual statement on the operations of the Agricultural Stabilization Board for the year ended March 31, 1964, has not as yet been tabled in the House of Commons. Until this has been done the financial results of the period are not available to the public.

The present Agricultural Stabilization Act was assented to January 31, 1958. Its stated purpose is to stabilize the price of agricultural commodities in order to assist the industry in realizing fair returns for its labour and investment and to maintain a fair relationship between prices received by farmers and the cost of goods and services used by farmers. In other words, its objective is to achieve a fair share of the national income for the agricultural industry.

The commodities supported are cattle, hogs and sheep; butter, cheese and eggs; and wheat, oats and barley not produced in the designated area in which the Canadian Wheat Board has jurisdiction.

The support level on the above named commodities is 80% (or higher) of the last 10 year average market price for each. Other commodities may be supported at a level deemed advisable by Order-in-Council.

The powers of the Board are fairly wide and include purchasing, selling, storing, use of deficiency payments, etc.



The following table sets out the current level of the price supports, the base level of price and the percentage of the support price to the base price:

	Base Price	Support Price	% of Basic Price
Creamery Butter	.58c per lb.	.55c per lb.	94.3%
Cheddar Cheese	.33c per lb.	.35c per lb.	104
Eggs	.36c per doz.	.34c per doz.	94
Hogs (Grade A)	\$26.44 per cwt.	\$23.65 per cwt.	89.4
Steers (Good)	\$22.29 per cwt.	\$17.85 per cwt.	80
Lambs (Good)	\$19.79 per cwt.	\$18.80 per cwt.	95
Wool	.43c per lb.	.60c per lb.	137.7
Wheat (not under Wheat Board)	\$ 1.65 per bus. #2	\$ 1.32 per bus. #2	80
Oats (not under Wheat Board)	.70c per bus.	.56c per bus.	80
Barley (not under Wheat Board)	1.00 per bus.	.80c per bus.	80

The Board members are:

S. B. Williams, Chairman  
S. J. Chagnon, Vice-Chairman  
S. C. Hudson, Member

The Manager is F. F. Baird and Secretary is E. A. Pook.

The present Advisory Committee to the above Board is made up of the following representatives:

Maritimes	J. L. Dewar, Frank Lutes
Quebec	Lionel Sorel, George Turcotte
Ontario	Gordon Hill, Jack Ferguson
Manitoba	John McCallister
Saskatchewan	E. A. Boden
Alberta	D. J. McKinnon
B.C.	V. E. Ellison

The Advisory Committee generally meets twice a year with the Board, the Minister of Agriculture, the Deputy Minister and other staff personnel.

## INTERNATIONAL WHEAT AGREEMENT

The 5th International Wheat Agreement which was due to expire on July 31, 1965, was extended for one year on the recommendation of the International Wheat Council after sufficient countries had ratified the proposal. The Agreement will therefore expire on July 31, 1966.

The three Pool Boards in session at the Interprovincial Pool meeting approved of a one year extension but were reluctant to agree to any longer than one year.

The International Wheat Council agreed to recommend the extension pending the possible development of broader international arrangements on grains under the Kennedy round of GATT negotiations at Geneva. A sufficient number of countries agreed and the extension was implemented for one year.

The International Wheat Council reported registration of sales for the year 1964-65 of 597,845,000 bushels of wheat by 8 exporting countries. USSR which signed the Agreement as an exporter asked to be relieved of its responsibility and did not register any sales with the Wheat Council during the year. Canada's sales for the year amounted to 207,981,000 bushels. The following shows the registered sales of each of the 8 exporting countries:

Canada	207,981,000
Argentina	119,621,000
Australia	66,200,000
France	39,525,000
Italy	6,510,000
Spain	2,406,000
Sweden	7,406,000
U.S.A.	145,624,000

## CREDIT SALES OF GRAIN

During the crop year 1964-65 the Canadian Wheat Board made a number of sales of wheat to countries which have not always been regarded as traditional markets for Canadian grain. Some of these sales were for cash, others on credit.

The following tabulation shows details of the sales:

### Major Sales to China, USSR and Satellite Countries

Country & Quantity	Date of Contract	Shipping Procedures	Terms
<b>POLAND</b>			
Approximately 7.4 million bushels	Aug. 13/64	August to November 1964	10% time of shipment, balance equal instalments plus interest in 2, 2½ and 3 years consecutively
<b>BULGARIA</b>			
Approximately 1.8 million bushels	Aug. 13/64	August to October 1964.	Same as above
Approximately 2.5 million bushels	Mar. 12/65	May 1965 from St. Lawrence ports.	Credit under terms of Export Credits Insurance Act.
<b>U.S.S.R.</b>			
Approximately 10.6 million bushels	Oct. 26/64	November and continuing throughout crop year from St. Lawrence and Atlantic ports.	Cash
200,000 long tons of wheat and 40,000 long tons of flour or approximately 9.4 million bushels of wheat.	Jan. 27/65	March through December 1965 from St. Lawrence River and Atlantic ports.	Cash
Approximately 2.15 million bushels of wheat (in form of flour).	Mar. 12/65	May through July 1965, from St. Lawrence ports.	Cash
400,000 tons of wheat in form of flour and 4.6 million tons of wheat or approximately 187 million bushels of wheat.	Aug. 11/65	Aug. 65 to July 66 from St. Lawrence and Atlantic ports.	Cash



This contract is in addition to the sale of 700,000 tons of wheat and 20,000 tons of flour to the U.S.S.R. announced August 5, 1965, and of smaller contract quantities announced earlier this year but was for shipment during the period August 1964 through December 1965.

Total purchases of wheat from Canada by the U.S.S.R. amounted to approximately 222 million bushels.

The contracts shown above are similar to the contract entered into in 1963 which provided for shipment of wheat and flour to U.S.S.R. and/or Cuba.

Country & Quantity	Date of Contract	Shipping Procedures	Terms
<b>HUNGARY</b>			
Approximately 3.7 million bushels of wheat	Nov. 2/64	December through March 1965, from East Coast ports.	10% at time of shipment, balance equal instalments plus interest in 2, 2½ and 3 years consecutively.
<b>CHINA</b>			
Approximately 27 million bushels.	Jan. 25/65	February through June 620,000 tons from Pacific Coast ports.	25% cash when vessel loaded; balance in 18 months with interest.
	Jan. 25/65	February through June 80,000 tons from St. Lawrence and Atlantic ports	Same as above
Approximately 3.7 million bushels.	Jan. 27/65	February through June by St. Lawrence or Atlantic ports.	Same as above
Approximately 58.7 million bushels.	May 26/65	July 1965 through April 1966 - 1,450,000 tons from Pacific Coast ports.	Same as above
		September 1965 through January 1966 - 50,000 tons from St. Lawrence or Atlantic ports.	Same as above
Approximately 83.3 million bushels.	July 21/65	July 1965 through July 1966 - 2,075,000 tons from Pacific Coast ports.	Same as above
		September 1965 through January 1966 - 50,000 tons from St. Lawrence and Atlantic ports.	Same as above

The deferred payment provision was made possible by guarantees to the Canadian Wheat Board by the Government of Canada.

## WORLD FOOD PROGRAM

The World Food Program provides three types of aid:

- (1) Emergency food aid to meet requirements arising out of natural disasters.

- (2) Assisting in pre-school and school feeding.
- (3) Use of food to aid economic and social development.

Since the program began in January, 1963, some 70 nations, nearly two-thirds of them developing nations themselves, have contributed \$93,728,060 toward the \$100 million goal in commodities and services and one-third in cash. Of this total \$68,517,585 was in the form of commodities, \$5,453,667 in services and \$19,756,808 in cash.

The United States is the largest contributor — 50 million, of which \$40 millions are in commodities, \$6 million in cash and \$4 million in shipping. Germany is the second largest with a total of \$8 million, of which \$1.2 million is cash. Canada is third.

Canada's initial contribution was \$5 million, two-thirds in commodities and one-third in cash. In December, 1964, Canada made a supplementary grant of \$2 million (\$1.85 million in U.S. funds), raising its total to nearly \$7 million. Foods that Canada provides include dairy products, wheat and wheat flour, fish, dried eggs and meat products. To-date, as instructed by World Food Program, Canada has shipped food to 21 countries located in Asia, Africa, the Middle East and Latin America. By the end of 1964 some 100 projects in 50 countries covering economic and social development projects, including school feeding, were approved.

The World Food Program is administered by an international secretariat, headed by an executive director and is located in Rome, at FAO headquarters.

Canadian capital aid has taken a wide variety of forms and sizes, ranging from the provision of some of India's and Pakistan's largest hydro-electric and irrigation dams to less spectacular but no less necessary projects, such as equipment for the University of Rwanda's Library, and the supply of diesel locomotives for British Guiana. In addition, capital aid sometimes takes the form of industrial metals, fertilizers and pesticides. During the crop year, 32 Canadian engineering and consulting firms were under contract to the External Aid Office, while orders were placed with several hundred suppliers.

Canada's aid has been restricted to four major areas of operations, namely:

- Power
- Transport
- Natural Resources
- Educational Development

This pattern indicates that the developing countries believe that in these four areas Canada



is well qualified to render capital assistance. This may be assumed because Canada acts only in response to requests submitted by various countries for help on projects which have been included wherever possible in the national development plans drafted by the recipient governments.

### Multilateral Aid

In addition to providing bilateral assistance, Canada is also a substantial contributor to a number of multilateral aid programs, such as the UN Special Fund, the UN Expanded Program of Technical Assistance, the UN Children's Fund, and International Development Association.

The External Aid Office is not directly involved in these financial contributions but it does work closely with the international agencies in implementing programs, particularly in the recruitment of Canadian experts for UN work, by helping to arrange training courses. In 1964-65 Canada contributed \$17.5 million for these multilateral aid activities.

### Total Canadian Aid

A summary of the total official Canadian aid effort for 1964-65 is as follows, the first three programs being the operational responsibility of the External Aid Office:

	(Millions of Canadian Dollars)
Bilateral Grants and Aid .....	60.5
Bilateral Development Loans .....	50.0
Food Aid, including \$7 million supplementary .....	22.0
Bilateral Export Credit .....	76.0
Multilateral Grants .....	9.6
Subscriptions to International Development Association .....	7.9
<b>TOTAL .....</b>	<b>\$226.0</b>

### The Colombo Plan

Since 1951 and including the fiscal year 1964-65, Canadian contributions under the Colombo Plan have amounted to \$528,678,000. The chief recipients of Canadian aid under the Colombo Plan have been the Commonwealth countries of Ceylon, India, Malaysia and Pakistan, which have accounted for more than 90% of the Canadian expenditures. Other non-Commonwealth countries in the area, however, are also eligible for Canadian assistance and capital and/or technical assistance has been given, or is planned for such countries as Afghanistan, Brunei, Burma, Cambodia and Indonesia, Korea, Laos, Maldive Islands, Nepal, Philippines, Thailand and Vietnam. Canadian assistance under

the Colombo Plan, as with other bilateral aid programs undertaken by Canada, takes the form of either grant aid or special development loans.

In addition to the participation in the Colombo Plan, Canada also contributed during 1964-65 in the economic development of a portion of the region through a \$7 million grant to the Indus Basin Development Fund.

The 5th anniversary of the Freedom from Hunger Campaign was marked by a statement by Food and Agriculture Organization Director-General B. R. Sen, who said that the next five years will see an increased tempo in the Campaign.

"The main purpose of the Campaign," said Dr. Sen, "is to sound a warning about the world food situation and call for action to avert a deepening crisis. It has become clear that the balance between food and population, always precarious, is in the coming years in danger of breaking down. Yet at the same time it is recognized that we have both the resources and the knowledge with which to produce all we need: what is lacking is the will and the determination to do so. It is the purpose of the Freedom from Hunger Campaign to create that will, and by doing so to lead to the mobilization of the skills and resources that are needed for success."

## WORLD SUPPLIES AND EXPORTS

Following the established practice of some years, your Board of Directors includes in this report statistics covering the production and distribution of grain in Canada and the exports made by the principal exporting nations. The information has been gathered from the Dominion Bureau of Statistics, the Board of Grain Commissioners, the Canadian Wheat Board and other authoritative sources.

### Supplies

Wheat supplies held by the four traditional major exporters at the 1st of August, 1965, amounted to 2,273.6 million bushels. Supplies of wheat in the United States were 1,461.1 million bushels compared with 1,478.2 million bushels on the 1st of August a year ago.

### Exports

Exports of wheat and flour in terms of wheat from the same four major exporters amounted to 1,544.2 million bushels.



## Exports of Wheat and Flour in Terms of Wheat From the Four Principal Exporting Nations

(Dominion Bureau of Statistics)

— in million bushels —

Crop Year					Canada's % of Total	
	Total	Argentina	Australia	United States	Canada	Total
1958-59	939.0	106.2	82.7	455.6	294.5	31
1959-60	984.7	76.5	117.8	513.1	277.3	28
1960-61	1,291.6	62.9	198.0	677.5	353.2	27
1961-62	1,377.5	95.5	219.8	704.2	358.0	26
1962-63	1,234.3	66.3	186.2	650.6	331.2	26
1963-64	1,827.3	106.5	274.0	852.3	594.5	32
1964-65	1,544.2	174.5	245.1	725.2	399.4	26

## CANADIAN GRAIN PRODUCTION

The August estimate of the Dominion Bureau of Statistics covering the production of grain in the crop year 1964-65 follows:

### Grain Production 1964

(Dominion Bureau of Statistics Latest Estimate)  
— in millions —

	Canada		Prairie Provinces	
	Acres	Bushels	Acres	Bushels
Wheat	29.6	600.4	29.0	578.0
Oats	8.1	357.1	5.0	206.0
Barley	5.4	166.8	5.2	157.0
Rye	.67	12.2	.61	10.7
Flaxseed	1.9	20.3	1.9	19.4
Total	45.67	1,156.8	41.71	971.1

The above figures are only slightly at variance with the preliminary estimates made a year ago. The main difference is in the wheat production estimate which, according to the latest figure is 600.4 million — 4.3 million bushels higher than the August 1964 estimate.

The estimate of the Dominion Bureau of Statistics, based on conditions which prevailed prior to harvest, forecast the 1965 production of all wheat at 703.9 million bushels compared with 600.4 million bushels a year ago.

### Grain Production 1965

(Dominion Bureau of Statistics  
Preliminary Estimate)  
— in millions —

	Canada		Prairie Provinces	
	Acres	Bushels	Acres	Bushels
Wheat	28.2	703.9	27.7	687.0
Oats	8.6	421.4	5.6	270.0
Barley	6.03	219.7	5.7	207.0
Rye	.74	16.9	.69	15.5
Flaxseed	2.2	26.4	2.18	25.5
Total	45.77	1,388.3	39.87	1,205.0

## Producers' Marketings at Country, Interior Private and Mill Elevators, Interior Semi-Public Terminals and Platform Loadings

Producers' marketings of the five principal grains were down 69.4 million bushels from last year's figure of 735.6 million bushels. The following tabulation shows the current year's marketings with a comparison for the previous three years.

	1964-65	1963-64	1962-63	1961-62
Wheat	525.4	568.6	474.3	305.3
Oats	41.1	49.7	89.0	28.2
Barley	75.5	91.9	80.5	59.3
Rye	7.3	8.0	9.4	3.4
Flaxseed	16.9	17.4	13.5	12.0
Total	666.2	735.6	666.7	408.2

The Canadian Wheat Board states that approximately 17.1 million bushels of wheat, oats and barley, were delivered under their regulations, to feed mills.

Canadian Wheat Board regulations were extended on September 1, 1965, whereby each permit holder is granted permission to deliver grain to feed mills. This order will expire on the 31st of July, 1966. Approximately 1.3 million bushels of bagged seed wheat were exported during the year. This figure is based on statistics issued by the Board of Grain Commissioners and is in addition to the volume given in the above table.

## TOTAL GRAIN AND MILLED PRODUCTS EXPORTED

According to the Board of Grain Commissioners' preliminary review covering the 1964-65 crop year, 462.8 million bushels of the five principal grains, including flour, were exported. Details are set out below:

	1964-65	1963-64	30-year Average 1934-35 to 1963-64
Wheat	366.7	536.7	231.4
Flour	29.5	54.4	42.2
Oats	14.7	17.5	25.2
Barley	32.7	41.5	36.5
Rye	4.9	5.5	5.7
Flaxseed	14.3	13.6	5.9
Total	462.8	669.2	346.9

It will be noted that total exports for the year 1964-65 took a substantial drop from 669.2 million exported in 1963-64, however, it exceeded the previous record of 354.4 million bushels exported in 1928-29.

## CARRYOVER OF CANADIAN GRAINS

The stocks of the five major Canadian grains in all North American positions at the 31st of July, 1965, have been estimated by the Dominion



Bureau of Statistics at 749.2 million bushels. This compares with 770.7 million bushels carry-over at July 31, 1964.

**Canadian Carryover as at 31st July**  
— in million bushels —

	1965	1964	1963	Average 1955-64
Wheat	514.9	459.4	487.2	563.2
Oats	129.9	179.4	150.3	132.6
Barley	89.0	118.3	89.2	110.1
Rye	8.3	7.1	4.2	9.7
Flaxseed	7.1	6.6	4.0	5.4
Total - 5 grains	749.2	770.7	734.9	
On Farms	238.3	312.4	187.5	
Commercial	511.0	458.3	547.4	

**Farm Carryover in Canada**  
— million bushels —

	1965	1964	1963
Wheat	109.1	120.6	64.7
Oats	90.7	128.9	92.4
Barley	35.8	60.0	29.0
Rye	1.7	1.6	0.6
Flaxseed	1.0	1.3	0.8
Total	238.3	312.4	187.5

**Farm Carryover in the Prairie Provinces**  
— in million bushels —

	Manitoba	Saskatchewan	Alberta	Total
Wheat	7.0	79.0	21.0	107.0
Oats	16.0	29.0	23.0	58.45
Barley	2.0	12.0	20.0	52.0
Rye	0.2	0.7	0.8	1.7
Flaxseed	0.1	0.75	0.15	1.0
Total	25.3	121.45	64.95	220.15

**FARM INCOME**

The farmers' income position has continued to be adversely affected by the continued rise of farm operating expenses.

**Preliminary Estimate of Farm Cash Income in the Three Prairie Provinces**  
— Dominion Bureau of Statistics —  
— in thousand dollars —

	1964	1963	1962
Wheat	\$ 714,336	\$576,107	\$511,229
Wheat, CWB Payments	199,744	123,968	152,523
Oats	24,793	36,256	25,562
Oats, CWB Payments	10,673	—	4,301
Barley	68,555	66,029	51,019
Barley, CWB Payments	14,092	—	24,244
Rye	7,840	7,556	8,580
Flaxseed	58,727	35,380	46,662
Rapeseed	17,957	11,715	10,127
Other Crops	36,194	43,812	31,137
Net Cash Advance Payments	12,123	11,203	5,916
Total Crops	\$1,205,034	\$912,026	\$871,300
Cattle & Calves	\$ 304,906	\$291,944	\$329,029
Hogs	108,950	96,131	116,772
Sheep & Lambs	4,394	4,319	4,785
Other Livestock & Products	95,809	181,480	173,604
Total Livestock & Products	\$ 514,059	\$573,874	\$624,190

**Total Farm Net Income**

Total farm net income which takes into account changes in farm inventories of grain and livestock amounted to 1,432.0 million dollars in 1964.

**Total Net Farm Income**  
— in million dollars —

	3 Prairie Provinces	6 Other Provinces	Canada ex. Newfoundland
1958	\$ 645.3	\$692.2	\$1,337.5
1959	591.4	607.9	1,199.3
1960	718.1	621.9	1,340.3
1961	435.2	639.4	1,074.6
1962	997.1	681.6	1,627.7
1963	1,059.8	657.1	1,654.8
1964	826.2	605.7	1,431.9

The total operating expenses and depreciation reached a new high of 2,305.8 million dollars in 1964 — more than 4% above the 1963 estimate of 2,207.9 million dollars. With the exception of gross rent, all items of farm costs in 1964 were above the level of the previous year. For the second consecutive year fertilizer and lime were the items for which there was the greatest increase in expenditures, both on a percentage basis and in absolute terms. Expenditures by farmers on these items rose from 105.0 million dollars in 1963 to 126.4 million in 1964.

**PRAIRIE FARM ASSISTANCE ACT**

During the year 1964-65 payments made under PFAA exceeded the levies by approximately 2.2 million dollars. Payments exceeded levies in Saskatchewan and Alberta but were less than the levies in the Province of Manitoba.

**1964-65 Crop Year**

	1% Levy	Awards	Payments
Manitoba	\$ 1,325,311.69	2,033	\$ 355,638.50
Saskatchewan	6,329,939.89	28,122	7,997,023.50
Alberta, Peace River Block & B.C.	2,798,841.18	18,368	4,301,286.00
Total	\$10,454,092.76	48,523	\$12,653,948.00

**1939-40 to 1964-65**

	1% Levy	Awards	Payments
Manitoba	\$ 23,418,467.93	157,830	\$ 29,434,494.77
Saskatchewan	95,170,304.39	845,143	225,601,831.03
Alberta	45,304,535.94	428,029	96,053,188.05
British Columbia	—	8,625	1,659,429.75
Unallocated	4,207.99	—	—
Total	\$163,897,516.25	1,439,627	\$352,748,943.60

**CONCLUSION**

As this report was being prepared, farmers in the prairie provinces had started to harvest what was forecast as the third highest wheat crop, of 677.9 million bushels. Exceedingly poor harvest weather brought harvesting to a complete standstill for nearly six weeks, which re-

sulted in the deterioration of the grades and resulted in much tough and damp grain being threshed.

In spite of the fact that farmers in Canada have been stepping up their use of fertilizers, the current bumper crop is more attributable to weather factors than to any other single cause.

The important lesson in this is the evidence that while farmers can and have improved their farm technology they are still subject to the vagaries of climate. It is essential that agricultural policies must be so framed as to guarantee to the agricultural industry a fair return on labour and investment.

It is coincidental that this year, for a second time in the last three years, Canada produced a bumper crop in a year when there was an exceptional demand for wheat and flour from China, the USSR and other satellite countries.

By the extension and expansion of world markets for grain, Canada can bolster its agricultural economy. The development of two-way trade would go far in stabilizing the world market for agricultural products.

Respectfully submitted

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## NOTES





# ALBERTA WHEAT POOL

