Thirtieth Annual Report

1954

SASKATCHEWAN WHEAT POOL

and subsidiary companies

REGINA, SASKATCHEWAN

Proposed Agenda of Business for Annual Meeting

1. Appointment of Chairman.
2. Notice of Annual Meeting.
3. Resolution to adopt Agenda.
4. Minutes of previous Meeting.
5. Report of Resolutions Committee.
6. Report of Board of Directors.
7. Resolution to receive Directors' Report.
8. Discussion of Directors' Report.
9. Financial Statements and Auditors' Report.
10. Discussion of Financial Statements.
11. Adoption of Directors' Report.
12. Adoption of Financial Statements.
13. Consideration of Resolutions set out in Notice of Meeting.
14. Consideration of other matters that may properly come before the Meeting, introduced by Delegates.
15. Remuneration of Auditors.
16. Appointment of Auditors.
17. Fraternal Delegates.
18. Adjournment.

SASKATCHEWAN WHEAT POOL

DIRECTORS' REPORT

IN MEMORIAM

This year the Saskatchewan Wheat Pool has completed thirty years of co-operative service to the farmers of Saskatchewan. As the years roll by it is inevitable that there should pass from our midst an increasing number of those pioneers who laboured to place the co-operative movement on the strong and sure foundation it enjoys today.

It is with deep regret that your Board of Directors places on record the great loss sustained by your organization and by the co-operative movement generally, in the passing of a number of men who played an active part in the earlier days of this organization and who continued to maintain a keen interest in its welfare to the very end.

These include Mr. Brooks Catton of Hanley, who passed away in Eastern Canada in December 1953. Mr. Catton was an original delegate, having been first elected in 1924 and continued in office until his retirement in 1944. He was also elected a member of the first permanent Board of Directors in 1924 and remained a member of the Board until 1943. For a number of years he served as a member of the Executive Committee of the Board and also as a member of the Central Board.

Mr. Olaf Engebretson of Spruce Home, who died in Saskatoon last October. Mr. Engebretson served as a Wheat Pool delegate in District 15, Sub-district 9 from November 1942 to November 1946, when he retired.

Mr. X. M. De Lagassy of Aberdeen, was one of the original delegates of our organization. He was elected to office in 1924 and served for two years, retiring in 1926.

Mr. T. E. Miller of Redvers, who passed away in December 1953. Mr. Miller served as Wheat Pool delegate for District 1, Sub-district 2 for two years, from 1929 to 1931.

Mr. David S. Gall of Calderbank, served as delegate for District 5, Sub-district 10, from 1937 to 1950, when he retired.

Mr. Robert J. Neal, formerly of Palmer, who died in Vancouver in December. The late Mr. Neal served as delegate for District 5, Sub-district 1, for four years, from 1930 to 1934.

Mr. Sam Burchill of Alameda, served as delegate for District 1, Sub-district 3, for seventeen years, from 1928 to 1945.

Mr. E. J. Laxdal of Wynyard, formerly delegate for District 9, Sub-district 8. Mr. Laxdal was one of the original delegates of the organization and served in that capacity for twenty years, until the time of his retirement in 1944.

Mr. Melvin Joyce of Dodsland, delegate for District 11, Sub-district 9, was originally elected in 1926 and served his sub-district for thirteen years.

Mr. Philip G. Bradley of Milestone, delegate for District 6, Sub-district 3, who passed away suddenly in September of this year. Mr. Bradley served continuously as delegate for his sub-district from 1936 until the time of his death this year.

Mr. W. A. MacLeod, who joined the staff of Canadian Co-operative Wheat Producers Limited in 1926 and con-

tinued to be associated with that organization until the time of his death in May 1954.

All of these men had a splendid record of public service. Most of them were pioneers in the district in which they continued to live. Each in his own way had made an important contribution to the cause of better farm living in this Province with a singleness of purpose which all of them exemplified in no small degree. The men whose names are listed here were in the very forefront of co-operative advance during the best years of their useful lives. Their memory will be an inspiration to those of us who are left to carry on.

In presenting this report to the 30th Annual Meeting of Delegates of the Saskatchewan Wheat Pool, your Board of Directors has endeavoured to submit a complete review of the operations of the organization for the year ended 31st July 1954. Following the pattern adopted last year, all operations of the Saskatchewan Wheat Pool organization for the year ended 31st July 1954 have been carried on by the parent company. The activities of the various Pool subsidiaries have been limited to the leasing of their fixed assets to the parent company. In consequence, in place of an annual review of the various companies which have hitherto constituted the Pool organization, in the present report the various divisions through which the Company operates will be reviewed separately.

As in former years there are also included the reports of the Directors of Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited and Pool Insurance Company, the interprovincial organizations owned jointly with the Manitoba and Alberta Pools.

Consolidated Balance Sheet

A copy of the Consolidated Balance Sheet, Statement No. 1, is attached to this report. This statement sets out the combined financial position of the Saskatchewan Wheat Pool and its subsidiary companies as at 31st July 1954. The usual explanatory notes on the principal items of the Consolidated Balance Sheet are also attached hereto for the information of delegates.

As at 31st July 1954, total current assets for the entire Pool organization amounted to $96,247,297.20. Total current liabilities amounted to $89,471,735.49. The difference between these two items, namely $6,775,561.71, represents the current position of the organization as at the end of the last fiscal year.

It will be noted that provision has been made in the Consolidated Balance Sheet for an item of capital commitments in respect of buildings and work under construction, and machinery under purchase, estimated at $1,006,000.00. After making provision for this item, the balance of $5,769,561.71 remains available for working capital for the Season 1954-1955. This compares with $4,214,265.80 as at 31st July 1953.

Fixed Assets

Schedule No. 1A attached to this report sets out in detail the cost, the depreciation reserve set up against each item, and the net value of all Pool fixed assets as at 31st July 1954.

The total original cost of all fixed assets is shown as $51,042,711.92. Over the years depreciation has been provided to the extent of $28,251,981.26, leaving the net value of the fixed assets of the Company at the end of the last fiscal year at $22,790,730.66. This compares with a

net valuation of $20,558,915.65 at the end of the previous year, an increase of $2,231,815.01.

Consolidated Capital Statement

Statement No. 2 attached hereto shows in detail the current position of the Saskatchewan Wheat Pool organization at 31st July 1954. After providing for the completion of the program of buildings and work under construction, etc., amounting to $1,006,000.00, as indicated above the surplus available for working capital for the Season 1954-55 is $5,769,561.71. This compares with an adjusted working capital for the Season 1953-54 amounting to $4,214,265.80. The increase amounting to $1,555,295.91 is accounted for as follows:

Additions			
Surplus Earnings transferred to Reserve:			
Saskatchewan Pool Elevators Limited		$ 62,715.20	$
Saskatchewan Co-operative Livestock Producers Limited		362.38	
			63,077.58
Increase in Elevator Deductions			1,624,168.43
Increase in Commercial Reserve			875,205.92
Livestock Excess Charges Credits			49,068.55
Capital Subscribed			1,549.00
Increase in Reserve			439,002.68
Liquidation of Capital			
Depreciation		$2,422,476.73	
Stocks of Repair Parts and Supplies		13,067.69	
Deferred Accounts Receivable		11,418.72	
			2,446,963.14
			$5,499,035.30
Deductions			
Capital Expenditures on Fixed Assets		$4,853,439.96	
Deduct Capital Commitments at 31st July 1953	$2,382,000.00		
Gross Amounts of disposals	$701,885.23		
Less Accumulated depreciation	502,737.01		
	199,148.22		
		2,581,148.22	
		$2,272,291.74	
Capital Commitments at 31st July 1954		1,006,000.00	
Net Captial Expenditures including Capital Commitments		$3,278,291.74	
Decrease in Mortgage Payable		637,500.00	
Increase in Investments		27,947.65	
			3,943,739.39
Increase			$1,555,295.91

All capital expenditures approved to 31st July 1954 are provided for in the above statement, including the program of country elevator and cottage construction and capital replacements, dust control and sundry capital replacements at the terminals and sundry purchases of office equipment chargeable to capital.

Source of Capital Funds, Analysis of Capital Expenditures and Working Capital

This Statement No. 3 has been prepared to show in detail the composition of capital funds as at 31st July 1954. The various items of this statement are largely self-explanatory. It will be noted that $475,069.34 of the commercial reserve, together with the total amount of the livestock excess charges refund credits and reserve account is in liquid form. All other capital funds are non-liquid having been invested in fixed assets, investments, deferred accounts receivable and deferred charges.

Statement of Net Earnings

Statement No. 4 attached hereto shows in detail the disposition of net earnings of the Saskatchewan Wheat

Pool and subsidiary companies for the period 1st August 1925 to 31st July 1954. Combined operations of all companies for the period are consolidated in this statement and all inter-company payments from earnings eliminated.

Statement of Financial Position and Growers' Equity as at 31st July 1954

As shown by the Consolidated Balance Sheet, the financial position of the organization may be summarized as follows:

Total Current Assets	$96,247,297.20
Total Current Liabilities	89,471,735.49
Working Capital—subject to Capital Commitments already referred to	$ 6,775,561.71
Other Assets	23,403,872.32
	$30,179,434.03
Less: Reserve for Unearned Subscriptions, The Western Producer	10,000.00
Total Net Assets representing Members' Equity	$30,169,434.03
The Members' Equity is represented by:	
Capital (Membership Fees)	$ 141,227.00
Elevator Deductions	16,072,616.06
Commercial Reserve	8,661,098.60
Livestock Excess Charges Credits	49,068.55
	$24,924,010.21
Reserve	5,245,423.82
Total	$30,169,434.03

Statement of Grain Handled

Statement No. 5 shows the total volume of grain handled by the Saskatchewan Wheat Pool and subsidiary companies during the period 1924 to 1954, inclusive. It will be noted that since its inception, Pool country elevators have handled close to three billion bushels, while the Pool terminal division has handled well over two billion bushels.

Country Elevator Division

The Financial Statements and Auditors' Reports submitted separately to delegates show in detail the results of the operations of this Division for the year ended 31st July 1954.

Total gross earnings of this Division amounted to $17,477,022.31, with total expenses of $13,658,404.60. The difference between these two items, namely $3,818,617.71, represents the surplus arising from the Country Elevator Division for the year under review.

The following is a comparison of Earnings and Expenses with those of the previous year:

	1952-1953	1953-1954	*Increase* (Decrease)
Earnings	$18,884,044.24	$17,477,022.31	$(1,407,021.93)
Expenses	13,273,734.72	13,658,404.60	384,669.88
Surplus	$ 5,610,309.52	$ 3,818,617.71	$(1,791,691.81)

Elevator Capacity

As has been pointed out in previous years, the end of the Company's financial year coincides with the period when elevator construction is at its peak.

The following figures show the number of elevators, annexes, etc., with capacities, as at 31st July 1954:

	Capacity (Bushels)
1,134 country elevators	38,856,000
199 permanent crib annexes	5,266,000
387 frame annexes	14,354,000
Total permanent capacity as at 31st July 1954	58,476,000
726 temporary bins	16,304,000
Total capacity of country elevators, annexes, etc., as at 31st July 1954	74,780,000

It should be noted that when the 1954 construction program has been completed in December, the total country elevator storage capacity will be 76,424,000 bushels, an increase of 2,637,000 bushels from the end of 1953.

Grain Handlings

The following statement provides a comparison of primary grain handlings in Saskatchewan for Season 1953-54 as compared with Season 1952-1953:

Total Primary Receipts at Country Elevators in Saskatchewan During Grain Years 1953-54 and 1952-53

	1953-1954 (*Bushels*)	1952-1953 (*Bushels*)
All Elevators		
Wheat	249,433,000	339,310,000
Coarse Grains	88,679,000	126,102,000
Total—All Elevators	338,112,000	465,412,000
Saskatchewan Pool Elevators		
Wheat	109,595,000	159,172,000
Coarse Grains	40,444,000	54,957,000
Total—Sask. Pool Elevators	150,039,000	214,129,000
Percentage to Sask. Pool Elevators	44.38%	45.04%

In addition to the above, there was handled through the Country Elevator Division 13,158,190 lbs. of rapeseed for the account of the J. Gordon Ross Syndicate.

The volume of grain handled through Pool country elevators and over loading platforms for the season, compared with the preceding season, is as follows:

	1953-1954 (*Bushels*)	1952-1953 (*Bushels*)
Grain handled through Country Elevators	150,039,753	214,128,972
Grain shipped over the Platform	191,740	323,777
Total Handlings	150,231,493	214,452,749
Average Handled per Elevator Operated (1,149)	130,583	184,912
Percentage Handled of Total Deliveries in Saskatchewan (Platform not included)	44.38%	45.04%

The foregoing is based on information from the Company's records and that supplied by the Board of Grain Commissioners for Canada.

Throughout most of the season Pool elevators were badly congested and unable to receive all grain offered; thus the percentage of receipts remained below 45% of total marketings. During the early part of the season receipts were below 40%, but gradually increased to a final 44.38%.

Canadian Wheat Board shipping requirements, as set out in preferences for certain kinds and grades of grain, tended to create unfilled space in some areas, while others remained badly congested.

Receipts of Grain by Months—Country Elevator Division

The following summary showing the receipts of grain by months during the season will indicate the flow of grain to Pool elevators:

Receipts by Months—Season 1953-1954

	For Month (Bushels)	Monthly % of Total	Cumulative Total (Bushels)	%
1953				
August	12,908,000	8.6	12,908,000	8.6
September	16,383,000	10.9	29,291,000	19.5
October	15,782,000	10.5	45,073,000	30.0
November	14,378,000	9.6	59,451,000	39.6
December	19,662,000	13.1	79,113,000	52.7
1954				
January	5,107,000	3.4	84,220,000	56.1
February	6,619,000	4.4	90,839,000	60.5
March	3,591,000	2.4	94,430,000	62.9
April	5,288,000	3.6	99,718,000	66.5
May	7,511,000	5.0	107,229,000	71.5
June	16,735,000	11.2	123,964,000	82.6
July	26,076,000	17.3	150,040,000	100.0
TOTAL	150,040,000	100%		

The delivery to Pool facilities during June and July of 42,811,000 bushels, compared with the 57,665,000 bushel record delivery in the same months last season, contributed to the serious congestion which exists at present. This condition extends through to the Lakehead and Eastern handling facilities.

Stocks of Grain in Country Elevators at 31st July 1954

There was in store in Pool elevators at 31st July 63,263,284 bushels of all grains, compared with 56,116,634 bushels at the close of the preceding season. Country elevator stocks throughout the season averaged 57,843,061 bushels, which was greater than the actual stocks in store at the beginning of the season.

Grading Record

The grading record for the year, based on cut-off valuations, indicates a net credit in grades amounting to $68,379.87. The position based on cut-off valuations in the previous season indicated a grade debit of $264,878.83.

The records show that 192,256 cars of wheat were inspected at all primary inspection points, of which 79% were contract grades compared with 64% in the previous season. Only 9% inspected tough or damp, compared with 17% in Season 1952-53.

The number of cars of wheat passing inspection at all points, with the number that graded tough or damp, is as follows for the seasons indicated:

Wheat Only

	Total Cars	Tough Cars	Damp Cars
1953-1954	192,256	16,762	77
1952-1953	272,825	44,892	346

Wheat Dockage Record

The dockage record for wheat indicates there is a slight gain. Average dockage assessed by agents on graded receipts of wheat was 2.50%, while average dockage on outturn of street cars of wheat was 2.24%, or a gain of .26%. As heavy stocks remained in elevators and in transit accurate final results will not be known until the wheat is shipped and unloaded.

Weigh-ups

The unusually heavy stocks carried throughout the season prevented the making of weigh-ups at most stations. A complete weigh-up of stocks was carried out at 259 elevators and estimated at the remainder, as compared with 531 houses weighed and 628 estimated in the previous

season. A weigh-up of coarse grains was conducted at slightly over 500 elevators.

A small net overage is disclosed at those points at which it was possible to complete a weigh-up of all grains. A further net overage at points where it was not found possible to weigh-up stocks is accounted for by a gain on dockage. Travelling Superintendents' grade and dockage was used for closing stock records.

Insurance and Fire Losses

Insurance coverage on country elevators was maintained at 100% of replacement cost less depreciation. Insured values were not increased during the year. The values used in the overall coverage are believed to be adequate and amount to $32,941,025.00 for elevators, annexes and bins.

During the season the elevators at Rosemound and Rokeby were destroyed by fire and were not replaced. Lesser fire damage was sustained at eight other points.

Claims for loss by fire on grain elevator buildings amounted to $54,749.21 and on grain $60,015.60, making a total fire loss of $114,764.81, as compared with $263,577.67 in the previous year.

Details of the premiums paid and the loss ratio for seasons 1953-54 and 1952-53 are as follows:

Season 1953-54

Premiums paid for Insurance on Elevs...	$196,249.72	*Loss Ratio*–27.90%
Premiums paid for Insurance on Grain..	561,002.03	*Loss Ratio*–10.70%
Total Premiums paid on Elevs. and Grain	$757,251.75	*Loss Ratio*–15.16%

Season 1952-53

Premiums paid for Insurance on Elevs...	$183,053.90	*Loss Ratio*–38.73%
Premiums paid for Insurance on Grain..	419,500.86	*Loss Ratio*–45.93%
Total Premiums paid on Elevs. and Grain	$602,554.76	*Loss Ratio*–43.74%

It will be observed that the loss ratio for this season is more favorable by 28.58%.

Pool Insurance Company carries 25% of the foregoing risk and the balance of coverage was reinsured with nine other companies. Lloyds of London carried 28% of the risk and the Co-operative Insurance Society of Manchester was allotted 24%.

Insurance carried on agents' dwellings with the Pool Insurance Company amounted to $2,015,160.00 as at the 31st July 1954. Damage was sustained by fire at five points to a value of $464.20.

The premiums paid for coverage was $4,552.88 and the loss ratio 10.20%.

Shipping and Export Department

During the year under review total sales of grain in all positions amounted to 4,954,007 bushels, as compared with 10,474,861 bushels in the preceding year.

Quantities of each kind of grain sold, with comparative figures for the year 1952-53, are as follows:

	1953-1954 (Bushels)	1952-1953 (Bushels)
Wheat	1,574,712	4,752,299
Oats	2,623,731	3,667,583
Barley	519,067	1,734,290
Flax	191,381	6,904
Rye	45,116	313,785
Total	4,954,007	10,474,861
Screenings (Tons)	3,552	11,167

Operations of this Department resulted in a loss of $20,965.33, as compared with a loss of $2,736.56 last year.

Carlot shipments for the domestic market during the season under review totalled 1,041, compared to 1,855 for the previous year.

Carlot sales of oats in the domestic market amounted to 673, compared to 930 last year. Of the total of 673 cars, 522 were sold to Eastern and Maritime co-operatives. Similarly, 74½ cars of barley, out of a total of 84½ sold in the domestic market, were disposed of to the Eastern co-operatives.

Churchill

At the close of the 1953 shipping season stocks of wheat in store at Churchill amounted to 2,516,299 bushels. During the season there was shipped to the northern port an estimated total of 11,429,662 bushels. Of this amount the Saskatchewan Wheat Pool, Country Elevator Division shipped 5,359,487 bushels, representing 46.891%. Total stocks available for shipment during the 1954 season are estimated at 13,945,961 bushels. The total amount of wheat actually exported from Churchill in the 1954 season was 12,484,893 bushels. Only one cargo of 258,720 bushels was allocated to the Pool Export Department.

Altogether 36 cargoes of wheat were shipped from Churchill in the 1954 season, as compared with 31 in 1953 and 26 cargoes in 1952. This represents the largest number of grain cargoes loaded at Churchill in the history of the port.

The balance of wheat left in store at the close of the shipping season is estimated at 1,461,068 bushels.

The following statement shows the vessel clearances from Churchill for the 1954 season.

Vessel	*Date of Clearance* 1954	*Cargo (Bushels)*
Anna C.	July 30	390,000
Warkworth	Aug. 2	349,066
La Estancia	Aug. 3	336,746
Begonia	Aug. 5	264,960
Sparto	Aug. 6	380,240
Cairnavon	Aug. 7	315,533
Thistlemuir	Aug. 11	350,933
Akti Hill	Aug. 13	352,800
Irish Oak	Aug. 18	256,000
St. John	Aug. 19	376,000
Ravenshoe	Aug. 23	350,000
Dalton Hall	Aug. 24	334,880
Triland	Aug. 28	357,280
Ramillies	Aug. 30	360,300
Arundo	Sept. 9	371,800
Anna C.	Sept. 12	390,040
Liberator	Sept. 13	381,700
Sparto	Sept. 15	380,800
Begonia	Sept. 15	261,000
Nyon	Sept. 15	333,200
Irish Oak	Sept. 16	258,720
Seaboard Enterprise	Sept. 18	369,600
La Hacienda	Sept. 19	362,133
Warkworth	Sept. 20	349,066
Calli	Sept. 22	373,333
Taxiarchis	Sept. 22	384,533
Akti Hill	Sept. 24	356,533
Thistlemuir	Sept. 25	350,933
Cairnavon	Sept. 28	320,000
Kafiristan	Sept. 29	369,000
St. John	Sept. 30	375,200
Dalton Hall	Oct. 1	334,693
La Estancia	Oct. 2	332,266
Ravenshoe	Oct. 3	350,933
Glaukauf	Oct. 4	331,333
Pindar	Oct. 7	373,333
Total		12,484,893

At the time this report was prepared the actual destination of these thirty-six cargoes was not available. It is understood, however, that a large part of these shipments were destined to U.K. ports. The last vessel leaving Churchill in the 1954 shipping season is reported to have cleared on 7th October 1954, five days earlier than the previous year.

Seed Grain Distribution

The arrangement with Saskatchewan Seed Grain Co-operative Limited at Moose Jaw for filling orders for seed grain, was continued during the crop year 1953-54.

The Seed Grain Co-operative enjoyed another successful year and its sales within the Province increased 135%, although export sales showed a small decrease. We have been advised that orders secured by Pool elevator agents and passed directly to the Seed Grain Co-operative represented approximately 50% of the provincial seed sales.

The following statement shows a comparison of the sales placed by the Country Elevator Division for the past two years.

Seed Grains

	1953-1954 (Bushels)	1952-1953 (Bushels)
Wheat	114,158	41,807
Oats	14,014	9,243
Barley	15,480	5,140
Flax	4,404	958
Rye (Fall)	1,172	—
Total	149,228	57,148
Value of Sales	$347,749.52	$141,742.02

Pool agents received a commission from the Company at the rate of 1% of the seed orders handled through their elevators. Commission paid to agents amounted to $1,822.24 to cover less than carlot quantities, and $1,225.70 to agents who arranged and distributed 32 carlots of bulk Registered Thatcher seed during the year.

Mill Shipments

Since 1943 mill shipments have been allocated to elevator companies on the basis of the percentage of elevators each company owned in relation to the total of all country elevators in **Saskatchewan and Manitoba.** This resulted in an allocation of 31.633% to the Pool Country Elevator Division. Mill shipments in Alberta were allocated on the basis of the number of elevators owned by each company in Alberta in relation to the total number of elevators in Alberta.

As from 27th January 1954, mill shipments ordered from Saskatchewan were to be placed with elevator companies on the basis of the percentage of the elevators owned by each company to the total of all elevators in Saskatchewan. This change resulted in the Saskatchewan Wheat Pool, Country Elevator Division, receiving an allocation of 38.842%.

Construction Department

The activities of this Department include all phases of construction, maintenance and improvement of country elevators, annexes and agents' dwellings. During the year under review your Board approved expenditures by this Department as follows:

Elevator Program

	Capital	*Repair*	*Total*
Construction or Reconstruction of 20 Elevators	$1,100,000.00	$ —	$1,100,000.00
Construction or Reconstruction of 50 Permanent Annexes	700,000.00	—	700,000.00
Construction of Permanent and Temporary Type Annexes	200,000.00	—	200,000.00
Repairs and Reconstruction of Temporary Annexes, Wiring and Re-wiring Elevators, Door Openers, etc.	202,070.00	854,255.00	1,056,325.00
Siding and Painting 91 Permanent Frame Annexes	100,100.00	—	100,100.00
Purchase 2 Elevators	16,000.00	—	16,000.00
Purchase 10 Cleaners	45,000.00	—	45,000.00
Repainting Elevs. and Annexes	—	43,000.00	43,000.00
	$2,363,170.00	$897,255.00	$3,260,425.00
Agents' Dwellings			
Repairs, Additional Rooms, Basements, etc.	$ 60,000.00	$ 65,000.00	$ 125,000.00
Painting	—	17,000.00	17,000.00
Construction, Purchase and Renovations	100,000.00	25,000.00	125,000.00
	$ 160,000.00	$107,000.00	$ 267,000.00

Amounts expended as at 31st July 1954 under the above approvals, are shown in the following statement:

Elevator Program	**Capital**	**Repair**	**Total**
Construction or Reconstruction of Elevators and Annexes	$1,502,114.17	$ —	$1,502,114.17
Repairs to Elevators, Annexes, Wiring, Re-wiring, etc.	104,846.93	452,553.03	557,399.96
Repainting of Elevators and Annexes	—	21,666.65	21,666.65
Temporary Annex Repairs	—	34,942.74	34,942.74
Purchase of two Elevators	16,000.00	—	16,000.00
	$1,622,961.10	$ 509,162.42	$2,132,123.52

Agents' Dwellings Program

Expenditures to the end of the season were as follows:

Construction, Repairs, Additional Rooms, Painting, etc.	$ 52,517.23	$ 26,143.65	$ 78,660.88
Purchased	11,680.04	—	11,680.04
	$ 64,197.27	$ 26,143.65	$ 90,340.92

Elevator Repairs

It will be noted that the volume of repairs and alterations to elevators and annexes which it was possible to complete before 31st July 1954, was approximately 56% of the authorized program.

Major replacements of machinery and equipment completed at 31st July 1954 included the following:

2—New engines installed
3—Electric Motors installed
10—Engines transferred
5—Engine Houses rebuilt
2—Engine Houses remodelled
3—Driveways rebuilt
1—New Cleaner installed
2—Cleaners transferred
9—Scale conversions
1—New Scale installed
7—Scales transferred
6—Boot Tanks installed
1—New Air Dump installed
4—Air Dumps transferred

Ninety-nine elevators and 28 annexes were repainted (out of a total program of 154 elevators and 32 annexes).

At the end of the fiscal year, work is continuing on the remainder of the program.

Demolition and Reconstruction of Elevators

A total of 20 construction projects was authorized and carried out as follows:

Aberdeen "A"	Elevator rebuilt to 73,000 bushel capacity—retaining 20,000 bushel Crib Annex and 35,000 bushel Frame Annex. Electric drives.
Beadle	Elevator rebuilt to 35,000 bushel capacity. Electric drive.
Cedoux	Elevator rebuilt to 35,000 bushel capacity—retaining 35,000 bushel Frame Annex. Diesel engine drive.
Codette	Elevator rebuilt to 73,000 bushel capacity—retaining the 30,000 bushel Frame Annex. Electric drives. (Demolished one Temporary Bin).
Glidden	Elevator rebuilt to 35,000 bushel capacity. Electric drive.
Goodeve	Elevator rebuilt to 35,000 bushel capacity. Diesel engine drive.
Griffin	Elevator rebuilt to 35,000 bushel capacity, 45,000 bushel Frame Annex was added. Electric drives.
Langbank	Elevator rebuilt to 35,000 bushel capacity—new 35,000 bushel Frame Annex also built. Diesel engine drive.
Meyronne	Elevator rebuilt to 35,000 bushel capacity—45,000 bushel Frame Annex was added. Electric drives. (Demolished one Temporary Bin.)
Renown	Elevator rebuilt to 35,000 bushel capacity—retaining 40,000 bushel Frame Annex. Diesel engine drive.
Stelcam	Elevator rebuilt to 35,000 bushel capacity—45,000 bushel Frame Annex was added. Diesel engine drive. (Demolished one Temporary Bin).
Tallman	Elevator rebuilt to 35,000 bushel capacity. Engine drive.
Viscount	Elevator rebuilt to 75,000 bushel capacity (combination Elevator and Annex)—retaining 40,000 bushel Frame Annex. Electric drives. (Demolished one Temporary Bin).
Waseca	Elevator rebuilt to 73,000 bushel capacity—retaining 20,000 bushel and 25,000 bushel Crib Annexes. Electric drives.
Belbeck "B"	35,000 bushel elevator built adjacent to "B" elevator which now serves as an Annex—45,000 bushel Frame Annex added. Electric drives. ("A" elevator will be dismantled.)
Duval "A"	73,000 bushel elevator built adjacent to the "A" elevator which now serves as an Annex. Electric drives. ("B" elevator to be dismantled when conditions warrant).
Kandahar	35,000 bushel elevator built adjacent to the old elevator which now serves as an Annex. 35,000 bushel Frame Annex retained. Electric drives. (Demolished one Temporary Bin).
Snipe Lake	35,000 bushel elevator built adjacent to the old elevator which now serves as an Annex—45,000 bushel Frame Annex added. Electric drives. (Demolished one Temporary Bin).
Tate	35,000 bushel elevator built adjacent to the old elevator which now serves as an Annex. Diesel engine drive.
Shellbrook "B"	New 35,000 bushel elevator and 45,000 bushel Frame Annex built on a new site at this station. Electric drives.

In addition two units which had been approved for the 1953 construction program were completed during the year under review, viz:—

Henribourg "B"	New 35,000 bushel elevator and a 45,000 bushel Frame Annex was built on a new site at this station. Electric drives.
Norquay "B"	A 75,000 bushel combination Elevator and Annex was built on a new site at this station. Electric drives.

The rebuilding of Imperial elevator was approved and materials were laid down but it was not found possible to unload grain stocks. Therefore, building operations at this point have been set forward into the 1955 season, and Tallman has been selected as a substitute point to round out our authorization of 20 elevators.

Burned Elevators

Complete losses of plant were suffered at Rosemound and Rokeby but these were not replaced.

Cost of Elevators

Much of the work of the department involves a combination of operations, such as building a new elevator adjacent to the old, with consequent extra cost in refitting the latter, plus movements of annexes, etc. Thus, there is a considerable variation in costs as between the various points. However, it can be said that a completely new 35,000 bushel elevator costs approximately $41,000.00, a 73,000 bushel elevator costs approximately $62,000.00, and the latest composite elevator and annex of 75,000 bushel capacity costs approximately $58,000.00. These costs refer to electrically driven plants. Diesel driven would cost approximately $1,200.00—$1,600.00 more in each case, depending on presence of cleaners, annexes, etc.

New Annexes

During the year under review, the Board approved a construction program of new annexes as follows:

October 1953	Fifty Annexes (Frame and Crib).
July 1954	An amount of $200,000.00 was allotted to provide additional permanent and temporary storage facilities.

The first 50 annexes were completed by 15th September 1954, and work is now proceeding on the second allotment which, at date of writing, includes 9 temporary units and 7 permanent units.

Of the 200 frame annexes which were unsided at time of construction, a total of 194 have now been sided and painted.

The new style Temporary Annexes provided for in the authorization of July 1954, (above), are essentially similar to the wartime temporary units but are built on a heavy gravel bed, with plywood walls and floor. Each annex contains only one bin. Capacities vary from 30,000 to 35,000 bushels. These units are not sided.

Annexes have been allocated to the following stations:

Permanent Crib	**Bushels**
Arcola	40,000
Indian Head	50,000
Lemberg	50,000
Lloydminster	45,000
North Battleford	45,000
Spalding	50,000
Tisdale	50,000
Wroxton	45,000
Wynyard	50,000

Frame Annexes	**Bushels**
Atwater	35,000
Aylesbury	35,000
Blaine Lake	45,000
Buchanan	45,000
Carlyle	40,000
Eston	50,000
Fox Valley	35,000
Gallivan	35,000
Garrick	40,000
Golden Prairie	40,000
Halbrite	35,000
Handel	30,000
Harris	40,000
Hodgeville	35,000
Inchkeith	40,000
Kamsack "B"	45,000
Kendal	40,000
Lacadena	35,000
Langbank	35,000

Frame Annexes	*Bushels*
Lanigan	40,000
Limerick "B"	35,000
Lumsden	35,000
Mankota	35,000
Markinch	45,000
Melfort	35,000
Mistatim	40,000
Morse	45,000
Mortlach	40,000
North Rosetown	45,000
Parkbeg	35,000
Pasqua	35,000
Plunkett	35,000
Porcupine Plain	40,000
Prince	35,000
Prongua	35,000
Radisson	35,000
Redvers	40,000
Rosthern	35,000
Rush Lake	35,000
Shaunavon "B"	50,000
Sintaluta	35,000
Snowden	35,000
Stornoway	35,000
Tantallon	40,000
Tonkin	40,000
Tugaske	40,000
Vawn	45,000
Weirdale	40,000

It is anticipated that the average costs will be as follows:

Crib Annex	40,000 bus.— 8 bin	$16,000.00
Crib Annex	50,000 bus.—10 bin	19,500.00
Frame Annex	35,000 bus.— 4 bin	12,000.00
Frame Annex	40,000 bus.— 6 bin	13,800.00
Frame Annex	45,000 bus.— 6 bin	14,600.00
Frame Annex	50,000 bus.— 8 bin	15,800.00
Temporary Annex	35,000 bus.— 1 bin	5,500.00

It is expected that all authorized construction works will be completed by 15th December 1954.

Repairs to Agents' Dwellings

In general, the work included under this heading may be described as follows:

(a) Additional rooms,
(b) Concrete basements, complete or partial,
(c) General repairs, including painting.

New Dwellings

Aberfeldy	4 rooms	Speers	6 rooms
Amsterdam	4 rooms	Spruce Lake	4 rooms
Craik	6 rooms	Spy Hill	4 rooms
Perdue	6 rooms	Vandura	4 rooms
Plunkett	6 rooms	Wauchope	6 rooms
Silton	4 rooms		

Costs are expected to average $7,000.00 for a four-room dwelling and $7,800.00 for a six-room dwelling, including furnace and electric wiring. Eight houses were completed or were being worked upon as at 31st July 1954. It is expected that the balance of the program will be completed by 31st December 1954.

General

It should be noted that apart from the above works, the construction department carried out major construction works for other Divisions, including an Administration Building at Saskatoon ($105,000.00), a 60,000 bushel elevator adjacent to the Vegetable Oil Plant at Saskatoon ($87,000.00) and sewage and water lines for the Livestock Yard, Regina, ($4,000.00).

Over-all costs of construction show a slight increase over those obtaining in 1953 but the movement has been irregular over the year. Lumber, which had eased in the early part of the construction year, strengthened later due to strikes in the lumber industry in the United States and prices increased on the Canadian market 8% to 10%. It is of interest to note here that a total of 230 carloads of wood products (6½ million feet) was used in construction works alone, excluding local purchases for repair operations. Of this total, 79 carloads were purchased from the Saskatchewan Timber Board, the balance from Alberta and B.C. suppliers.

Machinery costs have remained firm during the 1954 building season. In some instances, improved production methods were used to overcome higher production costs due to wage increases.

Cement supplies were fairly easy to obtain from Canadian sources until 31st July but these sources dried up sharply at that date, necessitating purchase of American cement at much higher prices. However, due to heavy stores of Canadian cement obtained during the early months, our purchases of American cement were not excessive—in fact, were less than in 1953. Total purchases of cement used in construction amounted to 45,000 sacks, excluding local purchases of small lots.

Wages increased slightly due to a revision of contract with hourly wage workers, granting two cents per hour increase as from 1st March. Working conditions were aggravated by unusual weather which obtained throughout

a large part of the construction season. Heavy and constant rains served to slow truck movements and actual construction operations.

The average number of hourly wage earners employed in all branches of repair and construction during the period 1st March to 1st September, was 397.

Laboratory Service

During the year under review the Country Elevator Division continued to provide moisture and germination tests for seed grain as an additional service to Pool members. The following figures show the number of tests made in the laboratory at Head Office in the past three years:

Year	Germination	Moisture
1953-1954	19,846	1,870
1952-1953	20,110	5,426
1951-1952	55,682	11,677

In addition to these tests the laboratory cleaned, weighed and graded 1,271 samples of grain for the Junior Co-operative Variety Test Plots.

Smut Tests

The service available to Pool members to have seed grain tested for smut by the Associated Laboratory Services at Saskatoon was also continued during the past year. During the season 6,920 samples were submitted and tests made for Pool members. This compares with 6,557 samples submitted the previous year.

Terminal Elevator Division

The Statement of Operations of the Terminal Elevator Division for the year ended 31st July 1954 appears as Statement No. 6, Page No. 20 of the Auditors' Report.

Total earnings for the year under review amounted to $4,749,537.06 and expenses to $3,878,570.70, leaving an operating surplus of $870,966.36. This compares with an operating surplus of $1,253,292.50 a year ago. The substantial reduction in the volume of grain handled during the year under review is the principal factor in the decrease of earnings for the current year.

Terminal Elevator Handlings

The total volume of grain handled through Pool Terminals for the season ended 31st July 1954 amounted to 84,699,885 bushels, as compared with 114,304,101 bushels in the previous year.

The following figures show a comparison of the volume handled by the various units of the Terminal Elevator Division for the year under review, as compared with the previous year:

	1953-1954 (Bushels)	1952-1953 (Bushels)
Terminals No. 4A and 4B	34,619,997	31,243,684
Terminal No. 5	12,604,966	17,347,335
Terminal No. 7	37,474,922	65,713,082
Total	84,699,885	114,304,101

As at 31st July 1954 stocks in store at each of our terminal elevators were as follows:

Terminals No. 4A and 4B	6,558,161 bushels
Terminal No. 5	2,271,415 bushels
Terminal No. 7	7,461,503 bushels
Total	16,291,079 bushels

Statistics issued by the Board of Grain Commissioners for Canada show that 185,340 cars of grain were shipped from Western Canada and unloaded at the Lakehead during the 1953-54 crop season, as compared with 282,959 cars during the previous season.

During the year under review the Terminal Elevator Division unloaded 44,838 cars at Pool terminals, equal to 24.19% of the total cars unloaded. Pool Terminal No. 7 was again the leader in the number of cars unloaded at the Lakehead. This elevator handled 20,076 cars, representing 10.83% of all cars unloaded at the Lakehead.

When navigation officially closed on 14th December 1953, stocks in store in Pool terminals totalled approximately 10,700,000 bushels of all grains. By the end of January terminal stocks had increased to 16,828,000 bushels and reached their peak on 3rd April 1954 when stocks in store amounted to 18,751,000 bushels of all grains, equal to 91.47% of the rated capacity of the elevators.

Maintenance

The policy of maintaining the terminal plants and equipment in first class operating condition was continued throughout the past year. As in former years special efforts were made to carry out the maximum amount of maintenance work involving major repairs and replacements, during the winter season.

Reference was made in the last report to work being carried on at Pool Terminal No. 5. This work, which included the converting of the "G" house to a flax handling plant, has now been completed and the elevator is in first class shape.

The installation of dust control equipment at Terminals No. 4A and 4B has been completed and all Pool terminals are now fully equipped with the most up-to-date dust control systems available.

Grain Dust Investigation

During the year under review a substantial amount of experimental work in connection with grain dust explosions has been carried out at Ottawa by the National Research Council and at Saskatoon by the Prairie Regional Laboratory of that organization. The Dust Problem Committee, with its various sub-committees, held several meetings during the past year and reports covering the investigations made were issued. A further meeting of the Dust Problem Committee is being held during the present month. It is anticipated that a recommendation will be forthcoming from the Committee that a fund be raised by the terminal elevator companies for the construction of an experimental machine of commercial size, designed to remove the fine dust from the heavier grain dust in the terminals.

Flour Mill Division

The Statement of Operations of the Flour Mill Division for the year under review appears as Statement No. 7, page No. 22 of the Auditors' Report. It will be noted that the Flour Mill Division operated at a loss for the year amounting to $4,636.12. The following statement summarizes the operations of the Flour Mill for Season 1953-54, as compared with Season 1952-53:

	1953-1954	1952-1953	Increase (Decrease)
No. of days operated	234	324	(90)
Flour Production	480,523 bbls.	583,427 bbls.	(102,904) bbls.
Average Daily Production	2,053 bbls.	1,800 bbls.	253 bbls.
Mill Feeds Production	15,211 tons	18,810 tons	(3,599) tons
Average Daily Production	65 tons	58 tons	7 tons
Sales			
Total Domestic Sales	121,713 bbls.	115,502 bbls.	6,211 bbls.
Total Export Sales	336,405 bbls.	476,478 bbls.	(140,073) bbls.
Total All Sales	458,118 bbls.	591,980 bbls.	(133,862) bbls.

Flour Sales

As the above statement shows, domestic flour sales again showed an increase during the year under review. A summary of domestic sales for the year ended 31st July 1954, as compared with the previous season, is as follows:

	1953-1954 (Bbls.)	1952-1953 (Bbls.)
Red Label	61,578	50,141
Pool	21,487	23,598
Domestic Bakers	33,741	37,001
Whole Wheat & Graham	3,477	3,249
Wheatlets & Granules	1,020	1,095
Low Grade	410	418
Total	121,713	115,502

The export market during the past season was seriously affected by the action of the United States Government in December 1953 in subsidizing soft wheat. However, new markets, recently established, particularly in Central America, have helped recover the earlier losses. Export contracts for the year totalled 336,405 bbls. as compared with 477,000 bbls. a year ago. The Philippines continued to be our best export market, absorbing 165,000 bbls., equal to 49% of our export contracts.

A summary of export sales from the Mill for the year under review, is as follows. It will be noted that flour from the Pool Mill was exported to twenty-six different countries, as compared to twenty countries in the previous season:

	Barrels	Percentage
Belgian Congo	9,855	2.93
Bermuda	65	.02
Bolivia	1,075	.32
British Honduras	975	.29
Colombia	5,260	1.56
Costa Rica	26,825	7.97
Cuba	7,650	2.27
Dominican Republic	1,100	.33
El Salvador	8,815	2.62
Gold Coast	2,500	.74
Grenada	1,225	.36
Guatemala	39,378	11.70
Haiti	850	.25
Hong Kong	17,865	5.31
Jamaica	250	.07
Japan	23,720	7.05
Korea	3,750	1.11
Madeira	336	.10
Netherlands Antilles	350	.10
Nicaragua	6,041	1.80
Panama	1,575	.47
Peru	10	—
Philippines	164,696	48.95
Singapore	7,344	2.18
Thailand	375	.11
Venezuela	4,585	1.39
Total	336,470	100.%

Storage

Elevator operations at the Flour Mill for the crop year 1953-54 showed a decrease in total handlings of both street and carlot receipts. The decrease in street receipts was due largely to Wheat Board quota restrictions, while the reduction in carlot receipts was the result of the lower export demand.

The number of cars of wheat unloaded at the elevator during the year totalled 948, as compared with 962 cars during the previous season. In addition to wheat receipts, 3 cars of flax and 72 cars of rapeseed were unloaded.

A comparison of street and carlot receipts of wheat for the crop years 1953-54 and 1952-53 is as follows:

	1953-1954 (Bushels)	1952-1953 (Bushels)
Wheat—carlot and trucked	1,649,679	2,120,194
Wheat—street	343,748	624,730
Gristing	6,071	—
Total	1,999,498	2,744,924

Receipts of other grains at the mill elevator included:

Oats	2,313 bushels
Flax	7,888 bushels
Rapeseed	4,073 tons

Vegetable Oil Division

The Operating Statement of the Vegetable Oil Division for the year ended 31st July 1954 appears as Statement No. 8, page No. 24 of the Auditors' Report. It will be noted that the Vegetable Oil Division shows a surplus from the year's operations amounting to $38,137.97.

During the Season 1953-54 the plant operated 76 days on flax and 151 days on rapeseed, a total of 227 days' operations, as compared with 140 days in the previous year.

The amount of flax processed last season was 8,821,260 lbs. as compared with 8,015,850 lbs. a year ago.

In addition to the amount of flax processed a total of 17,295,000 lbs. of rapeseed was processed on a custom basis. The rapeseed operation resulted in a recovery of 6,266,337 lbs. of oil and approximately 5,170 short tons of meal.

Sales of linseed oil to the domestic market totalled 2,871,136 lbs., as compared with 2,080,982 lbs. a year ago, an increase of 790,154 lbs. This increase in sales has developed as a result of an increased demand from paint manufacturers in British Columbia who have been consistent purchasers since the commencement of operations of the plant in 1947. Sales of carload lots to new paint manufacturing concerns in Eastern Canada also accounted for a substantial part of the increase. Due to the disorganized state of the market, there were no export sales of linseed oil during the year under review.

As indicated in the last Annual Report, the construction of a 60,000 bushel standard country elevator at the Vegetable Oil Plant was approved and this addition to the plant has served a very useful purpose. The following figures indicate the volume of oil bearing seeds handled through the elevator during the present season:

	Bushels
Gross Street Receipts of Flaxseed	70,594
Gross Street Receipts of Rapeseed	63,375
Total Street Receipts	133,969
Gross Carload Receipts of Flaxseed	119,026
Gross Carload Receipts of Rapeseed	41,857
Gross Truckload Receipts from storage at Government Elevator	110,176
Total Receipts	405,028

Net Flax Stocks on hand in elevator	4,765
Total Gross Flax Cleaned	173,550
Total Gross Rapeseed Cleaned	219,187
Shipments of Flax to Lakehead	16,070
Transfers of Flax to Vegetable Oil Plant	145,785
Transfers of Rapeseed to Vegetable Oil Plant	197,436

Livestock Division

Statements No. 9 and 9a, pages No. 26 and 27 of the Auditors' Report show in some detail the results of the year's operations and the financial position of the Livestock Division at the end of the year under review. This year's operations result in a surplus of $76,672.83, compared with a surplus of $78,964.23 a year ago.

Included in the earnings of the Livestock Division is a share of earnings of Canadian Livestock Co-operative (Western) Limited amounting to $54,062.56 and also a

surplus from the Transit Compensation Fund amounting to $14,262.01.

Livestock Operations

In the year under review livestock trading was on a more normal basis. Disturbing or restrictive influences such as were encountered in the season of 1952-53 were absent.

Marketings of all classes of livestock, except hogs, increased in the period. While supplies remained heavy, deliveries generally were well regulated with better than average distribution taking place.

The percentage of the total meat supply consumed in Canada remained high and prices generally held at levels above an export basis. The major factors contributing to the increase in the consumption of meats within Canada were the increase in population, with consumer purchasing power remaining at a comparatively favorable level. Meat consumption on a per capita basis also showed a substantial increase, due in part to the more favorable price relationship of red meats as compared to other protein foods.

While price fluctuations took place on all classes throughout the year, they were generally seasonal and related to supply and demand. Markets, however, were extremely sensitive and prices reacted quickly to any change in the local position.

The bright spot in the beef industry this past year has been the increase in domestic consumption in Canada. The average weekly disappearance has increased from 22,000 head per week in the calendar year 1952 to 28,300 in 1953. The year 1954 records a further increase with the average for the first six months being approximately 31,200 head weekly.

Some of the increase in beef consumption is, no doubt, due to the change in relationship between cattle and hog prices. During the fall of 1951 cattle prices were approximately 1½ times that of hog prices. For the first half of 1954 the cattle price has been approximately 70% of the hog price, which is fairly close to the long term average of 75%.

Farmers and feed lot operators who purchased cattle last year for feeding purposes received favorable returns on their investment. These results have created greater confidence in the cattle industry among feeders, resulting in broader outlets for these classes this year. The increased sales in this division have assisted greatly in maintaining beef cattle prices at existing levels.

Hog marketings declined in the past year, both in Canada and the United States. Seasonal short supplies in the late spring and early summer months caused extreme price fluctuation, the high point in hog prices being reached early in June. Price levels at that time, however, were out of line with beef prices and it soon became evident that available pork supplies could not be disposed of for domestic consumption or export at the prevailing levels. This, plus the fact that an earlier than usual increase in hog marketings was taking place both in Canada and the United States, resulted in a steady decline in prices to levels more in line with other meats.

The domestic disappearance of pork in Canada from inspected slaughterings for the first five months of the calendar year averaged 96,660 head per week as compared to 110,466 for the same period in 1953. The decline of approximately 14,000 head per week from the domestic disappearance for this period may be attributed in part

to the decline in marketings, and also to the price relationship between pork and beef in this period.

Exports to the United States during the first twenty-six weeks of 1954 totalled approximately 64,000 cattle. Of this number 52,254 were shipped alive, including 36,304 for immediate slaughter or feeding purposes, and 15,950 classified as dairy or pure bred. The balance of the exports, approximately 11,736 head, were shipped in the form of dressed beef. Exports of pork products for the first twenty-three weeks of 1954 (including 4,220 hogs shipped alive) are the equivalent of approximately 190,000 hogs. This represents about 7.7% of the inspected hog kill in that period.

Total cattle and calf handlings by the organization show an increase of 35,405 head for the year, while the number of hogs handled co-operatively decreased by 51,876 head in this period. Statement No. 15 attached to this report, shows the handlings of livestock by divisions for the past two seasons.

Total provincial cattle and calf marketings for the fiscal year under review were 511,951 head as compared to 394,101 head for the same period a year ago, an increase of 29.9%, the numbers marketed co-operatively being 202,777 head, or 39.61% of the total provincial marketings.

Total sheep and lamb marketings for the Province showed only a slight increase in this period, being 47,580 head compared to 47,421 last year. 15,584 head were handled through co-operative channels, representing 32.75% of the total.

Total numbers of all classes of livestock marketed co-operatively were 341,641 head representing a gross value of $27,984,925.54. Of the total handlings 32.76% were marketed through the four yards owned by the organization at Regina, Yorkton, North Battleford and Swift Current; 26.42% through our three agencies operating on yards owned by stockyard companies at Moose Jaw, Saskatoon and Prince Albert; 23.16% were delivered by our Country Section Division to C.L.C. (W). L. at St. Boniface, and the remaining 17.66% to C.L.C. (W). L. by co-operative shippers and other individuals.

The volume handled by the Country Section Divisions at Moose Jaw, Saskatoon and Prince Albert shows further declines this year as the area around these markets, serviced by trucks, continues to expand.

The St. Boniface Division of the Country Section continues to handle a high percentage of the volume from Melfort, Tisdale, and Yorkton districts.

The Livestock Division further extended its services in the past year by operating cattle sales at Meadow Lake in conjunction with the Agricultural Society, and at Tompkins in conjunction with the Tompkins Livestock Marketing Association. The sales held at these points proved to be successful and our services in this connection appeared to be appreciated by members of the respective associations and producers in general.

Livestock marketings in the past year were comparatively heavy, and at times some classes were in surplus supply at the existing price levels. The selling agencies, by utilizing to the best of their ability all available outlets and by a careful distribution of the numbers under their control have been instrumental to a considerable degree, in producers receiving as high a return for livestock as possible under existing conditions.

It is expected that the marketings of both cattle and hogs will show substantial increases in the last quarter of

1954. In order to dispose of the surplus marketings in Canada in this period, it will no doubt be necessary to export a higher volume to the United States. This will no doubt result in prices in Canada being more closely related to United States levels, less a differential to cover shipping costs, tariffs and exchange.

Unofficial reports from the United States trade indicate that they are expecting a more stable cattle trade this fall than last, at slightly firmer prices. Forecasts are that United States cattle marketings in the last quarter of 1954 will be under those of 1953. Hog marketings in the United States, however, are expected to show fairly substantial increases in this period and forecasts are that prices will decline to levels slightly under those of last year.

In disposing of surplus hogs this fall it is expected that live hogs will be exported in volume from Alberta markets to the United States West Coast with possibly some shipments from Ontario to the Eastern and Central States. The bulk of the pork exported is, however, expected to be in the form of cuts consisting mainly of hams, backs and bellies. In order to compete for a share of the pork trade in the United States of sufficient volume to clear our surplus at as favorable price levels as possible, it will be necessary for processors to confine their exports to high-grade, well-trimmed cuts. In view of this condition hog producers in Canada will be well advised to market their hogs at suitable weights and avoid over-finishing.

The following figures show the supply position of meat in Canada at 1st August 1954 as compared with the same figures a year ago:

Canadian Meat Supply Position
(Pounds)

	Cured		*Storage*		*Fresh*	
	Aug. 1/54	Aug. 1/53	Aug. 1/54	Aug. 1/53	Aug. 1/54	Aug. 1/53
Pork	12,241,000	12,007,000	21,725,000	19,176,000	3,960,000	2,777,000
Beef	432,000	470,000	6,508,000	21,780,000	10,519,000	9,304,000
Veal	—	—	3,483,000	3,491,000	1,346,000	1,225,000
Mutton and Lamb	—	—	400,000	772,000	273,000	192,000
Unreported	925,000	510,000	1,312,000	1,080,000	2,180,000	780,000
Fancy Meats						
Pork	—	—	1,482,000	1,214,000	—	—
Beef	—	—	2,545,000	2,390,000	—	—
Veal	—	—	293,000	295,000	—	—
Lamb	—	—	45,000	59,000	—	—
Total	13,598,000	12,987,000	37,793,000	50,257,000	18,278,000	14,278,000

Total All Meats

1st August 1954—69,669,000 Pounds

1st August 1953—77,522,000 Pounds

The following statement shows the exports of livestock and dressed meats to the United States during the past two seasons:

Exports to the United States
Live Animals
(*Number of Head*)

	1953-1954	1952-1953
Cattle		
For immediate slaughter and feeding purposes..	39,748	10,276
Dairy and Breeding Stock	18,856	24,413
	58,604	34,689
Calves	3,533	1,594
Sheep and Lambs	622	783
Hogs	6,675	14,516

Dressed Meats
(Pounds)

Beef and Veal (Fresh)	6,320,000	6,247,000
Pork (Fresh)	21,173,000	24,714,900
Mutton and Lamb	51,800	100

The statement below sets out the volume and percentage of provincial deliveries of livestock through co-operative channels for the past three seasons:

Statement of Provincial Deliveries Handled Co-operatively

	1951-1952	1952-1953	1953-1954
Cattle and Calves			
Provincial Deliveries	312,527	394,101	511,951
Handled Co-operatively	139,690	167,372	202,777
Percentage of Co-operative Handlings	44.7 %	42.7 %	39.61%
Hogs			
Provincial Deliveries	419,704	532,757	390,307
Handled Co-operatively	145,959	175,156	123,280
Percentage of Co-operative Handlings	34.8 %	32.87%	31.58%
Sheep and Lambs			
Provincial Deliveries	41,302	47,421	47,580
Handled Co-operatively	14,854	14,908	15,584
Percentage of Co-operative Handlings	36. %	31.43%	32.75%

To complete the livestock statistical position, the following statement issued by the Dominion Bureau of Statistics shows the livestock population on farms in the past three years:

	SASKATCHEWAN			CANADA		
	Cattle and Calves	Hogs	Sheep and Lambs	Cattle and Calves	Hogs	Sheep and Lambs
June 1/51	1,237,000	607,000	236,200	9,333,300	5,875,000	1,968,100
Dec. 1/51	1,176,000	599,000	307,000	8,962,000	6,498,000	1,302,000
June 1/52	1,382,000	646,000	155,000	9,173,000	5,741,000	1,582,000
Dec. 1/52	1,271,000	560,000	103,000	8,906,000	5,237,000	1,105,000
June 1/53	1,435,000	469,000	170,000	9,713,600	4,447,000	1,721,300
Dec. 1/53	1,264,000	433,000	101,000	9,371,000	4,721,000	1,161,000
June 1/54	1,387,000	539,000	156,000	9,954,000	5,141,000	1,804,400

Canadian Livestock Co-operative (Western) Limited

Financial Statements

The Balance Sheet of this organization, Statement No. 16 attached to this report, shows the financial position of the company as at 31st July 1954. Total operating revenue for the year under review amounted to $233,406.55, while operating expenses for the period totalled $137,947.45, leaving an operating surplus for the year, before providing for income tax, of $95,459.10. After provision for income tax, amounting to $449.25, there is a net surplus for the year amounting to $95,009.85. From this amount there has been deducted the sum of $3,113.60 representing the cost of the past services pension plan for employees, applicable to the current year, leaving a net surplus to be allocated to members amounting to $91,896.25.

In accordance with a resolution passed at a meeting of the Directors of Canadian Livestock Co-operative (Western) Limited on 17th July 1954, the surplus has been allocated on the following basis:

(a) Retained as non-interest bearing loans			$ 4,712.15
Alberta Livestock Co-operative Limited	.053%	$ 2.50	
Manitoba Pool Elevators	41.117%	1,937.50	
Saskatchewan Wheat Pool-Livestock Division	58.830%	2,772.15	
	100.000%	$ 4,712.15	

(b) Available for distribution on the basis of revenue contributed to the Sales Agency during the period			$87,184.10
Alberta Livestock Co-operative Limited	.053%	$ 46.21	
Manitoba Pool Elevators	41.117%	35,847.48	
Saskatchewan Wheat Pool-Livestock Division	58.830%	51,290.41	
	100.000%	$87,184.10	
			$91,896.25

During the year under review Canadian Livestock Co-operative (Western) Limited handled 6,034.6 cars of livestock, as compared with 5,734.3 cars in the previous year. The following figures show the distribution of these cars as between the provincial livestock organizations constituting Canadian Livestock Co-operative (Western) Limited:

	No. of Cars	Percentage of Total
Alberta Livestock Co-operative	3	.05%
Manitoba Pool Elevators	2,412	39.97%
Saskatchewan Wheat Pool – Livestock Division	3,619.6	59.98%
	6,034.6	100.00%

The above figures are computed on the basis of 25 cattle, 80 hogs and 100 sheep per car.

Printing and Publishing Division

Details of the financial results of the operations of the Printing and Publishing Division for the year ended 31st July 1954 are set out in Financial Statements and Auditors' reports submitted separately to the delegates.

The operations of this Division for the year under review show a loss of $92,038.47 made up of a surplus of $44,035.96 for the Commercial Printing Department and a loss of $136,074.43 for The Western Producer.

A comparison of the operations for the year, with those of the previous year, is shown below. (Bracketed figures in the first two columns denote losses, while figures in brackets in the last column denote decreases):

Commercial Printing Department

	1952–1953	1953–1954	Increase (Decrease)
Sales, etc.	$515,768.11	$543,545.06	$ 27,776.95
Cost of Sales	402,561.29	419,956.39	17,395.10
Gross Surplus on Operations	$113,206.82	$123,588.67	$ 10,381.85
Selling and Administrative Expenses	69,200.84	79,552.71	10,351.87
Surplus for the Year	$ 44,005.98	$ 44,035.96	$ 29.98
The Western Producer			
Income	$493,865.78	$454,955.41	$ (38,910.37)
Expenses	565,526.57	591,029.84	25,503.27
Loss for the Year	$ (71,660.79)	$ (136,074.43)	$64,413.64

Summary

Commercial Printing Department Surplus	$ 44,005.98	Surplus	$ 44,035.96	$ 29.98
The Western Producer Loss	(71,660.79)	Loss	(136.074.43)	64,413.64
Loss for the Year	$ (27,654.81)		$ (92,038.47)	$64,383.66

Commercial Printing Department

In the Commercial Printing Department the year under review may be considered a successful one. Volume was $27,000.00 greater than last year but as a result of

increased expenses the net surplus of $44,035.00 remained at practically the same figure as the previous year.

The plant operated at near capacity level almost throughout the entire year, with only a few weeks during the summer when all departments were not fully occupied. Four-color process work was expanded and a number of new important jobs were undertaken. Prospects for the Commercial Printing Department in the year ahead appear to be good, with what is now a well established clientele, and development of the type of work which will be in demand under all circumstances.

The Western Producer Department

Circulation

Total net paid circulation at 31st July 1954 was 151,003. Distribution of circulation by provinces for the year under review, as compared with the previous year, is as follows:

	1953–1954	1952–1953	Increase (Decrease)
Saskatchewan	83,021	83,881	(860)
Alberta	35,909	36,137	(228)
Manitoba	19,268	20,692	(1,424)
British Columbia	10,329	11,561	(1,232)
Miscellaneous	2,476	2,461	15
Total	151,003	154,762	(3,759)

These figures show a decrease in circulation of 3,759 from the 1952-53 figures. A total of 43,466 subscriptions were received during the year ended 31st July 1954. This shows a decrease of 17,024 subscribers when compared to the same period last year.

Advertising

A comparison of advertising lineage carried in The Western Producer for the year under review, with the previous year, is as follows:

	1953-1954	1952-1953
Classified Lineage	236,407	256,190
Display Lineage	417,575	402,015
Total Lineage	653,882	658,205

From the foregoing it will be noted that there is an increase of 15,560 lines of display advertising over the previous year, while classified lineage was reduced by 19,783 lines. For the first ten months in the year there was every indication of a substantial increase in the current year's advertising lineage. A falling off, particularly in classified lineage, developed during the summer months, probably attributable to the deterioration in crop conditions, resulting in the cancellation of advertising plans. Actual lineage for the last few weeks of the year was almost 20,000 less than had been anticipated. Looking ahead, the advent of television may have some effect on advertising programs which have hitherto depended largely on newspaper advertising.

Editorial

The departmental activities as outlined below provide a fairly complete report, from the newspaper point of view, of the achievement and hopes of The Western Producer during the past year. There have been some lively expressions both of agreement and disagreement with the views published on the editorial page. This is inevitable when dealing with controversial issues. It is always difficult to reach accurate findings on such matters, but judging from the letters which reach the editor's desk, the interest and loyalty of readers have not diminished, but rather seem to have grown. It is the objective and purpose of the editorial staff to continue to improve the paper in every

possible way and to the extent that resources will permit, so that reader interest and general public approval will be maintained and enhanced.

Agricultural Department

The agricultural news section continued its efforts to give wide coverage to happenings of interest to Western farmers. This was achieved by personal reporting and by purchases of news reports from local correspondents in main Western Canadian regions.

On 23rd August 1953, Dr. Norman Wright, who for many years conducted the veterinary column, "Diseases of Livestock" died. Early in 1954, however, a staff member of the University of Manitoba, Dr. Alfred Savage, was engaged and his column, "Doc. Savage Says" has met with continuing response, many letters being received and their questions answered promptly.

In co-operation with the Extension Department and the College of Agriculture, University of Saskatchewan, a page of questions on farm problems with answers by qualified people, began to appear in January 1954. It is hoped to expand this section to include a similar arrangement with extension people in Manitoba and Alberta.

Attempts are being made to cover the agricultural scene in general, rather than exclusive emphasis on scheduled events. In this connection an effort is being made to secure a better balance of space devoted to cereal and forage crops as compared with livestock.

A number of correspondents have been added to The Western Producer listening posts. Their addition has been with an eye to coverage for an agricultural region rather than for a specific point. It is felt The Producer organization of agricultural correspondents is nearing the required number, although the need exists for a few more, particularly in Saskatchewan and Northern Alberta.

News Section

The Western Producer continued to add to its news coverage and to its service to the reader during 1953-54. In August a column entitled "Thirty Years Ago This Week" was added, in which the files of The Progressive were summarized. This was an important step because it recalled the beginnings of the Saskatchewan Wheat Pool and the struggle which took place and it provided the background story which is perhaps today not so well known to the younger members of the organization.

In order to give readers a closer look at happenings in Parliament an experienced writer in the parliamentary press gallery was engaged to send weekly reports under the general heading "Ottawa Report." The writer, James McCook, once on the staff of the Saskatchewan Wheat Pool, is familiar with western interests and the western viewpoint. His first report appeared on 12th November.

Steps were taken to brighten the classified ad section and scattered through the pages were short items such as health hints, cartoons and home repair hints.

Staff reporters from The Western Producer continued to appear at major events and conferences of interest to Western Canadian farmers.

Beginning in January, The Western Producer published a weekly nature column "Prairie Wildlife" by Doug. Gilroy, a practising farmer and amateur naturalist. This column proved an instant success. Correspondence to this column from readers continues to be heavy.

After over twenty years with The Western Producer,

Mrs. Cal McGregor left her duties as news editor to go into the radio broadcasting business. She left at the end of April 1953, with the good wishes of this newspaper.

The newspaper business generally has felt the impact of television in the field of communication. The new opportunities in the field of TV drew many radio men from broadcasting to TV; radio stations in turn looked to the staffs of newspapers for writers. The Western Producer was not immune to the changing times and a number of other changes in the editorial staff were made during the year.

Magazine Section

The Western Producer Magazine continued to carry items of general interest and entertainment and of service to the reader. During the year a weekly sports cartoon "Fur, Fin and Campfire" was added for enjoyment as well as instruction of its readers. "House Doctor," a column on home repair, was procured for the many readers who were doing their own work. Among the more important features carried in the Magazine were several on the history of the West, a series on the "Anatomy of the Wheat Market," detailed reports on the operation of The Canadian Wheat Board, the operation of the Board of Transport Commissioners, and a reprint of the McPhail speech entitled "Not Unto Himself Alone," which many Pool members were interested in seeing. Efforts were made to publish larger portions of serials each week, so far as space would permit. The Western Producer Magazine Section was the first newspaper in Western Canada to publish the comic strip based on Sir Arthur Conan Doyle's detective stories "Sherlock Holmes."

Once again the Magazine Section provided a medium of expression for Western Canadian writers. Throughout the year the articles, stories and poems and photographs of 35 such writers and artists were published. Policy governing the Magazine Sestion still is one which emphasizes the Western Canadian scene.

Sports Section

Believing that throughout farm homes there has developed an increased interest in sporting events, The Western Producer provided "on the spot" coverage to some of the bigger events. The Macdonald Brier curling and the Grey Cup football game were events of Canada-wide interest that were given first hand coverage by the sports editor. It is the intention of The Western Producer to continue this policy of reporting major sporting events.

Women's Section

Throughout another year the Women's Section has endeavoured to keep closely in touch with the interests of rural women. Since many of these are the interests not just of women, but of the farm family, the section has been only "mainly for women."

Decorating the new house or renovating the old; hanging wallpaper, selecting cooking utensils, grading eggs, new methods of food preservation—these are a sample of topics on which informative articles were carried. Help for the homemaker whose home has just been reached by power line, especially in selection of equipment was stressed in the fall power issue.

Through the "I'd Like to Know" page conducted by Mrs. Emmie Oddie, farm homemaker and home economist, The Western Producer has assisted in planning kitchen cupboards, working out menus, and arranging

anniversary celebrations and wedding parties. Correspondence indicates that this help was greatly appreciated.

As social welfare problems become of special importance they are given extra attention in this section and the work of various organizations is followed and campaigns publicized. For instance, attention has been directed to understanding mental health problems, to farm and home safety campaigns, the problems of older folk and attempts to meet them, the progress of the Canadian Diabetic Association, the work of the Canadian Arthritis and Rheumatism Society.

Reflecting the increased interest in handicrafts and leisure time activities, there have been hobby stories written by readers, reports of handicraft festivals in Saskatchewan, of rural art exhibits at the Manitoba Wheat Pool annual meeting, a fashion show of clothing of the past 100 years, staged by Manitoba Women's Institute members, reports of the Saskatchewan Weavers' Guild and of exhibits at fairs. This list might be extended greatly. Books and reading have not been forgotten and an attempt has been made to keep in close touch with library development on the prairies.

Articles depicting the prairie scene have ranged from the first chicken barbecue to a report of a visit to the new Hutterite settlement in Saskatchewan.

With the increase of rural membership in the Saskatchewan Home and School Association, this organization has been added to the list of those whose activities are covered—Homemakers and Women's Institutes of the three provinces, women's section of the Farm Unions, and Women's Co-operative Guilds, and 4-H Girls clubs.

A special event covered this year was the meeting of the Associated Country Women of the World in Toronto, with Canada as host, and increased interest of rural women in their sisters in other lands has been noted.

"Jottings by the Way," Mrs. V. McNaughton's column, has continued to bring stories of interesting people and places across Canada from the Pacific to the Atlantic as well as in England.

Even with restricted space available for garden news, gardeners report that when their contributions are published or their activities described the flood of correspondence indicates how closely the garden columns are followed. An attempt is made to keep up with research work on plant disease, new varieties of horticultural crops and new insecticides.

Youth Section

For six weeks this spring the desk of the editor of the Young Co-ops page was literally swamped with pictures of bunnies, Easter eggs, flowers and all things connected with Easter and springtime. It was an Easter coloring contest for readers 12 years old and under, and it evidenced how popular and far-reaching is the Young Co-ops page of The Western Producer. The editors had to open and judge over 6,000 entries in that time. The peak of the contest was reached when over 700 letters were received in one day. Prizes and honorable mentions were awarded to 106 young people. Entries came mostly from the three Prairie Provinces, with a smaller number from B.C. and the East.

A valentine contest brought a much smaller, but still interesting response. A valentine of their own design was the requirement for the contest and entries showed the originality of ideas and the talent in art which many of the Y.C.'s possess.

The number of newcomers to the club remains encour-

aging and the standard of articles and poetry received for publication is high. An effort is made to give the contributions of the newcomers precedence over those of older members and to show how, with careful editing, their articles might be improved. This is one of the club's most important jobs—to help the young people to express their ideas more effectively.

Requests for Canadian and overseas correspondents continues to be a popular column with young readers. The Western Producer is passed along to Australian teenagers by Hendo of the Primary Producer, Australia, and the results are obvious, as many requests for pen pals come from that part of the world. The editors of the Young Co-ops page were pleased to welcome to the office last fall a young Australian girl, a member of the Young Co-op Club, who since then has completed a tour across Canada, working at various points and visiting with other Co-ops with whom she became friends through letters while she was living "down under."

That the Y.C. Club has helped to form many new friendships is evident from the letters from members giving enthusiastic accounts of meetings between pen pals or members of the club. This illustrates the importance of the club in the life of the young people of the West. By providing a medium of self-expression and an opportunity for new friendships, it is helping to enlarge the horizons of the rising generation.

Reader Services

Orders received for patterns of various kinds and for needlework books totalled 69,140. This total includes 367 orders for carpentry patterns, a service which has been discontinued. Pattern sales continue to rise gradually, with an increase of 3,741 over the 1952-53 total. For the last two years, the increase has been chiefly in orders for handicraft patterns—crocheting, embroidery, knitting, quilts, rugs, etc.

The following statement shows the number of orders filled during 1953-54:

Household Arts	40,724
Dress Patterns	27,322
Needlework Books	727
Carpentry Patterns	367
	69,140

Statement of Combined Operations

Statement No. 3, page 14 of the Auditors' Report shows the financial result of the combined operations of all Divisions of the Company for the year ended 31st July 1954 as follows:

Operating Surplus

Country Elevator Division		$3,818,617.71
Terminal Elevator Division		870,966.36
Flour Mill Division		(4,636.12)
Vegetable Oil Division		38,137.97
Livestock Division		76,672.83
Printing and Publishing Division:		
Commercial Printing Department	$ 44,035.96	
The Western Producer	(136,074.43)	
		(92,038.47)
Total Operating Surplus as at 31st July 1954		$4,707,720.28

N.B.—Bracketed figures denote loss.

Allocation of Surplus

Your Board recommends that the surplus for the year ended 31st July 1954, amounting to $4,707,720.28, be allocated as follows:

Excess Charges Refund Season 1953-1954	$3,602,485.00
Provision for Income Tax–estimated	485,000.00
Transfer to Reserve Account	620,235.28
Total	$4,707,720.28

Your Board further recommends that the share of surplus for the year ended 31st July 1954 allocated to Excess Charges Refund, Season 1953-54, and amounting to $3,602,485.00, be distributed in proportion to patronage on all grain and livestock delivered by the members of the company during the year ended 31st July 1954 on the following basis:

Grain

(a) Patronage dividend at the rate of 1c per bushel, to be paid in cash—dividend estimated	$1,458,250.00
(b) Patronage dividend at the rate of 1¼c per bushel, to be used for the purchase at face value of Elevator and Commercial Reserve Deductions of the Company from members in eligible categories, as previously determined by the Board of Directors, such deduction to be credited to the persons entitled to the patronage dividend, provided that those members entitled to such dividend whose Elevator and Commercial Reserve deductions have heretofore been purchased by the Company shall be paid their share of such amount in cash,—dividend estimated	1,822,812.50
(c) Patronage dividend at the rate of 3/16c per bushel, to be retained as a loan from the shareholders of the Company in accordance with the Articles of Association, provided that those members entitled to such dividend, whose Elevator and Commercial Reserve deductions have heretofore been purchased by the Company, shall be paid their share of such amount in cash—dividend estimated	273,422.50

Livestock

Patronage dividend at the rate per head for cattle 35c; calves 14c; hogs, sheep and lambs 9c; to be retained as a loan from the shareholders of the Company in accordance with the Articles of Association, provided that those members entitled to such dividend whose Elevator and Commercial Reserve deductions have heretofore been purchased by the Company, shall be paid their share of such amount in cash,—dividend estimated	48,000.00
Total	$3,602,485.00

Subsidiary Companies

Saskatchewan Pool Elevators Limited

The Balance Sheet for Saskatchewan Pool Elevators Limited as at 31st July 1954 and the Statement of Income and Expenses for the year ended 31st July 1954 appear as Statements No. 1 and 2, pages 36 and 37 of the Auditors' Report.

Saskatchewan Pool Terminals Limited

The Balance Sheet and Statement of Income and Expenses for the year ended 31st July 1954 for Saskatchewan Pool Terminals Limited appear as Statements No. 1 and 2, pages 40 and 41 of the Auditors' Report.

Saskatchewan Co-operative Livestock Producers Limited

The Balance Sheet and Statement of Income and Expenses for the year ended 31st July 1954 for Saskatchewan Co-operative Livestock Producers Limited are shown as Statements No. 1 and 2, pages 45 and 46 of the Auditors' Report.

Modern Press Limited

The Balance Sheet and Statement of Income and Expenses for the year ended 31st July 1954 for Modern Press Limited are shown as Statements No. 1 and 2, pages 50 and 51 of the Auditors' Report.

Interprovincial Subsidiaries

Canadian Co-operative Wheat Producers Limited

As in former years, the Annual Report of Canadian Co-operative Wheat Producers Limited as presented to

its shareholders, is included in and forms part of this report. The central report presents a comprehensive survey of national and international developments in the field of agriculture during the past year.

Canadian Pool Agencies Limited

The Report of the Directors of Canadian Pool Agencies Limited to its Annual Meeting of Shareholders is also attached hereto for the information of delegates. The Balance Sheet for the year ended 31st July 1954 and the Statements of Patrons' Equity and Income and Expenses are also attached as Statements No. 9, 10 and 11 of this report.

Pool Insurance Company

The financial year of the Pool Insurance Company ends on 31st December. The report of the operations of this company for the year 1953, together with the Balance Sheet and Statement of Income and Expenses are attached as Statements No. 12, 13 and 14 of this report.

The Manager of Pool Insurance Company, who is also in charge of Canadian Pool Agencies Limited, will be in attendance at this meeting and will discuss with delegates the activities of these companies in the current year.

Publicity

The work of the publicity department, dealing as it does with all phases of public relations, attempts to interpret to the public the aims and objectives of the organization and to keep the public informed on the principles for which it stands.

Because a fully informed membership is essential to the effective operation of any democratic organization, emphasis is placed on the privileges of membership and the duties and responsibilities which membership carries with it. Stress has been placed on the manner in which Pool policy is formulated, and the avenues open to individual members to get their views before the delegates, who constitute the policy-forming body of the organization.

The functioning of local committees, the part played by the directors and delegates, the democratic machinery for the election of officers and directors, the election machinery provided by which every member is accorded full voting privileges, have been dealt with from time to time in radio talks and printed material.

A more detailed report on the work of the department is set out below under major headings.

Radio

Because it is possible to reach out to the public through the medium of radio with a minimum of delay, this medium has been used for many years to keep the membership informed on matters of Pool and agricultural policy, and to report on short notice developments affecting agriculture generally.

Programs sponsored by the Wheat Pool during the year included:

(a) Saskatchewan senior hockey broadcasts over CKRM, Regina.

(b) Five-station network of livestock market news and agricultural information.

(c) The Sunday news broadcast over CKCK, Regina.

(d) Spot broadcasts advertising shareholders' annual meetings, carried on eight Saskatchewan stations.

(e) Spot broadcasts advertising flour.

Hockey broadcasting was limited to the one station and was carried on a limited basis. The broadcasts provided a medium for the inter-period talks, which have been a regular feature of this program ever since hockey

broadcasting was first sponsored by the Saskatchewan Wheat Pool.

The five-station network, designed to supplement the hockey broadcasts, was a service type of program, with each station including a short report on the day's livestock market in the area served by the radio station concerned. The Moose Jaw station carried a report on both the Moose Jaw and Swift Current livestock markets. The program carried essential information on grain marketing, including reports on delivery quotas and other general information relating to farming operations.

The Sunday news service which has been running for many years over CKCK, Regina, was continued throughout the year.

The special spot broadcasts advertising shareholders' annual meetings, which were started two years ago, were continued and were carried over eight Saskatchewan stations.

Spot broadcasting for the promotion of flour sales, tied in with other forms of advertising, were also used.

Advertising

The Western Producer and the Saskatchewan Weeklies were used as the principal newspaper outlets for Pool advertising in Saskatchewan. Advertising in The Western Producer reaches a high percentage of the farm homes in Saskatchewan, and goes into some 60,000 to 65,000 homes outside the province. Because of the broad coverage provided by The Western Producer, an attempt is made to cover a wide field of subject matter with emphasis on co-operative principles, Wheat Board marketing, international commodity agreements, and Wheat Pool and general agricultural policy.

The Saskatchewan weeklies are regarded as a good medium for advertising, because they reach into many homes in the province not served by any other paper carrying Pool advertising.

Advertising is also placed in a select list of non-English weeklies published in Saskatchewan or with substantial circulation in the province. Through this medium it is possible to maintain contact with all the major language groups in the province.

Advertising is released to a number of influential periodicals published in widely circulated areas of Canada, from Vancouver to Montreal.

Flour Advertising

Flour advertising during the year was carried on all across Canada, from British Columbia to the Maritime provinces. In general, flour advertising is placed in all areas where Pool Mill products are sold and where there are opportunities for developing new markets. The policy which was started in 1950, of underwriting 50% of flour advertising placed by local co-operatives or regional wholesales, has been continued, and applies all across Canada where Co-op flour is sold.

The same policy applies in Saskatchewan to Pool flour advertising placed by private merchants who use their advertising space to promote the sale of Pool Mill products.

Flour salesmen operating in Saskatchewan carry flour advertising material with them and are authorized to place advertising in local papers with the name of the local merchant added. This policy makes it possible to relate the release of advertising in an area to special efforts made

by merchants to push the sale of Pool products in their territories. In addition, salesmen are also supplied with handbills in blank for posting in areas where special carlot sales are arranged through local merchants. Blank posters are also supplied, carrying Pool flour advertising material, for announcing special attractions. These poster blanks are made available to local organizations sponsoring community activities of various kinds.

During the year the Flour Mill sponsored a flour advertising contest, which operated in British Columbia, Alberta, Saskatchewan, Manitoba, and to a limited extent in Ontario. An automobile was awarded as the grand prize. Promotion folders and entry blanks were sent out by direct mail to Saskatchewan Wheat Pool members and to membership lists of consumer co-operatives in the other provinces. The competition was undertaken as a result of strong representation from representatives of Interprovincial Co-operatives Limited and the regional co-operative wholesales. It is always difficult to appraise the direct value of any advertising campaign. In some respects the results of the flour competition was disappointing, but there were some very favorable results. Flour salesmen reported a favorable reaction from store managers, and stated they were able to obtain a number of new accounts during the time the competition was in progress. The general advertising campaign that accompanied the competition emphasized the high quality of Pool Mill products and resulted in improved sales which continued after the competition had been concluded.

The Maritime provinces did not participate in the campaign, which necessitated the organization of a separate campaign in that region in lieu of the competition. This was arranged in co-operation with Maritime Co-operative Services Limited, and has been working quite satisfactorily.

Public Relations

In general terms, it can be said that all work of the Publicity Department is related to the maintenance of good public relations. However, in the direct sense, close and friendly association is maintained with a number of organizations both inside and outside the province. These include the Canadian Weekly Newspapers Association (both the National and the Saskatchewan Division), the Saskatchewan Association of Rural Municipalities, the Rural Municipal Secretary-Treasurers' Association, the Saskatchewan Postmasters' Association, the Canadian Broadcasting Corporation, the private radio stations, Canadian Press, the daily newspapers, the local agricultural associations, the Class "A," "B" and "C" fairs, the Extension Department and the Field Husbandry Department of the University of Saskatchewan, the National Research Council, the agricultural press, both in and outside Saskatchewan, the Saskatchewan Farmers' Union, the Agricultural Institute of Canada, the Saskatchewan Institute of Agrologists, the Saskatchewan Advisory Weed Council, the Canadian Congress of Labor, the Hudson Bay Route Association, the Canadian and Saskatchewan Federations of Agriculture, the Co-operative Union of Canada, the Junior Chamber of Commerce, The Canadian Wheat Board, the 4-H Clubs and farm camps and other farm and co-operative associations across Canada.

Calendars

Individually wrapped calendars were sent out to members of the Saskatchewan Wheat Pool by direct mail. In addition, bulk supplies were sent out to Pool Elevator agents and to all major offices of the organization at Winnipeg, Port Arthur and Saskatoon. Calendars were

also supplied to offices of the Livestock Division. Calendars supplied to agents are used for distribution in schools, stores, offices, etc. There is still a strong demand for Pool calendars from companies and organizations operating in Saskatchewan, who use them for organizational purposes. Requests for calendars for this purpose are filled up to the limit of our supply. In the course of a year, approximately 150,000 calendars are distributed.

Exhibitions

Saskatchewan Wheat Pool exhibits were shown on the Class "A" and "B" fair circuits in Saskatchewan. Literature was distributed at all fairs where the Pool was represented. In addition, assistance was given to local committees and agents in placing floats in parades held in conjunction with local fairs and sports.

Research

Research work dealing with almost every phase of production and marketing and the various activities of the organization was carried out during the year. One of the major research projects was the one leading to the publication of a series of articles entitled "Crises in Wheat, 1926-1954" which appeared first in The Western Producer and subsequently was published in pamphlet form. This pamphlet was very widely distributed all across Canada and as far afield as the United Kingdom, Germany, Switzerland, Brazil, Japan, United States, South Africa, and to all other countries where Canada maintains trade commissioners. Wide distribution was also given to a second pamphlet, entitled "Wheat Figures, 1953-54" which appeared first as a full-page advertisement in The Western Producer and was designed to offset much of the misinformation that was being disseminated in Canada about grain production, deliveries and exports.

Library

Regular borrowers received 4,956 books from the Saskatchewan Wheat Pool library during the year 1953-54. This was a decline of 821 books from the circulation recorded the previous year. A comparison of the monthly circulation figures show that heavy borrowing did not begin until the new year. The circulation lost in pre-Christmas reading was not made up during the rest of the season.

The library has been in increasing demand by students for some time. Last year, several university students taking part in an essay competition sponsored by the Department of Co-operation made advantageous use of material in the Pool library.

The library is used steadily for reference purposes by several departments at head office. The reference section becomes more useful as more material accumulates in it with the passage of time.

Library statistics will be found appended to this report in Statement No. 6.

Crop Reporting

The Saskatchewan Wheat Pool crop report continues to hold its place as one of the most authentic crop report services. The crop report is issued each week during the growing season and is published as a weekly feature in the Western Producer along with crop reports from Manitoba and Alberta. The publication of these three reports makes available to the public the most complete and most reliable crop information for Western Canada available anywhere in Canada.

A summary of the report is prepared each week and

released to the daily papers, the Canadian Press, the British United Press, private radio stations and to a large list of private firms and individuals.

Junior Activities

Variety Testing

Each year since 1936, the Saskatchewan Wheat Pool has carried on an extensive series of variety tests to compare the yielding ability of various grain varieties. These tests have been distributed quite uniformly throughout the province, and as a result yield information has been made available for a wide range of conditions of soil and climate. Many Wheat Pool tests are located in areas where no other variety tests are being carried on. Continual testing is required to determine the usefulness of new varieties developed to meet the threat of disease or insect pests, or the challenge to produce higher yields per acre.

The planning and supervision of the project is under the direction of Dr. J. B. Harrington of the Field Husbandry Department, University of Saskatchewan.

Variety test supervisors are young farm men and women selected by the Wheat Pool delegate in each sub-district. Each supervisor is supplied with seed and the necessary equipment to conduct a test, including detailed instructions, a rain gauge, a metal sign and a badge. These supervisors complete detailed progress reports during the growing season, and these, with the reports made by delegates, provide valuable information concerning the performance of the different varieties.

In the past, the practice has been to make an award of registered or certified seed grain to each supervisor in recognition of their contribution to this testing program.

During 1954 a total of 347 Junior Co-operative variety tests were conducted. The distribution of these was such that only five Wheat Pool sub-districts in the province were not represented. The project included wheat, oats and barley and was made up as follows:

Project	*No. of Tests*	*Varieties*
Wheat.....	186	Thatcher, Selkirk, Lake, Rescue, Chinook, Lee, W-120.
Oats.....	80	Exeter, Eagle, Rodney, OT-139.
Barley.....	81	Husky, B-597, Vantage, Compana, L-4752, Balder.

Only five of the seven wheat varieties were used in each test. Thatcher, Selkirk and Lake were included throughout the whole province, while Rescue and Chinook were used only in the south, southwest, and west central areas. Lee and W-120 were used in the east, north and northeast areas.

The four oat varieties were used throughout the province.

Husky and B-597 were used in all barley tests. Vantage and Compana were used in the south, west and west-central areas, while L-4752 and Balder were grown in the east, north and northeast areas.

Thatcher—was the standard of comparison in the wheat tests.

Selkirk—has become well known because of its resistance to race 15B of stem rust. It performed well in the rust areas in 1953 and was tested for the second season this year.

Lake—was originated at Scott Experimental Station, and was licensed in 1954. It has shown considerable resistance to drouth, is somewhat later in maturity than Thatcher, and is susceptible to race 15B of stem rust.

Rescue—is a solid stemmed, sawfly resistant variety

which has considerable drouth resistance. However it is of lower milling quality than Thatcher or Chinook.

Chinook—is a sawfly resistant variety of high milling quality. It is slightly earlier in maturity than Thatcher.

Lee—is a bearded variety with resistance to leaf rust but not to race 15B of stem rust. It is slightly later than Thatcher and is susceptible to loose smut.

W-120—is a variety developed at the Minnesota Experimental Station and not yet licensed in Canada. It is a bearded bread wheat with considerable resistance to rust including race 15B.

Exeter—is the standard oat variety in this year's tests.

Eagle—is a mid-late variety which has met with favor in Alberta. It has strong straw but is susceptible to rusts and smuts.

Rodney—is a high yielding variety which is resistant to rusts and smuts. It was developed at the Laboratory of Cereal Breeding, Winnipeg.

OT-139—is a selection from the variety Garry. It is resistant to stem and crown rusts, smuts and Victoria blight, and appears to yield well under the conditions experienced in 1954.

Husky—although this is a new barley variety, its very high yielding ability has made it popular in Saskatchewan. It was used as the standard variety in these tests. Husky is medium late maturing and is susceptible to loose smut.

B-597—this is a code number for the variety Vantmore developed at the Brandon Experimental Station. It has strong straw, is susceptible to leaf rust but moderately resistant to smuts.

Vantage—is a medium late, strong strawed variety which was also developed at the Brandon Experimental Station. Vantage is resistant to stem rust, but susceptible to leaf rust and smuts.

Compana—is a two-rowed, weak strawed variety which is used fairly extensively as a food grain in some countries. It is susceptible to rust but fairly resistant to smuts.

L-4752—this is a code number for the variety Wolfe, licensed in Canada during 1954. It is early maturing and has strong straw but is susceptible to smuts.

Balder — is a two-rowed Swedish variety not yet licensed in Canada, which has produced high yields in tests to date. Balder has mid-short, mid-strong straw.

In the fall each test was harvested and the sheaves sent to the Head Office of the Wheat Pool in Regina where threshing and yield calculations were carried on.

The compiled results of Wheat Pool tests are published in the form of a booklet which is widely distributed in Western Canada and the United States.

In addition, these results, together with those of tests carried out by the Experimental Stations in the province, are used by the Saskatchewan Advisory Council on Grain Crops, in making its official recommendations of the best varieties to be grown the following year.

A further benefit of this testing program which should not be overlooked is the experience gained by the young farm men and women who supervise the tests. While noting the differences between varieties, they become aware of the value of using the best varieties available. This knowledge is useful to those supervisors who choose farming as an occupation.

A great deal of credit for the success of this testing program is due to the enthusiasm of the variety test

supervisors and the care with which they conduct their tests. The value of their work was pointed out on a number of occasions when public gatherings were held to inspect the tests, and by a large number of visitors who took the opportunity to compare the different varieties being grown. On August 19th, a rally was held at the Swift Current Experimental Station, attended by variety test supervisors from Wheat Pool districts 2, 3, 4, 5 and 11. Experimental station officials arranged a tour of the test plots at the station and explained the work that was being carried on there. The rally was arranged by the Wheat Pool field men in the districts concerned.

4-H Clubs

As in former years, interest in the 4-H Club movement, under the direction of the Extension Department of the University of Saskatchewan, was well maintained. This important junior activity received widespread support from Wheat Pool Committees, delegates and members of the Pool staff in all parts of the Province.

The grant of $10,000.00, approved at the last Annual Meeting of Delegates, was made to the University of Saskatchewan to assist in this work and this assistance has been gratefully acknowledged by the University authorities.

As has been pointed out on previous occasions, it is largely as a result of this grant that the 4-H Club program is now the major single extension activity being carried on by the Extension Department of the University.

The following summary sets out in some detail 4-H Club projects in 1954, as compared with 4-H Club projects in 1953:

Summary of 4-H Club Projects

	Number of Clubs		*Members*		*Produce (Approximate)*
	1953	1954	1953	1954	1954
Grain	177	225	2,887	3,931	136,788 bushels
Beef	177	189	2,555	3,212	4,282 calves
Dairy	12	13	179	199	199 calves
Poultry	8	8	112	98	5,000 chickens
Swine	11	15	158	208	416 pigs
Potato	6	6	92	88	1,500 bushels
Garden	10	37	194	727	—

4-H Seed Clubs

Variety Grown	*No. of Clubs*	*No. of Members*	*No. of Acres*	*Approx. Yield (Bushels)*
Wheat:				
Thatcher	94	1,504	3,008	—
Lee	4	64	128	—
Chinook	34	578	1,156	—
Selkirk	62	1,240	2,480	—
Total	194	3,386	6,772	87,036
Oats:				
Fortune	5	100	200	—
Rodney	3	50	100	—
Exeter	15	240	480	—
Total	23	390	780	31,200
Barley:				
Compana	1	12	24	—
Vantage	4	60	120	—
Montcalm	7	85	170	—
Hannchen	3	51	102	—
Husky	3	60	120	—
Total	18	268	536	17,052
Flax:				
Redwing	1	10	20	200
Potatoes:				
Netted Gems	1	20	—	—
Manota	1	16	—	—
Warba	4	52	—	—
Total	6	88	10	1,300
GRAND TOTAL	242	4,142	7,918	136,788

The total enrolment of the various 4-H Club projects shows a definite increase in 1954, as compared with the 1953 figures. The actual increase is in the neighbourhood of 40% over the previous year. There has been a steady increase in the number of 4-H Clubs during the past ten years, which gives some indication of the increasing interest in this important work. The new club year has every indication of a further increase in membership.

The sponsorship of 4-H Clubs by Wheat Pool Committees is most encouraging to University authorities. In 1954, 203 Clubs were sponsored by Wheat Pool Committees—an increase of 55 over the previous year. The figure of 203 Clubs sponsored by Wheat Pool Committees is an all-time high and a fine record of achievement. This past year there were 32 different organizations sponsoring 4-H Clubs in Saskatchewan. A number of Pool country elevator agents also act as 4-H Club leaders, several of them having received Leadership Certificates for five or more years of active leadership.

Saskatchewan 4-H Club teams made an excellent showing in the National 4-H Club Contests at the Royal Winter Fair in Toronto in 1953. Two 4-H judging championships came to Saskatchewan; Donna Lawrence and Gordon Ford of Maple Creek 4-H Poultry Club won the Poultry award and the Alingly 4-H Swine team of Don Anderson and Clause Lemieux, won their respective championship. Other teams made a fine showing.

Country Organization

Wheat Pool Committees

At 31st July 1954, there were 1,115 local Wheat Pool Committees functioning in the province, which compares with 1,128 at the same date last year—a decrease of thirteen committees. Statement No. 7 of this year's report shows the total number of committees by Wheat Pool districts and sub-districts. Statement No. 8 indicates that 1,092 of these committees were elected at local shareholders, annual meetings during the period 1st August 1953 to 31st July 1954, leaving 23 that have not reported their annual meetings. This compares with 45 last year, and indicates a high percentage of active committees in all Wheat Pool districts.

It is of interest to note that 10,328 Wheat Pool shareholders are serving as members of local committees, an average of nine Pool members per committee.

Committee Conventions

Weather conditions were very unfavorable during June and July. This, coupled with late seeding and almost impassable roads, created many problems in organizing and carrying through the annual program of Committee Conventions. Notwithstanding these difficulties the program was conducted in an efficient and satisfactory manner.

The work of each committee, as reported by the secretary, together with a discussion of committee work in the sub-district led by the Wheat Pool delegate, were the key items on the agenda. Small groups and panel discussions were used to advantage, resulting in more active participation by those in attendance.

Each Convention gave some time to Junior Co-operative activities—test plots, Women's Co-operative Guilds, Co-operative Schools, and other educational programs.

Agents of Saskatchewan Pool Elevators attended the Conventions in all cases where the business of the elevator permitted them to do so. They made a valuable contribu-

tion when grain handling problems were discussed. A total of 814 agents were in attendance.

Travelling Superintendents led discussions, and answered questions in connection with elevator business and grain marketing problems.

Information was given on co-operative livestock shipping and marketing. More than usual interest was shown in the operation of the Livestock Division.

The Director, in his report, dealt with the operating policy of the organization. He outlined the position of the International Wheat Agreement and the operation of The Canadian Wheat Board. Both were strongly endorsed at all Conventions. The Director also reported on the operation of all divisions including the Flour Mill, Vegetable Oil Plant, Livestock Markets and Modern Press.

During the year under review, 125 Committee Conventions were held as compared with 123 for the previous year. Of these, 86 were single sub-district conventions, 37 were joint meetings of two sub-districts, while 2 included committees from three sub-districts. Total attendance was 7,226—an average of 58. This compares with an attendance of 6,794 last year. Of the total attendance, 4,122 were Wheat Pool Committee members, 814 were elevator agents, and 1,670 visitors. Five hundred and forty-five of the visitors were ladies.

Committee Programs

Six Wheat Pool Committee Programs were produced during the year, and 13,000 copies of each issue were printed. The mailing list includes chairman, secretaries, and all members of Wheat Pool Committees, Wheat Pool delegates, Pool Elevator agents, Travelling Superintendents, and other interested country workers.

The Canadian Federation of Agriculture News Bulletin for June 1954 contained valuable information on the International Federation of Agricultural Producers' Conference held at Nairobi in Africa. It also contained other interesting information on agricultural problems. A copy was mailed to the chairman and secretary of each Wheat Pool Committee, and to delegates and fieldmen.

The following is a list of topics of Committee Programs:

(1) Highlights of the 29th Annual Meeting.
(2) (a) Co-operative Philosophy.
(b) Wheat Pool organization.
(3) Resolutions passed at the 29th Annual Wheat Pool Meeting.
(4) The Canadian Federation of Agriculture.
(5) The Wheat Picture and the Farmer.
(6) Highlights of the Committee Conventions 1954.

Visual Aids

During the past year, sound motion pictures were shown at 902 meetings—an increase of 25 over the same period last year. The estimated attendance at these meetings was 80,000 people.

The Pool film library now contains a well-balanced range of films on co-operation, agriculture, travelogues, news reels, and comics. The film "Episode in Valleydale" produced by Manitoba Pool Elevators has been well received. It tells a story of community and co-operative development. "Timber Harvest" was produced by Saskatchewan Federated Co-operatives Limited. It too carries a message of the value of working together in building co-operatives. During the year, 61 films were purchased including 8 copies of "Episode in Valleydale" and "Timber Harvest". Saskatchewan Federated Co-operatives Limited very kindly donated 8 additional copies of "Timber

Harvest" in order that each fieldman might have one of these useful films.

Films which are in fair condition, but have served their purpose in our Wheat Pool program and are written off on our books, have been donated to local Film Councils and to the Provincial Film Board for use in school programs.

Meetings

During the year under review, Wheat Pool fieldmen attended 2,948 meetings of all types, with an estimated attendance of 143,335. As already mentioned, motion pictures were shown at 902 of these meetings.

Fieldmen provided current information in connection with the organization. Marketing problems were explained, and the policy of the Wheat Pool was outlined.

In addition to the foregoing, there were personal visits by fieldmen to 4,522 farmers; 2,113 business men were interviewed, and there were 3,493 visits to Pool elevators.

Co-operative Education

The program of one-day Co-operative Schools, Citizenship and Farm Days and Rallies was continued during the year. Valuable assistance in this program was received from the University of Saskatchewan, the Department of Co-operation, Department of Education, Department of Agriculture and the Co-operative Union of Saskatchewan. Forty-three of these events were held during the year, with an attendance of 3,396. This compares with 50 held last year with an attendance of 2,422.

Six regional Co-operative Schools were operated during the week 5th to 10th July, with a combined attendance of 470 students. Of these, 171 were girls and 299 were boys. The average age was seventeen years, and the average education was Grade 10.5.

These schools are developing a high degree of efficiency, and are the outstanding feature of the program of education carried on by the co-operative movement in Saskatchewan. Wheat Pool fieldmen continue to play a leading role in promoting and organizing these schools.

Flour Mill

The department has continued its active work in promoting and introducing "POOL" and "CO-OP" Flour to Saskatchewan consumers. The Flour Mill film has been used for a second year to good advantage. Many local events were organized to promote the sale of mill products. The most successful of these was a series of baking competitions. Special mention should be made of the fine assistance received from the Women's Co-operative Guilds particularly in the matter of baking competitions.

Co-operative Marketing of Livestock

Co-operative marketing of livestock has become a live issue during the past year. The Country Organization Department has continued to give assistance to Wheat Pool Committees and Livestock Pool shippers in organizing and assembling shipments to markets operated by the Livestock Division. Marketing problems have been discussed more widely at regular Pool meetings, and a number of highly successful meetings have been organized for the special purpose of discussing livestock.

Co-ordination

A change in the Co-ordination Agreement took place during the year. Canadian Co-operative Implements Limited was relieved of the obligation to make a financial

contribution. Apart from the fact that no money will change hands, the relationship with Canadian Co-operative Implements Limited continues as before. The Agreement with Saskatchewan Federated Co-operatives Limited remains unchanged.

General

In addition to the activities outlined above, fieldmen, working closely with Wheat Pool directors, delegates, committees and employees, carried on a general program of organization and education in all districts.

Local committees are the strongest link in the Wheat Pool organization. It is most important, therefore, that every effort should be made to see to it that the men and women who serve on these committees are kept up-to-date on all information affecting the organization, and that they receive full support in the performance of their important duties.

Co-operative Associations

During the year, 102 new Co-operative Associations were organized—93 under the Co-operative Associations Act and 9 new Credit Unions. During the same period, 49 Co-operative Associations were removed from the register, some by amalgamation with other co-operatives and some because they had ceased to operate. There was a net gain of 53 during the year.

The number of Co-operative Associations operating at the date of this report was 1,385 made up as follows:

Under the Co-operative Associations Act	1,056
Under the Co-operative Marketing Associations Act	34
Under the Credit Union Act	273
Under other Saskatchewan Legislation	16
Under Dominion Legislation	6
Total	1,385

Wheat Pool Bursaries

For the current year a total of twenty-three applications have been received for Wheat Pool bursaries from prospective School of Agriculture students.

At the time this report was prepared no applications had been received from Districts 1, 3 and 8.

The Scholarship Committee of the School of Agriculture met on 18th October and considered all applications. Bursaries were awarded to students in each of the thirteen districts represented, as follows:

Wheat Pool District 2—Duane K. Tucker, Radville, Sask.
Wheat Pool District 4—Murray E. Smith, Swift Current, Sask.
Wheat Pool District 5—Gordon D. Knelson, Calderbank, Sask.
Wheat Pool District 6—John W. Tobias, Vibank, Sask.
Wheat Pool District 7—Lawrence W. Fafard, Broadview, Sask.
Wheat Pool District 9—Peter M. Sundquist, Venn, Sask.
Wheat Pool District 10—Robert Bruce Murray, Bratton, Sask.
Wheat Pool District 11—James S. Stukings, Madison, Sask.
Wheat Pool District 12—John Earle Paterson, Artland, Sask.
Wheat Pool District 13—William J. Presnell, Dundurn, Sask.
Wheat Pool District 14—Thomas C. Coutu, Daphne, Sask.
Wheat Pool District 15—Jerry J. Ewanchyna, Meath Park, Sask.
Wheat Pool District 16—Kenneth A. Rommings, Borden, Sask.

In the 1953-54 term ten students received these awards and it is expected that all of these last year students will be returning to the School of Agriculture for the second year of the course.

Membership

For the year under review 6,108 applications for shares were received, as compared with 6,612 applications in the previous year. In addition, during July 1,601 applications for shares were received, as compared with 1,644 applications in July 1953.

The following statement shows the number of applications received since February 1934, when the policy of accepting new members by way of application for share was initiated:

Year Ended	*Applications*
31st July 1934	515
31st July 1935	695
31st July 1936	869
31st July 1937	1,016
31st July 1938	370
31st July 1939	887
31st July 1940	3,477
31st July 1941	3,040
31st July 1942	5,616
31st July 1943	5,946
31st July 1944	7,704
31st July 1945	6,304
31st July 1946	5,484
31st July 1947	8,529
31st July 1948	6,609
31st July 1949	3,817
31st July 1950	3,322
31st July 1951	3,866
31st July 1952	5,746
31st July 1953	6,612
31st July 1954	6,108

International Wheat Agreement

The crop year 1953-54 saw the completion of the first year of operations of the new International Wheat Agreement. It will be recalled that the new Agreement covers the three crop years 1953-54 to 1955-56, inclusive. As a result of the failure of certain countries to ratify the Agreement, the guaranteed quantities covered by the Agreement at the end of the year totalled 389,372,000 bushels. The revised guaranteed quantities of the 43 importing countries now participating are as follows:

Importing Countries	Guaranteed Quantities (Bushels)
Austria	9,186,000
Belgium	23,883,000
Bolivia	4,042,000
Brazil	13,228,000
Ceylon	10,288,000
Costa Rica	1,286,000
Cuba	7,422,000
Denmark	1,837,000
Dominican Republic	1,028,000
Ecuador	2,388,000
Egypt	14,697,000
El Salvador	735,000
Germany	55,116,000
Greece	12,860,000
Guatemala	1,286,000
Haiti	1,837,000
Honduras Republic	735,000
Iceland	404,000
India	36,744,000
Indonesia	6,246,000
Ireland	10,105,000
Israel	8,267,000
Japan	36,744,000
Jordan	2,940,000
Korea	1,470,000
Lebanon	2,756,000
Liberia	73,000
Mexico	14,697,000
Netherlands	24,802,000
New Zealand	5,879,000
Nicaragua	367,000
Norway	8,451,000
Panama	845,000
Peru	7,349,000
Philippines	8,672,000
Portugal	7,349,000
Saudi Arabia	2,572,000
Spain	9,186,000
Switzerland	7,900,000
Union of South Africa	13,228,000
Vatican City	551,000
Venezuela	6,247,000
Yugoslavia	3,674,000
Total	389,372,000

This was divided between the participating exporting countries as follows:

Exporting Countries	Guaranteed Quantities (Bushels)
Australia	44,377,000
Canada	150,913,000
France	338,000
U.S.A.	193,744,000
Total	389,372,000

Because of the substantial decline in the volume of international trade in wheat during the past year, purchases by importing countries totalled only 225,212,000 bushels, or about 58% of the guaranteed quantities. At a meeting of the International Wheat Council held in London last June, with 39 countries represented, the Council reviewed the operations of the Agreement in the light of the conditions prevailing in the 1953-54 crop year.

At the conclusion of the meeting the Council approved a statement as reflecting its views on the existing market situation. The statement reads in part as follows:

"The members of the Council are agreed that even in the abnormal conditions that have been present during the 1953-54 crop year, the International Wheat Agreement has functioned in accordance with its provisions. The lower volume of transactions registered under the Agreement in the crop year reflects the general reduction in import demand that has occurred during the year, due in large measure to increased production in importing countries and to the reduction of reserve stocks in certain major importing countries . . . . .

"The International Wheat Council fully recognizes the many problems and difficulties that exist at present and that lie ahead in the international trade in wheat. It also recognizes that in the present circumstances, where substantial supplies of wheat are available for export in excess of current levels of demand by importing countries, the possibility exists that unless an orderly adjustment to more normal levels of supply and import demand can be assured and maintained, the conditions of international trade in wheat could deteriorate to an extent that would have serious implications to international trade in general and to the economies of both wheat exporting and importing countries.

"The Members of the Council are unanimous in their conviction that the co-operation on an international basis of all wheat importing and exporting countries is essential to prevent such a situation developing and in their endorsement of the International Wheat Agreement as the instrument for such international co-operation. Believing in the principles and objectives of the International Wheat Agreement, they are further determined to fully support the Agreement in order that it may play its full part in assuring "supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices."

1954-55 *I.W.A. Sales*

Sales under the International Wheat Agreement for the current crop season to date are substantially ahead of last year. The following statement shows the volume of transactions recorded with the International Wheat Council for the current year to 15th October 1954, as compared with the same period in Season 1953-54:

	Guaranteed Quantity (Bushels)	Sales 1954-1955 (Bushels)	Sales 1953-1954 (Bushels)
Australia	44,377,000	23,857,000	6,306,000
Canada	150,913,000	56,366,000	27,028,000
France	338,000	376,000	—
U.S.A.	193,744,000	32,801,000	27,881,000
	389,372,000	113,400,000	51,215,000

In order that delegates may have first-hand information on the operations of the International Wheat Agreement, your Board of Directors has invited Mr. F. Sheed Anderson, Chairman of the International Wheat Council, to attend this meeting and address the delegates.

General

Canadian exports of wheat, and wheat flour in terms of wheat, in 1953-54 amounted to 255.1 million bushels,

which is substantially lower than the record exports of 385.5 million bushels in 1952-53 and also less than the 10-year (1943-44 to 1952-53) average of 290.4 million bushels. There are several reasons for this decline. As was the case in North America, the European countries have been experiencing excellent domestic crops, thus reducing their reliance on imports.

Probably more important, however, is the fact that many countries, including the United Kingdom, had stock-piled large quantities of wheat during the Korean emergency. With the end of the war these emergency reserves were put back into commercial channels during the past season and this inevitably resulted in smaller imports.

During the year under review the United Kingdom continued to provide the major market for Canadian wheat and flour, taking approximately 32% of the combined total. In addition to the United Kingdom, 18 other countries purchased wheat as grain in amounts exceeding one million bushels. These were as follows:

	Million Bushels	
Japan	39.4	
Germany	20.7	
Belgium	13.3	
Switzerland	9.9	
Union of South Africa	7.7	
Brazil	7.7	
U.S.A.	7.7	(of which 2.2 was for milling in bond)
Netherlands	6.8	
Israel	4.5	
India	4.3	
Spain	3.4	
Norway	3.2	
Ecuador	2.0	
Ireland	2.0	
Malta	1.7	
Peru	1.6	
Columbia	1.3	
Cuba	1.1	

It may have some significance that a very large percentage of these countries are members of the International Wheat Agreement.

As indicating the widespread nature of the market for Canadian wheat, 36 countries and Crown Colonies purchased Canadian wheat as grain during the crop year 1953-54. In addition, exports of Canadian flour during the same year were distributed amongst 73 countries, territories and Crown Colonies.

As a result of the substantial reduction in exports, combined with the incidence of three successive larger than normal crops, the carry-over at 31st July 1954 had reached 587.5 million bushels, second only to the record 594.6 million bushels on hand in 1943. Of the last season's carry-over it is estimated that some 205 million bushels of wheat were in store on farms at the end of the year, leaving some 380 million bushels in commercial positions. In this connection it has been suggested that the estimate of farm stocks is too high and that the actual amount of wheat in store on farms may be substantially less than the figure quoted.

During the past season, when it was realized that exports of wheat would be substantially lower than in recent years, the potential carry-over at the year end was the basis for much criticism voiced by interests opposed to Canada's wheat marketing policy, including the operations of The Canadian Wheat Board and the International Wheat Agreement.

As a result of the near crop disaster resulting from rust infestation, hail, flooding and frost damage, which has developed during the current crop season, the 1954 carry-

over may well prove to be one of the most valuable national assets in helping to maintain the Canadian economy in something like balance during the next twelve months.

Box Car Allocation

As indicated earlier in this report, the percentage of deliveries of grain in Saskatchewan handled by the Saskatchewan Wheat Pool's Country Elevator Division in the crop year 1953-54 was 44.38% of the total, a reduction from the previous year of .66 of 1%.

For the crop season 1949-50 Pool elevators handled 51.43% of the total Saskatchewan deliveries, but handlings have been less than 50% since that time. It was during season 1949-50 that the railway companies extended the practice of allotting one car per elevator, irrespective of the handlings of grain by individual elevators at a given point.

In order to meet this situation during the crop season 1950-51, growers at many points exercised their statutory rights to order cars through a car order book, as provided by the Canada Grain Act.

In 1951 the Transport Controller suspended the use of the car order book from 4th December 1951 to 15th July 1952.

Early in 1953 an interprovincial Committee, representing the three Pool Boards, met with the Board of Grain Commissioners and urged that certain changes be made by regulation of the Board, so that the Car Order Book sections of the Canada Grain Act might better meet the needs of growers in ordering cars. After submitting this request to its legal advisers at Ottawa, the Board announced that they did not have authority under the Act to make the requested changes by regulation.

The operations of the Car Order Book sections were again suspended from 19th October 1953 to 16th December 1953, and the railway companies again reverted to the system of distributing cars on the basis of one car per elevator, irrespective of handlings.

In the meantime the three Pool organizations had considered various plans which would enable farmers to deliver grain to and have it shipped from the elevator of their choice. It was finally agreed to ask for amendments to the Canada Grain Act and the Wheat Board Act to provide that growers could indicate by ballot the choice of elevators to which they preferred to deliver grain at their regular shipping point, and that cars would be distributed by the railway companies in accordance with the preference so indicated.

Details of this plan, together with a request for the necessary amending legislation, were discussed with the Minister of Trade and Commerce and the interprovincial Pool Committee in February 1954. The Minister advised the Committee that the Government was not prepared to accept the Pools' proposals for amending legislation at that time.

As a result of further discussions a proposal for the creation of a cycle of car distribution developed, the cycle to be based on a period when the movement of grain had been reasonably free. The Pool Committee recommended that if a car cycle was to be installed, the crop years 1945-46 to 1949-50 should be used as a base for this purpose, as representing a period when there had been free grain movement and growers had been able to select the elevator to which they wished to make delivery.

The Committee again met the Transport Controller, The Canadian Wheat Board and the Minister of Trade

and Commerce during the month of July. At that time the Minister advised the Committee that he regretted that it would not be possible to bring the proposed car cycle into operation.

In the meantime the Interprovincial Pool Committee has been requested to carry on and to arrange to press for legislation which will provide for growers the statutory right to choose the country elevator to which they wish to deliver their grain.

The Minister of Trade and Commerce has accepted an invitation from your Board to attend and address this meeting, on the grain marketing situation generally, and it is anticipated that he will be present on Saturday, 6th November.

Livestock Marketing Board

During the past year proposals to institute a Livestock Marketing Board have been under consideration at different times. Early in the year some discussion had taken place regarding the possibilities of a hog marketing scheme. The views of your Board of Directors were set out in a resolution approved at the March meeting of the Board of Directors and all delegates were advised at that time. It was the opinion of your Board:

(1) That producers' marketing boards under Provincial and Federal legislation can provide a practical method of marketing farm commodities other than grain;
(2) That so far as the marketing of livestock is concerned, this can best be achieved through the operations of a national marketing scheme.
(3) That since no adequate marketing legislation exists in the Provinces of Quebec and Alberta at the present time, it is impossible under existing legislation to establish an effective marketing agency at the national level;
(4) That preliminary to the establishment of a hog marketing scheme, the following requirements should be met:—
   (a) The Provinces of Alberta and Quebec should arrange to secure adequate legislation providing for the establishment of marketing schemes along the lines of existing legislation in other provinces;
   (b) An undertaking should be secured from the Government of Canada that an adequate support price for hogs will be established and maintained under the terms of the Agricultural Prices Support Act and which will be available to implement the operations of a national hog marketing scheme.
   (c) Assurance should be received that the Government of Canada is prepared to pass legislation to provide for the creation of a Board of Livestock Commissioners with powers to license processing plants; develop and supervise grading systems; supervise livestock yards; and with other powers generally similar to those of the Board of Grain Commissioners;
(5) That the minimum requirements for the creation of a hog marketing scheme should involve the participation of the Provinces of Ontario, Manitoba, Saskatchewan and Alberta.

It was the opinion of your Board that the requirements set out above for a hog marketing scheme applied equally to the operations of a Livestock Marketing Board. A Livestock Conference was convened by the Saskatchewan Farmers' Union in Saskatoon on 23rd April 1954, at which a statement was submitted by a representative of your organization outlining these views.

At the conclusion of this conference steps were taken to set up a Provisional Livestock Marketing Board of six members. The purpose of this Board was to work out a detailed marketing plan to be submitted to the Provincial Government for approval under the terms of the Natural Products Marketing Act.

The Provisional Board has held numerous meetings with governmental and other organizations, including the Saskatchewan Wheat Pool, and is understood to be close to completing their work.

Arrangements have been made for Mr. P. E. Wright,

Chairman of the Provisional Board, to attend and address this meeting, at which time it is expected that details of the proposed marketing plan will be available for discussion.

Future Policy

In an address delivered last year, President Eisenhower declared: "The peace we seek, founded upon decent trust and co-operative effort among nations, can be fortified—not by weapons of war—but by wheat and by cotton; by milk and by wool; by meat and by timber and by rice. These are words that translate into every language on earth. These are needs that challenge this world in arms."

These words will also strike a responsive cord in the thinking of Saskatchewan farmers. But the paradox still remains. In the past, increased production of food and fibre has resulted in bankruptcy prices for producers. It is a notable fact that as a result of improvement in cultural methods, and with improved varieties and breeds of grains and livestock, farmers in the surplus food producing countries of the world are now in a position to produce more food and fibre than at any time in the world's history. And yet the fact remains that every year millions of people are compelled to eke out an existence on an inadequate diet.

It is the opinion of your Board that in order to meet this situation the machinery of distribution must be geared more closely to the volume of food supplies which farmers have shown they can produce. Only when this has been accomplished will the need be met. Only then will it be safe for farmers to undertake an all-out production effort as a means of more adequately feeding the peoples of the world, and as a contribution to the maintenance of world peace.

The development of the co-operative movement on a world wide scale is making an important contribution to the call for an improved and expanded system of distribution. As an important link in the international co-operative chain, we believe that the Wheat Pool organization must continue to support the activities of such international organizations as the Food and Agriculture Organization, and the International Federation of Agricultural Producers, in their efforts in this direction at the International level.

In view of the importance of food supplies to a nation's well being, governments must also be urged to take action in support of international production and distribution policies which, in effect, are designed to remove the fear of want. The development of the International Wheat Agreement can be regarded as a single step in this direction.

Members of I.F.A.P. are already seriously discussing the possibilities of international arrangements for the disposal of dairy products, involving a further expansion of the use of commodity agreements in the movement and marketing of foodstuffs.

For the coming year it is anticipated that Saskatchewan farmers will be faced with many problems as a result of the widespread failure of the 1954 crop and the consequent heavy decline in farm income. Your Board recommends that the policy of the organization should be directed towards the following:

(1) **The Canadian Wheat Board:—**

The provisions of the Wheat Board Act which enable the Board to act as the sole marketing agency for wheat, oats and barley, are due to expire on 31st July 1957,—that is with the marketing of the 1956 crop. We believe that the results secured by the Wheat Board in recent years, under varying crop conditions,—including surplus and shortage,—have fully

justified the confidence placed in the Wheat Board method of marketing by the overwhelming majority of Western Canadian farmers. Your Board believes that it is not too soon to urge upon the Government of Canada that steps should be taken now to amend the Wheat Board Act so that The Canadian Wheat Board may be established as the **permanent** system for marketing grain in Western Canada.

(a) Your Board further recommends that the use of the speculative market by The Canadian Wheat Board, in the marketing of coarse grains should be eliminated, and

(b) That the marketing of flax and rye should be the sole responsibility of the Wheat Board. In this connection it is recommended that the Government be asked to make regulations which would extend the application of Parts 3 and 4 of the Wheat Board Act to flax and rye.

(2) **International Wheat Agreement:—**
The present International Wheat Agreement will expire with the marketing of the 1955 crop. It is anticipated that preliminary meetings of the countries participating in the Agreement will be held next year, looking towards the renewal of the Agreement.

Your Board recommends that the Government of Canada should continue to play a leading role in securing the renewal of this instrument for international co-operation, with the assurance that such action will meet the wishes of a very large majority of Western Canadian wheat growers.

(3) **Domestic Price for Wheat:—**
In the renewal of the International Wheat Agreement now in effect, forty-three nations have agreed that a maximum price of $2.05 per bushel provides a reasonable ceiling for wheat in international trade. Under the economic conditions existing in Canada today, and in view of the importance of agricultural income to the maintenance of the national economy, your Board recommends that we urge upon the Government of Canada that a domestic price for wheat should be established at a level not less than the existing maximum price under the terms of the International Wheat Agreement.

(4) **Box Car Distribution:—**
Reference has been made elsewhere in this report to the problem involved in the allocation of box cars to country elevators. Your Board recommends that we urge upon the Government of Canada the need for amendments to the Canada Grain Act, the effect of which would provide for the placing of box cars at country elevators in accordance with the farmer's preference, to the end that farmers may be able to deliver grain to the country elevator of their choice; at the same time retaining to individual growers their right to order cars under the Car Order Book sections of the Canada Grain Act.

(5) **Delivery Quotas:—**
Under present day conditions your Board believes that the system of quota deliveries is the only practical method of providing an equitable division of available elevator space and of allowing all growers the opportunity to deliver grain, particularly in heavy delivery periods. Your Board recommends that we urge upon The Canadian Wheat Board that acreage quota deliveries should be applied and maintained throughout the delivery season.

(6) **Support Prices:—**
Your Board recommends the increased use of the Agricultural Prices Support Act as a method of providing adequate support prices for those farm commodities to which the Act applies.

It is further recommended that support prices should be announced sufficiently far in advance so that farmers may be able to adjust their production plans. As part of an agricultural price support program, your Board believes that all possible steps should be taken by producers, processors and governments, looking to the expansion of present markets for agricultural commodities and the development of new markets in deficiency areas, rather than to the adoption of policies intended to restrict production.

(7) **Board of Livestock Commissioners:—**
As in former years, your Board recommends that we continue to urge upon the Government of Canada the need for a Board of Livestock Commissioners to administer the Livestock and Livestock Products Act and to regulate trade practices, where necessary.

We should also continue to endorse the principle of compulsory grading of hogs, subject to the right of the producer to choose between rail and live grading. At the same time provision should be made to carry quality grades through to the consumer.

(8) **Crop Insurance:—**
At the present time a number of studies are being undertaken of the possibility of establishing a practical crop insurance

scheme and much useful information should soon be available. Your Board recommends that in the development of any scheme of crop insurance the cost should be borne jointly by the federal and provincial governments and by the producer.

(9) **Farm Financing:—**
In our last annual report, submitted to the 1953 Meeting of Delegates, your Board recommended that in order to meet the conditions existing at that time, a plan of interim farm financing should be developed, which would allow farmers unable to deliver grain at country elevators, to secure cash advances against grain in store on the farm.
Under the conditions which have developed during the current year any plan to enable farmers to secure advances against farm stored grain would for the most part be of value to those with substantial carryovers of last year's wheat and who have been unable to deliver because of lack of elevator space.

On the other hand, a very large number of Saskatchewan farmers were able to deliver all their marketable grain under last year's quotas and hence have no farm stocks against which advances could be made.

It is the opinion of your Board that the farm finance problem is two-fold (a) the need for short-term credit, and (b) a system of long-term credit designed to meet present-day farm needs.

In many areas the greatest need will be to provide the means for seeding next year's crop. This involves the retention of adequate supplies of grain suitable for seed, within the Province, as well as the means of purchasing seed grain and other supplies incidental to seeding operations.

Some preliminary discussions have taken place on this question between the Executive Committee of your Board and the Provincial Government.

There is also urgent need for assistance in the field of long-term credit which will provide a practical means of enabling young farmers to establish themselves as successful producers on an economic farm unit.

The whole question of farm credit was under consideration at the last Annual Meeting of the Canadian Federation of Agriculture. Arrangements have been made for the appointment of committees in Eastern and Western Canada to give some study to this question, with a view to submitting practical proposals at the next meeting of the C.F.A. A member of your Board has been asked to act as a member of the Western Committee dealing with this matter.

It will be the intention of your Board to keep in touch with both phases of the farm finance problem and be prepared to render such assistance and support such practical plans as may be agreed upon by the national organization.

Conclusion

Your Board of Directors desires to place on record their appreciation of the fine spirit of loyalty and co-operation displayed by members of the staff of all Divisions throughout the year. As the years roll along an increasing number of young men and women enter the employment of the Pool organization with the intention of making a lifetime career of service with your organization.

The increasing number of staff members who have completed twenty-five years of service with the organization is an indication of the confidence of the staff in the future of the Saskatchewan Wheat Pool. Your Board has also noted with appreciation the activities of the latest staff organization—The Wheat Pool 25-Year Club.

Each year a number of meetings are held between the Board of Governors of the Employees' Association and the Executive Committee of your Board, when all matters pertaining to the welfare of the staff are under considera-

tion. At these meetings the employees' viewpoint is presented with a freedom and frankness which your Board has appreciated. The fact that throughout the years it has been found possible to carry on without serious differences is a tribute alike to the fairness of the requests of the Association and of the labour policies of the Company.

Saskatchewan Golden Jubilee

Next year Saskatchewan celebrates the 50th Anniversary of its establishment as a province. In introducing the legislation to provide for this interesting event in the life of Saskatchewan, Premier Douglas set out the broad objectives of the Jubilee Year. Two of these objectives are of particular interest to the members of the Saskatchewan Wheat Pool (1) To do honour to the pioneer residents of this Province; the men and women who suffered untold hardship and who displayed great fortitude in the clearing of the brush and breaking up of the prairie and in settling this Province in which we now reside. (2) To remind all of us of the fact that this Province has been built on a foundation of co-operation and tolerance among the people who have come from many lands, bringing with them diverse historical traditions and cultures.

One of the achievements of which Saskatchewan farmers can be justly proud has been the rate of development of the agricultural co-operative movement, and the important contribution it has made to farm living since the establishment of the Province. The Jubilee Year will give us all an opportunity to pay tribute to the pioneers of the movement.

"Let us now praise famous men"
Men of little showing,
For their work continueth,
And their work continueth,
Broad and deep continueth,
Greater than their knowing.

"All these were honoured in their generation and were the glory of their times. Their bodies are buried in peace but their name liveth for evermore."

All of which is respectfully submitted,

A. G. Pederson
Clarence McKee
R. B. Fulton
James McCallum
T. G. Bobier
Warden Burgess
J. H. Harrison
W. J. Ball
A. Greenfield
W. F. McLeod
Chas. W. Gibbings
E. A. Boden
William Cummins
W. McK. Ross
A. W. Friesen
J. H. Wesson

GEORGE A. TOUCHE & CO.

Chartered Accountants

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356 Main Street
WINNIPEG

1st October 1954.

To the Shareholders,
Saskatchewan Wheat Pool,
Regina, Saskatchewan.

We have examined the balance sheets of Saskatchewan Wheat Pool (formerly Saskatchewan Co-operative Producers Limited), Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, Saskatchewan Co-operative Livestock Producers Limited and Modern Press Limited as at 31st July 1954, and have reported on each in statutory form.

Under the terms of the original Retirement Annuity Plan there was a liability for past services in respect of employees engaged prior to 1st August 1939, and during the year under review the tenth payment was made to the Government of Canada Annuities Branch in respect of such estimated liability amortized over ten years. When the Plan was amended in 1949 providing for increased benefits a further liability was incurred. Taking into account the ten payments made, the Annuities Branch recalculated the liability and as a result a final supplementary payment of $76,541.19 was made after the year end.

We report that we have obtained all the information and explanations we have required and, in our opinion, the appended Balance Sheet is properly drawn up so as to present in consolidated form a true and correct view of the state of the organization's affairs at 31st July 1954, according to the best of our information and the explanations given and as shown by the books of the various companies; and, in our opinion, all the transactions of the companies that have come to our notice have been within the objects and powers of the companies.

GEORGE A. TOUCHE & CO.,
Chartered Accountants,
Auditors.

STATEMENT No. 1

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AT 31st JULY 1954

ASSETS

Cash and Securities		$ 4,016,286.46
Accounts Receivable		2,232,299.31
Receiver General of Canada re 1953-1954 Income Taxes		204,600.54
Stocks of Grain		88,450,552.83
Stock in Trade		877,497.55
Manufacturing Supplies		124,414.87
Prepaid Taxes, Insurance and other Expenses		341,645.64
TOTAL Current Assets		$ 96,247,297.20
Accounts Receivable Deferred		152,041.47
Investments and Memberships, at cost (Including amount paid on shares on which there is an uncalled balance of $57,500.00)		236,678.29
Fixed Assets, at cost		
Sites, Buildings Machinery and Equipment	$51,042,711.92	
Less: Accumulated allowances for depreciation	28,251,981.26	22,790,730.66
Deferred Charges		
Stocks of Repair Parts and Supplies		224,421.90
		$119,651,169.52

Approved on behalf of the Board:

J. H. WESSON, *Director*
W. J. BALL, *Director*

LIABILITIES AND CAPITAL

Cheques, Orders and Certificates Outstanding		$ 20,286,099.41
Bank Loans		58,875,000.00
Unallocated Surplus 1953-1954		4,707,720.28
Accounts Payable		5,602,915.80
TOTAL Current Liabilities		$ 89,471,735.49
Reserve for Unearned Subscriptions		10,000.00
Elevator Deductions		16,072,616.06
Commercial Reserve		8,661,098.60
Livestock Excess Charges Credits		49,068.55
Capital		
Authorized, 200,000 shares at $1.00 each	$200,000.00	
Alloted and fully paid, 141,227 shares		141,227.00
Reserve		5,245,423.82
Capital Commitments		
In respect of buildings and work under construction and machinery under purchase, Estimated	$1,006,000.00	
		$119,651,169.52

Note: $3,000,000.00 First Mortgage Bonds are assigned to lending banks as additional security for grain loans made to Saskatchewan Wheat Pool.

This is the Balance Sheet referred to in our report of 1st October 1954.
—GEORGE A. TOUCHE & CO., Chartered Accountants, *Auditors.*

CONSOLIDATED BALANCE SHEET

Detailed information and explanations of the various items appearing on the balance sheet follow:

Cash and Securities—$4,016,286.46

This includes the following items:

Cash in Banks	$2,883,703.02
Cash Funds—Payors	1,107,583.44
Province of Saskatchewan Bonds, at cost	25,000.00
	$4,016,286.46

Accounts Receivable—$2,232,299.31: This item is composed principally of accrued handling charges on grain in store in Country and Terminal Elevators, Trade Accounts, Sundry Loans, Advances, Sales of Grain, etc.

Receiver General of Canada re 1953-54 Income Taxes—$204,600.54: This amount is made up as follows:

Instalments paid to Receiver General of Canada on 1953-54 Income Taxes of Saskatchewan Wheat Pool		$209,134.80
Less: Estimated Income Taxes for 1953-54 for the following subsidiary companies:		
Saskatchewan Pool Elevators Limited	$4,003.59	
Saskatchewan Pool Terminals Limited	57.08	
Saskatchewan Co-operative Livestock Producers Limited	473.59	
		4,534.26
		$204,600.54

The total estimated liability of Saskatchewan Wheat Pool for Income Taxes for 1953-54 will be determined when the distribution of the unallocated surplus has been decided upon.

Stocks of Grain—$88,450,552.83: This amount represents the value of grain on hand in various positions at 31st July 1954, less the liability for stored grain. With the exception of agency stocks of the export department, all Board Grains have been valued at The Canadian Wheat Board prices, less freight where necessary. Agency stocks have been valued at cost. Values of open market grains have been based upon Winnipeg Market Cash Closing Prices at 30th July 1954, or upon open sale contracts where applicable, after allowing for freight and other charges where necessary.

Stock in Trade—$877,497.55: This represents the value of Job Stock and Newsprint on hand and work in process at the Printing and Publishing Division at Saskatoon, stocks of flax and other grains, screenings, linseed oil and meal on hand at the Vegetable Oil Plant and Elevator, and stocks of wheat, screenings, flour, feeds, on hand at the Flour Mill at Saskatoon and on consignment at 31st July 1954.

Manufacturing Supplies—$124,414.87: This amount represents the cost of Offset Films and Chemicals, engraving supplies, news ink and mailing strips on hand at the Printing and Publishing Division at Saskatoon; drums, containers, sacks, sewing twine and refining chemicals on hand at the Vegetable Oil Plant; bags and improvers on hand at the Flour Mill at Saskatoon, and bags on hand at the grinding mills at the Terminals, at 31st July 1954.

Prepaid Taxes, Insurance and Other Expenses—$341,645.64: This amount represents prepayment of various items chargeable to the operations of the succeeding year.

Accounts Receivable Deferred—$152,041.47: This item is composed of the following accounts:

Alberta Co-operative Wholesale Association Limited	$ 66,897.77
Canadian Livestock Co-operative (Western) Limited	39,733.01
Co-operative Fire and Casualty Company	60,000.00
Local Co-operative Associations	24,996.67
Growers' Accounts	6,444.14
	$198,071.59
Less: Allowance for Doubtful Accounts	46,030.12
	$152,041.47

Alberta Co-operative Wholesale Association Limited—$66,897.77: This is the balance owing on sales of flour, feeds, linseed oil and meal made by the Flour Mill and Vegetable Oil Plant to the Alberta Co-operative Wholesale Association Limited in 1950 and 1951. The Wholesale Association completed an agreement with its major creditors on January 16th 1953 for the repayment of its indebtedness

over a period of years. This agreement calls for annual payments of $9,144.00 to Saskatchewan Wheat Pool on December 31st of each year. The first payment was made on December 31st 1953, and subsequent payments of $9,144.00 are due and payable on December 31st 1954 to 1961 inclusive, with a final payment of $9,145.27 on December 31st 1962. Interest at the rate of 4½% is being collected on this account.

Canadian Livestock Co-operative (Western) Limited—$39,733.01: This represents $22,271.96 of surplus earnings of Canadian Livestock Co-operative (Western) Limited owing to the Livestock Division of Saskatchewan Wheat Pool, which has been set aside in members' equity and loan accounts during seasons 1943-44 to 1953-54 inclusive, plus an additional sum of $17,461.05 which was retained from 1952-53 surplus earnings. This latter amount represents Saskatchewan Wheat Pool's share of an interest-free loan of $28,966.09 to Canadian Livestock Co-operative (Western) Limited by the three provincial member organizations. This amount was required to cover the balance of the cost of past service pensions in connection with the superannuation plan for Canadian Livestock Co-operative (Western) Limited employees, which came into effect on January 1st 1953. One tenth of this loan is repayable each year.

Co-operative Fire and Casualty Company—$60,000.00: The Agreement drawn up between the Co-operative Fire and Casualty Company and Saskatchewan Wheat Pool, dated 31st October 1951, sets out that $30,000.00 of the above sum is contributed and $30,000.00 paid under a guarantee. Both sums may be repaid out of accumulated surpluses at such times and in such instalments as the Directors of the Co-operative Fire and Casualty Company may from time to time determine, and until so repaid the Directors may pay interest thereon at such a rate as the Directors may from time to time determine, but not exceeding three per cent per annum.

Growers' Accounts—$6,444.14: Items comprising this amuont are as follows:

Advances against Reserves	$ 849.26
Seed Grain Advances against Reserves	5,594.88
	$6,444.14

Local Co-operative Associations—$24,996.67: This is composed of the following:

Local Co-operatives—Deferred refunds	$ 6,892.11
Saskatchewan Federated Co-operatives—Deferred dividends	18,104.56
	$24,996.67

Investments and Memberships—$236,678.29: This represents investments in shares and memberships at cost, details of which are as follows:

Canadian Co-operative Credit Society 500 shares (on which there is an uncalled balance of $25,000.00)	$ 25,000.00
Canadian Livestock Co-operative (Western) Limited 8 memberships of $1.00 each	8.00
Canadian Pool Agencies Limited 667 shares of $10.00 each	6,670.00
Co-operative Trust Company Limited 1,000 shares of $10.00 each	10,000.00
Lake Shippers' Clearance Association 1 membership	3,000.00
Local Co-operative Associations Sundry shares	7,903.15
Pool Insurance Company 1,250 shares (on which there is an uncalled balance of $32,500.00)	107,500.00
Saskatchewan Co-operative Credit Society Limited 2,950 shares of $10.00 each	29,500.00
Saskatchewan Federated Co-operatives Limited Share capital	3,897.14
Winnipeg Grain Exchange 6 memberships	30,950.00
Winnipeg Grain and Produce Exchange Clearing Association Limited 10 shares	12,250.00
	$236,678.29

Fixed Assets, Net—$22,790,730.66: Schedule "1A" shows in detail the cost, accumulated allowance for depreciation, and net value of these fixed assets at 31st July 1954.

LIABILITIES AND CAPITAL

Cheques, Orders and Certificates Outstanding—$20,286,099.41: Details of these items are as follows:

Cheques and Money Orders	$11,315,542.14
Grain Drafts and Expense Vouchers	1,374,573.04
Cash Tickets	7,591,072.39
Growers' Certificates	4,911.84
	$20,286,099.41

Growers' Certificates—$4,911.84: This represents the amount owing on Growers' Certificates covering deliveries to the various seasons' wheat and coarse grains pools, which have not been presented to Head Office for payment.

Bank Loans—$58,875,000.00: This represents the amount of borrowings from the lending banks at 31st July 1954.

Unallocated Surplus, Season 1953-54—$4,707,720.28: No distribution of the surplus for the year has been shown in the accounts, and the full amount is being carried as a current liability pending decision of the Delegates as to distribution.

Accounts Payable—$5,602,915.80: This amount consists principally of accrued expenses, trade accounts, loan accounts, reserve for prior years' company income taxes, and payments owing to the Receiver General of Canada re Employees' Income Taxes and Group Annuities.

Reserve for Unearned Subscriptions—$10,000.00: This item represents a partial provision for unexpired subscriptions to The Western Producer at 31st July 1954.

Elevator Deductions—$16,072,616.06: Commercial Reserve—$8,661,098.60: These are composed of the following amounts:

	Elevator Deductions	*Commercial Reserve*	*Total*
Original deductions retained from sale of wheat delivered by growers	$12,188,060.07	$6,567,851.17	$18,755,911.24
Retained by way of loan from excess charges refunds	3,884,555.99	2,093,247.43	5,977,803.42
	$16,072,616.06	$8,661,098.60	$24,733,714.66

The funds are used for the following purposes:

Invested in capital of Saskatchewan Pool Elevators Limited	$12,835,950.00	$ —	$12,835,950.00
Invested in Fixed Assets, Loans, Investments, etc.	3,236,666.06	8,186,029.26	11,422,695.32
Liquid portion which forms part of working capital	—	475,069.34	475,069.34
	$16,072,616.06	$8,661,098.60	$24,733,714.66

Livestock Excess Charges Credits—$49,068.55: This sum, retained by way of a loan from the 1952-53 earnings of the Company, represents a refund of excess charges on livestock delivered through the Saskatchewan Wheat Pool, Livestock Division, and Canadian Livestock Co-operative (Western) Limited during season 1952-53, and has been credited to the members on the basis of their 1952-53 deliveries at the following rates per head: Cattle—.40c; Calves—.15c; Hogs—.10c; Sheep and Lambs—.10c.

Capital—$141,227.00: This item represents the total subscribed capital to 31st July 1954, and includes new capital subscribed during the year to the extent of $1,549.00.

Reserve—$5,245,423.82: This is the amount of the Reserve Account as at 31st July 1954.

SCHEDULE 1A

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY 1954

	Cost	Accumulated Allowance for Depreciation	Net Value
SASKATCHEWAN WHEAT POOL			
Building, Equipment and Alterations	$ 364,389.05	$ 212,294.68	$ 152,094.37
Furniture and Equipment	168,832.43	157,315.05	11,517.38
Automobiles	58,150.95	18,433.52	39,717.43
Motion Picture and Radio Equipment	22,776.80	19,406.44	3,370.36
Site—Regina	25,397.75	—	25,397.75
Work Under Construction	34,006.36	—	34,006.36
Total—Saskatchewan Wheat Pool	$ 673,553.34	$ 407,449.69	$ 266,103.65
SASKATCHEWAN POOL ELEVATORS LIMITED			
Country Elevators, etc.			
Country Elevators and Coal Sheds	$24,473,688.87	$16,271,753.56	$ 8,201,935.31
Temporary Bins	131,985.50	34,924.27	97,061.23
Agents' Residences	1,991,765.17	1,079,095.14	912,670.03
Work Under Construction	1,659,478.33	—	1,659,478.33
Wheat Pool Building, Winnipeg	258,941.16	56,101.40	202,839.76
Wheat Pool Building, Saskatoon	105,142.94	1,752.38	103,390.56
Sites—Cottages, etc.	91,346.32	—	91,346.32
Warehouse, Regina	13,454.71	1,345.47	12,109.24
Furniture and Equipment	352,822.82	234,336.62	118,486.20
Automobiles and Trailers	257,821.70	129,536.81	128,284.89
Payors' Safes	16,223.78	14,489.77	1,734.01
	$29,352,671.30	$17,823,335.42	$11,529,335.88

Terminal Elevators			
No. 4A—Building	$ 2,429,779.83	$ 1,382,483.15	$ 1,047,296.68
No. 4A—Machinery and Equipment	2,177,197.68	1,163,580.82	1,013,616.86
No. 4B—Building	1,622,696.33	377,362.75	1,245,333.58
No. 4B—Machinery and Equipment	2,030,319.94	1,385,543.00	644,776.94
No. 5 —Building	749,862.23	91,960.94	657,901.29
No. 5 —Machinery and Equipment	502,046.80	237,531.70	264,515.10
No. 7 —Building	2,462,972.41	1,549,452.37	913,520.04
No. 7 —Machinery and Equipment	2,156,591.35	1,717,731.20	438,860.15
No. 7 —Storage Annex Building	919,114.34	220,367.26	698,747.08
No. 7 —Storage Annex Machinery and Equipment	170,177.75	115,389.77	54,787.98
Feed Mill Building	27,515.00	11,267.67	16,247.33
Feed Mill Machinery and Equipment	44,288.65	29,776.14	14,512.51
Warehouses, Port Arthur and Fort William	35,177.51	16,340.05	18,837.46
Sites	242,502.76	—	242,502.76
Work Under Construction	260,301.33	—	260,301.33
	$15,830,543.91	$ 8,298,786.82	$ 7,531,757.09

Flour Mill			
Mill Building	$ 869,902.40	$ 93,882.98	$ 776,019.42
Mill Machinery and Equipment	880,343.52	431,096.56	449,246.96
Grain Elevator Building	747,094.10	80,802.14	666,291.96
Grain Elevator Machinery and Equipment	422,626.98	228,739.67	193,887.31
Flour Sheds	9,226.34	775.55	8,450.79
Laboratory Equipment	6,004.61	3,070.57	2,934.04
Furniture and Equipment	20,584.87	7,072.23	13,512.64
Automobiles	18,656.35	6,571.41	12,084.94
Plant Tools and Equipment	12,315.00	5,838.22	6,476.78
	$ 2,986,754.17	$ 857,849.33	$ 2,128,904.84

CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY 1954

	Cost	Accumulated Allowance for Depreciation	Net Value
Vegetable Oil Plant			
Building	$ 113,678.69	$ 17,063.25	$ 96,615.44
Machinery and Equipment	215,706.11	149,222.97	66,483.14
Refinery Building	32,357.72	3,451.47	28,906.25
Refinery Machinery and Equipment	90,966.24	48,424.10	42,542.14
Storage Tank Building	23,377.43	2,592.57	20,784.86
Storage Tank Machinery and Equipment	19,700.61	9,696.94	10,003.67
Grain Elevator Building	60,777.05	3,038.85	57,738.20
Grain Elevator Machinery and Equipment	29,390.66	4,347.71	25,042.95
Laboratory Equipment	3,243.13	2,096.75	1,146.38
Furniture and Equipment	5,790.79	2,968.46	2,822.33
Automobile	2,861.33	1,459.28	1,402.05
	$ 597,849.76	$ 244,362.35	$ 353,487.41
SASKATCHEWAN POOL ELEVATORS LIMITED (Continued)			
Flour Mill and Vegetable Oil Plant—Power Equipment and Sundry			
Boiler House and Substation Building	$ 80,043.71	$ 8,846.79	$ 71,196.92
Boiler House Equipment	81,920.37	44,283.41	37,636.96
Substation Equipment	72,663.03	38,564.47	34,098.56
Spur Tracks, Saskatoon	35,726.71	7,989.49	27,737.22
Site, Saskatoon	7,019.97	—	7,019.97
	$ 277,373.79	$ 99,684.16	$ 177,689.63
Total—Saskatchewan Pool Elevators Limited	$49,045,192.93	$27,324,018.08	$21,721,174.85

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED

Stockyards	$ 188,795.43	$ 85,703.89	$ 103,091.54
Assembly Yards	1,195.19	657.23	537.96
Country Scales and Sheds	6,550.56	5,149.62	1,400.94
Tattoo Equipment	7,593.81	6,963.36	630.45
Sundry Equipment	1,355.36	635.31	720.05
Furniture and Equipment	23,390.34	15,613.95	7,776.39
Automobiles, Trucks and Tractors	51,711.59	29,309.39	22,402.20
Site—Yorkton	300.00	—	300.00
Total—Saskatchewan Co-operative Livestock Producers Limited	$ 280,892.28	$ 144,032.75	$ 136,859.53

MODERN PRESS LIMITED

Building, Machinery and Equipment	$ 896,717.45	$ 324,458.35	$ 572,259.10
Furniture and Equipment	36,270.21	18,858.04	17,412.17
Sites—Saskatoon	15,225.00	—	15,225.00
Machinery Under Purchase	49,943.31	—	49,943.31
Total—Modern Press Limited	$ 998,155.97	$ 343,316.39	$ 654,839.58

SASKATCHEWAN POOL TERMINALS LIMITED

Furniture and Equipment	$ 21,701.22	$ 17,979.41	$ 3,721.81
Automobiles	6,612.99	5,118.89	1,494.10
Miscellaneous Equipment	16,603.19	10,066.05	6,537.14
Total—Saskatchewan Pool Terminals Limited	$ 44,917.40	$ 33,164.35	$ 11,753.05
TOTAL—ALL COMPANIES	$51,042,711.92	$28,251,981.26	$22,790,730.66

STATEMENT No. 2

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

CONSOLIDATED CAPITAL STATEMENT AT 31st JULY 1954

Capital Receipts

Capital		$ 141,227.00
Commercial Reserve		8,661,098.60
Elevator Deductions		16,072,616.06
Livestock Excess Charges Credits		49,068.55
Reserve for Unearned Subscriptions		10,000.00
Reserve		5,245,423.82
		$30,179,434.03

Capital Expenditures
Fixed and Sundry Assets

Fixed Assets, *Less*: accumulated allowance for depreciation	$22,790,730.66	
Investments and Memberships	236,678.29	

Deferred Accounts

Accounts Receivable Deferred	152,041.47	
Deferred Charges	224,421.90	

Approved Programme of Building and Work under Construction and Machinery under Purchase, Estimated

Country Elevators and Agents' Dwellings	$2,460,378.33		
Office Equipment	7,300.00		
Flour Mill	1,100.00		
Vegetable Oil Plant	2,300.00		
Terminals	366,601.33		
Saskatchewan Co-operative Livestock Producers Limited	14,900.00		
Modern Press Limited	121,143.31		
Saskatchewan Pool Terminals Ltd.	2,000.00		
	$2,975,722.97		
Less: Paid on Account	1,969,722.97		
		1,006,000.00	
Balance available as working capital for Season 1954-1955		5,769,561.71	
		$30,179,434.03	$30,179,434.03

CURRENT POSITION AS PER CONSOLIDATED BALANCE SHEET AT 31st JULY 1954

Current Assets	$96,247,297.20
Current Liabilities	89,471,735.49
Current Position as per Balance Sheet	$ 6,775,561.71
Less: Estimated Capital Expenditure to Complete Programme of Building and Work under Construction and Machinery under Purchase	1,006,000.00
Balance—Available as Working Capital for Season 1954-1955	$ 5,769,561.71

SASKATCHEWAN WHEAT POOL

AND SUBSIDIARY COMPANIES

SOURCE OF CAPITAL FUNDS, ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS, AND WORKING CAPITAL

At 31st July 1954

SOURCE OF CAPITAL FUNDS	Capital	Commercial Reserve	Elevator Deductions	Reserve Account	Reserve for Unearned Subscriptions	Livestock Credits	Total
Stock Subscriptions	$141,227.00	$ —	$ —	$ —	$ —	$ —	$ 141,227.00
Deductions from Pool Payments	—	6,567,851.17	12,188,060.07	—	—	—	18,755,911.24
Retained by way of Loan from Excess Charges Refund	—	2,093,247.43	3,884,555.99	—	—	49,068.55	6,026,871.97
Retained from Operations	—	—	—	5,245,423.82	10,000.00	—	5,255,423.82
TOTAL CAPITAL RECEIPTS	$141,227.00	$8,661.098.60	$16,072,616.06	$5,245,423.82	$10,000.00	$49,068.55	$30,179,434.03

ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS

Deferred Accounts Receivable	$ —	$ 152,041.47	$ —	—	$ —	$ —	$ 152,041.47
Investments	—	236,678.29	—	—	—	—	236,678.29
Fixed Assets: Net	141,227.00	6,566,887.60	16,072,616.06	—	10,000.00	—	22,790,730.66
Expenditure approved for completion of Programme of Buildings and Work under Construction, and Machinery under Purchase—Capital Commitments—Estimated	—	1,006,000.00	—	—	—	—	1,006,000.00
Deferred Charges: Stocks of Repair Parts and Supplies	—	224,421.90	—	—	—	—	224,421.90
	$141,227.00	$8,186,029.26	$16,072,616.06	$ —	$10,000.00	$ —	$24,409,872.32
BALANCE—WORKING CAPITAL	—	475,069.34	—	5,245,423.82	—	49,068.55	5,769,561.71
	$1412,27.00	$8,661,098.60	$16,072,616.06	$5,245,423.82	$10,000.00	$49,068.55	$30,179,434.03

TOTAL CURRENT ASSETS—Per Consolidated Balance Sheet—Statement "1"	$96,247,297.20
TOTAL CURRENT LIABILITIES—Per Consolidated Balance Sheet—Statement "1"	89,471,735.49
CURRENT POSITION	$ 6,775,561.71
Less: Estimated Capital Expenditures to complete Programme of Buildings and Work under Construction, and Machinery under Purchase	1,006,000.00
BALANCE—WORKING CAPITAL	$ 5,769,561.71

STATEMENT NO. 4

STATEMENT OF NET EARNINGS AND CAPITAL GAINS OF SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES SHOWING AMOUNTS PAID AND CREDITED TO AND PAID ON BEHALF OF MEMBERS FOR PERIOD

1st August 1925 to 31st July 1954

	Total 1925-1953	Adjustments required Due to change in Distribution of Season 1952-1953 Surplus Earnings	Sundry Adjustments		Season 1953-1954	Total 1925-1954
Net Earnings and Capital Gains after adjusting for Income Taxes and all Company Losses	$66,392,655.93	$150,000.00	$ 527,970.28	C	$ —	$ 67,070,628.21
Net Earnings for Season 1953-1954:						
Saskatchewan Wheat Pool—before provision for Income Taxes	—	—	—		4,707,720.28	4,707,720.28
Saskatchewan Pool Elevators Limited—after provision for Income Taxes	—	—	—		62,715.20	62,715.20
Saskatchewan Co-operative Livestock Producers Limited—after provision for Income Taxes	—	—	—		362.38	362.38
	$66,392,655.93	$150,000.00	$527,970.28		$4,770,797.86	$ 71,841,424.07
DISTRIBUTION OF NET EARNINGS						
Excess Charges Refund Paid to Growers in Cash on Grain Deliveries	$ —	$ —	$ 766.16	A	$ —	$ —
	16,290,820.94	—	2,190,958.41	B	—	18,482,545.51
Excess Charges Refund Paid to Growers in Cash on Livestock Deliveries	46,909.26	—	949.10	B	—	47,858.36
Paid for Certificates purchased in settlement of Credits	11,372,592.95	—	1,505,839.98	B	—	12,878,432.93
Retained as a Loan and credited to members as follows:						
Commercial Reserve	1,218,041.51	—	875,205.92	B	—	2,093,247.43
Elevator Deductions	2,260,387.56	—	1,624,168.43	B	—	3,884,555.99
Livestock Excess Charges Credits	—	—	49,179.60	B	—	49,179.60
Interest on Elevator Deductions	3,758,448.20	—	—		—	3,758,448.20
Interest on Commercial Reserve	742,976.43	—	—		—	742,976.43
Farm Storage paid to Growers	306,456.74	—	—		—	306,456.74
Payments re 1929-1930 Pool Overpayment—Principal	11,247,532.70	—	—		—	11,247,532.70
Interest and Sinking Fund Deficiency	8,397,046.08	—	—		—	8,397,046.08
Allocated for Distribution on Deliveries—Season 1952-1953	5,846,887.50	311,212.50	(6,158,100.00)	B	—	—
Unallocated Surplus—Season 1953-1954	—	—	—		4,707,720.28	4,707,720.28
Reserve	4,904,556.06	(161,212.50)	(766.16)	A	—	—
			(88,201.44)	B	362.38	5,245,423.82
			527,970.28	C	62,715.20	—
	$66,392,655.93	$150,000.00	$ 527,970.28		$4,770,797.86	$ 71,841,424.07

Net Earnings and Capital Gains as above	$ 71,841,424.07
Accumulated allowance for depreciation at 31st July 1954	28,251,981.26
Interest on Mortgages paid to Province of Saskatchewan and Liquidator for Saskatchewan Co-operative Elevator Company from 1st August 1926 to 31st August 1933, in respect of the Purchase of the Assets of the latter Company	2,150,331.29
TOTAL NET EARNINGS AND CAPITAL GAINS—1st August 1925 to 31st July 1954	$102,243,736.62

Note: Of the above sum of $49,179.60 shown as Livestock Excess Charges Credits retained by way of a loan, $111.05 was refunded from Capital during the season, and the amount of these credits as shown on the Balance Sheet of the Company is made up as follows:

Amount retained from 1952-1953 Excess Charges Refund	$49,179.60
Less refunded during season 1953-1954	111.05
	$49,068.55

Figures shown in the second column of the statement on the preceding page indicate adjustments necessary due to the change in the distribution of the 1952-53 surplus earnings of the Company as recommended by the Delegates at the Annual Meeting in November 1953, and subsequently approved by the Board of Directors, particulars of which are as follows:

	Distribution as per Financial Statement	Changes as recommended and approved	Increase (Decrease)
Excess Charges Refund Estimated—Grain	$5,846,887.50	$6,101,100.00	$254,212.50
Excess Charges Refund Estimated—Livestock	—	57,000.00	57,000.00
Income Taxes Payable—Estimated	660,000.00	510,000.00	(150,000.00)
Transferred to Reserve	397,739.43	236,526.93	(161,212.50)
	$6,904,626.93	$6,904,626.93	—

Sundry adjustments as shown in the third column of the statement are composed of the following:

A—Amounts paid to growers in cash covering Excess Charges Refund Adjustments for Seasons 1945-46, 1946-47, 1948-49, 1949-50, 1950-51 and 1951-52, which have been charged to Reserve.

B—Distribution of 1952-53 Excess Charges Refund which required $88,201.44 in addition to the amount allocated. The additional sum was charged to Reserve.

C—Transfer to Reserve Account of the following items:

Capital Gains	$428,979.07
Profit of Disposal of Assets	4,054.39
Adjustments of Prior Years' Income Taxes	94,936.82

SASKATCHEWAN WHEAT POOL
STATEMENT OF GRAIN HANDLINGS
At 31st July 1954

		Bushels 1924-1953		Bushels 1953-1954		Bushels 1924-1954
TOTAL HANDLED ALL GRAINS						
COUNTRY ELEVATORS						
Elevators		2,778,013,571		150,039,753		2,928,053,324
Platform		59,333,928		191,740		59,525,668
Total		2,837,347,499		150,231,493		2,987,578,992
Number of Elevators that received grain				1,149		
Average handling per Elevator				130,583		
TERMINAL ELEVATOR DIVISION						
Terminal No. 4		592,645,295		34,619,997		627,265,292
Terminal No. 5 (Old)		117,258,782		—		117,258,782
Terminal No. 5 (New)		30,187,859		12,604,966		42,792,825
Terminal No. 6		446,839,261		—		446,839,261
Terminal No. 7		787,507,610		37,474,922		824,982,532
Terminal No. 8		28,240,761		—		28,240,761
Total		2,002,679,568		84,699,885		2,087,379,453
FLOUR MILL DIVISION:	Street 1,577,242		348,884		1,926,126	
	Carlot 7,232,767	8,810,009	1,654,745	2,003,629	8,887,512	10,813,638
VEGETABLE OIL DIVISION:	Street 48,704		64,026		112,730	
	Carlot 1,621,593	1,670,297	99,498	163,524	1,721,091	1,833,821

LIBRARY RECORD FOR 1953-54

1953	Books Mailed	Books Returned	Requests Books	Requests Catalogues	Postage
August	335	345	5	4	$ 21.47
September	304	332	14	6	24.84
October	259	278	19	13	27.14
November	346	353	41	26	24.07
December	301	303	34	14	32.51
1954					
January	486	435	70	35	33.87
February	527	460	105	91	45.83
March	622	584	81	31	59.52
April	607	616	35	10	50.84
May	475	513	27	6	33.16
June	346	388	8	3	29.39
July	348	358	12	2	27.20
Totals	4,956	4,965	451	241	$409.84

STATEMENT No. 7

WHEAT POOL COMMITTEES

1953-1954

TOTAL NUMBER OF COMMITTEES

Sub-District	1	2	3	4	5	6	7	8	9	10	11	*Total*
District 1.....	3	4	7	10	7	6	8	12	6	8		71
District 2.....	6	4	5	7	3	5	9	8	12	5		64
District 3.....	3	4	3	4	5	3	3	5	3	7		40
District 4.....	4	3	9	4	5	2	4	6	3	6		46
District 5.....	9	7	5	7	7	3	6	10	8	5		67
District 6.....	9	10	7	7	9	12	11	7	7	8		87
District 7.....	8	5	5	5	6	8	6	5	7	4	7	66
District 8.....	8	9	10	8	7	7	5	7	4	3	4	72
District 9.....	6	7	5	7	3	8	6	5	6	7		60
District 10.....	6	6	3	6	14	8	4	7	4	9		67
District 11.....	9	11	11	5	5	7	12	7	10	9		86
District 12.....	9	5	9	7	5	6	6	7	11	8		73
District 13.....	8	10	4	10	8	7	11	6	9	9	7	89
District 14.....	5	8	6	12	3	6	9	12	7	9	7	84
District 15.....	9	6	7	8	6	6	2	4	7	3	6	64
District 16.....	7	7	9	7	4	11	5	8	6	7	8	79
												1,115

STATEMENT No. 8

COMMITTEES REORGANIZED

District 1.....	3	4	6	9	7	6	8	11	6	8		68
District 2.....	6	4	5	7	3	5	9	8	12	5		64
District 3.....	3	2	3	3	5	2	3	5	3	7		36
District 4.....	4	3	9	4	5	2	4	6	3	6		46
District 5.....	9	7	5	7	7	3	6	9	8	5		66
District 6.....	9	10	7	7	9	11	11	7	7	8		86
District 7.....	8	5	5	5	6	8	6	5	7	4	7	66
District 8.....	8	9	10	8	7	7	5	7	4	3	3	71
District 9.....	6	7	5	7	3	8	6	5	6	7		60
District 10.....	6	6	3	6	13	8	3	7	4	8		64
District 11.....	9	9	11	5	5	7	12	7	9	9		83
District 12.....	9	5	9	7	5	6	6	7	11	8		73
District 13.....	8	10	4	10	8	7	11	6	9	9	7	89
District 14.....	5	8	6	10	3	6	9	12	7	9	7	82
District 15.....	9	6	7	8	5	5	2	4	7	3	6	62
District 16.....	7	7	8	6	4	11	5	8	6	7	7	76
												1,092

23 Committees not reorganized 31st July 1954.
45 Committees not reorganized 31st July 1953.

EXHIBIT A

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building, Winnipeg, Manitoba

STATEMENT No. 9

BALANCE SHEET
As at 31st July 1954

ASSETS

Agency Assets			$101,104.04
Cash in Agency bank accounts		$ 3,974.11	
Accounts receivable		97,129.93	
		$101,104.04	
Shareholders' and Patrons' Assets			112,594.18
Cash		$ 53,973.53	
In general bank accounts	$53,834.97		
On hand	138.56		
	$53,973.53		
Accounts Receivable		22,300.60	
Commissions: per contra	$ 4,425.36		
Loan Accounts Secured	17,003.35		
Miscellaneous	871.89		
	$22,300.60		

LIABILITIES

Agency Liabilities			$101,104.04
Accounts Payable		$ 96,678.68	
Commissions: per contra		4,425.36	
		$101,104.04	
Shareholders' Liabilities and Reserves			92,594.18
Miscellaneous Accounts Payable		$ 800.38	
Pool Insurance Company		747.30	
Patronage Dividend Payable: Exhibit B		71,046.50	
General Reserve against Unearned Income and Investments		20,000.00	
Allocated as follows:			
Alberta Wheat Pool	$ 5,568.12		
Manitoba Pool Elevators	3,146.82		
Saskatchewan Wheat Pool	11,285.06		
	$20,000.00		
		$ 92,594.18	

Investments at Cost		35,086.78	
$35,000.00 Dominion of Canada Bonds 3¼% maturing June 1, 1966	$35,086.78		
(Quoted value 31st July 1954 $35,175.00)			
Membership Deposit		100.00	
Insurance Agents' Association	$ 100.00		
Furniture and Fixtures		1,133.27	
		$112,594.18	
			$213.698.22

Capital Stock			20,000.00
Authorized	$20,000.00		
Issued and fully paid (2,000 shares of $10.00 each)		$ 20,000.00	

Signed on Behalf of the Board:

J. H. WESSON, *Director*

W. J. PARKER, *Director*

$213,698.22

AUDITORS' REPORT

We have audited the accounts of Canadian Pool Agencies Limited for the year ended 31st July 1954 and have received all the information and explanations we have required. Bank balances have been confirmed by certificate direct from the Company's bankers. Accounts receivable and payable have been confirmed by circularization. Dominion of Canada Bonds held for investment were produced for examination.

We certify that, in our opinion, the above Balance Sheet and related statements are properly drawn up so as to exhibit, respectively, a true and correct view of the financial position of Canadian Pool Agencies Limited as at 31st July 1954, and the results of operating for the year ended that date, according to the best of our information, the explanations given to us, and as shown by the records of the Company. All transactions coming under our notice have been within the powers and objects of the Company to the best of our information and belief.

Winnipeg, Manitoba, 14th September 1954.

(*Signed*) MILLAR, MacDONALD & CO., *Chartered Accountants.*

EXHIBIT B **STATEMENT No. 10**

CANADIAN POOL AGENCIES LIMITED

Wheat Pool Building, Winnipeg, Manitoba

SUMMARY OF SURPLUS ACCOUNT

For the Year Ended 31st July 1954

		Debit	*Credit*
Surplus for the Year ended 31st July 1954: Exhibit C			$70,670.18
Adjustment of depreciation reserve to 31st July 1953			766.97
Reserved for Income Tax		$ 390.65	
Patronage dividend for the year 1953-54: Exhibit A		71,046.50	
Allocated as follows:			
Alberta Wheat Pool	$12,237.79		
Manitoba Pool Elevators	16,261.36		
Saskatchewan Wheat Pool	42,547.35		
	$71,046.50		
		$71,437.15	$71,437.15

EXHIBIT C **STATEMENT No. 11**

CANADIAN POOL AGENCIES LIMITED

Wheat Pool Building, Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE

For the Year Ended 31st July 1954

Income		$88,575.30
Commissions:		
Fire	$59,429.96	
Bonds	20,135.22	
Lake Marine	94.77	
Ocean Marine	978.60	
Automobile	3,907.01	
Accident and Sickness	208.80	
Liability	167.12	
Use and Occupancy	1,465.15	
Robbery and Burglary	536.97	
Inland Marine	678.01	
Inland Transport	163.44	
Sprinkler Leakage	.61	
Steam Boiler	415.85	
Plate Glass	53.82	
Forgery and Alteration	63.60	
Hail	24.80	
Contingent	554.89	
	$88,878.62	
Less: Brokerage paid	303.32	
	$88,575.30	
Other Income:		
Interest		2,404.08
Total Income for the Year		$90,979.38
Expenses		20,309.20
Salaries	$14,065.02	
Directors' fees and Expenses	372.29	
Rent and Light	1,683.41	
Telephone and Telegraph	259.51	
Printing and Stationery	1,496.43	
Postage and Excise	200.32	
Taxes and Licenses	217.45	
Travelling Expenses	268.73	
Legal and Audit	645.88	
Depreciation	283.32	
Insurance	22.92	
Staff Pension, Group and Unemployment Insurance	517.24	
Miscellaneous	576.68	
	$20,609.20	
Deduct: Recovery from Interprovincial Pool	300.00	
	$20,309.20	
Balance—Surplus for Year Ended 31st July 1954, Carried to Exhibit B		$70,670.18

EXHIBIT A **STATEMENT No. 12**

POOL INSURANCE COMPANY

Wheat Pool Building, Winnipeg, Manitoba

BALANCE SHEET AS AT 31st DECEMBER 1953

ASSETS

Cash in Bank		$ 210,168.74
In Bank of Montreal: Current Account	$184,410.52	
Savings Account	25,758.22	
	$210,168.74	
Accounts Receivable		161,292.90
Canadian Pool Agencies Limited	$129,944.76	
Reinsurance Accounts	31,348.14	
	$161,292.90	

LIABILITIES

Current Liabilities			$ 590,596.12
Miscellaneous Accounts Payable		$ 653.43	
Reinsurance Accounts Payable		101,022.02	
Fire Losses in Process (Net of Reinsurance)		14,396.05	
Taxes Accrued		11,875.86	
Dividends payable as per Exhibit B		462,648.76	
		$590,596.12	
Reserve for Unearned Income			152,835.05
Unexpired portion of premium income	$ 74,682.41		
Unexpired portion of reinsurance Commissions	80,395.90		
		$155,078.31	
Less: Commissions paid on Business not yet taken into income		2,243.26	
		$152,835.05	

Investments at Cost			640,118.75
		Par Value	
Government of Canada Bonds		$650,000.00	
Market Value	$623,100.00		
Interest accrued thereon			3,350.00
Automobiles			4,932.79
			$1,019,863.18

Capital Stock			185,000.00
Authorized: 5,000 shares at $100	$500,000.00		
Subscribed: 2,500 shares at $100	$250,000.00		
Paid up thereon		$185,000.00	
Capital Surplus			91,432.01
Premium at 12% on Capital Stock		$ 30,000.00	
Surplus realized on Investments sold		8,932.01	
Transferred from Shareholders' and Patrons' Equity Account: 1949-1953		52,500.00	
		$ 91,432.01	
			$1,019,863.18

Approved on behalf of the Board:

J. H. WESSON, *Director*

W. J. PARKER, *Director*

AUDITORS' CERTIFICATE

In our opinion the above Balance Sheet and related statements of Pool Insurance Company are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at 31st December 1953 and the result of its operations for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company. All transactions coming within our notice were in our opinion, within the powers and objects of the Company.

Winnipeg, Manitoba, 26th February 1954.

(*Signed*) MILLAR, MacDONALD & CO., *Chartered Accountants.*

POOL INSURANCE COMPANY

Wheat Pool Building, Winnipeg, Manitoba

SUMMARY OF SHAREHOLDERS' AND PATRONS' EQUITY ACCOUNT

For the Year Ended 31st December 1953

			Debit	*Credit*
Balance at Credit 31st December 1952				$382,661.86
Distributed during 1953			$382,661.86	
Shareholders' dividend year 1952:				
Alberta Wheat Pool	$	.55		
Manitoba Pool Elevators		.37		
Saskatchewan Co-operative Producers Limited		.93		
Patrons' dividend 1952:				
Alberta Wheat Pool		62,071.09		
Alberta Pool Elevators Limited		26,084.59		
Alberta Wheat Pool and Alberta Pool Elevators Limited		16,014.67		
Manitoba Pool Elevators		61,103.55		
Saskatchewan Pool Elevators Limited		150,889.81		
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited		9.01		
Saskatchewan Co-operative Producers Limited		65,033.73		
Saskatchewan Co-operative Livestock Producers Limited		1,236.05		
Modern Press Limited		217.51		
		$382,661.86		
			382,661.86	382,661.86
Surplus for year 1953: Exhibit C				481,248.76
Transferred to Capital Surplus			15,000.00	
Reserve for Income Tax			3,600.00	
Balance carried down			462,648.76	
			$863,910.62	$863,910.62

Balance brought down				$462,648.76
Allocated as follows:				
Shareholders' Dividend			$ 1.85	
Alberta Wheat Pool	$	.55		
Manitoba Pool Elevators		.37		
Saskatchewan Wheat Pool		.93		
	$	1.85		

Patrons' Dividend			$462,646.91	
Alberta Wheat Pool	$	84,700.25		
Aberta Pool Elevators Limited		54.38		
Alberta Wheat Pool and Alberta Pool Elevators Limited		40,502.05		
Manitoba Pool Elevators		73,669.21		
Saskatchewan Pool Elevators Limited		81,973.83		
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited		9.06		
Saskatchewan Wheat Pool		180,257.85		
Saskatchewan Co-operative Livestock Producers Limited		1,274.85		
Modern Press Limited		205.43		
		$462,646.91		
			$462,648.76	$462,648.76

EXHIBIT C **STATEMENT No. 14**

POOL INSURANCE COMPANY

Wheat Pool Building, Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE

For the Year Ended 31st December 1953

Premiums on Business Written		$1,205,030.63	
Less: Ceded to other Companies		903,054.43	
			$301,976.20
Add: Decrease in Unearned Premium Reserve			4,315.69
Premiums Earned in 1953			306,291.89
Deduct: Losses and Adjustment Expenses		$ 538,226.71	
Less: Reinsurance Recoveries		403,114.02	
			135,112.69
Net Underwriting Income			171,179.20
Add: Commissions on reinsurance placed with other Companies (earned portion only)			370,621.81
Total Income before Commissions Paid			541,801.01
Deduct: Commissions Paid (on earned premiums only)			3,184.43
Balance Available for Expenses and to Shareholders and Patrons			538,616.58
Deduct: *Expenses*			
Taxes, Licenses and Association Dues		$ 24,141.64	
Inspection Service:			
Salaries	$15,497.00		
Automobile Expenses	6,258.09		
Other Travelling Expenses	3,969.25		
Staff Pension, Group and Unemployment Insurance	1,350.44		
Printing and Stationery	895.15		
Postage, Telegrams, Telephones and Express	164.86		
		28,134.79	
Administration:			
Salaries	$13,847.61		
Rent and Light	1,597.70		
Directors' Fees and Expenses	529.22		
Travelling Expense	111.47		
Printing and Stationery	50.06		
Postage, Telegrams, Telephones and Express	517.74		
Legal and Audit	747.87		
Staff Pension, Group and Unemployment Insurance	2,321.58		
Miscellaneous	480.90		
		20,204.15	
			72,480.58
			466,136.00
Add: Interest Earned		$ 13,765.07	
Other Income		1,347.69	
			15,112.76
Balance—Surplus for the Year 1953 Carried to Exhibit B			$481,248.76

SASKATCHEWAN WHEAT POOL

Livestock Division

COMPARATIVE STATEMENT OF HANDLINGS

Seasons 1952-1953 and 1953-1954

	Season 1952-1953	*Season* 1953-1954	*Increase (Decrease)*
Moose Jaw Division:			
Cattle	11,006	11,185	179
Calves	1,029	1,288	259
Hogs	5,471	4,161	(1,310)
Sheep	871	1,326	455
North Battleford Division:			
Cattle	14,193	17,843	3,650
Calves	890	1,401	511
Hogs	15,092	11,024	(4,068)
Sheep	1,328	1,681	353
Prince Albert Division:			
Cattle	10,152	10,746	594
Calves	1,066	1,377	311
Hogs	20,728	15,164	(5,564)
Sheep	1,383	1,126	(257)
Regina Division:			
Cattle	19,473	25,333	5,860
Calves	1,521	3,107	1,586
Hogs	9,884	5,431	(4,453)
Sheep	1,049	1,362	313
Saskatoon Division:			
Cattle	19,261	24,745	5,484
Calves	2,586	3,299	713
Hogs	20,104	14,344	(5,760)
Sheep	1,057	1,460	403
St. Boniface Division:			
Cattle	19,117	20,192	1,075
Calves	9,461	11,024	1,563
Hogs	56,719	44,398	(12,321)
Sheep	3,453	3,521	68
Swift Current Division:			
Cattle	12,868	15,648	2,780
Calves	926	1,110	184
Hogs	10,090	6,044	(4,046)
Sheep	498	364	(134)
Yorkton Division:			
Cattle	9,191	11,779	2,588
Calves	3,712	5,057	1,345
Hogs	7,027	3,576	(3,451)
Sheep	1,050	1,161	111
TOTAL DIVISIONS:			
Cattle	115,261	137,471	22,210
Calves	21,191	27,663	6,472
Hogs	145,115	104,142	(40,973)
Sheep	10,689	12,001	1,312
Saskatchewan Handlings at Winnipeg (Other than Saskatchewan Wheat Pool Livestock Division)			
Cattle	26,709	31,939	5,230
Calves	4,211	5,704	1,493
Hogs	30,041	19,138	(10,903)
Sheep	3,601	3,583	(18)
TOTAL HANDLINGS:			
Cattle	141,970	169,410	27,440
Calves	25,402	33,367	7,965
Hogs	175,156	123,280	(51,876)
Sheep	14,290	15,584	1,294

Note: Figures in brackets denote decreases.

EXHIBIT A **STATEMENT No. 16**

CANADIAN LIVESTOCK CO-OPERATIVE (WESTERN) LIMITED
BALANCE SHEET—As at 31st July 1954

ASSETS

Current Assets			
Cash in The Royal Bank of Canada		$15,322.48	
Accounts receivable: Schedule 1	$4,401.07		
Less: Allowance for doubtful accounts	1,000.00		
		3,401.07	
Government of Canada Bonds: at cost (Market value $20,300.00)		20,000.00	
Accured Interest Receivable		1,155.62	
Due from Trust Account		56,442.77	
			$ 96,321.94
Trust Assets			
Cash in The Royal Bank of Canada		$32,368.38	
Sales Accounts receivable		35,955.42	
Inventory of Feed and Livestock: at Cost		1,494.10	
			69,817.90
Other Assets			
Winnipeg Live Stock Exchange Memberships (5)			150.00
Office furniture and equipment		$ 9,567.98	
Less: Accumulated depreciation		6,507.69	
			3,060.29
Automobile		$ 2,660.75	
Less: Accumulated depreciation		798.22	
			1,862.53
Prepaid operating expenses			996.33
Portion of past serivce pension costs (Ratably chargeable to future years)			24,908.81
			$197,117.80

LIABILITIES

Current Liabilities		
Accounts Payable	$ 1,986.95	
Accrued Salaries	16,115.51	
Surplus Payable	37,184.10	
Income Taxes payable (estimated)	449.25	
		$ 55,735.81
Trust Liabilities		
Due to local Associations	$ 3,638.86	
Producers' Livestock pooling fund	2,787.98	
Transit compensation fund	6,203.10	
Exchange on outstanding cheques	745.19	
Due to General Account	56,442.77	
		69,817.90
General Reserve		4,049.06
Loans from Members		46,141.59
Members' Equity		21,349.44
Memberships issued (24)		24.00
		$197,117.80

Approved on behalf of the Board,

(*Signed*) W. CROSSLEY, *Director*
(*Signed*) A. GREENFIELD, *Director*

This is the Balance Sheet referred to in our report of this date attached hereto.

Winnipeg, Manitoba,
27th August 1954.

(*Signed*) MILLAR, MacDONALD & CO.
Chartered Accountants

Canadian Co-operative Wheat Producers Limited

DIRECTORS' REPORT, 1953-1954

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

Gentlemen:

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

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

Central Board

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

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

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

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

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

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

As a practical step in scientific research, your board made it possible for Dr. I. Hlynka, of the Board of Grain Commissioners Research Laboratory, to take part in a

congress of cereal chemists in Europe. Action taken by our three Pools for development of better livestock marketing was reviewed in Central Board meetings. The operation of the International Wheat Agreement in this critical year was closely watched. While our Pools were represented by W. J. Ball at the conference of the International Federation of Agricultural Producers in Kenya, it was agreed that a greater number from our Canadian West should attend future meetings.

Interprovincial Pool Meetings

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The meeting recommended that producers building proper farm storage for grain be allowed the accelerated depreciation now enjoyed by many other industries. It was agreed that our Pools must be vigilantly active to counterattack moves designed to nullify the Crow's Nest Pass Agreement. Further, we have a vital interest in promoting full development and use of the St. Lawrence Seaway. Finally, the meeting agreed that the Board of

Grain Commissioners, to discharge efficiently its increasingly heavy responsibilities, should be reinforced with well-selected replacements when present personnel retires.

Western Agricultural Conference

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

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

Sixty-three resolutions were forwarded from the Conference, for action by the Canadian Federation of Agriculture. These embraced a great variety of issues which are factors in farm life in our Canadian West; including production and marketing of grain, poultry, livestock, dairy and vegetable products; farm finance, support prices and income tax; conservation, transportation and freer trade; and education, health and labor-management relations.

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

Canadian Federation of Agriculture

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

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

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

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

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

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

The CFA presentation urged, further, that laws be made to settle by legal process, labor disputes which jeopardize public welfare; and that provincial and national legislation require secret ballots on strike votes. The need was stressed for definition of income tax requirements which shall be uniform and clear to both farmers and tax officials. Recommendations called for balanced regional representation on the Board of Transport Commissioners; a permanent Transport Controller; and a rail outlet from the Peace River to the Pacific. National conservation legislation was urged, under which the provinces may co-operate in full development and use of land and water resources. A Great Plains water authority and extension of the Prairie Farm Rehabilitation Administration were specifically recommended. Finally, the brief asked that unclaimed Canadian Wheat Board participation funds be entrusted to a foundation for research in the interests of Western producers; that a national plan provide pensions for incurably crippled persons; and that National Film Board services be expanded.

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

International Federation of Agricultural Producers

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

The 1954 IFAP conference was held 21st-29th May 1954, at Nairobi, Kenya, with W. J. Ball, Regina, the lone representative from Western Canada. More than 100 delegates and observers shared in conference activities.

Allan B. Kline, head of the American Farm Bureau Federation, was re-elected to the presidency. The conference urged important shifts in food and fibre production to help solve the present surplus problem; and urged governments to co-operate in disposing of present surpluses. Other resolutions recommended that governments try to expand consumption, rather than reduce production; and urged reductions in trade barriers—accompanied by full convertibility of national currencies.

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

Food and Agriculture Organization

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

FAO set up a standing subcommittee of its Committee on Commodity Problems, to provide for inter-governmental consultations on agricultural surpluses and their disposal. It also recommended that all governments review their food and agricultural policies in the light of present circumstances; and, further, that FAO should provide facilities for periodic regional as well as international consultations to enable governments to co-ordinate policies more effectively.

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

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

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

International Wheat Agreement

Four exporting and 43 importing nations are co-operating in the renewed International Wheat Agreement, which became operative on 1st August 1953. During

1953-54, the new Agreement operated under conditions very different from those in effect during the final year of the former Agreement. United Kingdom, Italy and Sweden (assigned import quotas totalling 209 million bushels) decided to stay outside the Agreement. In fact, the latter became an exporter of wheat. During the year, Jordan, Korea, Vatican City and Yugoslavia joined the Agreement importing nations (with quotas totalling 8.6 million bushels).

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

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

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

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

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

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

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

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

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

Representatives of 39 nations assembled at London in June 1954, in the International Wheat Council. At the conclusion of this meeting the Council issued a statement which, in part, declared: "Even in abnormal conditions during 1953-54, IWA has functioned. Lower volume of Agreement transactions reflects reduced import demand

due largely to importers' increased production and the use of reserve stocks . . . Where more wheat is available for export than is currently demanded by importers, trade could deteriorate and damage the internal trade and the economies of both wheat exporting and importing countries."

Canadian Government Grain Policy

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

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

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

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

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

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

The Canadian Wheat Board on 16th February 1954, began to quote separate selling prices for wheat—to compensate for freight differentials, basis No. 1 Northern in store at Lakehead, $1.78½; at Vancouver, $1.85½; and at Churchill, $1.87½. On 7th June 1954, the Board reduced its price for wheat, basis No. 1 Northern, by 10 1/8 cents per bushel—pursuant to similar action by the United States.

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

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

World Grain Production

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

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

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

Grain Production—World

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

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

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

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

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

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

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

Grain Production—Canada

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

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

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

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

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

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

World Use of Grain

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

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

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

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

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

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

living. Industrial development is giving more people buying power.

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

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

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

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

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

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

CANADIAN PRODUCTION AND EXPORTS
Wheat, Oats, Barley and Rye

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

Grain Used in Canada

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

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

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

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

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

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

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

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

World Trade in Grain

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

Trade in farm products between nations of Western Europe increased in 1953-54. Some countries had unaccustomed surpluses for export. Agricultural exports from Latin America reversed recent trends; and rose 20% above the preceding year. During the 1934-38 period North America supplied about 12% of the world volume of gross exports of farm products. This rose to a peak of 24% in 1951; and declined to 20% in 1953.

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

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

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

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

Domestic wheat prices, generally, continued to be

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

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

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

World Carryover of Wheat

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

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

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

Carryover of Grain in Canada

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

CARRYOVER OF CANADIAN GRAIN
In All North American Positions

31st July	1954	1953	10-yr average 1941-50	Previous high 1943	Low 1938
			(in million bushels)		
Wheat	587.5	369.2	255.5	594.6	24.5
Oats	123.8	144.4	72.6	149.3	19.5
Barley	144.3	111.7	30.6	69.3	6.6
Rye	18.8	16.2	5.2	15.2	1.0
Flaxseed	2.5	3.9	3.2	3.7	0.2
Total	877.0	645.4	367.9	832.1	51.8
In commercial storage	428.6	361.0	241.1	451.0	26.1
In farm storage	413.8	225.2	117.1	356.2	24.5

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

Canadian Grain Export Trade

The volume of Canada's exports of our five principal grains (wheat, oats, barley, rye and flaxseed) during the

1953-54 crop year, compared with the three years preceding and the 10-year average (based on Board of Grain Commissioners estimates) is set out in the following tabulation:

GRAIN AND MILLED PRODUCTS EXPORTED

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

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

Principal buyers of Canadian wheat are as follows:

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

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

The 90 million bushels of barley exported was 5 ½ times the 10-year average; and second only to the record exports of 1952-53. Principal customers were:

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

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

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

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

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

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

Farm Income and Costs

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

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

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

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

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

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

Cash Income from the Sale of Farm Products January-June, inclusive

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

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

FAO reports that farm incomes have fallen sharply in North America in recent years; but have been more stable in Western Europe, mainly because of increased production with domestic price supports. In most countries per capita

farm incomes are one-third to one-half below earnings in other sectors of the economy.

Freight Assistance

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

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

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

Prairie Farm Assistance

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

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

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

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

Producers' Rights and Boxcars

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

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

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

Producers demanded legislation which would guarantee to them their right to deliver to the elevator of their choice.

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

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

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

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

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

Meantime, representations have been made directly to the railways by the Pools—pointing out that cars are supplied to the order of other shippers; and that identical service should be provided for producers who pay the freight on grain.

Co-operation in Canada

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

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

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

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

progress toward these objectives is measured by increased use of the principles and methods inherent in co-operation.

Conclusion

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

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

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

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

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

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

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

Respectfully submitted

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

Canadian Pool Agencies Limited
DIRECTORS' REPORT, 1953-1954

To the Shareholders, 6th October 1954.
Canadian Pool Agencies Limited,
Wheat Pool Building, Winnipeg, Manitoba.

Gentlemen:

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

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

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

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

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

BALANCE SHEET

Agency Assets and Liabilities

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

Shareholders' and Patrons' Assets

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

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

Investments: The amount shown under this heading represents the cost price of purchases of $35,000.00 of Dominion of Canada Bonds, 3¼%, redeemable June 1966. The market value of these bonds as at the date of the Balance Sheet represented an amount of $35,175.00 which is slightly more than the cost price of the bonds. While there may be some fluctuations in the value of these bonds, it is our belief that they offer the best medium of obtaining

an earning without risk of loss. We are in the satisfactory position of being able to invest considerably more than our capital and reserve the year round, and operate the Agency on current income.

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

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

Shareholders' Liabilities and Reserves

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

Pool Insurance Company Account: This Agency and Pool Insurance Company are operated by the same management and staff, and the salaries of the office employees are split between both organizations, as are other items of expense that are not definitely applicable to either organization. This item is the balance due Pool Insurance Company on the inter-office account.

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

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

Capital Stock

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

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

INCOME AND EXPENDITURE STATEMENT

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

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

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

Respectfully submitted, JOHN H. WESSON, W. J. PARKER, BEN S. PLUMER — *Executive*
THOS. G. BOBIER
WATSON CROSSLEY
GEO. N. MCCONNELL
W. J. BALL
G. L. HARROLD
W. J. BLAIR

Pool Insurance Company

DIRECTORS' REPORT

1953-1954

Winnipeg, Manitoba,
23rd March 1954.

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

Gentlemen:

Your Company has completed fifteen years of service to the parent organizations, and we have pleasure in submitting herewith for your approval the Annual Report and Financial Statements covering operations for the year ended 31st December 1953.

The results for the year show Excess of Income over Expenditure of $481,248.76, as compared with $392,361.86 last year. After transferring $15,000.00 to Capital Surplus Account; setting up the usual Capital Stock Dividend as required by the Company's Charter and a reserve of $3,600.00 for income tax, the balance of $462,646.91 has been allocated to the policyholders on the basis of their contribution to the surplus.

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

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

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

In Alberta	Picture Butte
In Manitoba	Lowe Farm "B"
In Saskatchewan	Muenster and Rosemound

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

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

The property insured by your Company has reached an all time high and you may be interested in the figures which we list hereunder. Building values change from time to time and the values shown are as at 31st December

1953. The value of the grain is the daily average for the year.

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

The records of your Company are examined by the Federal Government's Insurance Department and this provides added assurance that the operations are carried on in accordance with government regulations and good practice.

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

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

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

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

ASSETS

Cash on Hand and in Bank

Under this heading the Current and Savings Bank Accounts are shown.

Accounts Receivable

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

Investments

You will notice the market value of the Company's investments is less than the ledger value of $17,018.75. Our investment portfolio consists entirely of Government of Canada Bonds. While there will be fluctuations over the years, we expect to be able to hold all bonds until maturity when they will be redeemable at par value. You will note that we are able to invest considerably more than our capital and surplus.

Automobiles

Two new automobiles were purchased during the year, and after allowing depreciation on this account of $2,114.05 at standard rates, the asset covering four automobiles is shown as $4,932.79. These automobiles are used by our Fire Inspectors.

LIABILITIES

Current Liabilities

Premiums due the reinsurance companies are shown. Losses in process consist of the Company's estimated net share of losses for which adjuster's reports have not been received. The item covering Taxes Accrued represents Premium Tax, Income Tax and Fire Prevention Taxes

due respectively to the Federal and Provincial Governments.

Reserve for Unearned Income

These reserves are calculated on the basis of one hundred percent of the unearned premiums on our own retention and one hundred percent of the unearned portion of the reinsurance commissions as at 31st December 1953.

Capital Stock

The ownership of the Capital Stock of Pool Insurance Company is held by the three Provincial Pool organizations as follows:

	Shares	Subscribed	Paid Up	Premium Paid
Alberta Wheat Pool	750	$ 75,000.00	$ 55,500.00	$ 9,000.00
Manitoba Pool Elevators	500	50,000.00	37,000.00	6,000.00
Saskatchewan Wheat Pool	1,250	125,000.00	92,500.00	15,000.00
	2,500	$250,000.00	$185,000.00	$30,000.00

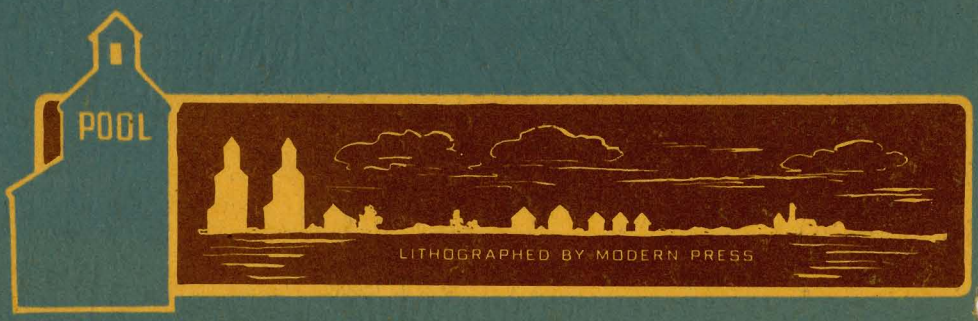
Out of the above shares three Directors of each organization hold twenty-five shares each, in trust.

The $30,000.00 Premium on Capital Stock referred to above, was originally provided to create a surplus required by the Superintendent of Insurance. According to the Insurance Act, we are required to retain a surplus at least equal to our unearned premiums before refunds of excess charges are made. With the increase in volume of business over the past few years and the decline in the market value of our investments it is necessary to build up our retained surplus, and a further $15,000.00 of this year's net earnings has been transferred to the Capital Surplus Account.

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

Respectfully submitted,

J. H. Wesson
W. J. Parker
G. N. McConnell
Watson Crossley
G. L. Harrold
Ben S. Plumer
Thos. G. Bobier
W. J. Blair
W. J. Ball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