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THIRTY - SECOND

ANNUAL Report

1956

SASKATCHEWAN WHEAT POOL

and subsidiary companies

REGINA, SASKATCHEWAN

Proposed Agenda of Business for Annual Meeting

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

DIRECTORS' REPORT

IN MEMORIAM

This year the Saskatchewan Wheat Pool has completed thirty-two years of co-operative service to the farmers of Saskatchewan. With the passage of the years it is inevitable that there should pass from our midst an increasing number of those pioneers of the agricultural co-operative movement who, in their capacity as delegate, worked to place the Saskatchewan Wheat Pool on the strong 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 great interest in its welfare. These include—

Mr. R. W. Huston of Spy Hill, one of the original delegates, who retired in November 1927. Mr. P. J. Murphy of Benson, also an original delegate, who served in District 1 until November 1928; also Mr. Fred Henschel, who was appointed as an original delegate and served until 1929 in District 15.

Mr. Albert H. Wilson of Tisdale, first appointed as delegate in District 15 in November 1930 and served until November 1936. Mr. Ben Putnam of Watson, who was first elected in 1927 and continued in office until his retirement in 1935. Mr. H. R. Ferguson of Sonningdale, who acted as delegate in District 13 from 1933 to 1937, inclusive. Mr. George C. Little of Handsworth, first appointed a delegate in November 1928 and continued to serve his district for twenty-two years, until his retirement in 1950.

Mr. Harry Andison of Perdue, was first elected as delegate in 1937 and continued to represent his sub-district in District 13 until the time of his death on 22nd June 1956. Mr. Andison's unfailing good humour and his friendly disposition set him apart as a person to be long remembered. His presence will be sadly missed from this gathering.

In addition to their service as Wheat Pool delegates, all of these men had a splendid record of public service. Most of them were pioneer settlers in the district in which they continued to live. Each in his own way had made an important contribution to the Province of Saskatchewan. The men whose names are listed here were in the very forefront of community service 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 Thirty-second Annual Meeting of Delegates of the Saskatchewan Wheat Pool your Board has followed the usual practice of submitting a complete review of the organization, by divisions, for the year ended 31st July 1956. Following the practice established three years ago all operations of the Saskatchewan Wheat Pool organization for the year ended 31st July 1956 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.

As in former years, there are also included the reports of the Directors of Canadian Co-operative Wheat Produc-

ers Limited; Canadian Pool Agencies Limited and Pool Insurance Company, the three inter-provincial organizations owned jointly with the Manitoba and Alberta Pools.

Consolidated Balance Sheet

A copy of the Consolidated Balance Sheet, prepared by the Company's Auditors, Messrs. George A. Touche & Company, is attached to this report as Statement No. 1. This statement sets out the combined financial position of the Saskatchewan Wheat Pool and its subsidiary companies as at 31st July 1956. The usual explanatory notes on the principal items appearing in the Consolidated Balance Sheet are also attached hereto for the information of delegates.

As at 31st July 1956, total current assets for the entire Pool organization amounted to $101,384,343.91. Total current liabilities amounted to $93,861,574.05. The difference between these two items, namely $7,522,769.86, represents the current position of the Company as at the end of the last fiscal year.

It will be noted that provision has been made for an item of capital commitments in respect of buildings and work under construction, and machinery under purchase, estimated to cost $871,700.00. After providing for this item the balance of $6,651,069.86 remains available for working capital for the season 1956-57. This compares with $6,227,808.39 as at 31st July 1955, an increase of $423,261.47.

Consolidated Schedule of Fixed Assets

Schedule No. 1A attached to this report sets out in detail the cost, the accumulated allowance for depreciation set up against each item, and the net value of all Pool fixed assets as at 31st July 1956.

The total original cost of all fixed assets is shown as $56,322,392.73. Over the years depreciation has been provided to the extent of $32,586,981.71, leaving the net value of the fixed assets of the Company at the end of the last fiscal year at $23,735,411.02. This compares with a net valuation of $23,215,361.94 at the end of the previous year, an increase of $520,049.08.

Consolidated Capital Statement

Statement No. 2 attached to this report sets out in detail the current position of the Wheat Pool organization as a whole at 31st July 1956. After providing for the unexpended portion of the approved program of capital expenditures, estimated as $871,700.00, the working capital for season 1956-57 is shown as $6,651,069.86, as compared to $6,227,808.39 for the 1955-56 season. This is an increase of $423,261.47, which is accounted for as follows:

Additions:		
Surplus Earnings Transferred to Reserve:		
Saskatchewan Wheat Pool—Season 1954-55		$ 621,153.70
Saskatchewan Pool Elevators Limited—Season 1955-56		22,173.39
Saskatchewan Pool Terminals Limited—Season 1955-56		637.71
Modern Press Limited—Season 1955-56		498.83
		$ 644,483.63
Increase in Reserve		136,688.31
Liquidation of Capital:		
Depreciation	$2,586,362.41	
Decrease in Stocks of Repair Parts and Supplies	11,020.95	
		2,597,383.36
		$3,378,535.30

Deductions:				
Capital Expenditure on Fixed Assets			$3,249,561.28	
Deduct:				
Capital Commitments at 31st July 1955		$1,104,200.00		
Gross Amount of Disposals	$619,940.34			
Less: Accumulated Depreciation	476,790.55			
		143,149.79		
			1,247,349.79	
			$2,002,211.49	
Capital Commitments at 31st July 1956			871,700.00	
Net Capital Expenditures including Capital Commitments			$2,873,911.49	
Increase in Deferred Accounts Receivable			2,999.61	
Increase in Investments and Memberships			44,073.78	
Decrease in Livestock Excess Charges Credits			34,288.95	
				2,955,273.83
Increase				$ 423,261.47

All capital expenditures approved to 31st July 1956 are provided for in the above statement.

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

Statement No. 3 attached hereto has been prepared to show the composition of capital funds as at 31st July 1956. The items are largely self-explanatory. It will be noted that $6,585,306.12 of the reserve account, and the balance of the livestock excess charges credits are in liquid form. All other capital funds have been invested in fixed assets, investments, deferred accounts receivable and deferred charges, or refunded to members.

Statement of Net Earnings

Statement No. 4 attached hereto shows in detail the disposition of net earnings and capital gains of the Saskatchewan Wheat Pool and subsidiary companies for the period 1st August 1925 to 31st July 1956.

Statement of Grain Handled

Statement No. 5 shows the total amount of grain handled by the Saskatchewan Wheat Pool and subsidiary companies during the period 1924 to 1956, inclusive. It will be noted that since its inception the Saskatchewan Pool country elevator system has handled well over three billion bushels of grain, while the Pool terminal elevators at the Lakehead have handled over two and one-quarter billion bushels.

Statement of Financial Position and Members' Equity as at 31st July 1956

As shown by the Consolidated Balance Sheet, the financial position of the organization and the members' equity as at 31st July 1956 may be summarized as follows:

Total Current Assets		$101,384,343.91
Total Current Liabilities		93,861,574.05
Working Capital—subject to Capital Commitments already referred to	$ 7,522,769.86	
Other Assets	24,453,223.95	
		$ 31,975,993.81
Less: Reserve for Unearned Subscriptions, The Western Producer		10,000.00
Total Net Assets representing Members' Equity		$ 31,965,993.81
The Members' Equity is represented by:		
Capital (Membership Fees)	$ 141,227.00	
Elevator Deductions	16,244,612.52	
Commercial Reserve	8,753,781.31	
Livestock Excess Charges Credits	65,763.74	
		$ 25,205,384.57
Reserve		6,760,609.24
Total		$ 31,965,993.81

Capital Commitments:

In respect of buildings and work under construction and machinery under purchase—estimated ..... $ 871,700.00

Country Elevator Division

The Financial Statements and Auditors' Reports submitted separately to delegates show in detail the operations of this Division for the year ended 31st July 1956.

Total gross earnings of the Country Elevator Division amounted to $17,184,731.74, with total expenses of $14,094,031.90. The difference between these two items, amounting to $3,090,699.84, represents the surplus arising from the operations of the Country Elevator Division for the year under review.

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

	1954-1955	1955-1956	Increase (Decrease)
Earnings	$16,857,198.35	$17,184,731.74	$327,533.39
Expenses	13,269,841.07	14,094,031.90	824,190.83
Surplus	$ 3,587,357.28	$ 3,090,699.84	$ (496,657.44)

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 and repair work is at its peak. The following figures show rated capacities of country elevators, permanent and temporary annexes, on completion of the 1956 building program, probably in December.

	Capacity (Bushels)
1,142 country elevators	40,937,000
252 cribbed annexes	7,706,000
427 frame annexes	15,935,000
665 temporary annexes	15,140,000
Total Capacity	79,718,000

This is a net increase of just over 1,250,000 bushels from the previous year.

Grain Handlings

The following statement provides a comparison of primary grain handlings in Saskatchewan for Season 1955-56, as compared with Season 1954-55:

Total Primary Receipts at Country Elevators in Saskatchewan During Grain Years 1955-56 and 1954-55

	1955-1956 (Bushels)	1954-1955 (Bushels)
All Elevators:		
Wheat	221,860,000	198,324,000
Coarse Grains	112,548,000	90,341,000
Total—all elevators	334,408,000	288,665,000
Saskatchewan Pool Elevators:		
Wheat	106,256,000	91,326,000
Coarse Grains	51,768,000	41,613,000
Total—Sask. Pool Elevators	158,024,000	132,939,000
% **to Saskatchewan Pool Elevators**	47.68%	46.05%

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

	1955-1956 (Bushels)	1954-1955 (Bushels)
Grain handled through Country Elevators	158,024,000	132,939,000
Grain shipped over the Platform	176,000	139,000
Total Handlings	158,200,000	133,078,000
Average handled per Elevator Operated (1,145)	138,000	116,500
Percentage handled of Total Deliveries in Saskatchewan (Platform not included)	47.68%	46.05%

In addition there was handled through Pool country elevators 45,512,578 lbs. of rapeseed for account of the J. Gordon Ross Syndicate, Moose Jaw, as compared with 14,054,859 lbs. in the previous season.

The figures quoted above showing the percentage of total deliveries in Saskatchewan for Season 1955-56 handled by Pool country elevators are interim figures based on the information available at the time this report was prepared and are subject to adjustment when the final report of the Board of Grain Commissioners for Canada becomes available.

As has been the case in recent years, throughout most of the season under review, Pool elevators were badly congested and unable to receive all the grain offered. There were very few occasions when country elevator stocks dropped below fifty million bushels. For the most part stocks in store in country elevators were between fifty-five and sixty million bushels, and as at 31st July 1956, totalled 69,495,761 bushels. This is the largest amount of grain ever stored in the Pool country elevator system and was only made possible because of the generally dry condition of the grain and the fact that temporary and off-site storage was filled to near capacity. The grain handled during the past year was generally of better quality and a lower percentage of the stocks handled graded tough and damp than in the previous season.

Receipts of Grain by Months—Country Elevator Division

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

Receipts by Months—Season 1955-56

	For Month (Bushels)	Monthly % of Total	Cumulative Total (Bushels)	%
1955				
August	2,781,000	1.8	2,781,000	1.8
September	10,098,000	6.4	12,879,000	8.2
October	10,494,000	6.6	23,373,000	14.8
November	10,385,000	6.6	33,758,000	21.4
December	7,122,000	4.5	40,880,000	25.9
1956				
January	8,156,000	5.2	49,036,000	31.1
February	5,248,000	3.3	54,284,000	34.4
March	7,277,000	4.6	61,561,000	39.0
April	9,185,000	5.8	70,746,000	44.8
May	22,711,000	14.4	93,457,000	59.2
June	30,797,000	19.5	124,254,000	78.7
July	33,770,000	21.3	158,024,000	100.0
Total	158,024,000	100.0		

The following statement shows the amount of grain unloaded by the Country Elevator Division, by destinations, in Season 1955-56 as compared with the previous year.

	Bushels Unloaded Season 1955-56	Season 1954-55
Saskatchewan Pool Terminals	77,670,000	80,683,000
Manitoba Pool Terminals	15,046,000	5,821,000
Other Lakehead Terminals	12,632,000	9,106,000
Maltsters	1,543,000	364,000
Mills (other than Flour Mill Division, Saskatoon)	14,139,000	20,858,000
Flour Mill Division, Saskatoon	1,932,000	2,532,000
Vegetable Oil Division, Saskatoon	112,000	48,000
Churchill	6,359,000	5,567,000
Pacific Coast:		
Alberta Pool Terminals	11,469,000	7,043,000
Other Pacific Coast Terminals	5,029,000	3,409,000
Interior Terminals	1,769,000	347,000
Railway Claims	26,000	—
Total	147,726,000	135,778,000

Grading Record

The grading record for the year, based on cut-off valuations, indicates a net debit in grades amounting to $39,878.00. The position, based on cut-off valuations in the previous season, indicated a grade credit of $495,377.00.

The records show that 189,272 cars of wheat were inspected at all primary inspection points in Canada during the 1955-56 season. Of the cars inspected 66% were contract grades, compared with 76% in the previous season. Only 8% inspected tough or damp, compared with 12% in Season 1954-55.

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

	Total Cars	Wheat Only Tough Cars	Damp Cars
1955-1956	189,272	11,905	14
1954-1955	174,216	19,455	407

Wheat Dockage Record

The dockage record for wheat indicates there is a very slight dockage loss. Average dockage assessed by agents on graded receipts of wheat was 3.01% while average dockage on outturn of street cars of wheat was 3.03%, or a loss of .02%. Since heavy stocks remained in elevators and in transit, final results will not be known until the wheat is shipped and unloaded.

Weigh- Ups

Because of the heavy stocks carried throughout the season it was impossible to conduct a weigh-up at many stations throughout the province. A complete weigh-up of stocks was carried out at 379 elevators (33%) and estimated at the remainder, as compared with 285 elevators weighed up in the previous season. A weigh-up of coarse grains was conducted at slightly under 500 elevators.

A small net overage is disclosed at those points at which it was possible to complete a weigh-up of all grains. Travelling Superintendents' grade and dockage was used for closing stock records at all points in the province.

Insurance and Fire Losses

During the year under review 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 over-all coverage are believed to be adequate and amount to $36,078,815.00 for elevators, annexes and bins.

During the season the elevators at Quill Lake "A", Dummer "A" and "B", Valparaiso and Invermay, were destroyed by fire. Facilities at all of these points are being rebuilt with composite type elevators.

Claims for loss by fire on grain elevator buildings amounted to $131,855.83, and on grain $260,553.36, making a total fire loss of $392,409.19, as compared with $226,836.56 in the previous year.

Details of the premiums paid and the loss ratio for seasons 1955-56 and 1954-55 are as follows:

Season 1955-1956

Premiums paid on Buildings	$216,113.68	Loss Ratio: 61.01%
Premiums paid on Grain	550,542.69	Loss Ratio: 47.33%
Total	$766,656.37	51.18%

Season 1954-1955

Premiums paid on Buildings	$206,540.15	Loss Ratio: 27.74%
Premiums paid on Grain	518,654.10	Loss Ratio: 32.69%
Total	$725,194.25	31.28%

It will be observed that the loss ratio for this season is less favorable by 19.9%.

Pool Insurance Company carried 35% of the foregoing risk. In Season 1956-57 Pool Insurance will carry 50%, the balance being reinsured with the following companies:

Lloyds of London	22%	England
Co-operative Insurance Society of Manchester	17%	England
Canadian Fire Insurance Company	7%	Canada
Insurance Company of North America	2%	Canada
General Accident Assurance Company	2%	Canada

Insurance carried on agents' dwellings with the Pool Insurance Company amounts to $2,760,580.00 as at the 31st July 1956. During Season 1955-56 damage to cottages by fire amounted to $75.72. The premium paid for coverage was $5,807.34, and the loss ratio 1.30%.

Shipping and Export Department

During the year under review total sales of grain by the Shipping and Export Department in all positions amounted to 8,854,079 bushels, as compared with 4,061,260 bushels in the preceding year. A comparison of the sales of each kind of grain, with comparative figures for 1954-55, is set out below:

	1955-1956 (Bushels)	1954-1955 (Bushels)	Increase (*Decrease*) (Bushels)
Wheat	5,788,303	1,811,870	3,976,433
Oats	2,152,088	1,696,454	455,634
Barley	538,401	423,291	115,110
Flax	375,287	16,520	358,767
Rye	—	113,125	(113,125)
Total	8,854,079	4,061,260	4,792,819
Screenings (Tons)	2,492	2,830	(338)

The year's operations show a loss of $47,266.12 compared with a loss of $32,153.12 last year.

Carlot shipments for the domestic market during Season 1955-56 were 1,111 as compared with 861 for the previous year. A breakdown of the total, by grains, is shown below:

	1955-1956	1954-1955	Increase (*Decrease*)
Wheat	136	366	(230)
Oats	705½	260	445½
Barley	189½	144	45½
Screenings	80	91	(11)
Total	1,111	861	250

Churchill

As a result of the completion of the two and one-half million bushels additional storage capacity at the terminal elevator at Churchill last year, there has been a substantial improvement in the volume of grain shipped through this port as compared with previous years.

At the close of the 1955 shipping season stocks of wheat in store at Churchill amounted to 4,205,749 bushels. During the season there was shipped to the northern port an estimated total of 14,299,327 bushels. Of this amount the Saskatchewan Wheat Pool, Country Elevator Division, shipped 7,168,270 bushels, representing 50.13%. This compares with 42.197% of the total shipments a year ago.

Total stocks available for shipment during the 1956 season are estimated at 18,507,100 bushels. The total amount of wheat actually exported in the 1956 season was 16,250,319 bushels, as compared with 13,077,845 bushels the previous year. Seven cargoes, totalling 2,315,733 bushels, were allotted to the Saskatchewan Wheat Pool Export Department. Altogether 48 cargoes of wheat were

shipped from Churchill in the 1956 season, as compared with 38 cargoes in 1955 and 36 in 1954. The balance of wheat left in store at the close of the shipping season is estimated at 2,256,781 bushels.

The following shows the vessel clearances from Churchill for the 1956 season. It will be noted that the last vessel cleared the port on 6th October 1956.

Vessel	Date of Clearance 1956	Cargo (Bushels)
Warkworth	Aug. 2	360,266.6
Nyon	Aug. 3	339,733.3
Endeavour	Aug. 4	377,066.6
Thistlemuir	Aug. 5	350,933.3
Gloriana	Aug. 6	377,066.7
Begonia	Aug. 8	263,199.9
La Sierra	Aug. 8	332,266.7
Richard De Larrinaga	Aug. 9	354,666.6
Fernglen	Aug. 10	315,600.0
Clintonia	Aug. 11	339,733.3
Corcovado	Aug. 12	383,040.0
Ittersum	Aug. 13	324,800.0
Ranger	Aug. 15	378,933.4
Irish Hazel	Aug. 17	300,533.4
North Anglia	Aug. 18	364,000.0
Fernland	Aug. 20	310,800.0
Gardenia	Aug. 24	220,333.3
Silvaplana	Aug. 24	384,533.3
Irish Elm	Aug. 27	306,133.4
Camellia	Sept. 1	278,133.3
Santiago	Sept. 2	365,866.7
Chulmleigh	Sept. 5	334,133.3
Arenella	Sept. 7	377,066.7
Monrovia	Sept. 9	347,200.0
Aretis	Sept. 10	377,066.7
Thistledhu	Sept. 12	359,200.0
Mintric	Sept. 13	364,000.0
Corcovado	Sept. 14	384,160.0
Thistlemuir	Sept. 15	353,733.3
Fernglen	Sept. 16	317,333.3
Richard De Larrinaga	Sept. 18	354,666.6
Warkworth	Sept. 19	360,266.6
Nyon	Sept. 19	339,733.3
Begonia	Sept. 20	263,200.0
Gloriana	Sept. 21	377,066.7
Clintonia	Sept. 22	342,000.0
Irish Hazel	Sept. 23	303,853.3
Ittersum	Sept. 24	326,666.7
Durham Trader	Sept. 25	313,600.0
Wanderer	Sept. 25	369,600.0
Silvaplana	Sept. 26	386,400.0
Fernplant	Sept. 27	306,133.3
Gladiator	Sept. 28	377,066.7
Silvretta	Sept. 29	386,400.0
North Anglia	Oct. 1	364,000.0
Anoula	Oct. 2	336,000.0
Camellia	Oct. 4	280,000.0
Gardenia	Oct. 6	222,133.4
Total		16,250,319.7

Reports received from importers indicate that the quality of grain shipped out of Churchill in recent years has been favorably received, particularly by United Kingdom importers who are seeking high quality wheat.

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 season 1955-56. The Seed Grain Co-operative has reported another successful season, both financially and in service to members, with a substantially higher volume of sales than in the previous year.

During the past season a limited market developed in the United States for Selkirk wheat, and for seed wheat in Saudi Arabia, and some exports were made by the

Seed Grain Co-operative at a reduced value in order to move the wheat held for account of its members.

The Canadian Wheat Board over-quota delivery policy for the purchase of registered and certified seed has been an important factor in seed distribution in Western Canada for the past three years, as has been the Saskatchewan Government's freight assistance policy.

The following shows a comparison of the seed grain sales handled by the Country Elevator Division for the past two seasons:

Seed Grains

	1954-1955 (Bushels)	1955-1956 (Bushels)
Wheat	59,126	62,412
Oats	20,106	39,105
Barley	15,192	21,090
Flax	7,396	14,626
Rye	—	96
Total	101,820	137,329
Value of Sales	$320,860.15	$385,637.05
Commission allowed for Handling Sales (1½% of Total)	$ 4,808.35	$ 5,784.24

Pool agents received a commission from the Seed Grain Co-operative at the rate of 1% of the seed orders handled through their elevators. Commissions paid to agents amounted to $2,600.90 covering less-than-carlot quantities, and $969.15 to agents who arranged and distributed 22 carlots of bulk seed during the year.

Mill Shipments

All shipping orders, including mill orders, during Season 1955-56 were allocated to the various elevator companies by the Canadian Wheat Board in line with the policy established last year. From 1st August 1955 to 31st July 1956, Pool agents were instructed to ship 7,645 cars of wheat to mills. This compares with 12,284 cars shipped during the previous season. The substantial decline can be attributed largely to the milling demand for high protein wheat. The 1955 Manitoba wheat crop was of a good milling quality with higher than average protein content and Western mills acquired a larger percentage of their supplies from Manitoba points, taking advantage of the shorter haul.

Eastern

Construction Department

The activities of the Construction Department cover all phases of construction, maintenance and improvement of country elevators, annexes and agents' dwellings. In order to carry out these necessary works, your Board authorized expenditures as shown in the following table:

Elevator Program

	Capital	Repair	Total
Construction or Reconstruction of 25 Elevators (auth. Oct. 1955 & Sept. 1956)	$1,425,000.00	$ —	$1,425,000.00
Construction or Reconstruction of 25 Permanent Annexes (auth. Oct. 1955 & Sept. 1956)	490,000.00	—	490,000.00
Repairs and Improvements of Elevators, Temporary Annexes; Wiring and Rewiring Elevators, Door Openers, etc.	165,045.17	867,072.00	1,032,117.17
Repainting of Elevators and Annexes	—	52,000.00	52,000.00
Purchase 2 Elevators	16,000.00	—	16,000.00
Installation of 10 Cleaners	50,000.00	—	50,000.00
Fire Replacements 4 Elevators	263,000.00	—	263,000.00
	$2,409,045.17	$ 919,072.00	$3,328,117.17

Agents' Dwellings

Repairs and Capital Improvements	$ 80,000.00	$ 95,000.00	$ 175,000.00
Painting	—	15,000.00	15,000.00
Construction and Purchase of Dwellings	127,052.01	—	127,052.01
	$ 207,052.01	$ 110,000.00	$ 317,052.01

Amounts expended as at 31st July 1956, under the above authority, are shown in the following statement:

Elevator Program

	Capital	Repair	Total
Construction or Reconstruction of Elevators and Annexes	$1,653,802.04	$ —	$1,653,802.04
Repairs to Elevators, Annexes, Wiring, Re-wiring, etc.	84,608.07	483,612.68	568,220.75
Elevator Painting	—	21,184.86	21,184.86
Temporary Bin Repairs	—	119,117.74	119,117.74
	$1,738,410.11	$ 623,915.28	$2,362,325.39

Agents' Dwelling Program

Expenditures to 31st July 1956 were as follows:

Construction of New Dwellings	$ 25,676.32	$ —	$ 25,676.32
Repairs, Renovations, Electric Wiring, etc.	29,719.37	35,297.84	65,017.21
Purchase of Dwellings (2)	9,800.00	—	9,800.00
Purchase of Property and Sundry Additions	2,531.42	—	2,531.42
	$ 67,727.11	$ 35,297.84	$ 103,024.95

Elevator Repairs and Improvements

It will be noted that the volume of repairs and improvements to elevators and annexes which it was possible to complete before 31st July 1956, was approximately 62% of the authorized program.

Major replacements of machinery and equipment completed at 31st July 1956, included the following:

9—Electric motors installed
1—New engine installed
7—Engines transferred
1—Engine house rebuilt
1—Engine house remodelled
3—Drivesheds rebuilt
6—Boot Tanks installed
2—Dumps transferred

Seventy-four elevators and forty annexes have been repainted (out of a total program of 192 elevators and 103 annexes).

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

Elevator Construction

A total of 25 construction projects was authorized and is being carried out. This included two additional or "B" elevators at points previously served by only one plant. The balance involved either the demolition of the old plant, or its use as an annex adjacent to a new elevator. Details of these projects are shown below:

New "B" Elevators

Beechy "B"	New 75,000 bushel composite elevator on new site. Electric drive.
Carnduff "B"	New 75,000 bushel composite elevator on new site. Electric drive.

Reconstruction of Old Elevator or Construction of New Elevators Adjacent to Old

Ardath	Elevator rebuilt to 50,000 bushel capacity, demolishing temporary annex. Engine drive.
Bangor	Elevator rebuilt to 35,000 bushel capacity, retaining 35,000 bushel frame annex. Engine drive.
Borden "B"	Elevator rebuilt to 75,000 bushel composite

	type, retaining 20,000 bushel crib annex. Electric drive.
Bremen	Elevator rebuilt to 50,000 bushel capacity, demolishing temporary annex and retaining 25,000 bushel temporary annex. Engine drive.
Briercrest	Elevator rebuilt to 50,000 bushel capacity and retaining 30,000 bushel frame annex. Electric drive. (Old elevator to be demolished later).
Broadacres	Elevator rebuilt to 50,000 bushel capacity and retaining 23,000 bushel temporary annex. Engine drive.
Burstall	Elevator rebuilt to 50,000 bushel capacity, demolishing old temporary annex and retaining 30,000 bushel temporary frame annex. Engine drive.
Ceylon	Elevator rebuilt to 75,000 bushel composite type, demolishing temporary annex. Electric drive.
Dollard	Elevator rebuilt to 75,000 bushel composite type, demolishing temporary annex and retaining 35,000 bushel frame annex. Electric drive.
Fenwood	Elevator rebuilt to 50,000 bushel capacity, demolishing temporary annex and retaining 35,000 bushel frame annex. Electric drive.
Fillmore	Elevator rebuilt to 73,000 bushel capacity, retaining 22,000 bushel crib annex and 40,000 bushel crib annex. Electric drive.
Gerald	Elevator rebuilt to 35,000 bushel capacity. Engine drive.
Lucky Lake	Elevator rebuilt to 50,000 bushel capacity, retaining 35,000 bushel frame annex and 35,000 bushel temporary annex. Electric drive.
Mikado	Elevator rebuilt to 60,000 bushel capacity, retaining 40,000 bushel frame annex and 20,000 bushel temporary annex. Electric drive.
Ponteix	Elevator rebuilt to 75,000 bushel composite type, retaining 35,000 bushel frame annex and 25,000 bushel temporary annex. Electric drive. (Old elevator to be demolished later).
Punnichy	Elevator rebuilt to 75,000 bushel composite type, demolishing temporary annex and retaining 35,000 bushel frame annex. Electric drive.
Rowletta	Elevator rebuilt to 50,000 bushel capacity. Engine drive.
St. Brieux	Elevator rebuilt to 45,000 bushel capacity, retaining 20,000 bushel crib annex, 35,000 bushel frame annex, 18,000 bushel temporary annex and 24,000 bushel temporary annex. Electric drive.
Spy Hill	Elevator rebuilt to 50,000 bushel capacity. Electric drive.
Stony Beach	Elevator rebuilt to 50,000 bushel capacity, retaining 20,000 bushel temporary annex. Engine drive.
Veregin	Elevator rebuilt to 105,000 bushel composite type, retaining 45,000 bushel frame annex, demolishing 25,000 bushel temporary annex and 12,000 bushel temporary annex. Electric drive.
Viceroy	Elevator rebuilt to 35,000 bushel capacity, retaining 2—20,000 bushel crib annexes and 20,000 bushel temporary annex. Electric drive.
Zealandia	Elevator rebuilt to 90,000 bushel composite type, retaining 20,000 bushel crib annex. Demolishing 19,000 bushel temporary annex and 23,000 bushel temporary annex. Electric drive.

In addition to the foregoing, fire loss replacements were constructed as follows:

Dummer "A" and "B"	Both burned. Replaced by 70,000 bushel composite type. Engine drive.
Invermay	75,000 bushel composite type. Electric drive. New Hart-Emerson No. 32 cleaner.
Quill Lake "A"	110,000 bushel composite type. Electric drive. New Hart-Emerson No. 32 cleaner.
Valparaiso	110,000 bushel composite type. Electric drive. New Hart-Emerson No. 32 cleaner.

It is anticipated that all of the above units will be completed by 1st November, with the exception of Zealandia where the old elevator will not be unloaded until 1st October, so that probable completion date of new plant will be 20th November.

Cost of Elevators

The average cost of the various types of elevators during the current construction season is approximately as follows:

35,000 bushel type—
$46,000.00 ($1.31 per bus.) (Excluding Cleaner)

50,000 bushel type—
$50,000.00 (1.00 per bus.) (Excluding Cleaner)

75,000 bushel composite type—
$60,000.00 (.80) per bus.) (Excluding Cleaner)

110,000 bushel composite type—
$85,000.00 (.77 per bus.) (Excluding Cleaner)

The above prices are based on an average operation, where 25,000-35,000 feet of old lumber is reinstalled. Where the new plant is to be driven by electric power, there is little or no salvage of machinery but, in a few cases, the existing scales are reused where these are of ample capacity. Where the new plant requires an engine-drive, usually a new high-powered diesel is installed. In such cases the elevator costs $1,400.00-$1,800.00 more than as shown above.

Also included in the above costs are all necessary construction charges by Saskatchewan Power Corporation, plus wiring charges. The construction charges vary from $250.00 to $1,100.00 per elevator, while the wiring costs vary from $900.00 to $1,300.00, depending on the number of motors to be connected.

It may be of interest to note that a service charge is paid for each electrically-operated elevator, based upon $1.00 per month per connected horsepower. In addition to this charge the current used is metered and charged for on a sliding scale basis.

New Annexes

During the year under review, the Board approved a construction program to provide 25 new permanent units. It is anticipated that all of these units will be completed by 1st November. The allocations are as follows:

Crib Annex	Bushels	Crib Annex	Bushels
Biggar "A"	45,000	Kuroki	45,000
Bruno	50,000	Mantario	45,000
Eatonia	50,000	Naicam "B"	60,000
Eldersley	45,000	Pennant	45,000
Fox Valley	45,000	Rabbit Lake	45,000
Freemont	45,000	Sanctuary	45,000
Greenstreet	45,000	Scott	40,000
Hearts Hill	45,000	Semans "A"	45,000
Humboldt	45,000	Simmie	45,000
Kessock	40,000	Yorkton	45,000
Kindersley	60,000		

Temporary Frame Annex		Frame Annex	
Kelstern	33,000	Chipperfield	35,000
Lancer	40,000	Mendham	35,000

Cost of Annexes:

33,000 Bus. Temporary Annex.....$ 6,600.00—(20c per bushel)
40,000 Bus. Temporary Annex.....$ 7,800.00—(19½c per bushel)
35,000 Bus. Permanent Frame Annex.....$13,000.00—(37.2c per bushel)
45,000 Bus. Crib Annex.....$20,500.00—(45½c per bushel)
50,000 Bus. Crib Annex.....$21,000.00—(42c per bushel)
60,000 Bus. Crib Annex.....$24,000.00—(40c per bushel)
65,000 Bus. Crib Annex.....$26,000.00—(40c per bushel)

Repairs and Improvements to Agents' Dwellings

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

(*a*) Additional rooms,
(*b*) Concrete basement, complete or partial,
(*c*) Oil burners added to old furnaces, or new complete oil furnaces,
(*d*) General repairs, including painting.

New Dwellings

The following units were authorized and work has proceeded to the point where it is expected that all will be completed by 30th November:

Calder	5 rooms	Norquay "B"	5 rooms
Dundurn	5 rooms	Oungre	5 rooms
Hamton	4 rooms	Silver Park	4 rooms
Loverna	4 rooms	Unwin	4 rooms
Wynyard	5 rooms (plus bathroom fixtures)		

A further four points were authorized, but final property arrangements have not yet been completed. These points are:

Elcott	4 rooms	Pelly	5 rooms
North Portal	5 rooms	St. Benedict	5 rooms

Costs are expected to be as follows:

4 room	24′ x 26′	1½ storey	$8,000.00
Same unit but 6 rooms complete			$9,000.00
5 room	22′ x 40′	Bungalow	$9,200.00

The above prices include provision of oil-burning furnaces, electric lights, cistern, sink and pump. In the case of a bathroom being added where sewer and water facilities exist, the added cost is $1,200.00.

General

Additional Works:

In addition to the above works, this Department carried out works for the Livestock Division amounting to approximately $15,000.00, including an office building for the Regina Agency.

Also, certain works were carried out at Head Office, Regina, in connection with the widening of Albert Street.

Cost of Availability Survey

The Dominion Bureau of Statistics shows that the over-all costs of construction of all kinds have increased by about 2% over last year. However, our special requirements of large volumes of lumber, hardware and cement, plus increased labour costs have raised our costs by approximately 10%.

Lumber has been slow in delivery. Purchases amounted to 10 million feet, with about 20% of this coming from Saskatchewan Timber Board. Cement has not presented a problem, as large stocks were secured and stored.

The average number of hourly paid workers employed in all branches of repair and construction during the period 1st March to 1st September 1956, was 365.

Laboratory Service

During the year under review the Country Elevator Division continued to provide moisture and germination tests 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 seasons:

Year	Germination	Moisture
1955-1956	15,848	1,271
1954-1955	44,453	4,206
1953-1954	19,846	1,870

In addition to these tests the laboratory cleaned, weighed and graded 1,323 samples of grain in connection with the Junior Co-operative Variety Test Plots.

It may be of interest to delegates to note that since this service was instituted in 1929 the laboratory has provided an average of 3,300 moisture tests and 20,348

germination tests during each of the twenty-seven years since its inception.

Smut Tests

The service available to Pool members to have seed grain tested for smut by the Associated Laboratory Services at Saskatoon was again continued during the past year. During the season 4,082 samples were submitted and tests made for Pool members. This compares with 7,543 samples submitted during the previous year.

Terminal Elevator Division

The Statement of Operations of the Terminal Elevator Division for the year ended 31st July 1956, appears as Statement No. 6, Page No. 20 of the Auditors' Report submitted separately to delegates.

Total earnings for the year under review amounted to $5,209,487.94, and expenses to $3,893,097.27, leaving an operating surplus for the year of $1,316,390.67. This compares with an operating surplus of $919,472.32 in the previous season.

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

	1955-1956 (Bushels)	1954-1955 (Bushels)
Terminals No. 4A and 4B	32,383,076	32,934,724
Terminal No. 5	7,769,827	9,959,976
Terminal No. 7	40,685,606	38,405,386
Total	80,838,509	81,300,086

As at 31st July 1956 stocks in store at each of the Saskatchewan Pool terminal elevators were as follows:

Terminals No. 4A and 4B	4,861,291 bushels
Terminal No. 5	2,066,952 bushels
Terminal No. 7	6,865,642 bushels
Total	13,793,885 bushels

Statistics released by the Board of Grain Commissioners for Canada show 179,967 cars of grain as having been unloaded at the Lakehead during the 1955-56 season. This compares with 176,797 cars unloaded during the previous year, an increase of 3,170 cars.

During the year under review the Saskatchewan Pool Terminal Elevator Division unloaded 44,204 cars at Pool terminals, as compared with 45,026 cars in the previous year, a decrease of 822 cars. Saskatchewan Pool terminal unloads represented 24.18% of all cars unloaded at the Lakehead during the season. Saskatchewan Pool Terminal No. 7 maintained its traditional position during the year in handling the largest number of cars unloaded by any elevator at the Lakehead. In the course of the past season this elevator handled 22,585 cars, representing 12.55% of all unloads. In second place was Saskatchewan Pool Terminal No. 4, which unloaded 17,328 cars, representing 9.63% of the total Lakehead unloads.

Navigation closed officially on 15th December 1955. At that time stocks of grain in store at Saskatchewan Pool terminals amounted to 7,928,050 bushels of all grains. By 29th February 1956 stocks had increased to approximately 16,244,000 bushels and reached their peak on 17th March 1956, when stocks in store amounted to 16,849,000 bushels of all grains, representing 82.19% of the rated capacity of Saskatchewan Pool terminals.

Maintenance

The policy of maintaining the plants and equipment in good operating condition was continued throughout the past year. This followed the same practice established in recent years of having a large percentage of the repair and replacement program carried out during the winter months.

During the past year the work of the Dust Control Committee was continued. The National Research Council is continuing its experiments in connection with the explosion of grain dust with the use of various types of ignition. A complete report of the work carried on by the Terminal Elevator Dust Control Committee and its various sub-committees, is in the course of preparation for submission to the next meeting of the main committee. It is anticipated that arrangements will then be made to publish this report.

Terminal Elevator No. 2—Vancouver

During the year under review your Board has had under consideration the advisability of establishing an office and operating a terminal elevator at Vancouver. In recent weeks arrangements have been made to lease Terminal Elevator No. 2 at Vancouver from the National Harbours Board. As a result of negotiations with the National Harbours Board, arrangements were made to install additional cleaners and legs at this plant, and to make other changes in the interest of improved operations. It is anticipated that it will be possible to take over and operate this elevator by 1st December 1956 or very shortly thereafter. The rated capacity of the elevator is 1,650,000 bushels.

In the meantime an office has been opened at Vancouver and deliveries to the Wheat Board, involving grain unloaded in terminals at the Pacific Coast, and the checking of samples, etc., have been looked after by our own employees since early September.

Additional Terminal Facilities

It will be recalled that at the last Annual Meeting a resolution was passed recommending that the Board give consideration to the advisability of constructing additional modern terminal elevator facilities.

Following the Annual Meeting the Board set up a committee to study and report as to the need for additional terminal space. In the committee's report to the Board reference was made to a number of factors, including the development of the St. Lawrence Seaway, which may have far reaching effects on the movement of grain in the future.

Also, as indicated above, arrangements are in process of completion for the leasing and operating of a terminal elevator at Vancouver, which has increased the Saskatchewan Wheat Pool's terminal elevator space by 1,650,000 bushels.

A separate report will be submitted to delegates containing the information assembled by the committee, together with additional information provided by the Company's engineers, the C. D. Howe Company Limited, and delegates will be asked to consider the advisability of constructing a modern terminal at the Lakehead, providing satisfactory financial arrangements can be completed.

Flour Mill Division

The Statement of Operations of the Flour Mill Division for the year ended 31st July 1956 appears as Statement No. 7, Page No. 22, of the Auditors' Report. It will be noted that the Flour Mill Division ended the year with a surplus

of $2,768.68. The following statement summarizes the operations of the Flour Mill for Season 1955-56, as compared with Season 1954-55:

	1955-1956	1954-1955	Increase (Decrease)
No. of days operated....	260	283	(23)
Flour Production.....	1,044,550 cwt.	1,137,331 cwt.	(92,781) cwt.
Average Daily Production.....	4,033 cwt.	4,008 cwt.	25 cwt.
Mill Feeds Production..	17,157 tons	19,052 tons	(1,895) tons
Average Daily Feed Production.....	66 tons	67 tons	(1) ton
Sales:			
Total Domestic Sales	293,656 cwt.	303,575 cwt.	(9,919) cwt.
Total Export Sales....	730,362 cwt.	848,960 cwt.	(118,598) cwt.
Total All Sales....	1,024,018 cwt.	1,152,535 cwt.	(128,517) cwt.

Flour Sales

The domestic flour sales of all grades for the season amounted to 293,656 cwt., which is a decrease of 9,919 cwt. when compared with the previous season. The total first patent sales, both the Pool and Co-op Red Label brands, amounted to 211,726 cwt. This is an increase of 8,244 cwt. when compared with the previous season and represents an over-all increase of practically 4%. This is the third consecutive year in which sales of this grade of flour have shown an increase.

A summary of domestic sales for the year ended 31st July 1956 is as follows:

Red Label	147,382 cwt.
Pool	64,344 cwt.
Domestic Bakers	71,058 cwt.
Wholewheat and Graham	7,310 cwt.
Wheatlets and Granules	2,608 cwt.
Low Grade	2,954 cwt.
Total	295,656 cwt.

Export flour sales for the year under review totalled 728,362 cwt. as compared with 846,960 cwt. the previous year. The Philippine Islands continue to provide our best export market, absorbing 401,151 cwt., which represents 55.08% of our total export sales.

A summary of export sales from the Mill for the year under review, as compared with the previous year, is as follows:

	1955-1956 cwt.	Percentage	1954-1955 cwt.	Percentage
Belgian Congo	29,815	4.09	21,021	2.48
Bermuda	180	.03	127	.02
British Honduras	—	—	196	.02
Barbados	50	.01	147	.02
Ceylon	2,930	.40	—	—
Colombia	2,500	.34	10,731	1.27
Costa Rica	48,878	6.71	79,186	9.35
Cuba	800	.11	13,622	1.61
Dominican Republic	—	—	1,019	.12
El Salvador	35,313	4.85	42,685	5.04
Gold Coast	210	.03	24	—
Grenada	6,575	.90	7,595	.89
Great Britain	11,060	1.52	1,960	.23
Guatemala	26,095.75	3.58	68,137	8.05
Haiti	6,000	.82	7,448	.89
Honduras	300	.04	—	—
Hong Kong	58,800	8.07	97,980	11.57
Jamaica	14,600	2.00	8,526	1.01
Japan	8,820	1.21	19,404	2.29
Macao	8,440	1.16	—	—
Nicaragua	4,800	.66	17,787	2.10
Nigeria	112	.02	—	—
Panama	500	.07	2,033	.24
Peru	700	.10	118	.01
Philippines	401,151	55.08	391,820	46.26
Singapore	22,096	3.03	18,943	2.23
Thailand	11,500	1.58	—	—
Trinidad	—	—	24	—
Venezuela	26,136	3.59	36,427	4.30
Total	728,361.75	100.%	846,960	100.%

Mill Elevator

The Mill elevator handling operations during the 1955-56 Season showed a decrease in the handling of wheat, but a substantial increase in receipts of oats and barley. The total wheat receipts for the season amounted to 2,412,393 bushels, which is 231,360 bushels less than during the previous crop year. The decrease in wheat receipts can be directly attributed to a lower demand for flour from the export markets. Total street receipts for the season amounted to 446,678 bushels, an increase of 350,894 bushels over the street handling in the previous season. The total number of cars unloaded at the Mill during the season was 979, of which wheat accounted for 963 cars.

A comparison of street and carlot receipts of wheat for the crop years 1955-56 and 1954-55 is as follows:

	1955-1956 (Bushels)	%	1954-1955 (Bushels)	%
Street Receipts	446,678	18.52	95,783	3.62
Carlot Receipts	1,935,841	80.24	2,539,405	96.06
Gristing Receipts	29,873	1.24	8,565	.32
Total	2,412,392	100.%	2,643,753	100.%
Receipts of Other Grains:				
Oats	37,988		1,877	
Barley	48,279		2,416	

Gristing receipts for the period amounted to 29,874 bushels, an increase over the previous year of 21,308 bushels. This increase in gristing operations is encouraging and it is hoped that another substantial increase will be shown in the current year.

Vegetable Oil Division

The Operating Statement of the Vegetable Oil Division for the year ended 31st July 1956 appears as Statement No. 8, Page No. 24, of the Auditors' Report. It will be noted that the Vegetable Oil Division finished the year with a surplus of $130,725.00.

During the 1955-56 season the Vegetable Oil plant operated 103 2/3 days on flax and 99 days on rapeseed, a total of 202 2/3 days operations, as compared with 138 days a year ago.

The amount of flax processed during the year under review totalled 13,498,930 lbs., as compared with 7,937,920 lbs. in the previous year.

In addition to the amount of flax processed, a total of 12,495,940 lbs. of rapeseed was processed on a custom basis. The rapeseed operation resulted in the production of 4,171,745 lbs. of oil and 2,085 short tons of meal. The rapeseed operations were carried on, on a custom basis for account of the J. Gordon Ross Syndicate, on the same general basis as last year.

Sales of linseed oil to the domestic market totalled 4,726,508 lbs., as compared with 2,703,999 lbs. a year ago, an increase of 2,022,509 lbs.

The following statement shows the distribution of linseed oil sales by provinces for the current year, as compared with the previous year:

Province	Co-ops (lbs.)	1955-1956 Independent (lbs.)	Total (lbs.)
B.C.	223	1,376,581	1,376,804
Alberta	26,241	198,920	225,161
Saskatchewan	107,188	157,566	264,754
Manitoba	9,158	377,385	386,543
Ontario	—	2,112,716	2,112,716
Quebec	—	360,530	360,530
Total	142,810	4,583,698	4,726,508

Province	Co-ops (lbs.)	1954-1955 Independent (lbs.)	Total (lbs.)
B.C.	—	1,684,880	1,684,880
Alberta	17,828	108,644	126,472
Saskatchewan	116,504	148,368	264,872
Manitoba	15,635	251,765	267,400
Ontario	—	360,175	360,175
Quebec	—	—	—
Total	149,967	2,553,832	2,703,799

Linseed meal sales last year totalled approximately 4,320 short tons. This is an increase of 1,842 short tons. Of this amount approximately 2,829 short tons were sold on the domestic market and 1,510 short tons went for export.

The elevator at the Vegetable Oil plant continues to provide a useful service to the growers delivering flax and rapeseed. The following figures indicate the volume of oil bearing seeds handled through the elevator as compared with the previous year:

	1955-1956 (Bushels)	1954-1955 (Bushels)
Gross Street Receipts of Flaxseed	196,693	124,572
Gross Street Receipts of Rapeseed	203,678	73,094
Total Street Receipts	400,371	197,666
Gross Carlot Receipts of Flaxseed	112,207	44,484
Gross Carlot Receipts of Rapeseed	53,226	70,993
Total Receipts	565,804	313,143
Net Flax Stocks on hand in elevator	15,200	1,160
Flax on hand in Vegetable Oil Plant	7,112	—
Total Gross Flax Cleaned	313,865	200,909
Total Gross Rapeseed Cleaned	296,624	243,452
Shipments of Flax to Lakehead	15,923	18,243
Transfers of Flax to Vegetable Oil Plant	248,235	141,749
Transfers of Rapeseed to Vegetable Oil Plant	250,319	191,046

Livestock Division

Statements No. 9 and 9a, Pages No. 26 and 27, of the Auditors' Report show in detail the results of the year's operation and the financial position of the Livestock Division at the close of the year under review. The year's operations resulted in a surplus of $142,061.07, as compared with a surplus of $109,700.89 in the previous year.

Included in the earnings of the Livestock Division is a share of earnings of Canadian Livestock Co-operative (Western) Limited amounting to $75,014.27, and also a surplus from the Transit Compensation Fund amounting to $15,808.34.

Livestock Operations

In reviewing the operations of the Livestock Division for the fiscal year 1955-56 it may be noted that as a result of the regular movement to market, combined with a consistently strong demand, cattle prices remained remarkably level throughout the year. The all-markets average was about ½c per pound higher than a year earlier. The increased weekly delivery of hogs and the effect of a $9.00 decline in U.S. markets, resulted in a lower Canadian average price of approximately $6.00 per cwt. In the period 1st January 1956 to 31st July 1956 livestock marketings in both Canada and the United States were well above the same period in 1955.

As a result of heavy deliveries in the fall and winter months, U.S. hog prices declined sharply. The Chicago market price for U.S. No. 1 grade on a dressed equivalent ranged from $5.00 to $8.00 per cwt. under the Canadian floor price of $23.00 basis Grade A at Toronto.

While hog prices declined to floor price levels on all Canadian markets during this period, all offerings were

moved into regular trade channels at or above floor price levels and it was not necessary for the Government to purchase hogs under the price support program now in effect.

It is also of interest to note that while hog prices in Canada have held consistently above U.S. levels, a steady volume of Canadian hams and other high quality pork products have been exported to the United States. This has been possible as a result of the high quality of the Canadian product commanding premium prices in the United States.

In the period 1st January 1956 to 31st July 1956 the weekly kill of hogs in Canada averaged 120,400 head. Of this number 108,200 head were consumed in Canada. This figure represents an increase of 10% in domestic consumption of pork over the same period last year. Total exports of hogs and pork in terms of livestock averaged 11,800 head per week, representing approximately 10% of the total hog supply. This increase in domestic consumption has been the principal factor in holding livestock prices at the levels in effect throughout the year.

Total cattle and calf handlings by the organization show an increase of 19,331 head, while the number of hogs handled co-operatively increased by 25,879 head in this period.

Total provincial cattle and calf marketings for the fiscal year under review were 475,743 head as compared to 471,555 head for the same period a year ago, an increase of .88%. The numbers marketed co-operatively were 221,370 head, or 46.53%.

Total provincial hog marketings increased in this period, being 597,532 head, compared to 520,282 last year, an increase of 14.85% for the province. There were 193,846 head marketed co-operatively, or 32.44% of the total provincial marketings.

Total sheep and lamb marketings for the province were 34,423 head, compared to 33,834 last year, an increase of 1.74%. 18,718 head were handled co-operatively, or 54.37%.

Total numbers of all classes marketed co-operatively were 434,114 head, representing a gross value of $29,814,-824.72.

Of the total handlings, 32.71% was marketed through the four yards owned by the organization at North Battleford, Regina, Swift Current and Yorkton; 26.31% through our three agencies operated on yards owned by stockyard companies at Moose Jaw, Prince Albert and Saskatoon.

22.61% was delivered by the Country Section Division to Canadian Livestock Co-operative (Western) Limited at St. Boniface, the remaining 18.37% to Canadian Livestock Co-operative by co-operative shippers and other individuals.

The North Battleford branch handled ten cattle sales at Meadow Lake in the year under review. Total handlings were 2,604 head of cattle and calves.

The Swift Current branch handled four sales at Tompkins. Total handlings were 2,180 head of cattle and calves, and 2,183 head of sheep and lambs.

The Climax Agricultural Society are arranging to hold cattle sales periodically at that point. They are presently constructing the necessary facilities and arrangements have been made for our Swift Current branch to handle these sales commencing this fall.

In marketing the increased volume in the past year, the Livestock Division has explored and taken advantage of all possible outlets that would assist in stabilizing livestock

prices. Your Board believes that the operations in this connection have been effective and have been to the advantage of the livestock producer and the trade in general.

The construction of additional pen space and the remodelling of auction rings completed last year at the four yards owned by the organization has greatly assisted in the handling of the volume at these points.

Construction work this year was confined to the remodelling of the old section of the office at the Regina yard. This work is completed and includes a new heating unit, washroom facilities and more adequate office space. Other construction work completed this year included repairs to the loading platforms and chutes at the Regina yard and repairs to the roof at the Swift Current yard.

While future marketings are difficult to predict with any degree of accuracy, indications are that hog marketings in both Canada and the United States will show some decline in the coming year and prices are expected to remain above the low level experienced in 1955 and 1956.

It would appear that cattle marketings will be equal to or above those of this year with the total available meat supply continuing at high levels. Indications, however, are for wide outlets for stocker and feeder cattle again this fall. A strong demand for these classes, higher hog prices, plus the present rate of domestic consumption, are expected to maintain cattle prices above the low levels reached in the first quarter of this year.

Attached to this report as Statement No. 15, will be found the usual comparative statement of handlings at the various branches of the Livestock Division.

To complete the livestock statistical position the following information, issued by the Dominion Bureau of Statistics, shows the livestock position on farms during the past five 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	9,173,600	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	1,804,000
Dec. 1/54:	1,280,000	550,000	106,000	9,473,000	5,425,000	1,183,000
June 1/55:	1,450,000	715,000	159,000	10,239,000	6,079,000	1,722,700
Dec. 1/55:	1,325,000	646,000	105,000	9,666,000	5,981,000	1,181,000
June 1/56:	1,490,000	645,000	160,000	10,465,000	5,680,000	1,706,000

Canadian Livestock Co-operative (Western) Limited

Financial Statements

The Balance Sheet of this organization, Statement No. 16 attached to this report, sets out the financial position of the Company as at 31st July 1956. Total operating revenue for the year under review amounted to $321,627.08, while operating expenses for the period totalled $180,443-.23, leaving an operating surplus for the year before providing for income tax, of $141,183.85. After provision for income tax amounting to $472.36, there is a net surplus for the year of $140,711.49.

From this amount there has been deducted the sum of $3,058.00 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 of $137,653.49.

In accordance with a resolution passed at a meeting of the Directors of Canadian Livestock Co-operative (Western) Limited held on 21st July 1956, allocation has been made on the following bases:

(a) Retained as non-interest bearing loan			$ 8,486.83
Manitoba Pool Elevators	45.50%	$ 3,861.94	
Saskatchewan Wheat Pool—Livestock Division	54.50%	4,624.89	
	100. %	$ 8,486.83	
(b) Available for distribution on the basis of revenue contributed to the Sales Agency during the period			$129,166.66
Manitoba Pool Elevators	45.50%	$ 58,777.28	
Saskatchewan Wheat Pool—Livestock Division	54.50%	70,389.38	
	100. %	$129,166.66	
			$137,653.49

During the year under review C.L.C.(W.)L. handled 7,424 cars of livestock, as compared with 6,362 cars in the previous season. The following figures show the distribution of these cars as between the provincial livestock organizations:

	No. of Cars	Percentage of Total
Manitoba Pool Elevators	3,254.7	43.84%
Saskatchewan Wheat Pool:Livestock Division	4,169.3	56.16%
Total	7,424.	100. %

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 1955 are set out in the Financial Statements and Auditors' Reports submitted separately to delegates.

The operations of this Division for the year under review show a loss of $108,072.19, made up of a surplus of $28,047.23 for the Commercial Printing Department and a loss of $136,119.42 for The Western Producer.

A comparison of the operations for the year, with those of the previous year, is shown below:

Commercial Printing Department	1955-1956	1954-1955	Increase (*Decrease*)
Sales, etc.	$ 579,436.81	$ 570,394.99	$ 9,041.82
Cost of Sales	467,105.79	458,623.58	8,482.21
Gross Surplus on Operations	$ 112,331.02	$ 111,771.41	$ 559.61
Selling and Administrative Expenses	84,283.79	86,485.42	(2,201.63)
Surplus for the Year	$ 28,047.23	$ 25,285.99	$ 2,761.24
The Western Producer			
Income	$ 440,156.33	$ 410,540.75	$ 29,615.58
Expenses	576,275.75	625,262.25	(48,986.50)
Loss for the Year	$(136,119.42)	$(214,721.50)	$(78,602.08)

SUMMARY

Commercial Printing Department—Surplus	$ 28,047.23	$ 25,285.99	$ 2,761.24
The Western Producer—Loss	(136,119.42)	(214,721.50)	(78,602.08)
Loss for the Year	$(108,072.19)	$(189,435.51)	$(81,363.32)

Commercial Printing Department

As indicated above, total revenue of this Department showed an increase of $9,041.82 over the previous year and the net profit margin also showed a slight improvement.

The period under review showed further development of fine colour printing in the plant and there is an increasing degree of confidence on the part of customers in the ability of the plant to do this type of work. The plant is also now well equipped to take care of the printing requirements of large business institutions such as the Saskatchewan Wheat Pool and other large buyers of printed products, including the University of Saskatchewan, insurance companies and the larger co-operatives.

Sales to the co-operatives, including all divisions of the Saskatchewan Wheat Pool, amounted to $211,157.48, or 36.42% of total sales. This compares with 36.4% and 37.28% in the two preceding years.

The Western Producer

Circulation

Total net paid circulation at 31st July 1956 was 145,081, as compared with 159,099 at the same time last year. Distribution of circulation by provinces for the year under review, compared with the previous year, is as follows:

	1955-1956	1954-1955	Increase (Decrease)
Saskatchewan	80,607	86,550	(5,943)
Alberta	34,413	39,027	(4,614)
Manitoba	17,671	19,999	(2,328)
British Columbia	10,083	11,073	(990)
Miscellaneous	2,307	2,450	(143)
Total	145,081	159,099	(14,018)

These figures show a decrease in circulation of 14,018 from the 1954-55 figures. A total of 49,680 subscriptions were received during the year ended 31st July 1956. This shows a decrease of 2,236 subscriptions, compared with the same period last year.

From the point of view of circulation The Western Producer faced an extremely difficult year as a result of a very serious shortage of newsprint. Because of this shortage it was not deemed advisable to stage any special subscription campaign during the year. The newsprint shortage has now been overcome and intensive direct mail subscription campaigns are due to start soon. It is anticipated that the circulation of The Western Producer will soon be restored to its normal figure of around 155,000.

Advertising

The year 1955-56 was marked by a satisfactory uptrend in both display and classified advertising. A comparison of advertising lineage carried in the newspaper for the year under review, with the previous year, is as follows:

	1955-1956	1954-1955	Increase
Classified Lineage	243,688	227,341	16,327
Display Lineage	417,392	356,332	61,060
Total Lineage	661,078	583,673	77,405

Editorial

For a large part of the year 1955-56 the appearance and policy of The Western Producer was determined to a considerable extent by the serious newsprint shortage above referred to. An important factor in relieving the situation was the dropping of five pages of colour comics from The Western Producer beginning with the issue of 20th October 1955. The space so saved was used (1) to save newsprint and (2) to fill readers' requests for addi-

tional reading material. It became possible to publish smaller editions without endangering The Western Producer's position as the leading newspaper and vehicle of farm opinion in Western Canada. In spite of the decrease in the number of pages, no essential service was left out following the change. New features were added, including a regular one-half to three-quarter page devoted to reports of 4-H activities in the four Western Provinces; a column on medical advice and a series of book reviews.

As Pool delegates will have noted, The Western Producer acquired a new appearance with the issue of 20th October 1955. The flag carrying the name of the paper across the top of page one, was redesigned with more modern type, as were the standing heads for the various departments within the newspaper.

The policy of full coverage of events of importance to Western farmers was continued during the year. Wherever possible The Western Producer had its own staff reporters covering such events, and where this was not possible experienced newspaper men of proven ability were engaged to send reports.

Many important events were covered by The Western Producer staff members. Amongst these were the Royal Commission hearings on Canada's economic future; the Royal Commission on Coastal Shipping; The Dominion-Provincial Agricultural Conference; the Annual Meeting of the Canadian Federation of Agriculture, and farm organizations' annual meeting in Alberta, Manitoba and Saskatchewan.

Agricultural Department

During the year under review emphasis has been on carrying information useful to the farmer, rather than merely reporting all events. As a result of certain changes in the coverage of livestock shows and sales the paper has been able to give a wider coverage in less space of the important facts at more sales and shows than has any other Western paper.

Magazine Section

As delegates will have noted, during the past year the Magazine Section of The Western Producer was more seriously affected by the newsprint shortage than any other division of the paper. As a result of the dropping of colour comics a good deal of material in the main body of the paper was transferred from the news and agricultural sections to the Magazine Section, so that in saving newsprint on smaller editions all essential services and news coverage were maintained.

In the year 1955-56 the works of thirty-two Canadian writers, chiefly from Western Canada, were published in the Magazine Section. These works included historical articles; short fiction; humour; personality sketches and informative factual articles. In July 1956 a special magazine was devoted to sewage, heating and water systems in farm homes.

To interest the younger people and, incidentally, a fair number of older readers, a page of black and white comics was published as partial compensation for the absence of colour comics.

In line with the policy of the paper, during the year under review emphasis has been maintained on interesting articles and stories concerning Western Canada, its past and present.

Women's Section

The Women's Section of The Western Producer has continued its effort to keep in close touch with the interests of rural women in Western Canada. This has involved the

continued coverage of the activities of a long list of organizations made up of rural women or in which rural women are especially concerned. These include: Saskatchewan Homemakers and Women's Institutes in three provinces; Women's Sections of Farm Unions; Co-operative Women's Guilds; Home and School Clubs and the Canadian Association of Consumers.

The "I'd Like to Know" column continues to fit into this policy and there has been no reduction in the variety or number of questions which Mrs. Oddie has answered through the column, nor in the number of letters to which the Women's Section has sent personal replies.

During the past year the Women's Section has carried a number of book reviews written by readers and the Public Information Library at Regina has reported increased demand for the books reviewed.

As in former years, the garden section has included not only coverage of important horticultural meetings and shows across the Prairies, but also the publication of practical hints from home gardeners.

Mrs. V. McNaughton's column has continued to deal with a wide variety of subjects and has supplied interesting features from British Columbia.

Youth Section

The Young Co-operators Club continues to grow and to increase in members. The number of actual members is just under five thousand but it is quite evident that the members of the club represent only a small percentage of the readers of the Youth Section.

The number of submissions for publication remains very high despite the disappointment that must be felt by many of these young co-operators since only about one in five of the items received can be printed, because of lack of space.

One colouring contest was held during the year—a Hallowe'en series for junior members. About 2,500 pictures were submitted and interest was obviously high. A story-writing contest is planned for the juniors for this fall and for the seniors in early 1957.

Reader Service

Orders received for patterns of various kinds and for needlework books totalled 56,350. This total included 1,626 carpentry patterns, a service for which there is an increasing demand. The following statement shows the number of orders filled during the 1955-56 season:

Household Arts	25,768
Dress Patterns	28,675
Needlework Books	281
Carpentry Patterns	1,626
	56,350

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 1956 as follows:

Operating Surplus—		
Country Elevator Division		$3,090,699.84
Terminal Elevator Division		1,316,390.67
Flour Mill Division		2,768.68
Vegetable Oil Division		130,725.00
Livestock Division		142,061.07
Printing and Publishing Division:		
Commercial Printing Department	$ 28,047.23	
The Western Producer	(136,119.42)	(108,072.19)
Total Operating Surplus as at 31st July 1956		$4,574,573.07

Allocation of Surplus

Your Board recommends that the surplus earnings of the organization for the year ended 31st July 1956, amounting to $4,574,573.07, be allocated as follows:

Excess Charges Refund—Season 1955-1956	$3,526,937.50
Provision for Income Tax—estimated	530,000.00
Transfer to Reserve Account	517,635.57
Total	$4,574,573.07

Your Board further recommends that the share of surplus for the year ended 31st July 1956 allocated to Excess Charges Refund, Season 1955-1956, and amounting to $3,526,937.50, be distributed in proportion to patronage on all grain, including rapeseed, and livestock delivered by the members of the Company during the year ended 31st July 1956, on the following bases:

Grain

(a) Patronage dividend at the rate of 1c per bushel, to be paid in cash—dividend estimated	$1,563,400.00
(b) Patronage dividend at the rate of 7/8c 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 Deductions 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	~~1,367,975.00~~
~~(c)~~ Patronage dividend at the rate of 5/16c 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	~~488,562.50~~

1 3/16 ¢

$1,856,537.50

Livestock

(c) ~~(d)~~ Patronage dividend at the rate per head for cattle 56c; calves 23c; and hogs, sheep and lambs 14c; 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	107,000.00
Total	$3,526,937.50

In connection with the patronage dividend on livestock deliveries, the Board also recommends that when the retained patronage dividend has accumulated to the sum of $5.00 or over, the full amount of the dividend should be paid out in cash.

Subsidiary Companies

Saskatchewan Pool Elevators Limited

The Balance Sheet for Saskatchewan Pool Elevators Limited as at 31st July 1956 and the Statement of Income and Expenses for the year ended 31st July 1956 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 1956 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 1956 for Saskat-

chewan 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 1956 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 1956 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 1955, 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

In all the activities of the Publicity Department, an effort is made to keep the public informed on the principles for which the organization stands.

The maintenance of good relations with the public and with all the organizations with which the Pool comes in contact, is considered as one of the primary functions of the Department.

The activities of the Department are set out below under major headings.

Radio

Radio continues to be an important medium for reaching out to the membership of the organization, and the public generally. Because of the opportunity it offers for almost instantaneous contact, it has been a valuable medium in keeping the public informed on matters of policy, market news, quota changes, meeting and general Pool activities.

During the year under review, the following broadcasts were sponsored:

(a) A seven-station service broadcast of livestock and marketing information, and other matters of general interest to farmers.
(b) A Sunday news broadcast over CKCK, Regina.
(c) A series of spot broadcasts advertising shareholders' annual meetings, and other meetings.
(d) A senior hockey series.
(e) A broadcast of High School curling.

The seven-station broadcast included CKRM and CKCK, Regina; CJGX, Yorkton; CJNB, North Battle-

ford; CHAB, Moose Jaw; CKBI, Prince Albert and CKOM, Saskatoon. Scripts for these broadcasts are prepared in the office and mailed out to the radio stations concerned. Provision is made for wiring or phoning last minute items which are deemed worthy of speedy handling. The review of the livestock market is supplied the morning of the broadcast, direct to the station nearest the market. During the 1955-56 broadcasting season, the Swift Current livestock market was reported through the Moose Jaw station. All other markets reported to the radio station situated at the marketing point.

The Sunday news broadcast over CKCK, Regina, was continued, and was carried over the station on Sunday afternoons during the entire year.

Spot broadcasts were used extensively to advertise the shareholders' annual meetings, and to appraise the membership of major items of policy that would be up for review at such meetings.

It has been the policy of the organization over the years to sponsor a program that provided a good medium for broadcasting opinion. Over a period of many years the senior hockey broadcasts were used for this purpose, as they provided an opportunity to give expression to the official views of the organization as laid down by the delegates, and as made operative by action of the Board of Directors.

Last year an attempt was made to revive interest in senior hockey in Regina, and in the hope that such interest would materialize, a program of hockey broadcasts over CKRM, Regina, and CKBI, Prince Albert, was launched, and a number of inter-period talks were broadcast. However, interest in the league in Regina was very meagre, with the result that in the middle of the schedule the team was moved to Brandon and continued to play in the league under the name of the Brandon Regals. When the change was made, the broadcast series was discontinued. This left us without a major vehicle for opinion broadcasting for the balance of the season.

The High School curling broadcasts were used as a public relations effort and included the broadcasting of the southern play-offs over CKRM, Regina; the northern play-off over CFQC, Saskatoon, and the north-south finals over a three-station network consisting of CFQC, Saskatoon; CKRM, Regina; and CHAB, Moose Jaw.

Television

The increasing interest in television has made it necessary to watch its effect on radio broadcasting. Television has not yet achieved province-wide coverage, but has become a major factor to be contended with in scheduling radio programs. Television has been used on a small scale but for the present mainly reaches urban audiences only, plus a rural audience surrounding the two major cities. The seven-station radio service broadcast is scheduled to miss the television competition. The curling broadcasts had to compete with television, but the keen interest in these events resulted in a widespread listening audience.

Advertising

The Western Producer is the main newspaper advertising medium used for publication of Wheat Pool advertising. Because of the high volume of circulation distributed throughout the four Western provinces, advertising placed puts emphasis on the aims and objects of the Saskatchewan Wheat Pool, and the principles that it endorses.

Advertising of a more local character is placed regularly in the country weeklies published in Saskatchewan. The

weeklies have always been regarded favorably as an advertising medium, because in many cases they are read in homes that are not served by any other newspaper in which Pool advertising is carried.

The policy of placing advertising in a selected list of non-English weeklies was continued. As in the case of Saskatchewan weeklies, the non-English weeklies also go into homes served by no other paper which carried Pool advertising.

In addition, advertising is placed in a number of monthly periodicals, some published in Saskatchewan, some published in the East, and some at the Pacific Coast. Some advertising was placed in the United Kingdom, in which the emphasis was placed on Canada's attitude to wheat marketing and the International Wheat Agreement.

Flour Advertising

Because of the specialized nature of the flour advertising program, it is dealt with separately. As in former years advertising of flour falls into three main categories:

(a) Advertising placed direct by the Flour Mill.
(b) Advertising placed by Regional Co-operatives, with 50% of the cost being borne by the Flour Mill.
(c) Advertising placed by Local Co-operative Associations or private merchants who sell our products, the cost being shared on a 50/50 basis.

Part of the advertising budget in Saskatchewan is used to sponsor baking demonstrations carried on in co-operation with the Women's Co-operative Guild. These demonstrations have proved very popular and have had beneficial results.

Flour salesmen operating in the province are authorized to place advertising in local papers in their territories. This advertising is aimed to tie in with special sales events, or to assist in moving carload shipments.

In the Maritime provinces a joint advertising and promotion campaign is carried on in co-operation with Maritime Co-operative Services Limited, and has continued to work very satisfactorily.

Public Relations

In a general sense, all activities of the Publicity Department are directed towards the maintenance of good public relations between the Saskatchewan Wheat Pool and the public, and the numerous organizations with which the Pool comes in contact.

In a direct sense, close and friendly relations are maintained with a large group of organizations. They include the Saskatchewan Weekly Newspapers' Association; the Canadian Weekly Newspapers' Association; 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; local agricultural and horticultural associations; the Class A, B and C Fairs; the Extension Department, 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 Labour Congress; the Hudson Bay Route Association; the Canadian and Saskatchewan Federations of Agriculture; the International Wheat Council; the International Federation of Agricultural Producers; the Co-operative Union of Canada and the Co-operative Union of Saskatchewan; the Saskatche-

wan Chambers of Commerce; the Junior Chambers of Commerce; The Canadian Wheat Board; 4-H Clubs and Farm Clubs; farm organizations in the United States and the United Kingdom, and other farm and co-operative organizations across Canada.

During the year The Canadian Wheat Board continued the policy of bringing delegations to Canada from importing countries, that they might see harvesting operations first-hand, and study Canadian methods of grading, storing and shipping grain. The Saskatchewan Wheat Pool has co-operated with The Canadian Wheat Board by making it possible for visitors to see at first-hand the operations of country and terminal elevators, and by conducting them on tours of inspection through the Flour Mill.

Calendars

The practice of mailing individually wrapped calendars to all members of the Saskatchewan Wheat Pool was continued for the year under review.

Bulk supplies were sent to Pool agents for distribution, and to all major offices of the organization at Winnipeg, Port Arthur and Saskatoon. Calendars were also supplied to the Livestock Division.

During the year there is quite a demand for extra calendars, and requests for them are honored as long as the supply lasts. One hundred and fifty thousand calendars are distributed each year. They are lithographed at the Printing and Publishing Division in Saskatoon.

Exhibitions

Exhibitions were arranged for the Class A and Class B fairs in Saskatchewan, and assistance was given to local committees and agents to place floats in parades at Class C fairs and sports days.

The travelling exhibit which was shown at all the Class B fairs, featured Pool services and accomplishments over the years. This year Moose Jaw disassociated itself from the Class B circuit, which necessitated some rearranging of exhibits to make it possible to be represented at Moose Jaw.

In view of the fact that there was a "Wheat Queen" contest in connection with the Travellers' Day Parade at Regina Exhibition, the Wheat Pool entered a float on which the Wheat Queen and her two attendants rode. The float was awarded second prize in the commercial, provincial and national section of the parade.

The policy of giving assistance to local committees in placing floats in parades was continued, but there was a marked reduction in the number of entries compared with last year, largely due to the increased number of events that were arranged in 1955 as part of the observance of the province's Golden Jubilee.

Research

A certain amount of basic research work was carried on in the Department throughout the year.

Some of the specific projects undertaken included supporting data for submission to the Board of Transport Commissioners respecting applications for freight rate increases; statistical surveys on marketing information on both grain and livestock; statistical information covering farm revenue and farm costs; studies on quota restrictions and box car supplies; surveys on farm financing; cost-price relationships in connection with farm operations; effect of floor price policies, and related subjects.

Library

Pool members substantially increased their patronage of the library during the year. The number of books loaned in 1955-56 rose to 8,191, which was nearly 1,600 more than during the previous year, which in itself had been a record for recent years. There were times during January when the staff had difficulty keeping abreast of the demand for books from the library.

The reference section of the library was used more extensively than in other years. Students, staff members and others interested in wheat and agricultural subjects are finding the Wheat Pool reference library a good source of information.

In the purchase of books during the year, special attention was paid to the improvement of the juvenile section. There is an increasing demand from parents for good books suitable to their children's reading experience.

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

Crop Reporting

Publication of the weekly crop report during the growing season was continued during the year under review. A summary of the report is prepared each week and is published in The Western Producer. Similar summaries are made available to the daily papers and radio stations.

The report enjoys a high degree of popularity and is regarded the most authentic crop information available throughout the growing season.

Junior Activities

Variety Testing

The Wheat Pool's variety testing project consists of approximately 320 individual tests conducted on farms throughout Saskatchewan each year, on the basis of two tests per Wheat Pool sub-district. The project is planned under the direction of officials of the Field Husbandry Department, University of Saskatchewan. Seed and the necessary equipment for the tests was prepared at the Wheat Pool Head Office in Regina and mailed to the supervisors with complete instructions for laying out and seeding the tests. Each test was laid out according to a scientific pattern and was conducted as near as possible to normal field conditions. During the summer supervisors were asked to complete periodic reports on the varieties at various stages of growth. In addition a record was kept of the rainfall for the four month growing season. In the fall the test rows were harvested separately, dried, wrapped in paper and shipped to the Head Office of the Wheat Pool in Regina. There they were threshed and the yields calculated.

A total of 320 tests were seeded in 1956. They were distributed in such a way that all but three of the 166 Wheat Pool sub-districts were represented by at least one test. The different types of tests and the varieties included are shown in the following table:

Project	No. of Tests	Varieties
Wheat	168	Thatcher, Lake, Stewart, Selkirk, Lee, Rescue, Chinook.
Barley	114	Husky, Parkland, Vantmore, Vantage, Montcalm, Titan.
Durum Wheat	38	Stewart, Pelissier, D-50, D-110, D-14.

Five of the seven wheat varieties listed were included in each wheat test. Thatcher, Lake and Stewart were included in all tests. Selkirk and Lee were included in tests

in the eastern, north-eastern and northern cereal variety zones. Rescue and Chinook were included in tests in the western, south-western and west-central area of the province. Five varieties were included in each barley test. Husky, Parkland, Vantmore and Vantage were included in all tests. Montcalm was included in tests in the eastern, north-eastern and northern cereal variety zones. It was replaced by Titan in the southern, south-western and west-central zones. Durum wheat tests were included only in the southern portion of the province and the five varieties listed were included in all tests.

Thatcher—this variety is still the most widely grown in Saskatchewan and it was included in these tests as a standard of comparison.

Lake—was developed by the Scott Experimental Farm from the cross Regent x Canus and was licensed in 1954. It has medium tall, strong straw and is somewhat later in maturity than Thatcher. It is resistant to drought and shattering but susceptible to rusts and smuts.

Stewart—is a high quality durum variety with long, medium strong straw and late maturity. It is resistant to leaf rust but susceptible to stem rust and moderately susceptible to smuts.

Rescue—was developed from a cross between Apex and a solid stemmed wheat. Because of its solid straw it has considerable resistance to sawfly damage. It is susceptible to stem and leaf rust and to the smuts. Rescue is inferior in milling quality to Thatcher or Chinook.

Chinook—was developed to provide a variety with high milling quality and with sawfly resistance. Compared with Thatcher it has taller, weaker straw and is equal in maturity. It is susceptible to stem and leaf rust and to the smuts.

Selkirk—was developed from crosses involving the varieties McMurachy, Exchange and Redman. It is equal to Thatcher in straw length, straw strength and maturity. It is less resistant to shattering than is Thatcher but is more resistant to bleaching. It is resistant to stem rust and to loose and covered smut and moderately resistant to leaf rust.

Lee—was developed from the cross Hope x Timstein. It is a bearded variety with shorter slightly weaker straw than Thatcher. It is later maturing than Thatcher and has less tendency to bleach. Lee is resistant to leaf rust but susceptible to stem rust and to loose and covered smut.

Pelissier—is a drought resistant durum variety which has somewhat shorter straw and is somewhat earlier maturing than Stewart. It is susceptible to rusts and smuts. Pelissier is inferior to Stewart in macaroni quality.

D-50—this is a code number for an unlicensed variety which has solid straw of medium length and strength. It is resistant to leaf rust and to loose smut, and moderately resistant to stem rust. It is inferior to Stewart in macaroni quality.

D-14—this is a code number for an unlicensed durum variety developed in North Dakota. In many respects it resembles Mindum. It matures slightly earlier than Stewart and has shorter, stronger straw. It is moderately resistant to stem rust but susceptible to leaf rust. Its macaroni quality is still under test.

D-110—this is a code number for an unlicensed variety developed in North Dakota. It is equal to Stewart in maturity but has shorter, slightly stronger straw. It has some resistance to stem rust. Its macaroni quality has not yet been established.

Husky—is a six-rowed, smooth-awned feed variety

developed at the University of Saskatchewan. It is high yielding, late maturing and has medium strong straw. It is resistant to most races of stem rust but is susceptible to loose and covered smut.

Parkland—is a six-rowed, semi-smooth awned variety developed at the Brandon Experimental Farm from a cross involving the varieties Newal, Peatland, Montcalm and Olli. It is similar to Montcalm in appearance but is higher yielding and has stronger straw. It is resistant to stem rust, but susceptible to loose and covered smut. It is eligible for malting grades.

Vantage—is a six-rowed, smooth awned, medium late feed variety. It has strong straw and is resistant to stem rust, but susceptible to loose and covered smut.

Vantmore—is a six-rowed, smooth awned feed variety developed at the Brandon Experimental Farm from the cross Titan x Vantage. It is equal to Vantage in straw length and strength. It is resistant to stem rust, moderately resistant to smuts and rootrot, but susceptible to leaf rust.

Titan—is a six-rowed, smooth awned feed variety developed from the cross Trebi x Glabron. It has mid-long, mid-strong straw. It is resistant to loose and covered smut but susceptible to stem and leaf rust.

Montcalm—is a six-rowed, smooth awned malting variety. It has tall moderately strong straw and is fairly late maturing. It has some resistance to covered smut but is susceptible to loose smut and to stem and leaf rust.

The results of Wheat Pool tests together with those conducted by the Experimental Farms in Saskatchewan are presented to a meeting of the Saskatchewan Advisory Council on Grain Crops, in December of each year. After considering this yield information together with other related data the council makes official recommendations regarding the best varieties to be used the following year in the various cereal variety zones throughout Saskatchewan.

The results of all Wheat Pool tests are published in the booklet "Saskatchewan Wheat Pool Variety Tests." This report contains a summary of the test results on a zone basis and also includes an individual report on each test. This booklet is distributed widely to farmers and plant scientists in Western Canada and the Northern United States.

The young farm men and women who conduct the Wheat Pool's variety tests do so on a voluntary basis and it would not be possible to carry on this type of project without their interest and enthusiasm. A good deal of the credit for the results of the program should go to these young people for their part in looking after the tests. In recognition of their work a tour was arranged for the supervisors in every Wheat Pool district in the province during 1956. These tours took the form of visits to Experimental Farms, the University of Saskatchewan, historical museums, Wheat Pool facilities and other points of agricultural interest. During each tour an opportunity was presented to discuss proper harvesting techniques with the supervisors who attended. The tours were arranged by the education committee and the fieldman in each district. In addition to these tours a number of delegates held committee meetings at the location of the variety tests. These meetings served to remind shareholders of the importance of seeding the best varieties available for their own district.

In 1956, for the first time the Saskatchewan Wheat Pool and Saskatchewan Federated Co-operatives carried out a fertilizer demonstration as a follow-up to the variety testing project. A questionnaire was sent to all last year's

supervisors asking if they would be willing to apply fertilizer with a portion of the grain supplied them as a seed award. The fertilizer was supplied by Federated Co-operatives. Each supervisor was asked to complete a questionnaire indicating the differences between the fertilized and unfertilized portion of the plot. In a selected number of cases an attempt was made to obtain yield information for the two portions. At the time this report is prepared not enough reports have been returned to make an accurate comparison. However, the plots have created a good deal of interest in the use of fertilizer in the areas where they were located.

4-H Clubs

During the past year the 4-H Club movement under the direction of the Extension Department of the University of Saskatchewan has continued to receive active support from Wheat Pool committees, delegates and members of the field staff in all parts of the province. The grant of $10,000.00 approved at the last Annual Meeting of Delegates to assist in this work, has been gratefully acknowledged by the University authorities.

In reporting on the work of the movement the Extension Department states: "The very generous assistance given the 4-H Club movement by the Saskatchewan Wheat Pool in the form of a $10,000.00 grant, plus the assistance given at local levels, has made it possible for the program to expand as it is doing at the present time."

The following summary sets out in some detail 4-H Club projects in 1956, as compared with 4-H Club projects in 1955, and in 1936:

Summary of 4-H Club Projects

	Number of Clubs			Members		
	1936	1955	1956	1936	1955	1956
Grain	231	255	229	5,100	4,354	3,596
Beef	35	236	256	1,028	4,121	4,479
Dairy	—	17	18	—	260	264
Poultry	5	12	12	52	157	169
Swine	30	13	15	657	179	307
Potato	—	7	5	—	123	63
Garden	—	55	67	—	938	1,138
Tractor	—	10	7	—	149	86
Forestry	—	—	1	—	—	17
Total	301	605	610	6,837	10,281	10,119

4-H Seed Clubs

Variety Grown		No. of Clubs	No. of Members	No. of Acres	Approx. Yield (Bushels)
Wheat	Chinook	9	150		
	Lake	21	355		
	Lee	2	36		
	Selkirk	29	435		
	Stewart	12	180		
	Thatcher	31	465		
	Total	104	1,621	3,242	68,082
Oats	Ajax	1	16		
	Exeter	1	15		
	Fortune	2	33		
	Garry	38	587		
	Rodney	28	450		
	Total	70	1,101	2,202	92,484
Barley	Hannchen	1	16		
	Husky	13	210		
	Olli	2	30		
	Montcalm	25	390		
	Vantage	2	30		
	Total	43	676	1,352	43,264

Variety Grown		No. of Clubs	No. of Members	No. of Acres	Approx. Yield (Bushels)
Flax	Norland	3	50		
	Redwing	2	32		
	Redwood	4	70		
	Rocket	2	30		
	Victory	1	16		
	Total	12	198	396	3,969
Potatoes	Netted Gem	3	30		
	Early Ohio	1	21		
	Burbank Russet	1	12		
	Total	5	63	7	840

The above summary of Saskatchewan's 4-H Agricultural Clubs for the current year indicates several important facts. The drop in the enrolment in the Grain Project of almost 800 was a little disappointing, but was anticipated on account of the severe weather and road conditions in February and March at the time grain clubs were being organized. The trend in variety selection this year is also interesting. Last year 120 clubs grew Selkirk wheat, this year 29 clubs grew this variety. The 4-H Grain Project is very vulnerable to ups and downs in enrolment, due to a considerable extent to new grain varieties and agronomic conditions. This is illustrated in the grain club membership. In 1936, due to the new rust varieties being introduced at that time, there were 231 clubs. In 1944 there were only 40 grain clubs in operation. The greatest number of clubs ever to grow flax has occurred this year—12, as compared to 3 in 1955. Last year one club grew Garry oats, this year 38 clubs grew this variety.

The 1936 figures for 4-H Club enrolment are included in the summary to show the increase in the number of projects in the club program over the past twenty years, also to show the increase in the popularity of the beef project.

One hundred and eighty-nine 4-H Clubs were sponsored by local Wheat Pool committees this past year. There has been a noticeable increase in the interest shown by local sponsoring organizations in the support of the 4-H Clubs. A number of local Pool agents, committee members and delegates act as 4-H Club leaders. A number of these men have received leadership awards for five or more years of active leadership. The work done by the field staff of the Saskatchewan Wheat Pool aids a great deal in the promotion of 4-H in Saskatchewan. Many new clubs are formed due to the information taken to a district by the fieldman of the Saskatchewan Wheat Pool. The very important work done by the fieldmen in assisting with club meetings, socials, rallies, tours, district events and exhibitions, is appreciated by those in charge of 4-H work in Saskatchewan.

It may be stated that the result of 4-H work can not always be measured by statistics. It is difficult to place a value on the citizenship training derived through 4-H. Better livestock production, better homes, better living and better cultural practices, are all by-products of the 4-H Club movement.

4-H Homecraft Clubs

The following summary sets out in some detail the number of 4-H Homecraft Clubs in operation during the past season, together with the number of members and the various projects undertaken:

Project	No. of Clubs	No. of Members
Clothing	81	1,075
Food	35	311
Home Decoration	8	66
Handicraft	12	102
Home Nursing	2	24
Electricity	5	52
Total	143	1,630

During 1956, 1,150 girls showed their completed projects at 107 Achievement Days. Miss Pearce or her assistants were present at these to judge the work of the girls and assist with club problems.

In the fall of 1955, the Supervisor of Homecraft Clubs, or her assistant, held 13 District Conferences with 74 clubs represented in an attendance of 718 members. 4-H Homecraft Club Week in May 1956 was attended by 86 leaders and senior 4-H Homecraft Club members.

Since the regulations for National Club Week have been changed so that individual club members, rather than only teams of girls, can attend, Saskatchewan Homecraft will be represented this year by girls from Swanson, Aylesbury, Tisdale and Turtleford.

Country Organization

Wheat Pool Committees

At 31st July 1956 there were 1,108 local Wheat Pool Committees functioning in the province, which compares with 1,111 at the same date last year, a decrease of three.

Statement No. 7 of this report shows the total number of committees by Wheat Pool districts and sub-districts. Statement No. 8 indicates that 1,061 of these Committees were elected at local shareholders' annual meetings during the period 1st August 1955 to 31st July 1956, leaving 47 that have not reported their annual meetings. This compares with 20 last year and indicates a high percentage of active committees in all Wheat Pool districts. In view of the difficult circumstances under which annual meetings were held last fall and winter this may be regarded as highly satisfactory.

It is of interest to note that more than 10,000 Wheat Pool shareholders are serving as members of local committees, an average of nine Pool members per committee.

Committee Conventions

The annual program of committee conventions was carried through under generally favourable conditions of weather and roads. Total attendance was slightly down from last year, while the percentage of committee members who turned out was increased from 41% to 42%.

The agenda was changed to provide that local committee reports were handled by the delegate, who presented a summary to the convention. Agents' reports were handled in the same manner, with the summary presented by travelling superintendents.

Group discussion, followed by questions presented to a panel, was again used to advantage. Participation by committee men has improved in recent years. Time was given to Junior Co-operative activities, Test Plots, Women's Co-operative Guilds, Co-operative Schools and other educational programs. Travelling Superintendents summarized agents' reports and led discussions in connection with elevator business and marketing problems. Both agents and travelling superintendents made valuable contributions. The problems of livestock marketing received attention. There was general agreement that greater efforts should be made to increase the volume of livestock delivered to the Livestock Division.

The Director, in his report, dealt with the policy of the organization. He also outlined the position of the International Wheat Agreement and the operations of The Canadian Wheat Board. Both were strongly endorsed at all conventions. The Director also reported on the operation of each Division of the Saskatchewan Wheat Pool.

During the year under review 127 Committee Con-

ventions were held, as compared with 124 the previous year. Of these, 91 were single sub-district conventions, 33 were joint meetings of two sub-districts, while 3 included committees from three sub-districts. Total attendance was 7,220, an average of 57. This compares with an attendance of 7,418 last year. Of the total attendance, 4,255 were Wheat Pool committee members, 842 were elevator agents and 1,506 were visitors. Six hundred and fifty of the visitors were ladies. As indicated above, 42% of all committee men attended these meetings and efforts will be made to increase this percentage in the coming year.

Committee Programs

The following are the titles of the programs which were mailed to all Wheat Pool committee members, delegates, agents, travelling superintendents and others who requested the programs or are known to be interested:

(1) Of Common Concern.
(2) Highlights of the 31st Annual Meeting.
(3) Resolutions passed at the 31st Annual Meeting of Wheat Pool Delegates.
(4) What of the Future.
(5) Farming is Big Business.
(6) People with a Purpose.
(7) Record of Progress.

These programs are brief and are intended to provide delegates and committee men with information which will assist them to perform their duties in the interests of agriculture in general and Wheat Pool members in particular.

Visual Education

Motion pictures are a powerful force in moulding public opinion and, given the right type of film, sound pictures are without doubt a great help in bringing co-operative information and understanding to a large number of people. The picture show continues to be an effective means of securing attendance at Wheat Pool country meetings.

The Country Organization Department is continually viewing new material and searching for better films. During the past year several useful films were added. "Prairie Profile" presents a realistic story of farm problems. "Grain Handling in Canada," produced by the National Film Board for the Board of Grain Commissioners, is an excellent information film on grain handling and grain marketing. It presents quite clearly the responsibilities and duties of the Board of Grain Commissioners. "The Story of Canadian Wheat" produced for The Canadian Wheat Board, while it was designed for overseas showing, has proven to be useful and acceptable to Saskatchewan farm people. Comics and travel pictures help to balance the film program.

When films have served their purpose in the Pool programs they are passed on to local film councils, I.O.D.E. chapters, the Audio-visual branch of the Department of Education, and the Extension Department of the University of Saskatchewan.

During the year motion pictures were shown at 641 meetings with an estimated attendance of 53,000.

Co-operative Education

The program of one-day Co-operative Schools, Citizenship Days, 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, the Department of Education, the Department of Agriculture and the Co-operative Union of Saskatchewan. Forty-four of these events were held during the year, with an attendance of 2,824.

In addition to programs specifically organized by the

Wheat Pool, fieldmen assist other organizations in their programs, such as Co-operative Guilds, Agricultural Representative Services, Extension Department of the University of Saskatchewan, and others.

Co-operative Schools

Six regional Co-operative Schools were operated during the first two weeks in July, with a combined attendance of 459 students. Of these, 200 were girls and 259 were boys. The average age was 16 years and 5 months, and the average education was Grade 10.

This program is developing a high degree of efficiency and is 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.

The School at North Battleford, serving Districts 12 and 16, which was cancelled last year because the Youth Training facilities were being moved to the Agricultural Fair Grounds, was resumed this year stronger than ever—the total attendance being 101 students.

Agents' Study Groups

Employee training is one of the urgent problems facing the co-operative movement as a whole. The most successful project developed so far has been a program of studies for Pool elevator agents. A committee has been established to prepare study material, to set up procedure and establish regulations, and to supervise the operation of the program. Personnel of this committee is drawn from the Management of the Country Elevator Division, the Country Organization Department, the Publicity Department and the Education Committee of the Board.

Reports of each meeting of the study groups are submitted to Head Office by travelling superintendents, the field staff, delegates and directors who attend. These reports are carefully studied and changes are made from time to time, as a result of recommendations and the previous year's experience. The pattern developed last year follows:

(a) The program in the country was under the direction of each travelling superintendent, who was responsible for organizing the groups in his section. He set dates for each meeting and conducted the study.
(b) Two studies were conducted on the basis of small groups (two or three to each section). The third study was on the basis of a full sectional meeting. This change, tried for the first time, proved to be very satisfactory.
(c) All expense in connection with these meetings was borne by the organization, including out-of-pocket expense to agents.
(d) Directors, delegates and fieldmen worked closely with the travelling superintendents and gave all the help they could, including leading the discussion on some parts of each study.

The teamwork of agents, travelling superintendents, field staff and elected personnel in the operation of this program represents an important advance in this field.

The statistical report for last year shows that 246 meetings were held—108 in the first series, 98 in the second and 40 in the third. Total attendance of agents was 2,745; first series 894; second 832; third series 1,019. Favourable reports were received from travelling superintendents on the policy of holding one sectional meeting rather than all small meetings. Study material for all meetings was favourably received.

Flour Mill

The Country Organization Department has continued its active work in promoting the sale of Pool and Co-op Flour. A number of local events were organized for this purpose. The most successful of these was a series of baking demonstrations, under local sponsorship and conducted by Women's Co-operative Guilds. This evidence of

practical co-operation by the Guilds has been greatly appreciated by the Mill officials and by your Board.

Co-operative Marketing of Livestock

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, as already mentioned, livestock marketing received special attention at committee conventions, with definite recommendations that deliveries of livestock to Wheat Pool facilities should be encouraged.

Meetings

During the year under review, Wheat Pool fieldmen attended 3,092 meetings of all types, with an estimated attendance of 122,028. This compares with 2,975 meetings last year and an attendance of 134,424. Fieldmen provided current information in connection with the Pool 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 3,935 farmers, 2,043 business men were interviewed and there were 2,951 visits to Pool elevator agents.

Co-operative Associations

During the year, fifty-one new Co-operative Associations were organized, forty-five under the Co-operative Associations Act and six new Credit Unions. During the same period thirty-seven 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 fourteen during the year.

The number of Co-operative Associations operating at the date of this report was 1,485, made up as follows:

Under the Co-operative Associations Act	1,147
Under the Co-operative Marketing Associations Act	33
Under the Credit Union Act	284
Under other Saskatchewan Legislation	15
Under Dominion Legislation	6
Total	1,485

Enrolment of New Members

For the year under review 4,573 applications for shares were received, as compared with 5,039 in the previous year. In addition, during July, 1,106 applications for shares were received, as compared with 1,070 in July 1955.

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
31st July 1955	5,039
31st July 1956	4,573

International Wheat Agreement

Reference has been made in the report of the Canadian Co-operative Wheat Producers to the renewal of the International Wheat Agreement for a further period of three years. The opening session of the United Nations International Wheat Conference was held in Geneva on 20th February 1956. The final session was held in London on 25th April when a decision was arrived at that a new International Wheat Agreement should be opened for signature to come into effect on 1st August 1956.

The new Agreement provides for a price range of $1.50 at the floor and $2.00 at the ceiling, basis 1 Northern wheat, in bulk, in store, Fort William/Port Arthur. The Agreement will remain in effect for a period of three years from 1st August 1956.

Once again the Agreement has been completed without the participation of the United Kingdom. Very early in the Geneva Conference deliberations, the U.K. delegation announced that the United Kingdom had decided that it was unable to readhere to a new Agreement of the present type, although it fully recognized that its views concerning the effectiveness of the Agreement might not be shared by other exporting and importing countries. The U.K. representative pointed out that the last Agreement had remained in force for three years without the membership of the United Kingdom as a participating member and recognized that other countries might wish to renew the Agreement.

The United Kingdom delegation pointed out that in their judgment the real problem facing the world was the continuing production of wheat in excess of effective demand and the accumulation of surplus stocks. It was their opinion that any new Agreement should recognize these facts and should make a positive contribution to a solution of the problem. In their opinion the present Agreement contained no provisions for linking the disposal of existing surpluses to the working of the Agreement. There were no provisions in the Agreement either to discourage the continuance of production in excess of effective demand or to encourage increased consumption. They also objected to the lack of provisions to ensure that prices would be allowed to move freely even within the present price range, in accordance with current conditions of supply and demand.

While there was general regret at the absence of the United Kingdom from the Agreement, the remaining participating countries took an entirely different stand. Speaking generally, it was the opinion of the participating countries that the present state of international trade in wheat presented a challenge to the Conference. International co-operation was probably the only means of overcoming the difficulties which have arisen largely as a result of the successful effort to expand wheat production in order to meet the critical food situation in many parts of the world after the war. They recognized that large stocks have been accumulated and the problems connected with their disposal required careful consideration.

In brief, the present International Wheat Agreement relies on international co-operation to provide an answer to the problems of surplus stocks. In effect the I.W.A. members say that fifty countries of the world, working together on a common problem, are more likely to find a satisfactory solution than the same fifty countries working separately. This is true co-operation at international levels.

It may be recalled that in their report last year, your Board expressed the view that the International Wheat Agreement has provided a meeting place for those countries interested in the export and import of wheat and

that in the approach to the renewal of the Agreement, an effort might well be made to increase the scope of the Agreement to provide for intergovernmental consultation with a view to co-ordinating national policies for the disposal of surplus stocks.

When the present Agreement was finally completed it contained a new section, reading as follows:

> "The Council may study any aspect of the world wheat situation and may sponsor exchanges of information and intergovernmental consultations relating thereto. The Council may make such arrangements as it considers desirable with the Food and Agriculture Organization of the United Nations and with other intergovernmental organizations, and also with governments not party to this Agreement, which have a substantial interest in the international trade in wheat, for co-operation in any of these activities."

At the same time the participating exporting and importing countries reserve to themselves complete liberty of action in the determination and administration of their internal agricultural and price policies.

There is a tremendous difference between the terms of the International Wheat Agreement signed in 1933 with its export quotas and acreage reductions, and the objectives of the 1956 Agreement. Unlike the early Agreement, the International Wheat Agreement of 1956 does not seek to attain its objective by limiting production, setting up export quotas, etc. It is not restrictive and places no limitations on exports or on production. It specifically leaves to each member country, complete liberty of action in the administration of its internal agricultural and price policies. At the same time, it provides that members will endeavour not to operate these policies in such a way as to impede the free movement of prices between the maximum and minimum prices established by the Agreement.

It is also worthy of note that the present type of Agreement does not bind any buyer to any particular seller and does not seek to promote any particular system of buying or selling. It is in no way concerned with the terms or conditions of the sale entered into between buyers and sellers, excepting only that if a sale is to be recorded under the Agreement against the guaranteed quantities of the buyer and seller, it must comply as to price and period of delivery with the provisions of the Agreement.

The total guaranteed quantities subscribed in the Agreement by six exporting and forty-four importing countries is 8,244,000 metric tons (302,915,145 bushels).

A comparison of the guaranteed quantities allocated to the exporting countries participating in the Agreement, with the guaranteed quantities under the 1953 Agreement, is as follows:

Exporting Countries	Guaranteed Quantity 1956 I.W.A. (Metric Tons)	Guaranteed Quantity 1953 I.W.A. (Metric Tons)
France	450,000	9,300
Canada	2,800,400	4,166,100
Sweden	175,000	—
Australia	823,500	1,225,100
Argentina	400,000	—
United States	3,595,100	5,348,500
Total	8,244,000	10,749,000

From the foregoing it will be noted that there are now six countries participating in the Agreement as exporters, as compared with four in the previous Agreement. Argentina and Sweden have indicated their desire to become members of the new Agreement. The guaranteed quantity allotted to France shows a very heavy increase from 343,627 bushels in the last Agreement to 16,534,669 bushels in the 1956 Agreement. This substantial increase

recognizes the fact that in recent years there has been a very great increase in French wheat production.

The guaranteed quantities of the forty-four importing countries participating in the new Agreement, as compared with the guaranteed quantities provided in the last Agreement, are shown in the following statement:

Importing Countries	Guaranteed Quantity 1956 I.W.A. (Metric Tons)	Guaranteed Quantity 1953 I.W.A. (Metric Tons)
Israel	225,000	225,000
Ireland	150,000	275,000
Italy	100,000	100,000
Ecuador	50,000	65,000
Japan	1,000,000	1,000,000
Greece	300,000	350,000
Belgium	450,000	650,000
Norway	180,000	230,000
Vatican City	15,000	15,000
New Zealand	160,000	160,000
El Salvador	25,000	20,000
Panama	30,000	23,000
Peru	200,000	200,000
Denmark	50,000	50,000
Portugal	160,000	200,000
Austria	100,000	250,000
Brazil	200,000	360,000
Lebanon	75,000	75,000
Netherlands	700,000	675,000
Mexico	100,000	400,000
Nicaragua	10,000	10,000
Germany	1,500,000	1,500,000
Switzerland	190,000	215,000
Dominican Republic	30,000	30,000
Egypt	300,000	400,000
India	200,000	1,000,000
South Africa	150,000	360,000
Yugoslavia	100,000	100,000
Korea	60,000	40,000
Guatemala	40,000	35,000
Costa Rica	40,000	35,000
Bolivia	110,000	110,000
Liberia	2,000	2,000
Philippines	165,000	236,000
Ceylon	175,000	280,000
Colombia	70,000	—
Cuba	202,000	202,000
Haiti	60,000	50,000
Honduras	25,000	20,000
Indonesia	140,000	170,000
Jordan	10,000	80,000
Saudi Arabia	100,000	120,000
Spain	125,000	250,000
Venezuela	170,000	170,000
Total	8,244,000	10,738,000

Future Policy

The problem of declining farm income while farm costs have remained at high levels, has become increasingly serious during the past year. The following Table No. 1 has been prepared to show how the cost-price squeeze has developed in recent years. In this Table farm income, farm costs and the cost-of-living have been set up on an index basis, with 100 representing the position in the year 1946.

TABLE No. 1
FARM INCOME, FARM COSTS AND COST OF LIVING 1946-55

	Canada Farm Cash Income	Canada Farm Costs	Cost-of-Living	Saskatchewan Farm Cash Income	Western Canada Farm Costs
	(Index 1946-100)				
1946	100	100	100	100	100
1947	113	108.5	109.4	108	108
1948	140	125.9	125.2	134	123.9
1949	142	130	129	141	129
1950	125.8	134	132.8	102.2	134.8
1951	159.7	146.5	146.7	155.9	146.7
1952	161.3	154.8	150.3	173.3	155.3
1953	157	152.7	149	180.5	154.5
1954	121.7	151	149.9	115	153.5
1955	134.8	151.8	150.2	108.6	152.8

From the foregoing it will be noted that Saskatchewan farm income in 1955 was only 8.6% higher than in 1946,

while during the same period Western Canadian farm costs have risen 52.8%.

Table No. 2 has been prepared in an effort to determine whether Saskatchewan farmers are more seriously affected by the cost-price squeeze than are farmers in the other sections of Canada.

TABLE No. II
FARM CASH INCOME
(Millions of Dollars)

	Sask.	% of 1946	Can.	% of 1946	Ont.	% of 1946	Nova Scotia	% of 1946
1946	$411.6	100	$1,769.6	100	$472.9	100	$34.2	100
1947	443.9	107.8	2,002.2	113.1	546.3	115.5	33.1	96.8
1948	550.7	133.8	2,480.1	140.2	662.0	140	37.5	109.6
1949	580.3	141	2,504.2	141.5	678.2	143.4	35.3	103.2
1950	420.6	102.2	2,227.0	125.8	679.7	143.7	38.0	111.1
1951	641.7	155.9	2,826.8	159.7	786.8	166.4	44.4	129.8
1952	713.3	173.3	2,854.4	161.3	736.9	155.8	40.2	117.5
1953	743.0	180.5	2,777.4	157.0	720.2	152.3	40.3	117.8
1954	473.2	115.0	2,397.7	121.7	714.4	151.1	44.3	129.5
1955	447.2	108.6	2,385.9	134.8	744.1	157.3	45.1	131.9

In the above Table farm cash income is set out, both in dollars and as a percentage of 1946. The Table indicates that while farm cash income in Saskatchewan in 1955 was only 8.6% higher than in 1946, the increase for all of Canada was 34.8%, for Ontario 57.3% and for Nova Scotia 31.9%.

From the foregoing figures it would appear that the cost-price squeeze has affected Saskatchewan farm income to a greater degree than the other areas of Canada, where farm income is not subject to the same violent fluctuations.

Tables No. 3 and No. 4 which follow, confirm the view that the marketings of livestock have been generally maintained and the volume of grain sales has not declined appreciably below the long-time average; also that the shortage of money in the hands of farmers stems more directly from the unfavorable relationship between costs and prices, than from a lack of markets.

TABLE No. III
DELIVERIES OF MAJOR FARM PRODUCTS
(Saskatchewan)

Year	Wheat	Oats	Barley	Rye	Flax
		(million bushels)			
1925-26	226.9	21.3	8.3	1.9	4.9
1930-31	165.7	16.1	4.6	6.8	3.5
1935-36	116.0	17.0	6.2	1.7	.8
1940-41	242.4	10.2	4.7	3.1	1.5
1945-46	140.9	66.3	31.2	1.9	2.5
1946-47	178.5	47.6	24.1	3.0	2.1
1947-48	132.5	34.7	25.3	5.6	4.2
1948-49	158.8	39.7	23.0	8.0	4.4
1949-50	174.5	42.7	18.8	5.1	.5
1950-51	228.7	51.1	24.5	4.5	.5
1951-52	280.0	64.3	45.0	7.0	1.8
1952-53	353.1	54.6	58.0	10.3	2.8
1953-54	251.7	42.9	35.6	6.7	2.5
1954-55	199.1	37.2	41.3	7.4	3.7
1955-56	210.6	39.3	52.3	7.1	8.8
10 year average 1946-47 to 1955-56	216.8	45.4	34.8	6.5	3.1

Year	Cattle and Calves	Hogs	Sheep and Lambs
1940	225	189	49
1945	604	943	149
1946	583	504	139
1947	443	435	98
1948	466	357	66
1949	502	280	49
1950	454	279	37
1951	373	328	30
1952	320	535	33
1953	463	420	33
1954	512	421	34
1955	479	562	36
10 year Average 1946-55	460	419	56

Sources: Sanford Evans: Grain Trade Year Book.
Dominion Bureau of Statistics: Grain Trade of Canada.
Marketing Service, Department of Agriculture: Annual Livestock Market Review.

TABLE No. IV

ESTIMATED FARM CASH INCOME FROM SALE OF FARM PRODUCTS, SASKATCHEWAN

(millions of dollars)

Year	Wheat	Oats	Barley	Rye	Flaxseed	Cattle and Calves	Sheep and Lambs	Hogs	Poultry	Dairy Products	Eggs	Other	Total
1940	99.4					11.8		9.7	2.1	7.4	2.2		150.9
1945	195.5	43.9	22.1	3.6	7.3	51.8	1.5	30.7	13.1	19.0	10.5	13.5	412.5
1946	208.2	32.5	15.3	5.8	6.7	56.0	1.3	19.3	13.4	20.0	9.6	23.5	411.6
1947	227.2	26.8	26.4	18.1	17.2	42.6	1.0	19.9	5.2	22.8	8.7	28.0	443.9
1948	296.6	23.2	26.0	9.3	15.4	80.2	1.1	21.6	5.8	26.7	11.1	33.7	550.7
1949	361.5	27.4	20.1	7.7	5.3	72.2	1.4	20.5	4.4	21.8	8.7	29.3	580.3
1950	210.7	25.6	23.4	6.4	1.6	81.4	1.4	18.0	3.7	19.2	6.3	22.9	420.6
1951	399.6	31.3	24.8	7.2	4.4	84.0	1.6	25.9	8.6	22.6	8.2	23.5	641.7
1952	460.3	41.3	53.8	15.0	8.7	50.1	.7	27.2	9.6	22.0	6.8	17.8	713.3
1953	504.2	33.0	54.4	8.4	6.3	55.1	.9	22.7	9.8	23.3	9.0	15.9	743.0
1954	264.1	25.3	34.5	6.3	8.0	57.5	.7	23.7	10.0	23.3	7.9	11.9	473.2
1955	216.7	15.1	32.2	3.7	23.1	57.4	.7	21.9	10.3	23.7	9.9	32.5	447.2
10 year average 1946-55	314.9	28.2	31.1	8.8	9.7	63.7	1.1	22.1	8.1	22.5	8.6	23.9	542.5

Source: Dominion Bureau of Statistics: Farm Cash Income.

Your Board recommends endorsement of the following policy:

(a) That agricultural producers are entitled to a reasonable price for their products, whether sold on domestic or export markets. — adequate

(b) That if agricultural production is sold for less than a price which would return to producers a fair share of the national income, deficiency payments should be made by the Treasury of Canada.

(c) That such deficiency payments should be available from the Treasury of Canada when price supports and other marketing machinery and techniques have failed to provide a reasonable price to primary producers. — adequate

For the coming year your Board recommends that the general policy of the organization should be directed towards the following:

(1) Full support of The Canadian Wheat Board in a program for the orderly marketing of all Western grown grains, including flax and rye, and the elimination of the use of the speculative market in connection therewith.

(2) That the initial payment to be made by The Canadian Wheat Board for the crop year 1957-58 should be not less than the present initial payments of $1.40 per bushel basis 1 Northern for wheat; 65c per bushel basis 2 C.W. for oats; and 98c per bushel basis 1 and 2 C.W., 6-row for barley; basis Lakehead; and that an announcement to this effect should be made in the near future.

Your Board believes that when the Government of Canada announces floor prices well in advance, this will have a stabilizing effect on world prices and at the same time serves notice to other countries that Canada is not contemplating lowering prices.

(3) That the domestic price for wheat in Canada should be based on production costs and Canadian living standards, rather than on the price obtainable in the export market.

In this connection it is suggested that the recommendation of former years—that the domestic price for wheat should be established at a level not less than the existing maximum price ($2.00 per bushel) under the terms of the renewed International Wheat Agreement—should be endorsed.

The adoption of this principle by the Government of Canada would result in the addition of about 15 million dollars per year to the wheat income of Western Canada, about half of which would accrue to the wheat producers of Saskatchewan. This estimate assumes that human consumption of wheat in Canada will continue about 50 million bushels per annum and that the increase in price to the domestic consumer would be about 30c per bushel.

From the consumer's viewpoint an increase of 30c per bushel would be reflected in an increase of just slightly over ½c in the price of a loaf of bread. It is generally estimated in the milling and baking trades that it requires a change of 56c per bushel to move the price of a 20-ounce loaf of bread by 1c. It has been estimated that the cost of the wheat in a loaf of bread at the present time, with wheat selling at $1.74 per bushel, works out at 3 1/10c.

(4) That an interim payment on wheat delivered to the Wheat Board during the crop season 1955-56 should be made at the earliest possible date; also that a final payment should be made on oats and barley.

The need for maintaining an aggressive sales policy for the marketing of Canadian grain is of the utmost importance today.

(5) We recommend that the Government of Canada should take all possible steps to develop trade arrangements involving increased imports of industrial goods from those countries which require substantial quantities of our agricultural products, and thus broaden the sales field available to the Wheat Board.

In addition to participation in relief programs which may be developed, it is the opinion of your Board that the extension of the Colombo Plan and the development of other existing programs, particularly to the food importing countries of Asia, would be of value in increasing the demand for Canadian wheat. At the same time it is of the

utmost importance that the relationship with our traditional customers, such as the United Kingdom, Western Europe and Japan, etc., should be maintained. We believe that trade agreements with these countries involving the importation of their manufactured goods, and thus providing the Canadian dollars for the purchase of farm products, should be encouraged.

(6) That we recommend to the Government of Canada that they support renewed efforts, through the Food and Agriculture Organization of the United Nations, for the establishment of an International Food Bank.

It is the opinion of your Board that action at international levels is required to deal with food surpluses when they occur and at the same time to provide proper distribution in deficiency areas.

The need for an adequate and integrated national agricultural policy remains a matter of national concern. Your Board recommends the re-endorsement of a general statement of policy approved by a previous Annual Meeting as follows:

(7) That we urge upon the Federal Government the adoption of a national agricultural policy which would provide for:
(a) An adequate scheme of crop insurance, the cost to be borne jointly by the Dominion and Provincial Governments and the producers.
(b) The greatest possible use of the Agricultural Prices Support Act as a means of maintaining adequate floor prices of those farm commodities to which the Act applies.
(c) The making of deficiency payments by the Treasury of Canada when price supports and other marketing machinery and techniques have failed to provide a reasonable price to primary producers. adequate
(d) Increased co-ordination of the Dominion and Provincial Government programs for the maximum use of our soil and water resources, to the end that producers may be assured adequate returns to enable them to improve their farms, diversify their production and plan their crops and rotations on a long term basis.

At the last Annual Meeting a resolution was passed recommending that the Board consider adopting a plan to meet the need for advances on farm stored grain, such plan to be presented to the next Annual Meeting of Delegates. It will be recalled that this matter was discussed with the Minister of Trade and Commerce at the time he addressed the last Annual Meeting.

At the last session of Parliament the Prairie Grain Producers Interim Finance Act 1956 was passed, effective from 15th November 1955 to 1st June 1956. Provision was made that the Act could be extended to cover the additional period 1st October 1956 to 1st June 1957 by Order-in-Council. This legislation provided for bank loans with a guarantee by the Government of Canada, such loans to bear interest at the rate of 5%. The amount of advances provided was to be the lesser amount of (a) one-half the sale price of threshed deliverable grain or (b) $1,500.00, less any amount received for grain between 1st August 1955 and the date of application for the loan. Under this legislation a total of 10,326 prairie farmers secured loans amounting to $7,893,830.00. Of this number, 7,338 Saskatchewan producers secured loans totalling $5,602,554.00.

In an effort to secure adequate Western support, an interprovincial committee was set up with representation from the provincial Federations of Agriculture of the three prairie provinces, the three provincial Farm Unions, the Wheat Pools and the United Grain Growers Limited. This Committee met on a number of occasions and considered the development of a practical plan.

It is the opinion of your Board:

(8) (a) That cash advances should be made by elevator companies operating under a special line of credit, guaranteed by the Federal Department of Finance.
(b) That elevator companies should be prepared to assume responsibility for a share of any loss which might develop in the repayment of such advances.

(c) That the amount of the loan should be based on a rate of $4.00 per specified acre, with a maximum of 800 acres.
(d) That these advances should carry the lowest possible interest rate.

(9) **Box Car Distribution**

Your Board recommends that we continue to urge the need for amendments to the Canada Grain Act to provide for the placing of box cars at country elevators in accordance with the farmer's preference, so that farmers may be able to deliver to the country elevator of their choice.

(10) **Livestock**

As in former years, your Board recommends that we continue to urge the need for a Board of Livestock Commissioners to administer the Livestock and Livestock Products Act and to regulate trade practices where necessary.

(11) **Marketing Boards**

It is the opinion of your Board that producers' marketing boards under provincial and federal legislation can provide a practical method of marketing farm commodities other than grain. At the same time it is realized with respect to livestock, that best results can be secured through the operations of a national marketing scheme, rather than a provincial one.

It is anticipated that the question of instituting a hog marketing scheme on an interprovincial basis will be under consideration by various farm organizations in the next few months.

In the meantime it is the opinion of your Board that the increased use of the existing co-operative livestock marketing facilities would go a long way towards removing certain malpractices in connection with the assembling and marketing of livestock within the province.

Conclusion

Your Board of Directors desires to place on record its sincere appreciation of the important contribution made by the members of the staff to the success of the year's operations. Working on many fronts—in country and terminal elevators, in stock yards, in mills, in offices and plants, the Saskatchewan Wheat Pool staff has joined with the Pool membership in a working team for advancement of the principles of co-operation in the handling and marketing of the products of the farm.

In all divisions of the organization, the men and women who constitute the staff have continued to demonstrate the same fine spirit of loyalty and co-operation that has characterized the Saskatchewan Wheat Pool staff since the early days of the organization.

All of which is respectfully submitted:

A. G. Pederson
Clarence McKee
R. B. Fulton
James McCallum
T. G. Bobier
C. J. Strayer
J. H. Harrison
E. J. Sjolie
A. Greenfield
W. F. McLeod
Chas. W. Gibbings
E. A. Boden
William Cummins
W. McK. Ross
L. O. Boileau
J. H. Wesson

GEORGE A. TOUCHE & CO.

Chartered Accountants

356 Main Street
WINNIPEG

28th September, 1956.

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

We have examined the balance sheets of Saskatchewan Wheat Pool, Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, Saskatchewan Co-operative Livestock Producers Limited and Modern Press Limited as at 31st July 1956 and have reported on each in statutory form.

During the year the liability for past services under the Improved Retirement Plan was revalued by actuaries and estimated to amount to $962,000.00, and the first payment was made to the Saskatchewan Wheat Pool Retirement Fund in respect of this liability amortized over twenty years.

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 1956 according to the best of our information and the explanations given and as shown by the books of the various companies; 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.

STATEMENT No. 1

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AT 31st JULY 1956

ASSETS

Cash		$ 4,740,077.55
Accounts Receivable		2,785,788.30
Receiver General of Canada re 1955-1956 Income Taxes		247,817.05
Stocks of Grain		92,160,966.01
Stock in Trade		1,106,954.72
Manufacturing Supplies		101,752.82
Prepaid Taxes, Insurance and Other Expenses		240,987.46
TOTAL Current Assets		$101,384,343.91
Accounts Receivable Deferred		168,145.94
Investments and Memberships, at cost (Including amount paid on shares on which there is an uncalled balance of $57,500.00)		308,732.96
Fixed Assets, at cost		
Sites, Buildings, Machinery and Equipment	$56,322,392.73	
Less: Accumulated allowance for depreciation	32,586,981.71	
		23,735,411.02
Deferred Charges		
Stocks of Repair Parts and Supplies		240,934.03
		$125,837,567.86

Approved on behalf of the Board,

J. H. WESSON, *Director.*
T. G. BOBIER, *Director.*

LIABILITIES AND CAPITAL

Cheques, Orders and Certificates Outstanding		$ 25,312,293.52
Bank Loans		55,755,000.00
Unallocated Surplus 1955-1956		4,574,573.07
Accounts Payable		8,219,707.46
TOTAL Current Liabilities		$ 93,861,574.05
Reserve for Unearned Subscriptions		10,000.00
Elevator Deductions		16,244,612.52
Commercial Reserve		8,753,781.31
Livestock Excess Charges Credits		65,763.74
Capital		
Authorized, 200,000 shares of $1.00 each	$200,000.00	
Allotted and fully paid, 141,227 shares		141,227.00
Reserve		6,760,609.24
Capital Commitments		
In respect of buildings and work under construction and machinery under purchase, Estimated	$871,700.00	
		$125,837,567.86

This is the Balance Sheet referred to in our report of 28th September, 1956.
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—$4,740,077.55

This includes the following items:

Cash in Banks	$3,900,823.47
Cash Funds—Payors	839,254.08
	$4,740,077.55

Accounts Receivable—$2,785,788.30

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 1955-56 Income Taxes—$247,817.05

This amount is made up as follows:

Installments paid to Receiver General of Canada on 1955-56 Income Taxes of Saskatchewan Wheat Pool		$252,210.00
Less estimated Income Taxes for 1955-56 for the following Subsidiary Companies—		
Saskatchewan Pool Elevators Limited	$3,624.82	
Saskatchewan Pool Terminals Limited	147.62	
Saskatchewan Co-operative Livestock Producers Limited	620.51	4,392.95
		$247,817.05

Stocks of Grain—$92,160,966.01

This amount represents the value of grain on hand in various positions at 31st July 1956, 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 31st July, 1956, or open sale contracts where applicable, after allowing for freight and other charges where necessary.

Stock in Trade—$1,106,954.72

This represents the value of job stocks and newsprint on hand and work in process at the Printing and Publishing Division at Saskatoon; stocks of grain, screenings, linseed oil and meal on hand at the Vegetable Oil Plant and elevator at Saskatoon, and stocks of grain, screenings, flour, feeds, etc., on hand at the Flour Mill at Saskatoon and on consignment at 31st July 1956.

Manufacturing Supplies—$101,752.82

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, refining chemicals and filter canvas on hand at the Vegetable Oil Plant at Saskatoon; bags, improvers and other ingredients at the Flour Mill at Saskatoon, and bags on hand at the Grinding Mill at the Terminals, at 31st July 1956.

Prepaid Taxes, Insurance and other Expenses—$240,987.46

This amount represents prepayment of various items chargeable to the operations of the succeeding year.

Accounts Receivable Deferred—$168,145.94

This item is composed of the following accounts:

Alberta Co-operative Wholesale Association Limited	$ 48,380.96
Canadian Livestock Co-operative (Western) Limited	33,643.60
Co-operative Fire and Casualty Company	60,000.00
Local Co-operative Associations	38,780.48
Growers' Accounts	4,535.52
	$185,340.56
Less Allowance for Doubtful Accounts	17,194.62
	$168,145.94

Alberta Co-operative Wholesale Association Limited—$48,380.96

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 in 1950 and 1951. The Wholesale Association completed an agreement with its major creditors on 16th January 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 31st December. The first three payments have been made in accordance with the agreement, and subsequent payments of $9,144.00 are due and payable on 31st December 1956

to 1961 inclusive, with a final payment of $9,145.27 on 31st December 1962. Interest at the rate of 4½% is being collected on this account.

Canadian Livestock Co-operative (Western) Limited—$33,643.60

This represents $22,583.24 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 1945-46 to 1955-56 inclusive, plus an additional sum of $11,060.36 which was retained by Canadian Livestock Co-operative (Western) Limited from 1952-53 surplus earnings. This latter amount represents the balance owing on 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 employees, which came into effect on 1st January 1953. At least 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 guarantee. Both sums may be repaid out of accumulated surpluses at such times and in such installments 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 they may from time to time determine, but not exceeding three per cent per annum.

Growers' Accounts—$4,535.52

Items comprising this amount are as follows:

Advances against Reserves	$ 795.72
Seed Grain Advances against Reserves	3,739.80
	$4,535.52

Local Co-operative Association—$38,780.48

This is composed of the following:

Local Co-operatives—Deferred Dividends	$15,742.16
Federated Co-operatives—Deferred Dividends	23,038.32
	$38,780.48

Investments and Memberships—$308,732.96

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 at $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
Federated Co-operatives Limited Share Capital	6,364.01
Lake Shippers' Clearance Association 1 Membership	3,000.00
Local Co-operative Associations Sundry Shares	14,690.95
Pool Insurance Company 1,250 Shares (on which there is an uncalled balance of $32,500.00)	170,000.00
Saskatchewan Co-operative Credit Society Limited 2,950 Shares of $10.00 each	29,500.00
Western Stockyard Exchange 1 Membership	300.00
Winnipeg Grain Exchange 6 Memberships	$ 30,950.00
Winnipeg Grain and Produce Exchange Clearing Association Limited 10 Shares	12,250.00
	$308,732.96

Fixed Assets—$23,735,411.02

Schedule "1A" shows in detail the cost, accumulated allowance for depreciation, and net value of these fixed assets at 31st July 1956.

LIABILITIES AND CAPITAL

Cheques, Orders and Certificates Outstanding—$25,312,293.52

Details of these items are as follows:

Cheques and Money Orders	$14,372,704.27
Grain and Expense Orders	1,066,207.90
Cash Tickets	9,868,558.18
Growers' Certificates	4,823.17
	$25,312,293.52

Growers' Certificates—$4,823.17

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—$55,755,000.00

This represents the amount of outstanding borrowings from the lending banks at 31st July 1956.

Unallocated Surplus—1955-56—$4,574,573.07

This represents the full amount of the surplus for the year, and is being carried as a current liability pending decision of the Delegates as to distribution.

Accounts Payable—$8,219,707.46

This amount consists principally of accrued expenses, trade accounts' oan accounts and reserve for prior years' income taxes.

Reserve for Unearned Subscriptions—$10,000.00

This item represents a partial provision for unexpired subscriptions to The Western Producer at 31st July 1956.

Elevator Deductions—$16,244,612.52; Commercial Reserve—$8,753,781.31

These are composed of the following amounts:

	Elevator Deductions	Commercial Reserve	Total
Original Deductions retained from proceeds of deliveries by Members	$12,188,060.07	$ 6,567,851.17	$18,755,911.24
Retained by way of loan from Excess Charges Refund	4,056,552.45	2,185,930.14	6,242,482.59
	$16,244,612.52	$ 8,753,781.31	$24,998,393.83

These Funds have been 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.	3,408,662.52	8,753,781.31	12,162,443.83
	$16,244,612.52	$ 8,753,781.31	$24,998,393.83

Livestock Excess Charges Credits—$65,763.74

This sum, retained by way of a loan from the earnings of the Company, represents a refund of Excess Charges on livestock deliveries through Saskatchewan Wheat Pool, Livestock Division, and Canadian Livestock Co-operative (Western) Limited during Seasons 1952-53 to 1954-55 inclusive, and is made up as follows:

Amount Retained from Excess Charges Refund		$179,625.44
Less Amounts refunded as follows:		
(*a*) Within eligible categories	$ 3,373.78	
(*b*) Credits of $5.00 and over	110,487.92	113,861.70
		$ 65,763.74

Capital—$141,227.00

This represents the subscribed capital to 31st July 1956.

Reserve—$6,760,609.24

This is the amount of the reserve account at 31st July 1956.

SCHEDULE 1A

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY 1956

	Cost	Accumulated Allowance for Depreciation	Net Value
SASKATCHEWAN WHEAT POOL			
Building, Equipment and Alterations	$ 366,641.09	$ 229,513.20	$ 137,127.89
Furniture and Equipment	174,799.24	161,864.08	12,935.16
Automobiles	59,337.69	21,003.80	38,333.89
Motion Picture and Radio Equipment	22,137.25	18,752.00	3,385.25
Site and Parking Lot — Regina	60,568.03	238.11	60,329.92
Total—Saskatchewan Wheat Pool	$ 683,483.30	$ 431,371.19	$ 252,112.11
SASKATCHEWAN POOL ELEVATORS LIMITED			
Country Elevators, etc.			
Country Elevators and Coal Sheds	$28,532,136.38	$18,169,031.64	$10,363,104.74
Temporary Bins	246,378.79	74,459.14	171,919.65
Agents' Residences	2,374,224.77	1,301,236.27	1,072,988.50
Work under Construction	1,793,805.80	—	1,793,805.80
Wheat Pool Building—Winnipeg	259,901.16	75,971.88	183,929.28
Wheat Pool Building—Saskatoon	116,191.05	12,415.08	103,775.97
Sites—Cottages, etc.	97,558.22	—	97,558.22
Warehouse—Regina	19,250.76	4,507.04	14,743.72
Furniture and Equipment	382,676.01	282,841.13	99,834.88
Automobiles and Trailers	277,639.22	145,570.29	132,068.93
Payors' Safes	15,838.61	14,771.79	1,066.82
	$34,115,600.77	$20,080,804.26	$14,034,796.51

Terminal Elevators			
No. 4A Building	$ 2,432,447.67	$ 1,484,854.69	$ 947,592.98
No. 4A Machinery and Equipment	2,211,543.79	1,537,178.45	674,365.34
No. 4B Building	1,622,696.33	498,782.78	1,123,913.55
No. 4B Machinery and Equipment	2,049,738.83	1,622,466.20	427,272.63
No. 5 Building	749,862.23	156,106.31	593,755.92
No. 5 Machinery and Equipment	557,160.56	346,324.30	210,836.26
No. 7 Building	2,468,058.29	1,639,016.45	829,041.84
No. 7 Machinery and Equipment	2,489,879.93	1,994,676.87	495,203.06
No. 7 Storage Annex Building	919,114.34	288,495.10	630,619.24
No. 7 Storage Annex Machinery and Equipment	170,177.75	135,113.45	35,064.30
Feed Mill Building	27,515.00	14,354.66	13,160.34
Feed Mill Machinery and Equipment	44,288.65	35,000.64	9,288.01
Warehouses—Port Arthur and Fort William	35,177.51	19,919.17	15,258.34
Sites	242,502.76	—	242,502.76
Work under Construction	35,227.71	—	35,227.71
	$16,055,391.35	$ 9,772,289.07	$ 6,283,102.28
Flour Mill			
Mill Building	$ 871,282.93	$ 128,713.74	$ 742,569.19
Mill Machinery and Equipment	881,992.99	591,835.29	290,157.70
Grain Elevator Building	747,094.10	110,685.90	636,408.20
Grain Elevator Machinery and Equipment	422,626.98	298,539.10	124,087.88
Flour Sheds	19,568.63	2,215.30	17,353.33
Laboratory Equipment	11,716.65	4,868.59	6,848.06
Furniture and Equipment	22,544.68	10,950.74	11,593.94
Automobiles	23,786.33	7,723.75	16,062.58
Plant Tools and Equipment	13,463.95	8,280.50	5,183.45
	$ 3,014,077.24	$ 1,163,812.91	$ 1,850,264.33

CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY 1956

	Cost	Accumulated Allowance for Depreciation	Net Value
SASKATCHEWAN POOL ELEVATORS LIMITED (Continued)			
Vegetable Oil Plant			
Building	$ 113,678.69	$ 21,610.39	$ 92,068.30
Machinery and Equipment	215,706.11	173,156.90	42,549.21
Refinery Building	32,357.72	4,745.77	27,611.95
Refinery Machinery and Equipment	141,897.10	73,925.44	67,971.66
Storage Tank Building	23,377.43	3,527.67	19,849.76
Storage Tank Machinery and Equipment	30,715.63	13,075.82	17,639.81
Grain Elevator Building	61,123.01	9,133.85	51,989.16
Grain Elevator Machinery and Equipment	34,404.21	10,855.41	23,548.80
Laboratory Equipment	4,100.81	2,680.99	1,419.82
Furniture and Equipment	6,715.47	3,798.50	2,916.97
Automobile	3,326.90	998.07	2,328.83
	$ 667,403.08	$ 317,508.81	$ 349,894.27
Flour Mill and Vegetable Oil Plant Power Equipment and Sundry			
Boiler House and Sub-station Building	$ 80,043.71	$ 12,048.53	$ 67,995.18
Boiler House Equipment	84,630.51	58,757.51	25,873.00
Sub-station Equipment	72,663.03	50,839.95	21,823.08
Spur Tracks—Saskatoon	35,726.71	10,164.09	25,562.62
Site—Saskatoon	8,840.53	—	8,840.53
	$ 281,904.49	$ 131,810.08	$ 150,094.41
Total—Saskatchewan Pool Elevators Limited	$54,134,376.93	$31,466,225.13	$22,668,151.80

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED			
Stock Yards	$ 224,795.43	$ 108,891.28	$ 115,904.15
Assembly Yards	5,098.29	668.00	4,430.29
Country Scales and Sheds	6,350.56	5,453.95	896.61
Tattoo Equipment	7,593.81	7,190.32	403.49
Sundry Equipment	931.60	522.10	409.50
Furniture and Equipment	28,070.49	19,052.07	9,018.42
Automobiles, Trucks and Tractors	55,053.46	38,859.60	16,193.86
Sites	12,670.00	—	12,670.00
Work under Construction	8,915.77	—	8,915.77
Total—Saskatchewan Co-operative Livestock Producers Limited	$ 349,479.41	$ 180,637.32	$ 168,842.09
MODERN PRESS LIMITED			
Building, Machinery and Equipment	$ 1,054,143.67	$ 447,915.21	$ 606,228.46
Furniture and Equipment	37,849.60	25,036.60	12,813.00
Site—Saskatoon	15,225.00	—	15,225.00
Total—Modern Press Limited	$ 1,107,218.27	$ 472,951.81	$ 634,266.46
SASKATCHEWAN POOL TERMINALS LIMITED			
Furniture and Equipment	$ 23,122.22	$ 19,111.18	$ 4,011.04
Automobiles	6,883.44	3,908.41	2,975.03
Miscellaneous Equipment	17,829.16	12,776.67	5,052.49
Total—Saskatchewan Pool Terminals Limited	$ 47,834.82	$ 35,796.26	$ 12,038.56
TOTAL—ALL COMPANIES	$56,322,392.73	$32,586,981.71	$23,735,411.02

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

STATEMENT No. 2

CONSOLIDATED CAPITAL STATEMENT AT 31st JULY 1956

Capital Receipts

Capital		$ 141,227.00
Commercial Reserve		8,753,781.31
Elevator Deductions		16,244,612.52
Livestock Excess Charges Credits		65,763.74
Reserve for Unearned Subscriptions		10,000.00
Reserve		6,760,609.24
		$31,975,993.81

Capital Expenditures

Fixed and Sundry Assets

Fixed Assets, *less* accumulated allowance for depreciation	$23,735,411.02	
Investments and Memberships	308,732.96	

Deferred Accounts

Accounts Receivable Deferred	168,145.94	
Deferred Charges	240,934.03	

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

Head Office	$ 57,340.12		
Country Elevators and Annexes, etc.	2,409,045.17		
Agents' Dwellings	207,052.01		
Office Equipment, etc.	123,587.15		
Flour Mill	36,570.88		
Vegetable Oil Plant	39,807.95		
Terminals	192,176.82		
Saskatchewan Co-operative Livestock Producers Limited	32,720.64		
Modern Press Limited	19,180.03		
Saskatchewan Pool Terminals Ltd.	4,211.67		
	$3,121,692.44		
Less: Paid on Account	2,249,992.44		
		871,700.00	
Balance available for working Capital for season 1956-57		6,651,069.86	
		$31,975,993.81	$31,975,993.81

CURRENT POSITION PER CONSOLIDATED BALANCE SHEET AT 31st JULY 1956

Current Assets	$101,384,343.91
Current Liabilities	93,861,574.05
Current Position per Balance Sheet	$ 7,522,769.86
Less: Estimated Capital Expenditure to complete Programme of Building and Work under Construction, and Machinery under Purchase	871,700.00
Balance—Available for working Capital for season 1956-57	$ 6,651,069.86

STATEMENT No. 3

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

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

At 31st JULY 1956

	Capital	Commercial Reserve	Elevator Deductions	Reserve Account	Reserve for Unearned Subscriptions	Livestock Credits	Total
SOURCE OF CAPITAL FUNDS							
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	—	2,185,930.14	4,056,552.45	—	—	179,625.44	6,422,108.03
Retained from Operations	—	—	—	6,760,609.24	10,000.00	—	6,770,609.24
TOTAL CAPITAL RECEIPTS	$141,227.00	$8,753,781.31	$16,244,612.52	$6,760,609.24	$10,000.00	$179,625.44	$32,089,855.51

ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS

Deferred Accounts Receivable	$ —	$ 168,145.94	$ —	$ —	$ —	$ —	$ 168,145.94
Investments	—	308,732.96	—	—	—	—	308,732.96
Fixed Assets—Net	141,227.00	7,164,268.38	16,244,612.52	175,303.12	10,000.00	—	23,735,411.02
Expenditures approved for completion of programme of Building and Work under Construction, and Machinery under Purchase—Capital commitments—Estimated	—	871,700.00	—	—	—	—	871,700.00
Deferred Charges: Stocks of Repair Parts and Supplies	—	240,934.03	—	—	—	—	240,934.03
Refunded from Working Capital	—	—	—	—	—	113,861.70	113,861.70
	$141,227.00	$8,753,781.31	$16,244,612.52	$ 175,303.12	$10,000.00	$113,861.70	$25,438,785.65
BALANCE—WORKING CAPITAL	—	—	—	6,585,306.12	—	65,763.74	6,651,069.86

TOTAL CURRENT ASSETS—Per Consolidated Balance Sheet—Statement "1"	$101,384,343.91
TOTAL CURRENT LIABILITIES—Per Consolidated Balance Sheet—Statement "1"	93,861,574.05
CURRENT POSITION	$ 7,522,769.86
Less: Estimated Capital Expenditures to complete programme of Buildings and Work under Construction, and Machinery under Purchase	871,700.00
BALANCE—WORKING CAPITAL	$ 6,651,069.86

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 1956

	Total 1925-1955	Allocation 1954-1955 Surplus	Sundry Adjustments	Season 1955-1956	Total 1925-1956
Net Earnings and Capital Gains after adjusting for Income Taxes and all Company losses	$75,981,072.75	$ —	$ 136,920.62 B (520,000.00) A	$ —	$75,597,993.37
Net Earnings for Season 1955-1956:					
Saskatchewan Wheat Pool—before provision for Income Taxes	—	—	—	4,574,573.07	4,574,573.07
Saskatchewan Pool Elevators Limited—after provision for Income Taxes	—	—	—	22,173.39	22,173.39
Saskatchewan Pool Terminals Limited—after provision for Income Taxes	—	—	—	637.71	637.71
Saskatchewan Co-operative Livestock Producers Limited—after provision for Income Taxes	—	—	—	—	—
Modern Press Limited	—	—	—	498.83	498.83
	$75,981,072.75	$ —	$(383,079.38)	$4,597,883.00	$80,195,876.37

DISTRIBUTION

Excess Charges Refund paid to Growers in cash as follows: Grain Deliveries	$20,024,391.18	$1,695,275.46	$ 245.28	C	$ —	$21,719,911.92
Livestock Deliveries	49,156.60	2,031.36	—		—	51,187.96
Paid for Certificates Purchased in settlement of Credits	14,650,211.83	1,564,814.17	—		—	16,215,026.00
Retained as a Loan and credited to members as follows: Commercial Reserve	2,185,930.14	—	—		—	2,185,930.14
Elevator Deductions	4,056,552.45	—	—		—	4,056,552.45
Livestock Excess Charges Credits	101,060.79	78,577.62	(12.97)	C	—	179,625.44
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 Defiency	8,397,046.08	—	—		—	8,397,046.08
Unallocated Surplus—Season 1954-1955	4,481,852.31	(4,481,852.31)	—		—	—
Unallocated Surplus—Season 1955-1956	—	—	—		4,574,573.07	4,574,573.07
			136,920.62	B		
Reserve	5,979,457.30	621,153.70	(232.31)	C	23,309.93	6,760,609.24
Estimated 1954-1955 Income Taxes	—	520,000.00	(520,000.00)	A	—	—
	$75,981,072.75	—	$(383,079.38)		$4,597,883.00	$80,195,876.37

Note: Of the sum of $179,625.44 shown on the preceding statement as "Livestock Excess Charges Credits retained as a loan and credited to members", $113,861.70 has been refunded to members and charged to Capital, leaving a balance of $65,763.74 retained, as shown on the balance sheet of the Company.

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

A—Transfer to Accounts Payable of Estimated Income Taxes for season 1954-1955.

B—Transfer to Reserve of the following items:

Capital Gains	$99,135.41
Profit on Disposal of Assets	8,697.12
Adjustment of prior year's Income Taxes	29,088.09

C—Adjustments on prior year's Excess Charges Refunds which have been charged to Reserve.

SASKATCHEWAN WHEAT POOL

STATEMENT OF GRAIN HANDLINGS at 31st July 1956

TOTAL HANDLED ALL GRAINS						
COUNTRY ELEVATOR DIVISION		Bushels 1924–1955		Bushels 1955–1956		Bushels 1924–1956
Elevators		3,060,992,370		158,024,402		3,219,016,772
Platform		59,665,120		176,206		59,841,326
Total		3,120,657,490		158,200,608		3,278,858,098
Number of Elevators that received grain				1,145		
Average Handling per Elevator				138,013		
TERMINAL ELEVATOR DIVISION						
Terminal No. 4		660,200,016		32,383,076		692,583,092
Terminal No. 5 (Old)		117,258,782		—		117,258,782
Terminal No. 5 (New)		52,752,801		7,769,827		60,522,628
Terminal No. 6		446,839,261		—		446,839,261
Terminal No. 7		863,387,918		40,685,606		904,073,524
Terminal No. 8		28,240,761		—		28,240,761
Total		2,168,679,539		80,838,509		2,249,518,048
FLOUR MILL DIVISION: Street	2,026,163		532,946		2,559,109	
Carlot	11,426,917		1,935,842		13,362,759	
Gristing	14,636	13,467,716	29,874	2,498,662	44,510	15,966,378
VEGETABLE OIL DIVISION: Street	225,227		167,755		392,982	
Carlot	1,766,198	1,991,425	116,829	284,584	1,883,027	2,276,009

LIBRARY RECORD FOR 1955-56

	Books Mailed	Books Returned	Requests Books	Requests Catalogues	Postage
1955					
August	617	612	46	3	$ 41.50
September	536	585	30	13	51.98
October	673	667	43	22	45.40
November	720	631	91	43	62.64
December	711	663	109	40	58.03
1956					
January	968	926	133	68	70.21
February	833	793	78	31	68.35
March	781	813	69	26	76.06
April	771	825	44	15	58.06
May	587	643	26	4	47.31
June	497	524	17	2	44.88
July	497	546	27	3	43.07
Totals	8191	8228	713	270	$667.49

STATEMENT No. 7

WHEAT POOL COMMITTEES

1955-1956

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	11	6	8		70
District 2.....	6	4	5	8	3	5	9	8	12	5		65
District 3.....	4	3	3	4	5	2	3	5	3	7		39
District 4.....	4	3	8	4	5	2	4	6	3	6		45
District 5.....	9	7	5	7	7	3	6	10	8	5		67
District 6.....	9	10	7	7	9	12	12	7	7	8		88
District 7.....	8	5	5	5	6	8	6	5	7	5	7	67
District 8.....	8	9	10	8	7	7	5	6	4	3	3	70
District 9.....	6	7	5	7	3	8	6	5	6	7		60
District 10.....	6	6	3	6	14	8	4	6	4	9		66
District 11.....	9	10	11	5	5	7	12	7	10	9		85
District 12.....	9	5	9	7	5	6	6	7	11	8		73
District 13.....	8	12	4	10	8	7	11	6	9	9	7	91
District 14.....	5	8	6	9	3	6	9	12	7	9	7	81
District 15.....	8	6	8	8	6	5	2	3	7	3	6	62
District 16.....	7	7	9	7	4	11	5	8	7	7	7	79
												1,108

STATEMENT No. 8

COMMITTEES REORGANIZED

District 1.....	3	4	5	10	7	6	8	11	6	8		68
District 2.....	6	4	4	8	3	5	9	7	12	5		63
District 3.....	4	3	3	4	5	2	3	5	3	7		39
District 4.....	4	2	8	4	5	2	4	6	3	6		44
District 5.....	9	7	5	7	7	3	6	10	8	5		67
District 6.....	6	10	6	7	9	10	12	7	7	7		81
District 7.....	7	5	5	5	6	8	6	5	7	5	7	66
District 8.....	8	9	10	8	7	7	5	6	4	3	3	70
District 9.....	6	7	5	7	3	8	6	5	6	7		60
District 10.....	4	6	3	6	14	7	3	6	4	8		61
District 11.....	8	4	11	5	5	7	9	7	7	8		71
District 12.....	9	5	9	7	5	6	6	7	10	7		71
District 13.....	8	11	4	10	7	7	11	6	9	9	7	89
District 14.....	5	8	6	9	3	5	9	12	6	9	5	77
District 15.....	6	4	7	8	5	5	2	3	7	3	6	56
District 16.....	7	7	9	7	4	11	5	7	7	7	7	78
												1,061

47 Committees not reorganized 31st July 1956
20 Committees not reorganized 31st July 1955

EXHIBIT A

STATEMENT No. 9

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building, Winnipeg, Manitoba

BALANCE SHEET
As at 31st July 1956

ASSETS

Agency Assets			$152,391.52
Cash in Agency Bank Accounts		$ 9,962.13	
Accounts receivable		142,429.39	
		$152,391.52	
Shareholders' and Patrons' Assets			113,052.22
Cash		$ 1,741.53	
In General Bank Accounts	$ 1,681.53		
On Hand	60.00		
	$ 1,741.53		
Accounts Receivable		109,795.30	
Commissions: per contra	$ 30,819.30		
Loan Accounts: Secured	8,302.43		
Pool Insurance Company	67,698.75		
Miscellaneous	2,974.82		
	$109,795.30		

LIABILITIES

Agency Liabilities			$152,391.52
Accounts Payable		$121,572.22	
Commissions: per contra		30,819.30	
		$152,391.52	
Shareholders' Liabilities and Reserves			93,052.22
Miscellaneous Accounts Payable		$ 1,229.39	
Reserve for Income Tax			146.21
Patronage Dividend Payable: Exhibit "B"		71,676.62	
General Reserve against unearned Income		20,000.00	
Allocated as follows:			
Alberta Wheat Pool	$ 5,568.12		
Manitoba Pool Elevators	3,146.82		
Saskatchewan Wheat Pool	11,285.06		
	$20,000.00		
		$ 93,052.22	

Membership Deposit		100.00	
Insurance Agents' Association	$ 100.00		
Furniture and Fixtures		1,415.39	
Cost: *Less* Depreciation	$ 1,415.39		
		$113,052.22	
			$265,443.74

Capital Stock		20,000.00
Authorized	$20,000.00	
Issued and Fully paid (2,000 Shares at $10.00 each)	$ 20,000.00	
		$265,443.74

Signed on behalf of the Board:
J. H. WESSON, *Director.*
W. J. PARKER, *Director.*

AUDITOR'S REPORT

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

We certify that, in our opinion, the above Balance Sheet and related statements are properly drawn up so as to exhibit, respectively, a true and correct view of the financial position of Canadian Pool Agencies Limited as at 31st July 1956, and the results of operating for the year ended that date, according to the best of our information, the explanations given to us, and as shown by the records of the Company. All transactions coming under our notice have been within the powers and objects of the Company to the best of our information and belief.

Winnipeg, Manitoba, 12th September 1956.

(*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 1956

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

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 1956

Income		$89,358.08
Commissions:		
Fire	$43,669.62	
Bonds	21,775.21	
Lake Marine	154.63	
Ocean Marine	1,147.50	
Automobile	4,145.55	
Accident and Sickness	463.78	
Liability	1,194.46	
Use and Emergency	1,828.87	
Robbery and Burglary	613.08	
Inland Marine	456.04	
Inland Transportation	240.43	
Steam Boiler	142.41	
Composite	696.20	
Contingent	13,211.95	
	89,739.73	
Deduct: Brokerage Paid	381.65	
	$89,359.08	
Other Income:		
Interest		4,766.19
Total Income for the Year		$94,124.27
Expenses		21,864.66
Salaries	$15,541.80	
Directors' Fees and Expenses	547.44	
Rent and Light	1,916.37	
Telephone and Telegraph	290.96	
Printing, Postage and Stationery	1,353.15	
Taxes and Licenses	237.74	
Travelling	202.75	
Legal and Audit	841.15	
Depreciation	353.85	
Insurance	9.75	
Staff Pensions, Group and Unemployment Insurance	458.71	
Miscellaneous	410.99	
	22,164.66	
Deduct: Recovery from Interprovincial Pool	300.00	
	$21,864.66	
Balance—Surplus for year ended 31st July 1956, Carried to Exhibit B		$72,259.61

EXHIBIT A

STATEMENT No. 12

POOL INSURANCE COMPANY
Wheat Pool Building, Winnipeg, Manitoba

BALANCE SHEET
As at 31st December 1955

ASSETS

Cash in bank		$ 162,130.65
In Bank of Montreal: Current Account	$ 22,130.65	
Savings Account	140,000.00	
	$162,130.65	
Accounts Receivable		$ 183,801.75
Canadian Pool Agencies Limited	$145,897.18	
Reinsurance Accounts	37,904.57	
	$183,801.75	

LIABILITIES

Current Liabilities		$ 705,359.63
Miscellaneous Accounts Payable	$ 650.00	
Reinsurance Accounts Payable	69,727.43	
Fire Losses in process (net of reinsurance)	611.25	
Taxes Accrued	8,574.84	
Dividends payable as per Exhibit B	625,796.11	
	$705,359.63	
Reserve for Unearned Income		197,788.09
Unexpired portion of premium income	$113,394.08	
Unexpired portion of reinsurance commissions	84,394.01	
	$197,788.09	

Investments at cost			903,627.50
		Par Value	
Government of Canada Bonds		$915,000.00	
Listed Value	$909,500.00		
Interest thereon			4,832.30
Due		$ 243.75	
Accrued		4,588.55	
		$ 4,832.30	
Automobiles			6,562.53
			$1,260,954.73

Signed:

J. H. WESSON, *Director*.

W. J. PARKER, *Director*.

Capital Stock			185,000.00
Authorized: 5,000 Shares at $100.00	$500,000.00		
Subscribed: 2,500 Shares at $100.00	$250,000.00		
Paid thereon		$185,000.00	
Capital Surplus			172,807.01
Premium at 32% on Capital Stock		$ 80,000.00	
Surplus realized on Investments sold		11,807.01	
Transferred from Shareholders' and Patrons' Account: 1949-55		81,000.00	
		$172,807.01	
			$1,260,954.73

AUDITORS' CERTIFICATE

In our opinion the above balance sheet and related statements of Pool Insurance Company are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at 31st December 1955 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, 25th February 1956.

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

POOL INSURANCE COMPANY

Wheat Pool Building, Winnipeg, Manitoba

SUMMARY OF SHAREHOLDERS' AND PATRONS' EQUITY ACCOUNT

For Year Ended 31st December 1955

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

POOL INSURANCE COMPANY

Wheat Pool Building, Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE

For Year Ended 31st December 1955

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

SASKATCHEWAN WHEAT POOL
Livestock Division

COMPARATIVE STATEMENT OF HANDLINGS
Seasons 1954-1955 and 1955-1956

	Season 1954–1955	*Season* 1955–1956	*Increase (Decrease)*
Moose Jaw Division:			
Cattle	12,807	13,676	869
Calves	1,554	1,849	295
Hogs	5,256	6,148	892
Sheep	945	706	(239)
North Battleford Division:			
Cattle	21,312	19,149	(2,163)
Calves	2,359	1,693	(666)
Hogs	15,640	18,945	3,305
Sheep	1,637	1,691	54
Prince Albert Division:			
Cattle	11,085	11,725	640
Calves	1,624	1,518	(106)
Hogs	22,963	24,766	1,803
Sheep	1,514	1,425	(89)
Regina Division:			
Cattle	27,526	32,029	4,503
Calves	3,083	3,466	383
Hogs	6,380	9,508	3,128
Sheep	998	1,082	84
Saskatoon Division:			
Cattle	22,755	25,298	2,543
Calves	2,393	2,652	259
Hogs	18,417	22,850	4,433
Sheep	1,515	1,624	109
St. Boniface Division:			
Cattle	16,377	20,425	4,048
Calves	9,009	11,300	2,291
Hogs	60,897	62,614	1,717
Sheep	3,644	3,818	174
Swift Current Division:			
Cattle	16,798	18,019	1,221
Calves	1,872	2,151	279
Hogs	7,033	9,641	2,608
Sheep	3,049	2,449	(600)
Yorkton Division:			
Cattle	12,455	12,369	(86)
Calves	4,696	4,278	(418)
Hogs	5,464	4,088	(1,376)
Sheep	1,307	1,399	92
TOTAL—ALL DIVISIONS:			
Cattle	141,115	152,690	11,575
Calves	26,590	28,907	2,317
Hogs	142,050	158,560	16,510
Sheep	14,609	14,194	(415)
Saskatchewan Handlings at Winnipeg (other than Saskatchewan Wheat Pool, Livestock Division)			
Cattle	28,882	33,153	4,271
Calves	5,452	6,620	1,168
Hogs	26,097	35,466	9,369
Sheep	3,858	4,524	666
TOTAL HANDLINGS:			
Cattle	169,997	185,843	15,846
Calves	32,042	35,527	3,485
Hogs	168,147	194,026	25,879
Sheep	18,467	18,718	251

Note: Figures in brackets denote decreases.

EXHIBIT A — **STATEMENT No. 16**

CANADIAN LIVESTOCK CO-OPERATIVE (WESTERN) LIMITED

BALANCE SHEET—As at 28th July 1956

ASSETS

Current Assets			
Cash in The Royal Bank of Canada		$21,043.46	
Accounts Receivable: Schedule 1	$1,813.72		
Less: Allowance for Doubtful Accounts	150.00		
		1,663.72	
Government of Canada Bonds: at cost (Market Value $19,000.00)		20,000.00	
Accrued Interest Receivable		1,591.13	
Due from Trust Account		38,841.18	
			$ 83,139.49
Trust Assets			
Cash in The Royal Bank of Canada		$24,774.30	
Sales Accounts Receivable		39,879.41	
Inventory of Feed and Livestock: at the lower of cost or market		4,850.47	
			69,504.18
Other Assets			
Winnipeg Livestock Exchange Memberships (5)			50.00
Office Furniture and Equipment		$13,268.03	
Less: Accumulated Depreciation		8,341.63	
			4,926.40
Automobile		$ 3,269.00	
Less: Accumulated Depreciation		1,178.26	
			2,090.74
Prepaid Operating Expenses			1,414.91
Portion of past Service Pension Costs (Ratably chargeable to future years)			18,348.01
			$179,473.73

LIABILITIES

Current Liabilities		
Accounts Payable	$ 3,416.12	
Accrued Salaries	5,118.40	
Surplus Payable	39,166.66	
Income Taxes Payable (estimated)	472.36	
		$ 48,173.54
Trust Liabilities		
Due to Local Associations	$ 6,113.03	
Producers' Livestock Pooling Fund	14,932.86	
Transit Compensation Fund	8,636.72	
Exchange on Outstanding Cheques	980.39	
Due to General Account	38,841.18	
		69,504.18
General Reserve		4,899.06
Loans from Members		56,872.95
Memberships Issued: (24)		24.00
		$179,473.73

Approved on behalf of the Board,

(*Signed*) A. GREENFIELD, *Director.*
(*Signed*) H. B. SNEATH, *Director.*

Winnipeg, Manitoba
21st August 1956.

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

Canadian Co-operative Wheat Producers
Limited

DIRECTORS' REPORT
1955-1956

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

Gentlemen:

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

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

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

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

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

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

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

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

Nations the world over are building industrial production—at varying speeds. In many countries the statistics recording the creation of capital capacity for industrial output are startling. An example is Japan—where high skills at lower cost levels are capturing an increasing share of the world's shipbuilding. Perhaps no other people are

developing industries to utilize vast resources at a faster pace than are Canadians.

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

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

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

Central Board

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

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

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

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

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

Interprovincial Pool Meetings

A further measure of liaison between our provincial Pool organizations is achieved by periodic assembly of three full boards of directors. Two such Interprovincial Pool meetings were held in 1956. The first, on 17th and

18th January, was prior to the Western Agricultural Conference and the annual meeting of the Canadian Federation of Agriculture. The second, on 19th and 20th July, preceded the hearings called by the Board of Grain Commissioners on elevator tariffs.

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

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

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

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

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

Western Agricultural Conference

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

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

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

Canadian Federation of Agriculture

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

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

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

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

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

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

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

Throughout the year, the CFA national office made submissions to various commissions, departments and boards—reiterating the foregoing facts; presenting supporting statistics; and emphasising that "farmers are the only group in the economy whose purchasing power and living standards have been declining while the rest of the economy is enjoying a prosperity boom."

International Federation of Agricultural Producers

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

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

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

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

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

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

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

International Wheat Agreement

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

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

Exporter	Quota	Exported	% of quota Exported
	(in million bushels)		
1953-54			
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%

Exporter	Quota	Exported	% of quota Exported
	(in million bushels)		
1954-55			
Canada	152.3	109.5	71.9%
Australia	44.8	41.4	92.4%
France	.3	.3	109.9%
United States	195.6	139.8	71.5%
Totals	393.0	291.2	74.8%
1955-56			
Canada	153.0	75.2	49.1%
Australia	45.0	41.8	92.9%
France	.3	.3	105.5%
United States	196.5	132.5	67.4%
Totals	394.9	249.9	63.2%

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

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

Importer	Quota	Purchases	% of Purchases from Canada
	(in million bushels)		
Austria	9.1	2.1	48%
Belgium	23.8	12.6	59%
Ecuador	2.3	1.2	78%
Germany	55.1	46.2	38%
Ireland	10.1	4.4	70%
Japan	36.7	36.3	43%
Netherlands	24.8	14.9	18%
Norway	8.4	7.9	50%
Phillippines	8.6	8.8	56%
Switzerland	7.9	5.3	100%
South Africa	13.2	6.0	82%
Venezuela	6.2	6.2	43%

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

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

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

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

The new Agreement calls for a price range of $1.50 to $2.00 per bushel, basis No. 1 Northern in Lakehead store.

This represents a drop of 5 cents a bushel below the previous Agreement. The International Wheat Council, established in 1949 to administer IWA has been given extended responsibilities in continuous study of the world wheat situation; and consultation with governments thereon.

Canadian Farm Production

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

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

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

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

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

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

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

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

Production of meat from slaughter of farm animals in Canada increased to about 2,427 million pounds (including offal) in 1955, compared to 2,292 million pounds in 1954. Meat exports decreased 18%, to 104 million pounds. Per capita consumption rose 3.5 pounds. The average Canadian ate 72 pounds of beef; 8.8 pounds of veal; 2.8 pounds of mutton and lamb; 58 pounds of pork; 5.7 pounds of offal and 4.2 pounds of canned meats—a total of 151.5

pounds in the year. Per capita consumption of meats in Canada was 118.1 pounds in the 1935-39 period; 140.5 pounds in 1953; and 148 pounds in 1954. During the first quarter of 1956 slaughter of cattle increased 8% above the same period of 1955; calves, 7%; and hogs, 9.5%.

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

	The West	Other 6 Provinces	Canada
1955	(in thousand dollars)		
Grains, seeds and hay	$510,388	$ 39,200	$ 549,588
Vegetables, etc.	14,593	164,363	178,956
Livestock and poultry	308,809	552,028	853,837
Dairying, etc.	109,998	516,311	626,309
Total cash income from farm products	$958,250	$1,394,313	$2,352,563

	The West	Other 6 Provinces	Canada
1954	(in thousand dollars)		
Grains, seeds and hay	$ 592,758	$ 39,577	$ 632,335
Vegetables, etc.	15,140	150,244	165,384
Livestock and poultry	313,186	527,450	840,636
Dairying, etc.	103,792	510,587	614,379
Total cash income from farm products	$1,048,158	$1,347,163	$2,395,321
1953			
Grains, seeds and hay	$1,004,544	$ 58,338	$1,062,882
Vegetables, etc.	16,619	148,821	165,440
Livestock and Poultry	293,673	498,974	792,647
Dairying, etc.	106,050	504,510	610,560
Total cash income from farm products	$1,448,749	$1,327,046	$2,775,795

Canadian Grain Exports

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

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

The United Kingdom bought 136 million bushels of Canadian grains (and products) during 1955-56. This compares with the 1954-55 total of 154.2 million bushels. Other substantial buyers of Canadian grain in 1955-56

were: United States, 43.7 million; Japan, 37.8 million; Germany, 37.1 million; and Belgium, 19.7 million bushels. For the first time since 1945-46, "Iron Curtain" countries bought wheat from Canada. USSR took 14.8 million; Poland, 14 million, and Czechoslovakia, 12.8 million bushels. It will be seen from the foregoing that wheat exports to these latter three nations totalled 41.6 million bushels; and that the entire increase in 1955-56 exports over the preceding year totalled 56.9 million bushels.

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

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

Carryover of Canadian Grain

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

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

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

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

Carryover of Canadian Grain

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

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

Transportation

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

The accelerated industrial expansion of recent years has thrown a tremendous additional load upon Canada's

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

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

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

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

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

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

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

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

For example, organized Western farmers have battled for years to have available boxcars allocated at country shipping points so that each producer can deliver his grain through the elevator of his own choice. Other freight-payers have cars spotted to their order. The Parliament of Canada has confirmed this same right to farmers, in legislation. Nevertheless, while confirmed in principle, in practice this right is denied to farmers. Governments, and

their multiple agencies, have failed to give effect to the nation's laws. Progress toward practical solution is limited to debate; and to a recommendation by the Committee on Agriculture of the House of Commons that The Canadian Wheat Board call a conference of all concerned in proper allocation of railway boxcars.

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

Prairie Farm Assistance

The levy of 1% taken under the Prairie Farm Assistance Act from farmers in Alberta, Saskatchewan and Manitoba on all grain delivered—together with the number of awards and the amount paid thereunder—are detailed below:

	1st August 1955 to 31st July 1956		
	1% Levy	Awards	Payments
Manitoba	$ 731,305.00	14,160	$ 2,050,038.00
Saskatchewan	3,791,927.00	7,687	1,148,613.00
Alberta	1,697,305.00	8,232	1,294,753.00
Total	$ 6,239,614.00	30,989	$ 4,639,959.00

	From 1939 to 31st July 1956		
	1% Levy	Awards	Payments
Manitoba	$ 14,357,115.00	78,011	$ 11,330,892.00
Saskatchewan	53,504,179.00	555,378	128,075,344.00
Alberta	27,090,298.00	237,511	44,041,931.00
Total	$ 94,990,566.00	874,533	$183,968,878.00

It will be seen from the foregoing that, since the inception of P.F.A.A. in 1939, payments awarded exceeded the 1% levy by $88,978,312.00.

Western Farm Income

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

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

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

TOTAL NET FARM INCOME

	The West	Six other Provinces (in million dollars)	Canada
1955	$ 631.5	$ 822.8	$1,454.3
1954	412.3	777.6	1,189.9
1953	883.4	813.4	1,696.9
1952	1,083.2	817.5	1,900.7
1951	1,127.3	1,027.3	2,154.5
1950	630.1	817.9	1,448.0

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

For example, Canada's farm people are charged, each year, with around $400 million "income in kind." Under this head, main items are food (milk, eggs, meat, garden stuff) and house rent. Such home-grown victuals made

up $80.5 million of Western farmers' income in 1950 and 1951; but the total has fallen, in the last three years to around $70 million. On the other hand, the amount charged to the income of Western farm people for living in their own homes has increased from $39.5 million in 1950 to over $47 million in 1955.

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

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

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

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

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

WESTERN FARM NET CASH INCOME

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

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

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

FARM NET CASH INCOME

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

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

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

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

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

Conclusion

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

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

Nevertheless—while the gross national product rose to a record annual rate of $29.5 billion in the second quarter of 1956 (according to D.B.S.)—the relative position of agriculture in the national economy persistently weakens. The "keep home pay" of Canadians engaged in farming steadily falls behind the increasing incomes in other occupations.

Sales of Canadian grain to export markets are still vital to our national progress and welfare. These sales are achieved against competition of increasing intensity. For example, in the biggest surplus disposal deal in history, the U.S. Government is moving to India, in an involved three-year give away program, 130 million bushels of wheat, along with other farm products worth a total of $360 million at current world prices. These commodities actually cost nearly twice this total under U.S. price supports. U.S. accepts payment of the $360 million in

Indian currency; loans 85% of the proceeds back to India for economic development; spends the remaining 15% in India; and pays $54 million for shipping the commodities to India. U.S. offers the loan at 3% for 25 years. India seeks a lower interest rate and a 40-year term. Indications are that this type of competition will increase, rather than diminish.

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

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

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

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

The problem which beset farm people can be solved. Agriculture can be built into a position of balance with other essential parts of our economy. The farm people of our Canadian West can contribute to this achievement—by

mobilizing their full strength in the use and unity of their Pools and kindred organizations; and by enlisting the support of all Canadians who know that only as our agriculture prospers can our national prosperity endure.

Respectfully submitted,

Executive { JOHN H. WESSON
W. J. PARKER
BEN S. PLUMER

CHAS. W. GIBBINGS
THOS. G. BOBIER
THOS. H. WILSON
GEO. N. MCCONNELL
W. J. BLAIR
G. L. HARROLD

Canadian Pool Agencies Limited

DIRECTORS' REPORT, 1955-1956

5th October 1956.

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

Gentlemen:

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

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

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

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

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

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

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

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

BALANCE SHEET

Agency Assets and Liabilities

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

Shareholders' and Patrons' Assets

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

Loan Accounts: Twelve new loans were made during the year and seven were repaid, leaving the total number now outstanding at fifteen. Four loans were made to finance

the purchase of automobiles, and the balance were made to employees of one of the parent organizations and are fully guaranteed. Interest is thus earned on a part of our surplus funds without tying them up for any lengthy period. The Agency secures insurance on automobiles and property financed thereby, and insurance once obtained in this manner is usually renewed.

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

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

Shareholders' Liabilities and Reserves

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

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

Capital Stock

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

	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 source 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
T. H. WILSON
GEO. N. MCCONNELL
CHARLES W. GIBBINGS
G. L. HARROLD
W. J. BLAIR

Pool Insurance Company

DIRECTORS' REPORT

1955-56

Winnipeg, Manitoba,
28th February 1956.

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

Gentlemen:

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

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

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

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

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

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

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

In Alberta	Fairview
	Youngstown (offsite grain)
In Saskatchewan	Beaubier
	Coderre
	Invermay
	Wolverine

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

We have four full time inspectors engaged in inspecting the property insured by your Company, and we consider this a most important feature of our operations.

We periodically send out pamphlets to the elevator agents on fire prevention; thus keeping fire prevention suggestions before them. Support is received from the parent organizations along this line by the sending out of circulars emphasizing the need to be aware of fire hazards and have them removed. We feel that this effort, together with inspection of the property, helps keep our losses to a minimum.

The value of the property insured has increased nearly four million dollars over last year, which is an all time high, and we list the figures hereunder. Building values change from time to time, and the values shown are as at

31st of December 1955. The value of the grain is the daily average for the year.

Country Elevators	$ 66,761,770.00
Grain	142,969,792.20
Dwellings	6,623,185.00
Miscellaneous	2,832,845.00
	$219,187,592.20

The records of your Company are examined by the Federal Government's Insurance Department and this provides added assurance that the operations are carried on in accordance with government regulations and good practice.

The total underwriting revenue shown in the Statement of Income and Expenditures is made up of the earned premiums on our percentage of the risks, plus commission earned on the reinsurance, less losses, and earned commission paid to Canadian Pool Agencies Limited. We also had interest earnings of $22,889.62.

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

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

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

ASSETS

Cash on Hand and in Bank

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

Accounts Receivable

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

Investments

You will notice the listed value of the Company's investments exceed the cost by $5,872.50. Our investment portfolio consists entirely of Government of Canada bonds. While there will be fluctuations over the years, we expect to be able to hold all bonds until maturity when they will be redeemable at par value. You will note that we are able to invest considerably more than our capital and surplus.

Automobiles

Three new automobiles were purchased during the year, and after allowing depreciation on this account of $2,182.51 at standard rates, the asset covering five automobiles is shown as $6,562.53. These automobiles are used by our fire inspectors.

LIABILITIES

Current Liabilities

Premiums due the reinsurance companies are shown. Losses in process consist of the Company's estimated net share of losses 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 1955.

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	$24,000.00
Manitoba Pool Elevators	500	50,000.00	37,000.00	16,000.00
Saskatchewan Wheat Pool	1,250	125,000.00	92,500.00	40,000.00
	2,500	$250,000.00	$185,000.00	$80,000.00

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

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

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

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

Respectfully submitted,

J. H. Wesson
W. J. Parker
G. N. McConnell
T. H. Wilson
G. L. Harrold
Ben S. Plumer
Thos. G. Bobier
W. J. Blair
Chas. W. Gibbings