

*stock
latest*

**SASKATCHEWAN
WHEAT POOL**

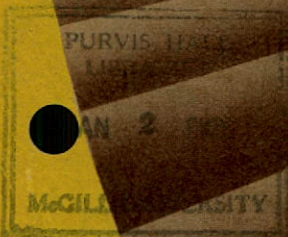
*and subsidiary
companies*

**THIRTY-SEVENTH
ANNUAL
REPORT**

FOR THE
YEAR ENDED 31st JULY

1961

Regina, Saskatchewan



SASKATCHEWAN WHEAT POOL



CABLE ADDRESS
"WHEATPOOL, REGINA"

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED
SASKATCHEWAN WHEAT POOL CONSTRUCTION COMPANY LIMITED
SASKATCHEWAN POOL ELEVATORS LIMITED
SASKATCHEWAN POOL TERMINALS LIMITED
MODERN PRESS LIMITED

OFFICE OF THE SECRETARY

HEAD OFFICE
WHEAT POOL BUILDING
REGINA, SASKATCHEWAN

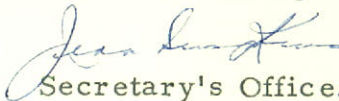
December 21, 1961.

Miss Teresa C. Sears,
Librarian,
School of Commerce Library,
McGill University,
1020 Pine Avenue, West,
Montreal, P.Q.

Dear Miss Sears:-

a copy of the Report of our Board of Directors, as
submitted to the Annual Meeting of Wheat Pool
Delegates, held in Regina in November.

Yours sincerely,


Secretary's Office.

/G

**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.



SASKATCHEWAN WHEAT POOL

DIRECTORS' REPORT

IN MEMORIAM

This year the Saskatchewan Wheat Pool has completed thirty-seven years as a co-operative organization dedicated to the service of the farmers of Saskatchewan. Many of the men who were out in the forefront when the Saskatchewan Wheat Pool was being organized have grown old in the service of the organization, and it is with regret that your Board records the passing of some of these old pioneers.

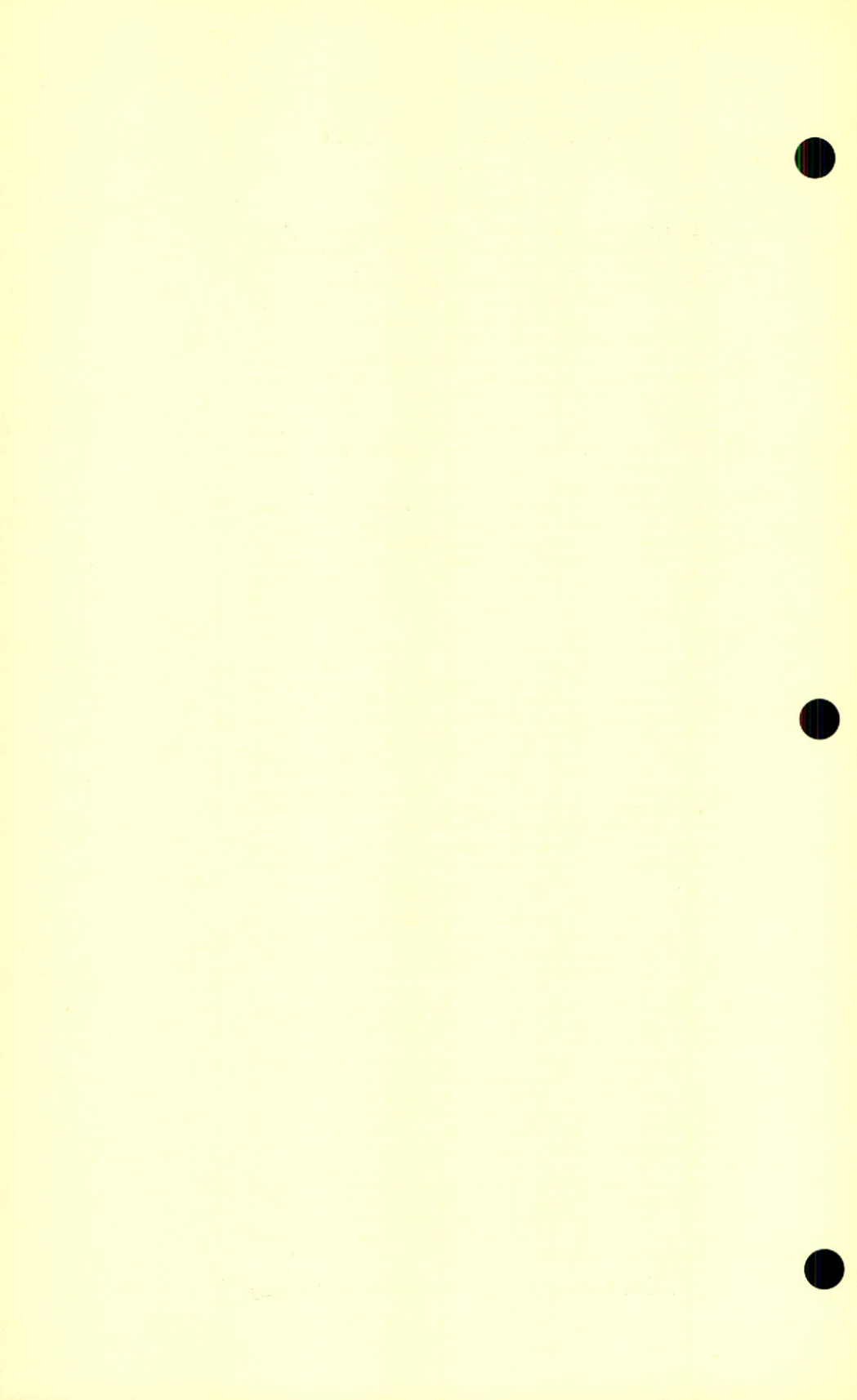
Mr. L. B. Pugh served as delegate for Sub-district 4 of District 14, from 1928 to 1947. Mr. Pugh died May 30th, 1961 and funeral services were held at Rose Valley on June 3rd. Mr. Pugh had a long record of service to the organization during his period as delegate. Up to the time of his death Mr. Pugh was a staunch supporter of organized agriculture.

Mr. George Gilbertson of Frontier, for a time delegate for District 3, Sub-district 4, died at Frontier April 16th, 1961. Mr. Gilbertson was born in Milan, Minnesota, December 10th, 1877. He homesteaded in Washington State early in the 1900's and moved to Saskatchewan and settled south of Frontier in 1913. He was Secretary of the Municipality from the date it was organized until 1945 and was in business in Frontier from 1923 to 1946. From then until 1951 he was Manager of the Co-operative Bulk Station at Frontier. In all the years that he was farming in Saskatchewan he took an intense interest in all matters relating to agriculture, including the Grain Growers, the Co-operative Elevator Company and the Wheat Pool. He twice served as Pool delegate, was first Chairman of the larger School Unit Board in his district and was also a member of the Health Region Board. He was lay delegate for Canada on the Church Council of the Evangelical Lutheran Church from 1932 to 1936. He will be long remembered in the Frontier district for the contribution he made to the welfare of the community.

Mr. J. F. Paul Barschel of Canora, delegate for District 8, Sub-district 6 from 1931 to 1936, died on March 4th, 1961. He served as secretary of the Wheat Pool Committee before becoming a delegate. Mr. Barschel served on the Town Council and was also the first Mayor of Canora. He was Chairman of the Canora Public School Board, and was a Justice of the Peace for more than forty years. Mr. Barschel was 86 years of age at the time of his death.

Mr. A. W. Friesen died at his home at Rosthern on December 28th, 1960. He was born at Gretna, Manitoba, and came to Saskatchewan in 1905 to the family homestead at Rosthern. After completing his education he taught school for five years before returning to the farm. Mr. Friesen was elected Wheat Pool delegate in District 15, Sub-district 4 in 1937. He was elected to the Board of Directors in 1940 and retired as Director for the District in 1954. He served several terms as Mayor of Rosthern and was a Board member of the Community Hospital. He assisted in the organizational work of the Rosthern Co-operative Association, served on the Board for many years, and was Manager of the Co-op store from 1956 to 1958. He was President of the Co-operative Union of Canada in 1949-50, served as a Director of the Co-operative Union of Saskatchewan for five years and as President for one year.

Mr. F. E. Werry of Unity, Saskatchewan, was instantly



killed in a motor car accident on Tuesday, October 10th, 1961. Mr. Werry was born at Exeter in Huron County, Ontario, September 24th, 1880. He was married and had three sons, all of whom predeceased him. Mr. Werry was active in the organization of the Pool in 1923 and 1924 and served on the local Wheat Pool Committee from the date of organization until 1935, when he was elected delegate for District 12, Sub-district 5. He continued to serve in that capacity until his resignation in 1961. Mr. Werry was a very active community worker and had very wide interests. Prior to coming to Saskatchewan he was Vice-Principal of the Wheat City Business College in Brandon, Manitoba. He served for a considerable time as general secretary of the Alberta International Sunday School Association. He was secretary of the Military Y.M.C.A. from 1915 to 1917. He was Chairman of the Municipal Agricultural Committee from 1946 to 1954, also President of the Reward Co-operative Association from the date of organization until its dissolution and was a member of the Supervisory Committee of the Unity and District Savings and Credit Union. He will long be remembered in District 12 as a very active and staunch supporter of the Saskatchewan Wheat Pool.

These were outstanding men who approached many challenges for service with a dedication born of strong convictions and a desire to help their fellow men and to advance the cause of agriculture. No monument can ever eulogize with greater mark of respect than the edifices which they helped to build. Their example will be an inspiration to those who walk in their footsteps in the years that lie ahead.

Your Board of Directors is pleased to present the 37th Annual Report covering operations of all branches and Divisions of the Saskatchewan Wheat Pool for the year ended 31st July 1961. As in former years, the report presents a review of the widespread operations of all divisions.

The reports of the Board of Directors of Canadian Co-operative Wheat Producers Limited; Canadian Pool Agencies Limited and Pool Insurance Company, the three interprovincial organizations owned jointly by the Manitoba, Saskatchewan and Alberta Pools, are also included.

Consolidated Balance Sheet

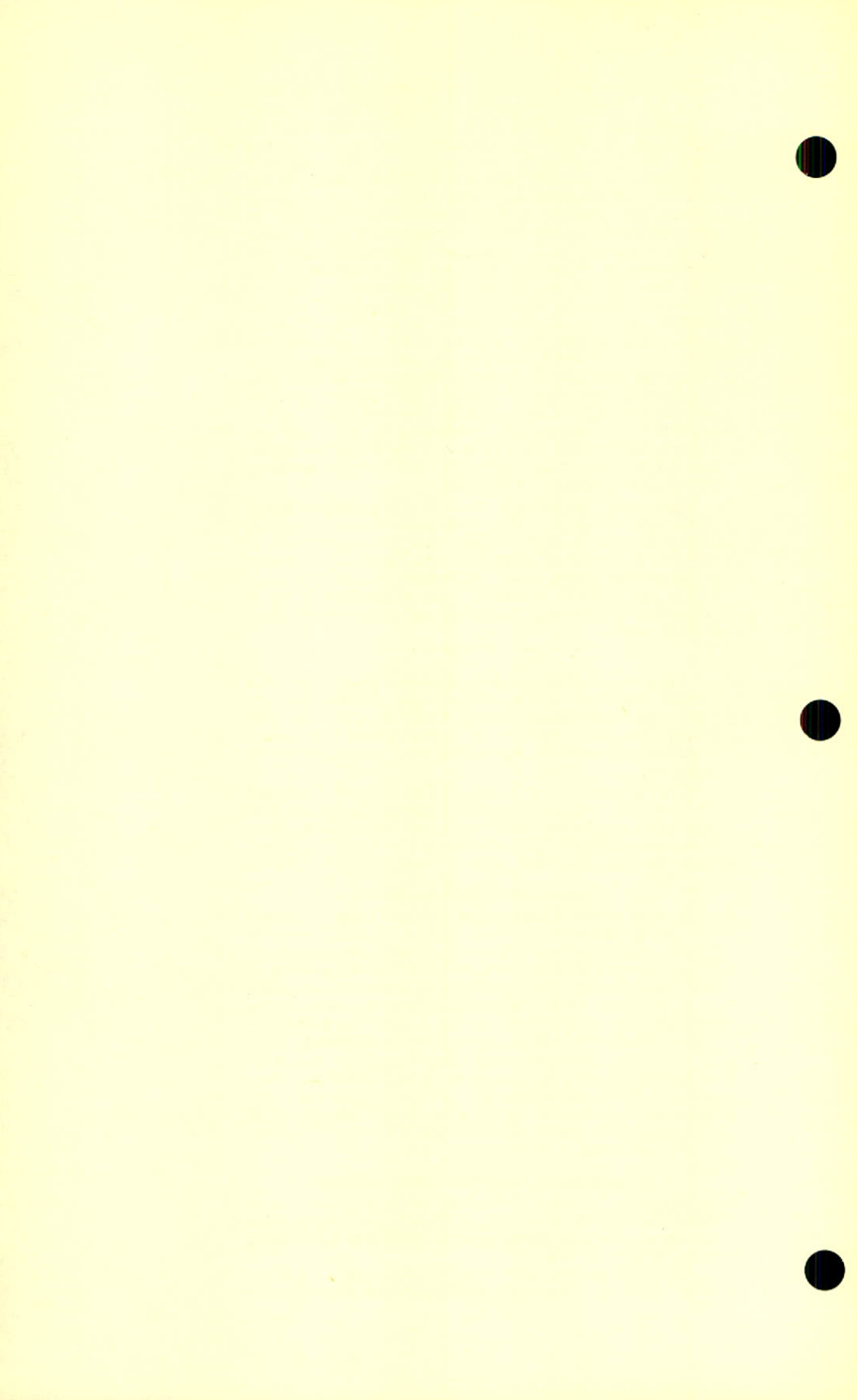
A copy of the Consolidated Balance Sheet, approved by the Company's auditors, Messrs. Ross, Touche & Company, is attached to this report as Statement No. 1. This statement sets out the combined financial position of the Saskatchewan Wheat Pool and its subsidiary companies as at 31st July 1961. The usual explanatory notes on the principal items appearing in the Consolidated Balance Sheet are attached for the information of delegates.

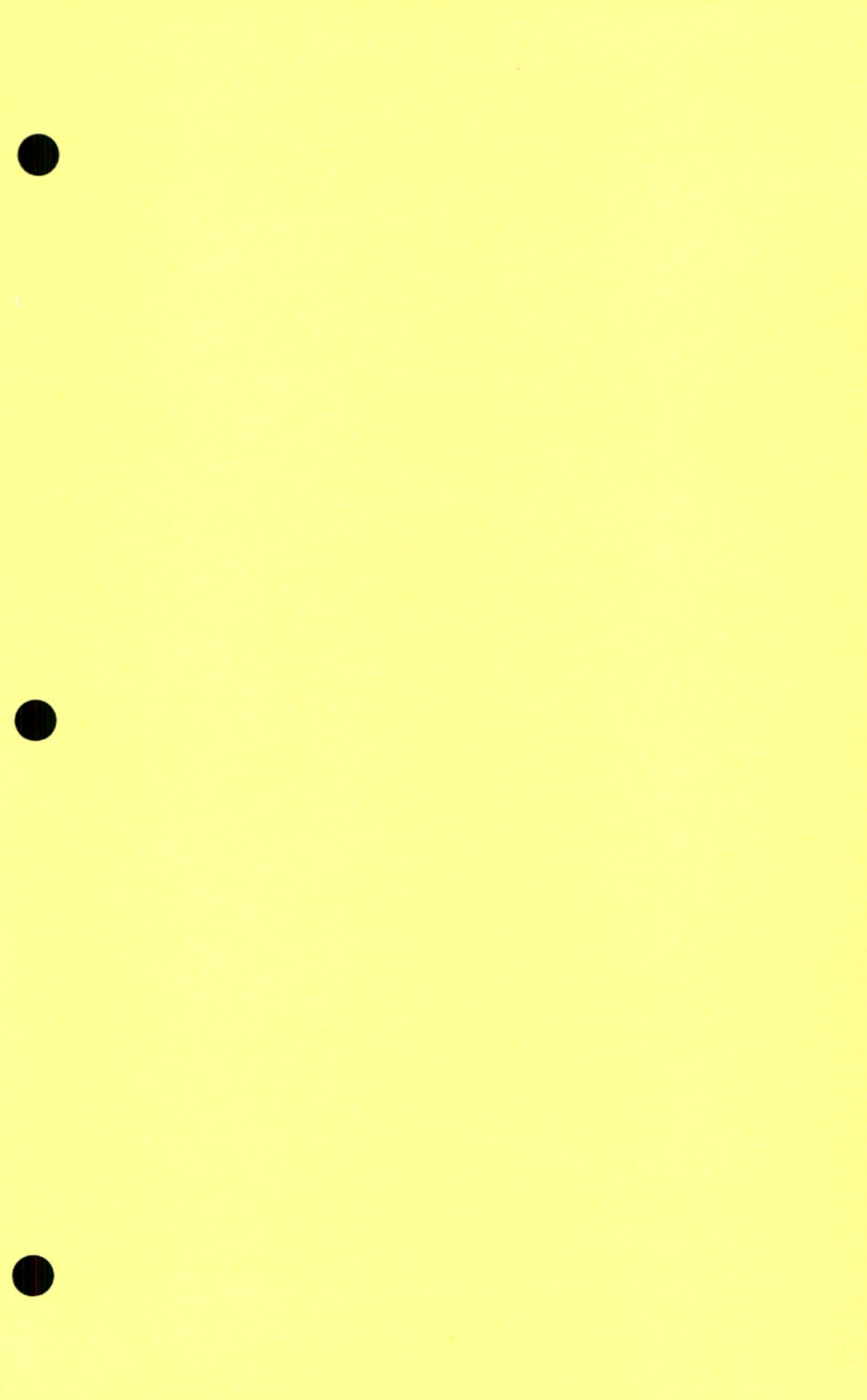
As at 31st July 1961, total current assets of the entire Pool organization amounted to \$112,950,304.00. Total current liabilities amounted to \$106,318,253.00. The difference between these two items, namely, \$6,632,051.00 represents the current position of the Company at the end of the fiscal year, 31st July 1961.

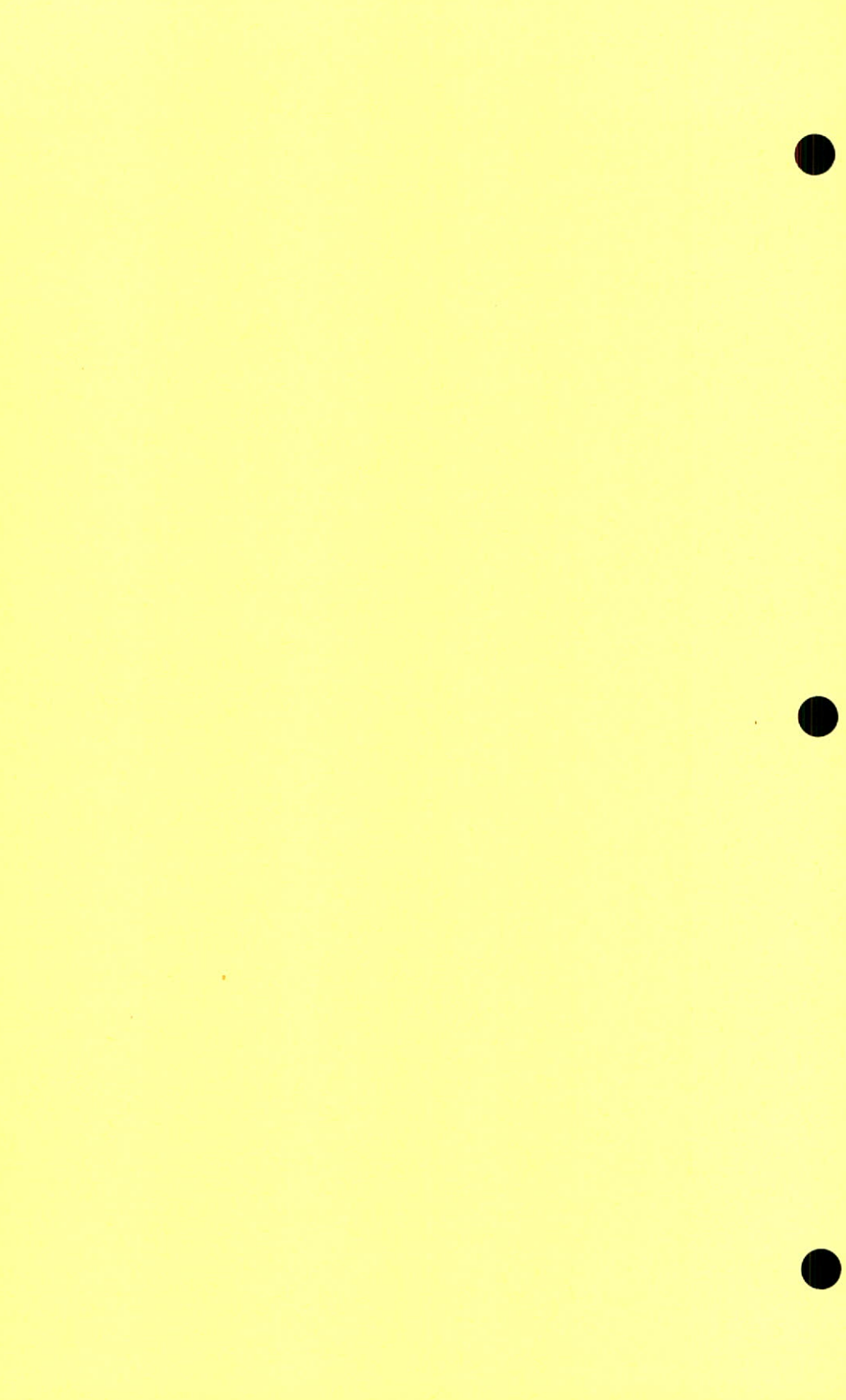
Consolidated Schedule of Fixed Assets

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 fixed assets as at 31st July 1961.

The total original cost of all fixed assets is shown as \$79,671,385.00. Over the years depreciation amounting to







\$46,726,583.00 has been provided, leaving the net value of the fixed assets at \$32,944,802.00. This compares with a net valuation of \$33,227,323.00 for the previous year, which represents a decrease of \$282,521.00.

Consolidated Capital Statement

Statement No. 2 attached to this report sets out in detail the current position of the Wheat Pool organization as at 31st July 1961. After providing for the unexpended portion of the approved program of capital expenditures, estimated at \$1,232,500.00, the working capital for the Season 1961-62 is shown as \$5,399,551.00, as compared with the working capital for Season 1960-61 of \$5,115,041.00, or an increase of \$284,510.00.

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

Statement No. 3 attached to this report shows the composition of capital funds as at 31st July 1961. Capital commitments as at 31st July 1961 for completion of the program of building and work under construction, and machinery under purchase, estimated at \$1,232,500.00, have been taken into account in arriving at the working capital figure of \$5,399,551.00.

Statement of Net Earnings

Statement No. 4 which is attached to this report 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 1961.

Statement of Grain Handled

Statement No. 5 which is attached, shows the total amount of grain handled by the Pool organization during the period 1924 to 1961, inclusive. The statement shows that since the inception of the organization the country elevator system has handled 4,048,076,020 bushels. During the same period the Terminal Elevator Division has handled 2,798,967,426 bushels.

Statement of Financial Position and Members' Equity as at 31st July 1961

The Consolidated Balance Sheet shows the financial position of the organization and the members' equity as at 31st July 1961. It may be summarized as follows:

Total Current Assets.....	\$112,950,304
Less Current Liabilities.....	106,318,235
Working Capital—subject to Capital Commitments already referred to.....	\$ 6,632,051
Other Assets.....	33,868,016
	<u>\$ 40,500,067</u>
Less: Reserve for Unearned Subscriptions, The Western Producer.....	\$ 10,000
Mortgages Payable.....	573,280
	<u>583,280</u>
Total Net Assets representing Members' Equity.....	<u>\$ 39,916,787</u>
The Members' Equity is represented by:	
Capital (Membership Fees).....	\$ 141,227
Commercial Reserve.....	10,396,039
Elevator Deductions.....	19,292,242
Livestock Excess Charges Credits.....	98,045
Amount contributed by and allocated to Members.....	\$ 29,927,553
Reserve (unallocated).....	9,989,234
Total.....	<u>\$ 39,916,787</u>

Country Elevator Division

Details of the Earnings and Expenses of the Country Elevator Division are shown in the Financial Statements and Auditors' Reports submitted separately. The net



earnings of this Division amounted to \$4,791,189 or a net earning per bushel of 2.90c, compared with an earning of \$3,840,202 and 2.63c per bushel in the previous season.

The following tabulation gives a comparison of Earnings and Expenses for the Country Elevator Division with those of the previous year:

	1960-61	1959-60	Increase (Decrease)
Earnings.....	\$23,512,967	\$21,318,260	\$ 2,194,707
Expenses.....	18,721,778	17,478,057	1,243,721
Surplus.....	\$ 4,791,189	\$ 3,840,203	\$ 950,986

Grain Handlings

The following tabulation provides a comparison of primary grain handlings in Saskatchewan for Season 1960-61 as compared with 1959-60.

Total Primary Receipts at Country Elevators in Saskatchewan During Grain Years 1960-61 and 1959-60

(Platform Receipts Not Included)

	1960-61		
	All Elevs. (Bushels)	Pool (Bushels)	Pool %
Wheat.....	257,433,444	133,767,460	51.96
Oats.....	13,880,849	7,547,690	54.37
Barley.....	36,663,594	14,605,707	39.84
Flax.....	8,420,971	3,974,828	47.20
Rye.....	3,004,981	1,422,454	47.34
Rapeseed.....	6,772,189	3,774,453	55.73
Total.....	326,176,028	165,092,592	50.61

(Platform Receipts Not Included)

	1959-60		
	All Elevs. (Bushels)	Pool (Bushels)	Pool %
Wheat.....	235,215,202	122,001,458	51.87
Oats.....	8,035,333	4,051,730	50.42
Barley.....	35,396,702	15,139,632	42.77
Flax.....	5,094,395	2,393,415	46.98
Rye.....	2,219,567	1,094,842	49.33
Rapeseed.....	2,092,716	1,154,528	55.17
Total.....	288,053,915	145,835,605	50.63

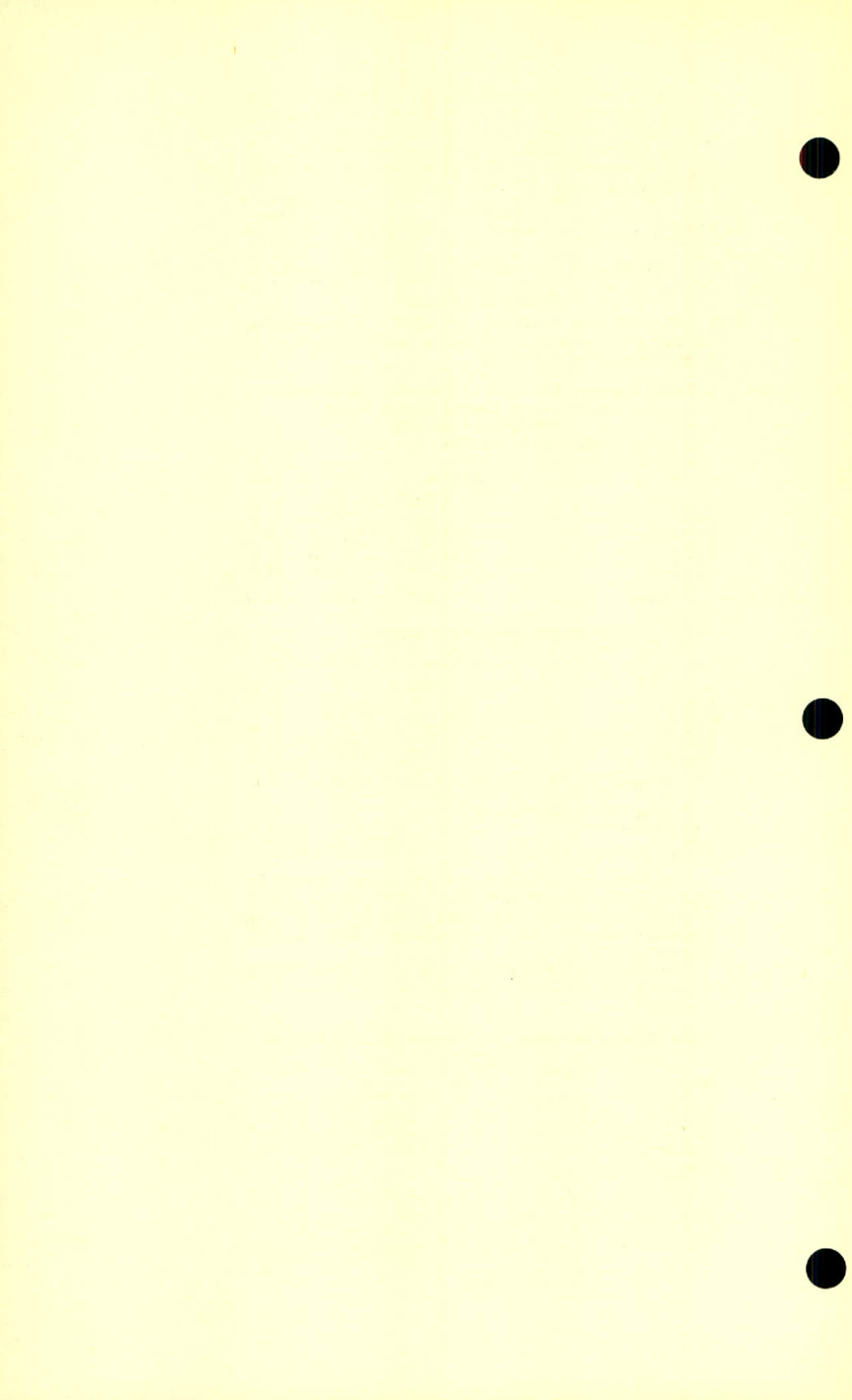
Pool Average Handling per Elevator receiving grain.....	134,220	117,894
	(1,230 Elevs.)	(1,237 Elevs.)
Platform Handlings.....	54,228	37,660

The foregoing handling and percentage figures for Season 1960-61 are interim figures and are subject to adjustment when the final report of the Board of Grain Commissioners for Canada becomes available. 1959-60 figures are final.

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

Receipts by Months—All Grains—Season 1960-61

	Receipts for Month	Monthly % of Total	Cumulative Total	Cumulative %
1960:				
August.....	8,369,211	5.1	8,369,211	5.1
September.....	15,975,083	9.7	24,344,294	14.8
October.....	10,675,950	6.5	35,020,244	21.3
November.....	11,913,467	7.2	46,933,711	28.5
December.....	11,083,624	6.7	58,017,335	35.2
1961:				
January.....	10,609,519	6.4	68,626,854	41.6
February.....	5,087,387	3.1	73,714,241	44.7
March.....	6,461,802	3.9	80,176,043	48.6
April.....	11,474,775	7.0	91,650,818	55.6
May.....	17,010,908	10.3	108,661,726	65.9
June.....	28,823,158	17.4	137,484,884	83.3
July.....	27,607,708	16.7	165,092,592	100.0
	165,092,592	100.0		



As has been the case in recent years, Pool country elevators were badly congested throughout the entire 1960-61 grain season and unable to receive all grain offered. The year began with stocks in store of 76,868,958 bushels of all grains. Except for a short period near the end of the season, the country system carried well in excess of 70 million bushels, and at 31st July there were 71,026,163 bushels of all grains in store.

The average stocks carried throughout the year were 72,362,833 bushels, compared with an average of 63,050,240 bushels in the previous season. In addition to the average stocks just quoted, small amounts of rapeseed were carried in each season.

Grading Record

The grading record for the year, based on cut-off valuations, indicates a net credit in grades amounting to \$438,949 compared with \$519,515 for the previous season.

Inspections

The records indicate that 214,715 cars of wheat were inspected at all primary inspection points in Canada during the 1960-61 season, compared with 197,556 for the previous season. Of the cars inspected in 1960-61, 75% were contract grades, compared with 67% in the previous season, and 4½% inspected tough or damp, compared with 19% in 1959-60.

Weigh-Ups

Although the exceptionally heavy stocks carried throughout the season again precluded the weighing up of a large percentage of Pool elevators, a complete weigh-up of stocks was carried out at 245 elevators (19%) and estimated at the remainder, as compared with 463 (37%) of the houses weighed in the previous season.

Malting Barley Premiums

Premiums of 3c per bushel obtained on consigned shipments of malting barley for the account of growers in Season 1960-61 amounted to \$122,134 compared with \$75,646 in the preceding grain year.

The quantity of consigned barley for which malting premiums were obtained totalled 4,071,163 bushels in 1960-61, compared with 2,521,542 bushels in Season 1959-60.

Fire Losses

Insurance coverage on country elevator properties is maintained at 100% of replacement cost, less depreciation. Current coverage in the amount of \$47,053,840 on elevators, annexes and bins is believed to be adequate.

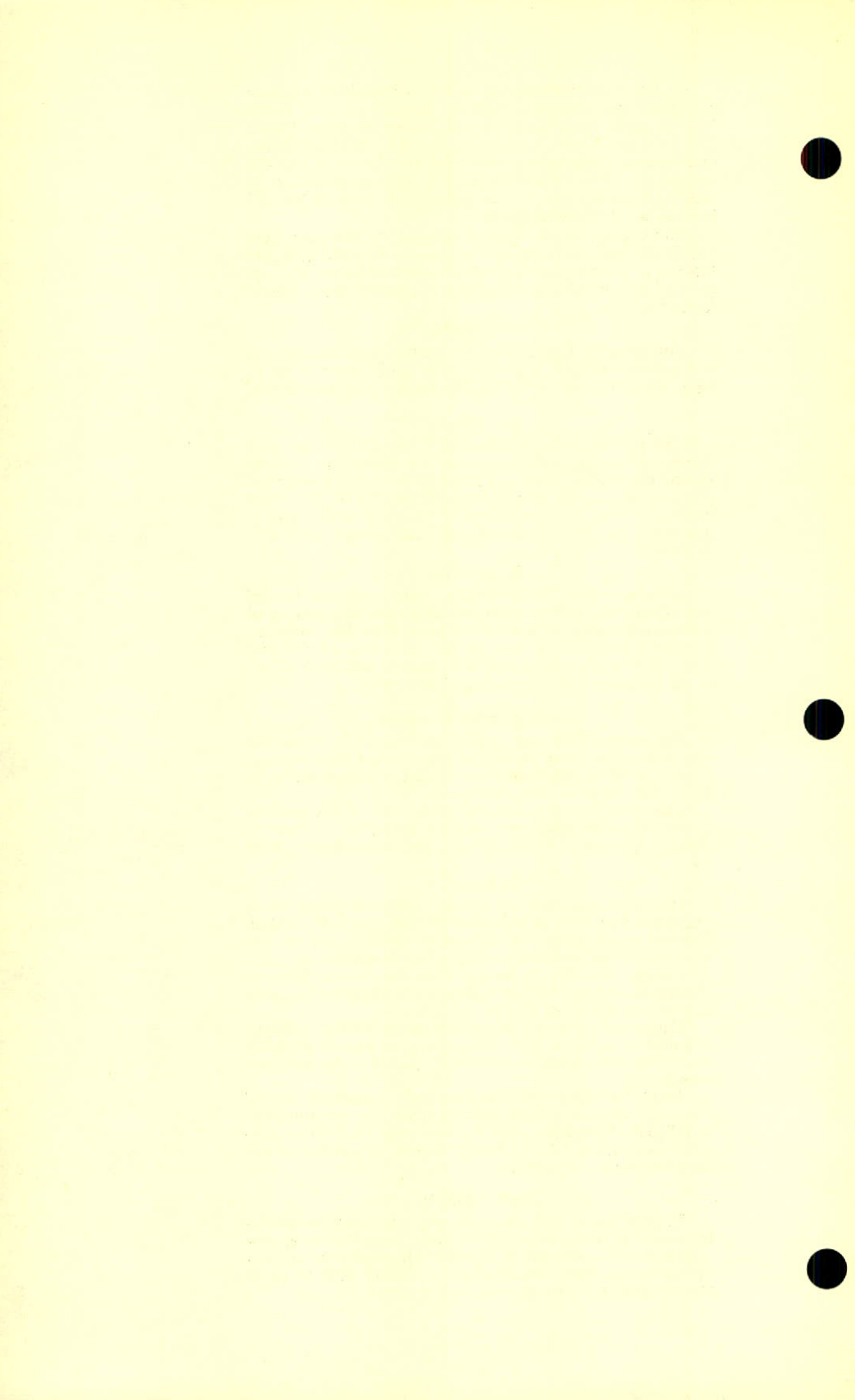
During the 1960-61 Season Pool elevator facilities at Fairmount, Leask, Sturgis, Candiac and Hudson Bay were completely destroyed by fire.

Claims on grain elevator buildings amounted to \$303,193 and on grain to \$491,159 for a total loss of \$794,353 compared with claims totalling only \$2,452 in the previous season.

As at 31st July 1961 the insurance carried on agents' dwellings with the Pool Insurance Company amounted to \$4,079,345. Premiums paid for coverage in 1960-61 amounted to \$4,382. Claims during the season totalled \$2,920 for a loss ratio of 66.64%.

Elevator Repairs

In accordance with the Company's policy of maintaining and improving country handling facilities, an appropriation in the amount of \$721,875 chargeable to current operating expenses, was approved in March 1961 to cover repairs, minor improvements, painting, etc.



Approval was also received for capital outlay in connection with country facilities as follows:

	Estimated
1.—Construction or reconstruction of 10 Elevators.....	\$ 732,000
2.—Construction or reconstruction of 16 Annexes.....	416,000
3.—Capital Improvements (repairs and alterations to elevators and annexes, wiring, door openers, etc.).....	274,406
4.—Purchase and installation of 20 Cleaners.....	110,000
5.—Estimated over-expenditure on 1960 capital repairs..	15,939
6.—Replacement of Fire Losses:	
Leak.....	\$126,000
Sturgis.....	100,000
Candiac.....	100,000
Hudson Bay.....	95,500
	<u>421,500</u>
Total.....	<u>\$1,969,845</u>

Of the appropriations covering 10 elevators and 16 annexes, 9 elevators and 8 annexes were allotted in the 1961 construction or reconstruction program.

Of the appropriation covering the purchase of 20 modern cleaners, all have been authorized and shipped. Management has approved the transfer of 2 modern cleaners. All of the cleaners are large size machines excepting a Hart-Carter transferred from Wroxton to Ottho.

Of the total expenditures set out above, your Board considered it wise in February to reduce the allocations for rebuilding of elevators and annexes. Because of the uncertainty of rail line abandonment, it was not considered wise to rebuild on certain railway lines. During the growing season when it became evident that there would be a light crop produced in many areas, decision was made to curtail the rebuilding or building of annexes to half of the total units authorized.

Agents' Dwellings

The following approval was received for the construction, purchase, renovation, repair and painting of agents' dwellings in the 1961 program:

	Total	Capital	Expense
Repairs, renovations and capital improvements.....	\$240,000	\$180,000	\$ 60,000
Repainting exteriors.....	10,370	—	10,370
Construction or purchase of 14 cottages.....	128,800	128,800	
Less estimated under-expenditure on 1960 appropriation.....	(13,921)	(10,440)	(3,481)
Total.....	<u>\$365,249</u>	<u>\$298,360</u>	<u>\$ 66,889</u>

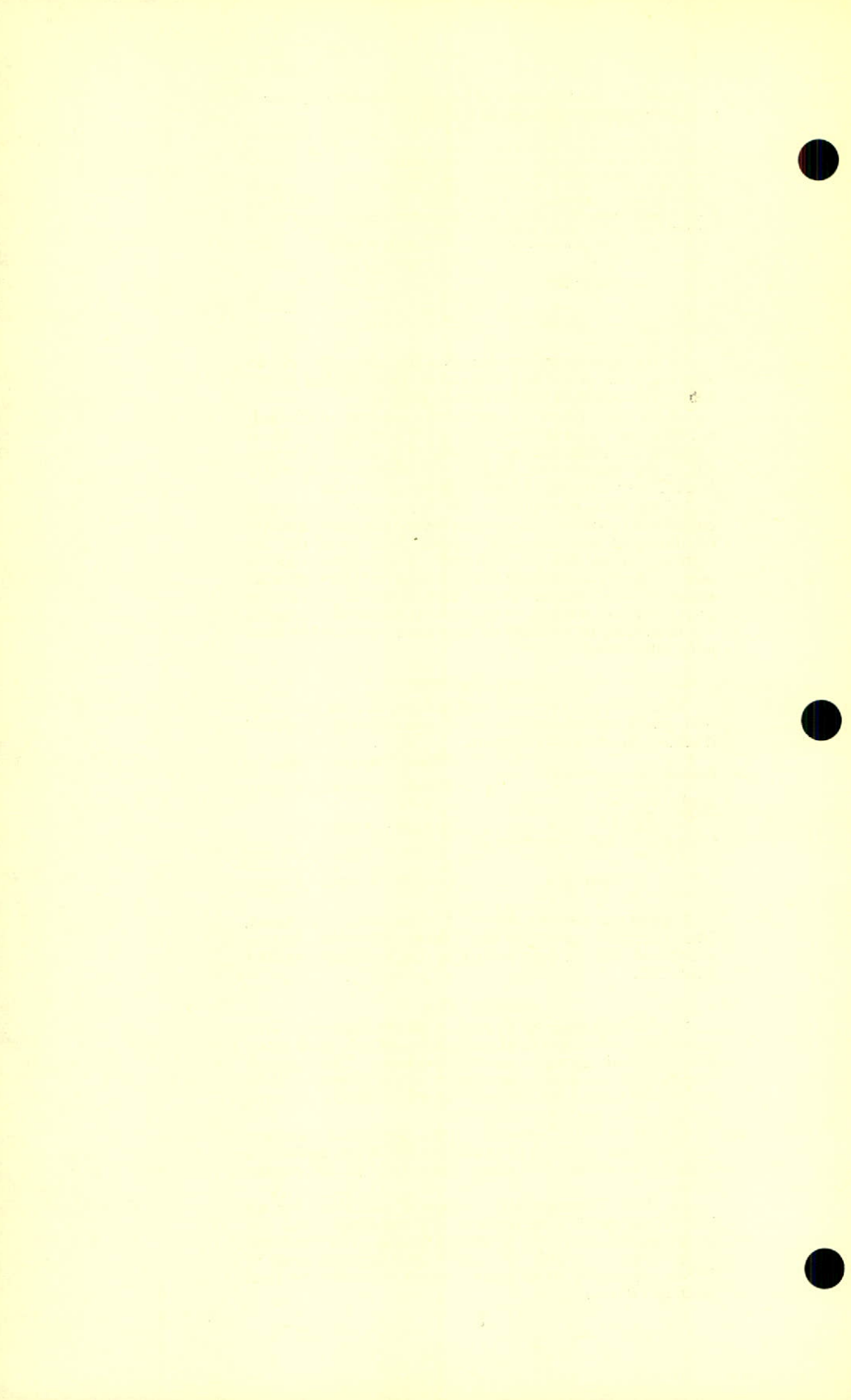
During the 1960-61 season, 1 cottage was purchased, 18 constructed and 21 sold and 1 destroyed by fire, leaving a total of 818 cottages owned by the Company at 31st July 1961.

Rapeseed Pool

The second year of operation of the Rapeseed Pool closed 31st July 1961. Seed was purchased only from growers who had signed a pooling contract. The contract provided for an initial payment of 2c per pound or \$1.00 per bushel and 5,598 growers signed contracts covering 278,292 acres seeded to rapeseed.

Effective 26th September 1960, the initial payment was increased to 2½c per pound, or \$1.25 per bushel for Canada Rapeseed and made retroactive to 1st August 1960.

On 15th February 1961 approval was given for an interim payment to be made of 25c per bushel, and the initial payment became \$1.50 per bushel. The Pool was closed out on 31st July 1961 and a final payment made of 18.61c per bushel on all grades, which increased the final price as follows:



	Per Bushel	Per Pound
Canada Rapeseed.....	\$1.6861	3.3722c
2 Canada Rapeseed.....	1.5361	3.0722
3 Canada Rapeseed.....	1.3361	2.6722
Sample Canada Rapeseed.....	1.1861	2.3722

Again in the year under review the Central Selling Agency acted as the exclusive sales organization for the Rapeseed Pool. During the year, that organization sold 2,365,274 bushels, 796,810 bushels were sold to the Wheat Pool, Vegetable Oil Division, and 158,742 bushels were inventoried into the 1961-62 Pool.

Seeded acreage in Saskatchewan in 1960 was 550,000 acres. Rapeseed marketed in Saskatchewan in 1960-61 totalled 6,858,000 bushels. The Rapeseed Pool handled 3,272,076 bushels, or 47.7% of Saskatchewan deliveries.

The experience gained by Wheat Pool personnel the first year proved most helpful in handling the larger volume pooled during the year under review.

The General Superintendent for the northern half of the province, and those Divisional and Travelling Superintendents operating in rapeseed growing areas, are to be commended for their efforts to maintain smooth working arrangements in the grading and movement of stocks. The Export Department, too, was most helpful throughout the year. Rapeseed normally is a fast moving crop. Under congested elevator conditions, agents worked well with Pool members and generally did good work. They appear to have learned quickly to handle this product in a satisfactory manner.

The following is the statement of operations of the Rapeseed Pool, Season 1960-1961:

Proceeds from Sale of Rapeseed and Screenings.....	\$7,249,822
Value of Stocks on Hand 31st July 1961.....	343,661
	<u>\$7,593,483</u>

Paid to Producers for Rapeseed delivered to Pool.....	\$5,480,149
Inventory at 1st August 1960—transferred from 1959-60 Pool.....	125,654
Overage from Country Elevator as at 1st August 1960, purchased.....	8,409
Overage at Victoria Terminal Elevator purchased.....	6,654

Expenses:

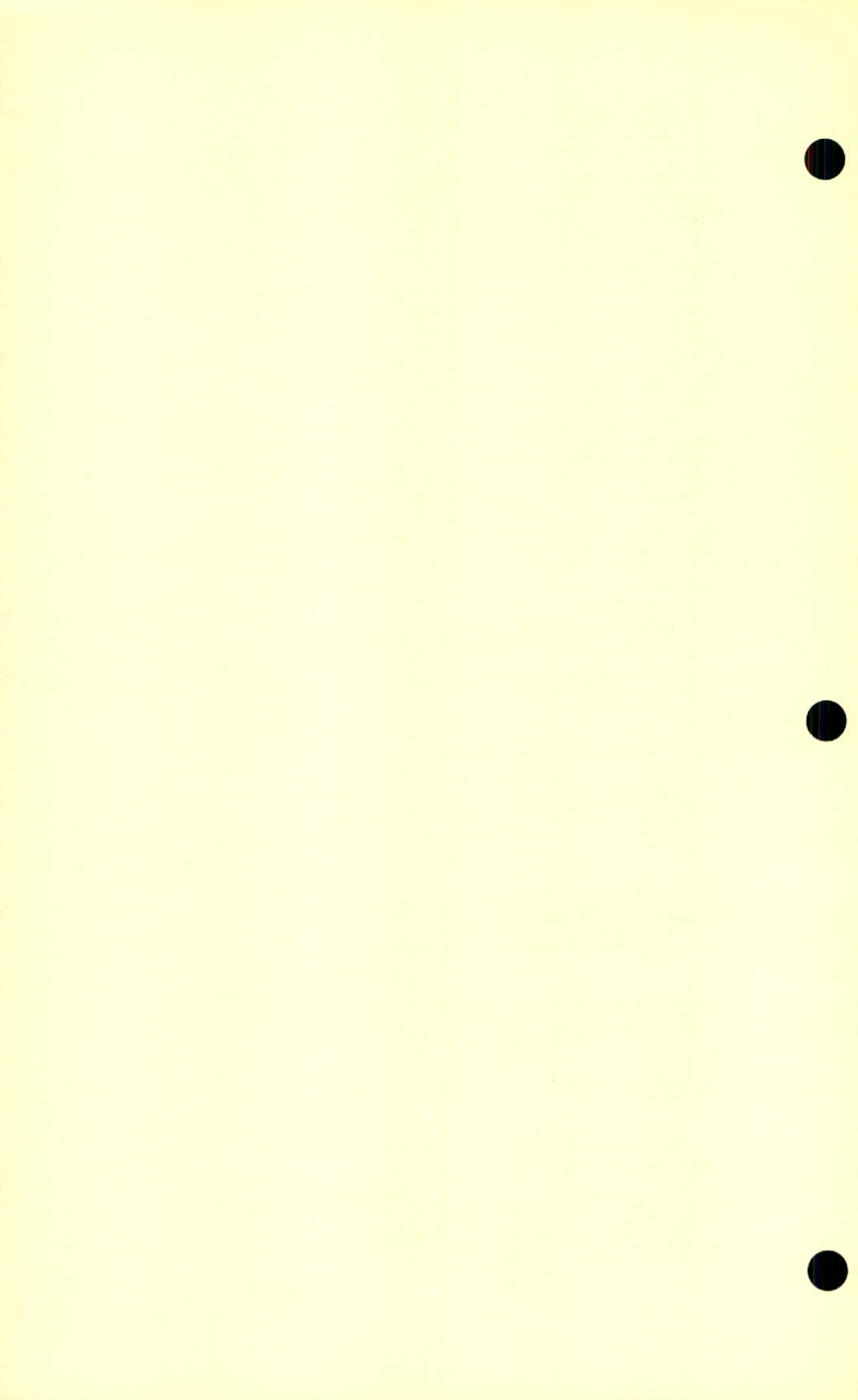
Country Elevator Handling and Storage Charges.....	\$259,077
Inward Freight and Interior Terminal Charges.....	857,661
Outward Freight and Export Charges.....	711,491
	<u>1,828,230</u>

Administration and General Expense:

Central Selling Agency Commission\$	63,377
Administration Charges—	
Saskatchewan Wheat Pool.....	20,975
Interest Paid.....	47,834
Exchange.....	3,789
Miscellaneous Expenses.....	5,147
Printing and Stationery.....	3,265
	<u>144,387</u>
	<u>\$7,593,483</u>

The Balance Sheet of the Rapeseed Pool as at 31st July 1961, follows:

ASSETS		LIABILITIES	
Cash in Bank.....	\$ 3,608	Cheques Outstanding.....	\$ 2,644
Saskatchewan Wheat Pool.....	262,136	Final Payment due to Producers.....	605,541
Accounts Receivable.....	43	Accrued Expenses.....	1,263
Stocks of Rapeseed.....	343,661		
	<u>\$609,448</u>		<u>\$609,448</u>



Following is a summary of Receipts, Shipments and Stocks of the Rapeseed Pool for Season 1960-1961:

	Net (Bushels)	Dockage (Bushels)
Receipts:		
Country Elevator Cash Ticket purchases and Consigned Shipments.....	3,117,518	347,137
Platform Car.....	1,519	71
Cash Ticket Purchases made by Vegetable Oil Division.....	134,810	12,116
Total per Growers' Cards.....	3,253,847	359,325
Inventory—31st July 1960.....	12,147	1,668
Purchase of Country Elevator Overage, 31st July 1960.....	5,425	746
Total Receipts and Inventory.....	3,271,420	361,739
Outstanding Storage.....	656	59
	<u>3,272,076</u>	<u>361,798</u>
Sales of Screenings.....	344,451	Bushels
Shipments:		
	Net (Bushels)	Dockage (Bushels)
Unloaded at Interior Terminals:		
Saskatoon Unloads.....	1,785,141	213,358
Edmonton Unloads.....	778,460	91,970
Calgary Unloads.....	221,987	29,963
Total Unloaded at Interior Terminals.....	2,785,589	335,292
Shipments Direct to:		
Vancouver.....	30,422	3,044
Victoria.....	156,894	13,717
	<u>2,972,906</u>	<u>352,054</u>
Local Sales and Claims.....	3,289	290
Stocks in Store Country Elevators, 31st July 1961	10,997	1,547
Country Elevator Shortage.....	3,567	—
	<u>2,990,760</u>	<u>353,892</u>
Country Elevator Shipments to		
Vegetable Oil Division:		
Carlot Shipments.....	128,903	18,191
Trucking from Country Elevators.....	17,602	2,618
Cash Ticket Purchases retained by Vegetable Oil Division.....	134,810	12,116
	<u>281,315</u>	<u>32,925</u>
	<u>3,272,076</u>	<u>386,818</u>

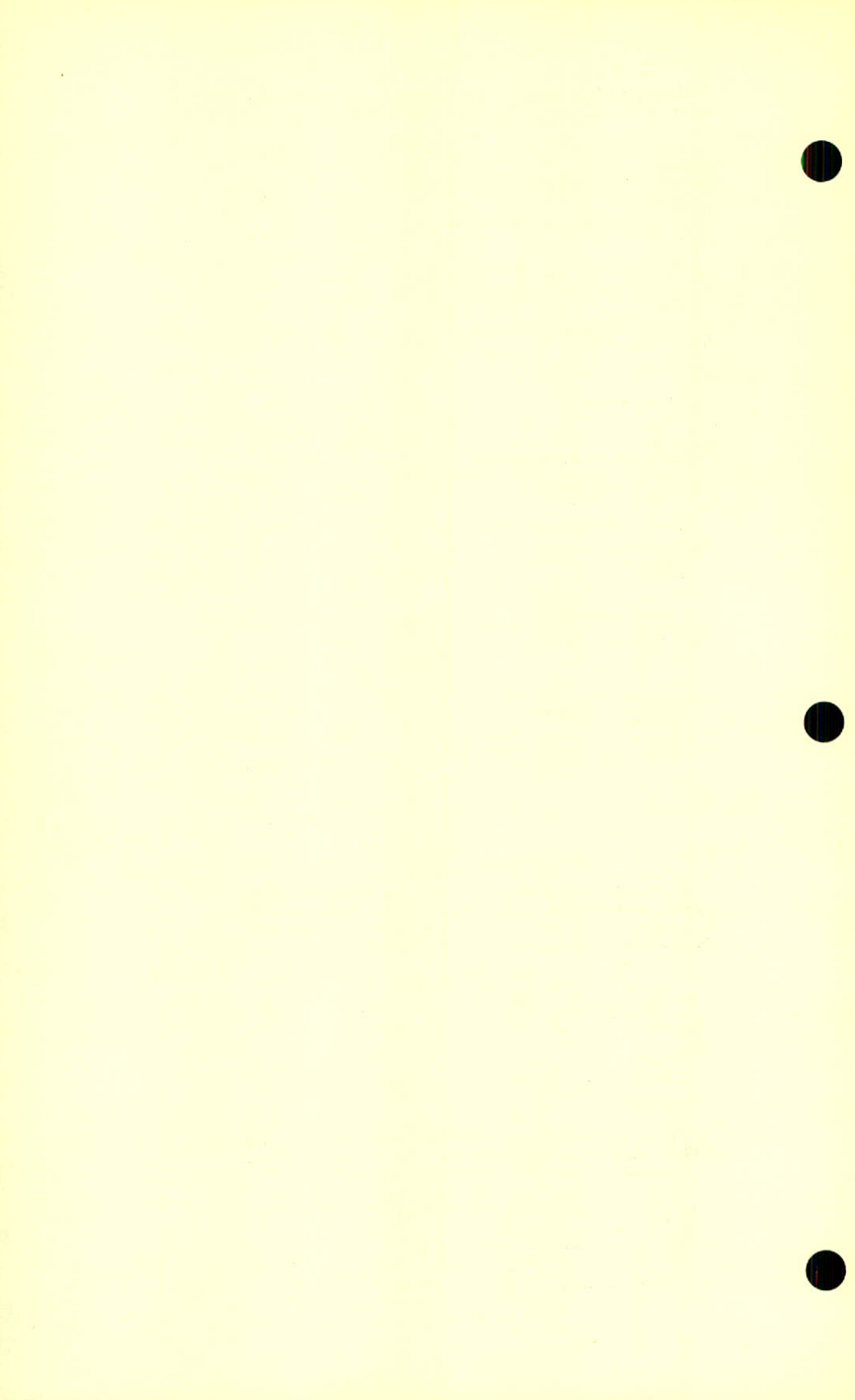
Export Department

During the year under review the operations of the Export Department showed a profit of \$11,640, compared with a loss of \$112,834 last season. A comparison of sales with those of the previous year is set out below:

	1960-1961 (bushels)	1959-1960 (bushels)	Increase (Decrease) (bushels)
Wheat.....	9,862,876	2,182,013	7,680,863
Oats.....	258,500	177,500	81,000
Barley.....	483,218	28,571	454,647
Flax.....	—	—	—
Rye.....	—	—	—
Total.....	10,604,594	2,388,084	8,216,510
Screenings (tons).....	585	270	315

Carlot shipments for the domestic market during Season 1960-61 were 85, as compared with 78 for the previous year. A breakdown of the total, by grains, is shown below:

	1960-1961	1959-1960	Increase (Decrease)
Wheat.....	22	27½	(5½)
Oats.....	29	25	4
Barley.....	14	17½	(3½)
Screenings.....	20	8	12
Total.....	85	78	7



Exporters of Canadian wheat generally experienced a successful season from the standpoint of volume, but stiff competition on price was in evidence. Sales to China were an important factor in the increase in sales volume, while serious drought conditions, partial crop failure, devaluation of the Canadian dollar, coupled with below normal production prospects overseas, contributed to strengthening of prices in Canada. Present indications point to a continued demand throughout the current season.

Churchill

During the 1961 shipping season 48 cargoes cleared the Port of Churchill for overseas destinations. This was the same number as cleared the Port in 1960. Total volume of grain moved, according to preliminary estimates, was 19,351,021 bushels, compared with clearances of 19,582,490 bushels for the previous season. This represented a decrease of 231,469 bushels.

At the close of the 1960 shipping season there were 4,765,708 bushels in store at Churchill. Shipments into Churchill during the 1960-61 shipping season amounted to 18,070,765 bushels, which together with stocks in store made 22,836,494 bushels available for shipment after making adjustments for drying losses.

After taking into account the movement of 1,522 bushels to Montreal by vessel, there remained in store at the close of the season 3,483,951 bushels, according to the preliminary estimates.

The last vessel cleared the port on 11th October 1961.

Of the total shipments into Churchill during the season, of 18,070,765 bushels, Saskatchewan Pool elevators shipped 8,461,210 bushels or 46.82% of the total, according to preliminary figures.

The Saskatchewan Wheat Pool, Export Department, arranged the shipment of two cargoes, totalling 998,667 bushels or 5.16% of the total export clearances. Of the total exported, 179,192 bushels were One Northern; 11,930-973 bushels were Two Northern; 6,141,724 bushels were Three Northern; 1,029,666 bushels were Four Northern; and 69,464 bushels were Rejected No. 2 Northern Mixed Heated.

Seed Grain Sales

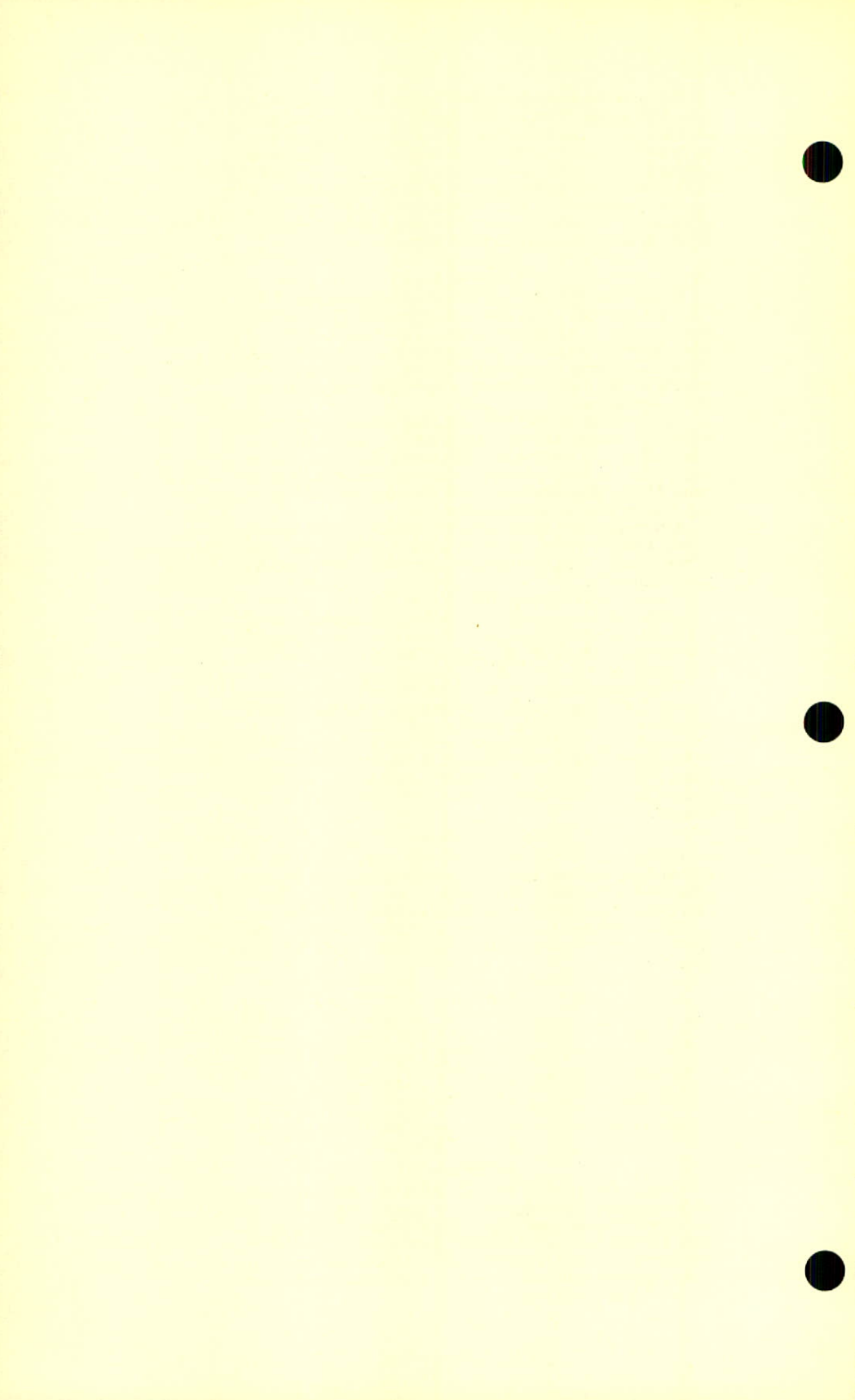
In line with the practice of former years, all orders received from growers for quality seed during the 1960-61 season were placed on a commission basis with the Saskatchewan Seed Grain Co-operative Limited at Moose Jaw.

The following is a comparison of the seed grain sales handled by the Country Elevator Division in the last two seasons:

	1960-1961 (bushels)	1959-1960 (bushels)
Wheat.....	118,518	28,394
Oats.....	35,955	32,331
Barley.....	38,942	22,474
Flax.....	31,240	25,176
Rye.....	158	230
Rapeseed.....	3,398	10,408
Total.....	228,211	119,013
Value of Sales.....	\$556,711	\$386,889

Mill Orders

During the 1960-61 season, mill orders for 7,103 cars of wheat were forwarded to Pool agents, compared with orders for 8,208 cars in 1959-60. Mill orders in both seasons were allocated entirely by The Canadian Wheat Board. As a matter of interest, approximately 16% of Pool total mill orders in the current season went to the Saskatchewan Pool Flour Mill at Saskatoon.



Construction Department

The activities of the Construction Department embrace 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 10 elevators.....	\$ 732,000.00	—	\$ 732,000.00
Plus Fire Loss Replacements at Candiak, Hudson Bay, Leask and Sturgis.....	421,500.00	—	421,500.00
Construction or Reconstruction of 16 annexes.....	416,000.00	—	416,000.00
Repairs and Improvements of Elevators, Annexes, Wiring, Door Openers, Etc.....	384,406.00	555,990.00	940,396.00
Repainting of Elevators & Annexes.....	—	80,885.00	80,885.00
Repairs to Temporary Annexes.....	—	85,000.00	85,000.00
	<u>\$1,953,906.00</u>	<u>\$721,875.00</u>	<u>\$2,675,781.00</u>

Agents' Dwellings

Repairs, Renovations and Capital Improvements.....	\$ 180,000.00	\$ 60,000.00	\$ 240,000.00
Painting.....	—	10,370.00	10,370.00
Construction and Purchase of Dwellings.....	128,800.00	—	128,800.00
	<u>\$ 308,800.00</u>	<u>\$ 70,370.00</u>	<u>\$ 379,170.00</u>

Amounts expended as at 31st July 1961, under the above authority, are shown in the following statements:

Elevator Program	Capital	Repair	Total
Construction or Reconstruction of Elevators and Annexes.....	\$ 929,403.24	—	\$ 929,403.24
Repairs to Elevators, Annexes, Wiring and re-wiring.....	166,673.91	\$304,068.99	470,742.90
Repainting of Elevators.....	—	42,857.98	42,857.98
Repairs to Temporary Annexes.....	—	15,761.42	15,761.42
Expended at 31st July 1961.....	<u>\$1,096,077.15</u>	<u>\$362,688.39</u>	<u>\$1,458,765.54</u>

Agents' Dwelling Program

Construction of new dwellings \$	55,053.60	—	\$ 55,053.60
Repairs, Renovations, Electric Wiring, Painting, etc.....	79,400.32	26,466.78	105,867.10
Purchase of Dwellings.....	—	—	—
Purchase of Property.....	926.00	—	926.00
Sundry Additions.....	366.00	—	366.00
Expended at 31st July 1961.....	<u>\$ 135,745.92</u>	<u>\$ 26,466.78</u>	<u>\$ 162,212.70</u>

Elevator Repairs and Improvements

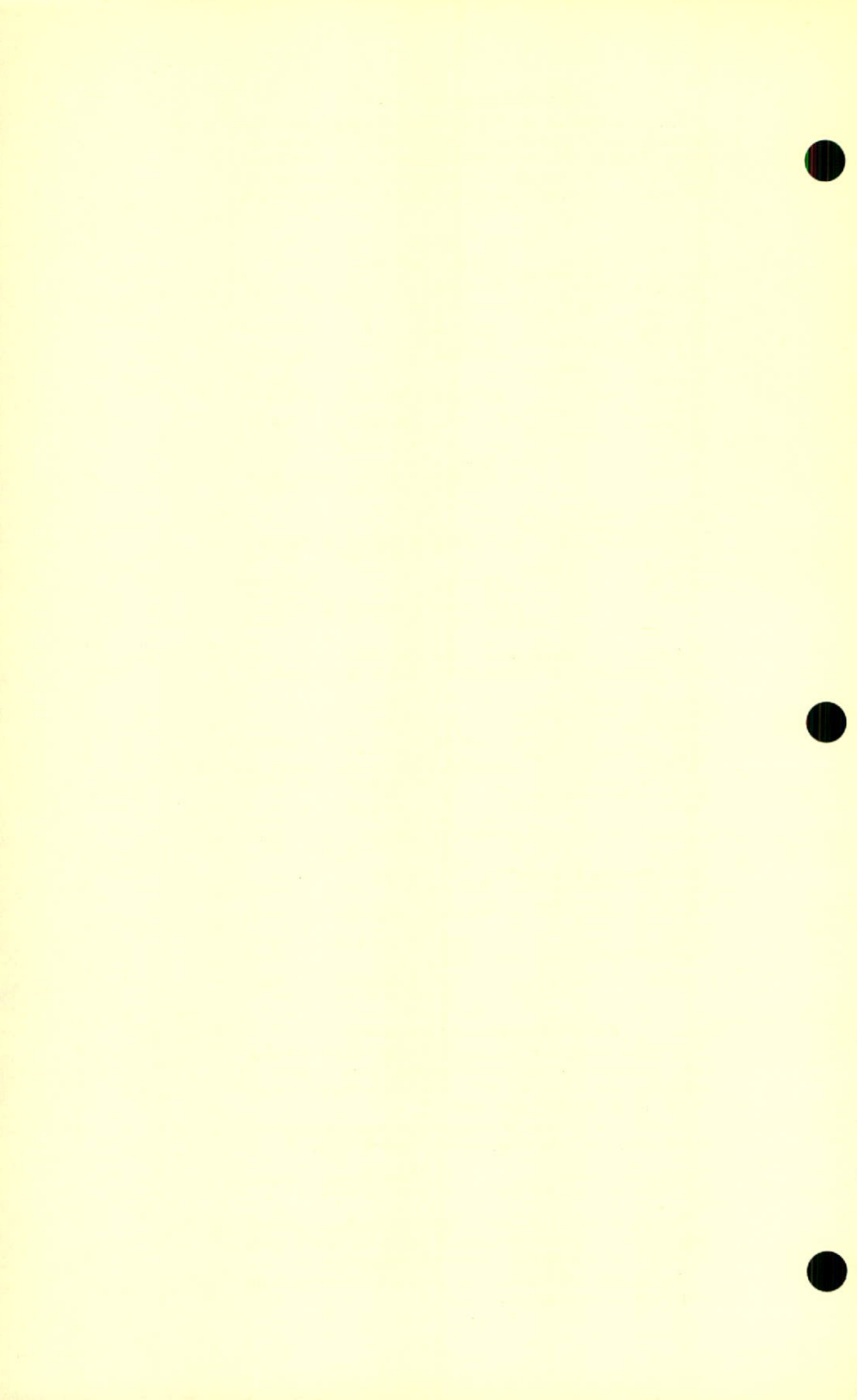
It will be noted that the volume of repairs and improvements to elevators and annexes which it was possible to complete before 31st July 1961, was approximately 54 per cent of the authorized program.

Major replacements of machinery and equipment completed as at 31st July 1961, include the following:

- | | |
|--------------------------------|----------------------------|
| 4—Engines transferred | 4—Engine Houses remodelled |
| 4—Electric motor installations | 1—New Scale installed |

Ninety elevators and forty-nine annexes have been repainted (out of a total program of two hundred and seven elevators and one hundred and thirty-six annexes).

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



Elevator Construction

A total of 10 construction projects was authorized, of which 9 were allocated and nearing completion at the date of this report. In general, new elevators represent replacement of existing facilities, but in one case the new plant was built on a new site, retaining the existing elevator as an annex temporarily. Details are as follows:

Admiral.....	Elevator rebuilt to 95,000 bushel capacity, retaining 35,000 bushel Frame Annex—all electrically driven.
Biggar "B".....	Elevator rebuilt to 95,000 bushel capacity, retaining 30,000 bushel Frame Annex—all electrically driven.
Canwood.....	Elevator rebuilt to 95,000 bushel capacity, retaining 50,000 bushel Crib Annex, two temporary annexes (to be reduced)—all electrically driven.
Elrose.....	Elevator rebuilt to 95,000 bushel capacity, retaining 35,000 bushel Frame Annex—all electrically driven.
Herbert "B".....	Elevator rebuilt to 80,000 bushel capacity, retaining 30,000 bushel Frame Annex—all electrically driven.
Kuroki.....	Elevator rebuilt to 35,000 bushel capacity, retaining 45,000 bushel Crib Annex, 35,000 bushel Frame Annex and 18,000 bushel Temporary Bin—all electrically driven.
Spalding.....	Elevator rebuilt to 35,000 bushel capacity, retaining 50,000 bushel Crib Annex, 34,000 bushel Frame Annex and 18,000 bushel Temporary Bin and 23,000 bushel Temporary Bin—all electrically driven. (Both Temporary Bins to be demolished at a later date.)
Vibank.....	New 35,000 bushel elevator, retaining 20,000 bushel old elevator as Crib Annex and 33,000 bushel Frame Annex—all electrically driven.
Watson.....	Elevator rebuilt to 50,000 bushel capacity, retaining 45,000 bushel Crib Annex and 35,000 bushel Frame Annex—all electrically driven.

Replacement of Fire Losses:

Candiac.....	30,000 bushel elevator (1923), plus 25,000 bushel Crib Annex (1947) and 35,000 bushel Frame Annex (1951). Replaced by 95,000 bushel elevator—electrically driven.
Hudson Bay.....	50,000 bushel elevator (1959), plus 34,000 bushel Frame Annex (1949) and 30,000 bushel Crib Annex (old elevator). Replaced by 80,000 bushel elevator—electrically driven.
Leask.....	45,000 bushel elevator (1929), plus 40,000 bushel Frame Annex (1950) and 55,000 bushel Crib Annex (1958). Replaced by 140,000 bushel elevator—electrically driven.
Sturgis.....	35,000 bushel elevator (1921), plus 25,000 bushel Crib Annex (1948) and 50,000 bushel Crib Annex (1953). Replaced by 95,000 bushel elevator—electrically driven.

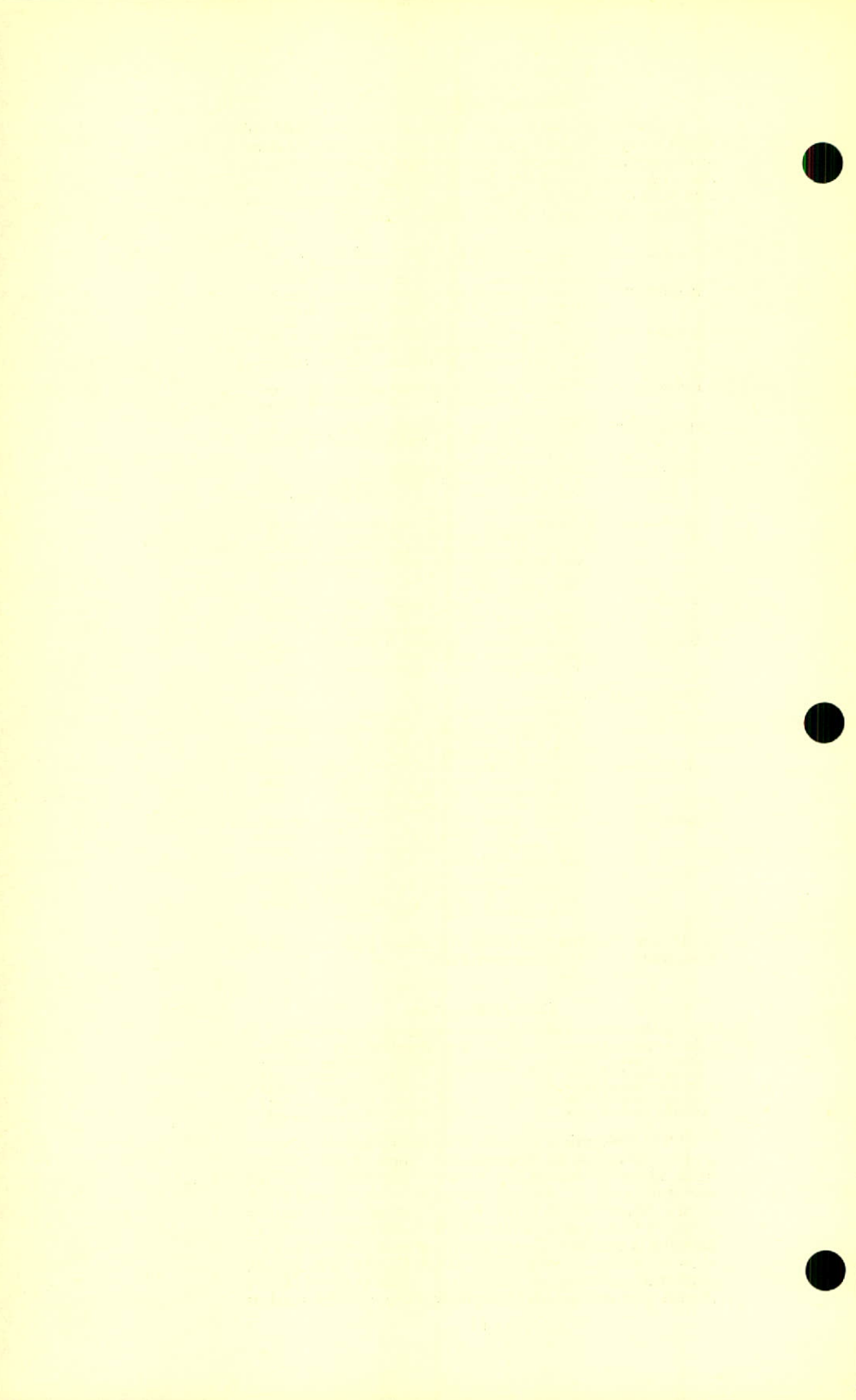
It was expected that all of the above plants would be completed by 15th November 1961.

Cost of Elevators

(Electrically driven, including power line construction charges)

35,000 bushel type.....	\$ 60,000.00 (\$1.71 per bushel)
50,000 bushel type.....	73,000.00 (\$1.46 per bushel)
65,000 bushel type.....	81,000.00 (\$1.24 per bushel)
80,000 bushel type.....	88,000.00 (\$1.10 per bushel)
95,000 bushel type.....	97,500.00 (\$1.03 per bushel)
140,000 bushel type.....	126,000.00 (\$.90 per bushel)

The above prices exclude the installation of cleaners, and are based on all new material. There is usually very little salvage of machinery from the demolition of an old elevator, with the possible exception of scales and truck hoists. About 30,000 board feet of old lumber is usually salvaged from a demolition job. In some cases, the office building is retained. Construction charges paid to Saskatchewan Power Corporation vary from \$250.00 to \$1,100.00, while the operating service charge amounts to \$1.00 per month per connected horsepower. The current used is



metered and charged for on a sliding scale. Where an engine drive is required, there is an increase in cost of approximately \$1,600.00 over the above prices.

New Annexes

During the year under review, the Board approved a program designed to provide 16 new annexes. Many of these replaced temporary annexes. The entire program was built of cribbing. The allocations for the 1961 program are as follows (only 8 appropriated):

Crib Annexes	Bushels	Crib Annexes	Bushels
Bethune.....	50,000	Hanley "B".....	45,000
Glenavon.....	47,000	Langbank.....	55,000
Glenside "B".....	50,000	Peebles.....	48,000
Hamlin.....	40,000	Tugaske.....	50,000

All of the above units were completed by 31st July 1961.

Cost of Annexes

(Crib Type)

40,000 bushel type.....	\$24,800.00	(62c per bushel)
45,000 bushel type.....	26,000.00	(58c per bushel)
50,000 bushel type.....	27,000.00	(54c per bushel)
55,000 bushel type.....	28,000.00	(51c per bushel)
60,000 bushel type.....	29,000.00	(48.4c per bushel)

Elevator Capacity

The following tabulation shows the physical capacity of country elevators and permanent and temporary annexes as it will be on completion of the 1961 building program:

	Capacity (bushels)
1,256 country elevators.....	43,655,000
395 crib annexes.....	13,597,000
434 frame annexes.....	16,028,000
608 temporary bins.....	12,726,000
	<hr/> 86,006,000 <hr/>

Repairs and Improvements to Agents' Dwellings

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

- Additional rooms.
- Concrete basement, complete or partial.
- Oil burners added to old furnaces, or new complete oil or gas furnace.
- General repairs, including painting.
- Installation of plumbing systems.

New Dwellings

New dwellings were built at the following points:

Avonlea.....	5-room	Montmartre.....	5-room
Beechy.....	5-room	Morse.....	5-room
Carmichael.....	5-room	Neville.....	5-room
Cedoux.....	5-room	Star City.....	5-room
Halbrite.....	5-room	Tonkin.....	5-room
Instow.....	5-room	Vantage.....	5-room
LaFleche.....	5-room		

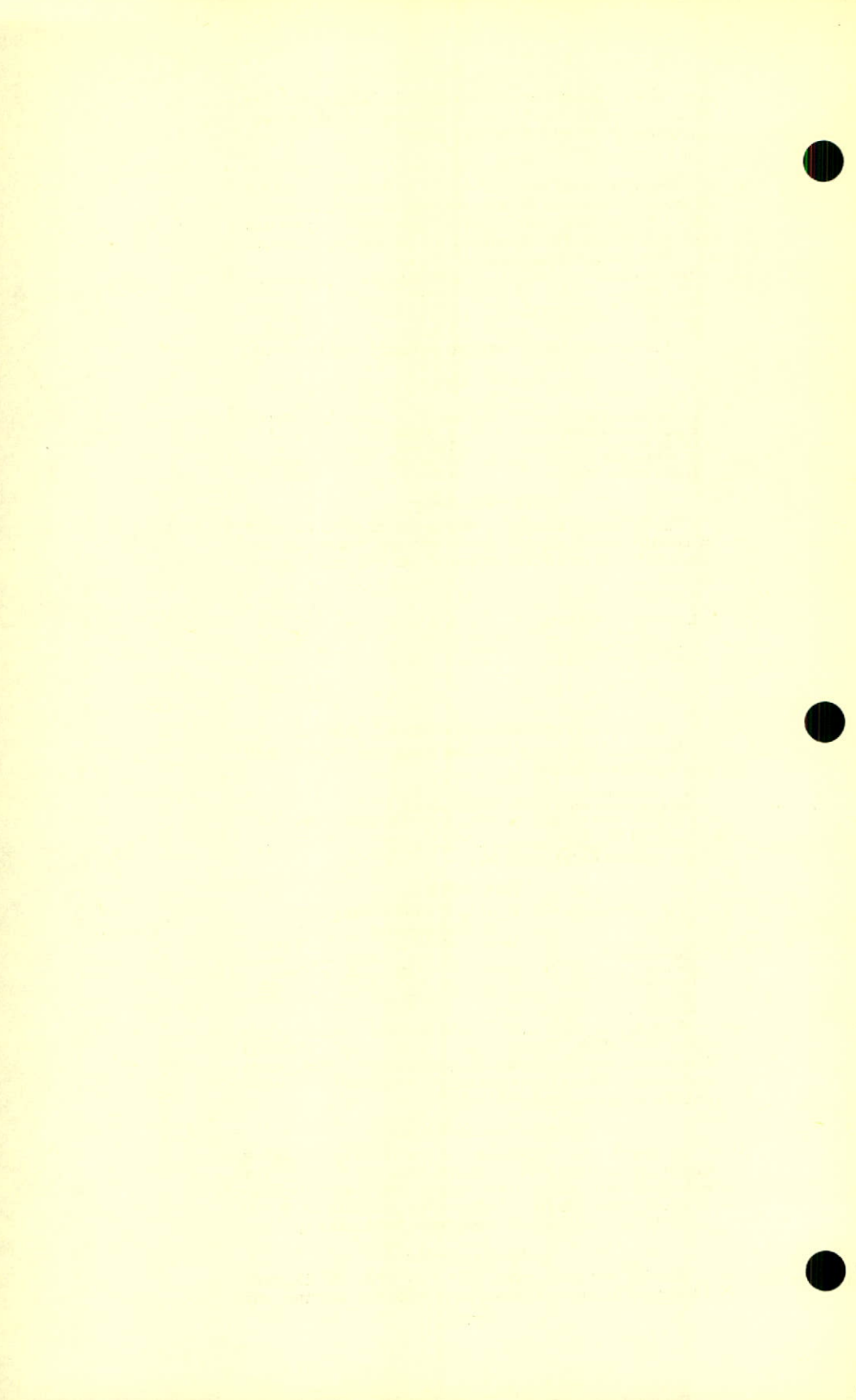
The average cost of a 5-room dwelling (unmodern) is about \$9,600.00. This includes provision for oil-burning furnace (or gas where available), electric lights, sink, pump and cistern. Where sewer and water connections are carried out the additional cost is \$1,000.00.

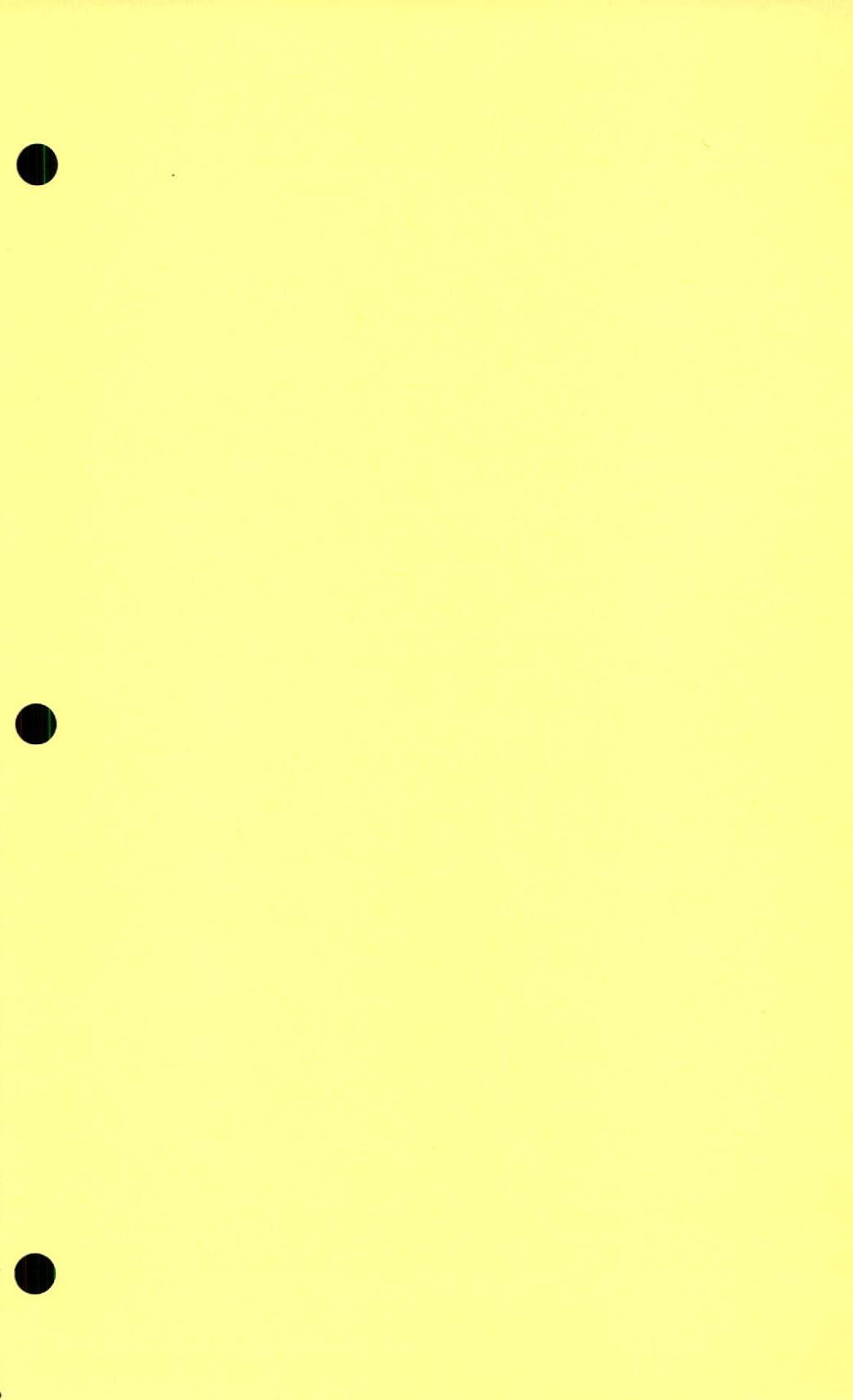
Cost and availability Survey

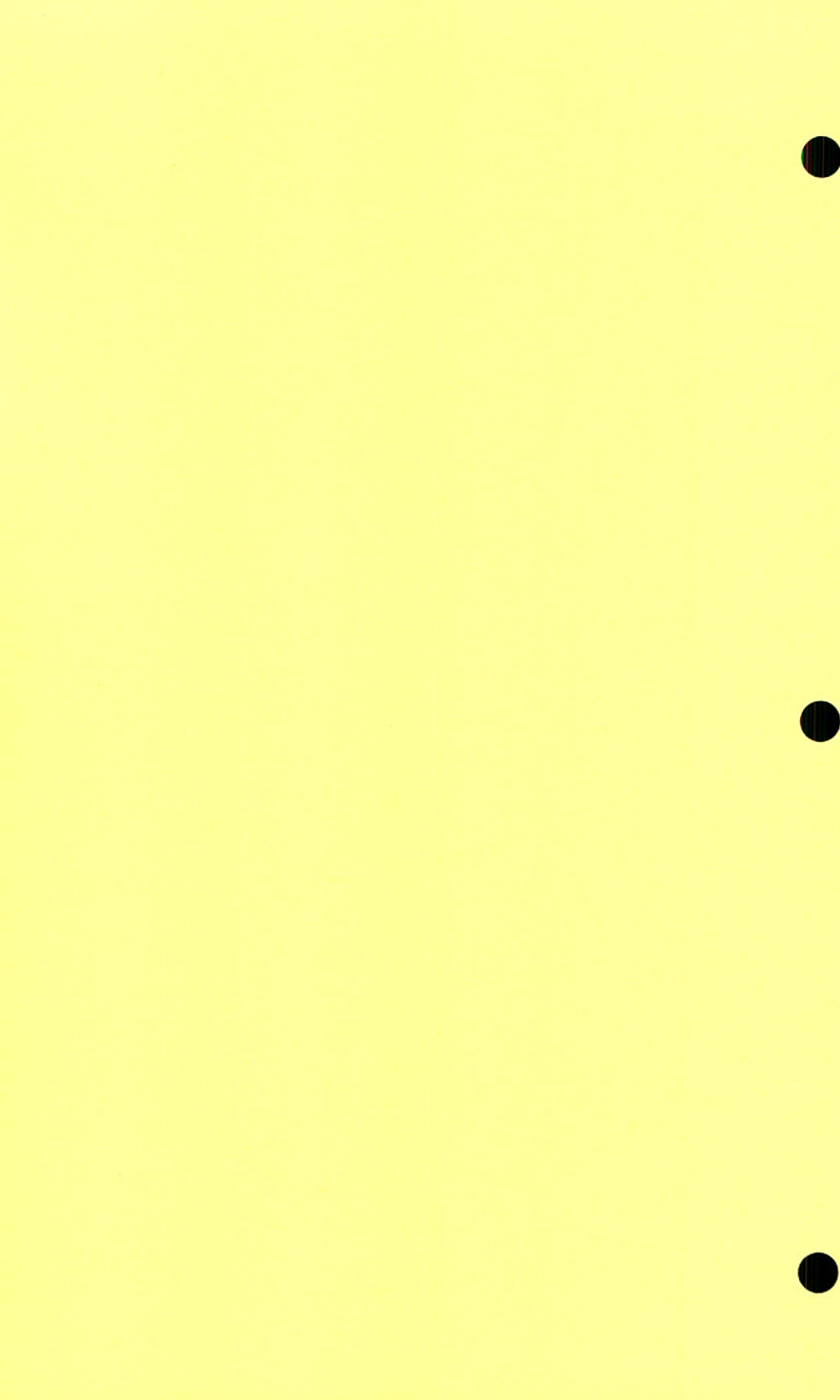
A recent report contained in the MacLean Building Guide for August, 1961, indicates that the building cost index has not increased over the past twelve months. Construction materials have been readily available at an improved price while labour costs have increased slightly.

Laboratory Service

During the year ended 31st July 1961, the Country Elevator Division continued to provide free moisture and







germination testing service for Pool members. The following figures indicate the number of tests made in the laboratory at Head Office for the past three seasons:

Year	Germination	Moisture
1960-61.....	10,760	742
1959-60.....	17,168	1,573
1958-59.....	12,510	1,850

In addition to the tests shown above the laboratory weighed and graded 1,340 samples of grain in connection with the Junior Co-operative Variety Test Plot program.

In addition to the laboratory testing, the Country Elevator Division distributed approximately 15,800 'rag doll' testers through agents to enable growers to make their own tests. These have proved quite popular.

Terminal Elevator Division

The statement of operations of the Terminal Elevator Division for the year ended 31st July 1961 appears as Statement No. 6, Page No. 23 of the Auditors' Report submitted separately to delegates.

The Terminal Elevator Division showed total earnings for the year of \$7,649,350 and total expenses were \$6,383,263, leaving an operating surplus for the year of \$1,266,087, as compared with \$1,059,689 for the previous year, or an increase of \$206,398.

The following tabulation shows a comparison of the volume of grain handled by the different terminal units of the Division for the year under review, as compared with the previous year:

	1960-1961 (Bushels)	1959-1960 (Bushels)
Terminals No. 4A and 4B.....	30,551,020	28,248,227
Terminal No. 5.....	7,391,572	8,836,690
Terminal No. 6.....	22,507,707	20,866,987
Terminal No. 7.....	36,209,337	34,723,077
Terminal No. 8.....	9,385,842	6,572,042
Total—Lakehead Terminals.....	106,045,478	99,247,023
Vancouver.....	18,522,995	11,907,266
Total.....	124,568,473	111,154,289

As at 31st July 1961 the stocks in store at each of the Saskatchewan Pool Terminals were as follows:

	(Bushels)
Terminals No. 4A and 4B.....	6,410,304
Terminal No. 5.....	2,078,944
Terminal No. 6.....	6,164,564
Terminal No. 7.....	7,958,114
Terminal No. 8.....	2,190,677
Total—Lakehead.....	24,802,603
Vancouver.....	719,394
Total.....	25,521,997

Statistics released by the Board of Grain Commissioners for Canada show 164,570 cars as having been unloaded at the Lakehead during the 1960-61 season. This represented an increase of 11,207 as compared with the number unloaded the previous year. Saskatchewan Pool terminals unloaded 54,900 cars at Lakehead terminals, or an increase of 2,964 as compared with the 1959-60 season unloads. There were 109,670 cars unloaded at all other terminals at the Lakehead. This represented an increase of 8,243 as compared with the previous year. Once again, during the year under review, more cars were unloaded at Pool Terminal No. 7 than at any other plant at the Lakehead. The actual number was 18,755 cars and this figure represents 11.4% of all Lakehead unloads. Pool Terminal No. 4 unloaded 15,438 cars or 9.3% of the total; Pool Terminal



No. 6 unloaded 11,895 cars, or 7.23%; Pool Terminal No. 8 unloaded 4,813 cars or 2.92% and Pool Terminal No. 5 unloaded 3,999 cars or 2.43% of the unloads.

The Saskatchewan Pool Terminal at Vancouver unloaded 9,918 cars out of a total of 89,142 cars unloaded at all West Coast plants. This represented 11.13% of all unloads.

Grain Dried to Straight Grade

Limited quantities of high moisture content grain reached Saskatchewan Pool plants at the Lakehead and Vancouver during the season and this, of course, represented a distinct change from the previous year when three-shift drying operations were in effect much of the time. During the season 7,901 bushels of tough grain were dried at Terminal No. 4; 4,831 bushels of damp grain and 39,208 bushels of tough grain at Terminal No. 6; as well as 16,385 bushels of damp grain and 163,192 bushels of tough grain at Terminal No. 7. The drying operations involved 231,517 bushels of high moisture content grain at Pool Lakehead plants, and at Vancouver 421,035 bushels of tough wheat were dried, so that the combined figures for the Lakehead and Vancouver represented the drying of 652,552 bushels of high moisture content grain to straight grade.

Special Selections—Barley

Malting quality barley was handled on a special bin basis at two of the organization's Lakehead plants for three exporting companies. The total quantity handled in that manner was 567,859 bushels, of which 518,902 bushels were special binned at Terminal No. 4, and 48,957 bushels at Terminal No. 7. This was an increase of 144,818 bushels from the quantity handled on a special bin basis the previous year. Practically all of this barley represented over-quota deliveries by producers to Pool country elevators and the barley was handled on a special bin basis for the export firms in efforts to encourage those companies to supply premium bids for the over-quota carlots. Again during a large part of the season limited interest was shown in Canadian malting barley by American processors or importers but during the early Fall months and in the latter part of June and all of July, the demand was quite good.

New Equipment and Replacements

The customary practice of maintaining Lakehead plants and equipment in satisfactory operating condition was continued as was the practice of doing much of the repair and replacement work in the winter months.

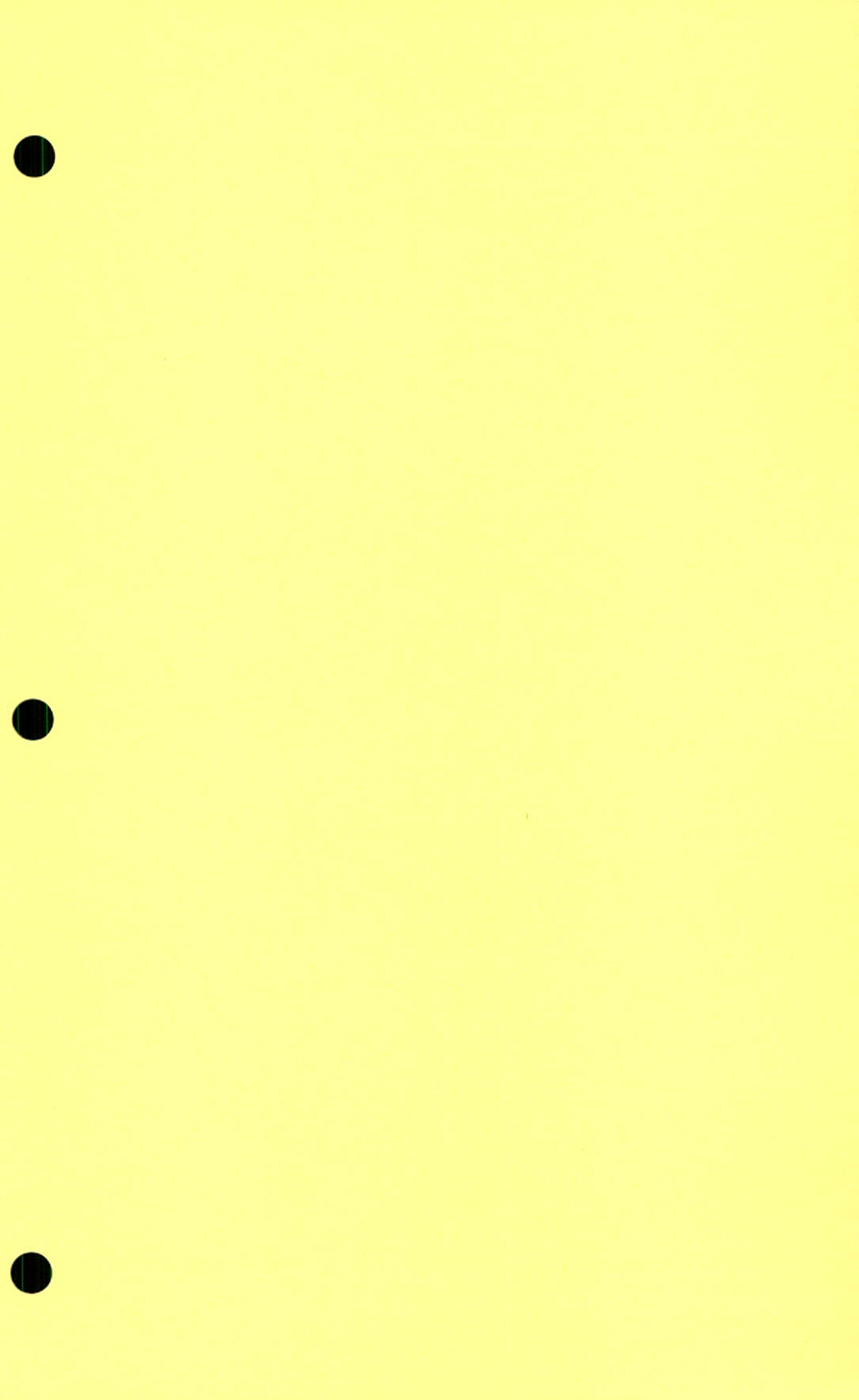
A substantial amount of work was done to parts of the exteriors of Terminals No. 4, 6 and 7. After the areas were repaired and sandblasted they were painted and the latter will not only act as a preservative but also has improved the general appearance of the plants.

Repairs and replacements of varying importance in connection with machinery and equipment in the plant which is leased at Vancouver are fairly constant, with a large percentage being of a minor nature.

Staff

The number of men employed at Lakehead plants during the year ranged from a high of 502 in July to a low of 224 in March. At Vancouver the largest number of men, 62, were employed in July and the fewest, 37, in September and October.





General

Consideration is being given to the necessity of dredging slips adjacent to the three largest Pool terminals to a depth of 27 feet within a two or three-year period and to the preliminary work which would have to be done prior to the slips being deepened. As a first step, C. D. Howe Company Limited and Geocon Limited were authorized to conduct stability studies of the foundation of Pool Terminal No. 7, including an investigation of soil conditions and future requirements for strengthening and deepening the revetment walls to a depth sufficient to make possible the ultimate deepening of the slip to 30 feet. The soil investigation was completed by Geocon Limited and a report covering the investigation was prepared on 13th February 1961. Up to the present time a report in connection with the stability of the plant or the work which would have to be done to the revetment to enable the slip to be deepened to the extent mentioned has not been received. It is probable that at some future date similar surveys will be made at Terminals No. 4A and 6.

Ocean Shipping

During the crop year ocean vessels cleared the Lakehead with 16,240,714 bushels of grain for foreign destinations compared with 16,812,464 bushels on vessels of that type the previous year. In the year just ended, Pool Terminals loaded 5,690,000 bushels on ocean vessels from Lakehead plants, as compared with 5,933,561 bushels on such vessels for foreign destinations the previous year.

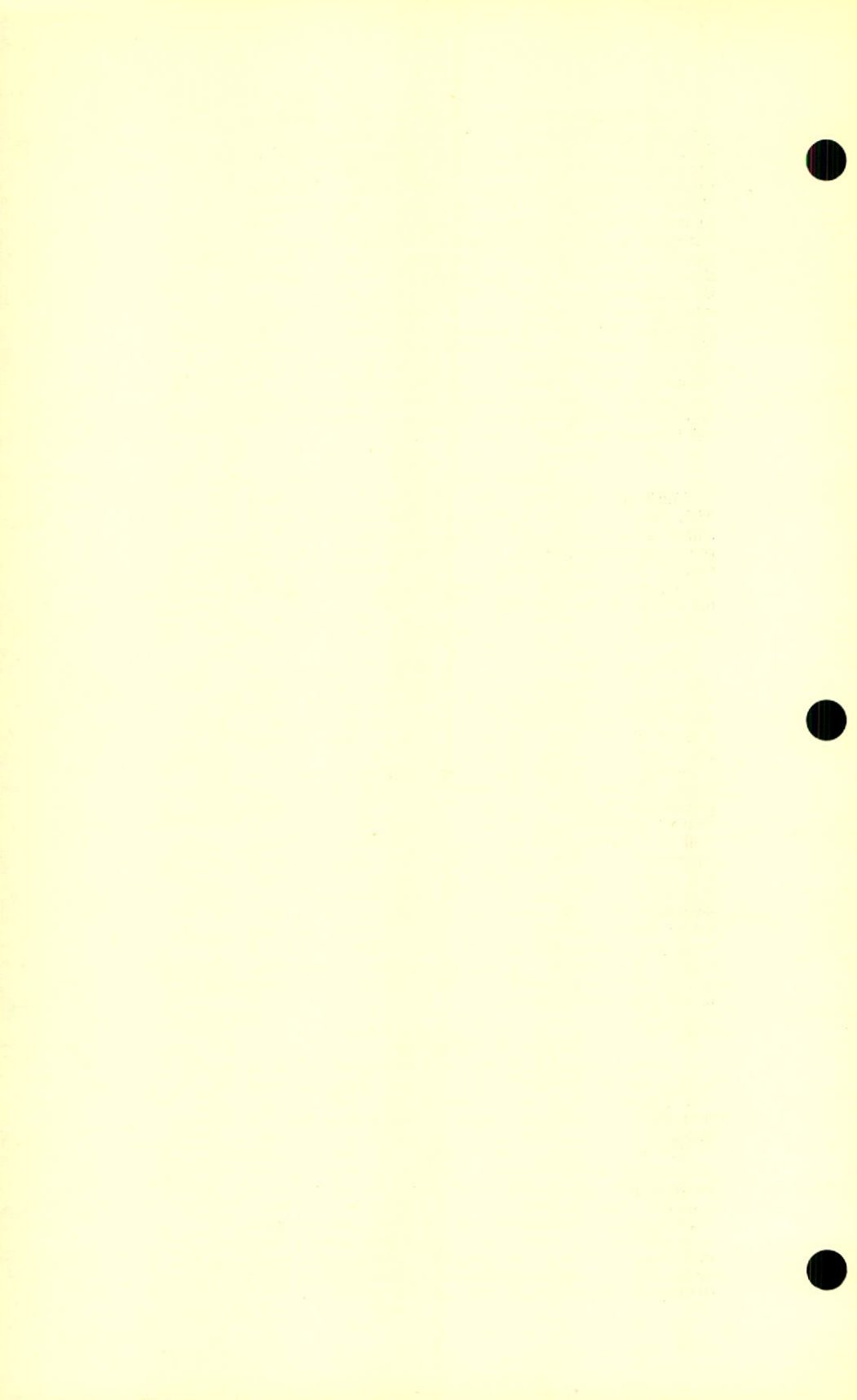
Pacific Coast Conference

Meetings were held in Vancouver on 6th and 7th March 1961 and again on 16th and 17th May 1961, which were arranged at the request of the Hon. Alvin Hamilton, Minister of Agriculture and which became known as the Pacific Coast Grain Conference. In attendance were representatives of the Federal Department of Agriculture, including the Minister, The Canadian Wheat Board, The Board of Grain Commissioners for Canada, railway companies, the National Harbours Board, Vancouver Merchants' Exchange and Grain Exporters' Association, as well as of various other bodies such as the Board of Trade, Shipping Federation, certain of the Unions and the different grain companies operating plants at the West Coast. The immediate reason for the meetings was to increase shipments from the West Coast to take care of the additional sales which had been or were in process of being arranged, more particularly those with the Republic of China. On a number of occasions during the meetings, references were made to the desirability of increasing West Coast grain handling facilities.

Flour Mill Division

The Statement of Operations of the Flour Mill Division for the year ended 31st July 1961 appears as Statement No. 7, Page No. 25 of the Auditors' Report. It will be noted that the Flour Mill had a surplus for the year of \$141,386 as compared with a surplus of \$18,664 for the previous year.

The Flour Mill continued to operate on a full time basis throughout the 1960-61 season and this is the fourth consecutive year during which Mill operations have been in excess of a normal operating period of 300 days. The Division purposely cutback on export sales objectives during the year in order to provide more time in the plant for proper maintenance, and it is management's opinion that it would be advisable to limit operations to a 300-day year in order to keep the plant at maximum operating efficiency.

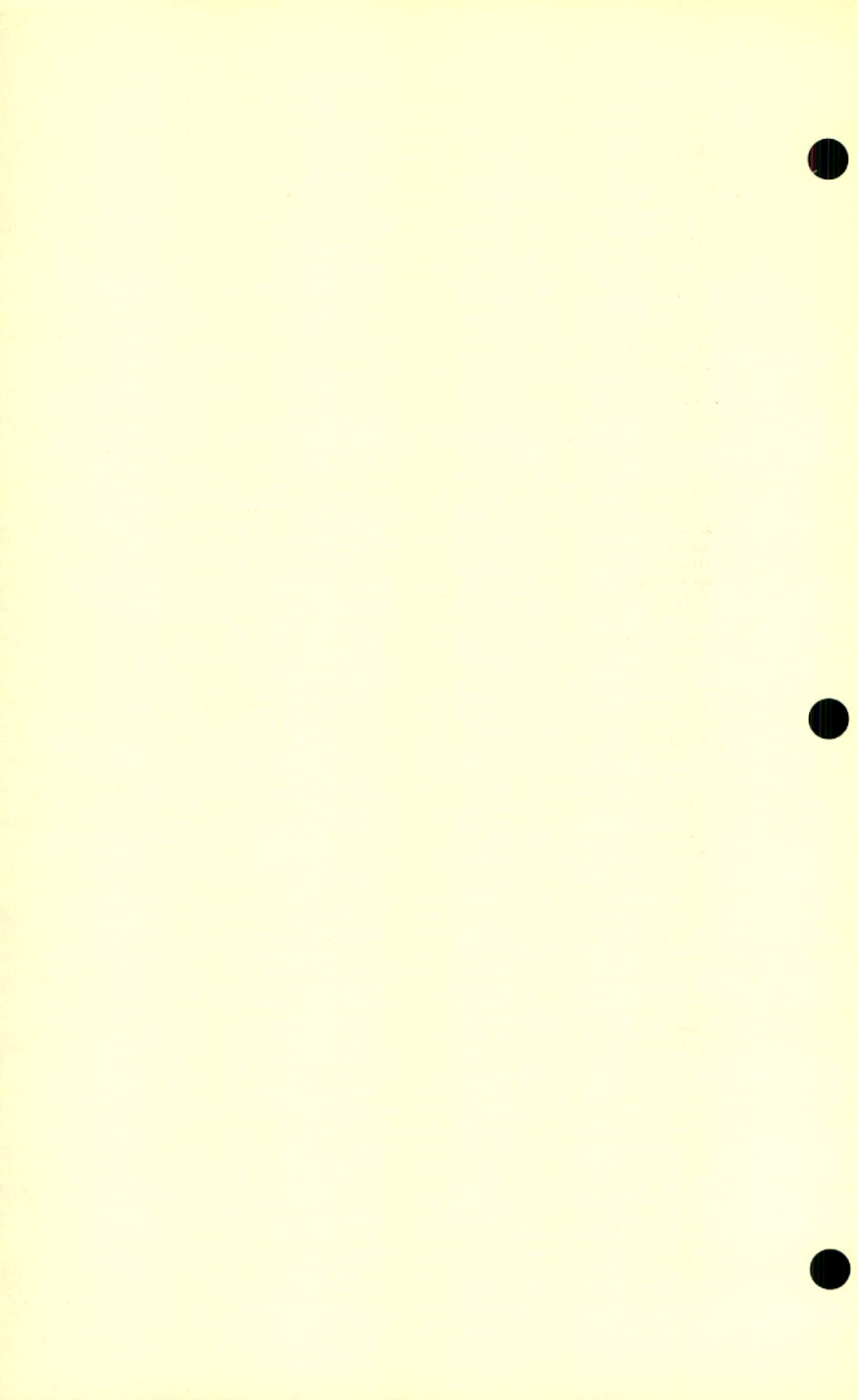


Conditions within the industry during the year were reasonably good with a continued upward trend in domestic sales of both the family and bakers' patent flour. The demand from the commercial export markets slackened off somewhat during the year but this was offset to some extent by government purchases under the various aid programs. According to the statistics available at the time this report was written, the industry operated at 80% of capacity based on a 26-day operating month, which is approximately 3% in excess of operations during the previous year. The statistical figures, however, could be somewhat misleading inasmuch as they are based on actual operating capacity during the year and it must be kept in mind that one of the largest mills in Canada was destroyed by fire, which reduced the total potential operating capacity of Canadian mills considerably when compared with the previous years. The figures do indicate, however, that the industry has at least maintained a healthy position throughout the year in spite of the many difficulties presented in marketing abroad.

The trend toward industrialization abroad continues and during the past year mills have gone into operation in a number of countries that formerly provided an outlet for Canadian flour. Western mills in particular are finding it difficult to dispose of the export production to markets in which it is economically possible to operate and with very little in the way of increased domestic consumption to take up the slack, it would appear Western operations will be curtailed during the coming year. The major outlet for Canadian flour from the Western mills was the Philippine Islands and by the end of the present calendar year this country will have a milling capacity in excess of the Islands' requirements. When this position is reached there is no doubt the import of both Canadian and American flour will be stopped. It is possible small parcels of specialty flour may be permitted to enter the country but, apart from that, it will be necessary to accept the fact that one of the largest markets abroad has been lost.

Western mills have also suffered the partial loss of two important markets in Central America with mills now in operation in both El Salvador and Guatemala. The importation of foreign flour into Guatemala is now strictly controlled and it is only during periods of shortages due to the lack of raw material, or the inability of the local mill to provide sufficient production, that licenses are granted for the importation of flour. The importation of flour in El Salvador is still permitted on a limited basis, but Canadian sales to that country during the past year were only a small percentage of the amount of business worked during previous years. The present productive capacity of the mill in El Salvador is not sufficient to take care of the country's requirements, but it is only reasonable to assume that as the local mills' brands become firmly established the capacity of the plant will be increased. In the meantime, the American mills are in the preferred position to take up the slack due to their ability to supply soft wheat flours which are not available from Western Canadian mills.

The trend towards industrialization abroad has been apparent for the past five years and while the effects of this trend were not felt until approximately two years ago, Mill Management had been attempting during the intervening period to diversify markets in order that during the transition period the Mill would not be faced with short time operations while attempting to obtain new markets. This program has been reasonably successful inasmuch as the Mill managed to adjust to changes without any loss in operating time, and sales efforts in the markets of the world have resulted in firmly establishing Pool brands in the var-



ous areas. Unfortunately, however, the Division must face the fact that the areas in which markets can be obtained are the so-called under-developed nations and very definitely cannot hope for a return to the Mill equivalent to that obtained from countries whose economic position is much stronger.

Storage

The total wheat receipts for the period amounted to 2,858,583 bushels, which when compared with the previous season is a decrease of 305,618 bushels.

The street receipts for the season amounted to 504,956 bushels, which represents an increase of 133,842 bushels. There were 168 permit holders delivering to the Mill elevator during the season as compared to 190 during the previous season.

The gristing receipts for the year amounted to 112,007 bushels which, when compared with the previous year, is an increase of 48,435 bushels.

Cars unloaded at the Mill during the year amounted to 1,246, of which 1,186 contained wheat and 60 rapeseed. The rapeseed was taken in for the Vegetable Oil account and was later transferred to the plant. A summary of the wheat receipts by grade is as follows:

	Bushels	Percentage
1 Northern.....	83,950	2.94
2 Northern.....	908,739	31.79
3 Northern.....	1,539,961	53.87
4 Northern.....	253,550	8.87
Tf. 2 Northern.....	3,374	.12
Tf. 3 Northern.....	54,869	1.92
Tf. 4 Northern.....	14,137	.49
Total.....	2,858,583	100.0%

	1960-1961 (bushels)		1959-1960 (bushels)	
Street Receipts.....	504,956	17.6%	371,114	11.7%
Carlot Receipts.....	2,241,620	78.5%	2,729,064	86.3%
Gristing.....	112,007	3.9%	63,572	2.0%
Total.....	2,858,583	100.0%	3,163,751	100.0%

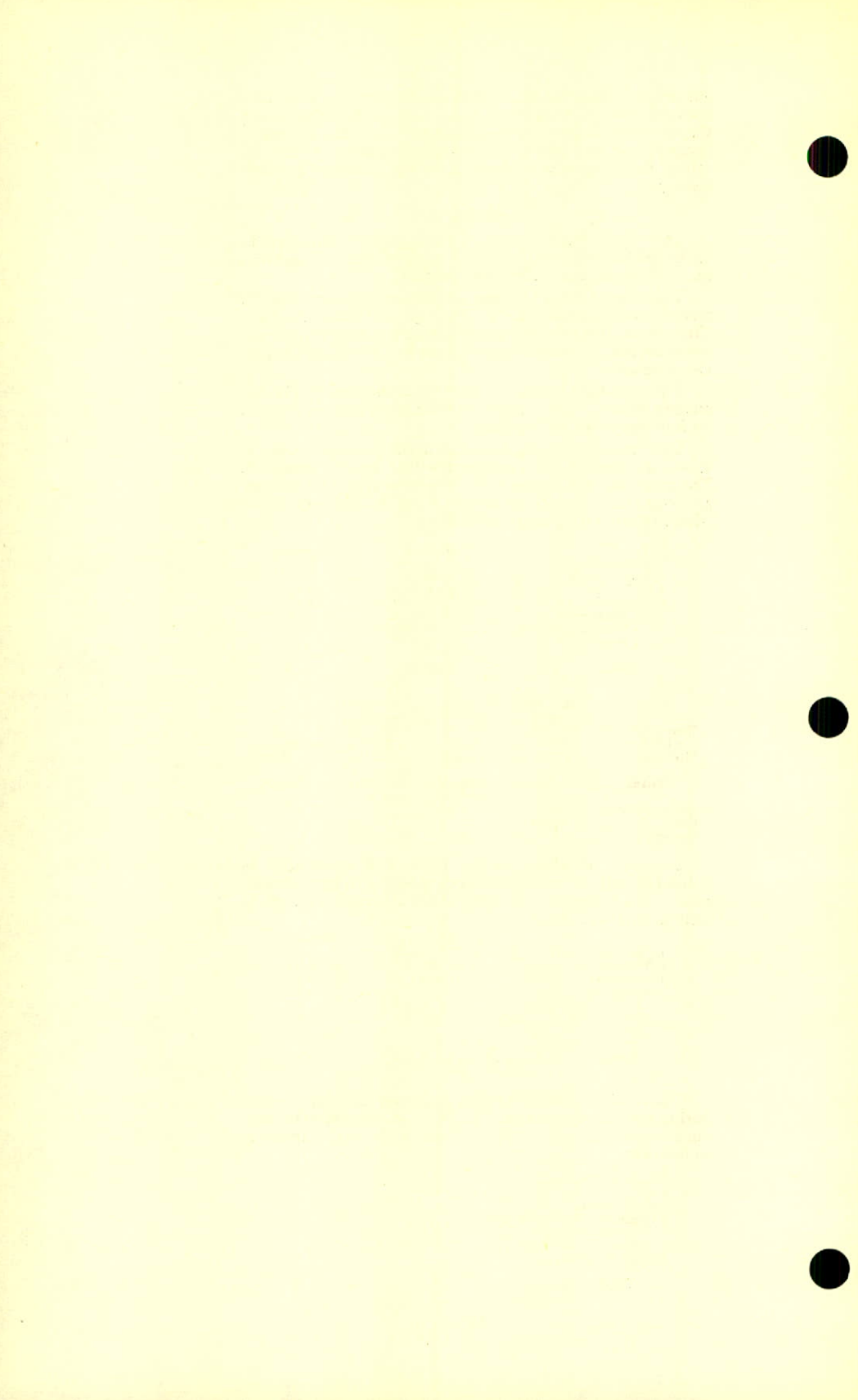
Receipts of Other Grains:		
Oats.....	4,469	1,204
Barley.....	—	265

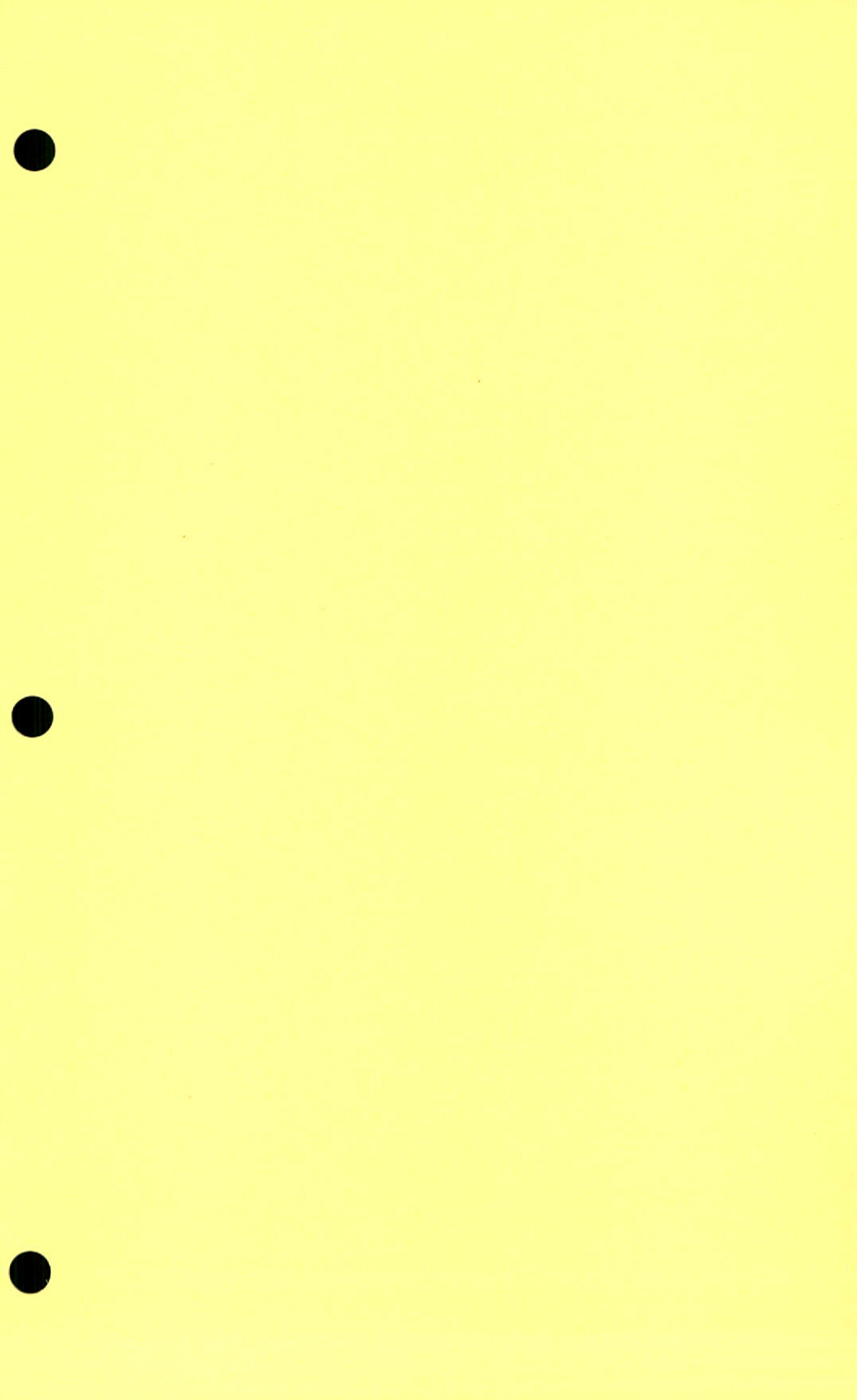
Transfers of wheat to the Flour Mill amounted to 2,910,448 bushels which, when compared with the previous season, is a decrease of 248,669 bushels. Transfers by grade were as follows:

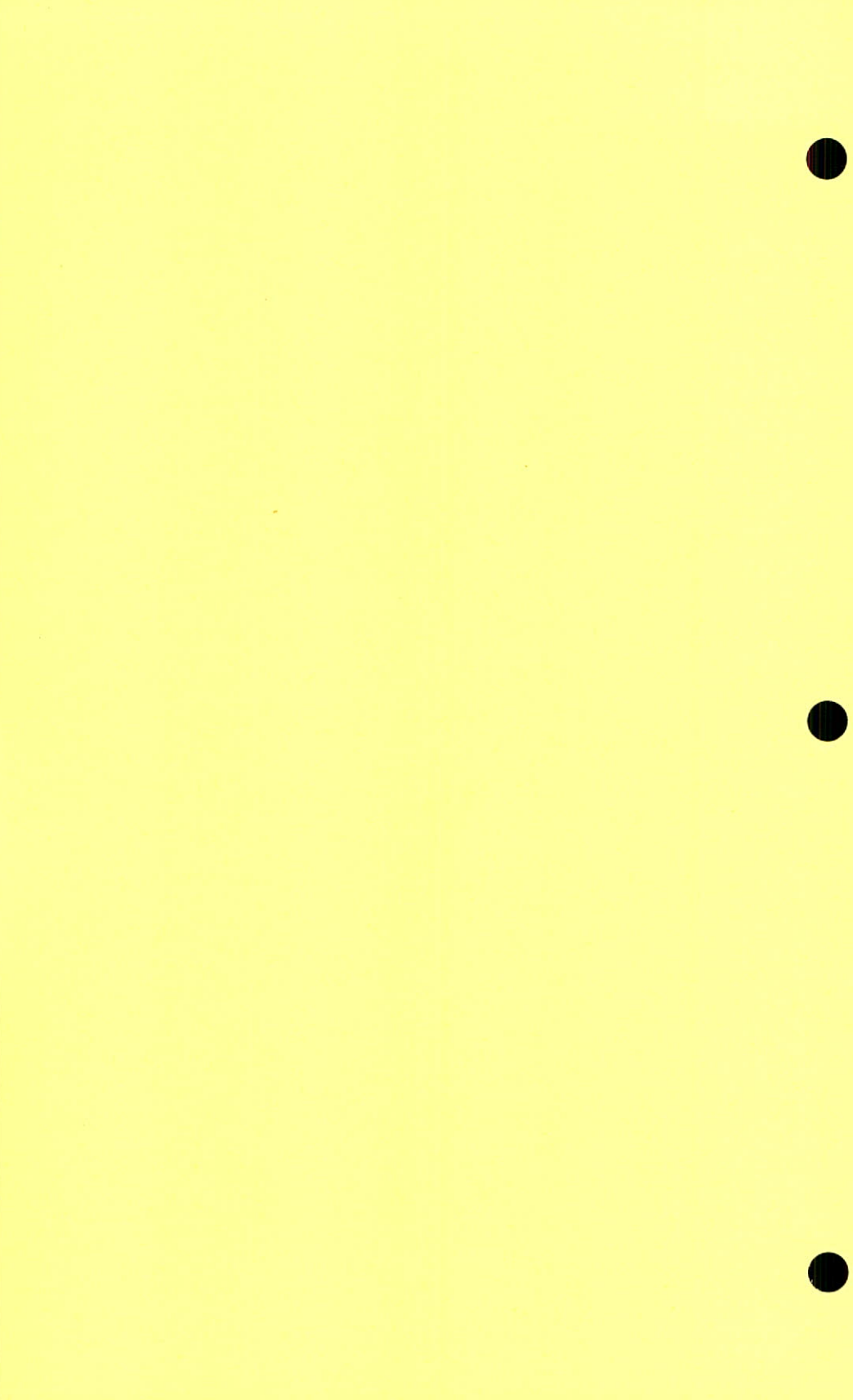
	Bushels	Percentage
1 Northern.....	88,828	3.05
2 Northern.....	875,803	30.09
3 Northern.....	1,608,130	55.25
4 Northern.....	265,304	9.12
Tf. 2 Northern.....	3,374	.12
Tf. 3 Northern.....	54,869	1.88
Tf. 4 Northern.....	14,137	.49
Total.....	2,910,448	100.0%

The total number of cars shipped from the Mill elevator during the season amounted to 78, as compared to 96 during the previous year. A breakdown of the cars shipped is as follows:

Mixed Feed Oats.....	8
Oats.....	2
Mixed Grain.....	1
Sample Red Spring Broken.....	3
1 Feed Screenings.....	36
Uncleaned Screenings.....	6
Refuse Screenings.....	22
Total.....	78







Flour Mill

The operating time for the season amounted to 308 days 19½ hours, representing full time operations for the period based on a 300 day operating year, plus 8 days, 19½ hours for overtime operations. Operations were 35 days, 14¼ hours less than during the previous season.

The flour production for the year amounted to 1,302,333 cwt. which when compared with the previous season is a decrease of 86,564 cwt. The mill feed production for the period was 21,419 tons, or 2,209 tons less than for the previous year. The total amount of wheat ground during the season amounted to 2,876,746 bushels, which represents a decrease from the previous year of 239,906 bushels. Milling wheat returned to the elevator as screenings amounted to 30,844 bushels, representing 1.04% of the transfers for the season.

Sales

The total sales of all grades of flour for the year amounted to 1,318,453 cwt. which, compared with the previous season, is a decrease of 23,493 cwt.

The domestic flour sales for the year showed a substantial increase over the previous year. Practically all of this increase took place in the Bakers' grade flour and other secondary grades, but there was a slight increase in the sales of First Patent flour.

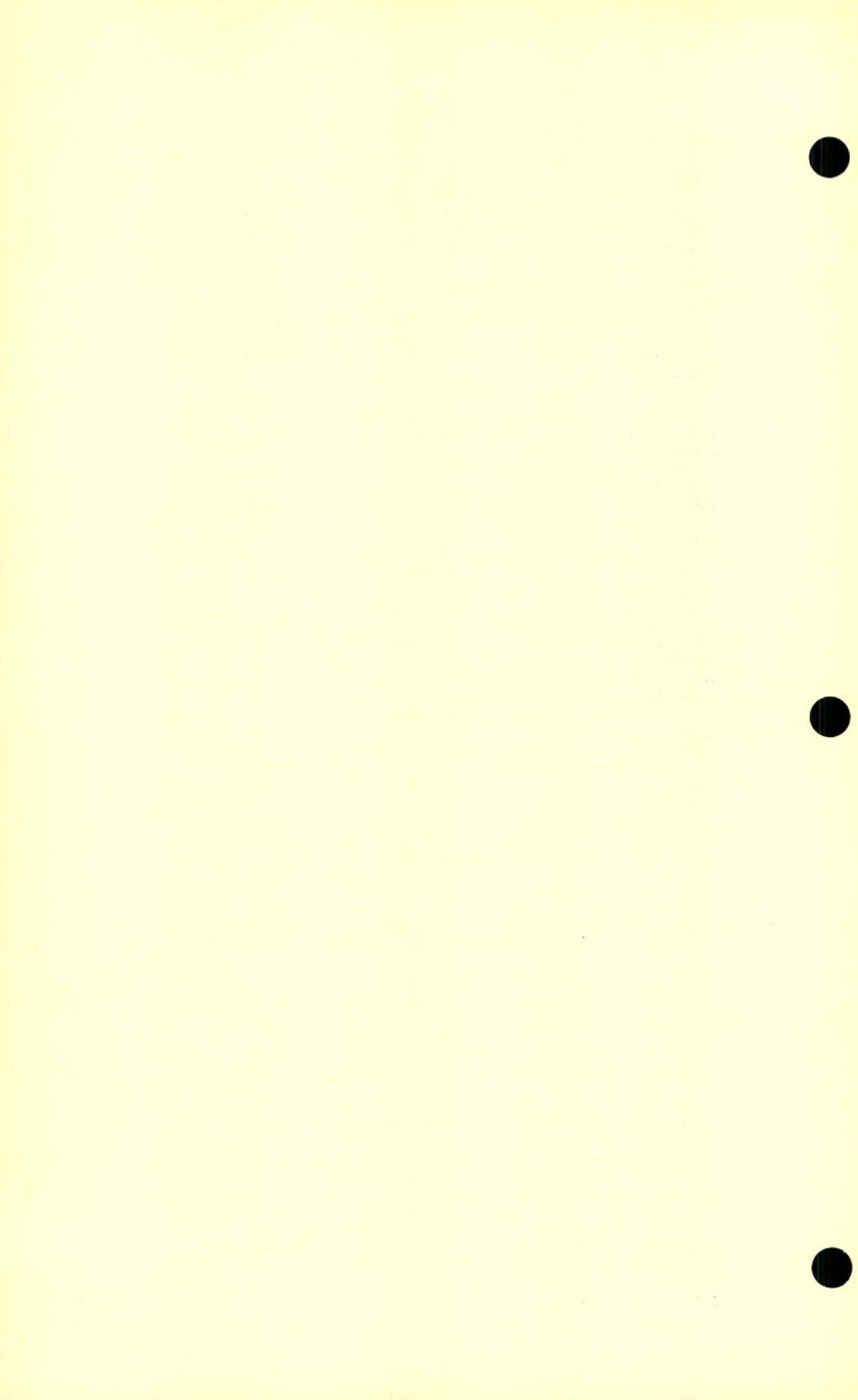
Conditions on the domestic market were keenly competitive in all regionals throughout the season and it was quite apparent competitive mills had increased their advertising budgets significantly in an attempt to capture a larger share of the domestic market. Practically all of this advertising is directed to the purchasers of family Patent flour and it would be very difficult to assess the value of these large expenditures, as according to the statistics available, any significant increase in the consumption of domestic flour has been through the bakery trade. The price structure remained quite firm throughout the season and apart from isolated cases of fire sale tactics there was no repetition of the vicious price slashing experienced during the previous year. The total export sales for the season were down from the previous year.

In spite of contraction of certain export markets, shipments from the Pool Mill went to many countries of the world. These included,—Antigua, Belgium Congo, Bermuda, Cambodia, Costa Rica, Cuba, El Salvador, Gambia, Ghana, Goa, Great Britain, Grenada, Hong Kong, Indonesia, Jamaica, Japan, Lebanon, Macau, Malaya, Nicaragua, Nigeria, Nyasaland, Panama, Philippines, Portuguese Guinea, Sierra Leone, Singapore, St. Vincent and Thailand.

Vegetable Oil Division

The Operating Statement of the Vegetable Oil Division for the year ended 31st July 1961 appears as Statement No. 8, Page No. 27, of the Auditors' Report. It will be noted that the Vegetable Oil Division had a surplus for the year of \$166,163 as compared with a surplus of \$7,570 for the previous year.

During the year under review there have been two developments in connection with the Division other than the regular operations of the past. First, the completion of the new elevator on 30th September 1960, as well as the advanced construction of the solvent installation, and Second, the handling and processing of rapeseed for the Vegetable Oil Division's account involving the purchase of seed and the sale of rapeseed oil and rapeseed meal. These two items will be outlined in more detail later in this report but must be kept in mind in analysing the various statements of operations and making comparisons with previous seasons.



Flax Operations

The processing plant operated 45 days on flax compared with 73 days for the previous season. The 45 days operation resulted in the processing of 5,545,610 lbs. or 99,029 bushels, producing 2,069,052 lbs. of linseed oil and 3,402,000 lbs. (1,701 short tons) of linseed meal. All linseed oil and meal was sold on the domestic market. Sales of oil are down slightly from the previous season.

Distribution of Linseed Oil Sales

	1960-1961 (lbs.)	1959-1960 (lbs.)
British Columbia.....	975,230	918,005
Alberta.....	178,072	136,144
Saskatchewan.....	307,261	296,653
Manitoba.....	409,985	452,353
Ontario.....	724,037	931,078
Quebec.....	120,100	120,000
Total.....	2,714,685	2,854,233

Distribution of Linseed Meal Sales

	1960-1961 (lbs.)	1959-1960 (lbs.)
British Columbia.....	662,000	1,224,000
Alberta.....	1,606,000	2,160,000
Saskatchewan.....	1,182,200	1,510,700
Manitoba.....	15,000	6,000
Ontario.....	—	312,000
Quebec.....	—	—
Maritimes.....	—	240,000
Total.....	3,465,200	5,452,700

Stocks of linseed oil as at 31st July 1961 amounted to 90,490 pounds as compared with 793,063 pounds as at 31st July 1960. Linseed meal sold readily throughout the season. Stocks of meal on hand as at 31st July 1961 amounted to 17,400 pounds compared with 80,600 pounds for the previous season. Stocks of flax on hand as at 31st July 1961 amounted to 42,510 bushels, of which 5,993 bushels were covered by outstanding storage tickets. Stocks of flax at the previous year end were nil as the elevator was under construction.

Rapeseed Operations

On 31st July 1960 the processing agreement covering rapeseed with the J. Gordon Ross Syndicate expired and was not renewed. The Division purchased from the Syndicate 71,100 lbs. of rapeseed oil and 137,200 lbs. of rapeseed meal. These stocks were in store the plant as at 31st July 1960.

The plant operated 285 days on rapeseed, compared with 56 days for the previous season. The 285 days operation resulted in the processing of 36,261,595 lbs. or 725,232 bushels, producing 12,444,699 lbs. of rapeseed oil and 22,803,700 lbs. (11,402 tons) of rapeseed meal. Rapeseed oil sold readily throughout the season. The following statement shows the distribution of oil sales both domestic and export. These sales were made up of the same types of oil:

	Pounds
Degummed.....	8,100,911
Bleached Alkali Refined.....	1,321,663
Deodorized.....	1,957,840
Total.....	11,380,414

Distribution of Rapeseed Oil Sales (Domestic and Export)

	Pounds
British Columbia.....	93
Saskatchewan.....	122,495
Manitoba.....	240,219
Ontario.....	3,583,460
Quebec.....	6,833,708
Export..... (U.S.A.)	600,439
Total.....	11,380,414



Total stocks of rapeseed oil on hand as at 31st July 1961 amounted to 746,900 lbs.

Rapeseed meal did not sell too readily for the first eight months and heavy stocks were in store during this period. In the latter part of the season meal sales increased and all stocks were disposed of, leaving stocks on hand as at 31st July 1961 at 373 tons, which were covered by firm sales. Markets for meal were developed in Eastern Canada and British Columbia and while returns for meal sold in these localities did not give as great a net return as meal sold in Saskatchewan and Alberta, nevertheless many feed manufacturers started using rapeseed meal and it is hoped this market will be maintained. The following statement shows the distribution of rapeseed meal sales totalling 22,194,800 lbs. or 11,097 tons.

Distribution of Rapeseed Meal Sales

	Pounds
British Columbia.....	1,019,000
Alberta.....	10,486,000
Saskatchewan.....	4,229,800
Manitoba.....	900,000
Ontario.....	830,000
Quebec.....	2,810,000
Maritimes.....	1,920,000
Total.....	22,194,800

Elevator

Gross deliveries to the elevator amounted to 165,719 bushels of flax and 660,199 bushels of rapeseed for a total handling of 825,918 bushels. This is an increase of 353,487 bushels over the previous season's handling. Flax deliveries were made up of 132,720 bushels street handling and 32,999 bushels carlot handling. Rapeseed deliveries were made up of 153,768 bushels of street handling and 506,431 bushels carlot handling.

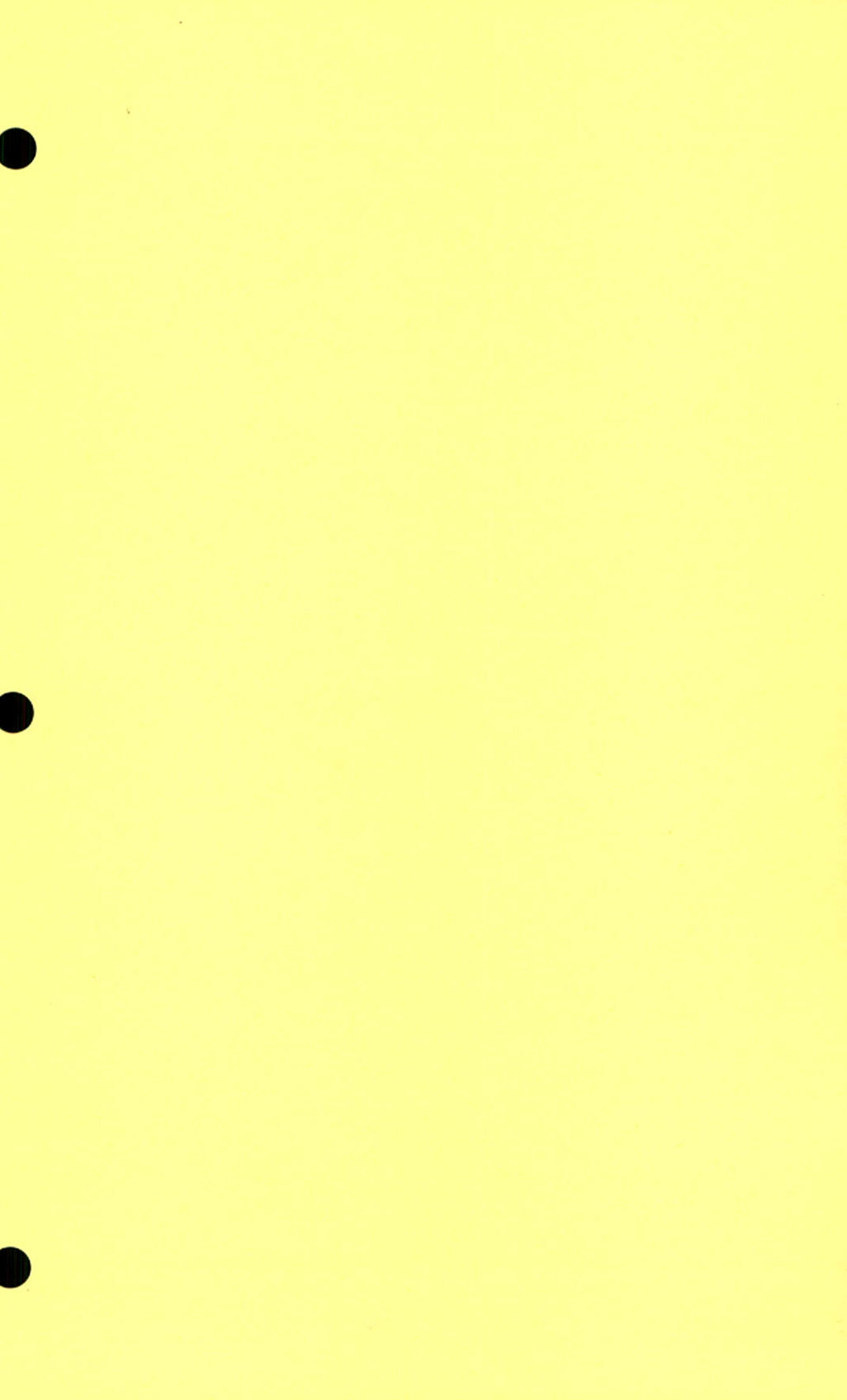
The same policy was followed as in the previous season for street purchases of flax, namely, 15c per bushel over the regular street price for 1 C.W. and 2 C.W. flax and 5c over for tough grades, as well as free storage from the date of delivery to 31st July 1961. Rapeseed purchases were all made at the final rapeseed pool price with the exception of 6,023 bushels purchased at an outright price. On all rapeseed deliveries to the elevator the plant paid in addition the local freight rate from the growers' shipping point to Saskatoon. This freight allowance on rapeseed is comparable to the 15c premium paid on flax.

The new elevator did not open for deliveries until 30th September 1960 and cleaning facilities were not in operation until late in October, with the result that seed for processing during September and October had to be transferred from the Canadian Government Elevator through the Flour Mill Elevator to our plant. Stocks handled in this manner amounted to 122,408 bushels. In order to maintain a supply of seed available for processing, the Division leased 250,000 bushels of space from the Government Elevator at Saskatoon from August 1960 to July 1961.

Sales Agency

Prior to 1st August 1960, Interprovincial Co-operatives Limited acted as the selling agency for linseed oil and linseed meal on a commission basis. At the beginning of the present season a new agreement was entered into covering the sale of both linseed and rapeseed products. As Interprovincial has offices in most of the provinces connected by telex and as their manager for feed sales is located in Saskatoon, they have been able to handle





sales for the Division in an efficient manner. All sale prices are under the Division's control and quotations are passed on daily to the selling agency.

General

The plant operated a total of 330 days during the season which is a record since its inception in 1946. As a result of this operation production increased accordingly, not only necessitating the acquiring of greater supplies of raw material but also the finding of markets for the finished products. In order to make the products more competitive, the Division has endeavoured to secure more favorable transportation rates on meal to the B.C. market and has also tried to have rapeseed meal added to the grains and feeds which enjoy freight assistance to the Eastern and Western provinces. Assistance has also been given in the formation of the Vegetable Oil Seed Producers committee which is preparing a submission to the Federal Tariff Board on tariff adjustments for Vegetable Oil Seed products. No final results have been achieved on these endeavours but it is hoped some consideration will be secured in the near future.

Livestock Division

Statement No. 9, Page 29 of the Auditors' Reports shows in detail the results of the year's operations and indicates the financial position of the Livestock Division for the year ended 31st July 1961. Surplus for the year amounted to \$139,767. This is a decrease of \$31,510 when compared with last year's surplus of \$171,277. The major portion of this decrease is attributed to a substantial reduction in the number of hogs handled, together with a decrease in the share of earnings received from Canadian Livestock Co-operative (Western) Limited. The earnings accruing to the Saskatchewan Wheat Pool, Livestock Division, from C.L.C.(W). Ltd. for the year amounted to \$50,525 as compared with \$54,367 for the previous year.

Livestock Marketings

Due to the sharp increase in numbers placed on feed in the Western provinces last year, cattle marketings in Western Canada showed a 10% increase in the period 1st January to 31st July 1961. Reduced purchases of replacements for Eastern shipment last fall resulted in a 6% decline in Eastern marketings. The over-all increase in cattle marketings for Canada in the above period was 4%.

The increased marketings in the West consisted of the highest percentage on record of Good and Choice quality butcher steers and heifers. Shortly after the first of the calendar year, marketings of finished cattle in the United States increased substantially and prices at United States centres worked gradually lower and by June were \$5.00 per cwt. under January levels. The decline in the United States prices restricted Canadian exports of both butcher and replacement cattle in this period.

Under well regulated deliveries and a fairly broad domestic demand for beef (partially due to lower pork supplies), prices at Canadian centres held at levels that did not allow sufficient margin to export. The strong local demand for replacements which existed through the winter and early spring was also a major factor in maintaining cattle prices at fairly satisfactory levels until June. At this time it was apparent that drought conditions were becoming serious in many areas of the Prairie Provinces and local demand for replacements was sharply curtailed. Deliveries of butcher cattle were also on the increase at Western centres at this time, reaching a peak in the latter

part of June. Cattle prices showed the sharpest decline of the year on both butcher and replacement classes in this period.

The sharp increase in marketings at Western centres was of short duration, however, with deliveries returning to more normal proportions by the second week in July. Marketings in the United States were also reduced at this time and prices at United States centres strengthened. The United States price increase, plus the discount on the Canadian dollar, together with the downward adjustment which had occurred in price levels in Canada, allowed sufficient margin for exports to be resumed. This had a stabilizing effect on the Canadian trade and by the end of July prices in Canada were again on the upturn.

Hog marketings declined from the weekly average of 139,700 head per week in 1960 to 119,800 weekly for the seven-month period this year. Under comparatively short supplies there were 23,638,000 lbs., mostly in the form of fresh and frozen pork, imported from the United States in this period. With local supply and demand basing the trade in periods of short supply, prices were more erratic than usual and considerable fluctuation occurred in price spreads between the various centres.

While there was a small increase in total marketings of sheep and lambs, the increase was not significant and had little bearing on the meat trade as a whole. Canadian production, plus imports of lamb, amounted to approximately 3.2 lbs. of the per capita meat consumption in Canada. It continues to be extremely difficult to move lambs into consumption at favorable price levels, especially in the West and prices at Western markets have held at or close to support levels since early last fall.

It was officially announced in July that the Canadian Government had set a support price on wool of approximately 119% of the ten-year average base price. It was also announced that Government premiums of \$2.00 and \$1.00 per carcass would be paid to producers on Grade A and Grade B lamb carcasses. To qualify, lambs must be graded on the rail by an official grader and carcasses suitable to qualify must be within a weight range of 36 to 51 lbs. warm dressed weight. At the time this report was written, support prices on A and B Grade lambs were in effect at Saskatchewan centres.

In the fiscal year under review, cattle and calf handlings by the organization showed an increase of 35,759 head. Total provincial hog marketings were at the lowest figure they have reached for several years, being down 244,475 head from last year. Hogs handled co-operatively showed a corresponding drop and were down by 66,446 head as a result. Sheep and lamb marketings showed an increase of 15.65 per cent over the previous year's marketings.

Total numbers of all classes marketed co-operatively were 512,113 head representing a gross value of \$55,533,031.

Of the total handlings 40.70% were marketed through the four yards owned by the organization at North Battleford, Regina, Swift Current and Yorkton; 29.39% through the Pool's three agencies operated on yards owned by stockyard companies at Moose Jaw, Prince Albert and Saskatoon; 13.14% were delivered by the Country Section Division to Canadian Livestock Co-operative (Western) Limited, at St. Boniface. The remaining 16.77% were shipped to Canadian Livestock Co-operative by Co-operative Shippers and individuals.

After providing for full depreciation and the necessary expenditures to maintain yards, buildings and equipment in a good state of repair, the four yards owned by the organization showed an operating surplus of \$139,593.

The three agencies operated by the organization on yards owned by stockyard companies showed a surplus of \$34,264.

The Country Section Division shipping to Canadian Livestock Co-operative (Western) Limited, St. Boniface, handled a total of 24,205 cattle and calves; 39,497 hogs and 3,589 sheep and lambs. After paying all operating costs, this Division showed a surplus of \$4,654. The above figures do not allow a share of Head Office administrative expenses.

In order to maintain price levels as uniformly as possible at all Saskatchewan markets, the Pool livestock branches purchased outright 22,400 cattle and calves, these being shipped on consignment for resale at Eastern and United States markets. While this action was effective in stabilizing prices on the classes concerned, the operation resulted in a loss of \$16,126.

The Livestock Division continued to handle cattle sales in conjunction with local agricultural organizations at the points of Meadow Lake, Tompkins, Climax and Eastend. The Swift Current branch extended its country sale operations this year to include the points of Consul and Piapot.

The Swift Current branch in the year under review handled a total of fourteen country sales; five at Climax; six at Tompkins and one each at Consul, Eastend and Piapot. The number of cattle and calves sold through the fourteen sales totalled 8,348 head.

While future trends in livestock marketings and price levels are extremely difficult to predict, it would appear at this time that feeding operations in Saskatchewan will be sharply reduced this season. Factors deemed likely to cause the reductions are reduced supply of feed grain, higher costs of all feeds, and indications that grain will be more readily saleable through regular channels. Short water supplies in some areas will also be a determining factor, also the fact that feeding operations generally were not profitable last season.

As the livestock population in the Western provinces is at a record high, there is little doubt that many producers will find it necessary to reduce their herds more in line with the available feed and water supply. Feed conditions are reported to be excellent in both Eastern Canada and the corn belt area of the United States. If deliveries continue to be well regulated in the West, it is quite possible that all suitable classes can be cleared readily on Eastern and export orders at prices in line with the existing levels in the United States.

Should local demand in the West for replacements be reduced to the extent expected, heavy deliveries of fair to medium quality classes, not suitable for export, could result in these kinds selling under pressure at sharply lower rates. Some forecasters are predicting that finished cattle may be in short supply in Western Canada by the first of the New Year. Should this materialize it is quite possible that in areas where feed is available, feeding operations might prove more profitable this season.

Hog Marketings

According to the Bureau of Statistics, hog marketings are expected to increase seasonally for the balance of 1961 with an increase of 11% over last year forecast for the first half of 1962. Marketings in the West in recent months would indicate, however, that producers have been cutting down their breeding stock due to short feed supplies and it is rather doubtful that the predicted increase for this period will materialize.

According to the U.S.D.A. June survey, the spring pig crop in the U.S. in 1961 was 7% larger than in 1960 and that producers plan to increase fall farrowing by 2% compared to the same period last year.

While any increase in hog marketings both in Canada and the United States is expected to be moderate, the total meat supply on the North American continent is expected to remain at high levels through 1961 and 1962 and it would not appear that hog prices would hold at sufficiently high levels in Canada to allow producers satisfactory returns in view of the expected increase in feeding costs.

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

To complete the livestock statistical position, the following information shows provincial deliveries handled co-operatively:

Statement of Provincial Deliveries Handled Co-operatively

	1956-57	1957-58	1958-59	1959-60	1960-61
Cattle and Calves:					
Provincial Deliveries.....	565,291	727,139	684,436	623,668	658,820
Handled Co-operatively..	281,392	328,795	305,680	312,755	348,514
Percentage of Co-operative Handlings.....	49.77%	45.22%	44.66%	50.15%	52.90%
Hogs:					
Provincial Deliveries.....	520,212	592,564	909,437	746,631	502,156
Handled Co-operatively..	164,011	180,792	270,319	208,968	142,522
Percentage of Co-operative Handlings.....	31.52%	30.51%	29.72%	27.99%	28.38%
Sheep and Lambs:					
Provincial Deliveries.....	33,939	34,164	46,221	47,910	55,410
Handled Co-operatively..	18,220	18,702	18,038	18,748	21,077
Percentage of Co-operative Handlings.....	53.68%	54.75%	39.02%	39.13%	38.03%

The following statement shows livestock population (according to D.B.S.):

Livestock Population on Farms as Supplied by Dominion Bureau of Statistics

SASKATCHEWAN				
	Cattle and Calves	Hogs	Sheep and Lambs	
June 1/56.....	1,490,000	645,000	160,000	
Dec. 1/56.....	1,720,000	515,000	102,000	
June 1/57.....	1,920,000	633,000	154,000	
Dec. 1/57.....	1,705,000	630,000	106,000	
June 1/58.....	1,860,000	890,000	175,000	
Dec. 1/58.....	1,635,000	900,000	115,000	
June 1/59.....	1,850,000	845,000	187,000	
Dec. 1/59.....	1,678,000	732,000	126,000	
June 1/60.....	1,933,000	585,000	217,000	
Dec. 1/60.....	1,800,000	545,000	132,000	
June 1/61.....	2,090,000	700,000	203,000	
CANADA				
	Cattle and Calves	Hogs	Sheep and Lambs	
June 1/56.....	10,465,000	5,680,000	1,706,000	
Dec. 1/56.....	10,404,000	4,561,000	1,078,000	
June 1/57.....	11,296,000	4,857,000	1,661,000	
Dec. 1/57.....	10,293,000	5,160,000	1,112,000	
June 1/58.....	11,001,000	6,164,000	1,696,000	
Dec. 1/58.....	10,112,000	6,880,000	1,140,000	
June 1/59.....	11,120,000	6,872,000	1,761,000	
Dec. 1/59.....	10,489,000	6,417,000	1,188,000	
June 1/60.....	11,501,000	5,483,000	1,773,000	
Dec. 1/60.....	10,897,000	5,526,000	1,135,000	
June 1/61.....	12,116,000	5,889,000	1,706,000	

The following statement shows the average monthly livestock prices per cwt. at Saskatchewan and Toronto for cattle (good steers) and for hogs (Grade A).

Average Monthly Livestock Prices at Toronto and Saskatoon

	Average Price Good Steers		Total Marketings of Cattle in Canada
	Toronto	Saskatoon	
1960			
August.....	\$23.87	\$21.82	188,855
September.....	23.36	21.32	246,965
October.....	22.50	20.71	225,234
November.....	22.61	21.01	233,445
December.....	22.91	21.19	210,435

1961			
January.....	23.50	21.00	183,916
February.....	23.00	20.83	171,334
March.....	23.00	20.41	207,895
April.....	22.26	19.85	193,388
May.....	22.25	19.50	181,141
June.....	21.79	18.75	259,457
July.....	21.03	18.59	217,673

	Average Price Grade A Hogs		Total Marketings of Hogs in Canada
	Toronto	Saskatoon	
1960			
August.....	\$26.40	\$24.02	431,299
September.....	27.67	26.45	560,707
October.....	26.95	23.81	487,261
November.....	26.83	24.48	528,386
December.....	28.89	26.45	567,090

1961			
January.....	30.06	27.26	479,145
February.....	29.50	27.62	481,674
March.....	27.28	24.87	627,749
April.....	25.38	23.21	536,800
May.....	27.05	23.39	472,029
June.....	29.53	25.53	570,710
July.....	29.89	26.22	444,044

Individual Feeder Policy

A total of twenty Credit Unions participated in the Individual Feeder Policy during the past season, issuing 44 loans covering the purchase of 1,200 head of cattle, for a total loan value of \$134,637. This compares with 28 loans involving \$60,961 the previous season.

Feeding Co-operatives

In October 1960, the first Feeding Co-operatives were organized in the province. Since that time the total number of incorporations has risen to thirty. As at 31st July 1961 twenty Co-operatives had begun feeding operations. A total of 3,910 head of cattle had been purchased at a cost of \$439,428, and 1,011 head had been resold. Insurance claims to 31st July were paid on 37 head, representing losses of less than 1 per cent to that date.

Canadian Livestock Co-operative (Western) Limited

The Balance Sheet of Canadian Livestock Co-operative (Western) Limited attached to this report as Statement No. 16, sets out the financial position of the Company as at 31st July 1961.

Total operating revenue for the year as shown by the operating statement, amounted to \$360,482.73, while operating expenses totalled \$251,088.20, leaving a net surplus for the period of \$109,028.97 after deducting \$365.56 for income tax.

Pursuant to the resolution passed at the Directors' meeting on 22nd July 1961, allocation of the surplus has been made on the following basis:

	Manitoba Pool Elevators	Saskatchewan Wheat Pool Livestock Division	Total
Percentage basis: Revenue contributed to the Sales Agency for the period.....	53.659%	46.341%	100.000%
Net Surplus allocated to Members.....	\$58,503.86	\$50,525.11	\$109,028.97
Producers' Livestock pooling fund earnings for the year ending 31st July 1960 allocated on the percentage basis of revenue contributed during that year.....	5,631.69	4,868.93	10,500.62
Available for distribution.....	\$64,135.55	\$55,394.04	\$119,529.59
Paid on account.....	45,631.69	44,868.93	90,500.62
Balance Payable.....	\$18,503.86	\$10,525.11	\$ 29,028.97

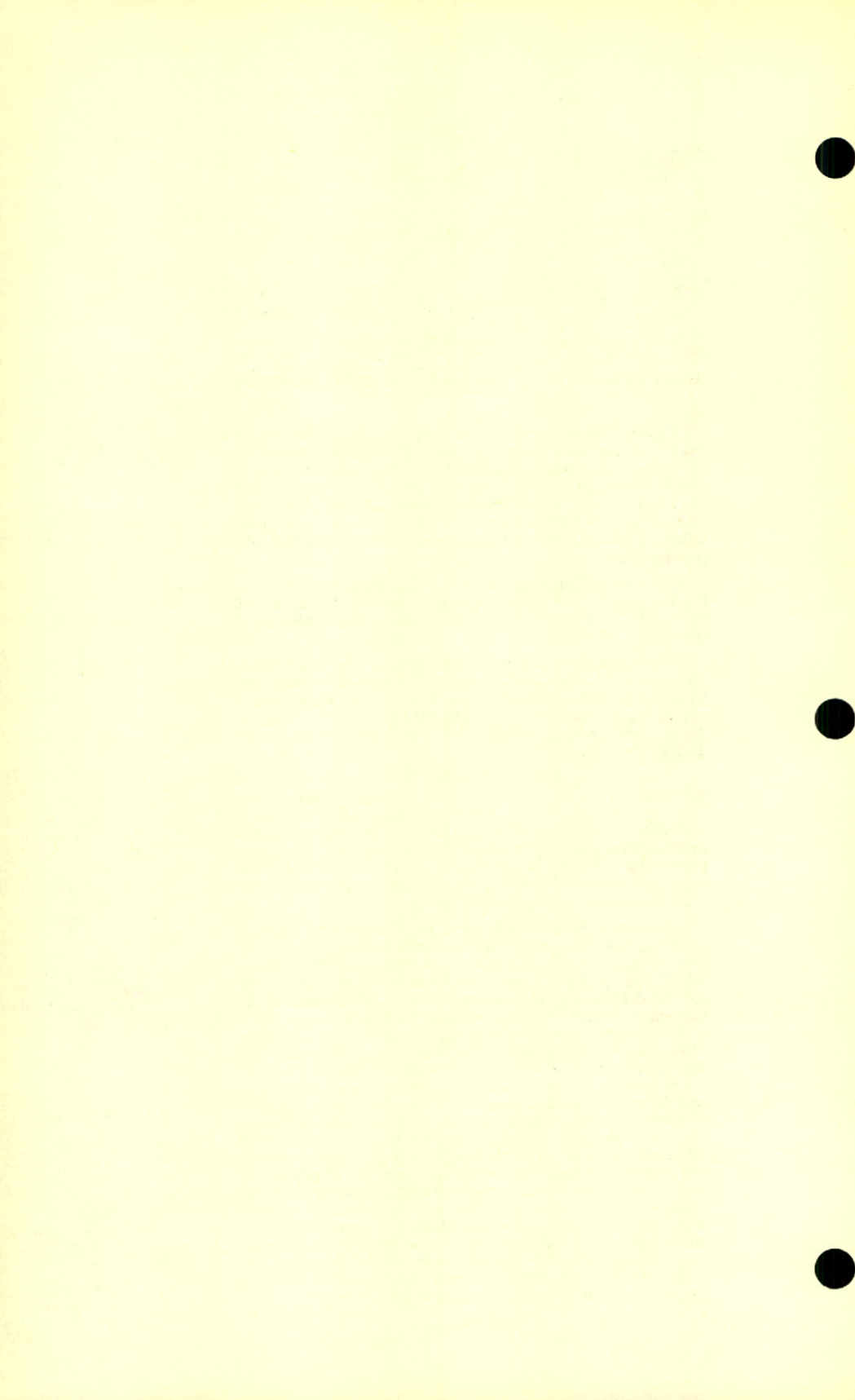
During the year ended 31st July 1961 Canadian Livestock Co-operative (Western) Limited handled the following livestock: (bracketed figures represent the comparative handlings of the previous fiscal period)—cattle 156,160 (133,723); calves 36,636 (39,291); hogs 131,960 (180,960); and sheep and lambs 18,531 (16,236); for a total gross value of \$30,827,250, as compared with \$28,258,667 the previous year.

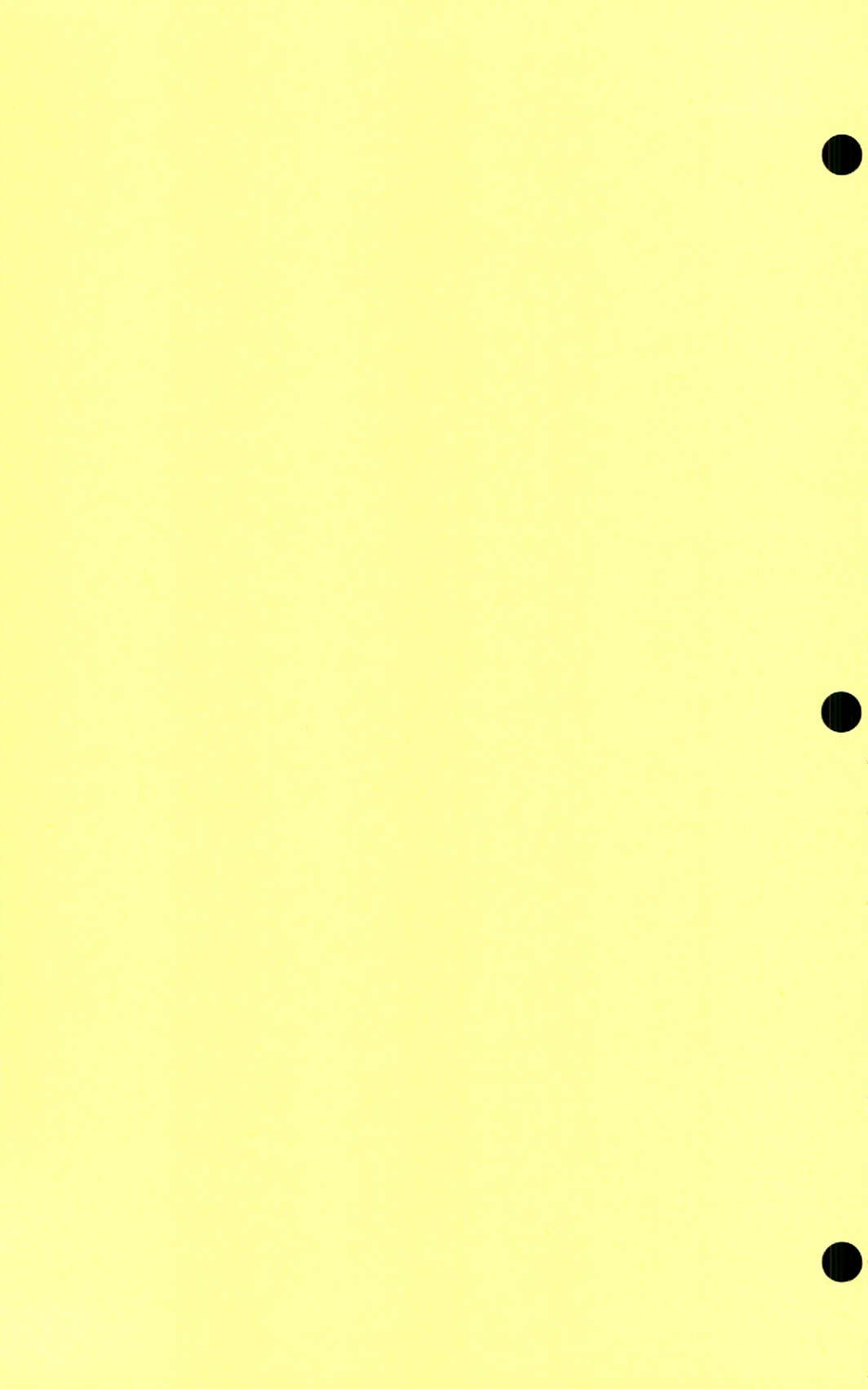
The above figures include the Order Department which for the fiscal year ended 31st July 1961 handled 17,482 cattle; 917 calves; 540 hogs and 15 sheep and lambs, for a total value of \$2,193,789.

Deliveries by truck as a percentage of the total stock received by Canadian Livestock Co-operative from the Province of Saskatchewan are as follows: (with last year's percentages bracketed)—cattle 49.5% (36.2%); calves 26.3% (18%); hogs 9.98% (7%); and sheep and lambs 23.7% (13.9%).

A similar breakdown of Manitoba livestock delivered by truck to C.L.C.(W). L. is as follows: cattle 86.8% (85.8%); calves 74.7% (75.7%); hogs 60.3% (62%); and sheep and lambs 60.8% (62.6%). The slight decrease in Manitoba truck deliveries of calves, hogs and sheep and lambs can possibly be attributed to more trucked stock being delivered directly to packing plants for sale rather than to the open competitive market.

The trend to trucking from the Province of Saskatchewan, while slower to come into effect than has been the case in Manitoba, is now gaining considerable momentum. While four years ago only 13% of cattle and 5.8% of the calves originating in Saskatchewan and consigned to Canadian Livestock Co-operative at St. Boniface came forward by truck, now almost half the cattle and a quarter of the calves being received are transported by truck, and this transition in only four years' time. In Manitoba there are a number of small, privately owned trucks with monopoly licenses to haul livestock out of certain areas and these truckers in many instances are able to exert influence as to the destination of the livestock they transport. This situation has not yet been experienced in connection with the majority of Saskatchewan truckers to St. Boniface, the bulk of these are larger firms primarily concerned with the transporting of livestock, leaving the direction of such livestock to the producer-owner himself. In this connection, Management at St. Boniface has expressed some regret concerning the apathy of the owner of the livestock who fails in many instances to make sure that his stock is clearly directed to the destination of his choice.





Printing and Publishing Division

The financial results of operations of the Printing and Publishing Division for the year ended 31st July 1961 are set out in the Financial Statements and Auditors' Reports submitted separately.

While the Commercial Printing Department showed a small increase for the year as compared with the previous year, The Western Producer suffered heavier losses with the result that the Division ended the year with a net loss of \$132,786, made up of a profit of \$83,338 for the Commercial Printing Department and a loss of \$216,124 for The Western Producer. This is an increase of \$58,130 over the loss of \$74,656 on the combined operations last season.

The following is a summary of revenue and expenses as compared with those of a year ago. Bracketed figures denote losses in the first two columns and decreases in the third column.

Commercial Printing Department			Increase (Decrease)
	1960-1961	1959-1960	
Revenue.....	\$ 878,622	\$ 765,980	\$ 112,642
Cost of Sales.....	673,004	572,682	100,322
Gross Surplus on Operations.....	\$ 205,618	\$ 193,298	\$ 12,320
Selling & Administrative Expenses.....	122,280	112,305	9,975
Surplus for the Year.....	\$ 83,338	\$ 80,993	\$ 2,345
The Western Producer			
Revenue.....	\$ 431,475	\$ 478,593	\$ (47,118)
Expenses.....	647,599	634,242	13,357
Loss for the Year.....	\$ (216,124)	\$ (155,649)	\$ 60,475

SUMMARY

Commercial Printing Department			
Surplus.....	\$ 83,338	\$ 80,993	\$ 2,345
The Western Producer			
Loss.....	(216,124)	(155,649)	60,475
	<u>\$ (132,786)</u>	<u>\$ (74,656)</u>	<u>\$ 58,130</u>

Commercial Printing Department

The increase of \$112,642 in the revenue of this Department is the result of a larger volume of job sales and an increase in chargeable rates. These rates were increased to compensate for increased costs of material, wages and other operating expenses.

Manufacturing costs for this season were \$648,402 as compared with \$594,973 a year ago. The increase of \$53,429 is accounted for by variations in the following expense items:

Cost of Stock Used.....	\$ 6,445
Salaries and Wages.....	42,483
Manufacturing Supplies & Expenses.....	2,760
Other Items.....	1,741
Total.....	\$53,429

The major increase of \$42,483 shown as 'salaries and wages' resulted from increased union wage rates, a general increase of 3% in salary rates, higher rates paid to apprentices as they approach journeyman status, the hiring of more full-time and part-time employees and an increase in overtime owing to the larger number of orders processed. The increase in the cost of stock used resulted from a larger volume of sales, together with an increase of 5% to 6% in stock prices, effective June 1960, and a further 2% to 4½% increase in January 1961.

The Western Producer

Revenue of The Western Producer showed a decrease of \$47,118 as compared with the previous year. This was mainly due to a decrease of \$46,649 in advertising income as a result of decreases of 68,325 lines in display advertising and 13,904 lines in classified advertising.

Western Producer circulation remained fairly stable throughout the twelve months, although at the end of the period it was down very slightly from the figure recorded one year earlier. Net paid circulation on 27th July 1961 was 143,010, compared with 143,348 a year ago. The permanent representative sales organization for Western Producer subscriptions is now well established in Saskatchewan. There are fourteen permanent representatives who cover the entire province on a district basis and authority to sell subscriptions in Saskatchewan has now been withdrawn from all freelance and other agency sales people. All districts, with the exception of 2, 3 and 4 have one Western Producer representative. Districts 3 and 4 share a representative, while District 2 is divided between the representatives located in Districts 1 and 5. Action is being taken to appoint suitable representatives to fill the vacancies. Five more or less permanent representatives are now operating in Alberta under a permanent supervisor and it is planned eventually to double the sales force in that province. Authority has already been withdrawn from a number of freelance agents in Alberta. It will likely be another year before a start is made on establishing a permanent sales organization in Manitoba. Western Producer Management is convinced that the type of sales organization being developed will be beneficial from the point of view of increased production and greatly improved relations with Pool members. Adjustments resulting from the changeover to a permanent organization may explain, in part, the lack of increase in circulation.

The distribution of farm account books continued at high level during 1960-1961. A total of 9,426 books were distributed in the twelve-month period, 6,391 through direct sales and 3,035 as premiums. Returns from the sale of this book continued to place what was once premium expense into a revenue bearing item.

Editorial

Editorial and news policy during the 1960-1961 year continued to emphasize 'in-depth' reporting of events of special importance to Western agriculture, and concentration on editorial topics with a bearing on government farm policy changes and improvements. There was special concentration on the need for expanded markets for farm products, the need for increased aid to emerging countries, and the need for revisions of certain farm policies. A special effort was also made to keep readers informed on international affairs, especially those with a possible bearing on the Canadian economy in general and the farm economy in particular.

Despite the welter of news material broadcast each day by radio and television stations there appears to be no lessening of the demand from readers for a concise resume of the week's news in each issue of The Western Producer. During the year special attention was given by the news editor to the quality of the column "World Wide". The column as it appears today is the result of intensive study of Canadian, American and British newspapers, and careful re-writing to cover the highlights of each important story. Comment has been most gratifying.

As members of the news staff have gained in experience, they have been encouraged to go somewhat beyond straight

news reporting, and to attempt a more interpretive style. In this way, it is believed more effective coverage was obtained on stories such as the Dominion-Provincial Agricultural Conference, the C.F.A. Annual Meeting, hearings of the MacPherson Commission and the Board of Transport Commissioners, and similar events. The interpretive approach becomes possible only when staff members have sufficient experience and understanding of the special problems of a publication such as *The Western Producer*, committed to accuracy, objectivity and thoroughness in news reporting.

A special project which it is hoped will not be necessary again for many years was the publication of as many as possible of the fodder lists issued by the provincial government to help farmers locate feed supplies for livestock. It is reported that there was a gratifying response to all the lists published and many readers have said they found the lists useful. While no revenue was obtained from publication of the lists, it is believed that a great deal of goodwill developed.

Co-operative and Farm Organizations Section

The *Western Producer* has now reached the point in co-operative news coverage where the movement in the West is well aware of, and more appreciative of the kind of job being attempted. This appears to be true also of farm organizations from which very few complaints have been in evidence, with respect to the kind of coverage their activities have been receiving in *The Western Producer*.

In the past year special attention has been paid to the affairs of rural municipal associations. Discussion on the subject of the county system in Saskatchewan and other provinces was closely followed.

Insofar as budget and personnel would permit, on-the-spot coverage by *Western Producer* reporters was arranged, with the least possible reliance on outside 'freelancers'.

Extensive research was done early in the year on the history of The Canadian Federation of Agriculture. This was published on the occasion of the organization's 25th anniversary. A complete account of the "Santaluta Trial" was also compiled and published, using material from the Saskatchewan and Manitoba archives, historic books and documents, and newspapers of the period.

Agricultural Section

Close coverage of events of importance to farmers was continued during the year. During the season just ended, seventeen Class A and B fairs were given extensive coverage, as well as a number of smaller shows. It is physically impossible to cover all C fairs in the region and it is most difficult to obtain results from sponsors, at least in time for treatment as news events. Attempt is made to encourage local correspondents to provide the information, and officials are provided with judging sheets similar to those in use at every fair in the country. However, it seems almost impossible to get duplicate copies returned as requested.

The section serves as a clearing house for a vast assortment of information released by experimental farms, research stations, universities, and local, provincial and federal government agencies. This information is sorted and processed, mostly rewritten and condensed for publication. A weekly column, provided by a weed specialist, appeared to create a good deal of interest during the growing season.

In this section the columns on Farm Engineering, Farmers and the Law, and Doc Savage, continue to attract readership judging by the many queries directed to, and answered by these contributors.

Women's Section

This important department continues to give coverage to rural women's groups, organizations connected with welfare, physically and mentally handicapped, to libraries and education, to consumer matters, and to news of women generally.

The column "I'd Like to Know" dealing with household and cooking problems answered some 2,000 queries during the year. Pattern services, including dress, embroidery, knitting, crochet and carpentry, sold more than 27,000 patterns and catalogues, a substantial increase over last year.

4-H Club news, handled by this section, continues to expand, with a record number of reports and photos from 4-H members published. Coverage is given to clubs in the three prairie provinces and B.C.

The Young Co-operators' Club, possibly the oldest regular feature in *The Western Producer*, continues to attract members and new contributors. There are now about 3,000 Y.C. members, of whom 500 are active contributors. Interest and enthusiasm were stimulated by two rallies during the year, one in Saskatoon and the other in Regina.

Magazine Section

During the year under review, this section has maintained its policy of encouragement to Canadian contributors. The work of more than 200 Canadian writers, photographers and artists, and some 75 major features by our own staff members have appeared in the magazine during the year. A book length feature "Blazing the Old Cattle Trails" by Grant MacEwan, was carried and is now being prepared for publication in book form. The late Wick Tegart's "In the Face of the Winds" was also carried as a serial, and will shortly appear in book form. During the year Clara Hoffer's "Land of Hope" was published and has been very well received.

Special magazine features included,—A Canadian history series—"Discoverers and Explorers in Canada"; Young Canada Book Week; Education Week; Western Vacations, promoted in May and June; a special section on "Water on the Farm"; and a series on important figures in Canadian history, in which connection the assistance and co-operation of the National Film Board is gratefully acknowledged.

Staff and General

The editorial department has enjoyed a high degree of staff stability during the year, although there has been a great deal of pressure on several members to accept other, and in many cases more highly paid jobs. New television and radio outlets here and in other parts of Canada created new openings for news personnel, and staff conditions in the industry generally have been unstable. Tempting offers from other branches of the co-operative movement have been made to several of the paper's members, mostly those in whom we have quite a heavy investment in terms of time and effort required for training. So far, an excellent staff has been kept intact.

Miss Rose Ducie, now Mrs. Jardine, resigned from the position of Women's Editor during the year; the women's section now is under the direction of Miss Doris Hearn. Mrs. Jardine continues to write a garden column which is published on a bi-weekly basis during the gardening season.

A representative of *The Western Producer*, Executive Editor R. H. Macdonald, was one of five farm newspaper and broadcast writers selected by the Commonwealth Relations Office of the United Kingdom to tour the U.K. for

five weeks, and the trip, almost entirely at the expense of the U.K. Information Service, has proved to be most productive and rewarding.

Special Report on the Advertising Situation

The Western Producer Editor and publisher attended a meeting of publishers of farm newspapers and magazines, called to attempt to work out a plan whereby an intensive promotional campaign might be undertaken. Unfortunately, little or no headway was made in this direction.

It is axiomatic that display advertising is the only real source of revenue for publications whose distribution to readers is entirely by mail. The high costs of 'keeping the publication sold' and of handling and mailing, combine to reduce circulation revenue to little more than sustaining the actual mailing operation. It has become increasingly difficult to secure enough revenue to keep this operation covered. Without adequate display lineage, therefore, all farm publications, and others which depend on mail circulation, face serious losses.

The decline from 1954 to the present time would appear to coincide with the realization that all was not well in agriculture, and that high volume production had tended to obscure a developing imbalance between farm prices and production costs. It was something of a paradox that The Western Producer, emphasizing the "cost-price squeeze" long before most other farm publications had even admitted its existence, suffered somewhat less from declining lineage between 1954 and 1959 than others in the field.

The Western Producer is the only one of the larger farm publications in Canada whose display advertising lineage is still above the level of 1949. It is something of a coincidence that 1954, which marked the realization that disturbing trends were developing in the producer end of the agricultural industry, also marked the time at which Canada-wide television became available. Competition for the advertising dollar was intensified, and in many cases appropriations that were normally available for farm paper advertising were sidetracked for the exciting new (and expensive) medium. Mainly affected were food and other household goods accounts. Further sharp competition for these accounts developed between television and the weekend papers. Consumer magazines also entered the fray, and farm papers found it increasingly difficult to convince advertisers of the continuing merit and effectiveness of specialized publications in a specialized field.

It was highly disturbing when accounts which had traditionally been almost exclusive to farm publications began experimenting with television four years ago, and there was further erosion of the appropriations that would have gone to the farm press. The trend was followed by all major farm implement manufacturers. Three factors then, appear to contribute to the problem of declining advertising revenues in the farm publication field,—(1) sharply increased competition for the advertiser's dollar; (2) some loss of confidence in the farm market, due to declining farm income, and (3) some loss of confidence on the part of the advertiser in the ability of farm publications to reach and sell the market.

It should not be assumed that this situation has been accepted with glum resignation. Within the limits of reasonable budgets, Management has tried by every means available to present a good case for a greater share of that elusive dollar. Advertising in trade publications, market surveys, readership analysis, intensive campaigns of personal selling . . . all these have been used, individually by all publications to a greater or lesser degree, and on rare occasions with a group approach. The most important, and

as far as The Western Producer is concerned, the most effective co-operative effort, was made about five years ago when a Canada-wide readership and market study produced a wealth of information on the place of the farm paper in the home, and the type of people who read farm papers. The Western Producer showed up very well in this study and this may have been at least one factor in the paper's ability to 'hold the line' more successfully than some others at a time of declining popularity of farm publications.

There does not appear to be much reason for unbridled optimism in the immediate future for an increase in advertising linage in farm publications. The advertising field is, if anything, more competitive than ever, with all print media, with the possible exception of the daily newspaper, seemingly losing ground. It was noted that the report of the O'Leary Commission (which examined the position of print media in Canada) showed that publishing giants such as Maclean-Hunter were year after year faced with losses on most of their publications. An examination of such national books as Maclean's and Saturday Night will show that these are sustained only by substantial linage from large distilling and brewing corporations. There is great concern that such advertising on television may be made legal in Canada, and in this event it is believed that several large national magazines cannot continue in publication.

A sharp upturn in farm income conditions, would, of course, make a great deal of difference, but there is no immediate prospect of this. There seems to be no solution but to continue with the policy of the greatest possible selling and promotion effort. At the present time the paper's attitude is that one dry year is not going to demoralize the farm market completely, nor will it upset the trend toward better and more efficient farming. One hopeful item is that The Western Producer's promotional effort in the past few years has earned some respect among the advertising fraternity as a source of useful information and the paper's representatives are frequently asked for specific information in connection with market possibilities for various products. This kind of relationship with advertisers may be one more factor in the paper's ability to come a little closer to 'holding the line' than most others in the field.

Statement of Combined Operations

Statement No. 3, Page 17, of the Auditors' Report shows the financial result of the combined operations of all Divisions of the Company for the year ended 31st July 1961 as follows:

Operating Surplus:

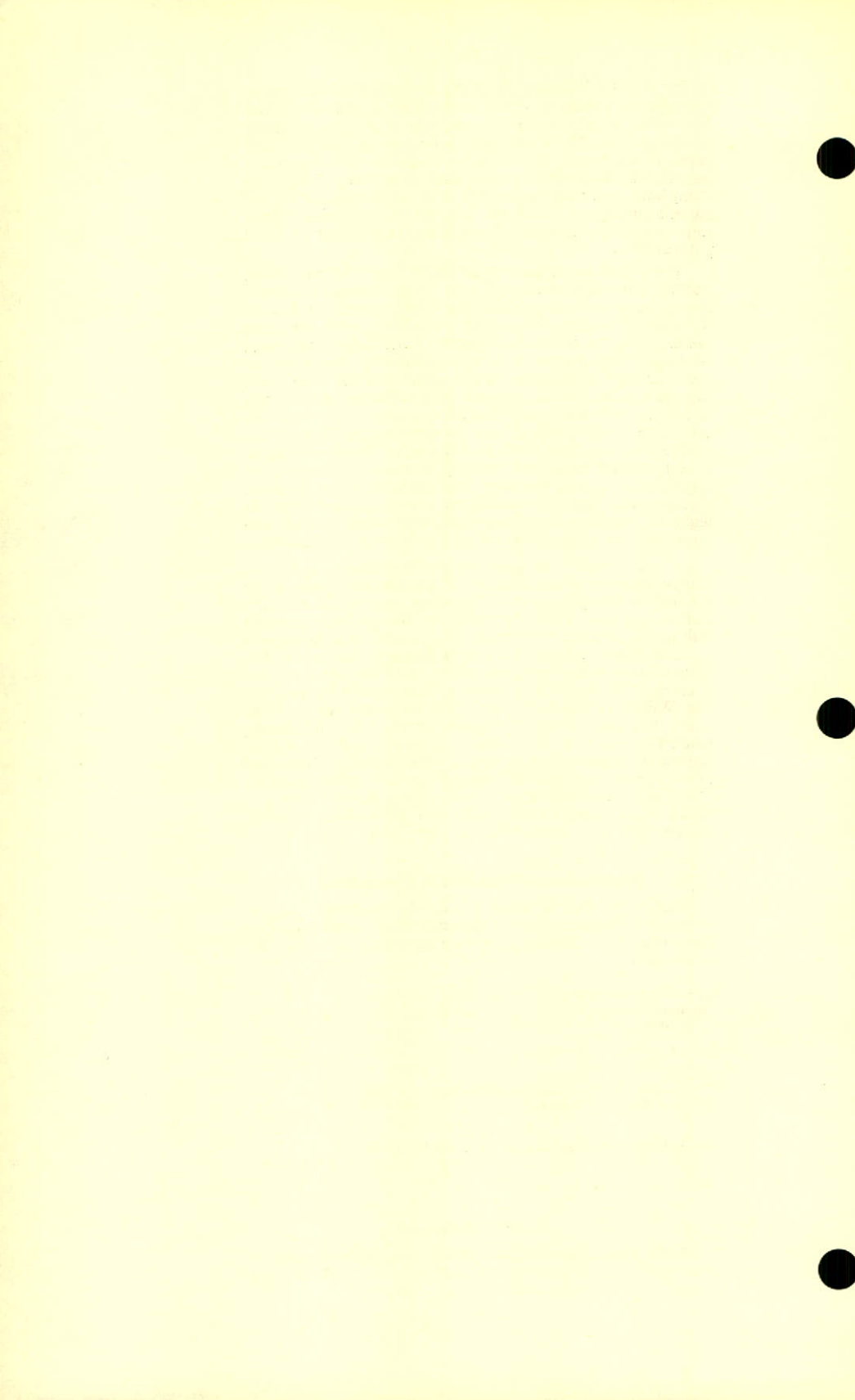
Country Elevator Division.....	\$4,791,189
Terminal Elevator Division.....	1,266,087
Flour Mill Division.....	141,386
Vegetable Oil Division.....	166,163
Livestock Division.....	139,767
Printing and Publishing Division:	
Commercial Printing Department.....	83,338
The Western Producer.....	(216,124)
	(132,786)

Total Operating Surplus for the ended 31st July 1961.....\$ 6,371,806

(Bracketed figures denote loss)

Allocation of Surplus

Your Board recommends that the surplus earnings of the organization for the year ended 31st July 1961, amounting to \$6,371,806, be allocated as follows:



Excess Charges Refund—Season 1960-1961.....	\$5,182,300
Provision for Income Tax—estimated.....	635,000
Transfer to Reserve Account—estimated.....	554,506
Total.....	\$6,371,806

Your Board further recommends that the surplus earnings for the year ended 31st July 1961 allocated to Excess Charges Refund, Season 1960-61 and amounting to \$5,182,300, be distributed in relation to patronage on all grains (including rapeseed), and livestock delivered by members of the Company during the year ended 31st July 1961, on the following bases:

Grain:

- (a) Cash patronage dividend at the rate of 1.3c per bushel estimated.....\$2,122,900
- (b) Patronage dividend at the rate of 1.1c 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, estimated..... 1,796,300
- (c) Patronage dividend at the rate of .7c 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, estimated 1,143,100

Livestock:

- (d) Patronage dividend at the rate per head for cattle 39c; calves 16c; and hogs, sheep and lambs 10c; 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, estimated..... 120,000

Total..... \$5,182,300

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 be paid out in cash.

Interprovincial Subsidiaries

Canadian Co-operative Wheat Producers Limited

As in former years, the Annual Report of Canadian Co-operative Wheat Producers Limited contains a comprehensive summary of national and international developments in agriculture during the year under review.

Canadian Pool Agencies Limited

The report of the Directors of Canadian Pool Agencies Limited to its annual meeting of shareholders is also attached to this report for the information of delegates. The Balance Sheet for the year ended 31st July 1961, the Summary of Surplus Account and the Statement of Income and Expenses, are also attached as Statements Nos. 9, 10 and 11 of this report.

Pool Insurance Company

The fiscal year of Pool Insurance Company ends on 31st December. The report of operations of this Company for the year ended 31st December 1960, together with the Balance Sheet, the Summary of Shareholders' and Patrons' Equity Account, and the Statement of Income and Expenses, are attached as Statements Nos. 12, 13 and 14 of this report.

As in former years, the Manager of Pool Insurance Company, who also has charge of Canadian Pool Agencies Limited, will be in attendance at this meeting and will discuss with delegates the operations and activities of these companies during the current year.

Publicity

In the work of the Publicity Department during the year, considerable emphasis was placed on distributing information about farm problems and their impact on the general community. Emphasis was also placed on policies developed by this organization to meet the special problems of the grain producer.

It is increasingly important, the Department believes, to put emphasis on information about farm problems. Non-farm groups appear to be less aware of farm problems now than they have been in former years, largely because of the increasing urbanization of Saskatchewan and the relatively wider gap between the urban and the rural community. In furtherance of this effort, the Publicity Department placed several advertisements in Eastern newspapers and in some papers overseas. Several stories and articles about farm problems were also submitted to journals of this sort and were, apparently, well received.

New problems will arise during the year which we are just entering as a result of last year's short crop. It will be necessary to direct considerable publicity toward members urging them to make maximum use of the Wheat Pool facilities during the coming year. Plans are being developed to fulfill this obligation.

Television

The advertising program on television was the same as in the previous year. The Wheat Pool sponsored newscasts on five stations once a week during the twenty-six winter weeks. On the sixth station (CKBI-TV, Prince Albert) the Pool continued to sponsor its 30-minute talent program on both radio and TV.

Radio

During the winter period two 10-minute farm newscasts were originated in the Saskatchewan Wheat Pool studio and broadcast on four stations in the province. A translation of these programs was also carried once a week on French stations in Saskatchewan. The quality of these programs improved during the year and they were well received by listeners.

The volume of radio broadcasting with respect to shareholders' annual meetings was reduced during the year and some of the emphasis placed in newspaper advertising where the dates and places of the annual meetings could be more readily made available to shareholders. The Pool again sponsored High School Curling playdowns at provincial and national levels.

Newspapers and Periodicals

The main outlets for newspaper advertising in Saskatchewan continued to be The Western Producer and the local weekly newspapers in the province. These two media give us access to almost 100 per cent of Saskatchewan rural homes. Advertising was placed in Eastern Canada and in the United Kingdom to point up some of the problems of prairie grain growers.

Advertising directed particularly to young people was carried in a large number of high school yearbooks throughout the province.

Exhibitions and Special Events

Special displays were exhibited at Class A and B fairs during the summer. The Saskatchewan Wheat Pool provided the float for the Wheat Queen in the Travellers' Day Parade in the Provincial Exhibition at Regina.

Display material suitable for decoration of elevators at elevator openings, for other meetings in which the Wheat Pool is involved and for floats was made available during the year. The display materials are available to local committees on request from the Publicity Department.

Calendars

Wheat Pool calendars were distributed to the usual sources. They were mailed to members and distributed by agents in all parts of Saskatchewan. Special mailing lists for out-of-province distribution were served from the Head Office in Regina and from our offices in Saskatoon and Winnipeg.

Flour Advertising

Pool Flour advertising was displayed on television and radio and in *The Western Producer*. Increasing use was made of television with good results in flour sales in the province.

Advertising for Co-op Flour continued to be placed by the co-operatives themselves and paid for by the Mill up to a maximum agreed upon.

Much advertising was given to Pool Flour in other Wheat Pool advertising programs.

Public Relations

Public relations program of the Saskatchewan Wheat Pool is conducted throughout the year by the publication of pamphlets and other brochures for distribution to many groups in the community. A strong liaison with other organizations has been carried on throughout the year to maintain the position of the Saskatchewan Wheat Pool as a community leader.

Close relations have been maintained with the press, radio and television throughout the province. The distribution of special maps and charts in connection with the Weekly Crop Report earned the goodwill of television and newspapers throughout the province. Weekly newspapers continued to give valuable publicity to stories released from the Wheat Pool office. Our relationships with these organizations are excellent as shown by the fact that we received large numbers of requests for information from all media.

The Wheat Pool has also worked closely with The Canadian Wheat Board, Colombo Plan officials, technical assistance administration and others in providing services and information for visitors from abroad.

Library

Library patronage increased slightly during the year.

The library sent out 6,385 books in 1960-61 as compared with 5,750 books the previous year. The extension of library services in the province is providing our members, as well as others, with alternative source of reading material. The growth of other libraries in Saskatchewan must sooner or later raise the question of the Wheat Pool's position in the over-all library service for Saskatchewan.

Much greater emphasis is being put within the library on the assembly and classification of reference material. The Wheat Pool is in a position to provide an exceptional reference service on grain and its problems and on farm

topics generally. Consideration is being given on how to improve this service and to make it more available to members in the country.

A statistical report will be found in Statement No. 6.

Crop Reporting

Great public interest was shown in the Saskatchewan Wheat Pool Weekly Crop Reports this year as adverse conditions began to show themselves in early summer. There are continued increases in the demands for this kind of service.

The Crop Report was compiled from information received from Pool agents throughout the province. Summaries of the report were distributed to news media through the Publicity Department. The Elevator Division continues to distribute large numbers of Crop Reports to individuals and organizations.

Junior Activities

Variety Testing

Each year since 1935 the Wheat Pool has conducted a province-wide series of cereal variety tests, in which a number of grain varieties are grown side by side under field conditions in order to compare the usefulness of the varieties under the growing conditions existing in various parts of the province. Organization of the testing program and selection of varieties is done with the advice of the Field Husbandry Department of the University of Saskatchewan, and each test is conducted by a young farm man or woman selected for the work by the Wheat Pool delegate in that sub-district. Approximately 330 tests are conducted each year.

Seed, and the necessary equipment for the tests, are prepared at the Wheat Pool Head Office and mailed to the supervisors with complete instructions for seeding. The tests are laid out according to an approved statistical pattern known as a randomized block pattern, which is designed to give each variety an equal opportunity with all other varieties in the same test. The table below indicates the number of tests of each type seeded in 1961 and the varieties in each.

<i>Project</i>	<i>No. of Tests</i>	<i>Varieties</i>
Wheat.....	125	Thatcher, Canthatch, Selkirk, Pembina, Lake
Oats.....	79	Garry, Rodney, Exeter, Glen, Russell
Barley.....	114	Jubilee, Keystone, Hannchen, Betzes, Palliser
Total.....	318	

During the season each supervisor is asked to complete three progress reports comparing the varieties at various stages of growth, and to keep a record of rainfall during the four-month season.

In the fall, as each variety ripens it is harvested, dried, wrapped in paper, and shipped to the Head Office in Regina, where the sheaves are threshed and weighed and yields are calculated. These are summarized and submitted to the Saskatchewan Advisory Council on Grain Crops. This committee, after considering data from tests conducted by the Experimental Farms in Saskatchewan, the University of Saskatchewan and the Wheat Pool, recommends varieties for use in the province the following year.

Yields and other information obtained from the Wheat Pool tests are summarized and published in a report entitled "Saskatchewan Wheat Pool Variety Tests" which is quite widely distributed to farmers and plant scientists in Canada.

During the past year there have been several indications of the value of the Wheat Pool's variety testing project and the regard in which it is held by plant breeders. A survey of those who conducted the original variety tests in 1935, indicates that, twenty-five years later, one was Head of the Plant Science Department at a Canadian university, one is a former President of the Canadian Seed Growers' Association, one is a director and several are delegates of the Wheat Pool, and many others are well known farm and co-operative leaders. An article on the Wheat Pool's variety testing project was requested and published in *Cereal News*, a Canadian magazine for plant breeders. A mechanical seed measuring dispenser, designed and built for this testing project, created considerable interest among plant breeders across Canada, and inquiries about it have been received from as far away as New Zealand.

Much of the credit for the success of this testing project must go to the young farm men and women who conduct these tests on a voluntary basis. In recognition of their contribution, tours for the supervisors were arranged in many districts. These tours took the form of one or two-day visits to some point of agricultural interest, such as the University, experimental farms, Wheat Pool facilities, or historic sites. At most of these tours some time was provided for a discussion of the purpose of the testing project and proper harvesting techniques.

4-H Agricultural Clubs

Local Wheat Pool committees sponsored 226 4-H Agricultural Clubs this past year. The greatest majority of these were Grain and Beef Clubs. This figure of 226 is quite an increase over the 1960 figure of 196.

The Wheat Pool sponsored a number of banquets at the provincial level for 4-H and other functions. The most noteworthy of these were the banquets during Girls' Club Week, Provincial 4-H Inter-Club Competitions, Annual Meeting of Saskatchewan 4-H Council, Annual Regina Farm Boys and Farm Girls Camp, North Battleford and Prince Albert Farm Boys and Farm Girls Camps, and breakfast for Saskatchewan's delegates to National 4-H Club Week.

Mr. Harold Johnson of Norquay is Past President of the Saskatchewan 4-H Council and a trustee of the Saskatchewan 4-H Foundation, and is chairman of a special committee to organize the drive for funds for the 4-H Foundation. Mr. Douglas Thompson of Vantage is President of the Saskatchewan 4-H Council, is a Trustee of the Saskatchewan 4-H Foundation and is on the special fund raising committee for the 4-H Foundation. Mr. Chas. W. Gibbings is also a Trustee of the Saskatchewan 4-H Foundation.

The Wheat Pool has again this past year printed project record books for 4-H club members in our agricultural clubs. Special cash awards, donated by the Wheat Pool, were given to the twenty best project record books. Cash awards were also given for the best twenty club record books and reports this past year.

A special trophy was prepared this year by the Wheat Pool for presentation by local Wheat Pool committees for achievement by a member in the 4-H clubs they sponsor.

The Leask 4-H Grain Club received the Wheat Pool trophy and honour club certificate for winning the Provincial Grain Club Efficiency Competition for their club program in 1960.

The 4-H Leadership Conferences which were held this past year were well attended by leaders and senior 4-H club members. A similar program of leader training was arranged to be carried out again in October and November.

The 4-H Homecraft Club at Lipton won the Provincial 4-H Radio Competition this past year. Their program was



produced over CJGX Yorkton. It was one of many fine programs put on by 4-H Clubs over the English speaking radio stations in Saskatchewan.

A new approach to the Farm Boys Camp program at our "B" Exhibitions in the province was tried this year. Standard competitions in judging livestock, weed identification and agricultural questions were replaced with a general theme of farm, home and highway safety. Boys coming to the camp prepared an essay on some phase of safety, while at camp they were given talks and demonstrations on fire, highway, farm and electrical safety. Competitions involved an oral questionnaire on safety, a general safety quiz, an essay, and farm hazard identification. Yorkton and North Battleford Exhibitions had this type of program and from all reports it was well received. The plan for the future is to take a different theme each year and develop this program around the theme. The Swift Current Agricultural Society held a Farm Boys Camp at their Exhibition this summer after a lapse of several years. New projects in light horses, woodwork and entomology were added this past year. Interest is quite strong in the light horse project.

The 4-H Leadership Camp at Wakonda, which is sponsored by the Saskatchewan 4-H Council, was very successful and 126 campers were in attendance.

This year 4-H Grain Clubs were allowed to select their own plot judge but the expenses for plot judging were taken care of by the Extension Department. This change was well received by the clubs as it made it possible for the plot judge to be on hand when the plots were ready to be judged. Local people or someone from a neighboring district did the plot judging for the club.

Summary of 4-H Agricultural Club Projects

Project	No. of Clubs		Membership	
	1960	1961	1960	1961
Grain.....	156	140	2,088	1,843
Beef.....	298	310	5,205	4,797
Dairy.....	20	19	270	235
Poultry.....	5	3	45	21
Swine.....	16	13	208	148
Garden.....	91	79	1,208	1,098
Tractor.....	2	2	19	31
Light Horse.....	—	7	—	90
Entomology.....	—	1	—	7
Woodwork.....	—	1	—	23
Conservation.....	5	5	8	73
Bee.....	1	1	1	6
Sheep.....	5	6	93	78
Total.....	598	585	9,185	8,450

The foregoing indicates that enrolment in 4-H Agricultural Clubs declined approximately 800 from the 1960 figures. The total number of clubs remained about the same. This decline in agricultural project enrolment is in part due to the steady shift of rural people to urban centres. A development in 4-H projects suitable for young people in small urban centres would appear a necessity in order better to serve these young people.

4-H Seed Clubs—1961

Variety Grown	No. of Clubs	No. of Members	No. of Acres	Approx. Yield (Bus.)
Wheat:				
Selkirk.....	6	78	156	—
Pembina.....	36	504	1,008	—
Chinook.....	10	135	270	—
Thatcher.....	24	312	624	—
Ramsey.....	7	91	182	—
Canthatch.....	39	516	1,032	—
Total.....	122	1,036	3,272	29,448

Barley:				
Palliser.....	2	29	58	—
Husky.....	3	39	78	—
Montcalm.....	2	27	54	—
Betzes.....	2	26	52	—
Total.....	9	121	242	3,146
Oats:				
Garry.....	4	53	106	—
Exeter.....	1	14	28	—
Rodney.....	2	27	54	—
Total.....	7	94	188	2,820
Flax:				
Norland.....	2	28	56	—
Total.....	2	28	56	280
Grand Total.....	140	1,879	3,758	35,694

The foregoing indicates that wheat is by far the most popular type of grain with approximately 80% of the members growing one or more of the six wheat varieties. The popularity of Canthatch and Pembina is shown by the above table.

The dry, hot weather this past summer reduced the yield from the 4-H grain plots considerably. The total bushel production this year is approximately one-half of that produced in 1960. A number of 4-H clubs this past year grew several varieties of the same type of grain. This was made possible by a change in project regulations. A club can now select wheat, but the members do not need to grow the same variety.

4-H Homecraft Clubs

As indicated in the report of the 4-H Agricultural Clubs, the Wheat Pool takes an active part in supporting the over-all 4-H movement.

As there are no district personnel in the Home Economics field, the 4-H Homecraft leaders must lead their clubs with limited assistance from the 4-H office. To aid these leaders in the project field a Club Week is held at which project instruction is given by the 4-H staff. This year forty-five leaders and senior members attended the course. A new project was introduced at this Week, that of Junior Leadership. It is felt that this project will give the leaders help by developing leadership abilities in the members and thereby decreasing some of the work of the leaders.

The representatives for National 4-H Club Week were selected at the Inter-Club Week in July. Two girls from Floral and two from Penzance will be representing Homecraft clubs at Toronto this year. The selection is based on project knowledge, their Achievement Day record, competition scores and demonstrations.

The following is a summary of members enrolled in the various projects for 1960-61:

Sewing.....	1,352	(4 projects)
Baking.....	263	(4 projects)
Etiques.....	300	(2 projects)
Knitting.....	90	
Home Decoration.....	82	
Home Nursing.....	117	
Magic of Electrical Living.....	6	
Total.....	2,211	

131 Achievement Days were held in 1961.

At present 1,925 girls have completed their projects. Several clubs have yet to hold their Achievement Days.

Several 4-H Homecraft clubs are sponsored by local Wheat Pool Committees. This sponsorship is an essential part of the local 4-H club's framework.

By sponsoring girls attending Farm Camps throughout Saskatchewan, the Wheat Pool further indicates its great interest in Saskatchewan's rural youth. This year 723 girls attended Farm Camps throughout the province, taking part in clothing and foods competitions and recreational and educational programs. At Saskatoon and Regina Camps the top ten girls are eligible to apply for the McPhail Memorial bursaries which are awarded on the basis of camp standing, mental ability, character, and leadership ability. The applicants must indicate intention of attending a Canadian university to take a diploma or degree course.

Bursaries and Scholarships

George W. Robertson Scholarship

This Scholarship was set up by resolution of the delegates in 1958, in honour of George W. Robertson, first Secretary of the Saskatchewan Wheat Pool. Valued at \$1,200, the Scholarship may be used for post-graduate study at an approved university, in one of the following fields: any branch of Agriculture, Cereal Chemistry, Economics, Political Science or Sociology. It is available to students normally resident in Saskatchewan. The first Scholarship was awarded in June of 1961 to Albert Schepanski of Blaine Lake for study during the 1961-62 term.

McPhail Memorial Bursaries

The McPhail Memorial Fund, set up in memory of the late A. J. McPhail, first President of the Saskatchewan Wheat Pool, provides for two bursaries valued at \$200 each. The bursaries are available to girls attending the Farm Girls' Camps at the Exhibitions at Regina and Saskatoon. They are awarded on the basis of the girls' standing at camp, their scholastic ability, character and leadership ability.

Bursaries were awarded during 1961 to Miss Karen Cowan of Rosetown, who attended the camp at Saskatoon, and to Miss Leona McGregor of Macoun, who attended the camp at Regina. Neither of these girls will be in a position to enter University for the 1961-62 season, but the bursaries may be used at any time within five years.

Saskatchewan Wheat Pool Bursaries, School of Agriculture

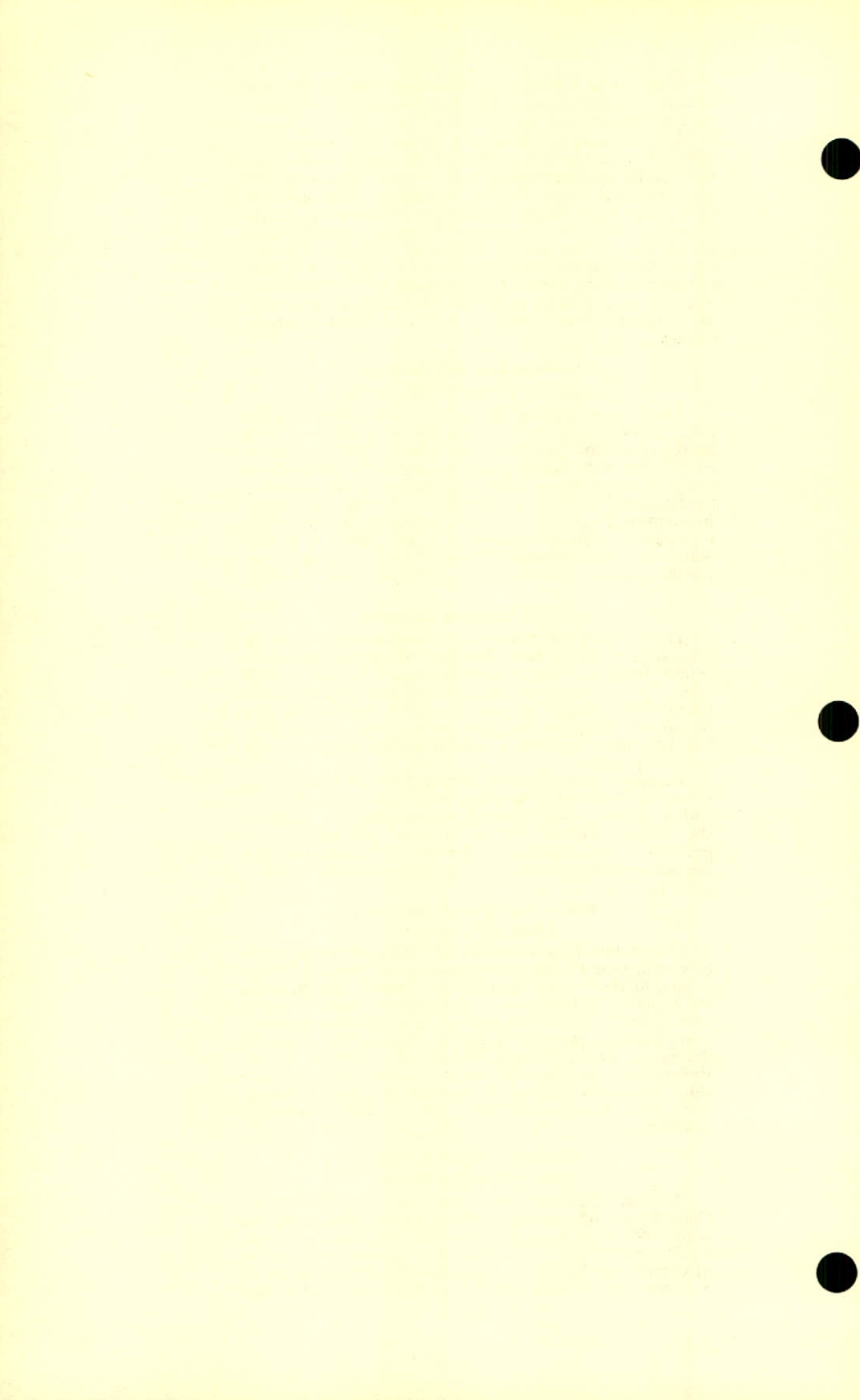
Sixteen bursaries, valued at \$250 each, are made available each year to students attending the School of Agriculture at the University of Saskatchewan. The bursaries are available to first-year students on the basis of one in each Wheat Pool district and are renewable for a second year. Selection is made by the Scholarship Committee of the School of Agriculture. The awards are made on the basis of merit and need. In making the awards the Scholarship Committee takes into account academic standing, community activity, 4-H Club work and general leadership qualities.

Country Organization

Wheat Pool Committees

As at 31st July 1961, there were 1,083 local Wheat Pool Committees functioning in the province. This compares with 1,090 at the same date last year, a decrease of seven.

Statement No. 7 of this report shows the total number of committees by Wheat Pool districts and sub-districts. Statement No. 8 indicates that 1,076 of these committees



were elected at local shareholders' annual meetings during the period 1st August 1960 to 31st July 1961, leaving seven that have not reported their annual meetings. This compares with 13 last year and indicates a high percentage of active committees in all Wheat Pool districts.

There are 10,397 Wheat Pool shareholders serving as members of committees.

Committee Conventions

The program of Committee Conventions was carried through under generally favorable conditions. Extremely hot weather and the necessity of shareholders having to spray fields for the control of grasshoppers reduced the attendance at some of the Conventions held in June. Ninety-two conventions were held in March and April, 44 in May and June, compared to 50 in March and April and 84 in May and June the previous year. Total attendance was 6,938. Number of committee men in attendance was 4,519 or 43%. This compares to a total attendance of 7,450 the previous year of which 4,542 were committee men, or 44%.

Reports indicate that generally the Conventions were good. To assist in the communication of information and ideas, the flannelgraph and blackboard were used with success. Conventions were divided into groups to discuss a number of prepared questions. Committee Program No. 3, Producer Livestock Marketing Boards, was read and used as reference material.

Committee Programs

Three Wheat Pool Committee Programs were published during the year and made available to all committee members, Wheat Pool delegates, Wheat Pool fieldmen, Pool Elevator agents, travelling superintendents and other Wheat Pool workers.

The policy of the Country Organization Department regarding Committee Programs provides that when a Program is published there should be an organized series of committee meetings held for the purpose of studying and discussing the Program and that Wheat Pool delegates and Wheat Pool staff attend the meetings as resource personnel. This policy was carried out in the case of Committee Programs No. 2 and No. 3.

The following is a list of the Programs published:

1. Resolutions Passed at the 36th Annual Meeting of Delegates of the Saskatchewan Wheat Pool, November 1-11, 1960.
2. Livestock.
3. Producer Marketing Boards.

Visual Aids

During the year sound motion pictures were shown at 317 meetings with an estimated attendance of 20,850 people. With the introduction of television, the demand for motion pictures has declined. It is the opinion of the Department, however, that there is still a place and a need for good educational films to be shown to selected rural audiences, that provide information on a specific subject or problem and facilitate discussion. The Department is purchasing films for this purpose.

Co-operative Education

The Wheat Pool's program of co-operative education continued during the year. Assistance was received from the University of Saskatchewan, Department of Co-operation, Department of Education, Department of Agriculture and the Co-operative Union of Saskatchewan.

During the year co-ordination among co-operative extension workers was evident. Wheat Pool fieldmen, Public Relations Officers, Credit Union League and Department of Co-operation fieldmen have held a number of meetings on district or regional bases to discuss and co-ordinate the co-operative educational program in their area.

Co-operative Schools

Seven Co-operative Schools were held during the week of 3rd to 8th July, and one 10th to 15th July at Weyburn. Total attendance at the eight schools was 639. There were 285 boys and 354 girls. The average age of students was 16.4 years and the average academic standing was Grade 10.6.

A continuous effort is being made to improve the Co-operative School program.

A Co-op School Seminar was held in Saskatchewan House on 4th and 5th May. It was attended by a good number of co-operative people interested in the program. The purpose of the Seminar was to take a critical look at Co-op Schools and to suggest improvements. A close study was made of communication and teaching techniques. Representatives of the Department of Education and the Western Co-operative College gave valuable assistance. As a result of the Seminar many changes were introduced. Students were divided into groups for lectures. In most schools a staff member acted as group convener and remained with the group for the duration of the School. While there was some variation in the Schools, all employed new techniques. As a result of the changes, Wheat Pool fieldmen were called upon to accept a wide variety of assignments. They acted as group conveners in many cases and lectured on a wide variety of subjects.

The Co-op School program is being improved each year. It is without a doubt one of the best educational programs carried on by the co-operative movement. Wheat Pool fieldmen continue to play a leading role in promoting and organizing these schools.

Students by Districts:

District	Number of Students	District	No. of Students
1.....	31	9.....	51
2.....	35	10.....	43
3.....	22	11.....	33
4.....	9	12.....	56
5.....	33	13.....	101
6.....	29	14.....	54
7.....	26	15.....	35
8.....	28	16.....	53
Total All Districts.....		639	

Delegates' School

A training course for delegates was held at the Western Co-operative College from 30th January to 3rd February. The purpose of the School is to help delegates better to understand their responsibility in:

1. Formulating policy.
2. Organization and education work in their sub-districts.
3. Developing skills and techniques in the field of human relations and communications.

The evaluation forms completed at the conclusion of the course, together with reports given by some of the delegates at District Meetings, would indicate that the delegates' school was a worthwhile experience.

Committee Newsletter

In an attempt to keep committee members better informed the Department introduced a new communication known as the Committee Newsletter. During the year nine such letters were written and mailed to committee chairmen and secretaries. It was also mailed to delegates, field-



men, travelling superintendents and Pool Elevator agents.

Minutes of committee meetings have contained a number of complimentary remarks indicating that the Newsletter is providing needed information that committees appreciate.

Co-op College Building Fund

The organization played an important part in the campaign to raise funds for the Western Co-operative College. The contribution to the fund by the Saskatchewan Wheat Pool as well as the work done by Wheat Pool delegates, fieldmen, committees, elevator agents, travelling superintendents and many other Wheat Pool employees was an important factor in the success of the campaign. We are pleased to report that at 31st July 1961 the fund had reached \$368,022.00 in cash and pledges.

Co-operatives and co-operative people have every right to be proud of this achievement. It demonstrates their ability to organize and conduct a successful campaign and is tangible evidence that they are willing to provide the educational facilities required by the co-operative movement in order that it may continue to expand and play an important part in the economic and social life of the people of Canada.

Co-operative Marketing of Livestock

Considerable time was devoted to Co-operative Livestock Marketing and Feeding Co-operatives. Committee Program No. 2 outlining the importance of the livestock industry to Saskatchewan farmers and methods of marketing presently available to them, was studied and discussed by Wheat Pool Committees.

Program No. 3, Producer Marketing Boards, was an attempt to provide unbiased factual information about Producer Marketing Boards. It was studied and discussed at Wheat Pool committee meetings and at Committee Conventions.

During the year there were 30 Feeding Co-operatives organized. Wheat Pool fieldmen played an important role in the organization of these Co-operatives. They continue to stay in close touch with secretaries, supervisors and members of the associations, providing information and acting in a liaison capacity between the Feeding Co-operatives and the Saskatchewan Wheat Pool Livestock Division.

Staff Training Program

The Department is pleased to report the acceptance by the Board of Directors of the establishment of a comprehensive staff training program for all Wheat Pool employees. It is expected that this will be a continuous program with new subjects to be introduced from time to time as suggested by changing conditions.

The general purpose of the training program shall be:

- (a) To acquaint employees with the history, purpose and future development of the Saskatchewan Wheat Pool; the philosophy and practices of the co-operative movement as such and their relationship to the Wheat Pool; and the position of the agricultural industry in relation to national and international affairs.
- (b) To encourage employees to improve their qualifications by voluntary study outside the program proposed herein.

In accepting this program the Board of Directors approved of the appointment of an Administrative Committee to organize and conduct the staff training program.

The Board also approved the recommendation that the Committee be authorized to draw in such technical assistance in formulating educational programs as it considers necessary.

This new arrangement will leave the present Education Committee of the Board free to concentrate its efforts on evolving and giving guidance to Educational Programs for Wheat Pool members, committees, delegates, directors, as well as educational programs dealing with test plot operators, 4-H Club work, Co-operative Schools and all co-operative education other than employees.

Meetings

During the year under review Wheat Pool fieldmen attended 2,986 meetings of all types with an estimated attendance of 102,738 people. This compares with 2,960 meetings the previous year with an attendance of 115,000 people. Fieldmen provided information in connection with operations of the Pool organization, discussed marketing problems in grain and livestock and the policy of the organization.

Wheat Pool committee secretaries reported 5,702 meetings. The following table shows the number of meetings reported from each Wheat Pool district.

District	No. of Meetings	District	No. of Meetings
1.....	351	9.....	326
2.....	336	10.....	325
3.....	200	11.....	414
4.....	222	12.....	352
5.....	375	13.....	506
6.....	414	14.....	434
7.....	348	15.....	345
8.....	364	16.....	390

Co-operative Associations

A number of new co-operatives were organized under the various co-operative acts of the Province. During the same period some associations amalgamated with other co-operatives and some dissolved. There was a net gain of 27 associations.

The total number of Co-operative Associations operating at 31st July 1961, was 1,528, made up as follows:

Under Co-operative Associations Act, Saskatchewan.....	1,185
Under Co-operative Associations Marketing Act, Saskatchewan.....	39
Under Credit Union Act, Saskatchewan.....	283
Under Other Saskatchewan Legislation.....	19
Under Dominion Legislation.....	2
	<u>1,528</u>

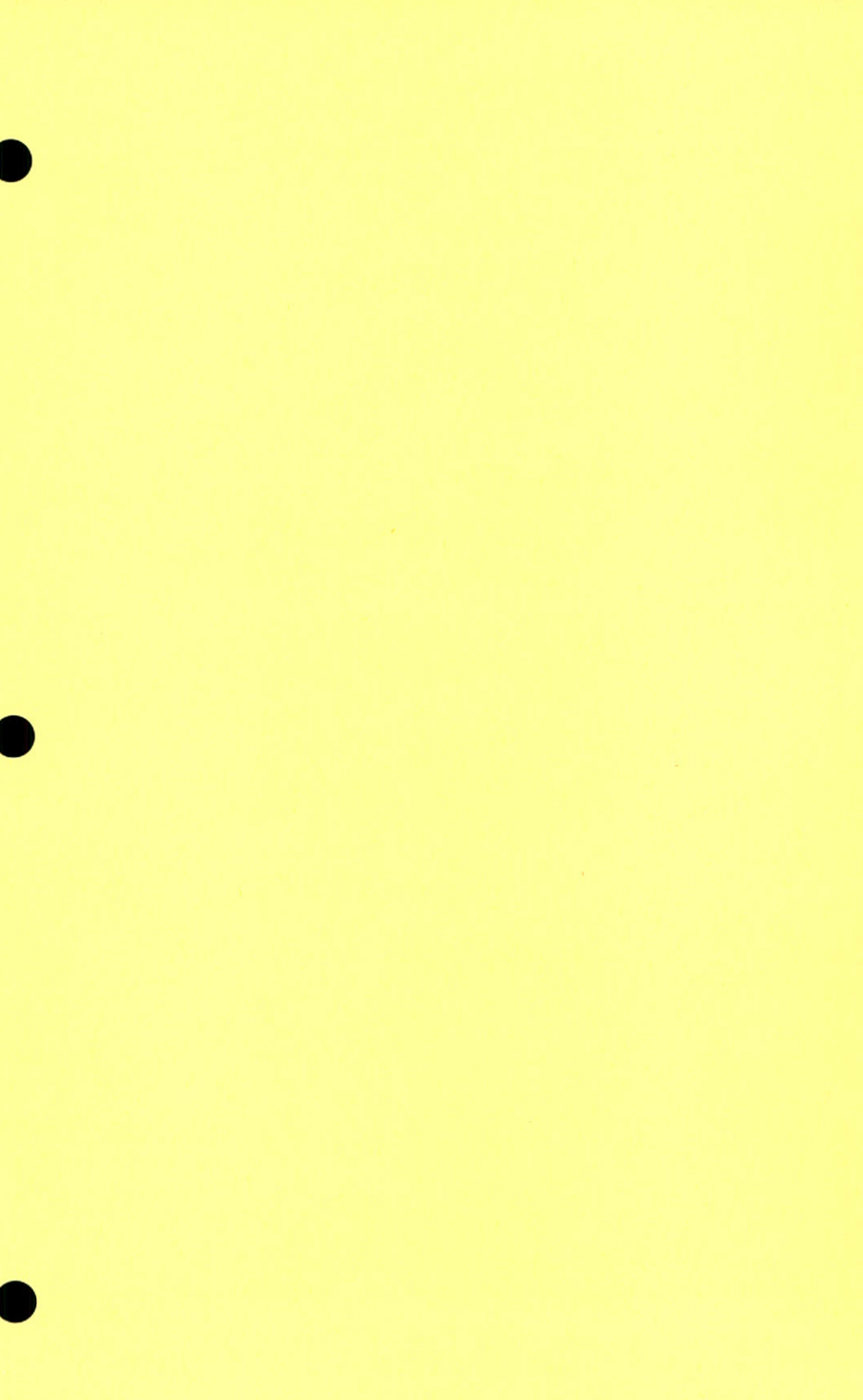
Enrolment of New Members

For the year under review, 3,430 applications for shares were received. There were 3,430 transfers in blank, no new shares were allotted. In addition, during July, 515 applications for shares were received. All were transferred in blank. No new shares were issued.

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	Total Shares Issued	Year Ended	Applications	Total Shares Issued
31st July 1934	515	104,354	31st July 1948	6,609	133,298
31st July 1935	695	104,942	31st July 1949	3,817	136,668
31st July 1936	869	105,717	31st July 1950	3,322	138,167
31st July 1937	1,016	106,640	31st July 1951	3,866	139,036
31st July 1938	370	106,889	31st July 1952	5,746	139,036
31st July 1939	887	107,492	31st July 1953	6,612	139,678
31st July 1940	3,477	110,715	31st July 1954	6,108	141,227
31st July 1941	3,040	113,139	31st July 1955	5,039	141,227
31st July 1942	5,616	117,935	31st July 1956	4,573	141,227
31st July 1943	5,946	121,742	31st July 1957	4,386	141,227
31st July 1944	7,704	127,058	31st July 1958	3,653	141,227
31st July 1945	6,304	129,412	31st July 1959	3,214	141,227
31st July 1946	5,484	129,412	31st July 1960	3,236	141,227
31st July 1947	8,529	130,688	31st July 1961	3,430	141,227





The Country Organization Department has introduced the policy of providing Wheat Pool Fieldmen with the names and addresses of new members. Fieldmen are arranging to visit these new members personally, to welcome them to the organization and to discuss with them the aims, objectives and services of the Saskatchewan Wheat Pool.

International Wheat Agreement

The second year of operation of the Fourth International Wheat Agreement concluded 31st July 1961. During that period total commercial purchases registered under the Agreement with the International Wheat Council amounted to 529,349,000 bushels. Canada's share of this quantity amounted to 233,604,000 bushels, or 44.1 per cent. The United States, which stood second from the standpoint of volume of shipments, had registrations totalling 130,123,000 bushels, or 24.6 per cent. As at the 31st July 1961, there were nine countries classified as exporting countries, but of these nine, two had not registered any sales. Countries registering sales were Canada, Argentina, Australia, France, Italy, Sweden and the United States. Those which failed to register any sales were Mexico and Spain.

The following table shows the sales registered by 7 of the 9 exporting countries for the crop year ended 31st July 1961 with revisions to 18th September 1961:

	Bushels	Percentage of Total Sales
Canada.....	233,604,000	44.1
Australia.....	89,763,000	17.0
Argentina.....	45,540,000	8.6
France.....	24,764,000	4.7
Italy.....	133,000	—
Sweden.....	5,422,000	1.0
U.S.A.....	130,123,000	24.6
	<u>529,349,000</u>	

Prairie Grain Advance Payments

The fourth year of operation of the Prairie Grain Advance Payments Act closed on 31st July 1961. The following tabulation shows the comparison between statistics for the year under review, compared with those of the previous year:

	Western Canada	
	1960-61	1959-60
Number of Applications.....	76,089	50,047
Amount Advanced.....	\$63,912,550.00	\$38,492,505.00
Amount Repaid.....	61,883,800.00	38,406,256.00
Average Advance.....	839.00	769.00
Percentage Repaid.....	96.8%	99.7%
Amount Outstanding.....*	2,028,750.00	* 86,249.00
	Saskatchewan	
	1960-61	1959-60
Number of Applications.....	43,214	24,867
Amount Advanced.....	\$40,380,873.00	\$20,914,816.00
Amount Repaid.....	\$39,658,153.00	\$20,898,920.00
Average Advance.....	934.00	841.00
Percentage Repaid.....	98.2%	99.9%
Amount Outstanding.....*	722,720.00	* 15,896.00

*As at 6th October 1961.

For the current season to 6th October 1961, a total of 11,776 applications had been made in the three Western provinces, and advances totalling \$9,833,776.00 had been paid out. For Saskatchewan alone, there were 6,305 applications, totalling \$5,639,593.00.

Policy Statement

1. The founders of the Saskatchewan Wheat Pool were in no doubt about their principal aim and stated it to be an agricultural organization for the purpose of mutual help. This has continued through thirty-seven years to be the principal aim of this, the world's largest marketing co-operative for primary agricultural produce.

2. The founders of the Pool were also in no doubt that the method by which Saskatchewan farmers mutually helped one another should be as a co-operative. The Pool has remained a co-operative.

3. These two basic principals your Directors believe to be worth reaffirming before they offer, in this statement of policy, considerations for your approval towards the welfare and progress of Saskatchewan farmers and farming.

4. In the beginning the main concern of the Pool was prairie grain and through the years it has remained a primary concern. That it does not remain the only major concern attests to the determination of farmers to diversify their activities to improve their welfare.

5. As problems have mounted in complexity in the years since 1924, Pool Directors and Delegates have turned more and more to governments to provide at least part of the solution. That governments, both federal and provincial, have not been able to resolve all the issues serves only to highlight the severity of the problems and the complexity of the issues. Unresolved issues remain and must be pressed once more on governments. Some present problems have become chronic; some are new and arise in part from the unusually poor growing season just past. This statement also contains some mutual-help proposals which might be tackled and perhaps resolved at least in part by farmers individually and collectively on their own behalf.

6. These are the issues before us this year, some explanation of their cause and some proposals for their resolution.

Co-operation

7. Because co-operation among farmers in the beginning started the Pool it may be that more co-operation on broader levels—both national and international—holds at least some promise for a better future.

8. One of the main problems facing grain marketing organizations this year is the threat of railway line abandonment. All prairie co-operative grain marketing agencies face the same threat and should, your Directors believe, try collectively to resolve the issues co-operatively. On some markets these co-operatives compete. Your Directors are prepared, if you the delegate body concurs, to initiate discussions with others for greater co-operation in the utilization of at least some of the grain marketing facilities.

9. Your Directors also believe that greater international co-operation among farmers may offer through joint action a basis for increased producer influence in the world markets where our produce competes. They pledge continuing support for the International Federation of Agricultural Producers and the International Co-operative Alliance.

International Trade

10. Wheat, the major output of Saskatchewan farms, is the world's principal cereal crop. It is one of Canada's major commodity exports. Annually the world produces more than 9 billion bushels and world production is advancing from year to year as acreage devoted to its cultivation is enlarged and as production techniques improve yields. Many countries less able to grow good wheat are devoting men and materials to its cultivation and many support these often uneconomic endeavors by tightening trade barriers to keep out Canadian grain.

11. Saskatchewan Wheat Pool has always urged the freest possible trading relations with all countries to pro-

vide the widest opportunity for the entry of our grains. Its Directors have pressed for international marketing agreements to provide the widest possible disposal of our grains at prices equitable for both our producers and the world's consumers. The Pool was an early promoter of efforts to establish an International Wheat Agreement and remains one of its strongest supporters. When renewal discussions come up this year your Directors will give every support to the Canadian delegation to get the best possible agreement for Canadian producers.

12. Canadian commercial wheat sales in the past season were among the best in years and your Directors commend the Federal Government and The Canadian Wheat Board for energetic promotion of Canadian wheat in world markets. Although Canada still sells more commercial wheat than any other country, Canada's portion of world trade in wheat has been declining in recent years, largely because of increased Russian shipments to countries within its political orbit and because of increased non-commercial disposal by the United States Government to countries not able to buy food at commercial rates. Your Directors continue to believe that international direction ought to be given to non-commercial food disposal and maintain the view that the Canadian Government ought to press with increased vigor for attainment of this goal.

13. Your Directors also believe that the Canadian Government might by itself do more to place Canadian wheat in countries not able to purchase it. Together with the other two prairie Wheat Pools, your Directors have initiated during the last year a two-year study of this question which is expected to provide some valuable and hitherto unavailable information on non-commercial wheat disposal. We do not accept as adequate the record of Canada's government-assisted wheat disposal which in 1958-59 accounted for only 8% of total Canadian wheat exports and in 1959-60 for only 4.9%. In each of those years the United States Government assisted the export of between 65% and 75% of total U.S. wheat disposal. In 1960-61 the Canadian Government assisted 8.1% of our total wheat disposal.

14. Your Directors have been watching with interest the development of the European Economic Community and of the European Free Trade Association. They are also attempting to keep abreast of the United Kingdom negotiations with EEC to be able to determine as early as possible how much this will affect our major European market for grains. It is our understanding that the quality of Canadian hard wheat will mitigate pressures within EEC and EFTA against demand for it. It is also our understanding that in the long run Canadian farmers may have more to gain from these trade groupings than they have to fear from them.

Farm Income

15. In the last decade agriculture's share of Canada's gross national product, in terms of market prices, has declined from 12% in 1950 to about 8% in 1960. While Saskatchewan farmers have about held their own in claiming about 20% of total Canadian farm income, the position of agriculture within the Saskatchewan economy has declined relative to other industries, notably mining, manufacturing and construction. Your Directors are aware that this kind of declining status makes it increasingly difficult for farmers and the farming industry to provide its income requirements out of produce sales.

16. During the last decade livestock production has accounted for an increasing percentage of total farm cash income, aided to some extent by greater cultivation of specialty crops such as rapeseed. Your Directors have helped to encourage this production diversity as far as they considered desirable, subject only to the realization that it offers limited opportunity for improved income because increased supply without accompanying increased markets tends to depreciate price and the farmers' net cash return.

17. Your Directors must call attention again to a fact that all farmers in Saskatchewan know only too well personally. Production costs continue to press upwards while gross returns from most farm commodities remain relatively stable or have actually declined, leaving for the farmer a declining net income. Added to the general squeeze this year is the low crop production and the possibility of some farmers having to reduce their livestock numbers because of short feed and reduced water supplies. These leave your Directors no alternative but to press on the federal government once again the urgency for short-run cash assistance.

18. Saskatchewan farmers will continue to increase their land holdings, to upgrade their equipment and to improve their techniques in the expectation that some day they may be able by their own efforts to overcome some of the worst effects of the squeeze between increasing costs and stable or declining prices. Your Board must say again, however, that during these adjustment periods farmers will require continuing assistance (transfer payments and increased markets would be two methods) and possibly some guidance from governments and that those individuals who decide to leave farming must have special consideration to help them accommodate to other occupations.

Wheat Production and Marketing

19. Saskatchewan farmers seeded 15.1 million acres to wheat this spring, a bit more than wheat acreage in each of the two previous years but down by 200,000 acres from the 1950-59 average. Some of the seed blew out during a hot, windy spring reminiscent of the 30's and during the growing season a series of reversals (lack of moisture and unusually hot weather in particular) caused continuous crop deterioration. By the end of July farmers had abandoned 2.6 million acres of seeded wheat by cutting some green for livestock feed and plowing the rest under. The crop that remained survived better than most farmers anticipated, producing by the Pool's own crop reporting estimate 125.5 million bushels of wheat for an average yield of 8.3 bushels an acre. Both yield and production were the lowest for wheat since 1937, the province's driest year and poorest crop return.

20. Your Directors are concerned about this short crop and the reasons for it mainly because less grain to sell will reduce farmers' claim on cash income and the poor growing season has left the soil ill-prepared for the next season. If winter moisture remains low next year's crop may suffer even greater failure.

21. This year's short crop across the West, along with last year's heavier than usual export sales, leave disposable wheat stocks an estimated 300 million bushels below the average annual stocks for the last six years. Even though this year's exports remain high, however, Canada will still be able to supply all requirements at home and abroad and end the season with a sizable carry-over.

22. Your Directors would commend the vigorous wheat sales campaign by both the federal government and The Canadian Wheat Board during the last season and would urge they maintain pressure to increase sales to known markets and to introduce wheat and flour to countries not traditional customers. The three-year agreement covering sales to mainland China still has two years to run and will likely account for about 70 million bushels of wheat in 1961-62. On the other hand, there is mounting pressure in Europe against the imports from the dollar area and many of these countries have been our best customers in the past. Although the trading policies of the European Economic Community and of the European Free Trade Association will tend to reduce our sales opportunities in some parts of Europe, the quality of our hard wheat is expected to offset much change in European demand at least in the near future.

Coarse Grains

23. Saskatchewan farmers seeded more acreage to oats this spring than the annual average for the last decade and less than average acreage to barley and rye. However, none of the coarse grains fared better than did wheat. By 1st July farmers had abandoned to green feed and summer-fallow some 2.3 million acres of coarse and oilseed grains. The improved oats acreage attests to the increase in livestock feeding.

24. Increased coarse grain production mainly for livestock feedstuffs may offer additional opportunities for producers to diversify their crop production pattern, may improve soil conservation and may help to augment the cash income position. Your Directors will take every opportunity to assess the changing situation to keep producers abreast of the opportunities.

Oilseed Crops

25. Flax and rapeseed acreages were increased substantially this year over the annual average for the last decade. The flax yield was down and total production less than the average for recent years but rapeseed production was excellent in some areas and rapeseed provided the major encouraging return among all crops. Some farmers in northern areas produced over 1,000 pounds of rapeseed an acre with the average for the province about 650 pounds an acre.

26. Your Board commends Parliament for its wisdom in including export freight rates for rapeseed along with flax under statutory protection. This will give rapeseed producers additional opportunities for offering their output on the export market and may encourage further increase in rapeseed production. At the same time, your Directors are aware of the opportunity for conflicting interest between rapeseed producers and oilseed processing facilities. Because of the more favorable freight rate on rapeseed for export, processors now must pay more for seed to process in Saskatoon and because processed oil and meal cake does not enjoy the reduced freight rates, Western processors find themselves less able to compete on Eastern markets. Your Directors will take every opportunity to urge inclusion of the oilseed grains under Wheat Board jurisdiction and to urge extension of the statutory export rate to the products of the oilseeds as well as to the grains.

The Canadian Wheat Board

27. By action of Parliament, The Canadian Wheat Board took over the marketing of all prairie wheat in 1943

and oats and barley in 1949. The Pool and other co-operative grain marketing agencies in the West had promoted this for years and remain firm in their resolve that these grains should remain under Wheat Board jurisdiction. Futures trading in wheat has remained suspended since 1943 and your Directors believe a resolution supporting the continued suspension of the futures market for wheat should remain before us from year to year and be reaffirmed on every occasion.

28. Some other grains—notably rye, flax and rapeseed—have not yet come under Wheat Board control. Your Directors believe they should and that this organization should take every opportunity to promote this extension of Wheat Board jurisdiction.

29. Your Board holds that the delivery quota system offers the most equitable opportunity for all producers to share in available markets for their grains and they continue to support this method of delivery regulation. However, some farmers have found various ways to circumvent regulations, especially during recent years of high production and low market opportunities. Your Directors believe that the delivery quota system should be continually under study to determine in which respects it might be amended to assure continuing equity of opportunity.

30. Recent relaxation of Wheat Board regulations to allow the delivery of some coarse grains to Western feed mills outside of the quota delivery system has concerned your Board, whose view remains that this kind of relaxation is damaging to Wheat Board control of marketing. Your Board will continue to oppose any relaxation of Wheat Board control over grain marketing.

Livestock Production and Marketing

31. The cattle population on Saskatchewan farms at 1st June was the highest for any year since the Second World War with a total of 2,090,000 animals. The population had increased by some 100,000 over the previous year mainly because of an increase in cows for beef, steers and calves.

32. Your Directors have been concerned about the short crop this year and the decline in water supplies because of the hot and dry summer. The drought, together with depreciation of Canadian currency, joined to push up Canadian grain prices at the same time corn prices in the Mid-western United States were down. These factors joined to reduce any comparative advantage Saskatchewan farmers might have to finish cattle for market. A severe winter and another dry spring and summer next year could combine with the increasing feed prices to drive some farmers out of livestock production and to reduce returns for those who remain. The current water shortage underlines the urgency for adequate government programs to assist in the development of new sources of water (such as more deep well digging), in addition to programs which now help to conserve known water supplies.

33. Your Board has moved cautiously in encouraging increased cattle finishing, knowing that both the price of feeder cattle and the final price of finished animals are established on a continental market where Canadian production accounts for only about one-tenth of U.S. livestock production. If our farmers are to succeed in finishing cattle they must be able to add a pound of gain for the same cost as or less than American feeders. Increased grain prices here and reduced pasture and water supplies from the drought

tend to decrease the immediate economic opportunities in Saskatchewan, compared with the Midwestern U.S. where corn prices now are well below those for Canadian oats and barley.

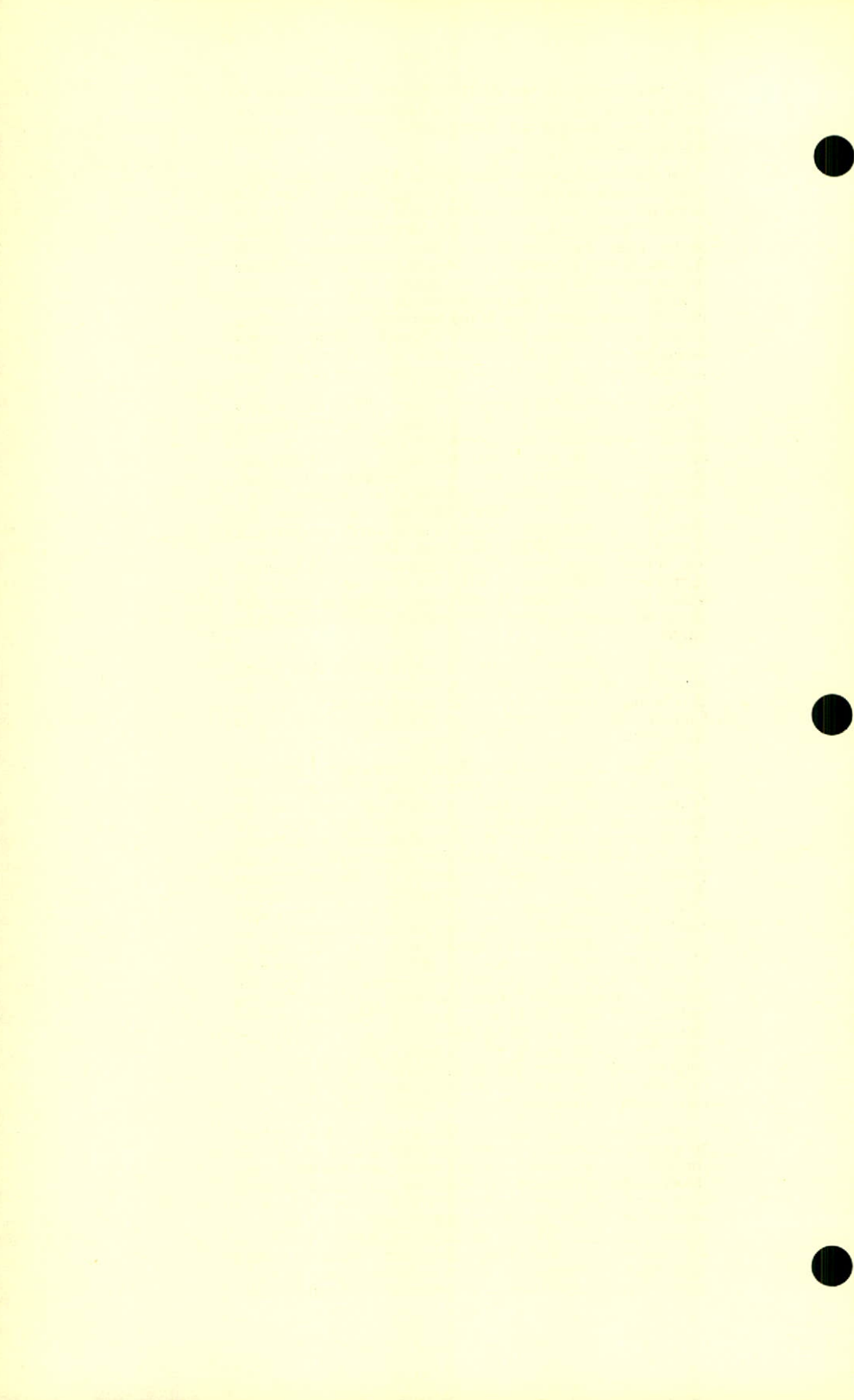
34. Notwithstanding these critical developments, many Saskatchewan farmers continue to finish cattle. The Pool helps in three ways: by guaranteeing the Credit Unions against a portion of their losses under an individual farmer feeder plan, by guaranteeing the Co-operative Credit Society against a portion of its losses under a co-operative feeder plan, and by helping to organize the feeder co-ops. Your Board believes that on-farm feeding, whether individually or in co-operatives, is the best way to extend cattle feeding under present conditions. It utilizes farm facilities and labor, perhaps otherwise under-employed, and provides a market at home for the farmer's own grain production.

35. The immediate effects of the drought on cattle marketing were less than anticipated. Market reports indicate no early abandonments of herds although sales were considerably heavier than usual, indicating the fall run had probably been advanced because of the drought by about three months. The winter may have a more marked effect on the market pattern. During 1960 the four Western provinces marketed about two-thirds of all cattle marketed in Canada and about 40% of the calves. The heavier percentage of cattle over calves again demonstrates that Western farmers are feeding more cattle for slaughter. Saskatchewan's portion of total Western marketings in 1960 was about one-quarter of the cattle and about one-third of the calves.

36. Saskatchewan farmers at 1st June had on their farms about 12% of both the Canadian hog and sheep population. On the marketing side Saskatchewan sold about 9% of total Canadian hogs marketed during 1960 and just over 9% of the sheep.

37. Your Directors have been increasingly concerned about the decline in the influence of the public market on both cattle and hog marketings. Although Saskatchewan public markets still attract between 65% and 70% of all cattle shipped off farms, the Canadian average in recent years has been below 60% and other provinces ship through public stockyards a lower percentage of their cattle than does Saskatchewan. The public market has had considerably less influence on hog marketing for several years with the Canadian annual average now running between 9% and 12% and Saskatchewan between 11% and 18%. Across Canada packinghouses are exerting increasing influence on both the cattle and hog markets by buying direct from the farmer, although even for hogs the price established at the public stockyard is still the yardstick by which direct sales are negotiated. However, as the percentage of total marketings through the public market decline, this yardstick will tend to have less influence. If the market loses its influence on price of either hogs or cattle the individual farmer will have little recourse but to accept the offered price.

38. In the light of this situation your Board has resolved to increase efforts to promote greater use of the public market by both Pool members and other livestock producers in Saskatchewan. The Pool's own Livestock Division now operates on seven markets in the province and handles about half of the cattle handled through those markets along with about 30% of the hogs and 40% of the sheep and lambs. Your Directors believe that producers would have better influence on the market were they to make greater use of the Pool's co-operative marketing facility



but even use of the public stockyard outside of the Pool agency will enable farmers to have more influence on price than will the present trend of increasing direct sales to packers and processors.

39. Your Directors support the public market as the best available method of marketing livestock but recognize that even 100% support for the public market gives the individual farmer only a limited kind of influence on price. Support for the Pool's co-operative livestock marketing agency improves this influence and the effectiveness of this improvement depends directly upon unwavering and continuous loyalty. Your Directors are aware that the producer can influence his ultimate returns by getting onto the buyer's side of the market and have under study some aspects of this question.

40. Since Saskatchewan farmers have begun feeding more cattle on their farms a number of small, non-licensed "markets" have sprung up in several places in the province where feeder cattle are offered for sale and finished cattle often offered to the slaughter trade. Your Board is concerned about these small markets, believing in the long run they will only add to the farmer's marketing cost. Your Board has considered that some kind of regulation must be devised to control them, possibly through the Provincial Government or through greater enforcement of federal marketing regulations. A Federal Livestock Commission, operating on a similar basis to the Board of Grain Commissioners, has often been promoted by Pool delegates as one way of resolving at least some of the livestock marketing problems.

Government and the Farmer:

41. Your Board welcomes the Federal Government's proposals under the Agricultural Rehabilitation and Development Act (ARDA) and without endorsing the proposals individually hopes that proposals of this kind will eventually lead to a greater rationalization of the agricultural industry. Your Board believes that delegates and members of the Pool will co-operate in this venture in any way they can. Your Board also has watched with interest work of the "Resources for Tomorrow" conference whose aim was to explore possibilities for the better management and development of Canada's renewable resources. Both of these projects involve Federal and Provincial Government and each aimed at determining some long-term programs.

42. There are other demanding issues your Board would like to see governments, both Federal and Provincial, begin some action to resolve. In the matter of transportation, vital to an industry like agriculture where so much of the output goes into export trade, there remains a hodge-podge of over-riding and conflicting jurisdictions, irrational policies and out-moded techniques. A federal Royal Commission has been investigating some of these and its reports soon will be available for study. Your Board would like to know at the earliest opportunity what Government intends to do about its recommendations. Your Board studied the transportation situation before submitting some recommendations of its own to this Commission. We suggested, for example, that nationalization of railway operations might be the best possible solution of the railway industry's problems. We found that any proposed railway abandonments and discontinuance of service would bring real hardship to the grain-producing industry of the West unless conducted within a long-term program



for overhauling the entire railway transportation system. We found that Crows Nest Pass statutory freight rates for export grain were vital to prairie agriculture and to the success of Canadian trade in grains. Your Board would expect these questions to be among the issues finally resolved and pledges itself to keep the farmers' interests to the fore in any future developments.

43. Your Board has supported the insurance-against-disaster program provided by Prairie Farm Assistance and the development program provided by Prairie Farm Rehabilitation, and believes these programs are sound and should continue to receive support. The crop insurance plan instituted in Saskatchewan this year with Federal Government support, had heavy losses because of widespread crop failure. Your Board has urged comprehensive crop insurance but would point to the Saskatchewan experience to underline Board insistence that Federal participation must be much more generous than under the existing arrangement.

44. Close watch has been kept on Saskatchewan Provincial Government proposals for municipal reorganization. Because much of this reorganization will affect the economic and social welfare of farm people, your Directors will continue to watch this question and to represent farming interests at every opportunity.

45. Your Board has been disturbed in recent years by the apparent willingness of the Federal Government to tighten trade barriers between this country and the rest of the world. While some of these measures may appear to benefit some secondary industries they can bring nothing but hardship and disadvantage to the farmer and agriculture. The Saskatchewan Wheat Pool will continue to represent the farmers' interest on this question at every opportunity.

The Canadian Federation of Agriculture

46. The Pool was a pioneer in the founding of The Canadian Federation of Agriculture and Pool officers have taken a leading part in C.F.A. activities from the beginning. Saskatchewan Wheat Pool's President was C.F.A.'s first President. C.F.A. remains the best sounding board for the interests of all producers and affords the one opportunity for producers to speak with one united voice.

47. Your Directors believe that many of the problems of farmers and farming must be considered in the context of the total industry and not piece-meal, one interest against another. For this reason, your Directors continue to support wholeheartedly the work of C.F.A. and pledge themselves and the Pool's membership to work with other groups within C.F.A. for a better agricultural industry. At the same time, your Directors are aware that the interests of farmers in Saskatchewan and elsewhere on the prairies are sometimes in conflict with the interests of agricultural producers in other parts of Canada. Your Directors will continue their attempts to resolve these conflicts without compromising prairie interests unduly.

Saskatchewan Wheat Pool Facilities and Services

48. The Pool is a producer co-operative with wide interests in the marketing of grain and livestock, the processing of primary farm produce and extension work among farmers and others in all matters relating to the economic and social welfare of agriculture and farm people.

49. In recent years Pool country elevators have handled about 50% of all Saskatchewan grain handled through country elevators and about 35% of terminal elevator handlings, about 50% of the total cattle marketings in the province, 30% of the hogs and 40% of the sheep and lambs. Your Directors believe that all efforts should be expended to increase the percentage of Pool handlings among total marketings of these primary farm products.

50. Your Directors believe the Pool best serves membership interests by being a dynamic organization prepared to engage in new activities where producer interests may be served. In recent years the Pool has undertaken a marketing pool for rapeseed producers, has helped to secure the financing of on-farm livestock feeding and has under investigation possibilities for Pool influence on the buyers' side of the livestock market.

51. Your Directors also believe they must do their best to keep the Pool's internal operations dynamically effective. In the last year a research committee has given consideration to many aspects of Pool operations including staff training and education, plant extension and finance. Your Board pledges itself to continue this kind of internal re-examination to make Saskatchewan Wheat Pool better able to meet changing demands for its facilities and services for producers.

Research

52. Your Directors are aware that many of the problems facing farmers and farming are too big to be resolved within the industry itself. While some require continuing study by farmers, by the industry and by governments, they also require independent study by those not directly concerned with the industry or its parts. For this reason, your Board supports proposals to organize the Agricultural Economics Research Council of Canada and Pool officials attended with others its founding convention in Winnipeg last spring. Your Directors hope sincerely that proposals then advanced will eventually become reality and that an independent research council will be established with facilities to give searching scrutiny to the many economic and social issues which beset farmers and farming. Your Board has already expressed the willingness of producers within Saskatchewan Wheat Pool to contribute their share of funds required to help this kind of research council.

53. Your Directors would remind you that an economic research department now is operating within the Pool Head Office. During the last year it has by itself undertaken considerable research and has also initiated two research projects to be undertaken outside the Pool organization by others specially qualified.

The Outlook

54. Despite the many problems raised in this statement, your Directors would remind you that there is considerable evidence to support an encouraging future for agriculture. Some of the issues raised in this statement help to explain why the farming industry and farmers are depressed in one way and another relative to other industries and other individuals within the Canadian economy. Some policies offered would help to adjust this imbalance if carried out by governments, farmers and others.

55. Time by itself is an adjusting factor—it brings additional populations with more need for food and, as

purchasing power improves with improved economic welfare of both individuals and nations, it provides more effective demand for our food products. While this means that many of the most pressing problems are short-run problems, it does not mean that they are any the less real and pressing for those who now experience them.

56. The future promises increasing demand for our food, particularly meat consumption of which tends to increase quicker than cereal grain consumption as populations find themselves with better economic means. Your Directors take this to indicate that Saskatchewan farmers may in the future be producing more grains for feed and finishing more livestock.

57. The family farm is likely to remain our major method of organizing agricultural production in Saskatchewan, although there are many indications that there will be fewer farms and that of those remaining many will be larger, more will be operated in partnerships between father and son and with some formal or informal co-operative ownership of some of their capital goods. Production and management techniques will likely be more scientific. Your Directors have drawn attention to the fact that some of these changes demand special attention for capital and manpower needs of those who remain farmers and special adjustment assistance for those who leave farming for other occupations.

58. On the production side, more land may be pressed into use for livestock grazing and feed grain cultivation. Irrigation will help expand intensity of the farming operation for some areas of the province. Greater use of fertilizers, improved drainage and perhaps more productive crop rotations will improve land fertility and add to output. Your Directors would expect that farmers will tend to apply more machinery and technology in their production process which will tend to increase demand for short-term capital compared with the longer-term capital requirement for land purchase itself.

59. Your Directors are aware of a growing concern that any extension in the area of agricultural production be based on sound land use policies rather than mainly settlement policies in the past. There is also a growing concern for co-ordination in policies affecting agriculture, among the Federal and Provincial Governments and among the various resource interests involved in agriculture. Your Directors would agree that co-ordination is necessary to a greater extent in determining policies, conducting research and administering programs.

60. In conclusion it may be said that while many problems still beset agriculture there is a growing indication that the outlook may be much more promising than it has been for years. A research paper prepared recently by two Federal Government economists forecasts an extremely bright future which is worth recording in some detail. In discussion of the demand outlook for Canadian agriculture, they say:

"In Canada over the next twenty years we foresee a doubling of meat consumption and a 70% increase in the total physical volume of foods consumed. At the same time we foresee an 80% increase in world demand for food, primarily for staple cereals. Therefore, while Canadian wheat exports may face some difficulty in the next five to ten years, the long-term outlook is more hopeful. Since growth in domestic demand will shift Canadian agriculture strongly toward a livestock economy, there should be no great problem apart from short-run variations in finding export outlets for limited supplies of coarse grains which are surplus to domestic requirements. Agriculture can therefore expect, in the longer run, to enjoy the almost forgotten privileges of an expanding industry."



Conclusion

Your Board desires to place on record its sincere appreciation of the loyal and faithful service that has been provided by members of the staff of all branches of the organization. During the year the staff has maintained that high standard of performance that has been characteristic of Wheat Pool staffs since the inception of the organization. Your Board takes this opportunity to make public acknowledgment of its recognition of this fine record of service.

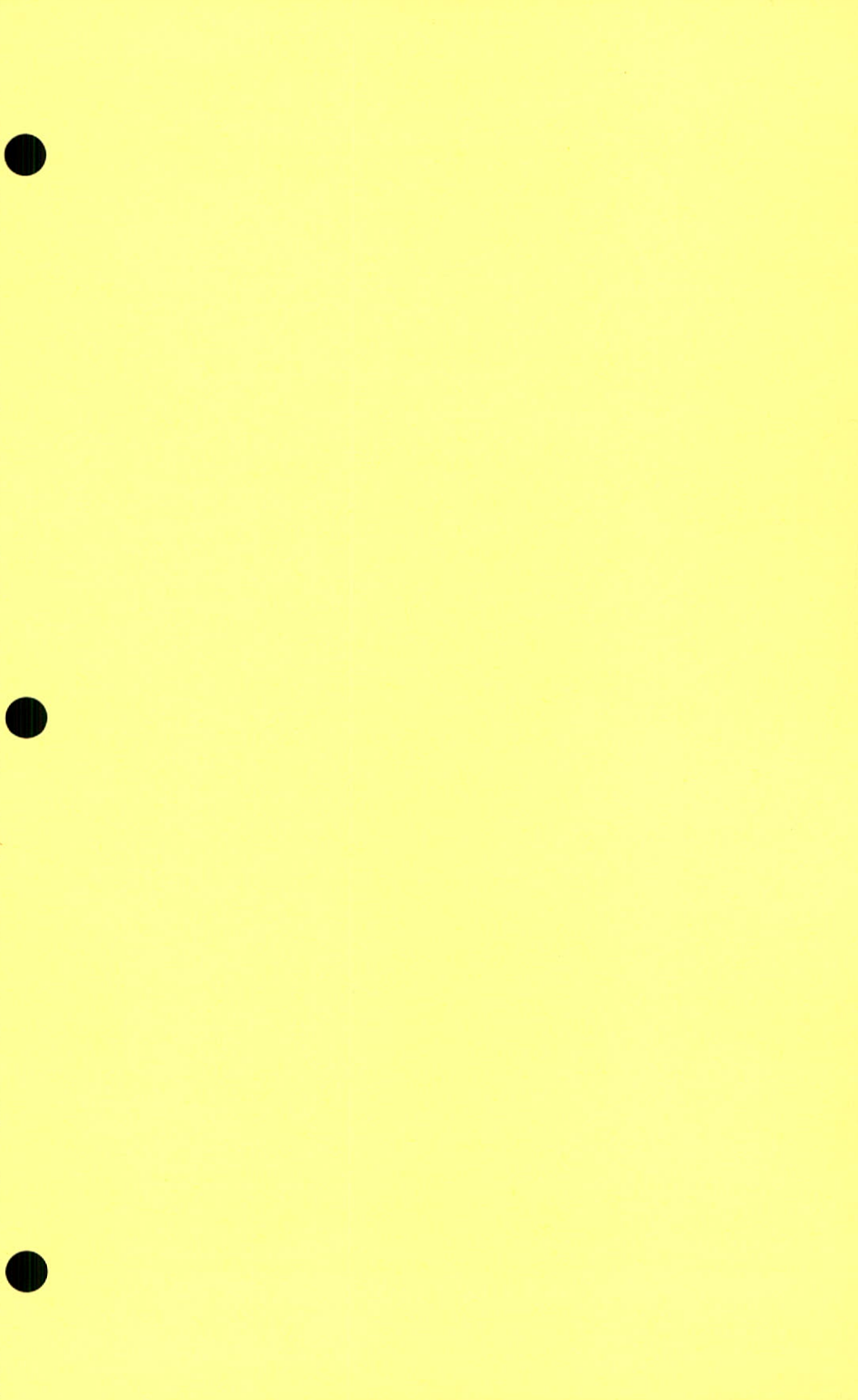
All of which is respectfully submitted:

A. G. PEDERSON	ALBERT GREENFIELD
CLARENCE McKEE	W. F. McLEOD
R. B. FULTON	CHAS. W. GIBBINGS
JAMES McCALLUM	E. A. BODEN
T. G. BOBIER	WILLIAM CUMMINS
J. R. STILBORN	W. McK. ROSS
J. H. HARRISON	L. A. BOILEAU
E. J. SJOLIE	E. K. TURNER

1. The first part of the paper is devoted to a general discussion of the problem of the existence of solutions of the system of equations (1) for arbitrary values of the parameters α and β . It is shown that the system (1) has solutions for arbitrary values of the parameters α and β if and only if the condition $\alpha + \beta = 1$ is satisfied. This condition is also necessary for the existence of solutions of the system (1) for arbitrary values of the parameters α and β .

2. In the second part of the paper the problem of the existence of solutions of the system (1) for arbitrary values of the parameters α and β is solved. It is shown that the system (1) has solutions for arbitrary values of the parameters α and β if and only if the condition $\alpha + \beta = 1$ is satisfied. This condition is also necessary for the existence of solutions of the system (1) for arbitrary values of the parameters α and β .

3. In the third part of the paper the problem of the existence of solutions of the system (1) for arbitrary values of the parameters α and β is solved. It is shown that the system (1) has solutions for arbitrary values of the parameters α and β if and only if the condition $\alpha + \beta = 1$ is satisfied. This condition is also necessary for the existence of solutions of the system (1) for arbitrary values of the parameters α and β .



SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

STATEMENT No. 1

CONSOLIDATED BALANCE SHEET AT 31st JULY 1961

ASSETS

Cash.....	\$ 5,480,915
Accounts Receivable.....	2,982,657
Prepayment on 1960-61 Canadian and Ontario Corporation Taxes.....	303,631
Stocks of Grain.....	102,312,358
Stock in Trade.....	1,240,825
Manufacturing Supplies.....	125,891
Prepaid Taxes, Insurance and Other Expenses.....	504,027
Total Current Assets.....	\$112,950,304
Accounts Receivable Deferred.....	149,714
Investments and Memberships, at cost (Including amount paid on shares on which there is an uncalled balance of \$57,500).....	550,693
Fixed Assets, at cost	
Sites, Buildings, Machinery and Equipment.....	\$79,671,385
Less accumulated allowance for depreciation.....	46,726,583
	32,944,802
Deferred Charges	
Stocks of Repair Parts and Supplies.....	222,807

Approved on behalf of the Board:
Chas. W. Gibbings, *Director*
Thos. G. Bobier, *Director*

\$146,818,320

LIABILITIES AND CAPITAL

Cheques and Orders Outstanding.....	\$ 21,275,804
Bank Loans.....	48,232,500
Notes Payable.....	12,000,000
Unallocated Surplus 1960-1961.....	6,371,806
Accounts Payable.....	18,438,143
Total Current Liabilities.....	\$106,318,253
Mortgages Payable.....	573,280
Reserve for Unearned Subscriptions.....	10,000
Elevator Deductions.....	19,292,242
Commercial Reserve.....	10,396,039
Livestock Excess Charges Credits.....	98,045
Capital	
Authorized: 200,000 shares of \$1 each.....	<u>\$200,000</u>
Allotted and fully paid, 141,227 shares.....	141,227
Reserve.....	9,989,234
Capital Commitment	
In respect of buildings and work under construction and equipment under purchase—Estimated \$1,232,500.....	<u>\$1,232,500</u>

\$146,818,320

AUDITOR'S REPORT

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

We have examined the consolidated balance sheet of Saskatchewan Wheat Pool and its subsidiary companies Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, Saskatchewan Co-operative Livestock Producers Limited and Modern Press Limited as at 31st July 1961 and obtained all the information and explanations we required. For each company we have made a general review of the accounting procedures and such examination of accounting records and other supporting evidence as we considered necessary in the circumstances.

Under the Improved Retirement Plan there is a liability for past services as valued by actuaries requiring annual payments of \$137,000 to Saskatchewan Wheat Pool Retirement Fund for the next fourteen years. In addition there is a further liability for hourly employees' past services estimated to require annual payments of \$11,600 for approximately eight years.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the various companies, the accompanying balance sheet is properly drawn up so as to exhibit in consolidated form a true and correct view of the state of the organization's affairs at 31st July 1961, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. 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.
Regina, 22nd September 1961.

ROSS, TOUCHE & CO., *Chartered Accountants.*



CONSOLIDATED BALANCE SHEET

Detailed information and explanations of the various items appearing on the Balance Sheet follow:

Cash—\$5,480,915

This includes the following items:

Cash in Banks.....	\$4,928,785
Cash Funds—Payors.....	552,130
	<u>\$5,480,915</u>

Accounts Receivable—\$2,982,657

This is composed principally of accrued handling charges on grain in store in Country and Terminal Elevators, Trade Accounts, Sundry Loans, Sales of Grain, and Advances.

Prepayment on 1960-61 Canadian and Ontario Corporation Taxes—\$303,631

This amount is made up as follows:

Instalments paid on 1960-61 Corporation Taxes of	
Saskatchewan Wheat Pool.....	\$308,624
Less estimated taxes for 1960-61 for the following	
Subsidiary Companies:	
Saskatchewan Pool Elevators Limited.....	\$4,000
Saskatchewan Pool Terminals Limited.....	123
Saskatchewan Co-operative Livestock	
Producers Limited.....	870
	<u>4,993</u>
	<u>\$303,631</u>

Stocks of Grain—\$102,312,358

This represents the value of grain on hand in various positions at 31st July 1961, less the liability for stored grain. All Board grains have been valued at The Canadian Wheat Board prices, and open market grains at Winnipeg market cash closing prices at 31st July 1961, or open sale contracts where applicable. Agency stocks have been valued at cost. Allowance has been made for freight and other charges where necessary.

Stock in Trade—\$1,240,825

This represents the value of job stock and newsprint on hand and work in process at the Printing and Publishing Division at Saskatoon; stocks of grain, linseed and rapeseed oil and meal on hand at the Vegetable Oil Plant and Elevator at Saskatoon; stocks of grain, screenings, flour, feeds and rolled oats on hand at the Flour Mill at Saskatoon and on consignment; and livestock on hand at the various branches of the Livestock Division or in transit at 31st July 1961.

Manufacturing Supplies—\$125,891

This amount represents the cost of offset films and chemicals, engraving supplies, news ink and mailing supplies on hand at the Printing and Publishing Division at Saskatoon; drums, containers, sacks, sewing twine and refining chemicals on hand at the Vegetable Oil Plant at Saskatoon; car lining paper, bags, improvers and other ingredients at the Flour Mill at Saskatoon; and bags, tags, and hammers on hand at the Feed Mill at Terminal No. 8, at 31st July 1961.

Prepaid Taxes, Insurance and other Expenses—\$504,027

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

Accounts Receivable Deferred—\$149,714

This is composed of the following accounts:

Brandon Consumer Co-operative Limited.....	\$ 2,308
Co-operative Fire and Casualty Company.....	135,000
Local Co-operative Associations.....	12,406
	<u>\$149,714</u>

Brandon Consumer Co-operative Limited—\$2,308

This represents the balance owing on a loan of \$2,700 made to the Brandon Consumer Co-operative for the purpose of financing the construction of a flour shed at Brandon. This loan is repayable at the rate of \$540 per year.

Co-operative Fire and Casualty Company—\$135,000

Of the above sum, \$30,000 was contributed in 1951, \$30,000 paid under guarantee in 1953, \$25,000 contributed in 1956, \$25,000 in 1959, and a further \$25,000 contributed in 1960. These sums may be repaid out of accumulated surpluses at such times and in such instalments as the Directors of the Co-operative Fire and Casualty Company may from time to time determine, and until so repaid the Directors may pay interest thereon at such a rate as they may from time to time deter-



mine, but not exceeding six per cent (6%) per annum. Interest at the rate of five per cent (5%) was paid by the Co-operative Fire and Casualty Company during the year under review.

Local Co-operative Associations—\$12,406

This is composed of the following:

Local Co-operatives—Deferred Dividends.....	\$ 1,678
Federated Co-operatives—Deferred Dividends.....	10,728
	<u>\$12,406</u>

Investments and Memberships—\$550,693

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).....	\$ 25,000
Canadian Livestock Co-operative (Western) Limited	
8 Memberships of \$1 each.....	8
Canadian Pool Agencies Limited	
667 Shares of \$10 each.....	6,670
Co-operative Trust Company Limited	
2,742 Shares of \$10 each.....	\$ 27,420
4 1/2% Guaranteed Farm Credit Securities.....	102,400
	129,820
Federated Co-operatives Limited	
Share Capital.....	35,706
Lake Shipper's Clearance Association	
1 Membership.....	3,000
Local Co-operative Associations	
Sundry Shares.....	106,688
Pool Insurance Company	
1,250 Shares (on which there is an uncalled balance of \$32,500).....	170,000
Saskatchewan Co-operative Credit Society Limited	
2,950 Shares of \$10 each.....	29,500
Saskatoon Livestock Exchange	
3 Memberships.....	300
Vancouver Grain Exchange	
1 Membership.....	800
Vancouver Merchants' Exchange	
1 Share.....	1
Winnipeg Grain Exchange	
6 Memberships.....	30,950
Winnipeg Grain and Produce Exchange Clearing Association Limited	
10 Shares.....	12,250
	<u>\$550,693</u>

Fixed Assets—\$32,944,802

Schedule "1A" shows in detail the cost, accumulated allowances for depreciation, and net value of these fixed assets at 31st July 1961.

Deferred Charges—\$222,807

This amount represents the cost of stocks of repair parts and supplies on hand at 31st July 1961.

LIABILITIES AND CAPITAL

Cheques and Orders Outstanding—\$21,275,804

Details of these items are as follows:

Bank Cheques and Money Orders.....	\$13,639,192
Cash Tickets.....	7,636,612
	<u>\$21,275,804</u>

Bank Loans—\$48,232,500

This represents the amount of outstanding borrowings from the lending banks at 31st July 1961.

Notes Payable—\$12,000,000

This is the amount of outstanding short term borrowings from commercial organizations other than Banks as at 31st July 1961.

Unallocated Surplus—Season 1960-61—\$6,371,806

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—\$18,438,143

This amount consists principally of accrued expenses, trade and loan accounts, plus the amount of the principal payments due to the Ogilvie and Lake of the Woods Milling Companies in November 1961, in connection with the purchase of their country elevator and terminal elevator facilities, and the final payment due to the Saskatchewan Co-operative Credit Society on 31st July 1962, in connection with the purchase of Terminal No. 6.

Mortgages Payable—\$573,280

This sum represents the final payment owing to the Ogilvie and Lake of the Woods Milling Companies in connection with the purchase of their country and terminal elevator facilities. This payment is due and payable in November 1962, and bears interest at 5½%.

Reserve for Unearned Subscriptions—\$10,000

This item represents a partial provision for unexpired subscriptions to the Western Producer at 31st July 1961.

Elevator Deductions — \$19,292,242; Commercial Reserve—\$10,396,039

These are composed of the following amounts:

	<i>Elevator Deductions</i>	<i>Commercial Reserve</i>	<i>Total</i>
Original Deductions retained from proceeds of deliveries by members.....	\$12,188,060	\$ 6,567,851	\$18,755,911
Retained by way of loan from Excess Charges Refunds.....	7,104,182	3,828,188	10,932,370
	<u>\$19,292,242</u>	<u>\$10,396,039</u>	<u>\$29,688,281</u>

These funds have been used for the following purposes:

Invested in Capital of Saskatchewan Pool Elevators Limited.....	\$12,835,950	\$ —	\$12,835,950
Invested in Fixed Assets, Loans, Investments, etc.....	6,456,292	10,396,039	16,852,331
	<u>\$19,292,242</u>	<u>\$10,396,039</u>	<u>\$29,688,281</u>

Livestock Excess Charges Credits—\$98,045

This sum, retained by way of 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 1959-60 inclusive, and is made up as follows:

Amount retained from Excess Charges Refund.....		\$907,296
Less amounts refunded as follows:		
(a) Within eligible categories.....	\$ 13,807	
(b) Credits of \$5 and over.....	795,444	
		<u>809,251</u>
		<u>\$ 98,045</u>

Capital—\$141,227

This represents the allotted capital to 31st July 1961.

Reserve—\$9,989,234

This is the amount of the Reserve Account at 31st July 1961.

SCHEDULE 1A

**SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES
CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY, 1961**

	Cost	Accumulated Allowance for Depreciation	Net Value
SASKATCHEWAN WHEAT POOL			
Building, Equipment and Alterations.....	\$ 447,824	\$ 268,297	\$ 179,527
Furniture and Equipment.....	151,260	134,580	16,680
Automobiles and Truck.....	66,685	16,909	49,776
Motion Picture and Radio Equipment and Films.....	19,085	14,936	4,149
Site and Parking Lot—Regina.....	69,374	2,069	67,305
Total—Saskatchewan Wheat Pool.....	\$ 754,228	\$ 436,791	\$ 317,437
SASKATCHEWAN POOL ELEVATORS LIMITED			
Country Elevators, etc.			
Country Elevators and Coal Sheds.....	\$ 42,307,341	\$ 26,034,050	\$ 16,273,291
Temporary Bins.....	318,236	163,238	154,998
Agents' Residences.....	4,065,787	2,153,626	1,912,161
Work Under Construction.....	1,230,531	—	1,230,531
Wheat Pool Building—Winnipeg.....	285,899	118,799	167,100
Wheat Pool Building—Saskatoon.....	128,315	37,264	91,051
Sites—Cottages, etc.....	113,831	—	113,831
Warehouse—Regina.....	165,644	22,819	142,825
Furniture and Equipment.....	420,515	350,162	70,353
Automobiles, Trucks, Trailers and Equipment.....	367,744	196,266	171,478
Payors' Safes.....	13,364	13,036	328
Total.....	\$ 49,417,207	\$ 29,089,260	\$ 20,327,947

Terminal Elevators

No. 4A Building.....	\$ 2,432,454	\$ 1,699,227	\$ 733,227
No. 4A Machinery and Equipment.....	2,236,788	2,006,769	230,019
No. 4B Building.....	1,622,696	753,033	869,663
No. 4B Machinery and Equipment.....	2,074,934	1,923,629	151,305
No. 5 Building.....	768,794	291,472	477,322
No. 5 Machinery and Equipment.....	672,375	561,014	111,361
No. 6 Building.....	2,732,510	463,842	2,268,668
No. 6 Machinery and Equipment.....	1,709,770	987,417	722,353
No. 7 Building.....	2,481,218	1,828,340	652,878
No. 7 Machinery and Equipment.....	2,544,996	2,344,196	200,800
No. 7 Storage Annex Building.....	919,114	431,153	487,961
No. 7 Storage Annex Machinery and Equipment.....	170,177	158,687	11,490
No. 8 Building.....	1,537,857	149,772	1,388,085
No. 8 Machinery and Equipment.....	257,555	87,813	169,742
Feed Mill Building.....	27,515	19,743	7,772
Feed Mill Machinery and Equipment.....	44,288	41,245	3,043
Warehouses—Port Arthur and Fort William.....	35,177	26,167	9,010
Sites.....	419,473	—	419,473
Work Under Construction.....	5,229	—	5,229
	<u>\$ 22,692,920</u>	<u>\$ 13,773,519</u>	<u>\$ 8,919,401</u>

Flour Mill

Mill Building.....	\$ 876,578	\$ 216,165	\$ 660,413
Mill Machinery and Equipment.....	972,240	819,654	152,586
Grain Elevator Building.....	747,229	185,398	561,831
Grain Elevator Machinery and Equipment.....	439,016	390,074	48,942
Flour Sheds.....	58,378	12,782	45,596
Laboratory Equipment.....	16,686	11,046	5,640
Furniture and Equipment.....	27,845	17,177	10,668
Automobiles.....	24,443	5,403	19,040
Plant Tools and Equipment.....	16,087	12,818	3,269
	<u>\$ 3,178,502</u>	<u>\$ 1,670,517</u>	<u>\$ 1,507,985</u>

SCHEDULE 1A (Continued)**CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY, 1961**

	Cost	Accumulated Allowance for Depreciation	Net Value
SASKATCHEWAN POOL ELEVATORS (Continued)			
Vegetable Oil Plant			
Building.....	\$ 113,684	\$ 32,984	\$ 80,700
Machinery and Equipment.....	221,083	204,387	16,696
Refinery Building.....	32,357	7,981	24,376
Refinery Machinery and Equipment.....	147,189	122,406	24,783
Storage Tank Building.....	23,377	5,865	17,512
Storage Tank Machinery and Equipment.....	37,974	24,447	13,527
Grain Elevator Building.....	257,379	32,867	224,512
Grain Elevator Machinery and Equipment.....	180,110	50,735	129,375
Laboratory Equipment.....	9,033	6,299	2,734
Furniture and Equipment.....	13,355	10,742	2,613
Automobile.....	3,065	1,495	1,570
Plant Tools and Equipment.....	4,343	2,496	1,847
Work Under Construction.....	498,085	—	498,085
	<u>\$ 1,541,034</u>	<u>\$ 502,704</u>	<u>\$ 1,038,330</u>
Flour Mill and Vegetable Oil Plant Power Equipment, and Sundry			
Boiler House and Substation Building.....	\$ 81,049	\$ 20,074	\$ 60,975
Boiler House Equipment.....	83,131	74,386	8,745
Substation Equipment.....	72,663	65,512	7,151
Spur Tracks—Saskatoon.....	35,726	14,883	20,843
Site—Saskatoon.....	8,840	—	8,840
	<u>\$ 281,409</u>	<u>\$ 174,855</u>	<u>\$ 106,554</u>
Total—Saskatchewan Pool Elevators Limited.....	<u>\$ 77,111,072</u>	<u>\$ 45,210,855</u>	<u>\$ 31,900,217</u>

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED

Stockyards.....	\$	380,918	\$	190,800	\$	190,118
Assembly Yards.....		8,154		3,733		4,421
Country Scales and Sheds.....		11,750		9,185		2,565
Tattoo Equipment.....		7,593		7,461		132
Sundry Equipment.....		1,421		1,030		391
Furniture and Equipment.....		32,217		25,465		6,752
Automobile, Trucks and Tractors.....		76,156		45,143		31,013
Sites.....		12,324		—		12,324

Total—Saskatchewan Co-operative Livestock Producers Limited..... \$ 530,533 \$ 282,817 \$ 247,716

MODERN PRESS LIMITED

Buildings, Machinery and Equipment.....	\$	1,130,446	\$	694,655	\$	435,791
Furniture and Equipment.....		45,399		36,681		8,718
Site—Saskatoon.....		15,225		—		15,225

Total—Modern Press Limited..... \$ 1,191,070 \$ 731,336 \$ 459,734

SASKATCHEWAN POOL TERMINALS LIMITED

Furniture and Equipment.....	\$	40,867	\$	33,233	\$	7,634
Automobile and Trucks.....		9,656		6,677		2,979
Miscellaneous Equipment.....		33,959		24,874		9,085

Total—Saskatchewan Pool Terminals Limited..... \$ 84,482 \$ 64,784 \$ 19,698

TOTAL—ALL COMPANIES..... \$ 79,671,385 \$ 46,726,583 \$ 32,944,802

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

CONSOLIDATED CAPITAL STATEMENT AT 31st JULY, 1961

Capital Receipts

Capital.....	\$ 141,227
Commercial Reserve.....	10,396,039
Elevator Deductions.....	19,292,242
Livestock Excess Charges Credits.....	98,045
Reserve.....	9,989,234
Reserve for Unearned Subscriptions.....	10,000
Mortgages Payable.....	573,280

Capital Expenditures

Fixed and Sundry Assets

Fixed Assets, less accumulated allowance for depreciation.....	\$32,944,802
Investments and Memberships.....	550,693

Deferred Accounts

Accounts Receivable Deferred.....	149,714
Deferred Charges.....	222,807

69 Approved Programme of Building and Work Under Construction and Machinery Under Purchase—Estimated

Head Office.....	\$ 79,087
Country Elevators & Annexes, etc.....	1,683,477
Agents' Dwellings.....	309,825
Office Equipment, etc.....	172,862
Flour Mill.....	89,537
Vegetable Oil Plant.....	222,959
Terminals.....	202,998
Saskatchewan Co-operative Livestock Producers Limited.....	41,556
Modern Press Limited.....	186,959
Saskatchewan Pool Terminals Limited.....	4,003

	\$2,993,263	
Less Paid on Account.....	1,760,763	1,232,500

Balance available as Working Capital for

Season 1961-62..... 5,399,551

\$40,500,067 \$40,500,067

CURRENT POSITION PER CONSOLIDATED BALANCE SHEET

AT 31st JULY, 1961

Current Assets.....	\$112,950,304
Current Liabilities.....	106,318,253

Current Position per Balance Sheet.....	\$ 6,632,051
Less: Estimated Capital Expenditures to complete programme of building and work under construction, and machinery under purchase.....	1,232,500

Balance available as working capital for Season 1961-62..... \$ 5,399,551

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

SOURCE OF CAPITAL FUNDS, ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS, AND WORKING CAPITAL
AT 31st JULY 1961

	Capital	Commercial Reserve	Elevator Deductions	Reserve Account	Reserve for Unearned Subscriptions	Livestock Credits	Deferred Account Payable	Total
SOURCE OF CAPITAL FUNDS								
Stock Subscriptions.....	\$ 141,227	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 141,227
Deductions from Pool Payments.....	—	6,567,851	12,188,060	—	—	—	—	18,755,911
Retained by Way of Loan from Excess Charges Refund.....	—	3,828,188	7,104,182	—	—	907,296	—	11,839,666
Retained from Operations.....	—	—	—	9,989,234	10,000	—	—	9,999,234
Ogilvie and Lake of the Woods Milling Companies—Mortgages.....	—	—	—	—	—	—	573,280	573,280
TOTAL CAPITAL RECEIPTS.....	<u>\$ 141,227</u>	<u>\$10,396,039</u>	<u>\$19,292,242</u>	<u>\$ 9,989,234</u>	<u>\$ 10,000</u>	<u>\$ 907,296</u>	<u>\$ 573,280</u>	<u>\$41,309,318</u>

ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS

Deferred Accounts Receivable.....	\$ —	\$ 149,714	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 149,714
Investments.....	—	550,693	—	—	—	—	—	550,693
Fixed Assets—Net.....	141,227	9,472,825	19,292,242	3,455,228	10,000	—	573,280	32,944,802
Expenditures Approved for Completion of Programme of Buildings and Work Under Construction, and Machinery Under Purchase—								
Capital Commitments—Estimated.....	—	—	—	1,232,500	—	—	—	1,232,500
Deferred Charges—Stocks of Repair Parts and Supplies.....	—	222,807	—	—	—	—	—	222,807
Refunded from Working Capital.....	—	—	—	—	—	809,251	—	809,251
	\$ 141,227	\$10,396,039	\$19,292,242	\$ 4,687,728	\$ 10,000	\$ 809,251	\$ 573,280	\$35,909,767
BALANCE—WORKING CAPITAL.....	—	—	—	5,301,506	—	98,045	—	5,399,551
	<u>\$ 141,227</u>	<u>\$10,396,039</u>	<u>\$19,292,242</u>	<u>\$ 9,989,234</u>	<u>\$ 10,000</u>	<u>\$ 907,296</u>	<u>\$ 573,280</u>	<u>\$41,309,318</u>

TOTAL CURRENT ASSETS—Per Consolidated Balance Sheet—Statement “1”..... \$112,950,304
TOTAL CURRENT LIABILITIES—Per Consolidated Balance Sheet—Statement “1”..... 106,318,253

CURRENT POSITION..... \$ 6,632,051
Less Estimated Capital Expenditures to Complete Programme of Buildings and Work Under Construction, and Machinery Under Purchase..... 1,232,500

BALANCE—WORKING CAPITAL..... \$ 5,399,551

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, 1961

	Total 1925-1960	Allocation 1959-1960 Surplus	Sundry Adjustments	Season 1960-1961	Total 1925-1961
69 Net Earnings and Capital Gains After Adjusting for Income Taxes and All Company Losses.....	\$100,569,358	\$ —	\$ 63,519 (A) (595,000) (B) (10,000 (C)	\$ —	\$100,027,877
Net Earnings for Season 1960-61					
Saskatchewan Wheat Pool—Before Provision for Income Taxes.....	—	—	—	6,371,806	6,371,806
Saskatchewan Pool Elevators Limited—After Provision for Income Taxes.....	—	—	—	26,596	26,596
Saskatchewan Pool Terminals Limited—After Provision for Income Taxes.....	—	—	—	302	302
Modern Press Limited.....	—	—	—	22	22
	<u>\$100,569,358</u>	<u>\$ —</u>	<u>\$ (541,481)</u>	<u>\$ 6,398,726</u>	<u>\$106,426,603</u>

DISTRIBUTION

Excess Charges Refund Paid to Growers in Cash as Follows: Grain Deliveries.....	\$ 27,819,879	\$ 1,655,940	\$ —	\$ —	\$ 29,475,819
Livestock Deliveries.....	75,576	6,162	(2) (D)	—	81,736
Paid for Certificates Purchased in Settlement of Credits.....	22,620,075	1,595,806	—	—	24,215,881
Retained as a Loan and Credited to Members as Follows:					
Commercial Reserve.....	3,642,647	185,541	—	—	3,828,188
Elevator Deductions.....	6,759,864	344,318	—	—	7,104,182
Livestock Excess Charges Credits.....	769,475	137,819	2 (D)	—	907,296
Interest on Elevator Deductions.....	3,758,448	—	—	—	3,758,448
Interest on Commercial Reserve.....	742,977	—	—	—	742,977
Farm Storage Paid to Growers.....	306,457	—	—	—	306,457
Payments re 1929-30 Pool Overpayment—Principal.....	11,247,533	—	—	—	11,247,533
—Interest and Sinking Fund Deficiency.....	8,397,046	—	—	—	8,397,046
Unallocated Surplus—Season 1959-60.....	5,022,748	(5,022,748)	—	6,371,806	6,371,806
Unallocated Surplus—Season 1960-61.....	—	—	\$ (10,000) (C)	—	—
Reserve.....	9,406,633	502,162	63,519 (A)	26,920	9,989,234
Estimated 1959-60 Income Taxes.....	—	595,000	(595,000) (B)	—	—
	<u>\$100,569,358</u>	<u>*</u>	<u>\$ (541,481)</u>	<u>\$ 6,398,726</u>	<u>\$106,426,603</u>

Note: Of the sum of \$907,296 shown on the above statement as "Livestock Excess Charges Credits Retained as a Loan and Credited to Members," the sum of \$809,251 has been refunded to members and charged to capital, leaving a balance of \$98,045 retained, as shown on the balance sheet of the Company.

Sundry adjustments shown in the third column of this Statement are composed of the following:

(A) Transfer of the following items to Reserve—

Capital Gain on Disposal of Assets.....	\$64,575
Less Loss on Realization of Assets.....	1,056
	<u>\$63,519</u>

(B) Transfer of Estimated Income Taxes for Season 1959-60 to Accounts Payable.

(C) Writing Off Account Receivable to Reserve.

(D) Adjustment on Prior Seasons' Livestock Excess Charges Refund.

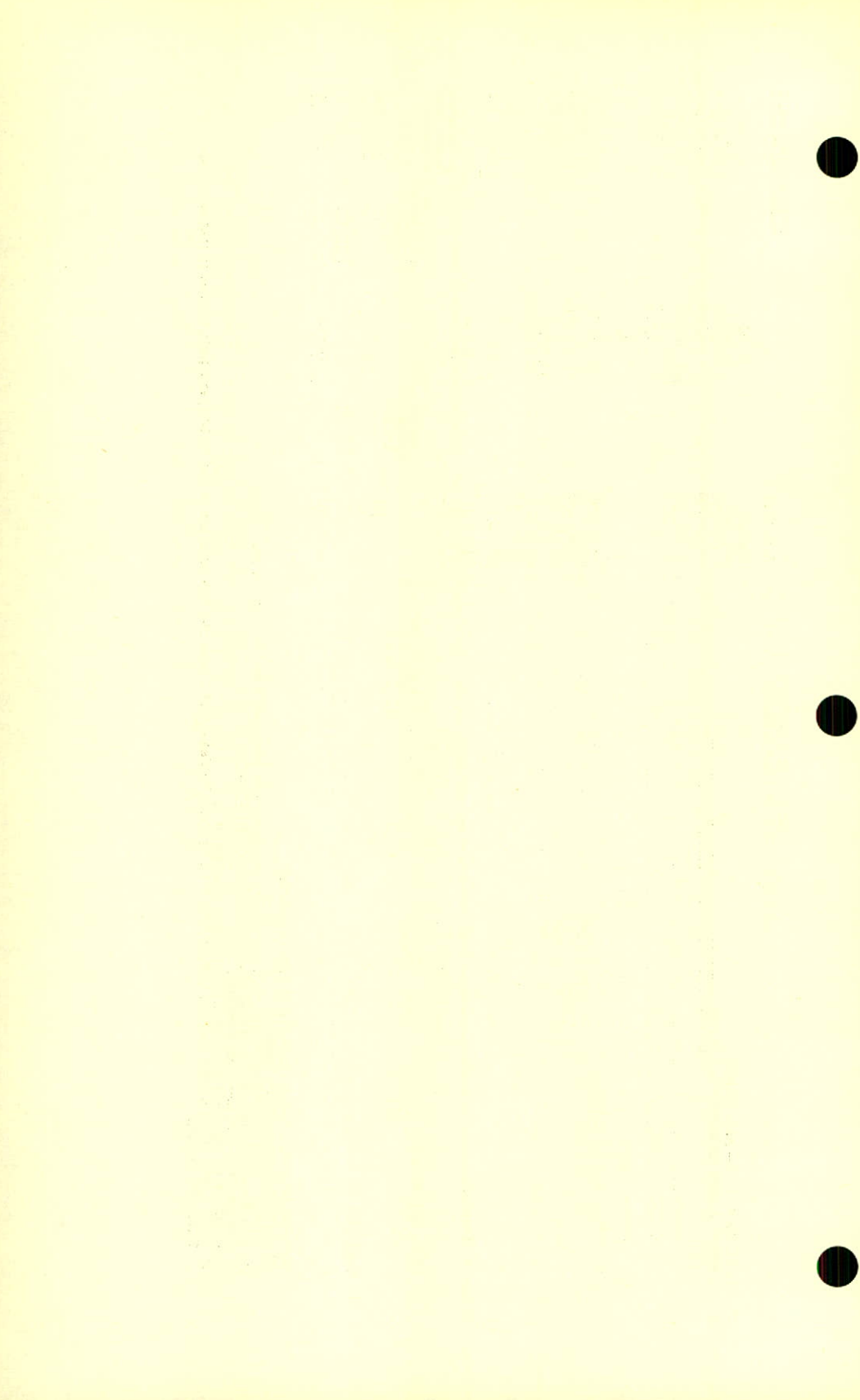
**SASKATCHEWAN WHEAT POOL
STATEMENT OF GRAIN HANDLED AT 31st JULY, 1961**

STATEMENT No. 5

TOTAL HANDLED—ALL GRAINS		Bushels	Bushels	Bushels
Country Elevator Division:		1924-1960	1960-1961	1924-1961
Elevators.....		3,822,892,295	165,092,592	3,987,984,887
Platform.....		60,036,905	54,228	60,091,133
Total.....		3,882,929,200	165,146,820	4,048,076,020
Number of Elevators that received Grain.....			1,230	
(a) Average Handlings per Elevator.....			134,222	
Terminal Elevator Division:				
Terminal No. 4.....		817,128,641	30,551,020	847,679,661
(b) Terminal No. 5 (Old).....		117,258,782	—	117,258,782
Terminal No. 5 (New).....		96,019,492	7,391,572	103,411,064
(c) Terminal No. 6 (Old).....		446,839,261	—	446,839,261
(d) Terminal No. 6 (New).....		60,877,029	22,507,707	83,384,736
Terminal No. 7.....		1,043,729,583	36,209,337	1,079,938,920
(e) Terminal No. 8 (Old).....		28,240,761	—	28,240,761
Terminal No. 8 (New).....		6,572,042	9,385,842	15,957,884
Vancouver Terminal.....		57,733,362	18,522,995	76,256,357
Total.....		2,674,398,953	124,568,473	2,798,967,426
(f) Buffalo Terminal.....		103,949,687	—	103,949,687
Flour Mill Division:				
Street.....	4,546,265		509,425	5,055,690
Carlton.....	22,763,619		2,241,620	25,005,239
Gristing.....	245,382		112,008	357,390
		27,555,266	2,863,053	30,418,319
Vegetable Oil Division:				
Street.....	2,217,944		259,921	477,865
Carlton.....	4,086,163		523,206	4,609,369
		6,304,107	783,127	7,087,234

Rapeseed Handlings are included in the above figures.

- (a) Platform Receipts not included.
 (b) Partially destroyed by Explosion in 1945. The annexes remaining were integrated with Elevator No. 4B.
 (c) Handlings to 1947-48—Lease with C.N.R. cancelled August 31st 1948.
 (d) Purchase from C.N.R.—August 1st 1957.
 (e) Handlings to 1932-33—Lease with C.P.R. Expired July 31st 1933.
 (f) Grain Handled from August 1st 1927, to April 15th 1933. Operated by Canadian Co-operative Producers Limited in 1926-27, and grain handled in that season was 27,981,088 Bushels.



STATEMENT No. 6

LIBRARY RECORD FOR 1960-61

	Books Mailed	Books Re- turned	Requests Books	Cata- logues	Postage
1960					
August.....	370	379	40	6	\$30.66
September.....	365	372	32	4	29.71
October.....	357	327	50	7	30.56
November.....	575	512	74	32	43.55
December.....	490	448	71	9	37.22
1961					
January.....	757	709	99	15	48.83
February.....	614	607	76	35	49.93
March.....	734	713	81	14	61.32
April.....	583	608	122	10	44.28
May.....	605	566	90	11	46.66
June.....	488	479	48	3	40.01
July.....	447	500	48	2	34.76
	6,385	6,220	831	148	\$497.49

STATEMENT No. 7

**WHEAT POOL COMMITTEES
1960-61**

TOTAL NUMBER OF COMMITTEES

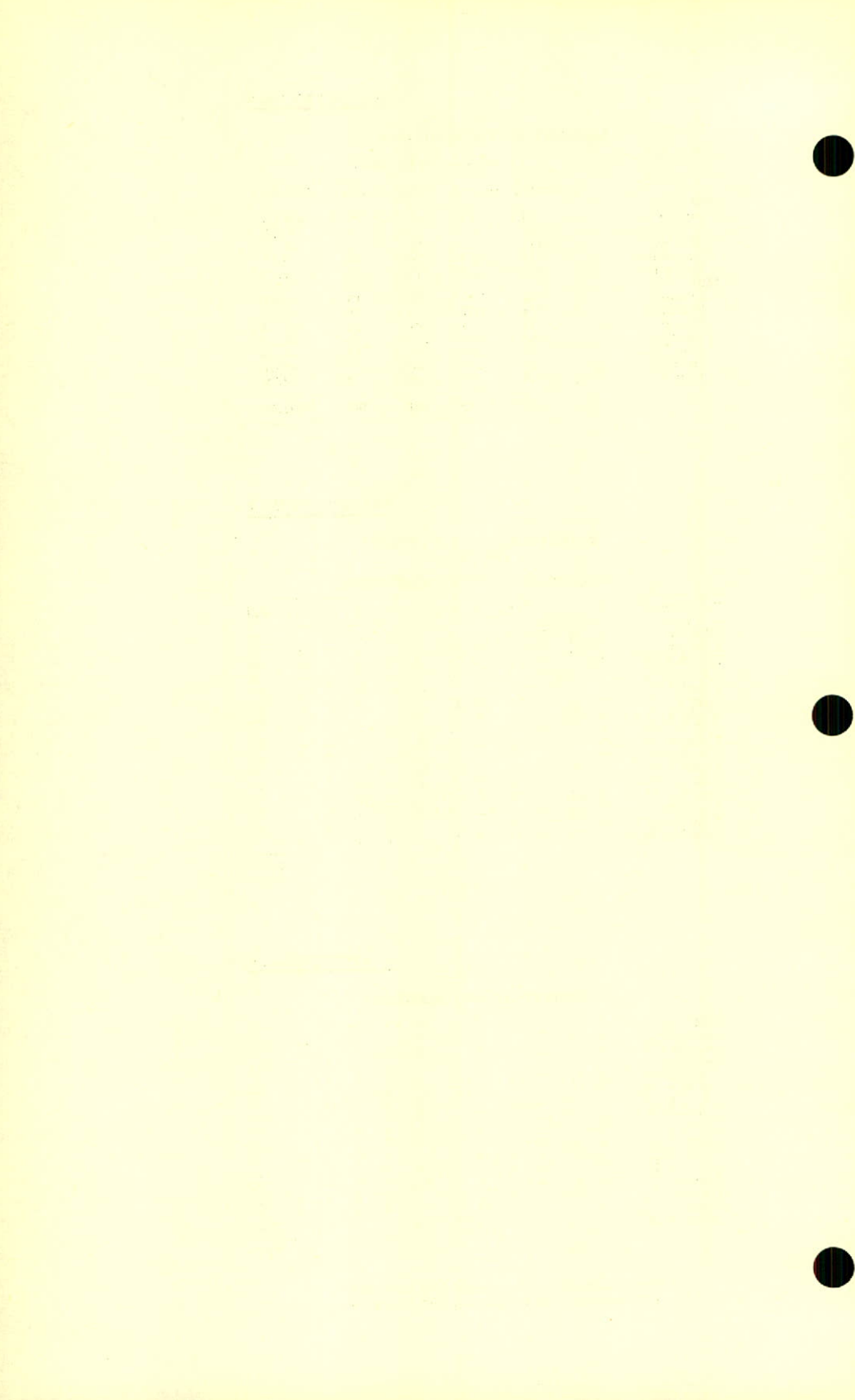
Sub-District	1	2	3	4	5	6	7	8	9	10	11	Total
District 1.....	3	4	5	10	7	6	8	11	6	8	—	68
District 2.....	6	4	5	7	2	5	9	7	7	5	5	62
District 3.....	4	3	3	4	5	2	3	5	3	7	—	39
District 4.....	3	3	8	4	5	2	4	6	3	6	—	44
District 5.....	9	7	5	7	7	3	6	10	8	5	—	67
District 6.....	9	10	7	6	9	12	12	7	7	8	—	87
District 7.....	8	5	5	5	6	8	6	5	7	5	7	67
District 8.....	8	7	10	8	7	7	5	4	4	2	3	65
District 9.....	6	7	5	6	4	8	6	5	6	6	—	59
District 10.....	6	6	3	6	14	8	3	6	4	8	—	64
District 11.....	8	10	11	6	5	7	11	7	10	9	—	84
District 12.....	9	5	9	6	5	6	6	7	10	7	—	70
District 13.....	8	11	4	10	8	7	11	6	9	9	7	90
District 14.....	5	8	6	8	3	6	9	12	7	9	7	80
District 15.....	8	5	7	8	5	5	2	5	7	3	6	61
District 16.....	7	7	7	7	4	11	4	7	7	7	8	76
												1,083

STATEMENT No. 8

COMMITTEES REORGANIZED

District 1.....	3	4	5	10	7	6	8	11	6	8	—	68
District 2.....	6	4	5	7	2	5	9	7	7	5	5	62
District 3.....	4	3	3	4	5	2	3	5	3	7	—	39
District 4.....	3	2	7	4	5	2	4	6	3	6	—	42
District 5.....	9	7	5	7	7	3	6	10	8	5	—	67
District 6.....	9	10	6	6	9	12	12	7	7	8	—	86
District 7.....	8	5	5	5	6	8	6	5	7	5	7	67
District 8.....	8	6	10	8	7	7	5	4	4	2	3	64
District 9.....	6	7	5	6	4	8	6	5	6	6	—	59
District 10.....	6	6	3	6	14	8	3	5	4	7	—	62
District 11.....	8	10	11	6	5	7	11	7	10	9	—	84
District 12.....	9	5	9	6	5	6	6	7	10	7	—	70
District 13.....	8	11	4	10	8	7	11	6	9	9	7	90
District 14.....	5	8	6	8	3	6	9	12	7	9	6	79
District 15.....	8	5	7	8	5	5	2	5	7	3	6	61
District 16.....	7	7	7	7	4	11	4	7	7	7	8	76
												1,076

7 Committees not reorganized 31st July 1961
13 Committees not reorganized 31st July 1960



CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building, Winnipeg, Manitoba
BALANCE SHEET
As At July 31st 1961

ASSETS		LIABILITIES	
Agency Assets		Agency Liabilities:	
Cash in Agency Bank Accounts.....	\$ 3,565.50	Accounts Payable.....	\$ 79,945.66
Accounts Receivable.....	186,135.19	Due to General Funds—Per Contra.....	109,755.03
			\$189,700.69
Shareholders' and Patrons' Assets:		Shareholders' Liabilities and Reserves:	
Cash		Miscellaneous Accounts Payable.....	\$ 980.00
In General Bank Account.....	1,395.22	Reserved for Income Tax.....	181.58
		Patronage Dividend Payable.....	89,854.10
			91,015.68
Accounts Receivable:		General Reserve for Unearned Income:	
Due from Agency Funds—Per Contra.....	\$109,755.03	Allocated as follows:	
Pool Insurance Company.....	14,180.55	Alberta Wheat Pool.....	5,568.12
Miscellaneous.....	3,250.43	Manitoba Pool Elevators.....	3,146.82
	127,186.01	Saskatchewan Wheat Pool.....	11,285.06
			20,000.00
			111,015.68
Furniture and Fixtures:		Capital Stock:	
Cost Less Depreciation.....	2,434.45	Authorized, issued and fully paid (2,000 shares at \$10.00 each).....	20,000.00
Signed on behalf of the Board:			
CHAS. W. GIBBINGS, <i>Director</i>			
W. J. PARKER, <i>Director</i>			
	131,015.68		
	<u>\$320,716.37</u>		<u>\$320,716.37</u>

AUDITORS' REPORT

We have examined the balance sheet of Canadian Pool Agencies Limited as at 31st July 1961 and the statements of surplus and income and expenditure for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. Bank balances have been confirmed by certificate direct from the Company's bankers. Accounts receivable and payable have been confirmed by circularization.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the Company the accompanying balance sheet and statements of surplus and income and expenditure 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 July 1961 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. All the transactions of the Company that have come within our notice have been within the objects and powers of the Company to the best of our information and belief.

Winnipeg, Manitoba,
 6th October 1961.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS, *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 1961

	<i>Debit</i>	<i>Credit</i>
Surplus for the Year Ended 31st July 1961—		
Exhibit C.....		\$90,285.68
Reserve for Income Tax.....	\$ 431.58	
Patronage Dividend for the Year 1960-1961		
Exhibit A.....	89,854.10	
Allocated as follows:		
Alberta Wheat Pool.....	\$22,025.95	
Manitoba Pool Elevators.....	9,350.85	
Saskatchewan Wheat Pool.....	58,477.30	
	<u>\$89,854.10</u>	
	<u>\$90,285.68</u>	<u>\$90,285.68</u>

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 1961

Income:

Commissions:

Fire.....	\$ 48,636.52
Bonds.....	21,182.16
Automobile.....	7,039.93
Lake Marine.....	371.60
Ocean Marine.....	3,653.39
Accident and Sickness.....	813.35
Liability.....	5,864.86
Business Interruption.....	2,806.30
Robbery and Burglary.....	487.80
Floater.....	6,780.58
Inland Transportation.....	434.99
Plate Glass.....	71.60
Composite.....	1,448.34
Contingent.....	15,145.18

\$114,736.60

Deduct Brokerage Paid..... 176.06

\$114,560.54

Other Income:

Interest..... 1,580.81

Total Income for the Year..... 116,141.35

Expenses:

Salaries.....	18,316.93
Directors' Fees and Expenses.....	507.35
Rent and Light.....	2,316.53
Postage, Telephone and Telegraph.....	595.99
Printing and Stationery.....	1,091.33
Taxes and Licenses.....	311.64
Travelling.....	232.47
Legal and Audit.....	800.00
Staff Pension, Group and Unemployment Insurance.....	752.88
Depreciation.....	608.61
Miscellaneous Expense.....	621.94

26,155.67

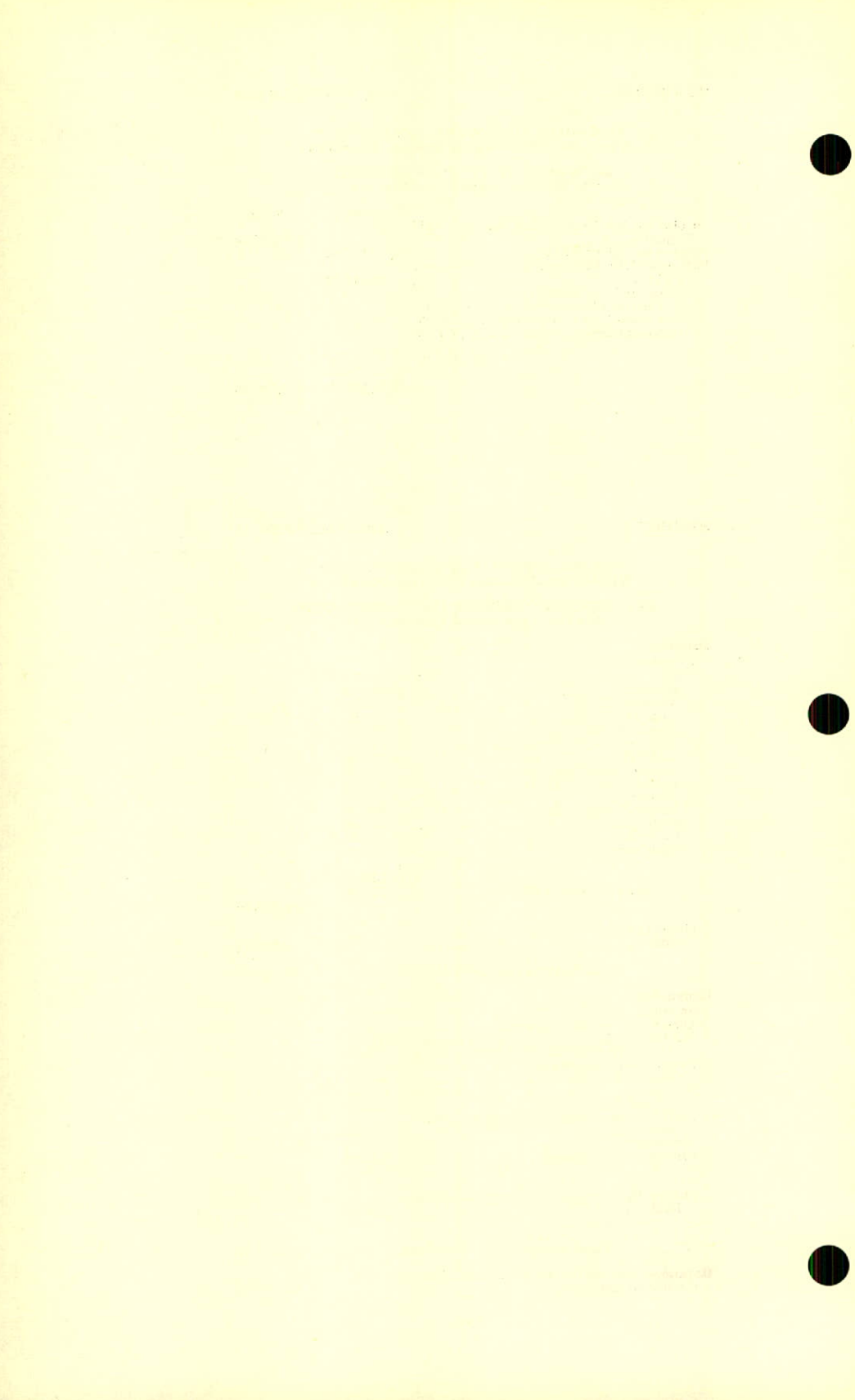
Deduct Recovery from Interprovincial

Pool..... 300.00

Total Expenses for the Year..... 25,855.67

Balance—Surplus for the Year Ended 31st July 1961

Carried to Exhibit B..... \$ 90,285.68



POOL INSURANCE COMPANY
(Incorporated under Special Act of Parliament of Canada)
BALANCE SHEET as at 31st December 1960

ASSETS	
Cash in Bank.....	\$ 865,060.71
Accounts Receivable:	
Canadian Pool Agencies Limited.....	\$ 98,714.59
Reinsurance Accounts.....	46,636.15
	145,350.74
Investments:	
Government of Canada Bonds—at cost.....	757,283.75
Par Value.....	767,500.00
Department of Insurance Value.....	683,800.00
	7,707.30
Accrued Interest Thereon.....	7,526.30
Automobiles—Cost less Depreciation.....	

Signed on behalf of the Board:

W. J. PARKER, *Director*G. L. HARROLD, *Director*\$1,782,928.80

LIABILITIES	
Current Liabilities:	
Miscellaneous Accounts Payable.....	\$ 2,950.53
Reinsurance Accounts Payable.....	108,497.78
Losses in Process.....	126,815.23
Taxes Accrued.....	15,560.19
Dividends Payable as per Exhibit B.....	728,740.32
	\$ 982,564.05
Reserve for Unearned Income:	
Unearned Premiums.....	192,912.50
Unearned Reinsurance Commission.....	90,767.31
	283,679.81
Capital Stock and Surplus:	
Capital Stock:	
Authorized—5,000 shares at \$100.00.....	500,000.00
Subscribed—2,500 shares at \$100.00.....	250,000.00
Unpaid thereon.....	65,000.00
	185,000.00
Surplus:	
Premium of 62% on Capital Stock.....	155,000.00
Surplus realized on investments sold.....	18,184.94
Transferred from Shareholders' and Patrons' Equity Account 1949-1960.....	158,500.00
	331,684.94
	<u>\$1,782,928.80</u>

AUDITORS' REPORT

To the Shareholders of Pool Insurance Company:

We have examined the balance sheet of Pool Insurance Company as at 31st December 1960 and the statement of income and expenditure and the summary of shareholders' and patrons' equity account for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the company the accompanying balance sheet and statement of income and expenditure and the summary of shareholders' and patrons' equity account 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 1960 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba, 28th February 1961.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS, *Chartered Accountants.*

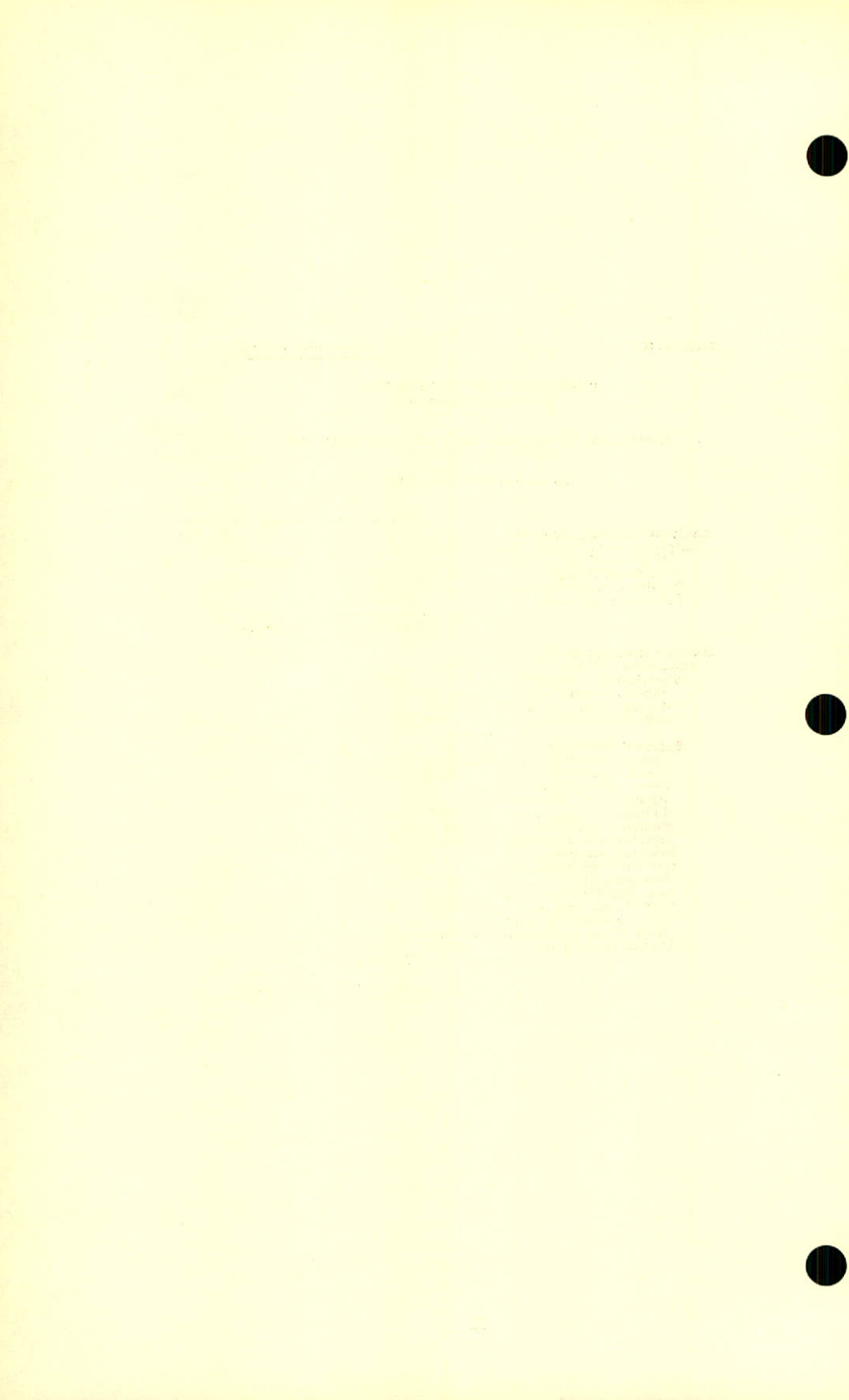


POOL INSURANCE COMPANY
Winnipeg, Manitoba

**SUMMARY OF SHAREHOLDERS' AND PATRONS'
EQUITY ACCOUNT**

As at 31st December 1960

	<i>Debit</i>	<i>Credit</i>
Analysis of Equity Account:		
Surplus for the year ended 31st December 1960—Exhibit C.....		\$748,385.66
Transferred to surplus.....	\$ 15,000.00	
Provision for income tax.....	4,645.34	
Balance carried down.....	728,740.32	
	<u>\$748,385.66</u>	<u>\$748,385.66</u>
Balance Brought Down.....		<u>\$728,740.32</u>
Allocated as follows:		
Shareholders' dividend:		
Alberta Wheat Pool.....	.55	
Manitoba Pool Elevators.....	.37	
Saskatchewan Wheat Pool.....	.93 \$	1.85
Patrons' dividend:		
Alberta Wheat Pool.....	133,024.90	
Alberta Pool Elevators Ltd.....	45.76	
Alberta Wheat Pool and Alberta Pool Elevators Limited.....	59,129.72	
Manitoba Pool Elevators.....	146,989.57	
Sask. Pool Elevators Ltd.....	137,058.42	
Saskatchewan Pool Elevators Ltd. and Sask. Pool Terminals Ltd.....	240.74	
Sask. Pool Terminals Ltd.....	5.20	
Sask. Wheat Pool.....	249,034.50	
Sask. Co-operative Live- stock Producers Limited.....	2,944.61	
Modern Press Limited.....	265.05	
	<u>728,738.47</u>	
	<u>\$728,740.32</u>	<u>\$728,740.32</u>

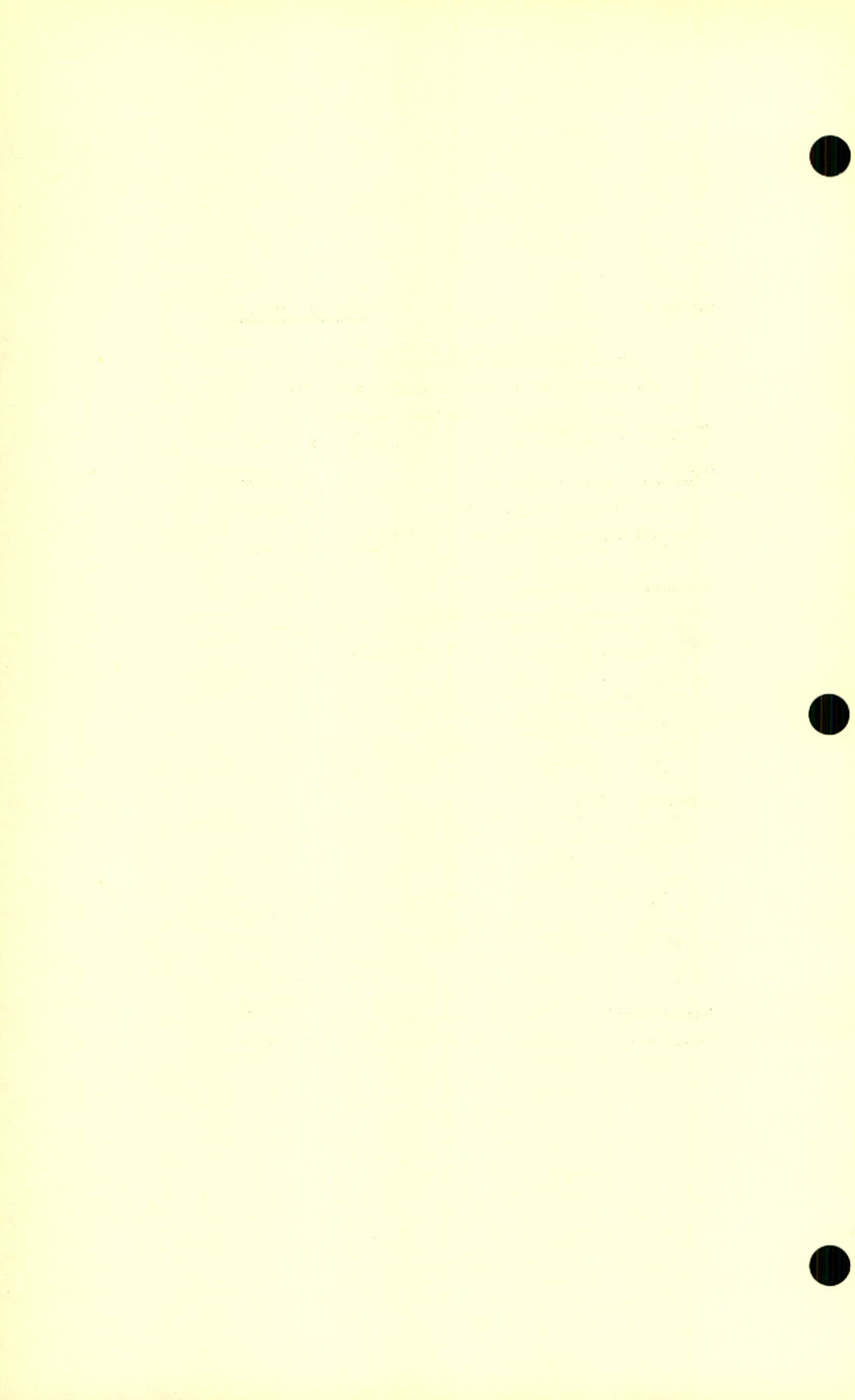


POOL INSURANCE COMPANY
Wheat Pool Building, Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31st December 1960

Premiums on Business Written	\$1,533,307.40	
Less ceded to other companies.....	754,560.47	\$778,746.93
Deduct:		
Increase in unearned premiums.....		14,398.00
Premiums earned in 1960.....		764,348.93
Losses and Adjustment Expense	763,215.76	
Less reinsurance recoveries.....	379,926.60	383,289.16
Net underwriting income.....		381,059.77
Reinsurance Commissions		410,943.23
Balance, available for expenses and to shareholders and patrons		792,003.00
Expenses:		
Taxes, licenses and association dues.....	27,841.56	
Inspection service:		
Salaries.....	\$20,826.14	
Automobile expense.....	7,927.99	
Other travelling expense.....	5,388.18	
Staff pension, group and un-employment insurance.....	2,281.01	
Printing and stationery.....	2,417.38	
Postage, telegraph & telephone.....	301.29	39,141.99
Administration:		
Salaries.....	17,716.94	
Rent and light.....	2,877.75	
Directors' fees and expenses.....	470.24	
Travelling expenses.....	457.08	
Printing and stationery.....	60.73	
Postage, telegraph and telephone.....	500.51	
Audit.....	750.00	
Staff pension, group and un-employment insurance.....	781.88	
Miscellaneous expense.....	670.45	
	24,285.58	91,269.13
Interest Earned		700,733.87
		47,651.79
Balance, surplus for year 1960 carried to Exhibit B		<u>\$748,385.66</u>



SASKATCHEWAN WHEAT POOL
Livestock Division

COMPARATIVE STATEMENT OF HANDLINGS
Seasons 1960-61 and 1959-60

	Season 1960-1961	Season 1959-1960	Increase (Decrease)
Moose Jaw Division:			
Cattle.....	21,164	20,210	954
Calves.....	2,999	3,652	(653)
Hogs.....	4,668	8,510	(3,842)
Sheep.....	1,537	1,045	492
North Battleford Division:			
Cattle.....	31,498	27,591	3,907
Calves.....	2,470	2,742	(272)
Hogs.....	12,865	20,734	(7,869)
Sheep.....	1,802	1,620	182
Prince Albert Division:			
Cattle.....	17,238	15,241	1,997
Calves.....	1,446	1,891	(445)
Hogs.....	25,692	30,911	(5,219)
Sheep.....	2,211	1,613	598
Regina Division:			
Cattle.....	50,294	43,953	6,341
Calves.....	4,626	5,338	(712)
Hogs.....	8,515	14,364	(5,849)
Sheep.....	2,212	1,805	407
Saskatoon Division:			
Cattle.....	43,587	40,721	2,866
Calves.....	3,841	4,369	(528)
Hogs.....	24,174	26,015	(1,841)
Sheep.....	1,963	1,646	317
St. Boniface Division:			
Cattle.....	15,152	16,987	(1,835)
Calves.....	9,053	10,101	(1,048)
Hogs.....	39,497	64,656	(25,159)
Sheep.....	3,589	3,761	(172)
Swift Current Division:			
Cattle.....	48,016	40,299	7,717
Calves.....	9,331	7,044	2,287
Hogs.....	7,757	15,584	(7,827)
Sheep.....	868	1,203	(335)
Yorkton Division:			
Cattle.....	19,878	16,155	3,723
Calves.....	4,036	4,103	(67)
Hogs.....	2,783	4,460	(1,677)
Sheep.....	1,468	1,657	(189)
TOTAL—All Divisions:			
Cattle.....	246,827	221,157	25,670
Calves.....	37,802	39,240	(1,438)
Hogs.....	125,951	185,234	(59,283)
Sheep.....	15,650	14,350	1,300
Saskatchewan Handlings at Winnipeg: (Other than Saskatchewan Wheat Pool Livestock Division)			
Cattle.....	54,631	43,681	10,950
Calves.....	9,254	8,677	577
Hogs.....	16,571	23,734	(7,163)
Sheep.....	5,427	4,398	1,029
TOTAL HANDLINGS:			
Cattle.....	301,458	264,838	36,620
Calves.....	47,056	47,917	(861)
Hogs.....	142,522	208,968	(66,446)
Sheep.....	21,077	18,748	2,329

(Brackets Denote Decreases)

TOTAL VALUE OF LIVESTOCK HANDLED:

Through Saskatchewan Branches.....	\$41,778,039
Through Winnipeg Country Section.....	4,474,347
	\$46,252,386
Saskatchewan Livestock direct to Canadian Livestock Co-operative Limited.....	9,280,645
Total Value of Livestock Handled.....	\$55,533,031

* Includes Value of Cattle Pooled.

CANADIAN LIVESTOCK CO-OPERATIVE (WESTERN) LIMITED
(Incorporated under the Laws of Manitoba)

BALANCE SHEET AS AT 29th JULY 1961

ASSETS**Current Assets:**

Cash in Bank.....	\$ 24,809.35
Accounts receivable.....	2,456.78
Government of Canada Bonds—at cost.....	19,750.00
(market value 1961 \$19,800.00; 1960 \$19,000.00)	
Accrued interest receivable.....	9,980.98
Prepaid operating expenses.....	834.60
Due from trust account.....	30,272.27

Total current assets..... 88,103.98

Trust Assets:

Cash in bank.....	1,560,254.67
Sales accounts receivable.....	84,186.62
Inventory—at cost.....	1,842.75

Total trust assets..... 1,646,284.04

Fixed Assets—at cost:

Office furniture and equipment.....	19,058.38
-------------------------------------	-----------

19,058.38

Less accumulated depreciation.....	14,318.33
------------------------------------	-----------

Net fixed assets..... 4,740.05

Other Assets:

Winnipeg Livestock Exchange Memberships.....	305.00
--	--------

Total..... \$1,739,433.07

LIABILITIES**Current Liabilities:**

Accounts payable and accrued charges.....	\$ 17,321.72
Outstanding Cheques.....	8,984.07
Due to local associations.....	6,989.54
Surplus payable—Exhibit C.....	29,028.97
Estimated income taxes.....	365.56

Total current liabilities..... \$ 62,689.96

Trust Liabilities:

Outstanding cheques.....	1,613,268.75
Deposit on livestock on order.....	1,129.75
Exchange on outstanding cheques.....	1,613.27
Due to general account.....	30,272.27

Total trust liabilities..... 1,646,284.04

General Reserve

30,435.17

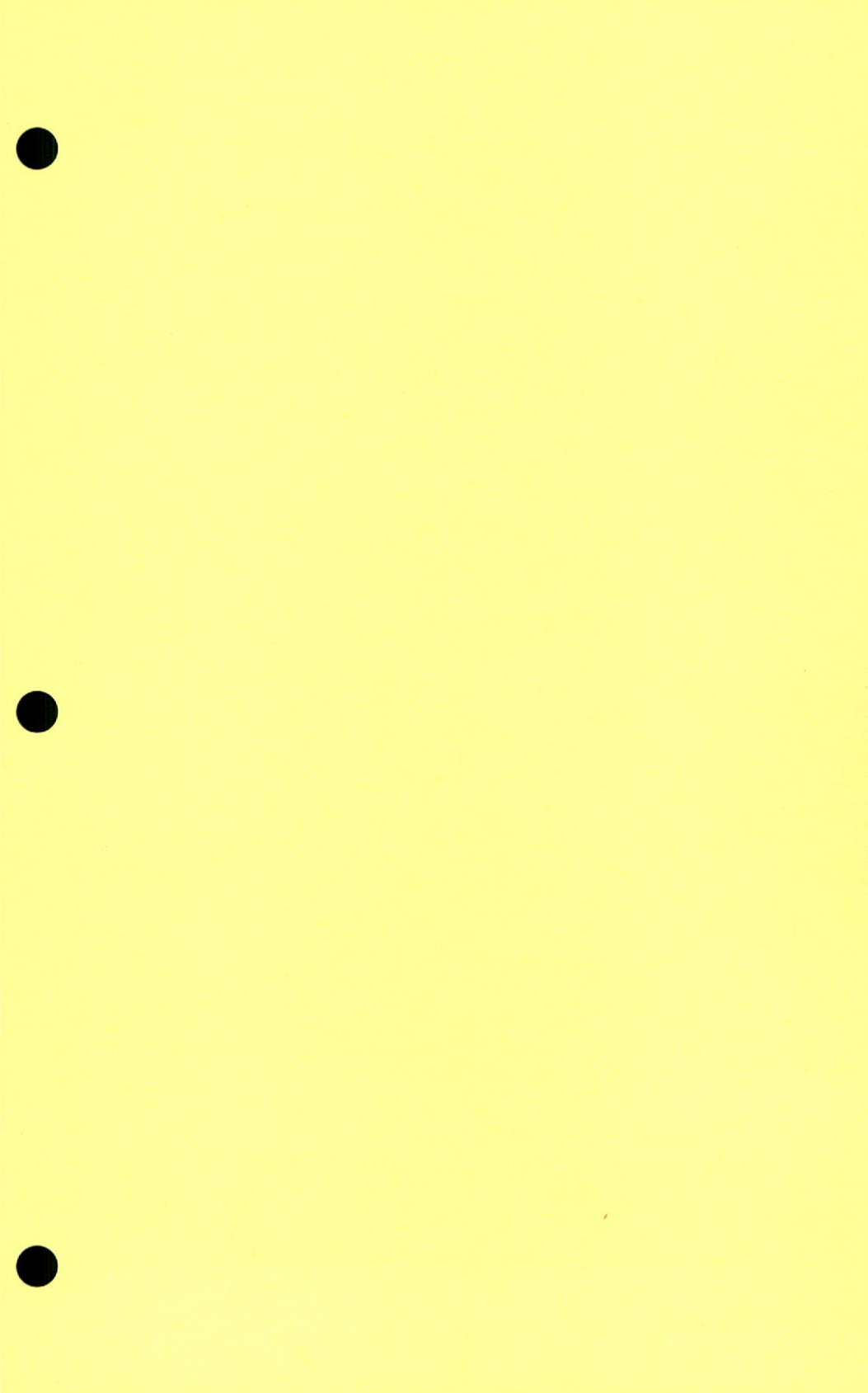
Memberships Issued—(24)

24.00

Signed on behalf of the Board:

A. GREENFIELD, *Director*
G. G. JAMIESON, *Director*

Total..... \$1,739,433.07



CANADIAN CO-OPERATIVE WHEAT PRODUCERS
LIMITED

DIRECTORS' REPORT
1960-61

5th October 1961.

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

Gentlemen:

This report, covering the crop year 1960-61, is the thirty-seventh annual report submitted by the directors of Canadian Co-operative Wheat Producers Limited. Reference is made herein to crops and markets and to the activities of your directors in the period intervening since our last report.

The dominant feature of the 1960 crop season was the high temperatures during the summer months which while producing a satisfactory yield left the prairie region with depleted moisture reserves. This condition together with a dry spring and summer in 1961 over most of the prairie region resulted in an exceedingly short crop; a disaster for many producers. The total volume of wheat harvested in the prairie provinces in 1961 was less than half that of the previous year.

The Canadian Wheat Board and the Board of Grain Commissioners were placed under the federal ministry of agriculture.

The net income of farm operators moved upwards slightly in 1960, being 3.6% above the revised estimate for 1959.

The federal government introduced legislation designed to raise the standard of living and improve the economic opportunities of the rural population. The reports of the Royal Commission on Transportation and the Royal Commission on the Automotive Industry were released. The findings of these Commissions are not in keeping with the recommendations submitted by your organization.

The federal government's direct action in devaluating the Canadian dollar immediately resulted in an increased price of wheat at Fort William.

Canada's Gross National Product totalled \$35,959 million. This figure reflects the state of the nation's economy and is about three per cent above the level of the previous year. It is stated that the physical volume of output was about two per cent higher and the final product price about one per cent higher than in 1959. The G. N. P. was at a seasonally adjusted rate of \$36,012 million in the first quarter of 1961.

During the year great emphasis has been given to the importance of wheat in international relations by able and prominent leaders in world affairs. This commodity is the key to campaigns to relieve hunger. The desirability of setting up a world food bank received growing support.

Central Board

In keeping with a long established practice the board of directors of Canadian Co-operative Wheat Producers Limited held two meetings during the year under review. The directors are the three executive officers of each of the member Wheat Pools, that is, the Alberta Wheat Pool, Saskatchewan Wheat Pool and Manitoba Pool Elevators.

There were two changes on the board during the year. L. A. Boileau, of Saskatchewan, was elected to replace

1914

1914

1914

1914

1914

1914

1914

1914

1914

1914

J. H. Wesson who resigned, and A. J. Macpherson, of Alberta, was elected in the place of W. J. Blair who also resigned. These two men failed to qualify as directors when they were no longer directors of their own provincial organization.

Mr. Wesson was first elected to the board of directors of Canadian Co-operative Wheat Producers Limited on 7th January 1929, and he remained in this position until April 1961. He was elected to the executive committee on 27th May 1937. On 20th December 1937, he was elected vice-president and he was elected president on 28th February 1941. He held this office continuously until the current year. Upon the resignation of Mr. Wesson from the presidency of Canadian Co-operative Wheat Producers Limited and the Saskatchewan Wheat Pool he was publicly honored for the outstanding contribution he had made on behalf of the wheat producers in the prairie provinces. Your board of directors were happy to associate themselves with the many tributes paid to Mr. Wesson.

Mr. Blair was elected to the board of directors of Canadian Co-operative Wheat Producers Limited on 23rd February 1948, and held this position until the current year. At the time of his resignation Mr. Blair was vice-president of the Alberta Wheat Pool. His modest quiet manner did not obscure a vigorous spirit frequently displayed on behalf of farmers.

We recognize the many accomplishments of these two men and acknowledge their efforts on behalf of agriculture, to the general welfare of farmers and to farmer co-operatives.

Mr. Charles W. Gibbings, president of the Saskatchewan Wheat Pool, was elected president of the Company on 27th April 1961. He is also president of Pool Insurance Company and Canadian Pool Agencies Limited. Messrs. Gibbings, Parker and Harrold are members of the Advisory Committee of the Canadian Wheat Board.

The executive members of your board have been invited by both federal and provincial governments to participate on consultative bodies dealing with major agricultural problems, particularly with regard to the situation arising from the summer's drought.

A major item of interest during the year requiring the attention of your board was the Royal Commission on Transportation. Other matters receiving the consideration of your directors were the promotion of trade, particularly wheat exports to Japan; the possibility of making the Canadian Wheat Board Act permanent legislation, and recommendations emanating from the Farm Policy Research Conference held in Winnipeg.

The Central Board had instigated an important progressive program under which a study will be made of food utilization on the broadest scale. We have asked qualified economists to inquire into the extent to which Canada could properly commit itself in providing a constant supply of food of many kinds to help feed under-nourished peoples in various countries of the world. We have authorized a budget for this undertaking. When this searching inquiry has been made it is our belief that the recommendations derived therefrom can be the basis upon which the Canadian Wheat Pools can establish a policy on food utilization which they will promote before governments and the public.

Interprovincial Pool Meetings

The full boards of directors of the three provincial Pools met on two occasions during the year under review—at



Regina on 3rd and 4th February, and in Winnipeg on 18th and 19th August 1961.

At each meeting commissioners of the Canadian Wheat Board attended and gave the directors information dealing with the salient features of current grain marketing problems. Numerous resolutions which had emanated from the annual meetings of the three pooling organizations in the latter months of 1960, covering a wide range of matters relative to grain handling and exporting, were brought to the attention of the commissioners. The regulation of the Canadian Wheat Board concerning grain deliveries to feed mills imposed on 16th December 1960, was discussed in great detail, following which the meeting agreed "Not to make an issue but to watch operations, to follow prices offered by feed mills and at the year end to make such recommendations to the proper authorities as may be determined."

Resolutions which were brought to the attention of the Commissioners dealt with quotas, box car supply and congested elevators.

The directors at the February meeting considered the effect of the abandonment of certain railway branch lines on operations and studied the possibilities of operating country elevators once the line had been removed.

The meeting requested the Prime Minister of Canada "to continue to press for more united efforts in world surplus food disposal programs as a means of alleviating world distress and as a weapon for peace."

The directors by resolution vigorously opposed any interference with the Crow's Nest Pass freight rates.

Acreage payments by the federal government or an acceptable substitute therefor were matters considered by the meeting, as was storage payments on grain held on farms. The meeting lent its support to a representative group seeking tariff revision on oilseeds. A resolution was adopted for submission to the forthcoming Western Agricultural Conference in which reciprocal tariffs with the U.S.A. on oil bearing crops and oilseed products were sought.

When the directors met in August they were unable to reach unanimous agreement on a submission which could be made to the Board of Grain Commissioners relating to grain handling tariffs for the 1961-62 crop year. The Alberta Wheat Pool, looking to a reasonably good harvest and handling, felt unable to justify any request on its own behalf for higher tariffs than those in effect in the previous year, while Saskatchewan Wheat Pool and Manitoba Pool Elevators requested an increase in handling tariffs in both country and terminal elevators.

This meeting indicated support to a project which would be conducted at the University of Manitoba, in which fundamental research in co-operation would be pursued. The directors also favorably considered a suggestion that Canadian Co-operative Wheat Producers should provide a scholarship for a student from Africa and that the scholarship should be tenable at a university in one of the three prairie provinces.

Western Agricultural Conference

The Western Agricultural Conference antedates the Canadian Federation of Agriculture. It is a matter of more than casual interest that the provincial organizations of agricultural producers' associations in British Columbia, Manitoba, Saskatchewan and Alberta affiliated themselves in the Western Agricultural Conference at a meeting held in Calgary, Alberta, on 29th and 30th July 1935, "With the object of giving unity to the agricultural movement and cohesion to its purpose in the western provinces."

J. H. Wesson, who for many years was president of this organization, Canadian Co-operative Wheat Producers Limited, was elected the first president of the Western Agricultural Conference at the Calgary meeting. At that time he was vice-president of the Saskatchewan Wheat Pool and an executive officer of the Saskatchewan Co-operative Conference.

It has been a practice since 1935 for the representatives of farm organizations in the western provinces which are affiliated with the Canadian Federation of Agriculture, to meet in separate session for the purpose of analyzing resolutions and matters of policy prior to attending the meeting of the national body.

The Western Agricultural Conference was held in Saskatoon, Saskatchewan, 7th and 8th February 1961, with a full slate of delegates and thirty-eight visitors attending. In all, forty-nine resolutions were considered by the Conference. Of particular interest were resolutions dealing with Crow's Nest Pass rates, deficiency payments on hogs and eggs, acreage payments, two-price system for grain, wheat utilization and a world food bank. A controversial subject before the Conference was that of the Wheat Board quota regulation which had been announced less than two months previously under which western feed mills were permitted to buy feed grains outside of quota regulations. Following a lengthy discussion it was agreed "That the farm organizations of the Western Agricultural Conference maintain a watching brief on this situation and be prepared to recommend any changes that seem desirable as at 31st July 1961."

The application of these regulations has been watched closely.

T. G. Bobier, a member of our board of directors, and vice-president of the Saskatchewan Wheat Pool, was elected president of the Western Agricultural Conference to succeed James M. Bentley of Alberta. James M. Bentley and S. E. Ransom, of Manitoba, were elected vice-presidents. Mrs. C. R. Braithwaite was elected as western women's representative to the Canadian Federation of Agriculture.

Canadian Federation of Agriculture

The annual meeting of the Canadian Federation of Agriculture held in Ottawa, 20th to the 23rd February, was a memorable one in that the meeting recognized the 25th anniversary of the organization. Appropriate programs, presentations and acknowledgments were features of this anniversary meeting.

Resolutions considered by the meeting and addresses presented placed great emphasis on programs of self-help for farmers and on the contribution which food in abundance can make in the struggle for freedom by peoples in developing countries.

The attendance of practically all the directors of the three prairie Wheat Pools is indicative of the support which these three organizations give to the Canadian Federation of Agriculture and their recognition of the need for a national farm organization. Three of our directors, W. J. Parker, G. L. Harrold and T. G. Bobier were elected directors of the Canadian Federation of Agriculture.

H. H. Hannam was re-elected president, a position he has held since January 1940. Vice-presidents elected were J. M. Bentley of Alberta, and J. B. Lemoine of Quebec.

The President in his address recognized a number of pioneers whose life work had meant so much in the quarter century march of the farm movement. This was appropriate when "We commemorate a quarter century of

conscientious concerted effort by folks who till the soil in joining their hands and hearts in one nation-wide association:

- (a) to speak with one voice for the farming industry;
- (b) to achieve their right of fuller and better living; and
- (c) to give positive and constructive leadership to their industry as a major force in shaping the national destiny of all the people of Canada."

In the closing minutes of his address Dr. Hannam referred to the great responsibility that a farm organization must accept. He said:

"As farm people, we are one element in the democracy of the western world. And our western world must demonstrate its ability to make democracy work and produce a new and better kind of security and freedom for all men than has prevailed or been possible heretofore. As a farm organization we must accept a broad citizenship responsibility.

"We need to go forth with conviction and enthusiasm for our democratic way of life. We must, by means of our work, show that we are on the side of those suffering hardship, inequities and injustices. Democracy must prove its superiority by performance in order to prevail over the ideology of the iron curtain."

The president of the International Federation of Agricultural Producers, James G. Patton, of Denver, Colorado, addressed the meeting. He reported on the activities of the IFAP; he made reference to campaigns which are being carried on under the headings "Food for Freedom" and "Freedom from Hunger"; to observations that he had made on a world tour and to the fact that the greatest challenge to the democratic nations is now faced in those nations which are largely agricultural. A number of pertinent statements made by Mr. Patton were meaningful to men whose livelihood is that of food production. We cite excerpts from Mr. Patton's address:

"There are two great struggles taking place in the world today. One of them is the fight against poverty, starvation and disease. The other is the struggle for freedom and respect for individual rights."

"I returned about a year ago from a stimulating tour of world agriculture. I found starvation and disease in many areas of the newly emerging nations, but there was something more, I saw a dynamic people moving away from a feeling of belonging to a village community and toward a feeling of unification at the national level. Their twin struggles for food and freedom have given rise to great surges of so-called nationalism."

"It is time that the farmers of the free world and their organizations faced up to the new opportunities for helping people in the emerging areas of the world in their two great struggles and in promoting peace and freedom in the effort."

"Organized agriculture has the obligation to urge governments to act, to face up to the challenge of the two great struggles—one for food, the other for freedom. The challenges of the emerging people require action on our part if civilization is to survive. Otherwise, we join the procession of extinct civilizations which were deaf to the demands of their time."

An interesting visitor to the meeting was Senator Geo. D. Aitken of Vermont, U.S.A., who spoke to the meeting informally. Senator Aitken referred to the very close association which he had had with the leaders of Canadian agriculture at the time the International Wheat Agreement was in its formative stages. Since then Senator Aitken has given consistent support to the IWA and was in Canada representing his government in consultation with Canadian officials on matters of trade relations.

Unfortunately the Rt. Hon. John G. Diefenbaker was unable to attend the meeting. His absence was due to a bereavement and the meeting expressed its condolences. John C. Pallett, Q.C., M.P., substituted for the Prime Minister and in his address outlined the steps taken by the present government to assist agriculture.

Mr. Pallett said: "The farmers' life is not an easy one. Nothing any government can do will take their burdens

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

REPORT OF THE
COMMISSIONERS OF THE
UNIVERSITY OF CHICAGO
FOR THE YEAR 1900

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

REPORT OF THE
COMMISSIONERS OF THE
UNIVERSITY OF CHICAGO
FOR THE YEAR 1900

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

away. What we can hope is to give them opportunities they did not have in the past to share in some of the good things of Canadian growth and progress, to feel that their effort has reasonable expectation of return, to remove risks that can be removed and to encourage them to continue with confidence."

The meeting re-emphasized the policy of the CFA which advocates co-operative effort as a means of meeting the problems of agriculture when it adopted the following resolution:

"That in the future, before going to government with our problems, we investigate as to whether the solution does not lie within our own hands; and

"That to this end we encourage the increased use of co-operatives and producer marketing boards, and that studies be carried out by competent persons appointed by the Federation as to the best plan for putting into effect orderly marketing for each agricultural product so that as complete information as possible will be available to producers ready to establish a co-operative or marketing board;

"That we solicit concerned authorities, that is, provincial and/or federal governments;

(a) To assist in encouraging the increased use of co-operative and marketing boards, and

(b) To improve the co-operative legislation and other marketing legislation, and

"That the Canadian Federation of Agriculture study the need for national marketing boards and federal co-operative legislation with a view to requesting implementation of such national legislation as is found necessary."

The meeting recognized that assistance would be required of governments to aid agriculture in meeting some of its difficulties, some of which are influenced by trade policies of the nation. The following resolution adopted by the meeting gives credence to this point of view:

"That every effort be made by the agricultural organizations to impress upon governments that not only must emergency policies be utilized, but also that programs of action and research studies must at once be aimed at establishing adequate pricing of primary farm products, working with producers in a program of planned production and surplus disposal."

The Prime Minister and members of his Cabinet received a delegation from the Canadian Federation of Agriculture on 28th February 1961. Attending on this occasion were eleven Cabinet Ministers and twenty-two directors and officers of the Federation. The delegation was led by its President, Dr. H. H. Hannam, who presented a prepared brief.

Immediately following the presentation to the Prime Minister and his Cabinet, the same delegation met the caucuses of the Conservative, Liberal and C.C.F. Parties. These hearings were held separately and provided an opportunity to inform members of parliament of each affiliation of the decisions recently made by the CFA and of the part the national organization expects the government to play in finding solutions to the difficulties being experienced by agricultural producers.

The board of directors of the Canadian Federation of Agriculture met in Charlottetown, Prince Edward Island, on 25th, 26th and 27th July 1961. The more important items dealt with marketing programs for hogs, the price and supply of feed grain, continued and increased financial support to the International Federation of Agricultural Producers, requested the Minister of Agriculture to meet with the CFA to review the plans and programs of the federal government with respect to the Agricultural Rehabilitation and Development Act. The meeting approved and offered support to the Agricultural Economics Research Council of Canada and asked that two representatives of the CFA be appointed to the board of governors.



The meeting suggested that a formula be devised for the deduction at source from farm sales of funds for the contribution of the farm sector to the Research Council.

Arrangements have been made under which the next annual meeting of the CFA will be held in the Banff School of Fine Arts, Banff, Alberta, commencing on 21st January 1962.

International Federation of Agricultural Producers

The International Federation of Agricultural Producers held its 12th General Conference in Dubrovnik, Yugoslavia, 11th to 24th May 1961. Canada was well represented at this General Conference. A delegation of fifteen persons was headed by H. H. Hannam, president of the Canadian Federation of Agriculture. Two of our directors, G. L. Harrold of Alberta, and T. G. Bobier of Saskatchewan, were members of the delegation.

The Conference formally accepted six new members. The new farm organizations joining IFAP represent farmers in Israel, Japan, Morocco, Pakistan, The Philippines and Tunisia. The IFAP, which is a non-governmental world farm organization, now claims to represent 35 million farm families. The number of farm organizations now holding membership in IFAP stands at 47, representing producers in 32 countries.

The Conference dealt with the world food program. The IFAP emphasized the need to make a wide distribution of food a dominant part of international aid for economic development in developing countries. The statement by the Canadian delegation pointed out the need for effective international machinery to do the job of multilateral food distribution. This machinery should take the form of an international agency which should have an identity of its own. It is reported that the Conference discussed the report on "Development Through Food" by the Food and Agriculture Organization Director-General Sen. The IFAP suggestion is that the Food Distribution Agency be established under the auspices and general policy direction of FAO and under the supervision of the Council of FAO, and it was suggested that the services of the Canadian Wheat Board or the United States Commodity Credit Corporation might be used.

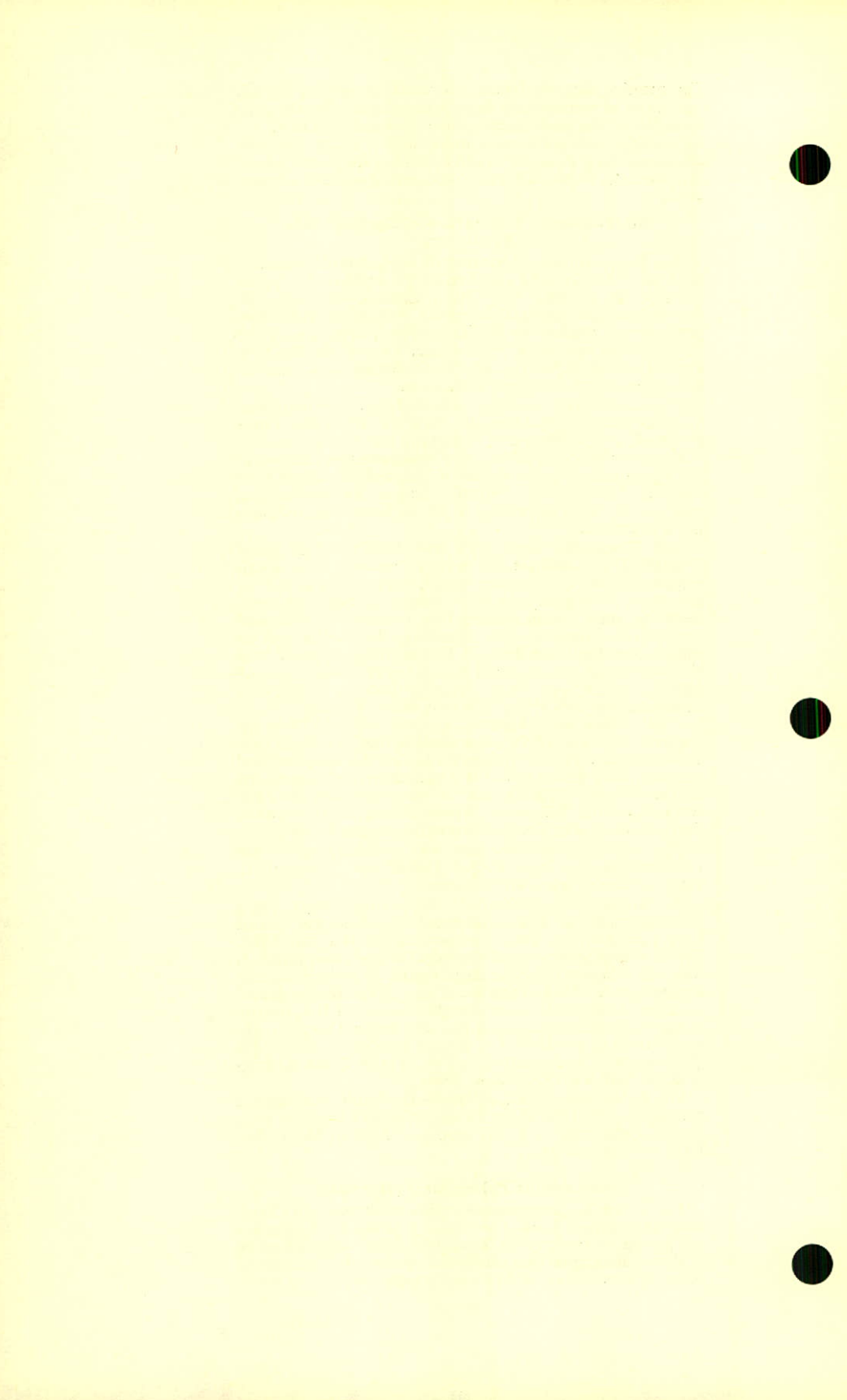
The Sub Committee on grain was presided over by the vice-chairman of the Policy Committee, Gordon L. Harrold, one of our own executive.

A resolution was adopted by the Conference seeking a new International Wheat Agreement which should extend for a period of five years commencing on 31st July 1962. The Conference considered the world coarse grain situation which is influenced by the large supply of grain and grain sorghum in the United States. It was agreed that a special meeting of interested member organizations be held for the purpose of discussing this matter and making such recommendations as would lead to greater stability in the coarse grain market. The meeting will be held in London, England, on 11th-13th December 1961.

Mr. B. W. Biesheuvel, of The Netherlands, was elected president of IFAP and the delegates agreed that the next general conference of IFAP should be held in November 1962 in Accra, Ghana.

Government Policy for Agriculture

The action of governments makes an impact on Canadian agriculture. Each year special pieces of legislation are placed on the statute books which are designed to be of direct assistance to agricultural producers. Your Board keeps in close touch with these matters and has on many



occasions approached government authorities with recommendations, appeals and objections. While in some instances our approach to governments has been direct, in most cases we have acted in concert with other farm organizations through the Canadian Federation of Agriculture. In this report we refer briefly to legislation which has been enacted during the year under review and to events which have occurred in keeping with government policy.

Minister of Agriculture—Appointed

On 11th October 1960, the Prime Minister announced the appointment of Hon. Alvin G. Hamilton as Minister of Agriculture. He had previously been Minister of Northern Affairs and National Resources, and in his new appointment succeeded the Hon. Douglas Harkness.

The Canadian Wheat Board

The Prime Minister announced on 11th October 1960, that the Canadian Wheat Board would come under the jurisdiction of the Department of Agriculture. Previously the Canadian Wheat Board had been under the Department of Trade and Commerce.

Board of Grain Commissioners

The Prime Minister announced in the House of Commons on 22nd November 1960, that the Board of Grain Commissioners had been transferred from the authority of the Minister of Trade and Commerce to the Minister of Agriculture. This decision by the government gives the Hon. Alvin Hamilton, Minister of Agriculture, full responsibility for all the agricultural policies of the federal government.

The Agricultural Rehabilitation and Development Act

The House of Commons on 31st May 1961, passed the Agricultural Rehabilitation and Development Act. This legislation is designed to provide for the rehabilitation of agricultural lands and the development of rural areas in Canada. It recognizes the technological changes in Canadian agriculture which necessitate adjustments on the part of many persons engaged in the industry in order to maintain or raise their standard of living. The act empowers the Minister of Agriculture with the approval of the Governor-in-Council to enter into an agreement with any province providing for:

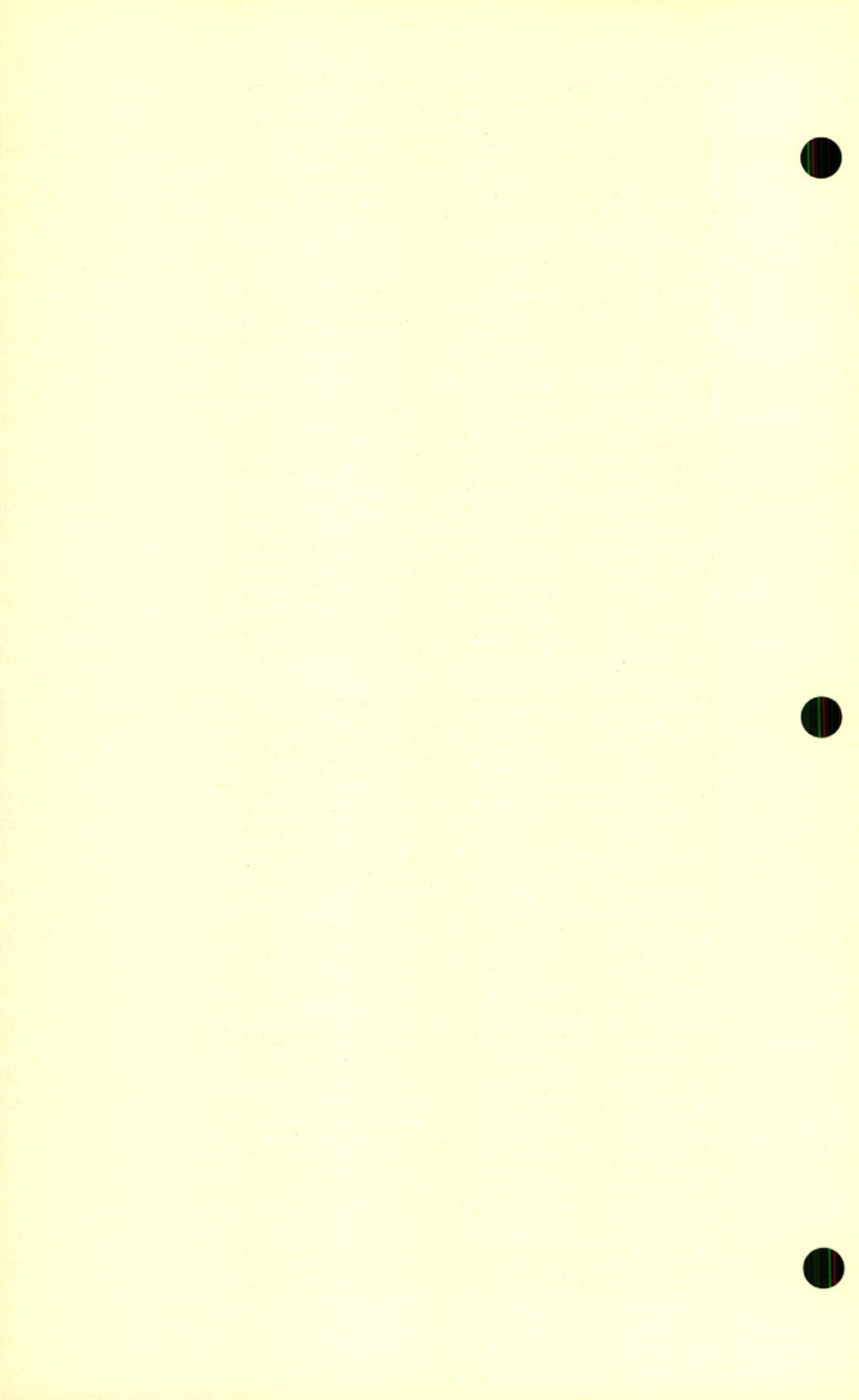
- "(a) the undertaking jointly with the government of the province or any agency thereof of projects for the more efficient use and economic development of marginal or submarginal agricultural lands specified in the agreement; or
- "(b) the payment to the province of contributions in respect of the cost of such projects undertaken by the government of the province or any agency thereof."

Your board wholeheartedly endorses the broad objectives which this legislation is designed to meet. We realize that the government is prepared to render financial assistance to acceptable provincial and community projects.

Before any program envisaged under the legislation will be implemented it must have the support of forward looking people. Since the programs will get their genesis in the community we anticipate that Wheat Pool members in the three prairie provinces will find opportunities for leadership in projects as they emerge.

Farm Credit Act

The Farm Credit Act was amended by the House of Commons on 13th June 1961. The capital of the Farm Credit Corporation was increased from \$8 million to



\$12 million. This action enables the Corporation to increase its maximum lending from \$200 million to \$300 million.

Amendment to Railway Act (Rapeseed)

The Railway Act was amended by legislation passed on 20th June 1961, making the rates applicable to flaxseed by virtue of the Crow's Nest Pass Agreement apply to rapeseed.

The action of the federal government in making possible a lower freight rate for rapeseed has been acknowledged with appreciation. This action is in keeping with many requests that have been made and overrides the ruling of the Board of Transport Commissioners made on 10th June 1960.

National Productivity Council

The federal government established a National Productivity Council by legislation which it passed on 16th December 1960. The purpose of the legislation is set out in the preamble to the Act:

"In order to provide expanding opportunities for increased employment and trade and rising national standards of living, it is in the national interest to promote and expedite continuing improvement in productive efficiency in the various aspects of Canadian Economic activity."

The Council shall consist of twenty-five members, five of whom shall be chosen from the field of agriculture and other primary industries. Agriculture is represented on the Council by Dr. H. H. Hannam, president of the Canadian Federation of Agriculture, G. L. Harrold, one of our directors, and Rene Trepanier, former deputy minister of agriculture for the Province of Quebec. The federal grants to the Council will amount to \$150,000 each year plus an additional contribution to match all private financing. The actual implementation of the productivity program is intended to be carried out by local productivity committees formed on an area basis. While the aims of the National Productivity Council are acceptable, at this early stage we are unable to report on its activities.

Organization for Economic Co-operation and Development

The Minister of Finance reported to the House of Commons on 16th December 1960, that Canada had signed a convention in Paris establishing the organization for Economic Co-operation and Development. Parliament gave approval to the convention on 28th February 1961.

In our annual report two years ago we referred at some length to the trade patterns which were developing in Europe and in North America. At that time we expressed our conviction that the interests of our members would be best served if barriers to trade were removed. We said that "In self-interest Canadian farmers should do everything possible to promote policies designed to increase reciprocal trade between our country and prospective buyers."

Many new trade relationships have developed in the intervening period. These changing trade patterns will affect Canadian agriculture either directly or indirectly and it will be to our interest, we believe, if Canada is closely associated with the nineteen countries and the European Coal and Steel Community, the Atomic Energy Community and the European Economic Community, all of whom signed the convention establishing OECD.

Your Board is in sympathy with the objects of the Organization for Economic Co-operation and Development. This organization replaces the former Organization for



European Economic Co-operation of which Canada and the United States were associate members. The new organization will provide a continuing forum for consideration of the effects on member countries and on others of the trade groupings that are emerging in Europe. The aim will be to promote the expansion of trade on a multilateral and non-discriminatory basis. Another purpose will be to promote by means of consultation and harmonization an improved flow of aid to under-developed countries.

Royal Commission on Transportation

The Royal Commission on Transportation was engaged in public hearings at the time we issued our last report on 29th September 1960. Public hearings were concluded in January 1961 and the report of the Commission was released in March 1961, and placed before the House of Commons on 10th April 1961.

The Saskatchewan Wheat Pool appeared before the Commission in September 1960, when it presented a comprehensive brief in which an historical analysis of railway policy and development and the importance of wheat in the nation's economy was submitted and stated that wheat had contributed much during the years to the prosperity of all Canada within the framework of the established railway and other government policies.

The brief submitted to the Commission by W. B. Saunders, the transportation consultant for the Alberta Wheat Pool, Manitoba Pool Elevators, Saskatchewan Wheat Pool and the United Grain Growers Limited, was also presented in September 1960. This submission dealt with the role of the railways in the Canadian economy, the nature of the revenues and the key elements which affect the cost of operation. Mr. Saunders analyzed the principal problem areas which affect the net earnings and the ability of the railways to provide efficient transportation for the people of Canada. He made an appraisal of the cost techniques used by the Canadian National and Canadian Pacific Railways in their submissions to the Commission. Mr. Saunders made specific criticism of the grain studies of the railways without implying any criticism of the railway employees. Your Board believes that the studies presented by Mr. Saunders on our behalf were most fair, that the Commissioners were duly impressed and that the cost involved was more than justified.

The report of the Commission was forwarded to the Governor-General-in-Council on 30th March 1961. It was signed by the six commissioners. However, three of the commissioners issued minority reports. The particular section of the Commission's report which is of concern to us is that dealing with freight rates on grain. We quote excerpts from the report dealing with export grain traffic:

"Evidence was presented by the railways to the effect that the deficit on the transport of grain to export positions was approximately \$70 million for the two railways in 1958. . . . We have reached the conclusion that the variable cost of moving grain from Western Canada to export positions in 1958 was \$37.6 million for the Canadian Pacific Railway and \$33.1 million for the Canadian National Railway. The shortfall of revenue on variable costs in 1958 was of the order of \$2 million for the Canadian Pacific and \$4 million for the Canadian National. . . . We recommend that in the case of the Canadian Pacific Railway a sum of \$9 million annually shall be paid on behalf of the export grain traffic as a contribution to constant costs. This should place export grain traffic in a position comparable to other segments of traffic in the light of the permissive level of earnings. Making the adjustments necessary due to the different financial structure of the Canadian National Railways the payment recommended that Company as a contribution on behalf of the export grain traffic to overheads is \$7.3 million.

"We, therefore, recommend that upon submission and approval of reports of the variable cost of moving grain and of the revenue



therefrom for the previous year, the railways be granted annually a sum of money equal to the shortfall of revenue on variable expense plus \$9 million in the case of the Canadian Pacific Railway and \$7.3 million in the case of the Canadian National Railways. In any of the years where for one or both of the railways the revenues from the carriage of grain from western Canada to export positions were greater than the variable costs, the railways would be granted the sum of \$9 million in the case of the Canadian Pacific and \$7.3 million in the case of the Canadian National less the excess of revenue over variable costs."

The report of the Commission also dealt with passenger train service and with light density lines in the operation of which both railways sustained substantial losses. The Commissioners calculate the loss in 1958 on passenger train service for the Canadian National Railways at \$50,358,000 while the operating deficit for passenger train service for the Canadian Pacific Railway was estimated at \$27,650,669. Evidence was submitted to show that passenger train service deficits were declining. A five-year target date has been set by the Commissioners for the elimination of these deficits. The Commission recommended that annual amounts be paid during the years 1961 to 1965 inclusive in the following amounts: 1961, \$62 million; 1962, \$49.6 million; 1963, \$37.2 million; 1964, \$24.8 million; 1965, \$12.4 million, or a lower amount if the actual deficits were less.

From 1966 the Commission recommended that no subsidies be paid on account of the passenger service generally. The Commission also recommended an annual grant of \$13 million to be made available to provide compensation for losses actually incurred in the operation of lines which the railway are prepared to abandon: In the view of the Commissioners, fifteen years was set as a reasonable period to enable adjustments to be made; this would be sufficient time for the railways to complete their program for curtailing railway service on uneconomic lines.

Commissioner A. R. Gobeil in his minority report said:

"I cannot, however, accept the other Commissioners' decision that a subsidy is required in order to compensate the railways for alleged deficits incurred on the carriage of grain and grain products to export positions. There are three reasons for my disagreement with this position.

"Firstly, I believe that the Canadian Pacific Railway, having obtained certain very real advantages when it undertook—in perpetuity—to accept a ceiling on these grain rates, became party to a contract which is still in effect and which must be abided by.

"Secondly, I do not believe that the grain cost studies which have been brought before this Commission have succeeded in their attempts to measure the extent of the loss which, it is alleged, the railways incur in the movement of grain under statutory rates. I am not convinced, furthermore, that the studies in question have been able to establish that there is any loss whatsoever.

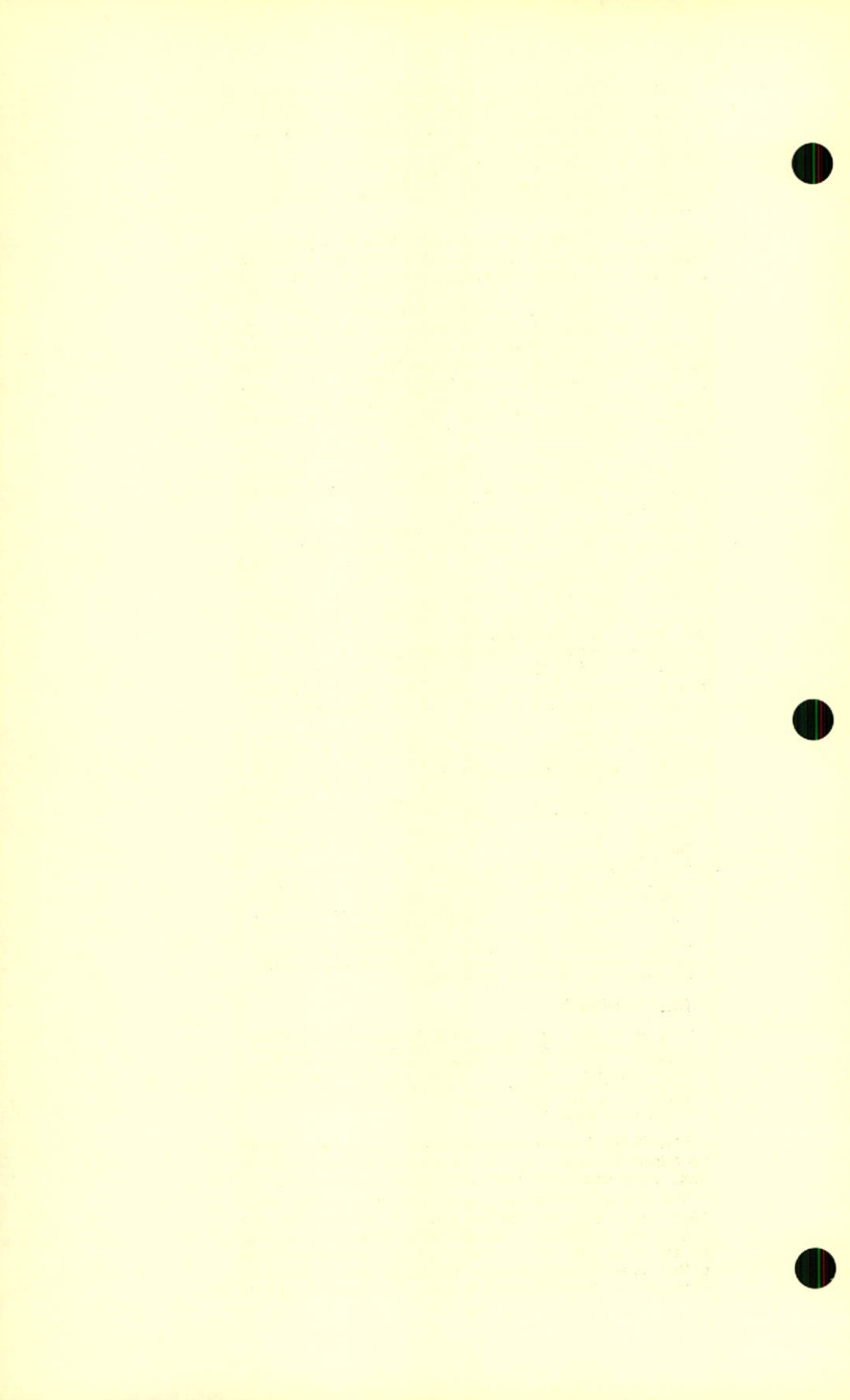
"Thirdly, I believe that, if there is a loss associated with the carriage of grain it is due to the cost of maintaining light density lines rather than the cost of carrying grain."

Mr. Gobeil said:

"I agree with the statement of the grain organizations in their argument that 'It is very difficult for the grain organizations to understand why the railways chose to ignore a major problem (excess capacity) of this nature' (light density lines) 'and select the movement of statutory grains as the only inequity thereby making the western grain producer the whipping boy for the railway financial ills'."

Mr. Gobeil in essence supports the contention of grain producers in western Canada, a contention which was the basic argument of the grain marketing co-operatives.

The federal government passed legislation on 30th May 1961, amending the Freight Rates Reduction Act, increasing the aggregate of all payments by \$20 million, and on the 13th July 1961, authorized the payment of \$50 million as an interim payment "related to recommendations of the Royal Commission on Railway Problems pending its



complete report to companies as defined in the Freight Rates Reduction Act of an aggregate amount in respect of the calendar year 1961 . . . as compensation to such companies for the maintenance of their rates on freight traffic at reduced levels as provided for in the said Act."

The federal government has not to date announced a firm policy which can be applied to the problems of transportation facilities in Canada.

Dollar-Sterling Trade Council

We have continued our financial support to the Dollar-Sterling Trade Council so that its effort to stimulate trade between Canada and the sterling area can be pursued. The wheat growers of Canada find some of their largest customers in this area and there can be no question that our organization must do all it can to promote this beneficial trade. Chas. W. Gibbings, our President, is one of the directors of the Council as well as being chairman of the Saskatchewan Committee.

Royal Commission on the Automotive Industry

The Report of the Royal Commission on the Automotive Industry, dated 14th April 1961, was submitted to the House of Commons on 20th June 1961, by the Minister of Finance during his speech on the budget.

Canadian Co-operative Wheat Producers submitted a brief to the Royal Commission which was read into the record on 27th October 1960. Our submission was based on the premise that since Canada must find a market for her wheat in European countries we must be prepared to buy goods, including motor vehicles, from those countries. In the findings of the Commissioner he recommended that "A tariff of ten per cent be imposed against imports of both parts and vehicles from British sources, while present tariff rates against vehicles and parts from Most Favored Nations countries, ranging from 17½ per cent to 25 per cent, would remain in effect." The Commissioner recommended that the excise tax of 7½ per cent on passenger cars be abolished. The Canadian Federation of Agriculture speaking for Canadian agriculture, lodged a protest with the Minister of Finance relative to the taxation on United Kingdom imports.

Economics Research Council

A conference attended by government representatives and officials of farm organizations and university personnel met in Winnipeg on 24th and 25th April 1961, and recommended that an Agricultural Economics Research Council be established. The move had been initiated by the Hon. George Hutton, Minister of Agriculture for Manitoba. He had interested the governments of each province as well as the federal government in the proposal. These bodies had set up a steering committee which had organized the Winnipeg meeting and had arranged the program and determined the terms of reference for the conference. A number of our directors and officials of the Wheat Pools attended both as participants and observers.

The need for such a council was emphasized and the scope of its activities and responsibilities was analyzed. To give permanence to the Economics Research Council the conference considered the establishment of a fund sufficiently large to provide a minimum annual budget of \$300,000. Major contributions to the fund will be sought from federal and provincial governments.

The report of the continuing committee for the establishment of the proposed Research Council was considered by ministers of agriculture and their deputies at a con-

ference held in Charlottetown, Prince Edward Island, on 31st July, 1st and 2nd August 1961.

The committee offered the proposal that in its initial stages the research program should survey projects in agricultural economics which had been completed and endeavor to co-ordinate existing research programs and that during this initial period no contributions will be sought from other than government sources. The committee also proposed that the Council should not be established immediately but an interim board representing federal and provincial departments of agriculture should be set up and that this board should be responsible to a conference of ministers.

While the report of the Charlottetown conference suggests that the enthusiasm generated by the Winnipeg meeting has diminished, we recognize that some considerable time will be required for the several governments in Canada to give wholehearted support to this undertaking. We record our belief that the research program envisaged is the direction in which we should look for answers to some of Canada's agricultural problems.

Agricultural Stabilization Act

The annual report of the Agricultural Stabilization Board covers the year ended 31st March 1961. In carrying out its program of stabilizing prices it is reported that the net cost during the year amounted to \$50,776,295, approximately \$10 million less than in the previous year. The major amounts in this expense item were incurred in supporting the price of creamery butter, pork, and milk for processing. The inventory value of commodities held by the Stabilization Board at their year end stands at \$90,382,592.

The Agricultural Stabilization Board is the instrument used by the Government of Canada to carry out its deficiency payment programs for hogs and eggs. Since the average market price for hogs throughout 1960 remained above the support level no stabilization payments were required. However, administration costs incurred by the Board amounted to \$7,470. The net costs of providing deficiency payments on eggs for the year which closed on 30th September 1960, amounted to \$2,082,673.

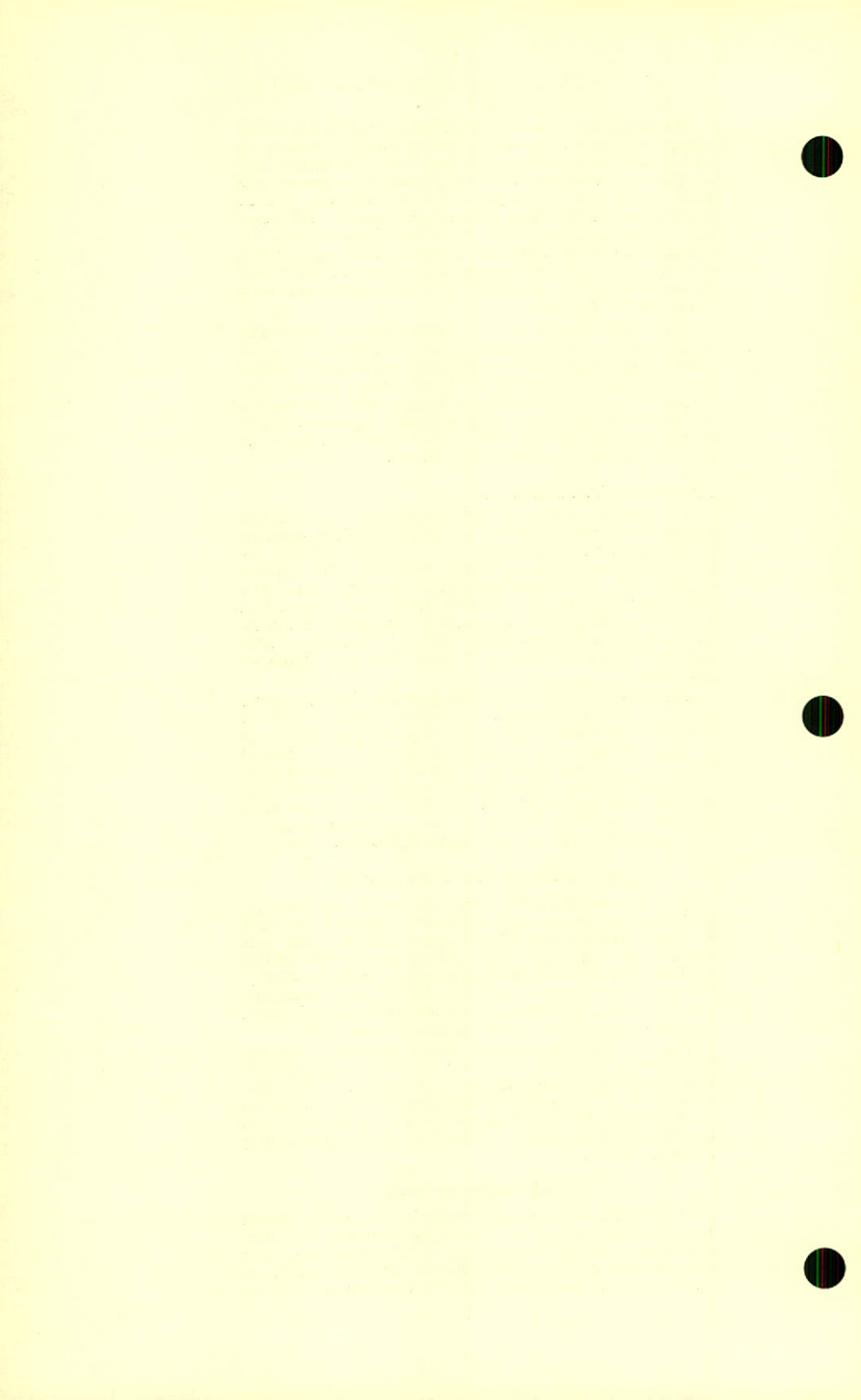
International Wheat Agreement

It is reported that the total commercial purchases by importing countries from exporting countries recorded with the International Wheat Council, for the crop year 1960-61, to 29th July 1961, amounted to 529,268,000 bushels. Of this total Canadian sales accounted for 44.12% United States 24.59%, Australia 16.96% and Argentina 8.60%. France, Sweden and Italy recorded negligible sales, while no sales were recorded for Mexico and Spain.

The current International Wheat Agreement expires on 31st July 1962. An effort by Canada to secure a new agreement will be supported by the directorate of the three Wheat Pools. Your Board will keep a close watch on developments. We are of the opinion that world trade and commodity prices justify consideration of a higher ceiling on wheat prices.

Credit Sales of Grain

Much public interest was aroused by the announcement that a substantial volume of grain had been sold to China. We have endorsed transactions of this nature and have expressed our appreciation to the Canadian Wheat Board for their effort in opening up new markets and also to



the Canadian Government for underwriting the terms of sale.

In July 1955 the directors of the three Wheat Pools in joint meeting recorded their approval of the arrangements under which sales were made to Poland. In the intervening period credit sales have been made to other countries and in increasing volume. The officials of the Canadian Wheat Board are to be commended for negotiating an agreement with China under which more than 200 million bushels of wheat and nearly 60 million bushels of barley will be supplied. The action of the federal government in providing credit in the maximum amount of \$50 million—a sum which has been increased to \$100 million—has met with general approval. Your directors strongly endorse this action.

The Minister of Agriculture announced in the House of Commons on 17th February 1961, that approximately 7.3 million bushels of wheat had been sold to Czechoslovakia, the terms of payment being 10 per cent cash at date of shipment, 30 per cent one year later, 30 per cent two years later and the remaining 30 per cent three years from date of shipment.

On 2nd February 1961, the Minister of Agriculture told the House of Commons that an agreement with the China Resources Company of Hong Kong had been reached for the sale of approximately 40 million bushels of grain valued at \$60 million, which would be shipped during the next few months. On 2nd May, 1961, he announced an additional sale to China of 2.2 million bushels of wheat, and he also announced that a long term agreement had been signed with China to facilitate orderly marketing of grain during the period 1st June 1961, to December 1963. Under this agreement Canada is committed to supply approximately 186.7 million bushels of wheat and 46.7 million bushels of barley, worth approximately \$362 million. Mr. Hamilton said:

"If one adds the previous order for 28 million bushels of wheat and 12 million bushels of barley, valued at \$60 million, then the total transaction that could be provisionally expected for the three calendar years 1961, 1962 and 1963 will be 217 million bushels of wheat and 58.8 million bushels of barley, with a total approximate value of \$425.6 million."

The sale of about 3.7 million bushels of wheat to Poland and the terms of sale were announced on 6th June 1961, by the Minister of Agriculture.

Canadian grain producers have endorsed the action of the federal government in providing the credit which enabled the Canadian Wheat Board to make sales to China, Czechoslovakia and Poland. There can be no question that when sales in this volume are transacted the whole business community of Canada will benefit.

Wheat Surplus Disposal

The stocks of wheat in North America have, for a number of years, been the subject of debate and controversy. Your organization has repeatedly stated that these reserves of wheat should be treated as a national asset. We are pleased to report that growing support for this point of view is evident. Plans to dispose of this wheat are not merely directed at relieving pressure on the market but are now designed to fulfil a two-fold purpose—to eradicate the bearish influence on the market and to provide nutrition to millions of people in needy countries. It is the growing emphasis on the humanitarian aspect of the programs which we draw to your attention.

Canada's role in this new approach can be dominant. We believe that our nation should not only supply food to the needy nations out of agricultural surpluses as they



occur but should commit herself to supply stated quantities of various commodities, the volume being related to the ability of our agriculture and the nation's finance.

Believing as we do that this is possible we have instigated a research project on food disposal. We have asked Professor W. J. Anderson, chairman of the Department of Agricultural Economics at the University of British Columbia, to undertake the study with Dr. John J. Deutsch, vice-principal of Queen's University, and Professor D. Ralph Campbell of the Ontario Agricultural College, acting as consultants. In sponsoring this project it is our intention to have available in one document considered views on the general subject of food disposal upon which we might develop policy decisions.

It must be generally recognized that the United States of America will play a dominant role in future plans under which food in its many forms can be supplied to peoples in developing countries. These plans have been watched closely and critically. We waited with some anxiety the announcement which the new administration in the United States would make early in the year on its over-all agricultural policy and also what action this new administration intended to take to bring their wheat surplus to a desired level. Our executive committee, that is, the presidents of the three prairie Wheat Pools and the vice-president of United Grain Growers, attended a conference in Minneapolis, U.S.A., on 15th February 1961, and met representatives of the Great Plains Wheat Incorporated for the purpose of studying basic problems in each country and to consider our mutual interests in wheat sales. This conference reviewed the proposal emanating from Washington that the U.S.A. would endeavor to secure higher prices to the farmer for wheat by controlling acreage under production. It was agreed that action taken at Washington to solve the problem of U.S. surplus wheat would be watched closely and that another meeting would be held after an interval of three or four months. Early in September a delegation from the Great Plains Wheat Incorporated visited Canada to study the component parts of Canada's wheat marketing mechanism. One of the special problems of this group is that of segregating and marketing high quality wheat.

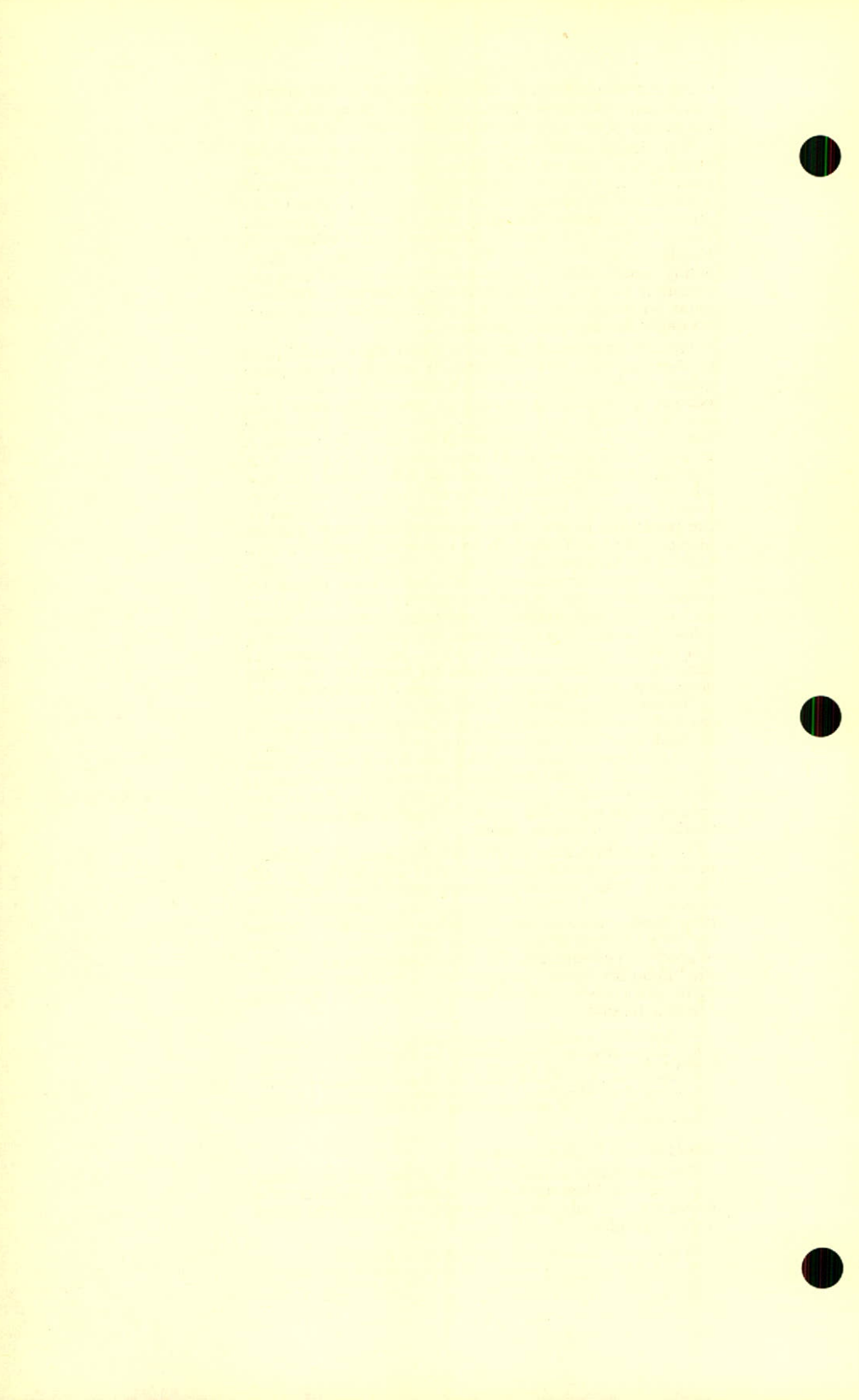
The new President of the U.S.A., John F. Kennedy, in his message to Congress indicated that he thought the declining farm income in recent years was against the interests of the United States economy. This concept has been incorporated in new legislation designed to increase the price of wheat in that country and to meet the problem of grain over-production. The President supported strongly the "Food for Peace" program which had been instigated by his predecessor, when in making his States of the Union Message he said:

"This Administration is expanding its new food-for-peace program in every possible way. The products of our abundance will be more effectively used to relieve hunger and help economic growth in all corners of the globe. I have asked the director of this program to recommend additional ways in which these surpluses can advance the interests of world peace-including the establishment of world food reserves."

World Wheat Trade Expanding

The increasing world trade in wheat and the factors involved are illustrated by Broomhall in an article released on 19th July 1961, from which we quote the following paragraphs:

"There is quite a possibility that, when the current cereal year ends on 31st July, returns of world trade in wheat and flour will show a figure of around 40 to 41 million tons. This is an estimate put out by the Food and Agriculture Organization of the United Nations,



and probably includes exports of Russian wheat to satellite countries of Bulgaria, Rumania, Czechoslovakia, Hungary and Poland. "This figure of some 40 million tons compares with a world wheat trade of 15½ million tons annually in the five years preceding the first world war. Probably in no period of history has there been a comparable quantitative increase in exports of one particular commodity. It is an increase that owes almost everything to a newly accepted principle that not only rich individuals but rich nations have a moral obligation to help nations and peoples who are less prosperous than themselves. It is to the credit of the United States that she has accepted the challenge and has encouraged her farmers, in all recent years, to grow much more wheat than could normally be consumed domestically or exported at competitive prices. She has been willing to draw on her wealth in order that an immense quantity of wheat could be shipped to the under-nourished people of India, Pakistan, Indonesia, Malaya, the United Arab Republic, Korea, and several other Asiatic countries. "But her P.L. 480 exports have not been confined to the under-developed and under-nourished countries of non-Communist nations. American wheat and flour has been supplied, under the same formula, to Poland and Yugoslavia—countries which are dedicated to the Communist faith, but which are not so closely controlled from Moscow as, say, Bulgaria, Rumania and Hungary."

The extent to which the export of cereal grain from the United States of America has been increased due to financial assistance provided under their special legislation is illustrated by a statement made by the Secretary of Agriculture to the U.S. House Committee on Agriculture. We quote:

"The importance of Public Law 480 in supplementing our exports can best be illustrated in terms of individual commodities. We are estimating wheat exports this year at 650 million bushels, a new record—almost half of last year's crop. About 70 per cent of these wheat exports are moving under the Public Law 480 programs. Without such programs wheat exports probably would not exceed 200 million bushels. About 65 per cent of our rice exports, 45 per cent of our vegetable oils exports, and 33 per cent of our feed grain exports are going out under these programs."

The United Nations on Surplus Disposal

The United Nations in its General Assembly nearly a year ago passed a resolution unanimously instituting action on surplus disposal of foodstuffs. We cite excerpts from the resolution:

"The General Assembly considering that the peoples in many of the less developed countries suffer from serious shortages of food, noting with approval that the Food and Agriculture Organization of the UN in co-operation with the UN, appropriate specialized agencies, governments of member states and non-governmental organizations, has launched a freedom from hunger campaign designed as a concerted attack on the problem of providing adequate food for food-deficient peoples. . . .

"Invites the Food and Agriculture Organization, in consultation with governments of member states, the Secretary-General, appropriate specialized agencies and other international bodies (such as the International Wheat Council, the Wheat Utilization Committee, etc.) to undertake a study of the feasibility and acceptability of additional arrangements, including multilateral arrangements under the auspices of the Food and Agriculture Organization, having as their objective the mobilization of a available surplus foodstuffs and their distribution in areas of greatest need, particularly in the economically less developed countries."

Canada was one of the key promoters of the UN resolution when her delegate outlined the Canadian attitude as follows:

"Canada has repeatedly urged that international action be taken to provide food, which is in surplus in some parts of the world, to needy and hungry peoples in other lands. . . .

"It must be admitted that progress in this matter has thus far been slow and to us in Canada, and no doubt even more so to the food deficit countries, disappointing. On a number of occasions in recent years the Prime Minister of Canada has urged that specific programs be established to make available surplus foodstuffs for consumption in those parts of the world where food shortages occur. . . . "Canada would of course expect that any food bank that may be established as a result of the FAO's study would be both realistic and workable."

The growing importance of government action to encourage the utilization of wheat is illustrated by the



following excerpt taken from a statement by the IFAP made in May 1961:

"It will be observed that 'Government Assisted Programs' made up of 12 per cent of total world exports of wheat in 1954-55 (the first year of the United States P. L. 480 program) and over 28 per cent in 1959-60. Information thus far available suggests that for 1960-61 the percentage will reach over 30."

World Supplies and Exports

Believing that information relating to the production and sale of grain at both the national and world level will prove of value to wheat producers generally, we have summarized and incorporated in our report statistics which have been released by the Dominion Bureau of Statistics, the Board of Grain Commissioners and the Food and Agriculture Organization.

Supplies

The supply of wheat remains at a high level. Available supplies in the four major exporting countries, at or about 31st July 1961, are estimated by the Dominion Bureau of Statistics at 2,617.9 million bushels, which is 5% below the available supply a year ago. Included in this figure is the new wheat crop in the United States, estimated at 1,204.1 million bushels, but the new crop in Canada is not included, the supply figure representing the crop year end only for Canada. This is true also for Australia and Argentina.

Exports

The export of wheat and flour by the four leading nations in world wheat trade reached a figure of 1,284.3 million bushels, an increase of nearly 300 million bushels over the volume moved in the previous year. The United States increased her exports by 155.9 million bushels, Australia by 80.8 million bushels, and Canada by 76.5 million bushels. Shipments from Argentina were reduced in the amount of 13.6 million bushels.

The D.B.S. reports that "While Canada stands second to the United States in terms of total wheat and flour exports she is by far the largest seller in the world commercial market. In 1959-60 more than 95%, or some 264 million bushels of Canada's wheat exports were sold on normal commercial terms. Little more than half this quantity, or 135 million bushels were sold by the United States for dollars."

Exports of Wheat and Flour in Terms of Wheat

From Four Principal Exporting Nations
(Dominion Bureau of Statistics)

Crop Year	Total	Argentina	Australia	United States	Canada	Canada's % of Total
		—in million bushels—				
1950-51....	838.6	94.5	127.8	375.3	241.0	28
1951-52....	939.9	24.1	93.4	466.6	355.8	37
1952-53....	854.0	38.9	107.0	322.6	385.5	45
1953-54....	640.2	110.3	63.4	211.4	255.1	39
1954-55....	761.1	134.5	94.3	280.4	251.9	33
1955-56....	887.8	108.6	107.5	359.4	312.3	35
1956-57....	1,024.7	100.6	120.2	539.5	264.4	25
1957-58....	856.2	77.6	61.9	396.4	320.3	37
1958-59....	939.0	106.2	82.7	455.6	294.5	31
1959-60....	984.7	76.5	117.8	513.1	277.3	28
1960-61....	1,284.3	62.9	198.6	669.0	*353.8	27

*The figure given above for Canadian exports includes bagged seed wheat not shown in the Board of Grain Commissioners' report.

Canadian Grain Production

The revised estimates of the Dominion Bureau of Statistics covering the production of grain in the 1960-61



crop year are set out in the following table. It will be noted that there is a slight variation in these statistics from the preliminary estimate which we were pleased to cite a year ago.

Grain Production 1960

(Dominion Bureau of Statistics Latest Estimate)

	Canada		Prairie Provinces	
	Acres	Bushels	Acres	Bushels
		<i>—in millions—</i>		
Wheat.....	23.2	489.6	22.6	470.0
Oats.....	11.1	456.1	7.9	304.0
Barley.....	7.4	207.0	7.2	201.0
Rye.....	.54	10.1	.45	7.5
Flaxseed.....	2.57	23.0	2.55	22.7
Totals.....	<u>44.81</u>	<u>1,185.8</u>	<u>40.70</u>	<u>1,005.2</u>

The forecast of production of Canada's grain crops for the crop year 1961-62 was indicated on 15th August. This estimate is set out in the following table:

Grain Production 1961

(Dominion Bureau of Statistics Preliminary Estimate)

	Canada		Prairie Provinces	
	Acres	Bushels	Acres	Bushels
		<i>—in millions—</i>		
Wheat.....	23.8	260.5	23.2	239.0
Oats.....	11.6	327.5	8.3	183.0
Barley.....	6.1	121.9	5.9	116.0
Rye.....	.52	6.2	.43	4.0
Flaxseed.....	2.36	15.0	2.34	14.7
Total.....	<u>44.38</u>	<u>731.1</u>	<u>40.17</u>	<u>556.7</u>

The severe drought condition which affected production in most areas of the prairie provinces is reflected in the yields. The tables cited indicate a drastic reduction from the volume produced a year ago. Wheat production is the lowest in any year since 1937. It was 47% less than last year's crop and 48% below the 10-year average. The barley crop is the smallest since 1941.

Farmers' Marketings

The large grain deliveries made in the last three months of the crop year reflect the congested facilities at both country and terminal points during most of the grain year. The total volume of the five principal grains marketed in the prairie provinces was approximately 30 million bushels greater than in the previous year, but from 5 to 30 million bushels less than in the three years preceding.

Producers' Marketings at country elevators
at public and semi-public terminals
at interior private and mill elevators
and loaded over platform

Wheat, Oats, Barley, Rye and Flaxseed

	1960-61	1959-60	1958-59	1957-58
			<i>—in million bushels—</i>	
Wheat.....	396.7	378.5	367.7	378.2
Oats.....	37.6	24.3	39.3	58.3
Barley.....	88.0	95.6	122.8	116.9
Rye.....	6.0	4.3	4.7	7.4
Flaxseed.....	18.4	14.0	17.5	15.3
Total.....	<u>546.7</u>	<u>516.7</u>	<u>552.0</u>	<u>576.1</u>

Approximately 6.7 million bushels of bagged seed wheat was delivered by producers, a figure not included in the Board of Grain Commissioners' statistics. The new regulation issued by the Canadian Wheat Board permitting



producers to deliver grain to feed mills in excess of established quota provided an outlet for 7.4 million bushels of wheat, oats and barley.

On 30th August 1961, this regulation was extended until 31st July 1962.

Canadian Grain Exports

Canada's grain exports during the crop year 1960-61 were approximately 60 million bushels greater than those of the previous year. Detailed information covering the export of 412.9 million bushels of the five principal grains is contained in the preliminary review of exports issued by the Board of Grain Commissioners for Canada. The volume of wheat exported for the crop year 1960-61 was the third largest on record. The increase in exports is accounted for almost exclusively by larger shipments of wheat in bulk form. There was little variation in the volume of flaxseed exported between the two years.

The volume of oats exported was down significantly. Barley and rye also showed sizeable reductions in the volume exported. The following table provides the comparisons:

Total Grain and Milled Products Exported

	1960-61	1959-60 —in million bushels—	30-year Average 1930-31 to 1959-60
Wheat (& flour)	347.8	272.1	251.9
Oats	2.6	5.6	25.1
Barley	46.3	57.7	33.5
Rye	2.6	4.5	5.7
Flaxseed	13.6	12.5	4.3
Total	412.9	352.4	320.5

The United Kingdom maintained her position as the leading purchaser of Canadian grain though she bought substantially less barley; 8.7 million bushels in 1960-61 compared with 48.5 million in 1954-55 and 41.5 million in 1958-59. Japan's purchase of 54 million bushels of wheat reached a new high for that nation.

The emergence of Communist China as a substantial buyer of wheat and barley accounts largely for the increased volume of grain shipped by Canada. Taking 34.7 million bushels of wheat and 20.4 million bushels of barley, China ranked third among our principal customers.

Shipments of Canadian oats to foreign markets at 1.9 million bushels were the lowest on record for a period of 40 years.

Leading Buyers of Canadian Grain

Sales of Wheat, Oats, Barley, Rye and Flaxseed

	1960-61	1959-60 —in million bushels—	1958-59	1957-58
United Kingdom	106.4	130.3	152.7	149.1
Japan	60.1	49.6	50.3	51.5
China	55.1	—	—	—
Germany	33.5	32.1	37.9	32.0
Belgium & Netherlands	19.6	24.1	22.3	40.3
United States	18.1	22.3	18.7	55.1

Carryover of Canadian Grain

The stocks of Canadian grain in store all positions on 31st July 1961, show little variation from the previous year or from the average of the 1951-60 period. The volume of the five major grains was estimated by the Dominion Bureau of Statistics to be 738.7 million bushels; this volume is approximately 25 million bushels smaller than that held at the same date a year ago. Details are set out in the following table:

Canadian Carryover as at 31st July

	1961	1960	1959	Average 1951-60
	—in million bushels—			
Wheat.....	523.2	537.6	549.0	498.4
Oats.....	94.4	92.8	119.0	127.0
Barley.....	106.4	121.5	128.2	110.4
Rye.....	7.3	6.8	7.9	12.6
Flaxseed.....	7.5	4.9	6.5	4.2
Total—5 grains.....	738.7	763.5	810.6	752.6
On farms.....	222.2	221.3	271.9	294.4
Commercial.....	516.5	542.2	538.7	458.2

The Dominion Bureau of Statistics submits an estimate showing stocks of grain held on farms, the figures for 1961 being almost identical with those issued a year ago at the end of the 1959-60 crop year.

Farm Carryover in Canada

	1961	1960	1959	10-Year Average
	—in million bushels—			
Wheat.....	89.4	81.7	130.0	147.6
Oats.....	73.7	72.0	80.0	86.2
Barley.....	55.1	63.0	57.0	52.6
Rye.....	2.6	3.8	3.4	6.8
Flaxseed.....	1.4	.8	1.5	1.2
Total.....	222.2	221.3	271.9	294.4

Using figures issued by the Dominion Bureau of Statistics, it is demonstrated that approximately 89% of the farm carryover of grain in Canada was held in the prairie provinces.

	Sask- Manitoba	atchewan	Alberta	Total
	—in million bushels—			
Wheat.....	8.0	66.0	13.0	87.0
Oats.....	9.0	26.0	20.0	55.0
Barley.....	7.0	28.0	18.0	53.0
Rye.....	.3	1.5	.6	2.4
Flaxseed.....	.2	.8	.4	1.4
Total.....	24.5	122.3	52.0	198.8

Farm Income

Unfortunately we are unable to report any substantial improvement in the income position of the grain producers in the calendar year 1960. Statistics illustrating both the cash and net farm income for the prairie provinces remain at a static level. The very fact that substantial supplementary payments were deemed necessary by the federal government to grain producers in the prairie provinces is indicative of the unsatisfactory income position of these farmers.

The total farm cash income in the year 1960 is estimated by the Dominion Bureau of Statistics to have amounted to \$2,860 million compared to \$2,811 million in 1959. This total figure includes payments made under the provisions of the Prairie Farm Assistance Act, the Emergency Un-threshed Grain Assistance Policy, and the Western Grain Producers Acreage Payments Plan. The payments under these categories total \$77,024 million. The Dominion Bureau of Statistics estimates that the returns from the sale of field crops were slightly more than three per cent above the returns from the same source in 1959, while the farmer's income from the sale of livestock and livestock products was about 2½ per cent below the 1959 level. The Dominion Bureau of Statistics in its report goes on to say that "the decline was due entirely to reduced returns from the sale of hogs, poultry and eggs." The income from the sale of cattle and calves in 1960 was nearly \$10 million more than that derived in 1959.



**Preliminary Estimate of Farm Cash Income from the
Sale of Cereal Grains and Flaxseed in the Three
Prairie Provinces**

—Dominion Bureau of Statistics—

	1960	1959	1958
		—in thousand dollars—	
Wheat.....	\$426,371	\$424,181	\$420,255
Wheat, CWB Payments..	70,640	72,662	64,258
Oats.....	16,424	15,261	21,468
Oats, CWB Payments.....	3,153	2,072	—
Barley.....	68,308	85,468	78,728
Barley, CWB Payments..	5,335	6,121	7,570
Rye.....	4,139	4,955	5,229
Flaxseed.....	42,205	49,273	35,756
Total.....	<u>\$636,575</u>	<u>\$659,993</u>	<u>\$663,264</u>

Net farm income in 1960 is calculated by the Dominion Bureau of Statistics to be \$1,358 million, an increase of \$152 million over the figure cited for 1959 and almost identical with the net income returns in 1958.

Total Net Farm Income

	3 Prairie Provinces	6 Other Provinces ex. Newfoundland	Canada
		—in million dollars—	
1950.....	\$ 572.5	\$647.2	\$1,219.7
1951.....	1,126.4	810.5	1,936.9
1952.....	1,118.9	800.5	1,919.4
1953.....	918.8	725.5	1,644.3
1954.....	410.9	614.3	1,025.2
1955.....	634.8	655.1	1,289.9
1956.....	843.6	614.4	1,458.1
1957.....	443.7	614.5	1,058.2
1958.....	645.3	692.2	1,337.5
1959.....	604.4	601.8	1,206.3
1960.....	708.7	649.6	1,358.4

The total farm operating expenses and depreciation charges continue their steady rise. The Dominion Bureau of Statistics estimates that the increase for these items in 1960 was approximately one per cent over these costs in the previous year. The estimates of the DBS for the four previous years are reported for the purpose of illustrating these steadily rising costs:

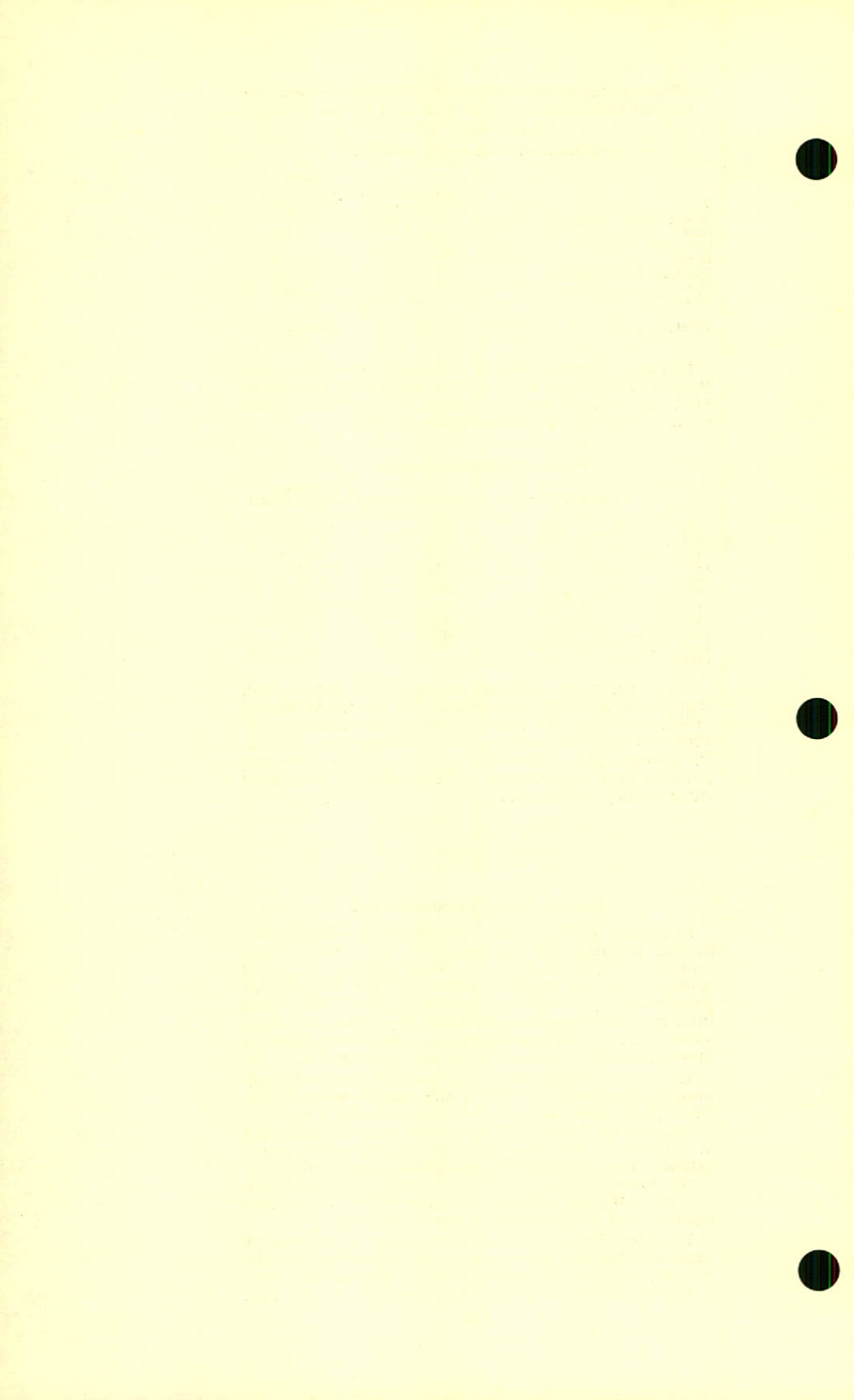
\$1,887.9 million in 1960
\$1,879.7 million in 1959
\$1,793.1 million in 1958
\$1,706.4 million in 1957

Prairie Farm Assistance Act

In keeping with our usual procedure we submit information covering the application of the Prairie Farm Assistance Act for the year under review and for the period since the Act was originally passed in 1939. The amount contributed by the one per cent levy, \$6,941,094, varies little from the amount collected in any of the last eight years. This reflects a consistency in both the volume of grain marketed and the price level of these grains.

We cannot predict the extent to which provincial crop insurance schemes will replace the operations of PFAA. On 8th July 1959, the House of Commons passed the Crop Insurance Act. Under this legislation the cultivated land of a farmer in any area to which an insurance scheme extends is not eligible for assistance under the Prairie Farm Assistance Act if any insured crop is grown by the farmer on any part thereof. The levy will not be assessed against crops insured under a provincial plan.

Your Board is inquiring into the extent to which crops marketed through certain outlets are not assessed the one per cent levy, yet the land on which these crops are grown would be eligible for an award in the event of crop loss.



1960-61 Crop Year

	1% Levy	Awards	Payments
Manitoba.....	\$ 930,501.29	3,353	\$ 665,860.00
Saskatchewan.....	4,246,938.63	14,329	4,557,041.00
Alberta and Peace River Block.....	1,763,654.49	20,852	5,781,239.50
Total.....	\$ 6,941,094.41	38,534	\$ 11,004,140.50

1939-40 to 1960-61

Manitoba.....	\$ 18,932,595.22	111,676	\$ 17,720,943.77
Saskatchewan.....	72,554,796.78	702,024	172,768,823.68
Alberta and Peace River Block.....	35,745,671.24	338,666	70,324,200.80
Unallocated.....	20,145.26	—	—
Total.....	\$127,253,208.50	1,152,366	\$260,813,968.25

Conclusion

The short crop just harvested in Western Canada is vivid evidence that the wheat producer is at the mercy of numerous factors and influences. The depressing effect of a small harvest on the nation's business can not be measured at this date, only anticipated. The production and marketing of wheat has for long been recognized as a dominant factor in the economy of industrialized nations: it remains the most important element in world trade. While production and trade have increased since 1925, the year in which the wheat producers established this organization, policies covering its pricing and distribution have become matters of governmental action in an increasing number of nations and the influence of government action in wheat trading becomes more involved.

Your directors share the concern of the wheat producer: the anxiety of the producer to see that his interests get full and fair consideration when governmental policies are being formulated.

World wheat production more than doubled during the period 1921-25 to 1954-58. It increased from 3,970 million bushels the average in 1921-25 to 7,712 million bushels the average in 1954-58, and to the estimated total of 8,690 million in 1958. During the same period the world wheat trade also increased though not to the same extent. The average wheat trade in 1922-26 was 776 million bushels and the average total world shipments of wheat and flour in 1956-60 was 1,238 million bushels. The July-June 1960-61 world shipments reached 1,500 million bushels. The exports from the four principal wheat exporters in 1959-60 were 984 million bushels and 1,284 million bushels in 1960-61.

If 35 years ago the grain producers of western Canada recognized the need for a strong producer-controlled marketing agency such a requirement is more evident under the conditions which exist today. Wheat producers and their organizations have experienced many difficult and discouraging periods.

These experiences lead us to anticipate that the period we now face, with lowered production and growing exports, will bring our program of orderly and centralized marketing under scrutiny and criticism. The challenge is clear. The conviction that the interests of the wheat producer can be served best by marketing associations will need to be re-stated in vigorous terms. Wheat producers must take every opportunity to express their point of view on every aspect of wheat trading. The rapidly changing pattern of international business relations convinces us that the need



for such action was never greater nor the opportunity nearer at hand. It must remain the constant purpose of your organization, representing as it does many thousands of wheat producers, to advance the principle that the extent to which governments regulate the production, pricing and exporting of wheat must receive the consent of the producer.

Respectfully submitted,

Executive { CHAS. W. GIBBINGS
W. J. PARKER
G. L. HARROLD

THOS. G. BOBIER
N. MALM
HAROLD B. SNEATH
GREGOR JAMIESON
A. J. MACPHERSON
L. A. BOILEAU



CANADIAN POOL AGENCIES LIMITED
DIRECTORS' REPORT
1960-1961

6th October 1961

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

Gentlemen:

This Agency has completed its thirty-third year of operations, and we present herewith for your approval the Annual Report and financial Statements for the year ended 31st July 1961.

The surplus produced was \$90,285.68 out of which the sum of \$431.58 was provided for income tax, leaving \$89,854.10 available for payment of patronage dividends. This compares with \$99,241.85 last year.

Our income is provided from commission on business placed with the various insurance companies and in addition we receive contingent commission, based on the profit the companies make on our business.

The earnings vary from year to year being particularly dependent upon the price and volume of grain stored at the Terminals.

We can handle all types of business except life. The greatest income is derived from fire and explosion insurance; followed by fidelity bonds and automobile insurance. Thirteen types of insurance were handled this year.

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 the 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 premiums collected, or to be collected, and are offset by the amounts payable to the insurance companies for premiums on business written, and by an amount payable by the Agency Trust Funds to the General Funds of the Company.

Shareholders' and Patrons' Assets

Accounts Receivable: The amount shown as "Due from Agency Funds" consists of the sum previously referred to as payable to General Funds out of Agency Trust Funds.

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. The amount of \$14,180.55 is the balance due Canadian Pool Agencies Limited on the inter-office account.

Shareholders' Liabilities and Reserves

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

General Reserve: This sum was built up over a period of years to provide for the possibility of unusual cancellations,

1911

1911

1911

and any other contingencies that may arise. The 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:

	<i>No. of Shares</i>	<i>Value</i>
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
	<u>2,000</u>	<u>\$20,000.00</u>

INCOME AND EXPENDITURE STATEMENT

Income: This statement sets out the commissions received on the different types of insurance, less brokerage paid.

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 expense of \$300.00 is an allowance from the three Provincial Pools for the handling of the Interprovincial Pool Account.

Respectfully submitted,

<i>Executive</i>	{	CHAS. W. GIBBINGS
		W. J. PARKER
		G. L. HARROLD
		THOS. G. BOBIER
		H. B. SNEATH
		N. MALM
		G. G. JAMIESON
		A. J. MACPHERSON
		L. A. BOILEAU

1870
1871
1872
1873
1874
1875
1876
1877
1878
1879
1880
1881
1882
1883
1884
1885
1886
1887
1888
1889
1890
1891
1892
1893
1894
1895
1896
1897
1898
1899
1900

1901
1902
1903
1904
1905
1906
1907
1908
1909
1910
1911
1912
1913
1914
1915
1916
1917
1918
1919
1920
1921
1922
1923
1924
1925
1926
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
1937
1938
1939
1940
1941
1942
1943
1944
1945
1946
1947
1948
1949
1950
1951
1952
1953
1954
1955
1956
1957
1958
1959
1960
1961
1962
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000

2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039
2040
2041
2042
2043
2044
2045
2046
2047
2048
2049
2050
2051
2052
2053
2054
2055
2056
2057
2058
2059
2060
2061
2062
2063
2064
2065
2066
2067
2068
2069
2070
2071
2072
2073
2074
2075
2076
2077
2078
2079
2080
2081
2082
2083
2084
2085
2086
2087
2088
2089
2090
2091
2092
2093
2094
2095
2096
2097
2098
2099
2100

POOL INSURANCE COMPANY
DIRECTORS' REPORT
1960-61

Winnipeg, Manitoba
28th February 1961.

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

Gentlemen:

Your insurance company has completed its twenty-second year and we take pleasure in submitting for your approval the Annual Report and Financial Statements for the year ended 31st December 1960. The results for the year show a surplus of \$748,385.66 as compared with \$833,259.19 last year. The loss ratio this year was 50.15% as compared with 30.64% last year. The total losses numbered four, being our average over the years, but three of them were very costly on account of the large quantities of grain.

We transferred \$15,000.00 to Capital Surplus Account and set up the usual capital stock dividend as required by the Company's Charter together with an amount for income tax of \$4,645.34. These deductions from the surplus left a balance of \$728,738.47 for allocation to the policyholders on the basis of their contributions to this surplus.

The total premium income amounted to \$1,533,307.40 as compared with \$1,427,387.95 last year. After reinsuring 50% of all our risks with the exception of dwellings the net earned premium income was \$764,348.93 reflecting an increase of \$52,161.19 over the year 1959. The premium rates were reduced on the Saskatchewan Wheat Pool country elevator schedules as from 1st August 1960 due to their better than average long term loss experience.

The losses and adjustment expenses amounted to \$763,215.76; the Company's share being \$383,289.16. Four country elevators and their contents were totally destroyed at the following locations:

In Alberta — Sexsmith No. 2
In Manitoba — Letellier
In Saskatchewan — Fairmount and Leask

In addition to these elevator losses there was one total dwelling loss; thirteen small miscellaneous fire losses and twenty-eight windstorm losses.

The value of property insured increased twenty-five million from last year and we list the figures hereunder:

Country Elevators.....	\$ 89,517,712.00
Grain.....	163,036,527.00
Dwellings.....	8,565,756.00
Miscellaneous.....	4,584,695.00
	<hr/>
	\$265,704,690.00

The total underwriting revenue shown on the statement of Income and Expenditure is made up of the earned premiums on our percentage of the risks plus commission on the reinsurance, less losses. Interest earned on investments and temporary loans to the Parent Organizations amounted to \$47,651.79.

The ever growing increase in building values and the continued use of all available space, while providing increased premiums, results in heavy losses and when we lose two or three of the larger plants over a short period of time, it greatly increases our loss ratio. Alertness by our inspectors and all concerned is essential at all times. We have five permanently employed fire inspectors who inspect



the elevators twice a year, which is in accordance with our agreement with the reinsurers, and is an important feature of our operations. The cost of this service is the largest item of expense.

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

The following comments relative to the Balance Sheet are submitted for your information:

ASSETS

Cash in Bank

Under this heading the current bank account is 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 plus a balance on the inter office account; also amounts due from two reinsurers.

Investments

Our investment portfolio consists entirely of Government of Canada Bonds. There will be fluctuations in values over the years, but we hope to be in the position of being able to hold bonds until maturity when they will be redeemable at par value. Our additional surplus funds are loaned to the parent organizations on a demand basis.

Automobiles

Three new automobiles were purchased during the year and after allowing depreciation on this account of \$3,225.55, the asset covering five automobiles is shown as \$7,526.30. These automobiles are used by the fire inspectors.

LIABILITIES

Current Liabilities

Premiums due the reinsurance companies are shown. Losses in process consist of the Company's net share of losses for which adjuster's reports have not been received. The item covering taxes accrued represents premium tax, income tax and fire prevention taxes due to the Federal and Provincial Governments.

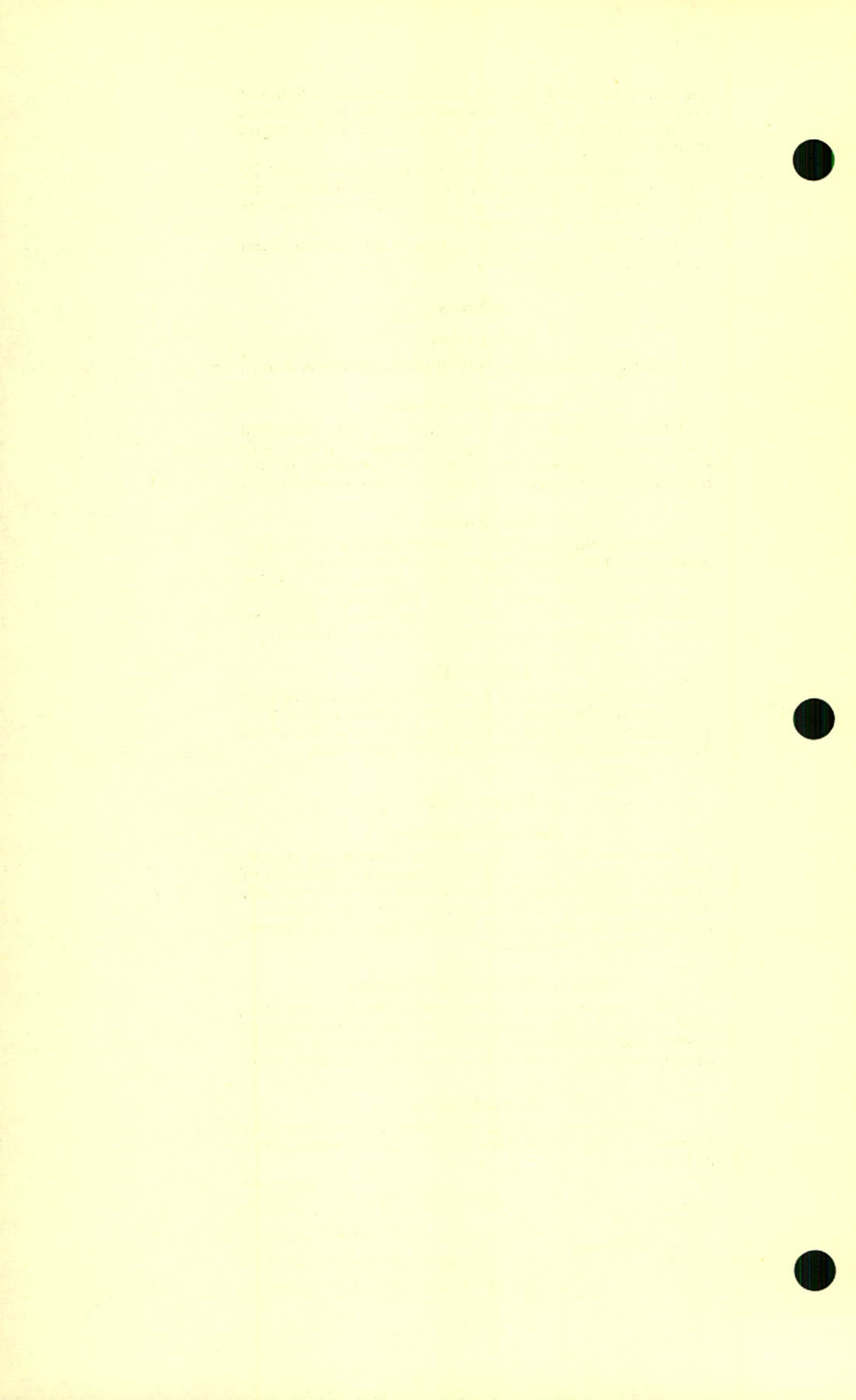
Reserve for Unearned Income

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 1960.

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	Premiums Paid
Alberta Wheat Pool....	750	\$ 75,000.00	\$ 55,500.00	\$ 46,500.00
Manitoba Pool Elevators.....	500	50,000.00	37,000.00	31,000.00
Saskatchewan Wheat Pool.....	1,250	125,000.00	92,500.00	77,500.00
	<u>2,500</u>	<u>\$250,000.00</u>	<u>\$185,000.00</u>	<u>\$155,000.00</u>



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

Once again 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,

THOS. G. BOBIER
L. A. BOILEAU
CHARLES W. GIBBINGS
G. L. HARROLD
G. G. JAMIESON
A. J. MACPHERSON
N. MALM
W. J. PARKER
H. B. SNEATH

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY
530 SOUTH EAST ASIAN AVENUE
CHICAGO, ILLINOIS 60607-7070
TEL: 773-936-5000 FAX: 773-936-5001

RECEIVED
JAN 11 1991
10:15 AM
JAN 11 1991
10:15 AM
JAN 11 1991
10:15 AM
JAN 11 1991
10:15 AM
JAN 11 1991
10:15 AM

