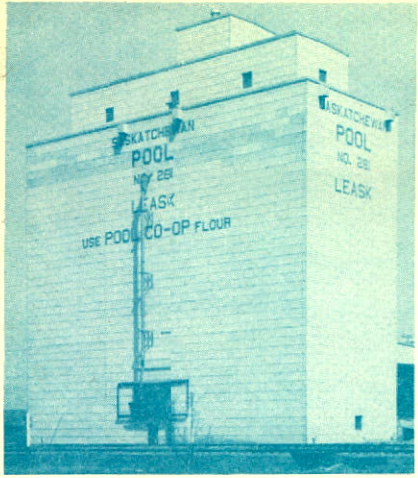

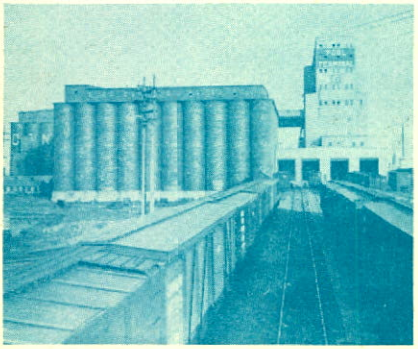

SASKATCHEWAN WHEAT POOL

and subsidiary companies

latest in

THIRTY-NINTH

ANNUAL REPORT

for the year ended 31st JULY

1963

REGINA, SASKATCHEWAN

Pres: Saskatchewan Wheat Pool Dec. 30/63

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. Consideration of proposed Amendments to Articles of Association.
17. Remuneration of Auditors.
18. Appointment of Auditors.
19. Fraternal Delegates.
20. Adjournment.

DIRECTORS' REPORT

IN MEMORIAM

Dr. George W. Robertson, one of the founders of the Saskatchewan Wheat Pool and its Secretary for the first thirty-five years, died in Regina on 23rd May 1963. He was 74.

He was born in Dumfries, Scotland in 1889 and came to Canada at the age of 20. Five years later he settled on a farm near Wynyard. He served on the Wynyard School Board, joined the old Saskatchewan Grain Growers' Association, helped his church as a Presbyterian lay preacher, and was elected to the Saskatchewan Legislature as an independent farmer member. By 1918 he was a Director of the Grain Growers and when the Pool idea was first talked he was among the originals. He became a member of the Pool's provisional Board of Directors in 1923 and the following year retired from his seat in the Legislature to become the new Pool's first full-time employee.

Thirty years later when the University of Saskatchewan granted him an honorary degree, the University Chancellor, Dr. F. H. Auld, presented him with these words:

> "Eminent Vice-Chancellor, on behalf of the Senate and Council of this university I ask that you confer the degree of Doctor of Laws, honoris causis, on Mr. George Wilson Robertson—native Scot, Canadian immigrant, one-time Saskatchewan Legislator, agricultural statesman and world citizen, in recognition of his varied and distinguished services."

George Robertson took an active part in negotiations leading to the first International Wheat Agreement. He had been active at an international wheat producers' meeting in Kansas in 1927 when the idea of a wheat agreement was first discussed. From the outset he urged extension of international co-operation among agricultural producers.

His interests beyond farming were wide. He was a member of the Regina Public School Board for two years, served as a member and Vice-Chairman of the Board of Governors of the University of Saskatchewan for twelve years, was one of the first members of the Board of the new University Hospital and became its Chairman in 1951. He had been Chairman of the Board of Managers of First Presbyterian Church, Regina, for many years, and was at the same time, Chairman of the Lay Advisory Board of the Grey Nuns Hospital in Regina. He was once a President of the Regina Rotary Club, a past Grand Chief of the Sons of Scotland Benevolent Association, and a member of the Advisory Council of the Export Credits Insurance Corporation, a federal Crown Corporation.

Mr. Charles Howard Howlett died at Orkney, Saskatchewan, on 18th January at the age of 79. He had been a resident of the Orkney district since 1912 and had taken active interest in the affairs of the community. For eighteen years he conveyed the mail from Orkney to Climax, usually making the trip by sleigh in the winter and often with a team and wagon in the rainy season. He started the first country Sunday School in a small country school house in the Orkney district, and was a Sunday School Superintendent for nearly fifty years. He also served many years as a Justice of the Peace. He was elected as a Wheat Pool delegate in November 1953 for Sub-district 2 of District 3 and served until his retirement in 1959.

Mr. Dan Downey of Hazenmore, Saskatchewan, was born at Langton, Ontario, 17th February 1883. He came west in 1901 for harvest and went on to work in lumber camps in British Columbia. He returned to Kincaid and filed on a homestead in 1909 and farmed actively until 1937. Mr. Downey was the first policeman in the town of Kincaid and later served as Councillor and Reeve or the R.M. of Pinto Creek. He was elected as a delegate to represent Wheat Pool District 3, Sub-district 2, during 1926 and 1927, and following the reorganization, represented the same sub-district between 1928 and 1931. Mr. Downey died in Delisle Union Hospital on 17th September 1963 at the age of 80 years.

Mr. J. J. Howard of Regina, died in the spring of 1963 at the age of 80 years. Mr. Howard was born at Stayner, Ontario, where he received his early education. In 1900 he moved west with his parents and homesteaded in the Yellow Grass district. He moved to Regina in 1942 but continued farming. Mr. Howard was first elected in 1924 as delegate for District 1, Sub-district 10, where he served until 1928. Then as a result of redistribution of districts, the sub-district became Sub-district 1 of District 6 and Mr. Howard continued to represent the shareholders in that district until 1952. He was among the first delegates of the Saskatchewan Wheat Pool to receive a watch for 25 years of service as a delegate. He retired from farming in 1954. Mr. Howard was a past Master of the Masonic Lodge and past Patron of the Order of the Eastern Star. He was a staunch supporter of the co-operative movement and took an active role in promoting the development of co-operatives in his area.

Mr. J. P. Jenson, pioneer of the Bengough district, passed away in Victoria, B.C. at the age of 84, in March 1963. Mr. Jenson, his wife and four children, came to Ritchie, Saskatchewan, from Omaha, Nebraska, by covered wagon in 1912. In 1917 he moved to the Bengough district, where he farmed and ranched until 1944, when he retired to live in Bengough. He was active in community affairs and Sunday School work. He was elected Wheat Pool delegate in 1926 in District 2, Sub-district 1, and after redistribution in 1928 served as delegate in District 2, Sub-district 9. Altogether he served for sixteen years. He was an active supporter of the co-operative movement. He moved to Victoria in 1952 where he resided up to the time of his death.

Mr. Harry White of Maple Creek, died on 24th February 1963 at the age of 73 years. Mr. White was born in Odiham, England and came to Canada in 1908. He homesteaded in the Arbana district, south-west of Maple Creek, where he lived for 45 years before retiring to live in Maple Creek. Mr. White was active in the foundation of the Saskatchewan Wheat Pool and was a Wheat Pool delegate from 1938 until his retirement in 1950. He represented Sub-district 2 in District 4. Mr. White was one of the founders of the Maple Creek Savings and Credit Union, and also served as a Hospital Board member for some years. He took an active part in the affairs of his community.

Mr. Arthur Hayes of Meota, Saskatchewan, was active in the affairs of the Saskatchewan Wheat Pool in the early days of organization. He was elected as delegate for Sub-district 4 of District 16 in 1924 and served in that capacity until 1927. He died in May 1963.

Mr. Samuel Leary Gilroy of Oxbow, served as Wheat Pool delegate for District 1, Sub-district 3, from 1945 to 1959. Mr. Gilroy started farming in the south Glen Ewen district in 1919 and moved to Oxbow in 1923. During his lifetime Mr. Gilroy was an active Wheat Pool member with many years of service with the Oxbow Wheat Pool

committee. He was a member of the local committee at the time of his death. Mr. Gilroy was active in the local co-operative movement and was a member of the Oxbow Co-operative Association. He served as a municipal Councillor for the Municipality of Enniskillen for three years. He was a member of the Masonic Lodge, serving as Master in 1952. He died on 29th September at the Oxbow Union Hospital at the age of 63.

These were men of stature in their own communities and in their own field of service. They dedicated their services to the advancement of the agricultural industry and found that by helping each other they were able also to help themselves. The works that they helped to build will long stand as monuments to their foresight, to their enterprise and to their willingness to co-operate one with the other, to achieve their goal.

Your Board of Directors is pleased to present the 39th Annual Report covering operations of all branches and Divisions of the Saskatchewan Wheat Pool for the year ended 31st July 1963. In keeping with the practice of former years, the report presents a review of the widespread operations of all Divisions of the organization.

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. Touche, Ross, Bailey & Smart, 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 1963. 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 1963, total current assets of the entire Pool organization amounted to $114,261,073.00 and total current liabilities amounted to $104,171,088.00. The difference between these two items, namely, $10,089,985.00 represents the current position of the Company at the end of the fiscal year, 31st July 1963.

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 1963.

The total original cost of all fixed assets is shown as $84,008,168.00. Over the years depreciation amounting to $52,921,834.00 has been provided, leaving the net value of the fixed assets at $31,086,334.00. This compares with a net valuation of $31,501,022.00 for the previous year, which represents a decrease of $414,688.00.

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 1963. After providing for the unexpended portion of the approved program of capital expenditures, estimated at $4,107,000.00, the working capital for the Season 1963-64 is shown as $5,982,985.00, as compared with $7,440,782.00 for the 1962-63 Season. This is a decrease of $1,457,797.00.

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 1963. Capital

commitments as at 31st July 1963 for completion of the program of building and work under construction, and machinery under purchase, estimated at $4,107,000.00, have been taken into account in arriving at the working capital figure of $5,982,985.00.

Statement of Net Earnings

Statement No. 4 which is attached to this report gives 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 1963.

Statement of Grain Handled

Statement No. 5 attached to this report, shows the total amount of grain handled by the Pool organization during the period 1924 to 1963, inclusive. The statement shows that since the inception of the organization the country elevator system has handled 4,373,706,605 bushels. During the same period the Terminal Elevator Division has handled 3,019,980,851 bushels.

Statement of Financial Position and Members' Equity as at 31st July 1963

The Consolidated Balance Sheet shows the financial position of the organization and the members' equity as at 31st July 1963. It may be summarized as follows:

Total Current Assets		$114,261,073.00
Less Current Liabilities		104,171,088.00
Working Capital—subject to Capital Commitments already referred to		$ 10,089,985.00
Other Assets		32,039,693.00
		$ 42,129,678.00
Less: Reserve for Unearned Subscriptions, The Western Producer	$10,000.00	10,000.00
Total Net Assets representing Members' Equity		$ 42,119,678.00
The Members' Equity is represented by:		
Capital (Membership Fees)		$ 141,227.00
Commercial Reserve		10,759,062.00
Elevator Deductions		19,965,923.00
Livestock Excess Charges Credits		103,329.00
Amount contributed by and allocated to Members		$ 30,969,541.00
Reserve (unallocated)		11,150,137.00
Total		$ 42,119,678.00

Computer Installation

For a considerable number of years the grain records of the Country Elevator Division have been kept on Elliot-Fisher machines. About three years ago the Elliot-Fisher people advised the office that they were discontinuing the manufacture of these machines. That meant that it would be necessary to change to some other type of equipment to handle the grain records.

After due consideration it was decided to conduct a systems and procedures survey and a firm of management consultants was engaged to direct this survey. One of the recommendations made by the consultants was the installation of an electronic computer. A number of members of the staff have been undergoing intensive training in regard to the writing of programs and the operation of the computer, which is scheduled for delivery during the latter part of December of this year.

Present plans are to run in parallel for about the first three months of the new calendar year (that is, the old and the new systems) and if everything works out satisfactorily, to switch to the computer only, for the balance of the grain year, as far as bushel records are concerned.

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 the Division amounted to $5,523,778.00, or a net earning per bushel of 2.73c, compared with an earning of $2,662,385.00 and 2.17c 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:

	1962-63	1961-62	Increase (Decrease)
Earnings	$22,946,046.00	$18,967,953.00	$ 3,978,093.00
Expenses	17,422,268.00	16,305,568.00	1,116,700.00
Surplus	$ 5,523,778.00	$ 2,662,385.00	$ 2,861,393.00

Grain Handlings

The following tabulation provides a comparison of primary grain handlings in Saskatchewan for Season 1962-63 as compared with Season 1961-62.

Total Primary Receipts at Country Elevators in Saskatchewan During Grain Years 1962-63 and 1961-62

(Platform Receipts Not Included)

1962-63

	All Elevs. (Bushels)	Pool (Bushels)	Pool %
Wheat	273,930,564	147,056,883	53.68
Durum	37,392,463	19,947,729	53.35
Oats	30,925,431	16,399,956	53.03
Barley	29,510,872	13,868,501	46.99
Flax	3,806,077	1,868,616	49.10
Rye	5,001,132	2,537,416	50.74
Rapeseed	2,547,483	1,035,384	40.64
Total	383,114,022	202,714,485	52.91

1961-62

	All Elevs. (Bushels)	Pool (Bushels)	Pool %
Wheat	*178,248,615	100,301,088	*56.27
Durum	9,029,911	5,005,294	55.43
Oats	4,592,901	2,594,719	56.49
Barley	18,554,328	9,211,895	49.65
Flax	4,933,855	2,484,428	50.35
Rye	1,492,948	781,619	52.35
Rapeseed	4,737,319	2,457,886	51.88
Total	221,589,877	122,836,929	55.43

*adjusted figures.

	1962-63 (Bushels)	1961-62 (Bushels)
Pool *Average* Handling per Elevator	169,070 (1,199 Elevs.)	103,923 (1,182 Elevs.)
Platform Handlings	45,572	33,600

The above handling and percentage figures for Season 1962-63 are interim figures based on information available at the time this report was prepared and are subject to adjustment when the final report of the Board of Grain Commissioners for Canada becomes available. Figures for Season 1961-62 are final.

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

1962-63 Receipts by Months, All Grains

	Receipts for Month	Monthly % of Total	Cumulative Total	Cumulative %
August.....1962	3,530,261	1.7	3,530,261	1.7
September	15,550,033	7.7	19,080,294	9.4
October.....	29,498,953	14.6	48,579,247	24.0
November	18,073,403	8.9	66,652,650	32.9
December..	20,255,175	10.0	86,907,825	42.9
January.....1963	10,010,537	4.9	96,918,362	47.8
February....	11,571,588	5.7	108,489,950	53.5
March.....	7,817,399	3.9	116,307,349	57.4
April.....	10,944,948	5.4	127,252,297	62.8
May.....	11,055,237	5.5	138,307,534	68.3
June.....	23,007,075	11.3	161,314,609	79.6
July.....	41,399,876	20.4	202,714,485	100.0
Total	202,714,485	100.0		

In addition to the above grains, Pool country elevators handled 16,331 bushels of mustard seed in the 1962-63 Season.

Your Board desires to pay tribute to the exceptional job done in the country by Pool elevator agents, travellers and other personnel, in handling the increased volume of grain during the season.

The 1962-63 Season commenced with 48,585,113 bushels of all grains in store Pool country elevators. Stocks built up gradually to near 60 million bushels in late fall and remained at approximately this level throughout the season. Heavy deliveries in July brought Pool elevator stocks to over 70 million bushels, and the Division ended the season with 77,605,407 bushels in store.

Throughout the grain year stocks averaged 55,863,380 bushels, compared with average stocks of 50,375,409 bushels carried in the previous season.

The following statement shows the amounts and destinations of grain unloaded by the Country Elevator Division in Season 1962-63 compared with the previous season:

	1962-63 (Bushels)	1961-62 (Bushels)
Sask. Pool Terminals—Lakehead.....	93,382,909	81,574,357
—Vancouver.....	18,907,712	24,088,838
Total.....	112,290,621	105,663,195
Other Lakehead Terminals.....	3,482,448	6,852,479
Maltsters.....	1,343,727	574,112
Mills (inc. Sask. Pool Mill).....	14,039,328	18,435,778
Churchill.....	8,659,694	8,592,990
Pacific Coast—Alberta Pool.....	16,491,654	7,586,384
—Others.....	10,132,655	423,679
Interior Terminals.....	453,909	1,896,685
Railway Claims.....	36,485	82,533
Total.....	166,930,521	150,107,835

Grading Record

The grading record for the year, based on cut-off valuations, indicates a net grade loss amounting to $311,906.00, as compared with a gain of $392,909.00 in the previous season.

Inspections

The records indicate that 205,457 cars of wheat were inspected at all primary inspection points in Canada during 1962-63 Season, compared with 210,470 cars in the previous season.

Weigh-ups

A complete weigh-up of stocks was carried out at 480 elevators (38%) and estimated at 773, compared with 936 elevators weighed and 318 estimated in the previous season.

Malting Barley Premiums

Premiums of 5c per bushel obtained on 2,881,186 bushels of consigned barley during 1962-63 amounted to $144,059.00. This compares with $94,824.00 obtained on 3,160-

800 bushels of consigned and $7,350.00 on 245,004 bushels of street shipments in the previous season.

Fire Losses

Insurance coverage on country elevator buildings is maintained at 100% of replacement cost, less depreciation, and currently amounts to $63,696,054.00. Pool Insurance Company carries 60% of the insurance risk on country elevator facilities, re-insuring the balance as follows, Co-operative Insurance Society of Manchester (17%), Lloyds of London (16%), Canadian Indemnity Company (5½%), General Accident Assurance Company of Canada (1½%).

Company cottages are insured with Pool Insurance Company for a total of $4,306,188.00. 1962-63 premiums were $4,720.96 and losses sustained totalled $2,590.00 for a loss ratio of 54.86%.

Country Elevator Repairs

In accordance with your Company's policy of maintaining and improving country handling facilities, an appropriation in the amount of $795,971.00 was approved for 1963 to cover repairs, minor improvements, painting, etc.

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

	Estimated
1.—Reconstruction of 5 elevators	$ 411,000.00
2.—Construction or reconstruction of 6 annexes	190,400.00
3.—Additional appropriation for construction of 6 crib annexes	230,700.00
4.—Additional appropriation for construction of 12 temporary annexes	109,200.00
5.—Capital improvements (repairs and alterations to elevators and annexes, wiring, etc.)	241,983.00
6.—Provision for major repairs and elevator moves	75,000.00
7.—Purchase and installation of 10 cleaners	60,000.00
8.—Additional purchase and installation of 3 cleaners	18,600.00
9.—Transfer of 2 cleaners	5,400.00
Total	$1,342,283.00

The following approval was received for the construction, purchase, renovation, repair and painting of agents' dwellings in the 1963 program:

	Total	Capital	Expense
Repairs, renovations and capital improvements	$139,000.00	$104,250.00	$ 34,750.00
Repainting exteriors	18,000.00	—	18,000.00
Construction or purchase of 15 cottages	165,000.00	165,000.00	—
Total	$322,000.00	$269,250.00	$ 52,750.00

During the 1962-63 Season, ten cottages were built, twenty sold and one was destroyed by fire, leaving a total of 805 cottages owned by your Company at 31st July 1963.

Rapeseed Pool

The fourth year of operation of the Rapeseed Pool closed at 31st July 1963. 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 1,247 growers signed contracts covering 41,520 acres seeded to rapeseed. Deliveries were actually received from 1,239 growers.

Effective 1st August 1962, the initial payment was set at $1.50 per bushel less Vancouver freight. The pool was closed out on 31st July 1963 and a final payment of 60c per bushel was made on all grades, which increased the final price as follows:

Canada Rapeseed	$2.10 per bushel in store Vancouver
2 Canada Rapeseed	1.95 per bushel in store Vancouver
3 Canada Rapeseed	1.75 per bushel in store Vancouver

During the year the pool received 476,366.6 net bushels of rapeseed. By the end of July 1963, all rapeseed had been sold. At the beginning of the year the pool had an inventory of 552,863 bushels, largely accumulated because of an agreement to withdraw a portion of a sale made to the Vegetable Oil Division.

The Central Selling Agency that had marketed rapeseed in previous years was discontinued at the end of July 1962 and the Rapeseed Pool proceeded to make sales to the Vegetable Oil Division and to the export market direct. The Rapeseed Pool sold 318,140 bushels to the Vegetable Oil Division and the balance of stocks were sold for export.

Seeded acreage in Saskatchewan in 1962 was 167,000 acres. Rapeseed marketed in Saskatchewan in 1962-63 totalled 2,547,483 bushels and, as pointed out above, the Rapeseed Pool handled 476,366.6 bushels or 18.70% of Saskatchewan deliveries.

Seed and Farm Supplies

During the past year, Saskatchewan Forage Crop Growers' Co-operative Marketing Association Limited asked the Pool to consider entering the forage seed business. Your Board recognized the growing importance of this industry in the Saskatchewan farm economy, and concluded that by undertaking the handling of forage seeds the organization could undoubtedly assist in bringing about further improvements in agricultural stability.

At the same time, it was considered that co-operative marketing of cereal and forage seeds in Saskatchewan should be undertaken by one central agency. This question was discussed with the Saskatchewan Seed Grain Co-operative Limited, and following a period of negotiations, the members of that organization decided to dissolve their association and sell the assets to the Pool. This process was completed as at 1st August 1963, at which time the Pool announced its entry into the cereal seeds business. Negotiations toward the same objective are now under way with the Forage Crop Growers' organization, and are proceeding favourably.

At the annual meeting of delegates in November, 1962, resolutions were approved recommending that the organization undertake the sale and distribution of farm supplies tnrough elevator agents. Realizing that entry into the seed industry would involve many changes in operating procedure, including the establishment of a regional warehouse system, the Board concluded that if action was to be taken on the farm supplies resolutions, it should be done this year so that all the new ventures could be organized into one department.

After a detailed study of the question, the Board concluded that it would be in the interests of Pool members for the organization to enter the farm supply business, and authorized the Country Elevator Division to set up a new Sales Department, for the purpose of providing fertilizers, farm chemicals and twine.

During the planning stage, the other interested central co-operatives have been kept informed of all policy developments. When the decision was made, all retail co-operatives in Saskatchewan were advised that the Pool was entering the farm supply business, and since that time numerous meetings have been held with co-operatives in every area of the province.

The use of fertilizers and farm chemicals in Saskatchewan is expected to grow rapidly in the years ahead. It is important that co-operatives serving the farm community play a major role in providing for the needs of their members. The central co-operatives believe that substantial savings can be achieved for producers if, through joint action, co-operatives are able to handle a major

percentage of the growing farm supply business. Through its broad provincial coverage, the Pool is in a favourable position to play an important role in achieving this objective.

Export Department

The Export Department showed an operating loss of $49,403.17 for the year ended 31st July 1963, compared with a loss of $922.19 last season. A comparison of sales with those of the previous year is given below:

	1962-1963 (Bushels)	1961-1962 (Bushels)	Increase (Decrease) (Bushels)
Wheat	6,188,539	13,282,198	(7,093,659)
Oats	213,885	503,000	(289,115)
Barley	129,133	221,733	(92,600)
Flax	22,000	—	22,000
Rye	22,629	—	22,629
Total	6,576,186	14,006,931	(7,430,745)
Screenings (tons)	925	1,720	(795)

Carlot shipments for the domestic market during Season 1962-63 were 129, compared with 126 for the previous year.

Export sales of wheat were made by the Department to the following destinations in the amounts stated below:

United Kingdom	410,667 bushels
China	3,988,159 bushels
Norway	1,019,467 bushels
Total	5,418,293 bushels

Churchill

The 1963 shipping season established a new high for shipments out of Churchill. A total of 22,864,410 bushels of grain cleared the Port in 48 vessels. This represented an increase of 1,339,206 bushels over last year's figure of 21,525,204 bushels.

At the close of the 1962 shipping season there were 4,857,228 bushels in store at Churchill. Inward shipments during the season amounted to 20,418,915 bushels, making total stocks available for shipment of 25,276,143 bushels. After 48 cargoes had left the Port there remained in store at the close of the season an estimated 2,411,733 bushels.

The last vessel out of the Port cleared on 20th October 1963 and the first one arrived on 29th July 1963.

The Saskatchewan Wheat Pool, Export Department, arranged the shipment of two cargoes from Churchill, one on 8th August 1963 and one on 17th August 1963: the first one with 606,936 bushels and the second with 608,533 bushels.

Seed Grain Sales

All orders received from growers for quality seed during 1962-63 were placed with the Saskatchewan Seed Grain Co-operative Limited of Moose Jaw on a commission basis.

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

	1962-63 (Bushels)	1961-62 (Bushels)
Wheat	91,654	15,660
Oats	18,780	45,783
Barley	32,700	6,104
Flax	14,436	1,362
Rye	130	—
Rapeseed	740	510
Total	158,440	69,419
Value of Sales	$398,651.00	$134,316.00

Mill Orders

During Season 1962-63 mill orders for 6,035 cars of wheat were allocated to the Saskatchewan Wheat Pool by The

Canadian Wheat Board and forwarded to Pool agents, compared with orders for 9,329 cars in the previous season.

Approximately 19% of the total mill orders received in the current season went to the Saskatchewan Pool Flour Mill at Saskatoon compared with 15% last year.

Construction Department

The activities of this 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 5 Elevators (Fire loss nil)	$ 411,000.00	$ —	$ 411,000.00
Construction or Reconstruction of 24 Annexes	530,300.00	—	530,300.00
Repairs and Improvements of Elevators, Annexes, Wiring, Door Openers, etc.	400,983.00	552,271.00	953,254.00
Repainting of Elevators and Annexes	—	183,700.00	183,700.00
Repairs to Temporary Annexes	—	60,000.00	60,000.00
Total	$1,342,283.00	$795,971.00	$2,138,254.00
Agents' Dwellings:			
Repairs, Renovations and Capital Improvements	$ 104,250.00	$ 34,750.00	$ 139,000.00
Painting	—	18,000.00	18,000.00
Construction and Purchase of Dwellings	165,000.00	—	165,000.00
Total	$ 269,250.00	$ 52,750.00	$ 322,000.00

Amounts expended as at 31st July 1963 under the above authority, are shown in the following statements:

Elevator Program:	*Capital*	*Repair*	*Total*
Construction or Reconstruction of Elevators and Annexes	$ 337,512.19	$ —	$ 337,512.19
RepairstoElevators, Annexes Wiring and Re-wiring	163,484.48	284,418.21	447,902.69
Repainting of Elevators	—	72,229.23	72,229.23
Repairs to Temporary Annexes	—	28,559.78	28,559.78
Total	$ 500,996.67	$385,207.22	$ 886,203.89
Agents' Dwelling Program:			
Construction of new Dwellings	$ 68,430.65	$ —	$ 68,430.65
Repairs, Renovations, Electric Wiring, Painting, etc.	52,976.45	17,658.82	70,635.27
Purchase of Dwellings	—	—	—
Purchase of Property	2,950.00	—	2,950.00
Sundry Additions	866.20	—	866.20
Total	$ 125,223.30	$ 17,658.82	$ 142,882.12

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 1963 was approximately 47% of the authorized program.

One hundred and forty-nine elevators and one hundred and thirty annexes have been repainted (out of a total program of three hundred and twenty-eight elevators and two hundred and sixty-two annexes.)

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

Elevator Construction

A total of five contruction projects was authorized, of which four were allocated and completed by 17th August

1963. In general, the new elevators represent replacement of existing facilities. Details are as follows:

Armour
Siding.....New elevator, 80,000 bushel capacity, electrically driven.
Bradwell.....Elevator rebuilt to 65,000 bushel capacity, retaining 35,000 bushel frame annex, all electrically driven.
Richlea.....Elevator rebuilt to 80,000 bushel capacity, retaining 26,000 bushel elevator, 35,000 bushel permanent frame annex and 15,000 bushel temporary annex. This elevator built on new site and the 35,000 bushel annex moved from old elevator to new one. The old elevator was left in its existing condition. The engine was removed and a temporary auxiliary engine installed. The new elevator is electrically driven.
Sovereign.....Elevator rebuilt to 65,000 bushel capacity, retaining 35,000 bushel frame annex, all electrically driven.

Cost of Elevators

(Electrically driven, including power line construction charges)

35,000 bushel type	$ 67,400.00	($1.92 per bushel)
50,000 bushel type	81,600.00	($1.63 per bushel)
65,000 bushel type	90,200.00	($1.39 per bushel)
80,000 bushel type	97,800.00	($1.22 per bushel)
95,000 bushel type	112,000.00	($1.18 per bushel)
140,000 bushel type	139,200.00	($ .99 per bushel)

(Increase over last year 8.76%)

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 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 horse power. 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.

Long Distance Elevator Moves

Over the past one and one-half years, a total of Nine (9) elevators have been or are being moved to new locations. The moves involved distances up to seventy-five miles. The average distance moved was 26.2 miles. The average cost, including foundation and re-equipping for operation was $18,500.00.

In most cases, major repairs such as siding, shingles, electric motors etc., were carried out at the time of the move.

Only structurally sound plants have been considered for a move.

New Annexes

During the year under review the Board approved a program designed to provide twenty-five new annexes, of which sixteen were allocated. Many of these replaced temporary annexes. The allocation for the 1963 program is as follows:

Crib Annexes	Bushels	Crib Annexes	Bushels
Abernethy	60,000	Mistatim	45,000
Goodeve	50,000	Rocanville	60,000
Hinchliffe	40,000	Runciman	45,000
Inchkeith	45,000	Tramping Lake "A"	60,000
Kenaston "A"	60,000	Weyburn "B"	105,000
Milden	60,000		

It is expected all of the above units will be completed by 1st December 1963.

Cost of Annexes

40,000 bushel Crib	$27,000.00	(67.6c per bushel)
45,000 bushel Crib	28,200.00	(62.6c per bushel)
50,000 bushel Crib	29,400.00	(58.8c per bushel)
55,000 bushel Crib	30,400.00	(55.2c per bushel)
60,000 bushel Crib	31,600.00	(52.7c per bushel)
105,000 bushel Crib	48,200.00	(45.8c per bushel)

(Increase over last year 8.76%)

Temporary Annexes	Bushels
Ardath	35,000
Fairlight	35,000
Frankslake	35,000
Luseland	35,000
Spring Valley	35,000

Cost of Temporary Annexes—$9,100.00 (26c per bushel)

It is expected all of the above units will be completed by 1st December 1963.

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 1963 building program:

1,245 country elevators	44,129,000 bushels
407 crib annexes	13,950,000 bushels
444 frame annexes	16,084,000 bushels
599 temporary bins	12,519,000 bushels
Total	86,682,000 bushels

Repairs and Improvements to Agents' Dwellings

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

(a) Additional rooms
(b) Concrete basements, complete or partial
(c) Oil burners added to old furnaces, or complete new oil or gas furnaces
(d) General repairs, including painting
(e) Installation of plumbing systems

New Dwellings

Balcarres	5-room	Girvin	5-room
Belle Plaine	5-room	Hawarden	5-room
Duff	5-room	Lake Lenore "A"	5-room
Duval	5-room	St. Gregor	5-room
Maidstone	5-room	St. Walburg	5-room
Quill Lake	5-room	Wapella	5-room
Rocanville	5-room	Vawn	5-room
Rosetown "A"	5-room		

The average cost of a 5-room dwelling (modern) is about $11,000.00. This includes provision for oil burning furnace (or gas where available), electric lights, pump and cistern. All cottages constructed during the current season are fully modern.

Cost and Availability Survey

A sharp increase in the Dominion Bureau of Statistics Building Cost Index has taken place over the past year. The index had moved ahead 22.1 points, or 6.76% by June 1963. It is expected that the recent Federal Sales Tax application to building materials will result in a 2.0% increase in building costs.

Some delays in material supply have been experienced.

Head Office Renovation

The Saskatchewan Wheat Pool Building was designed by David R. Brown and Hugh Vallance, Architects, Montreal, Quebec, and was erected in 1913 for the C. W. Sherwood Company. The building was designed at that time for use as a department store. Provision was made in the original design for the erection of two additional floors.

Recently, an engineering study to determine the feasibility of completely modernizing the structure was made. The study revealed the existing foundation was adequate. The plumbing, heating and electrical installations were found to be seriously deficient. Wooden casement type window units were rotted severely and the flooring throughout the building required attention. Interior office lay-outs were both inadequate and obsolete. All of these items are being attended to under the current remodelling program.

Masonry is being re-pointed, terra cotta trim is being cleaned, windows and doors have been replaced and the roofing has been renewed, without basically changing the exterior architectural treatment.

Laboratory Service

During the year ended 31st July 1963, 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
1962-63	15,138	582
1961-62	10,300	391
1960-61	10,760	742

In addition to conducting the tests shown above, the laboratory weighed and graded 1,415 samples of grain in connection with the Junior Co-operative Variety Test Plot program.

In addition to the germination testing work carried on in the laboratory, the Country Elevator Division distributed approximately 16,000 'rag doll' type testers through agents to enable growers to make their own tests. This type of tester has continued to prove popular with the growers in the country.

Terminal Elevator Division

The statement of operations of the Terminal Elevator Division for the year ended 31st July 1963 appears as Statement No. 6, Page No. 23 of the Auditors' Report submitted separately to delegates.

The net earning of the Terminal Elevator Division in 1962-63 was $2,074,635.00, compared with $1,311,885.00 in the previous season, representing an increase of $762,750.00 as compared with the previous year.

Details of the earnings and expenses this year as compared with last year are shown in the Financial Statements submitted by the Treasurer.

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:

	1962-1963 (Bushels)	1961-1962 (Bushels)	Increase (Decrease) (Bushels)
Terminal No. 4	29,424,256	27,613,871	1,810,385
Terminal No. 5	5,860,187	5,655,723	204,464
Terminal No. 6	19,507,934	16,341,887	3,166,047
Terminal No. 7	33,750,165	28,897,372	4,852,793
Terminal No. 8	5,741,800	4,770,618	971,182
Total— Lakehead Terminals	94,284,342	83,279,471	11,004,871
Vancouver	18,803,130	24,646,482	(5,843,352)
Total	113,087,472	107,925,953	5,161,519

The following tables show the Saskatchewan Pool percentage of terminal receipts, shipments and stocks during the past two seasons:

	Season 1962-1963		
	All Terminals (Bushels)	Pool Terminals (Bushels)	Pool %
Receipts:			
Lakehead	294,315,212	94,284,342	32.04
Pacific Coast	162,579,849	18,803,130	11.57
Shipments:			
Lakehead	290,647,635	96,042,592	33.04
Pacific Coast	160,735,861	19,144,209	11.91
Stocks, 31st July 1963:			
Lakehead	79,674,869	23,203,041	29.12
Pacific Coast	16,845,788	1,175,552	6.98

	Season 1961-1962		
	All Terminals (Bushels)	Pool Terminals (Bushels)	Pool %
Receipts:			
Lakehead	252,556,814	83.279,471	32.97
Pacific Coast	181,936,787	24,646,482	13.55
Shipments:			
Lakehead	252,548,422	84,052,735	33.28
Pacific Coast	182,652,142	23,999,024	13.14
Stocks, 31st July 1962:			
Lakehead	75,509,159	24,646,485	32.64
Pacific Coast	13,614,252	1,366,663	10.04

During the year which ended 31st July 1963, 51,698 bushels of damp grain, involving 44,062 bushels of wheat and 7,636 bushels of barley, were dried at Terminal No. 7 at the Lakehead. No tough grain was dried during the season, nor was any grain dried at the Vancouver terminal. In the previous season drying operations involved only 9,769 bushels of damp grain at Terminal No. 7.

During the grain year the lease on the National Harbours Board terminal at Vancouver was renewed for another five years, beginning 1st August 1962.

Flour Mill Division

The statement of Operations of the Flour Mill Division for the year ended 31st July 1963 appears as Statement No. 7, Page No. 25 of the Auditors' Report. The statement shows that the Flour Mill Division had a surplus for the year of $205,883.00, compared with a surplus of $228,167.00 for the previous season.

During the past fiscal year a number of changes in world marketing conditions occurred which had quite an adverse effect on the Mill's production program. While some of these changes took place on the domestic market, the major impact came from the continued industrialization abroad which resulted in the closing of another one of the Division's major markets. Unfortunately, it would appear this trend will continue and at least one and possibly two additional markets will probably be lost to Canadian millers during the coming year.

In view of the market conditions abroad prior to the start of the last fiscal year, the Division programmed production schedules for the year to a five-day operating week. During the first four months of the season, due to the unexpected heavy commitments abroad, the Mill ran well in excess of the planned schedules. During the last eight months of the year, however, the Mill operated pretty well on a five-day operating week. While operations for the year were well below those of the previous year, they were above the average for all Canadian mills and well in excess of the average for Western Canadian mills.

The loss of markets abroad has had a very serious effect on the Canadian milling industry and, while the final figures for the year were not available at the time of writing, it would appear export sales are approximately 10 per cent lower than those of the previous season. This, coupled with the rather drastic reduction during the 1961-62 season, has resulted in curtailed operations for practically all the major milling companies in Canada and some companies are now thinking in terms of reduced capacities in their plants. This is particularly true of Western Canada as export shipments out of the port of Vancouver are negligible when compared with former years.

Prior to this last season Management had succeeded in keeping the Pool's plant in full time operation and, as a matter of record, operations for five consecutive years exceeded what is considered the maximum operating time of 300 days. During the season just completed, however, due principally to the loss of the market in Nigeria and

reduced purchases from the United Kingdom, plant operations fell below the 300-day maximum. However, it was possible to maintain an operating time of 92.2 per cent based on a 300-day operating year, which is regarded as a satisfactory figure under present marketing conditions.

Competition was quite keen in all export markets during the season and, in attempting to develop new markets in areas where the Pool has not been represented, it was found impossible in most instances to meet the competitive structure. Unfortunately, the substitute markets developed are not large importers of Canadian flour and consequently the volume sold was small when compared with that shipped to former major markets. The Division is continually attempting to expand operations to new markets regardless of the quantities involved as the success of the domestic operations depends to a great extent on the ability to keep flour moving into export channels.

The plant operations were very satisfactory throughout the season and the extraction rate and quality standards would indicate peak efficiency was being maintained. Further improvements were made in the wheat conditioning system during the year with emphasis being placed on automatic controls in order to minimize the possibility of human error. The results of these controls are reflected in the increased efficiency of the plant and it is the intention to continue with this program wherever it is felt advisable to do so.

Storage

The total wheat receipts for the season amounted to 2,532,659.5 bushels which, when compared with the previous season, is a decrease of 604,798 bushels.

The street receipts for the season amounted to 361,876 bushels which, when compared with the previous season, is an increase of 96,485 bushels. There were 130 permit holders delivering to the mill elevator during the year as compared with 160 during the previous season.

Gristing receipts for the season amounted to 66,483 bushels, which is a decrease of 7,732 bushels when compared with the previous season.

There were 1,133 cars of wheat unloaded at the elevator during the season and 40 cars shipped, 39 cars containing 1 Feed screenings and one car No. 6 Wheat. Car unloads were down 328 cars and shipments increased two cars. A summary of the wheat receipts by grade is as follows:

	Bushels	
1 Northern	933,250.9	36.85%
2 Northern	759,303.4	29.98%
3 Northern	589,883.1	23.29%
4 Northern	249,583.1	9.85%
Tf. 4 Northern	639.	.03%
Total	2,532,659.5	100. %

	1962-1963 (Bushels)		1961-1962 (Bushels)	
Street Receipts	361,876	14.3%	265,391	8.4%
Carlot Receipts	2,104,300	83.1%	2,797,762	89.3%
Gristing	66,483	2.6%	74,215	2.3%
Total	2,532,659	100. %	3,137,368	100. %

Transfers of wheat to the Flour Mill amounted to 2,559,160 bushels which, when compared with the previous season, is a decrease of 413,320 bushels. Transfers by grade were as follows:

	Bushels	
1 Northern	1,048,848.3	40.98%
2 Northern	746,740.1	29.18%
3 Northern	561,375.9	21.93%
4 Northern	201,556.7	7.88%
Tf. 4 Northern	639.	.03%
Total	2,559,160.	100. %

Flour Mill

The total operating time for the season amounted to 276 days, 20½ hours, representing 92.2 per cent of the possible operating time based on a 300-day operating year. When compared with the previous season there was a decrease in operating time of 54 days, 21¼ hours.

The flour production for the year amounted to 1,163-252.9 cwt. which, when compared with the previous season, is a decrease of 219,299 cwt. The millfeed production for the period was 18,595 tons, indicating a decrease of 4,091 tons as compared with the previous season. The total wheat ground was 2,528,901 bushels which, when compared with the previous season, is a decrease of 503,062 bushels.

The net milling yield for the season was 2.174 bushels, or an extraction rate of 76.6% and the gross yield based on uncleaned wheat from the elevator was 2.20 bushels, or an extraction rate of 75.74%. When compared with the previous season the extraction rate indicates an increase of .6%. The daily average production for the season was 4,202 cwt., which is an increase over the previous season of 26 cwt. per day.

	1962-1963	1961-1962
Flour	1,163,252.9 cwt.	1,382,551 cwt.
Daily Average	4,202 "	4,176 "
Millfeeds	18,595 tons	22,686 tons
Daily Average	67 "	68 "

Sales

The total sales of all grades of flour for the season amounted to 1,150,273 cwt. which, when compared with the previous season is a decrease of 266,704 cwt.

The domestic sales for the year amounted to 363,634 cwt. which, when compared with the previous season is a decrease of 33,693 cwt.

The sales of First Patent flour during the season amounted to 201,164 cwt., which, when compared with the previous season, is a decrease of 4,543 cwt.

Saskatchewan sales of First Patent flour amounted to 109,927 cwt. with 43,875 cwt. or 39.9% sold under the Pool brand and 66,052 cwt. or 60.1% sold under the Co-op amounted to 7,807 cwt. with total sales through co-operatives amounting to 73,859 cwt. The ratio of co-operative sales to independent sales was, co-operatives 67.2%, independent 32.8%.

First Patent sales in the Maritimes, Manitoba and Alberta showed slight increases over the previous season, while Ontario, Saskatchewan and British Columbia showed decreases. One rather encouraging factor in the First Patent sales program was that the Mill shipped the first car of First Patent flour to Quebec during July.

While sales on the domestic market were below those of the previous season, Management believes a good portion of this volume will be recovered during the present year.

As a result of the shorter operating time the plant has been kept in excellent condition.

Vegetable Oil Division

The Operating Statement of the Vegetable Oil Division for the year ended 31st July 1963 appears as Statement No. 8, Page No. 27 of the Auditors' Report. It will be noted that the Vegetable Oil Division had a loss of $15,390.00 for the year under review, as compared with a loss of $330,928.00 for the previous year.

During the year under review the plant processed flax and rapeseed, with the latter comprising the major portion of the time.

Flax Operations

The processing plant operated 32 days on flax, compared with 49 days for the previous season. All sales of

linseed oil and meal were made on the domestic market. The following statements show the types of oil sold and the distribution of sales of oil and meal by provinces for the past two seasons.

Types of Linseed Oil Sales

	1962-63 (Pounds)	1961-62 (Pounds)
Raw	504,602	848,929
Boiled	231,493	178,809
Bleached Raw	735,786	693,350
Alkali Refined	60,080	305,890
Total	1,531,961	2,026,978

Distribution of Linseed Oil Sales

	1962-63 (Pounds)	1961-62 (Pounds)
British Columbia	638,158	801,723
Alberta	245,944	210,024
Saskatchewan	303,746	207,448
Manitoba	283,219	170,676
Ontario	60,894	637,107
Quebec	—	—
Total	1,531,961	2,026,978

Distribution of Linseed Meal Sales

	1962-63 (Pounds)	1961-62 (Pounds)
British Columbia	220,030	495,960
Alberta	1,216,720	2,136,290
Saskatchewan	990,496	1,322,590
Manitoba	—	—
Ontario	—	6,070
Total	2,427,246	3,960,910

Rapeseed Operations

The plant operated 238 days on rapeseed compared with 190 days for the previous season. Rapeseed oil was in fair demand throughout the season at depressed prices and the Vegetable Oil Division's sale price on carload lots for degummed oil ranged from 7.93c to 9.64c per pound f.o.b. Saskatoon. Prices for 1961-62 ranged from 8.43c to 12.03c per pound and for 1960-61 ranged from 8.98c to 14.64c per pound. The following statements show the types of oil sold and the distribution by provinces, as well as export, for the past two seasons:

Types of Rapeseed Oil Sales

	1962-63 (Pounds)	1961-62 (Pounds)
Degummed	14,177,951	4,555,373
Bleached Alkali Refined	780,605	1,458,552
Deodorized	659,773	2,159,446
Total	15,618,329	8,173,371

Distribution of Rapeseed Oil Sales

	1962-63 (Pounds)	1961-62 (Pounds)
Alberta	346,435	46
Saskatchewan	407,744	204,278
Manitoba	282,000	601,290
Ontario	3,663,536	2,904,513
Quebec	10,798,574	3,846,184
Export (U.S.A.)	120,040	617,060
Total	15,618,329	8,173.371

There was a fair demand for rapeseed meal throughout the year with wide fluctuations in price. The average price per ton received was $62.11 f.o.b. the plant, compared with last year's average price of $51.56 per ton.

The following statement shows the distribution of rapeseed meal by provinces for the last two seasons.

Distribution of Rapeseed Meal Sales

	1962-63 (Pounds)	1961-62 (Pounds)
British Columbia	570,110	1,284,030
Alberta	6,520,170	7,575,810
Saskatchewan	6,812,550	5,236,170
Manitoba	—	140,000
Ontario	—	60,000
Quebec	3,840,170	480,030
Maritimes	4,085,290	1,430,080
Total	21,828,290	16,206,120

Elevator

Gross deliveries to the elevator amounted to 85,369 bushels of flax and 743,954 bushels of rapeseed for a total handling of 829,323 bushels. Flax deliveries were made up of 45,285 bushels of street deliveries and 63,787 bushels in carlot and truck deliveries from the Country Elevator Division. Rapeseed deliveries were made up of 40,084 bushels of street and 680,167 bushels of carlot and truck deliveries.

The same policy as in previous seasons was followed 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 date of delivery.

Capital Expenditures

During the year capital expenditures were approved as follows:

Changing conveyor from elevator to annex	$ 1,000.00
Two condensers and one desolventizer kettle	15,000.00
Warehouse for bulk meal	50,000.00
Total	$66,000.00

The annex now has a short elevating leg which is fed by gravity from the main elevator distributor. The objective in this alteration was to increase the capacity of transferring grain to the annex.

The two condensers and desolventizer kettle are now installed and the condensing capacity is increased so that the plant daily capacity of 100 tons of seed can now be accomplished.

The warehouse for the storage of bulk meal is now under construction. The building was to be completed early in October and it will take another four to six weeks to install the loading and unloading equipment.

General

The operating results of this Division for the year under review show a decided improvement over the previous season, which is mainly due to greater plant operating efficiency.

Livestock Division

Statement No. 9, Page No. 29 of the Auditors' Report shows in detail results of the year's operations of the Livestock Division and indicates the financial position of the Division for the year ended 31st July 1963. Surplus for the year amounted to $59,593.00 as compared with a surplus of $139,214.00 for the previous year. This is a decrease of $79,621.00 over last year. The major factors contributing to the decrease in the surplus position include:

(1) A sharp decrease in the volume of hogs handled at all branches.
(2) The loss sustained in the first year of operation of the Lloydminster agency.
(3) Losses incurred in price stabilization operations.
(4) A decrease in the share of earnings received from Canadian Livestock Co-operative (Western) Limited.

Livestock Marketings

In the fiscal year under review, total cattle and calf handlings by the Division show a decrease of 3,504 head,

while the number of hogs handled co-operatively decreased 83,453 head in this period.

Total provincial cattle and calf marketings for the year under review were 703,609, as compared with 744,697 head for the same period a year ago, a decrease of 5.79%. The numbers marketed co-operatively were 388,140 head, or 55.16%.

Total provincial hog marketings in this period were 359,990 head, compared with 647,520 last year, a decrease of 44.40% for the Province. There were 95,491 head marketed co-operatively, or 26.52% of the total provincial marketings.

Total sheep and lamb marketings for the province were 68,893 head, compared with 69,517 last year, a decrease of .9%, and 24,146 head were handled co-operatively, or 34.73%.

Total numbers of all classes marketed co-operatively were 507,777 head representing a gross value of $67,002,-860.64.

Of Saskatchewan Wheat Pool total handlings, 44.79% were marketed through the four yards owned by the organization at North Battleford, Regina, Swift Current and Yorkton; 31.65% through the four agencies operated on yards owned by stockyard companies at Lloydminster, Moose Jaw, Prince Albert and Saskatoon; 9.07% was delivered by the Pool's Country Section Division to Canadian Livestock Co-operative (Western) Limited, at St. Boniface. The remaining 14.49% was delivered 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 good state of repair, the four yards owned by the organization showed an operating surplus of $133,288.52. The four agencies operated by the organization on yards owned by stockyard companies showed a surplus of $22,720.84.

The Country Section Division shipping to Canadian Livestock Co-operative (Western) Limited, St. Boniface, handled a total of 21,911 cattle and calves; 19,951 hogs and 4,184 sheep and lambs. After paying all operating costs, this Division showed a loss of $18,036.68. The above figures do not allow for a share of Head Office Administrative Expenses.

The major factor responsible for the loss shown by this Division was the sharp decline in hog production in the north-east section of the Province. This resulted in a decrease in hog handlings by the Country Section of over 28,000 head, as compared to a year ago.

In order to maintain price levels as uniform as possible at all Saskatchewan markets, the branches purchased outright a total of 34,003 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, also in clearing the organization's markets in the heavy volume periods, the operation resulted in a loss of $43,972.82 or an average loss of $1.29 per head purchased.

The almost steady decline which occurred in fed cattle prices in the period from November 1962 up until March 1963 was a major factor contributing to the increase in cost of outright purchase operations. Other contributing factors were the extremely narrow shipping margins which existed throughout the year between Western, Eastern, and United States centres, also the fact that all feed used in connection with this operation was charged against livestock handled through this account this year, making a

difference of approximately $7,000.00 as compared to a year ago. This amount is reflected in the increased earnings shown in the feed and fodder account.

The Livestock Division continued to handle cattle sales in conjunction with local agricultural organizations at the points of Meadow Lake, Tompkins, Climax, Consul and Piapot.

The Swift Current branch in the year under review handled a total of 16 country sales; 5 at Climax; 6 at Tompkins; 3 at Consul and 2 at Piapot. The number of cattle and calves sold through the 16 sales totalled 9,169 head. The North Battleford branch held 17 sales at Meadow Lake in the year under review. Cattle and calf handlings through the 17 sales totalled 5,158 head.

Attached to this report as Statement No. 15 is 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

	1958-59	1959-60	1960-61	1961-62	1962-63
Cattle and Calves:					
Provincial Deliveries	684,436	623,668	658,820	744,697	703,609
Handled Co-operatively	305,680	312,755	348,514	391,644	388,140
Percentage of Co-operative Handlings	44.66%	50.15%	52.90%	52.59%	55.16%
Hogs:					
Provincial Deliveries	909,437	746,631	502,156	647,520	359,990
Handled Co-operatively	270,319	208,968	142,522	178,944	95,491
Percentage of Co-operative Handlings	29.72%	27.99%	28.38%	27.64%	26.52%
Sheep and Lambs:					
Provincial Deliveries	46,221	47,910	55,410	69,517	68,893
Handled Co-operatively	18,038	18,748	21,077	25,851	24,146
Percentage of Co-operative Handlings	39.02%	39.13%	38.03%	37.18%	34.73%

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 1/58	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
Dec. 1/61	1,756,000	620,000	120,000
June 1/62	2,080,000	429,000	174,000
Dec. 1/62	1,833,000	387,000	106,000
June 1/63	2,147,000	423,000	164,000

CANADA

	Cattle and Calves	Hogs	Sheep and Lambs
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
Dec. 1/61	11,111,000	5,674,000	1,071,000
June 1/62	12,075,000	4,973 000	1,433,000
Dec. 1/62	11,206,000	4,993,000	870,500
June 1/63	12,305,000	5,210,000	1,340,000

Feeding Co-operatives

During the year new feeding co-operatives were incorporated at Dorintosh, Debden, Kamsack, Smeaton and Norquay. One co-operative was dissolved, leaving a total of 37 associations in existence as at 31st July 1963.

A total of 13,947 cattle were financed under the program during the crop year, and 10,470 head purchased at a cost of $1,259,000.00 were still on feed at 31st July 1963. Insurance claims were paid on losses amounting to 228 head.

During the year a series of regional meetings was again held, providing an opportunity for members of feeding co-operatives to gain information regarding livestock feeding and management, marketing, and feeding co-operative policies.

In addition, a three-day course, attended by fourteen supervisors of feeding co-operatives, was sponsored by the Pool in March, at Western Co-operative College.

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 1963.

The operating surplus for the period was $88,428.00, which was allocated as follows: 58.39% or $51,633.10 to Manitoba, and 41.61% or $36,794.89 to Saskatchewan.

During the period under review, Canadian Livestock Co-operative (Western) Limited handled the following livestock, the bracketed figures indicating the comparative handlings for the previous year,—cattle—159,418 (156,-259); calves—47,197 (50,464); hogs—89,318 (157,837); sheep and lambs—21,993 (19,905); for a total gross value of $34,941,503.83, as compared with $33,605,711.55 the previous year. The above figures include the Order Department, which for the past year handled 20,889 cattle; 11,010 calves; 425 hogs; 691 sheep and lambs, for a total gross value of $4,101,028.62.

The following comparative figures cover deliveries to Canadian Livestock Co-operative; the St. Boniface Stockyards; and direct to Winnipeg packing plants during the past fiscal year; with the percentage increase or decrease from the deliveries during the previous year indicated:

	Cattle	Calves	Hogs	Sheep & Lambs
C.L.C. (W).L. Receipts	138,529 +2.5%	36,187 -25.76%	88,893 -43.58%	21,302 +7.4%
St. Boniface Union Stockyards Receipts	254,899 -8.35%	116,647 -18.65%		28,791 +6.03%
Deliveries direct to Winnipeg Packing Plants	149,082 -9.31%	28,433 -25.56%		57,235 -15.74%

These figures indicate a very slight increase in cattle receipts to the agency, but a sharp drop in calf deliveries. Combining the two, while Canadian Livestock Co-operative receipts of both cattle and calves are 5% lower than a year ago, deliveries to the St. Boniface Stockyards are 11.88% lower; and deliveries directly to packing plants at St. Boniface are 12.38% less. Again, of both cattle and calves delivered to the St. Boniface Stockyards during the period ending 31st July 1962, Canadian Livestock Co-operative handled 43.63%; while during the period which ended 3rd August 1963, C.L.C. (W). L. receipts comprised 47.02%. This continues a gradual trend whereby Canadian Livestock Co-operative is handling a greater percentage of that stock being directed to the St. Boniface Stockyards

for sale. This larger share results in the Co-operative being allotted more time in the auction rings, operating one ring entirely for Co-operatively consigned stock most of the time; and, of course, having additional time in other rings whenever required. This naturally attracts representatives of all buying interests, as they can be assured of sufficient volume from which to secure their requirements. The larger the number of buyers, the keener the competition; resulting in generally active trading in the Co-operative rings. The greater percentage of livestock channelled through the Co-operative, the greater control the producer has over his own product through his own agency.

The picture with regard to hog handlings is quite different. Canadian Livestock Co-operative handled 43.58% fewer hogs during the last fiscal period as compared with the previous year. This is considerably lower than the figures covering hog slaughterings in Western Canada, which show a decrease of 21.33%. One reason could be that with the completion of new packing plants in the West throughout the past year or two, placing the processing facilities closer to the sources of supply, more and more hog deliveries are being made to local plants.

Lower receipts, particularly of hogs, has resulted in a substantial decrease in the revenues collected, further resulting in less surplus payable this past fiscal period than the previous year.

On the basis of surplus compared to revenue, this past year the surplus is 26.1% of the total revenue collected, while for the previous year that surplus payable was 28.7% of revenue received. Taken in this light, there is still more than one-quarter of the charges levied which are being saved and returned from the central selling agency.

Printing and Publishing Division

The financial results of operations of the Printing and Publishing Division for the year ended 31st July 1963 are set out in the Financial Statements and Auditors' Reports submitted separately.

The Commercial Printing Department showed a surplus for the year of $58,478.00 as compared with $35,523.00 for the previous year. The loss for The Western Producer was $227,084.00 compared with a loss of $221,794.00 for the previous year. The net loss, when taking both departments into account, amounted to $168,606.00. This is an improvement of $17,665.00 over the previous year.

Commercial Printing Department

Commercial printing volume maintained a normal level during much of the year, with most of the increased production occurring in the last quarter. An encouraging number of large orders were produced in the plant. An aggressive sales program has increased the volume of business enjoyed from several customers and has resulted in the development of a number of new accounts. With few exceptions, paper costs remained stable throughout the year. It was necessary, however, to increase printing charges by amounts ranging up to 5% to recover higher labour and overhead costs.

The Western Producer

Revenue from The Western Producer totalling $433,434.82 represents an increase of $14,861.21 or 3.55% over last year. A rise of $13,601.36 in advertising sales accounted for the major portion of the increase. While economies in operating costs were effected in all possible areas, expenses rose by 3.2%. The year's operations resulted in a net deficit of $227,083.87, up $5,290.09 in comparison with the previous fiscal period.

Advertising sales showed improvement during the early part of the fiscal year, fell slightly during the winter months, followed by a period of encouraging gains. An increase of 3.65% in net revenue was recorded for the year. Figures for display advertising about equalled 1961-62, while revenue from space used by classified advertisers rose 12.3%. It is of note that of the five farm papers in the field, The Free Press Weekly and The Western Producer were the only publications recording gains in display lineage, the remainder sustaining losses ranging from 4.1% to 12%.

The subscription and insurance sales force is now well established in both Alberta and Saskatchewan. With organization of the force in Alberta completed, increased subscription production from that province during the coming year is anticipated. Initial plans are being laid for extending the insurance sales program into Manitoba. Total net paid circulation of 143,234 was distributed as follows: Saskatchewan 80,798; Alberta 37,141; Manitoba 15,928; British Columbia 7,548; and miscellaneous 1,819.

Insurance

Encouraging progress was noted in the operation of the insurance service department. Premiums written on Saskatchewan policies more than doubled during the year and production in Alberta has been quite gratifying since the introduction of the plan in that province in September 1962. Commission earned on premiums has been sufficient to provide a surplus of $15,175.93 after allowing for all expenses associated with the operation of the department.

Additional benefits under the new Saskatchewan policy were offered in January 1963. These provided for automobile accident coverage and involved a maximum additional premium of $3.50. The original farm group plan, the sale of which to new policy holders was suspended in September 1961, continues to be quite popular with readers. Of almost 12,000 policies in force at the time its sale was discontinued, 6,279 remain in effect.

Renewal of policies under the new plan numbered 6,419, representing 76% of policies due to expire. This is considered to be a satisfactory percentage in view of the fact that solicitations for renewals are made by mail.

Editorial

This department "distills" a summary of regional, national and international news to the end that readers of The Western Producer are provided with a brief but accurate summary of important news of the week.

A recent study indicated that less than 17% of Western Producer readers are also readers of daily newspapers. Thus, the general news section provides confirmation of what has been heard and seen, and many items that have neither been heard nor seen on television and radio. It is sometimes suggested that the availability of news through other media, such as radio and television, could perhaps eliminate the need for the type of general news coverage within the scope of weekly publication. Readership studies in recent years have indicated exactly the opposite. These media have actually appeared to stimulate the desire of the listener or viewer to confirm what he has heard and what he has seen by means of the printed word.

Among topics receiving above-average attention in the general news section during the year were those concerning European Common Market negotiations and developments; rail line abandonment and allied matters; the western legislative assemblies and federal parliamentary sessions, and numerous others of national and international importance. Crop and harvest reports were carried in detail, with the co-operation of all three Wheat Pools.

Agricultural Section

This department provides the grain and livestock producers of Western Canada with news and information that will be enlightening and helpful in the production, handling and marketing of their product.

Close liaison with groups and individuals at research and experimental institutions enables this department to provide material on new techniques and discoveries. Wherever possible, first-hand information on the application of such new techniques has been sought directly from farmers using them. An increasing number of stories has been carried concerning farmers who, through their own ingenuity, have devised better methods of raising more bushels of wheat per acre, more pounds of beef per ton of feed, more top grade pigs to market, objectives aimed at better farming and better farm living standards.

In addition, this department has provided broad coverage of meetings and conferences of organizations and groups in the production and certain marketing phases of agriculture. Advance publicity has been provided for meetings, livestock sales and shows, field days and other agricultural events. Important shows, competitions and major livestock sales have been given maximum attention within the limitations of staff and space available.

During the year under review, adequate space to all classes of agricultural fairs and exhibitions in Western Canada was provided. Extensive photo coverage appears to have met with the approval of exhibitors, exhibition sponsors and officials, and readers in large number, judging by comments received from all sources mentioned.

Co-op Section

Considerable space has been devoted to what has been an extremely live topic in the past year, the question of co-operatives and income tax. The objective has been to present as many points of view as have been advanced, favorable to the co-op cause or otherwise, and to come to the defence of the movement when it is subjected to attack.

Special emphasis has been placed on coverage of the hearings of the Carter Royal Commission on Taxation, and comprehensive summaries of all briefs of interest to co-operatives presented to the Commission have been published, in addition to analytical comment on these where indicated.

Major developments in the field of co-operatives were given the usual attention, and close liaison was maintained with all phases of the movement.

Farm Organizations' Section

This department had a number of lively issues to cope with in the past year, in the course of week-to-week reporting on farm, municipal and educational groups. The question of unity between farm organizations was a recurring theme, as were the issues of rural municipal boundary changes in Saskatchewan and Manitoba. In addition to regular reporting duties, some fifteen full-scale conventions were covered in detail.

The department was also responsible for interviews with visiting politicians on questions affecting farmers and farm organizations, and a considerable number of general news reporting assignments.

Women's Section

News of women's club activities continued to occupy substantial amounts of the space allocated to the women's editor, and special columns in the section continued to

enjoy increased popularity with readers. More space given to the women's "Mail Box" appears to have been appreciated, but has not as yet succeeded in reducing a backlog of almost 100 letters, some from as far away as Florida and Texas.

Pattern sales, although down slightly from last year, were still over the 30,000 mark, bringing in revenue of more than $1,600.00.

Young Co-ops and 4-H Club pages are under the direction of this department and continue to attract more and more members and correspondents. YCs continue to attract some 40 to 50 members per month, and about 20 letters per day.

An increase in reports from 4-H Clubs has been noted, particularly from Alberta. A number of 4-H events were covered by staff, including special meetings and rallies in Winnipeg and Calgary. Editing and assembling of 4-H reports has now become a major project of the department.

Special columns in this department include those on home economics, gardening, personal advice, and sewing. "Manners for Teeners" a staff member's column on the 4-H page, has been incorporated in club projects in both Manitoba and Saskatchewan.

Magazine Section

Preference in the Magazine Section was again given to Canadian freelance contributors, with emphasis on articles, fiction and photos covering timely topics and pioneering stories of the Old West, as well as others of broad general interest.

Staff members contributed some fifty major feature items to the magazine, among which were the visit of the Royal Regiment to Batoche, Institutes sponsored by the Saskatchewan Council of Public Affairs, The Western Development Museum's Pion-Era show, a photo-story on the Rogers Pass, the Esterhazy Potash mine, Young Canada Book Week, Canadian History items, and many others. A special "water for the farm" issue was published and this year attracted an encouraging amount of advertising lineage.

The serial "Blazing the Old Cattle Trail" was issued in book form during the year, and was well received. Another work by the same author, Grant MacEwan, titled "Hoofprints and Hitchingposts", now running as a serial, will also be produced in book form at an early date. A story about the early days in northern Manitoba, "Dew Upon the Grass" ran in the earlier part of this year, and will shortly appear in book form.

A recently added column, "Chess by Mail", is contributed free by a noted chess enthusiast, and appears to be popular with many readers.

Economic Review of The Western Producer

Your Board authorized P. S. Ross and Associates of Vancouver, Management Consultants, to analyze the efficiency of production and administration of the newspaper in an effort to reduce its annual financial losses.

The Consultants' report indicates that The Western Producer is basically a well-run newspaper, offering only limited opportunity for an increase in revenues or a decrease in operating costs. Certain recommendations for minor improvements were suggested and these are now under consideration by the organization.

It is evident that the financial problems of The Western Producer are those same problems that face virtually all of the farm press in Canada. Your Board is firmly of the opinion that this newspaper continues to serve an import-

ant purpose in promoting the welfare of farm people in Western Canada, representing far greater value than the financial losses incurred by the organization.

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 1963 as follows:

Operating Surplus:		
Country Elevator Division		$5 523,778.00
Terminal Elevator Division		2,074,635.00
Flour Mill Division		205,883.00
Vegetable Oil Division		(15,390.00)
Livestock Division		59,593.00
Printing and Publishing Division:		
Job Printing Department	$ 58,478.00	
The Western Producer	(227,084.00)	(168,606.00)
Total Operating Surplus for the Year		$7,679,893.00
Less Provision for 1963-64 Purchase of Deductions		2,020,000.00
Unallocated Surplus—Season 1962-63		$5,659,893.00

Allocation of Surplus

Your Board of Directors recommends that the surplus earnings of the organization for the year ended 31st July 1963, amounting to $7,679,893.00, be allocated as follows:

Excess Charges Refund—Season 1962-63	$7,070,000.00
Provision for Income Tax—estimated	285,000.00
Transfer to Reserve Account—estimated	324,893.00
Total	$7,679,893.00

Your Board further recommends that the surplus earnings for the year ended 31st July 1963 allocated to Excess Charges Refund, Season 1962-63 and amounting to $7,070,000.00, be distributed in relation to patronage on all grains (including rapeseed), delivered by members of the Company during the year ended 31st July 1963, on the following bases:

Grain:	
(*a*) Cash patronage dividend at the rate of 1.5c per bushel, estimated	$3,030,000.00
(*b*) Patronage dividend at the rate of 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	2,020,000.00
(*c*) Patronage dividend at the rate of 1c 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	2,020,000.00
Total	$7,070,000.00

Your Board further recommends that no patronage dividend be paid on livestock deliveries, and that the livestock surplus be transferred to reserve.

Interprovincial Subsidiaries

Canadian Co-operative Wheat Producers Limited

As in former years, the Annual Report of Canadian Co-operative Wheat Producers Limited contains a compre-

hensive summary of national and international developments in agriculture during the year under review. It is attached to this report.

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 1963, 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 each year. The report of operations of this Company for the year ended 31st December 1962, 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.

In keeping with the procedure of 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 Department

The Publicity Department continued to issue news releases to newspapers, radio and television news departments during the year. The number of outlets on the press release mailing list continued to increase as additional organizations requested the material sent out by this department.

A number of special articles for magazines and newspapers and a considerable amount of background material on the Pool and about agriculture were supplied on request to other publications. The number of these requests has been increasing steadily. There was a great flurry of requests for information shortly after the close of the year under review following the announcement of the sale of wheat to Russia.

Television

The Pool's television advertising program remained unchanged from the previous year. Weekly news programs were sponsored on five stations for twenty-six weeks. Station CKBI-TV and radio carried fourteen talent programs during the season. The response to the talent program continued to be excellent.

Radio

Morning spots were continued on CBK radio. High school curling broadcasts were resumed. This is one of the few vehicles of the department directed to young people.

The farm news broadcast was maintained on a twice-a-week basis during twenty-six weeks from mid-October to mid-April. Toward the end of the broadcast season, elevator agents conducted a telephone survey to discover the extent of listenership to this program. The survey showed that on the day the calls were made, radios in 17,800 farm homes were tuned to the Wheat Pool broadcast. Radios in 3,000 additional homes were tuned to the stations which had already carried, or were about to carry the broadcast. No attempt was made to estimate the number of homes in villages, towns or cities, or the number of car and truck radios tuned to one of the stations carrying the broadcast. Of those who were, in fact, listening to the

Pool broadcast, 66% identified the Pool as sponsor of the broadcast. The survey also revealed that some areas of the province were not receiving the Pool news program. It was decided to add two additional stations to assure more adequate coverage of the Province.

Newspapers and Periodicals

The Western Producer has been the principal outlet for advertising placed by the department during the year. Weekly newspapers have carried substantial Wheat Pool advertising. Advertisements have also been placed in selected periodicals published in Saskatchewan. A limited amount of advertising has been placed in periodicals serving influential readers outside the province.

Exhibitions and Special Events

Exhibits were sent to Class A and B fairs and a float for the Wheat Queen was entered in the Travellers' Day parade in Regina. Float material made available to committees through the department was used in twenty-two parades.

Calendars

Wheat Pool calendars were mailed to members and bulk supplies sent to elevator agents. Many other calendars were distributed to non-members in Saskatchewan and other provinces. About 125,000 calendars were distributed.

Flour Advertising

Pool flour advertising was sharply reduced during the year under review. Much of the smaller budget was spent preparing a colouring book which is now being distributed. It is meeting with a tremendous response. Co-op flour advertising is produced and placed by Interprovincial Co-operatives through its regionals. The Flour Mill pays advertising costs up to an agreed amount.

Sales Department

Just as the year under review closed, this department accepted responsibility for preparing and placing advertisements announcing the opening of the new department. Press releases were also sent to newspapers, radio and television stations.

Public Relations

Maintenance of good relations between the Pool and press, radio and television, continues to be a major objective of the department. A measure of success in this field is the increasing number of requests for background information about wheat and other agricultural topics received by this department. The department has been able to assist visiting newsmen from other parts of Canada and the United States to a better appreciation of the peculiar problems of the wheat industry.

The Wheat Pool has entertained a number of Canadian Wheat Board missions visiting Saskatchewan in the course of their tours. The Wheat Pool Head Office is a source of information for many other official and unofficial visitors to the Province.

Library

During renovation of the Head Office building it was necessary to suspend service from the library from 22nd April to 27th August. Extra books were sent to borrowers before the suspension of service. The number of books distributed was 8,001, compared with 7,639 the previous year. Part of the increase was accounted for by the publicaion of a new catalogue. While the library was closed a very-substantial start was made on improvements in the Refers ence Department by better classification of material. Thit

work is continuing. An inventory was taken of book stocks while the library was closed. A statistical summary appears in Statement No. 6.

Crop Reporting

Compilation of the weekly crop report is carried out in the Country Elevator Division. The Publicity Department prepares and distributes the report and press summaries based upon it. This service maintains its wide popularity in the trade, in government offices and in news media. Supplies previously used to produce the coloured map, formerly distributed with the crop report, became unavailable during the year. A substitute, admittedly less satisfactory, was developed and appeared to serve a useful purpose. The department wishes to record its appreciation of the accurate and faithful work done by agents in supplying information for the crop report.

Research Committee

The following projects were under consideration by the Research Committee during the past year:

(1) Consolidation of the country organization structure, including relocation of district and sub-district boundaries.

(2) Farm supplies policy.

(3) Railway branch line abandonment and consolidation of country elevator facilities.

(4) The financial structure of the organization, including alternative methods of future financing, distribution of earnings, etc.

(5) Research studies on the growth and development of the livestock industry, including consideration of extending co-operative participation in the meat packing and killing industry.

The above projects were referred to the Committee by the Board of Directors and the studies were undertaken in co-operation with related divisions or departments. Research work on items 3, 4 and 5 above is still in progress.

Research Department

The main function of the Research Department is to study economic and political developments of concern to Saskatchewan Wheat Pool members and to prepare background information and analyses on which policy decisions and action programs can be based.

Some of the undertakings of the department, sketched briefly in review, merit reporting because they indicate the scope of questions faced by your Directors and Management.

Grain Marketing:

How best to contribute to Canada acquiring an increasing share of the world's grain marketings was a major question throughout the year. A number of discussions were held with economists who have undertaken a study of world grain disposal for the three Pools. The department undertook studies of proposals made to the 1962 Annual Meeting of Delegates that the Pool consider entering the active grain trade as a sales agency of The Canadian Wheat Board and that Pool members consider a farmer set-aside to help finance the insuring of international credit sales of grain. The department reported on the U.S. farmer referendum on American wheat support programs and on present U.S. farmer participation in market promotion. On the technical side, a study was published on ergot in seed and feed grain and another report was prepared on developments in grain technology, particularly those affecting the

processing of wheat into non-bread forms and for industrial use. The department attempts to keep a close watch on both economic and technological developments through membership in a number of professional associations and the regular reading of technical bulletins and reports.

Livestock:

Two university studies started a year ago have yet to bring reports, but during the year there were a number of meetings to discuss the trend of the investigations. One study concerns livestock supply and marketing and the other the prospects for the meat packing industry. In addition, the department assisted the Animal Science Department of the University of Saskatchewan in a study of the feeding value of different grains or grain mixtures in terms of total production per acre. Grain samples used for this study were provided through the variety testing program.

Transportation:

A number of questions involving transportation were under study during the year, particularly concerning the rationalization of railway branch lines. The department prepared the Pool's submission to the Board of Transport Commissioners' hearing into the CPR's application to abandon the Colony sub-division in southern Saskatchewan in which the Pool outlined its main argument against the piece-meal consideration of railway abandonment applications. It also prepared background documents for a Regina conference on rationalization which attracted the Premiers of the three Prairie Provinces and representatives of grain handling organizations, organized farmers and other segments of the provinces likely to be affected by changes in rail services. Following an Ottawa meeting in January among representatives of the grain industry, farmers, the federal government and the railway presidents, the department published a memorandum and distributed it widely throughout Canada, outlining the Pool's view that the federal government must accept first responsibility for setting the pace of investigations concerning railway abandonments and that government must insist that the total picture be considered rather than one line at a time. Throughout the year study has been continuous on questions involved in the railway branch line subject.

In June a report was prepared following a Seaway Transportation Forum in Winnipeg, at which shippers and carriers considered how best to increase seaway use for general cargo.

Farm:

A study of present procedures for the expropriation of land was made and a submission presented to the Legislature's select committee; another study was undertaken on a number of programs available to insure farmers against farm accidents.

Co-operatives:

During the year the question of co-operatives and income tax has been under almost constant public review, partly because of the hearings of the federal Royal Commission on Taxation. The department assisted with the preparation of a joint submission to the Commission from the three Pools and was associated with the Co-operative Union of Canada in the preparation of their submission on tax questions.

Economic Associations:

The Agrologist in the department has been active this year, as in the past, as a member of the Saskatchewan Advisory Council on Grain Crops and also the Council on Weed Control. As a member of the Saskatchewan branch of the Canadian Agricultural Economics Society he contributed to a study on mail-in farm accounting which the Society has under consideration. The Director of the department is also a member of the Canadian Agricultural Economics Society and helped to conduct a workshop at Edmonton in June on farm policy questions. He has recently been appointed to represent the Pool on the Transportation Advisory Committee of the Saskatchewan Government.

Variety Testing:

The Wheat Pool's program of variety testing has been carried on continuously since 1935. Its major objective is to provide comparison between new grain varieties and those commonly used in various areas of the province. Varieties to be tested are selected with the advice of the Crop Science Department of the University of Saskatchewan, and the young people who conduct the tests are appointed by Wheat Pool delegates. An attempt is made each year to locate two tests in each Pool sub-district so that distribution in the province will be reasonably uniform.

The following table indicates the varieties tested in 1963 and the numbers of each type of test:

Project	*No. of Tests*	*Varieties*
Wheat	149	*Canthatch, Thatcher, Selkirk, Cypress, Rescue, Park, Pembina.
Durum Wheat	63	Stewart, Ramsey, Pelissier, Stewart-63, Canthatch.
Flax	79	Redwood, Norland, Cree, Arny, Marine
Feed Comparison	30	Thatcher wheat, Rodney oats, Husky barley, oat-barley mixture, wheat-oat-barley mixture.
Total.....	321	

*Each test contained only five of the varieties listed.

Feed comparison tests, carried on this year for the first time, were designed to indicate which grain or mixture of grains produce the most feed grain value per acre.

Threshing and yield calculations are carried out at the Wheat Pool Head Office. A report is published summarizing the results of Wheat Pool tests and about 5,000 copies are distributed to farmers and others. Data from these tests are submitted to the Saskatchewan Advisory Council on Grain Crops. This Council meets annually to consider the results of tests conducted by Experimental Farms, the University of Saskatchewan and the Wheat Pool, and on the basis of this data recommends the varieties best adapted to Saskatchewan conditions.

Junior Activities

4-H Club Program—1963

The celebration of the 50th anniversary of the beginning of 4-H Club work in Canada helped make 1963 a banner year for 4-H activities. Enrollment totalled 11,085 members in 615 Clubs, or a total of 18.1 members per Club. In 1962 the membership was 9,745 and the number of Clubs was 681, or 14.3 members per Club. The average age of Club members is 14.2 years, and the average time members now remain in 4-H Club activities is 2.7 years

The operation of the 4-H Club program at the local level continues to expand toward a multiple project concept, rather than single project Clubs. In the fall of 1961, the option of operating a 4-H Club with more than one project was offered. About 25 Clubs experimented with the idea. During the past year, the idea has spread to the extent that about one-third of the Clubs operating in Saskatchewan were formed as multiple project Clubs.

There has been an addition of projects in new areas, and the graduation of existing projects into levels for beginners to more advanced stages. This has involved in the 4-H program a greater number of adult volunteers acting as project teachers than at any previous time in 4-H Club history.

A total of 33 projects were offered for 4-H members during the past year. Those with the largest total enrollment are as follows: Fed Calf–4,065 members; Sewing–2,040; Grain–1,140; Beef Heifer–1,032; Garden–633; Junior Hunter Safety–462; Woodworking–375; Light Horse–369; Foods–290; Nursing–268; Automotive–216; and Dairy–203.

Saskatchewan Wheat Pool Assistance

Recognition of the important role played by the Saskatchewan 4-H Club program in developing the skills, attitudes and leadership abilities of farm boys and girls, is expressed in the substantial measure of assistance granted to the program by the Pool organization. This assistance takes many forms and is given at the National, Provincial and local levels. Of major significance is the $10,000 grant made annually to the University of Saskatchewan for 4-H Club work. In addition, banquets are sponsored for a number of 4-H events during the year, and for Farm Camps at some of the exhibitions. The Pool is a member of the Canadian Council on 4-H Clubs, and is represented on the Saskatchewan 4-H Foundation and the various district 4-H Councils. Probably the most significant contribution, however, is made by Wheat Pool Committees in the sponsorship of local Clubs, and through the provision of leadership talents by local Wheat Pool members, agents and fieldmen. The efforts of these volunteer workers, co-operating with the dedicated staff of the Extension Department, University of Saskatchewan, is making a significant contribution toward the development of the rural young people in this province.

Bursaries and Scholarships

Geo. W. Robertson Memorial Scholarship

The Geo. W. Robertson Scholarship was set up by resolution of the Delegates in 1958 in honour of the first Secretary of the Saskatchewan Wheat Pool. Following the death of Mr. Robertson in late May of 1963, the Board of Directors by resolution, changed the name of the Scholarship to the Geo. W. Robertson Memorial Scholarship. It is valued at $1,200.00, and 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. Up to the present time the Scholarship has been awarded to Mr. Harold E. Bronson and Mr. Paul Arthur Phillips. The Scholarship has been awarded to Mr. Phillips for the second year.

McPhail Memorial Bursaries

The McPhail Memorial Bursary fund set up in memory of the late A. J. McPhail, first President of the Saskatchewan Wheat Pool, provides for two Bursaries of $200.00 each yearly. The Bursaries are available to girls attending

the Farm Girls' Camps at the Exhibitions at Regina and Saskatoon, and are awarded on the basis of the girls' standing at Camp, their scholastic ability, character and leadership ability. Bursaries were awarded during 1963 to Miss Margaret Gillies of Saskatoon, and Miss Dianne Luke of Crane Valley.

Saskatchewan Wheat Pool Bursaries, School of Agriculture

Sixteen bursaries, valued at $250.00 each, are made available each year to students attending the School of Agriculture at the University of Saskatchewan. The bursaries are made available to first year students on the basis of one in each Wheat Pool District, and are renewable for a second year. Selection of students, who are to receive the School of Agriculture bursaries, is made by the Scholarship Committee of the School of Agriculture, and the awards are made on the basis of merit and need. For award purposes the Committee takes into account the academic standing, community activity, 4-H Club work, and general leadership qualities.

Country Organization Department

A strong and unique feature of the Saskatchewan Wheat Pool is the maintenance of the Country Organization Department, responsible to the Board of Directors. This recognizes the necessity of a continuous program of Adult Education and Extension within the Wheat Pool family. The department strives to:

(a) Maintain the organizational structure of the Wheat Pool.

(b) Expand understanding of and faith in the co-operative way of life.

(c) Co-ordinate the efforts of members, elected representatives, and employees through Adult Education and Extension programs.

During the year the department consisted of the Director, two General Superintendents, a Supervisor of Education and Training, and fifteen Fieldmen (District Representatives).

The department is grateful for the co-operation and leadership provided by the elected representatives who are responsible for the programs in their respective areas.

Wheat Pool Committees

As at 31st July 1963 there were 1,059 active committees, a decrease of 10 from 1962. Statement No. 7 shows the total number of committees by district and sub-district. Over 10,000 Wheat Pool shareholders are serving as members of committees.

Committee Conferences

Committee members, new members, Pool elevator agents, and their wives, were again invited to banquet conferences this year. Comparative figures with 1962 show:

	1963	1962
Total attendance at 157 meetings.....	15,300	16,200
Percentage of Committees attending.....	66%	69%
Total Cost.....	$25,590.75	$24,730.65

The agenda included:

(1) Short talks on grain deliveries, livestock, the Wheat Pool youth program and Co-operatives Everywhere.

(2) The Director's talk on "New Concepts in Marketing".

(3) Opportunity for questions and discussion.

This program is evaluated each year and changed to meet the needs. The co-operation of the Country Elevator Division is once again gratefully acknowledged.

Information to Committees

(1) Committee Program—resolutions passed at the 1962 Annual Meeting of Delegates.

(2) Six Committee Newsletters on current topics.

(3) Communications Study—followed by a farm opinion survey by personal contact.

Delegates, fieldmen and travelling superintendents acted as resource personnel at meetings to discuss this information and all other matters affecting the organization.

Visual Aids

Slide programs produced and used in conjunction with meetings of shareholders included:

(1) Milestones in Marketing

(2) Organization and financial structure of the Wheat Pool

(3) 1962 Annual Report

(4) Moving of elevators

Fieldmen used films at 297 meetings, attended by approximately 15,000 people. The Anti-TB League film "The Quiet Betrayal" was the feature film in several districts.

Meetings

During the year fieldmen attended 2,559 meetings of committees and shareholders, attended by approximately 99,400 people.

From 1st August 1962 to 31st July 1963, minutes from 5,984 meetings of all types were received, processed and acknowledged. Resolutions were sent to the various departments and requests taken care of.

Remuneration was paid to 942 committees. There were 74 meetings of delegates on a district basis.

Co-operative Schools

This program is the best co-ordinated Co-operative education program in the province. Extension staffs of the Co-operative Union, Department of Co-operation, Credit Union League and the Saskatchewan Wheat Pool work together in planning, instruction and administration of the schools. At the local level, Wheat Pool committees, Co-operative Associations, Credit Unions and Co-operative Guilds, select the students and finance the program. Location of schools and attendance are listed below:

Location	District	Attendance
Weyburn	1 and 2	76
Swift Current	3, 4 and 5	96
Fort Qu'Appelle	6 and 7	60
Yorkton	8	83
Lestock	9	61
Saskatoon	10 and 11	101
Saskatoon	13	95
North Battleford	12 and 16	66
Prince Albert	14 and 15	103
Advanced Seminar—August 1962		61
Advanced Seminar—July 1963		37
Total		839

Farm Radio Forums

Two programs were selected and committees encouraged to meet and report. The topics were, 18th February, "Prospects for Farmers" and 18th March, "Co-operatives in the Economy". The results were very encouraging. On

18th February 268 committees met and reported and on 18th March an additional 234 committee forum meetings were reported.

Farm Forum is recognized as a binding force between agricultural people all across Canada. The department continues to encourage participation by Wheat Pool members.

Education and Training

Head Office Staff Training:

The Head Office Staff Training program was carried out on a basis similar to last year. Sixty-nine staff members participated. They were divided into three groups, junior, intermediate and senior. Each group attended a one and one-half hour training session on Wednesday of each week, from 6th February to 8th May. The areas of study were, Saskatchewan Wheat Pool and the Co-operative Movement.

A generally favourable reception was evident. An evaluation by the participants indicated the contents of the course and the procedures used were very satisfactory.

Agent's Training:

The Agents' Training program for 1962-63 was a study of business organization and types of business. The program began with a joint meeting of travelling superintendents and fieldmen, held in Regina on 3rd January. Objectives of the session were to build understanding of business economics and types of business and how to convey this information to elevator agents.

The meetings with elevator agents were organized on a basis similar to last year. The agents on each section were divided into two groups and two meetings were held with each group. Travelling superintendents and fieldmen were the resource personnel. The first series was a study of business organization designed to promote understanding of business economics. The second series was a study of types of business organization and of the basic differences between co-operatives and other corporations.

Committee Training:

The program for committees was in the area of communications. Objectives of this program were:

(1) To build awareness of problems in communications.

(2) To develop understanding and skills in solving problems in member relations.

(3) To build recognition of the important responsibility and role of the committee man in member relations.

Wheat Pool fieldmen were the resource people. In many instances joint meetings of committees were held to implement the program. All committees were given the opportunity to participate in the study sessions. Generally, the meetings were of two and one-half hours duration with provision for maximum participation by committee men. Following the study session on communications a questionnaire, designed by the Country Organization Department, was introduced and explained. Each committee man completed a questionnaire based on his own opinions. Each committee man was also requested to visit three farmers in his area and complete questionnaires based on their opinions.

The purpose of the questionnaire was threefold. It was an exercise in communications; it provided an opportunity for committee men personally to interview farmers; and it provided information of interest to the organization.

As at 31st July 1963 there were 1,535 co-operatives in Saskatchewan, an increase of 3 over last year. These are listed below under the various Acts involved.

Co-operative Associations Act, Saskatchewan	1,184
Co-operative Associations Act, Marketing	37
The Credit Union Act	293
Other Saskatchewan Legislation	16
Dominion Legislation	5

Enrollment of New Members

For the year under review, 2,796 applications for shares were approved. There were 2,796 transfers in blank, no new shares were allotted. In addition, during July, 580 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
31st July 1934	515	104,354
31st July 1935	695	104,942
31st July 1936	869	105,717
31st July 1937	1,016	106,640
31st July 1938	370	106,889
31st July 1939	887	107,492
31st July 1940	3,477	110,715
31st July 1941	3,040	113,139
31st July 1942	5,616	117,935
31st July 1943	5,946	121,742
31st July 1944	7,704	127,058
31st July 1945	6,304	129,412
31st July 1946	5,484	129,412
31st July 1947	8,529	130,688
31st July 1948	6,609	133,298
31st July 1949	3,817	136,668
31st July 1950	3,322	138,167
31st July 1951	3,866	139,036
31st July 1952	5,746	139,036
31st July 1953	6,612	139,678
31st July 1954	6,108	141,227
31st July 1955	5,039	141,227
31st July 1956	4,573	141,227
31st July 1957	4,386	141,227
31st July 1958	3,653	141,227
31st July 1959	3,214	141,227
31st July 1960	3,236	141,227
31st July 1961	3,430	141,227
31st July 1962	2,240	141,227
31st July 1963	2,796	141,227

International Wheat Agreement

The first year of operation of the 5th International Wheat Agreement concluded 31st July, 1963. During that period total commercial purchases registered under the Agreement with the International Wheat Council amounted to 554,846,000 bushels. Canada's share of this quantity amounted to 224,503,000 bushels or 40.5%. The United States, which stood second from the standpoint of volume of shipments, had registrations totalling 130,539,000 bushels or 23.5%. As at 31st July, 1963, there were ten countries classified as exporting countries, but of these ten, two had not registered any sales. Countries registering sales were: Canada, Australia, Argentina, France, Italy, Sweden, the United States of America and the Union of Soviet Socialist Republics. Those which failed to register any sales were: Mexico and Spain.

The following table shows the sales registered by the eight exporting countries for the crop year ended 31st July, 1963, with revisions to the 30th September, 1963:

Country	Bushels	% of Total Sales
Canada	224,503,000	40.5
Australia	75,042,000	13.5
Argentina	48,906,000	8.8
France	33,808,000	6.1
Italy	2,360,000	.4
Sweden	4,931,000	.9
U.S.A.	130,539,000	23.5
U.S.S.R.	34,757,000	6.3
Total	554,846,000	100.0

Prairie Grain Advance Payments

The sixth year of operation of the Prairie Grain Advance Payments Act closed on 31st July 1963. The following tabulation shows the comparison between statistics for the year under review, compared with those of the previous year:

	Western Canada	
	1962-63	1961-62
Number of Applications	39,683	22,342
Amount Advanced	$29,251,526.00	$16,656,713.00
Amount Repaid	27,202,845.00	13,503,392.00
Average Advance	737.00	745.00
Percentage Repaid	92.9%	81.0%
Amount Outstanding— 31st July 1963	2,048,681.00	*3,153,321.00
Amount Outstanding— 15th October 1963	1,037,331.00	157,444.00

	Saskatchewan	
	1962-63	1961-62
Number of Applications	21,174	10,345
Amount Advanced	$17,096,452.00	$ 8,545,109.00
Amount Repaid	16,431,241.00	7,434,271.00
Average Advance	807.00	826.00
Percentage Repaid	96.1%	87.0%
Amount Outstanding— 31st July 1963	665,211.00	*1,110,838.00
Amount Outstanding— 15th October 1963	263,056.00	20,481.00

*As at 31st July 1962.

For the current season to 15th October 1963, a total of 26,549 applications had been made in the three Prairie Provinces, and advances totalling $27,659,323.00 had been paid out. For Saskatchewan alone, there were 17,558 applications, totalling $19,744,867.00.

POLICY STATEMENT

Introduction

1. Certain events of the past year need to be recalled during consideration of the policy statement because their occurrence changed the climate in which current policy decisions must be made.

2. Prairie farmers produced their largest wheat crop on record, a crop likely to exceed 719 million bushels. In Saskatchewan alone wheat production during the 1962-63 crop season was estimated at 491 million bushels with an average yield of 27.4 bushels per acre. The high wheat output, together with large yields in the other grains would have seemed to indicate increased livestock feeding on Saskatchewan farms. But re negotiation of a second large grain agreement with Mainland China and the advent of the huge Russian deal, the biggest single wheat sale in Canadian history, have changed the supply position substantially and reduced the likelihood of increased on-farm livestock feeding. The problem during the current year will be whether grain handling facilities can handle the grain as quickly as it is needed to meet Canada's export commitments and not whether there is adequate delivery opportunity for the farmers.

3. Livestock production continues to be a major undertaking of a number of farmer members, and the Pool remains on eight livestock markets (one more than a year ago) as well as being active in the promotion of on-farm

feeding co-operatives. The question of whether there should be a marketing board for some or all of the red meat products continues to interest individual farmers. Your Board recommends active participation in an educational campaign leading to a vote of hog producers whereby their wishes can be determined on the question of the proposed establishment of a hog marketing board. Your Directors continue to study the question of the Pool entering the livestock processing industry.

4. During the year your Pool improved facilities and services in a number of ways in an endeavor to keep abreast of farmer demands in the marketing of their produce. The Pool acquired 5.2 million bushels of additional terminal space at the Lakehead, increasing total Pool space there to 36.1 millions to provide about 35 per cent of total Lakehead space. The Pool acquired a 1.7 million bushel mill elevator in Moose Jaw which has been licensed as a country elevator to become the organization's largest single country elevator.* The reason for both of these purchases was to improve facilities for handling grain. The organization also established a livestock agency on the Lloydminster market to bring to eight the livestock markets on which the Pool now operates. In response to increasing demand from Pool members for greater opportunity to purchase fertilizers, farm chemicals and twine, the Pool established a farm supply department which plans to operate through country elevator agents at all stations. The Pool has entered the cereal seed business and is negotiating for the purchase of the assets of Saskatchewan Forage Crop Growers' Co-operative Marketing Association Limited as a step towards handling forage crop seed.

5. A federal Royal Commission on Taxation has worked during the year "to inquire into and report upon the incidence and effects of taxation imposed by Parliament." While this reference gives it broad scope to look into a wide range of questions relating to government spending and financing, the critics of the co-operative movement have seized the opportunity to reopen an attack on co-operatives on the grounds that co-ops allegedly enjoy an advantage under taxation legislation not shared by other forms of economic enterprise. This is a challenge the co-operatives can not ignore and the three Wheat Pools prepared jointly a major submission on their own account and also supported both the Co-operative Union of Canada and the Canadian Federation of Agriculture in their submissions. The Pools and the other co-operatives have sought to convince the members of this Royal Commission that co-operatives should continue to be able to distribute their annual surplus to patrons before corporation tax is assessed, and further, that the amount to be distributed should not be limited by the provision respecting 3 per cent of capital employed, because co-operative surplus is actually different from the profits of ordinary business enterprise, different because co-operatives have different objectives and different forms of ownership.

6. Organization of both the Economic Council of Canada and the Agricultural Economic Research Council of Canada, each with principal officers familiar with Western Canadian problems, are two of the major developments of the year. The Pool has argued on many occasions that too little is known about farm problems of an economic and social nature, particularly among governments which seek to implement policies in each field. The organization welcomes these two new bodies. The Economic Council was formed as an advisor to government on how Canada can achieve the highest possible level of employment and efficient production. The Research Council was formed to strengthen the agricultural industry in Canada by develop-

* Subsequent to the date on which this report was approved by the Board of Directors for submission to the Annual Meeting of Delegates, the Agreement for Sale of the Robin Hood Mill elevator at Moose Jaw was cancelled by mutual consent of both organizations. Consequently, the Moose Jaw elevator is not owned by the Saskatchewan Wheat Pool and will not be operated as part of the Pool country elevator system.

ment of a long range independent research program in the sciences of agricultural economics and rural sociology.

7. Questions concerning transportation, a major factor in the marketing of farm produce, have been under discussion throughout the year at both the federal and provincial levels. The federal government has under way legislation on transportation dealing particularly with railway rationalization. The organization has taken a number of steps to influence the nature of this legislation and will continue to follow the subject through Parliamentary Committee. Financing arrangements for the St. Lawrence Seaway also have come under statutory review and the three Pools have prepared a submission arguing for the elimination of tolls to recoup capital investment in the projects and for retention of the "no tolls" position on the Welland Canal. The question of whether the "at-and-East" grain rates should be increased on rail shipments between the Lake ports and Atlantic harbours has still to be settled. For two years now consideration of the railway application for increases has been suspended largely because the grain spokesmen for Western Canada argue against increases in these rates. There is still pressure against retention of the Crows Nest statutory rates on grain moving by rail from the Prairies to export positions. The Pools have taken every opportunity to restate their adamant position that these grain rates must remain unchanged.

Program for 1964

With an awareness of the foregoing events and developments and in concern for the continued welfare of our farmer members, your Directors advance the following suggestions for policy action in the coming year:

Grain Marketing: Pool membership and delegates have always been the strongest of supporters for The Canadian Wheat Board and its orderly system of marketing wheat, oats and barley. Performance of The Canadian Wheat Board in the past year in finding markets for the huge grain stocks has only served to consolidate the support of the majority of farmers. Pool spokesmen have urged through the years that the jurisdiction of the Wheat Board be extended to cover other Prairie grains, especially flax, rye and rapeseed. This year your Directors believe special emphasis should be placed on finding a more suitable system for marketing rapeseed, one of the relatively new crops under production in the West by farmers seeking to diversify their output pattern. Futures trading has been established for rapeseed on the Winnipeg Grain Exchange, undertaken after growers appeared to be less than enthusiastic about the voluntary pools operated by the Wheat Pool and a number of other elevator companies. While futures trading on the Exchange may be preferable to the chaotic market which could have resulted, your Directors believe firm, compulsory control of all rapeseed marketing by the Wheat Board is the only logical alternative.

Your Board wishes to record its appreciation of aggressive sales policies which have been embarked upon with full concurrence of the Canadian governments, particularly with respect to sales on credit. The Saskatchewan Wheat Pool again urges The Canadian Wheat Board and the Canadian Government to continue to seek further expansion of grain sales through credit arrangements and concessional sales.

International Wheat Agreement: There has never been any doubt about the position of Pool membership on the question of the International Wheat Agreement. While the present Agreement runs until mid-1965, negotiations for

its renewal may be open some time in the coming year. Because of this possibility your Directors want to place on record their firm support for renewal of the I.W.A. on much the same terms as the present one, that is, with commitment by the buyers to take a given percentage of their total imports rather than a fixed amount of wheat, and commitment by the sellers to supply wheat within the price range established. If world demand remains strong the maximum price might rise above the present $2.02½ basis the Canadian Lakehead and your Directors would certainly support a price rise. However, your Board would urge support for keeping the maximum price at a level which would not stimulate non-economic wheat producing countries to subsidize their domestic output.

Grain Market Promotion: Your Directors have considered the proposition advanced at the 1962 Delegates' Meeting that the Pool consider entering the world grain market as a principal exporting agency and have concluded that this move might be premature. However, your Directors are convinced that farmers must do more to promote the sales of principal farm commodities and therefore your Directors intend to study the feasibility of establishing a Products Marketing Division of the Pool to promote the utilization of the grain crops. The main concern is to become familiar with the international grain trade to be better able to advise both governments and Pool membership.

Feed Grain: The Pool has always taken the view that the Eastern Canadian feed grain market is an important market for Prairie coarse grain production and continues to hold this view despite an increasing interest in livestock finishing in the West. Your Directors have been pleased, therefore, to note continuation of the federal government's feed freight assistance policy on feed grains moving from the Prairies to Eastern Canada and British Columbia in the provision for the freight subsidy to apply to road and water carriers as well as rail. Furthermore, your Directors support new feed grain policies to offer eastern storage cost subsidies and deferred pricing opportunities, providing The Canadian Wheat Board does not become directly involved in administering the policy. This position is held strongly because your Directors feel that the Wheat Board must remain oriented to the Western producer if it is to continue as a marketing board for Western grains.

Grain Handling and Storage: Your Directors have considered a number of issues involved in the consolidation of the Pool's country elevator system and look forward to devising a long-term plan for the eventual streamlining of the system for handling and storing grain in the country. This goal is affected directly by government planning for the rationalization of railway branch line facilities in the West and the two projects must keep pace with one another. As for terminal elevator facilities, your Directors are still of the view that there must be greater co-ordination of terminal facilities now operated by the three Pools at both the Lakehead and Pacific Coast. On the Pacific the need for increased terminal space is mounting as grain movements increase to the Orient and your Directors would hope to be able to initiate improvements to the Pacific space situation in the near future.

Transportation Rationalization: Your Directors have continued to take the view, and to express it in official circles on every opportunity, that the rationalization of transportation means more than the elimination of railway branch lines, whether they prove economic or not. Your Directors hold that the grain producers who supply the railways' major traffic commodity in Western Canada, must be

allowed as much consideration as the railway companies in whatever is to occur under the title of transport rationalization. Our view is that the matter needs a *new approach* (consideration of large areas rather than single rail lines) along with some *new criteria* (new rules for abandonment and for operation of the facilities which remain) and a *new agency* for carrying out the rationalization program.

Freest Possible Trade: The Pool has always supported the freest possible trading relations among all countries. Your Directors have urged elimination of both Canadian tariff barriers to foreign produce, as well as foreign restrictions to the movement of Canadian produce. This past year has highlighted the importance of this principle for Canada whose trading position in the world is far greater than her population or industrial strength would indicate. Time and again grain customers have held out for increased opportunities to market their goods in Canada before agreeing to buy. Your Directors continue to support any move to improve trading opportunities between Canada and other countries.

Resource Allocation: Your Pool initiated the publication of a book entitled "Agricultural Resources for Tomorrow", based on the results of the 1961 Resources for Tomorrow Conference, together with a special section on the A.R.D.A. program. Your Directors hope this document will form the basis of a study program on the allocation of resources and will contribute to the Pool taking a leading interest in the A.R.D.A. objectives which are to develop alternative uses for marginal or low-productivity land; to develop income and employment opportunities for rural agricultural areas, and to develop and conserve the water and soil resources of Canada. During the year all provinces accepted joint federal-provincial participation in these A.R.D.A. objectives. Your Directors urge Pool participation at the local level, by both delegates and directors in planning how best to undertake rural development under the A.R.D.A. program.

The Economy and the Farmer: Unprecedented prospects for high wheat exports demonstrate the contribution agricultural prosperity makes to the total economy. Injection during the year of the purchasing power of the $500 million resulting to the economy from the Russian wheat and flour deal alone, produces almost incalculable stimulus to the country's transportation facilities, financial institutions, retail and wholesale distributors of consumers' goods, manufacturers, down to the basic producers of steel and power. Prairie farmers are not only delighted at this prospect for themselves but also because they know this kind of stimulus will help to decrease industrial unemployment and will contribute to the rate of growth of the economy as a whole. Prairie farmers have long been aware that a healthy agricultural economy contributes to the total welfare of the country.

Conclusion

Your Board desires to place on record its grateful acknowledgment of the faithful service which has been provided by members of the staff of all branches of the organization during the year. It was a year that saw a heavy movement of grain through country and terminal elevators, which resulted in many problems. So far as Head Office was concerned, the staff was working part of the year under extreme difficulties owing to the renovation work that was going on, which made their job that much more difficult. Nevertheless, the staff continued to maintain that high standard of efficiency for which they have

become noted and your Board takes this opportunity to publicly acknowledge the fine record of service which the employees of all branches of the organization have maintained.

All of which is respectfully submitted:

A. G. Pederson	Albert Greenfield
Clarence McKee	D. M. Lockwood
R. B. Fulton	Chas. W. Gibbings
Walter Melrose	E. A. Boden
A. E. Grigg	William Cummins
J. R. Stilborn	W. McK. Ross
J. H. Harrison	L. A. Boileau
E. J. Sjolie	E. K. Turner

Touche, Ross, Bailey & Smart

Chartered Accountants

REGINA, Saskatchewan

AUDITORS' 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 1963 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 twelve years. In addition there is a further liability for hourly employees' past service estimated to require annual payments of $11,600 for approximately six 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 1963 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, 27th September 1963.

TOUCHE, ROSS, BAILEY & SMART,
Chartered Accountants.

STATEMENT No. 1

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AT 31st JULY 1963

ASSETS

Cash		$ 4,452,284
Accounts Receivable		3,114,498
Prepayment on 1962-1963 Income Taxes		262,283
Stocks of Grain		104,672,988
Stock in Trade		1,138,467
Manufacturing Supplies		99,592
Prepaid Taxes, Insurance and Other Expenses		520,960
Total Current Assets		$114,261,073
Accounts Receivable Deferred		150,369
Investments, and Memberships, at cost (Including amount paid on shares on which there is an uncalled balance of $57,500)		617,918
Fixed Assets, at cost		
Sites, Buildings, Machinery and Equipment	$84,008,168	
Less accumulated allowance for depreciation	52,921,834	31,086,334
Deferred Charges		
Stocks of Repair Parts and Supplies		185,072
		$146,300,766

Approved on behalf of the Board
CHAS. W. GIBBINGS, *Director*
E. A. BODEN, *Director*

LIABILITIES AND CAPITAL

Cheques and Orders Outstanding		$ 24,031,563
Bank Loans		45,240,000
Notes Payable		10,730,000
Provision for 1963-1964 Purchase of Deductions		2,020,000
Unallocated Surplus 1962-1963		5,659,893
Accounts Payable		16,489,632
Total Current Liabilities		$104,171,088
Reserve for Unearned Subscriptions		10,000
Elevator Deductions		19,965,923
Commercial Reserve		10,759,062
Livestock Excess Charges Credits		103,329
Capital		
Authorized—200,000 shares of $1 each	$200,000	
Allotted and fully paid, 141,227 shares		141,227
Reserve		11,150,137
Capital Commitments		
In respect of buildings and work under construction and equipment under purchase		
Estimated	$ 4,107,000	
Guaranty		
There is a continuing guaranty in connection with loans made to livestock feeders by Saskatchewan Co-operative Credit Society Limited and various credit unions		
		$146,300,766

CONSOLIDATED BALANCE SHEET

Detailed information and explanations of the various items appearing on the Balance Sheet are as follows:

Cash—$4,452,284

This includes the following items:

Cash in Banks	$3,975,619
Cash Funds—Payors	476,665
	$4,452,284

Accounts Receivable—$3,114,498

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 1962-63 Income Taxes—$262,284

This amount is made up as follows:

Instalments paid on 1962-63 Corporation Taxes of Saskatchewan Wheat Pool		$266,118
Less estimated Taxes for 1962-63 for the following Subsidiary Companies:		
Saskatchewan Pool Elevators Limited	$3,100	
Saskatchewan Pool Terminals Limited	251	
Saskatchewan Co-operative Livestock Producers Limited	483	3,834
		$262,284

Stocks of Grain—$104,672,988

This represents the value of grain on hand in various positions at 31st July 1963, 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 1963, 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—$1,138,467

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 1963.

Manufacturing Supplies—$99,592

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, refining chemicals and solvent 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 1963.

Prepaid Taxes, Insurance and Other Expenses—$520,960

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

Accounts Receivable Deferred—$150,369

This is composed of the following:

Brandon Consumers' Co-operative Limited	$ 831
Co-operative Fire and Casualty Company	135,029
Local Co-operative Associations	11,009
Tourinco	3,500
	$150,369

Brandon Consumers' Co-operative—$831

This represents the balance owing on a loan of $2,700 made to the Brandon Consumers' Co-operative for the purpose of financing the construction of a flour shed at Brandon.

Co-operative Fire and Casualty Company—$135,029

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, and $29.00 in 1962.

Local Co-operative Associations—$11,009

This is composed of the following:

Local Co-operatives—Deferred Dividends	$ 281
Federated Co-operatives—Deferred Dividends	10,728
	$11,009

Tourinco—$3,500

This is the amount of a loan made to Tourinco on 1st September 1962, which is repayable on 1st September 1969, with 5% interest payable annually.

Investments and Memberships—$617,918

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	
4½% Guaranteed Farm Credit Securities due 19th May 1980	112,400	
5%-10 year Guaranteed Investment Certificates	5,900	
		145,720
Federated Co-operatives Limited		
Share Capital		57,122
Interprovincial Co-operatives Limited		
200 Shares of $50 each		10,000
Lake Shippers' Clearance Association		
1 Membership		3,000
Local Co-operative Associations		
Sundry Shares		126,597
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
		$617,918

Fixed Assets—$31,086,334

Schedule "1A" shows in detail the cost, accumulated allowance for depreciation, and net value of these fixed assets at 31st July 1963.

Deferred Charges—$185,072

This amount represents the cost of stocks of repair parts and supplies on hand at 31st July 1963.

LIABILITIES AND CAPITAL

Cheques and Orders Outstanding—$24,031,563

Details of these items are as follows:

Bank Cheques and Money Orders	$16,015,969
Cash Tickets	8,015,594
	$24,031,563

Bank Loans—$45,240,000

This represents the amount of outstanding borrowings from the lending banks at 31st July 1963.

Notes Payable—$10,730,000

This is the amount of outstanding short term borrowings from commercial organizations other than banks, as at 31st July 1963.

Provision for 1963-64 Purchase of Deductions—$2,020,000

This is the amount provided from the 1962-63 surplus for the purchase of deductions.

Unallocated Surplus—Season 1962-63—$5,659,893

This represents the amount of the surplus for the year, after providing for the 1963-64 purchase of deductions, and is being carried as a current liability pending decision of the Delegates as to distribution.

Accounts Payable—$16,489,632

This amount consists principally of accrued expenses and trade and loan accounts.

Reserve for Unearned Subscriptions—$10,000

This item represents a partial provision for unexpired subscriptions to The Western Producer at 31st July 1963.

Elevator Deductions—$19,965,923:
Commercial Reserve—$10,759,062

These are composed of the following:

	Elevator Deductions	Commercial Reserve	Total
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 Refund	7,777,863	4,191,211	11,969,074
	$19,965,923	$10,759,062	$30,724,985

These funds have been used for the following purposes:

Invested in Capital of Saskatchewan Pool Elevators Ltd.	$12,835,950	$ —	$12,835,950
Invested in Fixed Assets, Loans, Investments, etc.	7,129,973	10,759,062	17,889,035
	$19,965,923	$10,759,062	$30,724,985

Livestock Excess Charges Credits—$103,329

This sum, retained by way of loan from the earnings of the Company, represents a refund of excess charges on livestock deliveries through the Saskatchewan Wheat Pool—Livestock Division, and Canadian Livestock Co-operative (Western) Limited during Seasons 1952-53 to 1961-62 inclusive, and is made up as follows:

Amount Retained from Excess Charges Refund		$1,134,473
Less Amounts Refunded as follows:		
(A) Within Eligible Categories	$ 21,218	
(B) Credits of $5.00 and over	1,009,926	1,031,144
		$ 103,329

Capital—$141,227

This represents the allotted capital to 31st July 1963.

Reserve—$11,150,137

This is the amount of the Reserve Account at 31st July 1963.

SCHEDULE 1A

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY, 1963

	Cost	Accumulated Allowance for Depreciation	Net Value
SASKATCHEWAN WHEAT POOL			
Building, Equipment and Alterations	$ 458,914	$ 287,322	$ 171,592
Furniture and Equipment	161,803	142,009	19,794
Automobiles and Truck	62,006	15,813	46,193
Motion Picture and Radio Equipment and Films	24,045	18,371	5,674
Site and Parking Lot—Regina	69,375	2,882	66,493
Work Under Construction	529,492	—	529,492
Total—Saskatchewan Wheat Pool	$ 1,305,635	$ 466,397	$ 839,238
SASKATCHEWAN POOL ELEVATORS LIMITED			
Country Elevators, etc.			
Country Elevators and Sheds	$ 44,938,771	$ 29,821,734	$ 15,117,037
Temporary Bins	317,203	192,332	124,871
Agents' Residences	4,413,374	2,498,818	1,914,556
Wheat Pool Buildings—Winnipeg	315,541	137,982	177,559
Wheat Pool Building—Saskatoon	129,126	46,221	82,905
Sites—Cottages, etc.	116,611	—	116,611
Warehouse—Regina	179,634	44,566	135,068
Furniture and Equipment	447,824	390,399	57,425
Automobiles, Trucks, Trailers and Equipment	433,665	225,323	208,342
	$ 51,291,749	$ 33,357,375	$ 17,934,374

Terminal Elevators			
No. 4 Building, Machinery and Equipment	$ 8,379,360	$ 6,677,914	$ 1,701,446
No. 5 Building, Machinery and Equipment	1,442,949	939,757	503,192
No. 6 Building, Machinery and Equipment	4,608,598	1,986,818	2,621,780
No. 7 Buildings, Machinery and Equipment	6,661,293	4,998,673	1,662,620
No. 8 Building, Machinery and Equipment	1,872,679	440,659	1,432,020
Feed Mill Building, Machinery and Equipment	71,804	63,561	8,243
Warehouses—Port Arthur and Fort William	35,177	27,880	7,297
Sites	419,473	—	419,473
	$ 23,491,333	$ 15,135,262	$ 8,356,071
Flour Mill			
Buildings, Machinery and Equipment	$ 3,114,263	$ 1,771,474	$ 1,342,789
Flour Sheds	56,922	18,947	37,975
Laboratory Equipment	16,078	12,493	3,585
Furniture and Equipment	29,423	22,213	7,210
Automobiles	24,598	6,797	17,801
Plant Tools and Equipment	17,120	14,299	2,821
	$ 3,258,404	$ 1,846,223	$ 1,412,181
Vegetable Oil Plant			
Buildings, Machinery and Equipment	$ 1,507,192	$ 687,404	$ 819,788
Laboratory Equipment	9,551	7,451	2,100
Furniture and Equipment	8,505	7,105	1,400
Automobile	2,917	1,050	1,867
Plant Tools and Equipment	5,316	3,479	1,837
	$ 1,533,481	$ 706,489	$ 826,992

CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY, 1963

	Cost	Accumulated Allowance for Depreciation	Net Value
SASKATCHEWAN POOL ELEVATORS LIMITED (*Continued*)			
Flour Mill and Vegetable Oil Plant Power Equipment and Sundry			
Boiler House and Substation Building and Equipment	$ 236,841	$ 168,936	$ 67,905
Spur Tracks—Saskatoon	37,967	16,693	21,274
Site—Saskatoon	8,840	—	8,840
	$ 283,648	$ 185,629	$ 98,019
Work Under Construction			
Country Elevators and Agents' Residences	$ 638,404	$ —	$ 638,404
Terminal Elevators	24,685	—	24,685
Flour Mill	4,671	—	4,671
Vegetable Oil	29,865	—	29,865
	$ 697,625	$ —	$ 697,625
Total—Saskatchewan Pool Elevators Limited	$ 80,556,240	$ 51,230,978	$ 29,325,262

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED			
Stockyards	$ 508,200	$ 237,888	$ 270,312
Assembly Yards	8,155	4,574	3,581
Country Scales and Sheds	11,355	9,647	1,708
Furniture and Sundry Equipment	45,452	36,131	9,321
Automobiles, Trucks and Tractors	82,704	41,587	41,117
Sites	12,325	—	12,325
Total—Saskatchewan Co-operative Livestock Producers Limited	$ 668,191	$ 329,827	$ 338,364
MODERN PRESS LIMITED			
Buildings, Machinery and Equipment	$ 1,322,444	$ 778,783	$ 543,661
Furniture and Equipment	52,622	44,013	8,609
Site—Saskatoon	15,225	—	15,225
Total—Modern Press Limited	$ 1,390,291	$ 822,796	$ 567,495
SASKATCHEWAN POOL TERMINALS LIMITED			
Furniture and Equipment	$ 41,630	$ 36,237	$ 5,393
Automobile and Trucks	10,405	7,036	3,369
Miscellaneous Equipment	35,776	28,563	7,213
Total—Saskatchewan Pool Terminals Limited	$ 87,811	$ 71,836	$ 15,975
TOTAL—ALL COMPANIES	$ 84,008,168	$ 52,921,834	$ 31,086,334

STATEMENT No. 2

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES
CONSOLIDATED CAPITAL STATEMENT AT 31st JULY, 1963

Capital Receipts			**Approved Program of Building and Work Under Construction and Machinery Under Purchase—Estimated**		
Capital		$ 141,227	Head Office	$1,089,269	
Commercial Reserve		10,759,062	Country Elevators & Annexes, etc.	2,531,404	
Elevator Deductions		19,965,923	Agents' Dwellings	271,278	
Livestock Excess Charges Credits		103,329	Office Equipment, etc.	277,869	
Reserve for Unearned Subscriptions		10,000	Flour Mill	39,991	
Reserve		11,150,137	Vegetable Oil Plant	103,064	
Capital Expenditures			Terminals	1,590,178	
Fixed and Sundry Assets			Saskatchewan Co-operative Livestock Producers Limited	73,458	
Fixed Assets, Less Accumulated Allowance for Depreciation	$31,086,334		Modern Press Limited	111,009	
Investments and Memberships	617,918		Saskatchewan Pool Terminals Limited	1,595	
				$6,089,115	
Deferred Accounts			*Less* Paid on Account	1,982,115	4,107,000
Accounts Receivable Deferred	150,369				
Deferred Charges	185,072		**Balance Available as Working Capital for Season 1963-64**		5,982,985
					$42,129,678 $42,129,678

CURRENT POSITION PER CONSOLIDATED BALANCE SHEET AT 31st JULY, 1963

Current Assets	$114,261,073	
Current Liabilities	104,171,088	
Current Position per Balance Sheet		$ 10,089,985
Less: Estimated Capital Expenditures to Complete Program of Building and Work Under Construction, and Machinery Under Purchase		4,107,000
Balance Available as Working Capital for Season 1963-64		$ 5,982,985

STATEMENT No. 3

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES

SOURCE OF CAPITAL FUNDS, ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS, AND WORKING CAPITAL AT 31st JULY, 1963

	Capital	Commercial Reserve	Elevator Deductions	Reserve Account	Reserve for Unearned Subscriptions	Livestock Credits	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	—	4,191,211	7,777,863	—	—	1,134,473	13,103,547
Retained from Operations	—	—	—	11,150,137	10,000	—	11,160,137
TOTAL CAPITAL RECEIPTS	$ 141,227	$10,759,062	$19,965,923	$11,150,137	$ 10,000	$ 1,134,473	$43,160,822

ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS

Deferred Accounts Receivable	$ —	$ 150,369	$ —	$ —	$ —	$ —	$ 150,369
Investments	—	617,918	—	—	—	—	617,918
Fixed Assets—Net	141,227	9,805,703	19,965,923	1,163,481	10,000	—	31,086,334
Expenditures Approved for Completion of Program of Buildings and Work Under Construction, and Machinery Under Purchase—Capital Commitments —Estimated	—	—	—	4,107,000	—	—	4,107,000
Deferred Charges	—	185,072	—	—	—	—	185,072
Refunded from Working Capital	—	—	—	—	—	1,031,144	1,031,144
	$ 141,227	$10,759,062	$19,965,923	$ 5,270,481	$ 10,000	$ 1,031,144	$37,177,837
BALANCE—WORKING CAPITAL	—	—	—	5,879,656	—	103,329	5,982,985
	$ 141,227	$10,759,062	$19,965,923	$11,150,137	$ 10,000	$ 1,134,473	$43,160,822

TOTAL CURRENT ASSETS—Per Consolidated Balance Sheet—Statement "1"	$114,261,073
TOTAL CURRENT LIABILITIES—Per Consolidated Balance Sheet—Statement "1"	104,171,088
CURRENT POSITION	$ 10,089,985
Less Estimated Capital Expenditures to Complete Program of Buildings and Work Under Construction and Machinery Under Purchase	4,107,000
BALANCE—WORKING CAPITAL	$ 5,982,985

STATEMENT No. 4

STATEMENT OF NET EARNINGS AND CAPITAL GAINS OF SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES SHOWING AMOUNTS PAID AND CREDITED TO AND PAID ON BEHALF OF MEMBERS FOR PERIOD 1st AUGUST, 1925, TO 31st JULY, 1963

	1925-1962	Allocation 1961-1962 Surplus	Sundry Adjustments	Season 1962-1963	Total 1925-1963
Net Earnings and Capital Gains After Adjusting for Income Taxes and All Company Losses	$109,687,415	$ —	$ (11)B (520,000)C 41,666 A	—	— $109,209,070
Net Earnings for Season 1962-63					
Saskatchewan Wheat Pool—Before Provision for Income Taxes	—	—	—	7,679,893	7,679,893
Saskatchewan Pool Elevators Limited—After Provision for Income Taxes	—	—	—	38,937	38,937
Saskatchewan Pool Terminals Limited—After Provision for Income Taxes	—	—	—	15	15
Saskatchewan Co-operative Livestock Producers Limited—After Provision for Income Taxes	—	—	—	1,038	1,038
Modern Press Limited	—	—	—	620	620
	$109,687,415	$ —	$ (478,345)	$ 7,720,503	$116,929,573

DISTRIBUTION

Excess Charges Refund Paid to Growers in Cash as Follows: Grain Deliveries	$ 31,872,549	$ 988,325	$ —	$ —	$ 32,860,874
Livestock Deliveries	87,600	6,565	—	—	94,165
Paid for Certificates Purchased in Settlement of Credits	27,784,594	1,739,902			
		(1,936,000)	—	2,020,000	29,608,496
Retained as a Loan and Credited to Members as Follows: Commercial Reserve	4,191,211	—	—	—	4,191,211
Elevator Deductions	7,777,863	—	—	—	7,777,863
Livestock Excess Charges Credits	1,020,775	113,698	—	—	1,134,473
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 1961-62	1,888,452	(1,888,452)	—	—	—
Unallocated Surplus—Season 1962-63	—	—	—	5,659,893	5,659,893
Reserve	10,611,910	455,962	(11)B	40,610	11,150,137
			41,666A		
Estimated 1961-62 Income Taxes	—	520,000	(520,000)C	—	—
	$109,687,415	$ —	$(478,345)	$ 7,720,503	$116,929,573

Note: Of the sum of $1,134,473 shown on the above statement as "Livestock Excess Charges Credits Retained as a Loan and Credited to Members", the sum of $1,031,144 has been refunded to members and charged to Capital, leaving a balance of $103,329 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:

Prior Seasons' Country Elevator Repair Items now Capitalized, in Accordance with Income Tax Re-assessments	$23,019
Adjustment of Prior Seasons' Income Taxes as Re-assessed	18,420
Profit on Disposal of Assets	227
	$41,666

(B) Adjustment of Prior Seasons' Excess Charges Refund.

(C) Transfer of Estimated Income Taxes for Season 1961-62 to Accounts Payable.

STATEMENT No. 5

SASKATCHEWAN WHEAT POOL—STATEMENT OF GRAIN HANDLINGS AT 31st JULY, 1963

TOTAL HANDLED—ALL GRAINS	Bushels 1924-1962	Bushels 1962-63	Bushels 1924-1963
Country Elevator Division			
Elevators	4,110,821,816	202,714,484	4,313,536,300
Platform	60,124,733	45,572	60,170,305
Total	4,170,946,549	202,760,056	4,373,706,605
Number of Elevators that Received Grain		1,199	
(A) **Average Handlings per Elevator**		169,070	
Terminal Elevator Division:			
Terminal No. 4	875,293,532	29,424,256	904,717,788
(B) Terminal No. 5 (Old)	117,258,782	—	117,258,782
Terminal No. 5 (New)	109,066,787	5,860,187	114,926,974
(C) Terminal No. 6 (Old)	446,839,261	—	446,839,261
(D) Terminal No. 6 (New)	99,726,623	19,507,934	119,234,557
Terminal No. 7	1,108,836,292	33,750,165	1,142,586,457
(E) Terminal No. 8 (Old)	28,240,761	—	28,240,761
Terminal No. 8 (New)	20,728,502	5,741,800	26,470,302
Vancouver Terminal	100,902,839	18,803,130	119,705,969
Total	2,906,893,379	113,087,472	3,019,980,851
(F) **Buffalo Terminal**	103,949,687	—	103,949,687

Flour Mill Division:	Street	5,321,081		361,876		5,682,957	
	Carlot	27,803,001		2,104,300		29,907,301	
	Gristing	431,606	33,555,688	66,484	2,532,660	498,090	36,088,348
Vegetable Oil Division:	Street	2,674,589		76,358		2,750,947	
	Carlot	5,065,173	7,739,762	693,721	770,079	5,758,894	8,509,841

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 "4B".
(C) Handlings to 1947-48—Lease with C.N.R. Cancelled August 31st, 1948.
(D) Purchased from C.N.R. on August 1st, 1957.
(E) Handlings to 1932-33—Lease with C.P.R. Expired on 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 1962-1963

	Books Mailed	Books Returned	New Subscribers	Postage
1962				
August	594	613	9	$ 45.49
September	453	456	14	31.53
October	685	669	10	52.65
November	834	737	96	65.10
December	724	698	45	59.02
1963				
January	1,240	1,175	57	91.40
February	1,036	955	46	87.28
March	1,158	1,039	25	99.02
April	1,277	652	8	51.80
	8,001	6,994	310	$583.29

(The Library was closed from April 22, 1963 until August 27, 1963.)

STATEMENT No. 7

WHEAT POOL COMMITTEES
1962-1963

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	7	11	6	8	—	67
District 2.....	5	4	5	7	2	5	9	7	7	5	5	61
District 3.....	4	3	3	4	5	2	3	5	3	7	—	39
District 4.....	3	4	7	4	5	6	4	6	3	—	—	42
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.....	7	5	3	3	6	6	5	5	7	5	7	59
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	6	4	7	—	63
District 11.....	8	10	11	6	5	7	10	6	8	9	—	80
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.....	8	8	6	7	—	6	9	12	7	9	6	78
District 15.....	8	5	7	8	5	5	2	5	7	3	6	61
District 16.....	6	7	7	7	4	11	4	7	6	6	7	72
												1,059

STATEMENT No. 8

COMMITTEES REORGANIZED

District 1.....	3	4	5	10	7	6	7	11	6	8	—	67
District 2.....	5	4	5	7	2	5	9	7	7	5	4	60
District 3.....	4	3	3	4	5	2	3	5	3	7	—	39
District 4.....	3	4	7	4	5	6	4	6	3	—	—	42
District 5.....	9	7	5	7	7	3	6	10	8	5	—	67
District 6.....	8	10	6	6	9	12	11	7	7	8	—	84
District 7.....	7	5	3	3	6	6	5	5	7	5	7	59
District 8.....	8	6	10	8	7	7	5	3	4	2	3	63
District 9.....	6	7	5	6	4	8	6	5	6	6	—	59
District 10.....	6	6	3	6	14	8	3	6	4	7	—	63
District 11.....	8	10	11	6	5	7	10	6	8	8	—	79
District 12.....	9	5	9	6	5	6	6	7	10	6	—	69
District 13.....	8	11	4	10	8	7	11	6	8	9	7	89
District 14.....	8	8	6	7	—	6	9	12	7	9	6	78
District 15.....	8	5	7	8	5	4	2	5	7	3	6	60
District 16.....	6	7	7	6	4	10	4	7	6	6	7	70
												1,048

11 Committees not reorganized 31st July 1963
15 Committees not reorganized 31st July 1962

EXHIBIT A

CANADIAN POOL AGENCIES LIMITED

STATEMENT No. 9

Wheat Pool Building, Winnipeg, Manitoba
BALANCE SHEET as at 31st July 1963

ASSETS

Agency Assets:	
Cash in agency bank accounts	$ 6,384.29
Accounts receivable	182,704.80
Total agency assets	189,089.09
Shareholders' and Patrons' Assets	
Cash:	
In general bank account	6,017.58
Accounts receivable:	
Due from Agency Funds—per contra	9,026.95
Pool Insurance Company	13,551.00
Saskatchewan Wheat Pool—loan	100,000.00
Miscellaneous	6,009.94
Total accounts receivable	128,587.89
Furniture and fixtures:	
Cost less depreciation	1,832.53
Total shareholders' and patrons' assets	136,438.00
TOTALS	$325,527.09

Signed on behalf of the Board:
CHAS. W. GIBBINGS, *Director*
W. J. PARKER, *Director*

LIABILITIES

Agency Liabilities:	
Accounts payable	$180,062.14
Due to General Funds—per contra	9,026.95
Total agency liabilities	189,089.09
Shareholders' Liabilities and Reserves:	
Miscellaneous accounts payable	1,407.10
Estimated income tax payable	192.13
Patronage dividend payable	94,838.77
Total shareholders' liabilities	96,438.00
General reserve for unearned income:	
Allocated as follows:	
Alberta Wheat Pool	5,568.12
Manitoba Pool Elevators	3,146.82
Saskatchewan Wheat Pool	11,285.06
Total general reserve	20,000.00
Capital Stock:	
Authorized, issued and fully paid (2,000 shares at $10.00 each)	20,000.00
TOTALS	$325,527.09

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Canadian Pool Agencies Limited as at 31st July 1963, 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 1963 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, 11th October, 1963.

(*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 1963

Patronage Dividends for the Year Allocated as Follows:	
Alberta Wheat Pool	$28,760.27
Manitoba Pool Elevators	15,476.49
Saskatchewan Wheat Pool	50,388.03
Victoria Elevator Limited	213.98
Total patronage dividends	$94,838.77
Estimated Income Taxes	432.37
Surplus for the Year—Exhibit C	$95,271.14

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 1963

INCOME:	
Commissions:	
Fire	$ 64,647.46
Bonds	18,203.91
Automobile	6,971.66
Lake Marine	239.87
Ocean Marine	5,589.20
Accident and sickness	664.09
Liability	194.60
Business interruption	3,144.57
Robbery and burglary	279.57
Floater	7,049.12
Inland transportation	427.41
Steam boiler	1,263.75
Plate Glass	26.46
Composite	2,109.57
Contingent	7,989.09
	118,800.33
Deduct brokerage paid	273.41
	118,526.92
Other Income:	
Interest and miscellaneous	4,153.05
Total income for the year	122,679.97
EXPENSES:	
Salaries	19,832.41
Directors' fees and expenses	586.92
Rent and light	2,132.27
Postage, telephone and telegraph	533.93
Printing and stationery	1,080.18
Taxes and licenses	332.78
Travelling	273.44
Legal and audit	1,000.00
Staff pensions, group and unemployment insurance	921.44
Depreciation	458.13
Miscellaneous	557.33
	27,708.83
Deduct recovery from Interprovincial Pool	300.00
Total expenses for the year	27,408.83
BALANCE—Surplus for the year carried to Exhibit B	$ 95,271.14

EXHIBIT A | **STATEMENT No. 12**

POOL INSURANCE COMPANY

(Incorporated under Special Act of Parliament of Canada)

BALANCE SHEET AS AT 31st DECEMBER 1962

ASSETS

Cash in Bank			$ 7,958.68
Accounts Receivable:			
Canadian Pool Agencies Limited		$198,737.19	
Saskatchewan Wheat Pool—demand loan		588,643.46	
Alberta Wheat Pool—demand loan		202,863.01	
Reinsurance account		4,231.98	994,475.64
Investments:			
Government of Canada bonds—at cost		762,216.87	
Province of Manitoba bonds—at cost		50,000.00	812,216.87
Par value	$817,500.00		
Department of insurance value	$752,475.00		
Accrued interest thereon			10,795.83
Automobiles—cost less depreciation			7,466.76
Signed on behalf of the Board:			
CHAS. W. GIBBINGS, *Director*			
W. J. PARKER, *Director*			
			$1,832,913.78

LIABILITIES

Current Liabilities:			
Miscellaneous accounts payable		$ 850.00	
Reinsurance accounts payable		58,656.93	
Losses in process		34,482.38	
Taxes accrued		23,535.76	
Dividends payable as per Exhibit B		847,856.68	$ 965,381.75
Reserve for Unearned Income:			
Unearned premiums		228,291.00	
Unearned reinsurance commission		75,122.97	303,413.97
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		11,618.06	
Transferred from Shareholders' and Patrons' Operating Surplus 1949-1962		212,500.00	379,118.06
			$1,832,913.78

AUDITORS' REPORT

To the Shareholders of Pool Insurance Company:

We have examined the balance sheet of Pool Insurance Company as at 31st December 1962 and the statement of income and expenditure and the summary of operating surplus available to shareholders and patrons 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 the statement of income and expenditure and the summary of operating surplus available to shareholders and patrons 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 1962 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, 26th February, 1963.

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

EXHIBIT B **STATEMENT No. 13**

POOL INSURANCE COMPANY
Winnipeg, Manitoba

SUMMARY OF OPERATING SURPLUS AVAILABLE TO SHAREHOLDERS AND PATRONS FOR THE YEAR ENDED 31st DECEMBER 1962

		Debit	Credit
Analysis of Equity Account:			
Surplus for the year ended 31st December 1962—Exhibit C			$882,472.68
Transferred to surplus		$ 27,000.00	
Provision for income tax		7,616.00	
Balance carried down		847,856.68	
		$882 472.68	$882,472.68
Balance Brought Down			$847,856.68
Allocated as follows:			
Shareholders' dividend:			
Alberta Wheat Pool $	.55		
Manitoba Pool Elevators	.37		
Saskatchewan Wheat Pool	.93	$ 1.85	
Patrons' dividend:			
Alberta Wheat Pool	146,158.42		
Alberta Wheat Pool and Alberta Pool Elevators Limited	75,519.47		
Manitoba Pool Elevators	165,832.90		
Saskatchewan Pool Elevators Limited	200,760.92		
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited	5.70		
Sask. Pool Terminals Ltd.	19.20		
Sask. Wheat Pool	251,987.79		
Sask. Co-operative Livestock Producers Ltd	7,267.46		
Modern Press Limited	302.97	847,854.83	
		$847,856.68	$847,856.68

EXHIBIT C **STATEMENT No. 14**

POOL INSURANCE COMPANY

STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31st December 1962

Premiums on Business Written		$1,381,750.82	
Less ceded to other companies		552,127.53	$829,623.29
Add:			
Decrease in unearned premiums			18,282.00
Premiums earned in 1962			847,905.29
Losses and Adjustment Expense		368,379.73	
Less reinsurance recoveries		146,194.32	222,185.41
Net underwriting income			625,719.88
Reinsurance Commissions			305,204.95
Balance, available for expenses and to shareholders and patrons			930,924.83
Expenses:			
Taxes, licenses and association dues		34,952.25	
Inspection service:			
Salaries	$24,533.46		
Automobile expense	8,241.38		
Other travelling expense	6,035.65		
Staff pensions, group and unemployment insurance	2,455.10		
Printing and stationery	1,445.78		
Postage, telegraph and telephone	274.48	42,985.85	
Administration:			
Salaries	19,613.41		
Rent and light	2,051.56		
Directors' fees and expense	522.87		
Travelling expense	288.72		
Printing and stationery	80.79		
Postage, telegraph and telephone	534.31		
Audit	850.00		
Staff pensions, group and unemployment insurance	802.58		
Miscellaneous expense	477.41	25,221.65	103,159.75
			827,765.08
Interest Earned			54,707.60
Balance, operating surplus for year 1962 carried to Exhibit B			$882,472.68

SASKATCHEWAN WHEAT POOL
Livestock Division

COMPARATIVE STATEMENT OF HANDLINGS

Seasons 1962-63 and 1961-62

	Season 1962-63	Season 1961-62	Increase (Decrease)
Lloydminster Division:			
Cattle	10,599	—	10,599
Calves	1,604	—	1,604
Hogs	572	—	572
Sheep	543	—	543
Moose Jaw Division:			
Cattle	21,842	21,741	101
Calves	4,663	5,413	(750)
Hogs	4,405	6,331	(1,926)
Sheep	588	902	(314)
North Battleford Division:			
Cattle	36,205	35,818	387
Calves	5,614	5,057	557
Hogs	10,992	19,264	(8,272)
Sheep	2,326	2,377	(51)
Prince Albert Division:			
Cattle	25,408	21,519	3,889
Calves	4,025	2,968	1,057
Hogs	19,935	30,914	(10,979)
Sheep	2,271	2,406	(135)
Regina Division:			
Cattle	56,454	55,654	800
Calves	7,074	10,513	(3,439)
Hogs	8,480	14,139	(5,659)
Sheep	3,347	3,179	168
Saskatoon Division:			
Cattle	44,782	47,365	(2,583)
Calves	5,014	6,142	(1,128)
Hogs	12,480	25,235	(12,755)
Sheep	1,977	2,706	(729)
St. Boniface Division:			
Cattle	14,245	14,758	(513)
Calves	7,666	10,494	(2,828)
Hogs	19,951	48,257	(28,306)
Sheep	4,184	4,582	(398)
Swift Current Division:			
Cattle	52,476	50,277	2,199
Calves	11,223	18,540	(7,317)
Hogs	5,712	9,026	(3,314)
Sheep	682	1,064	(382)
Yorkton Division:			
Cattle	18,503	18,450	53
Calves	3,881	5,767	(1,886)
Hogs	2,623	4,737	(2,114)
Sheep	1,859	2,534	(675)
TOTAL—All Divisions:			
Cattle	280,514	265,582	14,932
Calves	50,764	64,894	(14,130)
Hogs	85,150	157,903	(72,753)
Sheep	17,777	19,750	(1,973)
Saskatchewan Handlings at Winnipeg: (Other than Saskatchewan Wheat Pool Livestock Division)			
Cattle	46,811	46,188	623
Calves	10,051	14,980	(4,929)
Hogs	10,341	21,041	(10,700)
Sheep	6,369	6,101	268
TOTAL HANDLINGS:			
Cattle	327,325	311,770	15,555
Calves	60,815	79,874	(19,059)
Hogs	95,491	178,944	(83,453)
Sheep	24,146	25,851	(1,705)

(Brackets Denote Decreases)

TOTAL VALUE OF LIVESTOCK HANDLED:

Through Saskatchewan Branches	*$53,982,710	
Through Winnipeg Country Section	3,835,269	
		*$57,817,979
Saskatchewan Livestock Direct to Canadian Livestock Co-operative Limited		9,184,881
Total Value of Livestock Handled		*$67,002,860

*Includes Value of Cattle Pooled.

CANADIAN LIVESTOCK CO-OPERATIVE (WESTERN) LIMITED **STATEMENT No. 16**

(Incorporated under the Laws of Manitoba)

BALANCE SHEET AS AT 3rd AUGUST 1963

ASSETS

Current Assets:	
Cash in Bank	$ 6,273.54
Accounts receivable	1,773.06
Government of Canada bonds—at cost (market value 1963 $19,700.00, 1962 $18,925.00)	19,750.00
Accrued interest receivable	35,709.76
Prepaid operating expenses	442.16
Due from trust account	102,134.36
Total current assets	166,082.88
Trust Assets:	
Cash in bank	897,380.20
Sales accounts receivable	73,133.98
Inventory—at cost	2,070.54
Total trust assets	972,584.72
Fixed Assets—at cost:	
Office furniture and equipment	21,054.07
Less accumulated depreciation	16,719.37
Net fixed assets	4,334.70
Other Assets:	
Winnipeg Livestock Exchange memberships	205.00
Total	$1,143,207.30

LIABILITIES

Current Liabilities:	
Bank Loan	$ 80,000.00
Accounts payable and accrued charges	2,041.45
Outstanding cheques	14,526.46
Due to local associations	4,816.33
Surplus payable—Exhibit C	33,427.99
Estimated income taxes	171.29
Total current liabilities	134,983.52
Trust Liabilities:	
Outstanding cheques	869,231.13
Deposit on livestock on order	350.00
Exchange on outstanding cheques	869.23
Due to general account	102,134.36
Total trust liabilities	972,584.72
Reserves:	
General	30,615.06
Supplementary pension payments	5,000.00
	35,615.06
Memberships Issued—(24)	24.00
Total	$1,143,207.30

Signed on behalf of the Board:
A. GREENFIELD, *Director*
G. G. JAMIESON, *Director*

Canadian Co-operative Wheat Producers Limited

DIRECTORS' REPORT
1962-63

10th October 1963.

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

Gentlemen:

The Directors of Canadian Co-operative Wheat Producers Limited submit their thirty-ninth annual report covering the crop year 1962-63. This report refers to matters of much importance to grain producers in western Canada. We make reference to the pattern of production and marketing, to policies which have a direct bearing on agriculture. Our report also refers to developments in other countries which we anticipate may make an impact on Canada's exports.

The crop harvested in the fall of 1962 was in good volume; however, the quality was adversely affected by frost and wet weather. The carryover of Canadian grain in all positions increased by 200 million bushels over that of a year ago: stocks in North American positions were 11 per cent below the average of the last ten years.

The Canadian Wheat Board quota of twelve bushels per acre enabled most farmers to market all the grain they desired, at the same time leaving little available space in public storage.

Farm cash income reached an all-time high of $3,149.4 million, six per cent higher than the previous record. The net income of Canada's farm operators, at $1,630 million in 1962, was substantially higher than that of the previous year, due to the larger grain crop in the prairie provinces; it was the largest net income reported since 1953. Realized net income of farmers from farming operations in Manitoba and Alberta increased by between six and seven per cent over 1961, while the realized net income for farmers in Saskatchewan increased by 19 per cent.

The 1963 crop now being harvested promises to be one of the largest on record. A wheat crop in western Canada estimated at 698 million bushels poses many problems. Experience teaches that large stocks of grain should be treated as a national asset rather than as a liability.

Canada's Gross National Product totalled $40,401 million in 1962, an increase of eight per cent over 1961. The near-record grain crop of 1962 is a contributing factor to this increase.

The strength and stability of Canada's economy; taxation in Canada as it affects business and individuals; and our nation's ability to fit into new trading patterns as they evolve, are matters which have received the attention of your directors. While outside the Wheat Pools' field of operations, these important phases of Canada's life do affect the welfare of every grain producer in western Canada.

Central Board

T. G. Bobier, one of our directors representing the Saskatchewan Wheat Pool, decided to withdraw from active participation on the directorate of the Wheat Pool organizations. He had been a director of Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited and Pool Insurance Company since February 1945. Mr. Bobier made an outstanding contribution to the

numerous organizations with which he was associated. He was a dedicated leader in the co-operative movement and justified the tributes paid to him. E. A. Boden was elected to fill the vacancy caused by Mr. Bobier's retirement. No other changes were made in the directorate.

Your board has analyzed the proposals made by the Minister of Agriculture when he addressed the annual meeting of the Saskatchewan Wheat Pool on November 9, 1962. Mr. Hamilton made particular reference to export sales of wheat and asked that farmers of western Canada give consideration to the possibility of establishing a fund to be used in the event of any losses on credit sales. He also spoke of the need for a Canadian grain co-operative sales organization. The proposals were thoroughly examined by the Wheat Pools. We can report that no action has been authorized.

During the year many matters of great importance to our member organizations were considered, reference to which is made in separate sections of this report.

It was decided that a decision to support or resist the applications of the railway companies for the abandonment of certain operations of their railways should be reached by each member Pool rather than as a joint effort, the reason being that the branch line which might be abandoned had features which pertained to each locality or area. We requested the Minister of Transport to establish an independent body which would consider every application for abandonment made by the railway companies, a body which would not consider every application independently but in relationship to the overall transport requirements in western Canada.

We urged the authorities to amend the Prairie Farm Assistance Act so that the levy could be assessed against grains which were not marketed through licensed facilities. The study on food utilization being conducted by the University of British Columbia has been concluded. The report being compiled by Dr. Anderson will be distributed. We asked Dr. Anderson to attend the World Food Congress at Washington on our behalf. We commended the government for authorizing sales of grain on a credit basis. We were invited by the Co-operative Union of Canada to name two persons to an advisory committee, the function of the committee being to make recommendations to the Co-operative Union of Canada on all aspects of a submission which might be made to the Royal Commission on Taxation.

We are host to a Guatemalan who is studying the Canadian grain industry with particular emphasis on milling. We report that the student from Nyasaland, attending the Univerity of Manitoba under our support, is making satisfactory progress, having concluded two years of study.

Interprovincial Pool Meetings

The full boards of directors of the three provincial Wheat Pools met on two occasions during the year, on January 16-17, and on July 26-27, both meetings being held in Winnipeg. Meetings of this nature place the consideration of Pool policy on a broad base. These meetings provide an intermediary link between the annual meetings of delegates and the central board of directors. Resolutions which emanate in any of the Wheat Pool organizations are studied by the remaining Pools, a process which does encourage harmony not only on operational methods but on broader questions of agricultural policy.

The policy adopted by the Wheat Pools in relation to branch line abandonment by the railway companies is

expressed in the following resolution adopted by the January meeting:

> BE IT RESOLVED that the Government of Canada, in consultation with the Provinces, farm organizations and other interested parties, take the initiative in developing a long-range plan for rail service which will take into account the interests of the producers and the need for maintaining adequate grain marketing facilities; and further, that all orders for the abandonment of branch lines in western Canada be suspended until such long-range plan is established.

At the same time a study was instituted covering economies which could be effected through centralization of elevator facilities.

Both meetings reviewed the operations of the Canadian Wheat Board and stressed the need for additional markets for wheat. The January meeting endorsed the sales policy being followed by the Canadian Government in respect to credit sales of grain and commended the Government of Canada for doubling the amount in the Export Credits Insurance Fund.

The value of the eastern Canadian market for western feed grain was recognized and several proposals for meeting this problem were considered.

In July the directors met jointly and separately to bring in recommendations related to the grain handling tariffs for the 1963-64 crop year. The study resulted in Saskatchewan and Alberta Wheat Pools reaching agreement on the submission which they would make to the Board of Grain Commissioners, requesting a reduction in country elevator tariffs of ¼ cent per bushel. Their submission would request that all other charges be in line with those authorized in the previous crop year. Manitoba Pool Elevators could not agree with Alberta and Saskatchewan Wheat Pools and would submit that all tariffs and charges be unchanged.

The possibility that tolls on the St. Lawrence Seaway may be increased prompted the directors to offer objection to such a proposal by presenting argument in a brief to the government.

The meeting considered the possibility that grain deliveries would be in restricted volume due to congested storage space and that grain producers would be in need of additional ready money following harvest. The July meeting unanimously adopted the following resolution:

> That the Minister of Agriculture be requested to petition the House of Commons to amend the Prairie Grain Advance Payments Act to provide for an increase in the amount of advance payment, and more particularly, the House of Commons be petitioned to amend clauses (a), (b) and (c) of Section 7, Subsection 1 of the Prairie Grain Advance Payments Act, the amended clauses to read as follows:
>
> (a) sixty cents per bushel in the case of wheat
> (b) twenty-five cents per bushel in the case of oats, and
> (c) forty cents per bushel in the case of barley.

Western Agricultural Conference

The Western Agricultural Conference was held in Winnipeg January 18-19, 1963. This Conference provides a link between the provincial organizations and the Canadian Federation of Agriculture. Its purpose is to deal with resolutions which have been adopted by the provincial Federations. There is merit, we believe, in this effort to harmonize the point of view held by farmers in western Canada before going to the national organization. The timing of the Conference enables the Wheat Pool directors to attend. Five directors of Wheat Pool organizations were delegates to the Western Agricultural Conference, while thirty-one directors and officials attended as visitors.

Appreciation was expressed to the retiring president, T. G. Bobier, Mr. Bobier, formerly a vice-president of the

Saskatchewan Wheat Pool, had been president of the Western Agricultural Conference for two years. L. A. Boileau, vice-president of the Saskatchewan Wheat Pool, and president of the Saskatchewan Federation of Agriculture, was elected vice-president of the Western Agricultural Conference.

The resolutions committee submitted sixty-one resolutions, of which forty-one were adopted for submission to the Canadian Federation of Agriculture. Matters of particular concern to grain producers considered by the meeting were the initial payments on grain authorized by the Government of Canada, and the government's policy on export grain sales. Price supports, acreage payments, deficiency payments, expanding trade, the World Food Program, were among the many subjects dealt with by the Conference.

J. M. Bentley, of Alberta, was elected president, and D. A. McNabb was elected vice-president for Manitoba. Mrs. T. Connaughty, of Saskatchewan, was elected as the WAC women's director on the board of the Canadian Federation of Agriculture.

Canadian Federation of Agriculture

Dr. H. H. Hannam, President of the Canadian Federation of Agriculture, died suddenly at his home in Ottawa, on July 12. His passing was keenly felt in Wheat Pool circles where he was held in high esteem. Executive officers of the three Wheat Pools had an intimate acquaintanceship with Dr. Hannam. We pay tribute to him as an outstanding farm leader.

While numerous matters of policy affecting the western farmer are considered by the Wheat Pools in committee, at the community level, and in the annual meetings of delegates, these matters, outside the field of operations, are not finally resolved in our own groups. Some of these questions deal with government policy; it is therefore desirable that study be given to them by farmers in other areas and other branches of agriculture. The Canadian Federation of Agriculture, a national organization which we have supported strongly, is the medium which provides this opportunity. It is appropriate that we include in our report a review of the activities of the Canadian Federation of Agriculture and the International Federation of Agricultural Producers.

The 27th annual meeting of the Canadian Federation of Agriculture was held in Windsor, Ontario, January 22-24, 1963. The Wheat Pools are represented on the board of directors and on the delegate body. Seven Wheat Pool directors attended the CFA meeting—three as directors and four as official delegates. Other directors of the Wheat Pools attended the meeting as visitors.

G. L. Harrold, Alberta Wheat Pool, L. A. Boileau, Saskatchewan Wheat Pool, and G. E. Franklin, Manitoba Pool Elevators, were elected to the board of directors and to the executive committee. Dr. Hannam, J. M. Bentley and L. Sorel were elected to the positions of president and first and second vice-presidents.

The meeting considered eighty-three resolutions which had been placed on the agenda by affiliated groups.

The President, Dr. H. H. Hannam, in his annual address suggested that unity and teamwork should be the theme of the meeting. He said: "Unity is the best source of strength and teamwork the best key to progress for organized agriculture." Dr. Hannam pointed out that teamwork had been a basic element in CFA progress and achievement. He said:

"For example, it can be said that the Canadian Federation of Agriculture has achieved quite a record in teamwork between the French and English speaking farm people in Canada. We the English speaking group must and do admit frankly that the major effort to make this possible has been assumed by the French speaking people by their broadminded generosity in letting us carry on almost wholly in one language. By so doing the French speaking member bodies have not lessened their loyalty to their own culture but instead have raised the status of the bi-cultural aspect of the Canadian people.

"I wonder how many national organizations we have in Canada which have achieved a similar record. It would not be surprising if the record of the Canadian Federation of Agriculture stands alone in this respect. This record of unity has been an inspiration in goodwill which should be of real significance to our nation.

"Unity between eastern and western farmers has always been achieved on major policy issues, sometimes not without difficulty and sometimes it has not been easy to maintain. However, it has been maintained and the joint support between east and west, as between English and French groups, has been a very important source of strength and influence in helping to shape national policy."

On February 5, 1963, a delegation of twenty-two persons called on the Prime Minister of Canada and members of the Cabinet to point out the major aspects of Canadian Federation of Agriculture agricultural policy. In its submission the delegation stressed certain matters including resolutions dealing with dairy policy, with grain, with feed freight assistance, with feed grain supply and storage policy, with rural improvement programs, and expanding trade.

A joint meeting of representatives of the National Farmers' Union and the Canadian Federation of Agriculture was held in Winnipeg on April 1, 1963, to consider action which might be taken to achieve a greater degree of unity between the major agricultural organizations. The meeting was attended by twenty-two persons. A joint statement issued following the meeting said that it was recognized that no immediate action at the national level to change the organization structure of the two organizations is possible. It found that united action must arise out of successful efforts to establish a basis for such unity in provincial organization.

In July a joint board meeting of the National Farmers' Union held at Edmonton opposed the recommendation that the two groups create one national farm organization.

The Canadian Federation of Agriculture made a formal submission to the Royal Commission on Banking and Finance on September 21, 1962, a date just prior to the release of our last report. The vital stake of the farmers in the general growth of the Canadian economy was emphasized. The submission made recommendations respecting agricultural credit on the one hand and the national general economic policy on the other. The ever growing needs of farmers for capital and credit for farm operation and farm family living were reviewed and the sources and volume of governmental and non-governmental credit were indicated. The brief pointed out that the forces of economic change have resulted in the production of agricultural products in excess of effective domestic and export demand and as a consequence the overall returns for the investment, labor and management of farm operators are quite low in comparison with those with comparable investments in other industries. The Canadian Federation of Agriculture made several recommendations to the Commission. We refer to those which are related to the financial problems of the grain producer:

1. A federal policy providing for the granting of interest-free loans to farmers in cases of natural disaster should be instituted.

2. Policies to better provide for initial capital for farmers entering farming, as well as for development capital, are needed. It is recommended that a searching enquiry be undertaken into a

policy of providing permanent types of mortgages or the issuance of long-term interest bearing securities for family farm acquisition.

3. Intensive and continuing study of farm credit needs and their implications for the long-term development of the farm economy should be undertaken. The Farm Credit Corporation should have a competent and active research division.
4. The maximum interest rate limitation on banks should be retained at its present level.
5. These should be created:
   (a) A national economic planning body of government attached to the Cabinet.
   (b) A National Economic Advisory Planning Council with responsibilities for informing the public about economic issues and conditions, as well as for advising the government, and with a secretariat of its own.
   (c) Provision for more independent research in economic policy, including agricultural policy.
6. The fundamental direction of our trade policy should be toward freer trade. The basis of our external agricultural policy should be to favor international consultation and agreement on prices, markets and surplus problems.
7. The Agricultural Rehabilitation and Development Act program should be actively pursued.

With the appointment of a minister of agriculture by the new government, the Canadian Federation of Agriculture introduced itself to the minister on May 8, 1963, when a formal submission was made to the Hon. Harry W. Hays and the Hon. R. Tremblay, Minister without Portfolio.

The Ministers were informed about the structure of the CFA and of the policies which it supports. It was considered advisable to inform the Ministers about the interests of Canadian farmers as they emerged from the activities of the CFA. At the same time the CFA offered its fullest co-operation in dealing with the important matters of agricultural policy and the important federal agricultural services which were now their special responsibility.

On November 20, 1962, the Canadian Federation of Agriculture presented a formal statement to the Federal-Provincial Agricultural Conference. The statement referred to the somewhat improved condition in the grain and livestock markets and to progress being made in agricultural policy in Canada. The CFA emphasized the continuing need for farmers and government to bend every effort toward developing constructive policy that gives hope of steady improvement in this position. The CFA said: "The case is as strong as it has ever been for governments to recognize that the farm industry is a disadvantaged one." The formal statement to the Conference referred to the role of governments and the assistance provided the agricultural industry. The CFA pointed out that:

> The search for measures to improve the farmer's opportunities and position must be a continued, active concern of government. Nor is there any need for apologies or embarrassment over government decisions to spend money in the interests of the farm industry where such expenditures, even in quite substantial amounts, seem necessary and justified for reasons of equity, and for reasons of promoting the healthy economic development of the industry. In fact most if not all such expenditures are ultimately as much in the interests of the consumer and the general economy as they are in the interests of the farmer. This is particularly so when a lagging economy and unemployment reduce alternative opportunities for farmers and create a particularly strong case for giving a stimulus to the economy through well-considered government expenditure.

During the year Dr. W. C. Hopper retired as economist to the CFA, a position he had held since 1959, when he retired from the post of Commercial Minister to the Canadian Embassy in Washington. On November 1, 1962, an announcement was made that Dr. Armand L. Lacasse had been appointed economist to the CFA.

The board of directors held its semi-annual meeting in Winnipeg on July 25, 1963. James M. Bentley, of Edmon-

ton, was elected president to succeed the late Dr. H. H. Hannam. (Mr. Bentley was elected first vice-president at the last annual meeting of the CFA.) Lionel Sorel, of Quebec, and Charles Huffman, of Ontario, were elected first and second vice-presidents. These three officers will fill these positions until January 1964, when regular elections will be held. David Kirk, who has served for ten years as secretary-treasurer, was named executive-secretary. Lorne Hurd was appointed assistant executive-secretary and director of information; his duties to commence on November 1, 1963. Mr. Hurd has been editor of The Country Guide, a position he held for seven years, and executive-secretary of the Agricultural Institute of Canada.

International Federation of Agricultural Producers

The International Federation of Agricultural Producers is a non-governmental world farm organization representing 35 million farm families affiliated in the national organization in 70 countries. Its activities are carried on through committees and conferences.

The European Regional Committee of IFAP met in Paris, France, on October 29-30-31, 1962. L. A. Boileau, one of our directors, attended as an official observer for the Canadian Federation of Agriculture, and more particularly, for the three Wheat Pools and United Grain Growers Limited. Mr. Boileau, in his report, pointed out that:

> The purpose of the meeting was mainly to discuss general trends and objectives of agricultural policies in Europe; to consider the present status of the common market for agricultural products; to review the position of the main commodity sectors and receive progress reports on many studies being carried on such as farm structure, vertical integration, economic diversification of rural areas and many others such as negotiations for entrance of the U.K. in the E.E.C.

The next meeting of the North American Committee of the IFAP will be held in the spring of 1964.

The General Conference of IFAP was held in Dublin, Ireland, May 16-19, 1963. The Canadian delegation to the Conference was headed by J. M. Bentley, first vice-president of the Canadian Federation of Agriculture. Dr. H. H. Hannam, a member of the executive of IFAP, was unable to attend for reasons of health. Other members of the Canadian delegation were Art Musgrave, president of the Ontario Federation of Agriculture; L. A. Boileau, president of the Saskatchewan Federation of Agriculture; John Dickson, president of the Dairy Farmers of Canada; A. M. Runciman, president of the United Grain Growers; Gordon Greer, past president of the Ontario Federation of Agriculture, and David Kirk, secretary-treasurer of the Canadian Federation of Agriculture.

Of particular interest to grain producers in western Canada is the report of the Grains Committee of the Conference, the chairman of which was J. M. Bentley, of Edmonton.

The IFAP Conference agreed on the need to review and revise the International Wheat Agreement and to conclude also an Agreement on Coarse Grains.

The following excerpts from the report of the Grains Committee are meaningful to Canadian grain producers;

> These agreements should be concluded at the latest by the expiry date of the present Wheat Agreement. The two Agreements should be administered by a single International Grains Council. The Agreements proposed would deal with the following matters:
>
> **Wheat:** A revised International Wheat Agreement should
> (1) cover concessional sales as well as commercial trade;
> (2) provide rules or guide lines for trade in feed wheat;

(3) provide for governments to pay more heed to the recommendations of the International Grains Council emanating from the annual review of national policies.

Coarse Grains: The International Coarse Grains Agreement should include in its membership all countries interested in production and trade in these commodities. It should cover all coarse grains and take account of the growing use of wheat for animal feed purposes. The principal objectives of the Agreement would be to achieve a better balance between world production and market outlets and a more stable and remunerative price for coarse grains entering world trade, thereby assisting producers in both importing and exporting countries. Furthermore, regard should be had to the interests of producers of animal products. As in the case of wheat, the Council would review national policies annually.

General: The International Grains Council would establish close contact with the agencies responsible for utilizing surplus grain as part of an expanded World Food Program.

The meeting called for immediate action on planning for an improved expanding world food program following completion of the present three-year experiment.

The Conference was very concerned about the problem of a chronic tendency in agriculture to overproduce in relation to demand and debated the vexing question: should this problem be solved by the limitation of production or by expansion of food aids? Canadian delegates did not favor production controls.

The IFAP Conference agreed that a special meeting on grains should be held in order to examine the underlying causes of the disequilibrium in world grain markets.

B. W. Biesheuvel was elected for another term as president of IFAP. On August 13, 1963, it was announced that Mr. Biesheuvel had resigned upon being appointed Vice-Premier and Minister of Agriculture for the Netherlands, and that Herschel D. Newsom, Master of the Grange in the United States, has been named chairman of the executive committee of IFAP. Mr. Newsom will also fill the position of president until the next Conference.

Government Policy for Agriculture

When the first session of the 25th parliament opened on September 27, 1962, several pieces of legislation were forecast in the speech from the throne which would deal with the various problems of agriculture. We cite excerpts covering these items:

In recognition of the important role of transportation in the Canadian economy, you will be asked to approve measures to give effect to recommendations of the Royal Commission on Transportation which has now completed its comprehensive analysis of the Canadian railway problem. These changes are intended to remove the need for general horizontal freight rate increases which have borne so heavily in the past upon certain areas and groups of producers. You will also be asked to provide for an extension of the Freight Rates Reduction Act and the other interim railway subsidies provided by appropriation.

The prosperity of agriculture remains essential to the wellbeing of the entire Canadian economy. Canada is blessed this year with very large crops of good quality, and export markets for Canadian agricultural products have been greatly enlarged.

My ministers recognize that livestock is occupying a position of increasing importance in Canadian agriculture. They propose that a program be instituted to ensure the availability of storage facilities and continuity of supplies of feed grain to match the expanding requirements for livestock production, particularly in the areas of British Columbia and eastern Canada where supplies of feed grain are normally deficient.

Legislation will be proposed to enlarge the funds of the Farm Credit Corporation, and allow greater flexibility in their use. The need for training in agriculture and the present facilities have also been under review and as a sequel to these studies, a national conference on agricultural training is to be convened this fall.

As one of my government's measures to develop the Canadian economy, maintain a high level of employment and strengthen the balance of payments, you will be asked to approve legislation establishing a national economic development board. This board would be broadly representative and would review and report

upon the state of the economy and upon economic policies. It would also have the duty of recommending to the government particular projects or measures which it considers would be in the interest of national development, including projects which may require direct governmental participation by way of financial aid or otherwise.

It is a matter of record that when the government was defeated on February 5, 1963, little progress had been made in implementing the proposed legislation.

The 26th session of parliament convened on May 16, 1963. On that occasion the speech from the throne promised:

A new Department of Agriculture Act will be placed before you, to provide for two ministers in order that the needs of agriculture in both eastern and western Canada may receive closer attention. My ministers will institute new programs to make farming as a whole more stable and more prosperous. They will strive to expand markets for Canadian farm products both at home and abroad, with special attention to dairy products.

You will be asked to continue the existing payments to the railways, pending the approval of long-term measures concerning transportation.

A measure will be placed before you to establish an economic council of Canada, in order to assist the government, industry and labor to develop means of ensuring in Canada the highest possible levels of employment, of efficient production, and of sustained growth of our economy.

Canadian Wheat Board Act

One of the first announcements made by Prime Minister Pearson was to the effect that the Canadian Wheat Board would be placed under the Minister of Trade and Commerce. On April 22, 1963, by Order-in-Council No. 63-633, the powers vested in the Minister of Agriculture for the administration of the Canadian Wheat Board Act were transferred to the Minister of Trade and Commerce.

Farm Credit Act

An act to amend the Farm Credit Act was passed by the House of Commons on November 22, 1963. The amendment increased the capital of the Farm Credit Corporation from $12 million to $16 million, thereby increasing the lending capacity of the Corporation from $300 million to $400 million.

The act was first passed in 1959 to provide for the extension of long term mortgage credit to farmers.

Transportation

In our last report we referred in detail to the recommendations of the Royal Commission on Transportation. During the year under review we anticipated what government action would be taken to implement the recommendations. Our most particular concern is related to the railway companies' plan to abandon many miles of branch lines. Representatives of the Wheat Pools, the three provincial governments, farm organizations and municipal officers met in Regina on December 20, 1963, to consider the approach which should be made to the federal government regarding branch line abandonment. This meeting went on record as opposing "piecemeal abandonment".

On the same day, December 20, the Minister of Transport made the following announcement in the House of Commons:

"The Minister of Agriculture and I met with the presidents of Canadian Pacific and Canadian National Railways to consider how, in the interests of all parties, a series of precipitate and unorganized abandonment applications might be avoided. The railway presi-

dents are sympathetic to the problem and have indicated their complete willingness to assist in trying to effect an appropriate solution.

"Applications for branch line abandonment in western Canada presently filed with the Board of Transport Commissioners and those which may be filed are designed to allow western interests to obtain an overall picture. To this end my colleague the Minister of Agriculture, has arranged that we and the two railway presidents meet on January 3 or January 4 with representatives of the western pool elevators and the elevator companies in order to discuss possible procedures."

As announced by the Minister of Transport, the meeting called by the Minister of Agriculture was held on January 4, 1963. The president of each of the Wheat Pools attended. The meeting, we consider, served a useful purpose. Its accomplishments were set out in a press release by the Minister of Transport which in our opinion is a correct summary. We quote from this release:

In the course of the meeting the representatives present expressed their concern about ad hoc individual treatment of applications, the need for an overall approach to this problem, and, to the extent possible, the development of a general plan regarding future branch line operations in the west which would in turn make it possible for grain interests to plan adjustments of their operations.

The presidents of the two railways, while stressing the fact that economic growth and changing economic conditions made it impossible to set down rigid long term plans affecting branch line operations, indicated sympathy with the problem described and a desire to co-operate as much as possible. It was pointed out that applications for abandonment already submitted represented a step toward the development of a general plan and that additional applications and the development of any more comprehensive planning would, in large measure, be effected by the legislation which the government proposed to submit to parliament based upon the recommendations of the recent Royal Commission on Transportation.

Mr. Balcer confirmed the intention of the government to proceed with this legislation at the earliest feasible date in this session. He explained that while it was impossible to give details in advance of presentation to parliament, nevertheless the bill would generally be based on the recommendations of the Royal Commission for a planned approach to branch line abandonment including the establishment of set periods for receipt and review of abandonment applications. The consideration given by the regulatory authority would be enlarged to take a longer term view of the future of individual branch lines with authority to defer abandonments on a planned basis.

The presidents of the two railways pointed out that further applications regarding western branch line abandonments which would affect the grain movement in the prairie provinces were to be submitted. These applications would undoubtedly be affected by the content of the new legislation. Under the circumstances, the railways would request the Board of Transport Commissioners not to proceed with either new or current applications for such branch line abandonments until their further relevant applications were submitted and the new legislation dealt with. This action would be taken on the assumption that the legislation would be enacted during the current session of parliament.

The meeting concluded with a general expression of opinion that the results achieved had taken care of the immediate problem relating to the railway applications for western branch line abandonments affecting the grain movements.

The new government, as indicated in the speech from the throne, undertakes to bring down legislation dealing with transportation matters. The Wheat Pools have awaited anxiously the introduction of this legislation.

Representatives of the three Wheat Pools met the Cabinet Committee on Transportation on August 22, 1963, and recommended that a railways rationalization board be established, and that such a board would be charged with evolving a long-term program for streamlining freight and passenger services with a view to evolving a more efficient and lower cost railway plant. They expressed the view that the problem must be looked at in one total piece from the outset and not in parts. The Wheat Pools said they were not only concerned with the problem of abandoning railway lines; they were also concerned with the organization of transport services that are to remain. Public interest

requires a carefully thought-out plan to minimize economic dislocation.

On November 27, 1962, the House of Commons voted $50 million to the Board of Transport Commissioners for Canada. This sum is identified as:

> Interim payments, related to the recommendations of the Royal Commission on Railway Problems, to Companies as defined in the Freight Rates Reduction Act of an aggregate amount in respect of the calendar year 1962 of $50,000,000, to be paid in instalments at such times and in accordance with such method of allocation as may be determined by the Board of Transport Commissioners for Canada, as compensation to such Companies for the maintenance of their rates on freight traffic at the reduced levels provided for pursuant to the provisions of the said Act.

Freight Assistance

On August 22, 1963, the Minister of Trade and Commerce and the Minister of Agriculture announced a new federal government policy to assist the movement of western-grown feed grains to eastern Canada.

The three Wheat Pools recognize the merit in the federal government assisting in such programs.

The new policy is designed to serve the same purpose as the freight assistance program. It will provide for the payment of accrued storage charges on western feed grain in licensed eastern elevators during the period October 15 to April 15, a provision which should make adequate stocks of feed grain available at strategic points in eastern Canada. It is also proposed that freight assistance rates be related to the cost of water movement, plus an allowance for inland transporation by rail or truck to provide more uniformity in cost to feeders in different areas, both in British Columbia and eastern Canada.

Your directors had anticipated that appropriate legislation would have been introduced early in the new session of parliament; however, early action has been promised.

The Minister of Agriculture, the Hon. Harry W. Hays, on October 3, 1963, referring to a new feed grain policy in which the government will pay storage charges over the winter months on western feed grains in eastern elevators, said in the House of Commons: "An estimate will be presented to the house to implement this program which, along with the freight payments, provides very substantial assistance in reducing the cost of feed grains to eastern producers. It will also help materially in ensuring adequate stocks of feed grains for eastern Canada."

Freight Rates Reduction Act

The Minister of Transport introduced a resolution in the House of Commons on October 1, 1962, seeking to increase the authorized expenditure under the Freight Rates Reduction Act by an additional $20 million. Progress on the passage of the bill was reported on January 23, 1963, but it was not finally disposed of prior to the dissolution of parliament.

Agricultural Rehabilitation and Development Act

The Agricultural Rehabilitation and Development program was formally set in action by the signing of general agreements by the federal government and all ten provinces. Under the agreements the federal government's share of the cost of projects during the initial three-year period will be determined by a formula based on the following factors:

(a) Net value of the province's agricultural production;
(b) Number of farms in the province with a value of production of less than $1,200 annually;
(c) The size of the province's total rural population.

Projects in 1962 were approved in three provinces—Prince Edward Island, New Brunswick and Manitoba.

On July 25, 1963, questions were raised in the House of Commons as to the intention of the new administration in dealing with ARDA. The Minister of Agriculture in reply commented, "If there are any changes they will be a matter of government policy and will be introduced to the house at the proper time."

Agricultural Economics Research Council

The board of directors of the Agricultural Economics Research Council appointed Dr. W. J. Anderson as research director. Dr. Anderson has been Dean of Agricultural Economics at the University of British Columbia since 1947. He has many characteristics which qualify him for the appointment. As a result of his guidance and efforts it is to be expected that the Agricultural Economics Research Council will produce recommendations which being basic to our farm economy can be endorsed by our organization.

Economic Council of Canada

We welcome legislation passed on August 2, 1963, under which is established a corporation to be known as the Economic Council of Canada, consisting of a chairman, two directors and not more than twenty-five other members to be appointed by the governor-in-council. The duty of the Council is to advise and recommend to the minister how Canada can achieve the highest possible level of employment and efficient production in order that the country may enjoy a high and consistent rate of economic growth and that all Canadians may share in rising living standards. The many duties of the Council are defined in the Act. Of particular concern to us is the fact that the Council is empowered:

> To study and discuss with representatives of the industries concerned and with representatives of labour, farmers and other primary producers, and other occupational groups and organizations, what specific plans for production and investment in major industries in Canada will best contribute to a high and consistent rate of economic growth.

On September 17, Prime Minister Pearson announced that John J. Deutsch will serve as chairman of the Economic Council of Canada. Dr. Deutsch will be welcomed to his new appointment. He is ably qualified to fill the position, having served as assistant deputy of finance in the federal government head of the department of economics in the University of British Columbia, and later as vice-principal of Queen's University.

We can only anticipate the operations of the Economic Council and shall welcome the opportunity to consult with it on all matters relating to the economy of western agriculture.

Agricultural Stabilization Board

On November 5, 1962, the Minister of Agriculture announced that E. A. Boden was appointed Saskatchewan representative on the Advisory Committee to the Agricultural Stabilization Board. We were pleased to learn of this appointment and to have one of our directors closely associated with an activity so essential to the welfare of agriculture as the Agricultural Stabilization Board.

The report of the Board for the year ended March 31, 1963, shows that the net cost in carrying out its program of stabilizing prices amounted to $71,856,049. The major items in this item of expense included a deficiency payment on whole milk for processing amounting to $13,257,869, and a butter subsidy of $42,272,807. The total net cost incurred in connection with butter support during the year was $45,238,925.

The inventory value of commodities held by the Stabilization Board at the year end stands at $139,511,340. No payments were made to cattle or hog producers as the average market price received by them was above the support level. Disposal of the Board's stocks of canned pork continued. The net cost resulting from the disposal of canned pork and hams is given as $7,527,960.

St. Lawrence Seaway

The agreement between Canada and the United States of America establishing the St. Lawrence Seaway Authority provides for periodic review of tolls. The volume of traffic on the Seaway was less than originally anticipated with the result that the tolls collected were insufficient to meet the amortized payments. In spite of the financial position of the Authority we have requested the Canadian Government to resist any application for higher tolls.

A brief has been prepared for submission to the St. Lawrence Seaway Authority in which we have stressed the impact higher tolls would have on the economic position of grain producers in western Canada. We have pointed out that our reasons for making a submission are because grain disposal is so important to farmers in the three prairie provinces, our members are quite naturally anxious to contribute to any debate about the provision and maintenance of transportation facilities for export grain. The conditions under which traffic moves into the prairie region also concern our members because a good proportion of the variable factors used in grain production as well as food, clothing and other durable goods farmers buy are manufactured outside of the prairie region and imported.

Consequently, we have said that our interest in entering discussions about any transportation is three-fold:

(i) To secure for our farmer members in the three prairie provinces the most economic transportation cost in the moving of their produce both to domestic markets within Canada and to international markets elsewhere on this continent and abroad;

(ii) To secure for western Canada the most favorable transportation costs possible for the movement of all goods into and out of the area, having regard to the economic conditions and considerations for the entire country; and

(iii) To secure for the country as a whole the best possible transportation facilities at the least possible economic and social costs.

We have stated that any increase in toll rates would tend to reduce or at least inhibit the volume of traffic using the route and suggested that increase in traffic will eventually allow a reduction of toll charges and still maintain sufficient revenue.

Royal Commission on Taxation

The directorate of the three Wheat Pools at an Interprovincial meeting held in January 1963, decided to present a submission to the Royal Commission on Taxation. At the same time, each Wheat Pool reserved the right to make a submission on its own behalf if it so decided. Our President and Vice-President were appointed to an advisory committee of the Co-operative Union of Canada, the purpose of which was to advise the board of directors of the Co-operative Union of Canada as to content of the brief and other matters related to the presentation.

We agreed to lend our support to the Co-operative Union of Canada and further agreed that our brief would be supplementary to the submissions made by the Co-operative Union of Canada and the Canadian Federation of Agriculture.

In preparing our submission we were constantly aware

of the terms of reference which were laid down by the government, and recognized that while the taxation of co-operatives was a controversial question it might prove only incidental to the inquiry of the Royal Commission. We examined the taxation presently assessed against different business entities and made recommendations which we believe would provide for the fair and equitable taxation of business enterprises regardless of their structure.

The Alberta Wheat Pool decided to present a brief on its own behalf; the Saskatchewan Wheat Pool and Manitoba Pool Elevators decided that their proposals could be incorporated in the brief of Canadian Co-operative Wheat Producers. Our submission was filed with the Royal Commission on September 2, in keeping with the request of their secretariat.

The Commission provided that the briefs submitted by the Co-operative Union of Canada, Canadian Co-operative Wheat Producers Limited, Federated Co-operatives Limited, Maritime Co-operative Council, United Maritime Fishermen, Prince Rupert Fishermen's Co-op Association and the Fraser Valley Milk Producers would be studied jointly in Ottawa on October 3 and 4. It had been arranged by these organizations that they would be officially represented at the meetings: twenty-six persons attended on behalf of the various phases of the Canadian co-operative movement. A number of interested visitors also attended.

The members of the executive committee, that is, the presidents of the three Wheat Pools, appeared on our behalf and were subjected to cross-examination by the Commissioners and their counsel.

We report that the presentations made to the Royal Commission by the co-operative organizations dealt with the problems of taxation in a most creditable manner. As a result of their searching questions the Commissioners are well informed on the many aspects of co-operative organizations, that is, their purpose, their structure and their methods of operation.

We express appreciation to those persons who assisted in the preparation of our own submission and to our executive officers for appearing before the Royal Commission. Like thousands of other people associated in various types of Canadian co-operative organizations we must await the report of the Royal Commission. This we shall do with hopeful anticipation.

International Wheat Agreement

The crop year ending July 31, 1963, coincides with the first year's operation of the revised International Wheat Agreement. We report that support of the Agreement by signatory nations continues strong. It has been criticised, however, in some quarters for having failed to meet one of its important objectives as set out in Article I, namely, to overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat. This point was emphasized by Dr. L. A. Wheeler, grain specialist, United States, when he said that the Canadian marketing system is the only one devised by any country to keep production in line with demand. The influence of the International Wheat Agreement since 1949 has, we believe, been beneficial and justifies our continued support.

The commercial purchases recorded with the International Wheat Council through the crop year 1962-63 reached a total of 533,338,000 bushels and were made by forty nations and territories. Recorded sales by Canada of 219,147,000 bushels represented 41.09% of the total.

United States of America sales accounted for 23.15%, Australia 12.73%, Argentina 9.29%, U.S.S.R. 6.52%, France 5.88%.

Credit Sales of Grain

Markets and marketing methods for Canadian wheat have been analyzed and occasionally criticised in government circles, in marketing conferences, by editors and grain trade specialists, all of which emphasizes the importance of this commodity in Canadian affairs. It is recognized that competition for wheat markets is especially keen in periods of large surpluses. It must also be recognized that the marketing techniques which we have strongly supported are criticised by those interests who oppose marketing agreements. The future of our wheat industry is of great concern to us as it is to every wheat grower in our country.

The need for new outlets has led all wheat exporting nations to offer wheat on credit terms. The Canadian Wheat Board in its last report said that exports on a concessional basis are becoming of greater importance to Canada. These include gifts of wheat and flour under the Colombo Plan to countries in Southeast Asia, credit sales under provisions of the Export Credits Insurance Act and a special arrangement whereby the Government of Canada guarantees credit to enable the Canadian Wheat Board to enter into sales contracts with the People's Republic of China.

Our President, Chas. W. Gibbings, addressed a conference of grain specialists from the Red Spring wheat area of the United States, when they met in Winnipeg in July. He told the conference that Canada should be doing more to supply wheat and other services to underdeveloped countries and although Canada could not match U.S. efforts in this direction it nevertheless had a responsibility to assist those who are emerging. He said, "Our complaint should not be that the U.S. has done too much; it should be that the Canadian Government has done too little."

Addressing the same conference, the assistant chief commissioner of the Canadian Wheat Board, W. Riddel, said that Canada cannot hope to match U.S. subsidies to farmers because the population and gross national product are only one-tenth those of the U.S. He said:

> "In addition, we feel that higher internal prices, through export subsidies, would result in enhancing production to the point where we could not cope with the surplus and would land us with the same type of problems as now prevail in the U.S. At times we have expressed some dissatisfaction with U.S. wheat marketing operations under Public Law 480, but this has not arisen from the humanitarian aspects of the program of feeding the hungry people of the world . . . . . As such, the program has tended to encroach on commercial markets and we find that we must be constantly on the alert to hold our markets and to prevent their take-over by offers of wheat under PL 480."

The sale of 7,350,000 bushels of wheat was made to Yugoslavia under credit arrangements in May 1963. Payment is to be made on the basis of 10 per cent at time of shipment with the remaining balance to be paid in equal instalments, plus interest, at the end of 2, 2½, 3 and years, respectively. The credit was authorized under the provisions of the Export Credits Insurance Act.

On August 2, 1963, the Canadian Wheat Board anannounced the conclusion of a long term agreement with China, under which the Chinese authorities declared their intention to purchase from Canada from 112 to 186.7 million bushels of wheat over the period August 1, 1963 to July 31, 1966.

On September 10, 1963, the Hon. Mitchell Sharp, Minister of Trade and Commerce, announced that the

Canadian Wheat Board had negotiated a contract for the sale of approximately 11 million bushels of wheat to the Union of Soviet Socialist Republics. This volume was sold for cash under the terms of the three-year agreement which was signed on April 18, 1960.

A contract for the sale of a large volume of wheat has been entered into between Russia and Canada. This contract covers the sale of 198 million bushels of wheat and approximately 25.9 million bushels in the form of flour. The negotiations for the sale of this wheat were carried on in conjunction with consideration of the terms of a new three-year trade agreement. The trade agreement was signed on September 16, 1963.

The terms of payment for sales under these long term agreements of 25 per cent cash and the balance to be paid in 18 months, with interest. The deferred payment provision covering the sales to China is made possible by a guarantee to the Canadian Wheat Board by the Government of Canada, while the sales to Russia were made under the terms of the Export Credits Insurance Act.

It is difficult to assess the effect that these credit sales of approximately 400 million bushels of wheat will make in Canada's business circles. Producers, grain handlers and shippers will all benefit. We commend the Canadian Wheat Board and the Canadian Government for executing these agreements.

World Food Program

During the year under review substantial progress has been made in the development of a World Food Program. The emphasis in this program is placed on the problem of banishing hunger and malnutrition in the world's growing population rather than on increasing food supplies. We have lent our support to the programs which have been launched since 1943 when President Roosevelt laid the foundation for the Food and Agriculture Organization at Hot Springs, Virginia. We are aware that Canadian farmers have supported the plea of "Freedom from Want," this being one of the Four Freedoms held out as an ideal which should guide mankind in its efforts to remove the causes of war; an ideal to which many nations have subscribed.

The World Food Congress convened in Washington, U.S.A., from June 4 to June 18, 1963. Its purpose, as set out by its Secretary-General, was, "To achieve a better understanding of the problems of providing adequate food for the present and future world population in the light of its rapid and continuing increase."

Canadian Co-operative Wheat Producers was represented at this Congress by Dr. W. J. Anderson, of the University of British Columbia. Our decision to ask Dr. Anderson to attend the World Food Congress was prompted by the fact that the purpose of the Congress was related to the studies on food utilization being made for us by the University of British Columbia. The Congress celebrated the twentieth anniversary of the Hot Springs Conference and was attended by more than one thousand delegates from over one hundred countries who were able to evaluate the progress made by the Food and Agriculture Organization of the United Nations. It was hoped that the Washington forum would stimulate the co-operation of individuals and governments in the fight against hunger. Other agencies closely allied with the World Food Program and the World Food Congress, with the same broad objectives, are the Food and Agriculture Organization, Food for Peace, and Freedom from Hunger Campaign.

We support the theory that, "The burden of food aid

to less developed countries should be shared by all rich countries instead of only those which happen to have food surpluses"; a proposal advanced by a Swedish economist at the World Food Congress. He said that a multinational system of foodstuff distribution would help to eliminate the paradox of surpluses and production controls in the presence of hunger. This proposal has been publicly stated and endorsed on our behalf by our President. Such a method would place emphasis on the elimination of hunger rather than the elimination of food surplus.

The Minister of Trade and Commerce, the Hon. Mitchell Sharp, on July 24, 1963, announced to the House of Commons that the government would help meet the food needs of the developing countries when he said, "Canada for many years now has been making wheat and flour available as part of our Colombo Plan assistance. I wish to announce at this time the intention of the government to ask parliament to provide for a program of supplying wheat or wheat flour to international agencies, including the World Food Program, and to developing countries which are now commercial markets or where commercial exports are limited by capacity to pay."

We recognize, of course, that the leadership in world food programs is given by the United States, a wealthy nation, technically advanced and richly endowed with natural resources. These factors added to the generosity of the American people have enabled that nation to contribute $12 billion worth of food and fibre to hungry people or less developed economies in the last 8½ years. This volume has been donated or sold on concessional terms by the United States.

World Supplies and Exports

To give a clear picture of Canada's wheat industry your board of directors have incorporated in this report a digest of statistics issued by the Board of Grain Commissioners, the Dominion Bureau of Statistics and other authoritative sources, covering the production and marketing of cereal grains.

Supplies

At the close of the crop year it is estimated that 2,265.3 million bushels of wheat remained in Canada, the United States, Argentina and Australia, approximately 2% higher than the 2,225.7 million bushels available for export and carryover at the same time a year ago.

Exports

The volume of wheat exported from the four major exporting countries is given at 1,232.4 million bushels for the crop year 1962-63, a decline of 11% from the volume exported a year earlier.

The peak volume of wheat and flour moving on the world market was established at 1.7 billion bushels in 1961-62. It is expected that when the final figures are available the total volume traded in 1962-63 will be quite close to 1.5 billion bushels.

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

(Dominion Bureau of Statistics)

Crop Year	Total	Argentine	Australia	United States	Canada	Canada's % of Total
		—in million bushels—				
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	26%
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	1,291.6	62.9	198.0	677.5	353.2	27%
1961-62	1,389.1	95.5	231.4	704.2	358.0	26%
1962-63	1,232.4	62.5	186.2	651.6	* 332.1	26%

*The figure given above for Canadian exports includes bagged seed wheat.

Canadian Grain Production

The latest estimate of the Dominion Bureau of Statistics covering the production of grain in the crop year 1962-63 shows some variation from the preliminary estimate issued a year ago.

Grain Production 1962

(Dominion Bureau of Statistics—Latest Estimate)

	Canada		Prairie Provinces	
	Acres	Bushels	Acres	Bushels
		—in million bushels—		
Wheat	26.8	565.6	26.2	546.0
Oats	10.6	493.6	7.2	322.0
Barley	5.3	165.9	5.1	158.0
Rye	.62	12.0	.55	10.4
Flaxseed	1.4	16.0	1.4	15.3
Total	44.72	1,253.1	40.45	1,051.7

The preliminary estimate of production in the 1963-64 crop year is forecast at 719 million bushels, 27% higher than last year and 37% above the average for the ten-year period 1951-60. The forecast of production in the prairie provinces for the 1963 wheat crop is set at 698 million bushels based on conditions which prevailed at September 15.

Grain Production 1963

(Dominion Bureau of Statistics Preliminary Estimate)

	Canada		Prairie Provinces	
	Acres	Bushels	Acres	Bushels
		—in millions—		
Wheat	27.5	719.1	27.0	698.0
Oats	9.5	447.6	6.3	298.0
Barley	6.2	215.9	5.9	208.0
Rye	.65	13.0	.58	11.2
Flaxseed	1.7	19.8	1.6	18.9
Total	45.55	1,415.4	41.38	1,234.1

Farmers' Marketings

The ability of producers in the prairie provinces to market their grain is a matter of much importance to members and their organization. The volume delivered and the price received are recognized as the two prime factors in our members' well-being. In the crop year under review over 665 million bushels of the five principal grains were delivered, the largest volume in any year since 1952-53.

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

	1962-63	1961-62	1960-61	1959-60
		—in million bushels—		
Wheat	474.5	305.3	396.2	378.5
Oats	89.0	28.2	37.6	24.3
Barley	80.8	59.3	87.9	95.6
Rye	9.6	3.4	5.8	4.3
Flaxseed	13.5	12.0	18.1	14.0
Total	667.4	408.2	545.6	516.7

Approximately 3.9 million bushels of bagged seed wheat was exported during the year. This figure is in addition to the volume given in the above table, which is based on statistics issued by the Board of Grain Commissioners.

During the crop year approximately 10 million bushels of wheat, oats and barley were delivered to feed mills under regulations authorized by the Canadian Wheat Board.

The same regulations were extended on August 29, 1963, whereby each permit holder is granted permission to deliver grain to feed mills. The order will expire on July 31, 1964.

Canadian Grain Exports

In the preliminary review issued by the Board of Grain Commissioners covering the 1962-63 crop season, it is estimated that 378.7 million bushels of the five principal grains were exported. This figure represented a decrease of 31.6 million bushels from the exports made in the previous crop year.

Total Grain and Mill Products Exported

	1962-63	1961-62	30-Year Average 1932-33 to 1961-62
	—in million bushels—		
Wheat (and flour)	327.7	354.6	259.1
Oats	20.6	2.7	24.5
Barley	10.5	36.6	35.0
Rye	7.3	4.4	5.5
Flaxseed	12.6	12.0	5.1
Total	378.7	410.3	329.2

Wheat Exports totalling 300 million bushels represented a decline of 22.6 million bushels from the previous year's high volume. The volume exported is substantially above the 30-year average of 217.2 million bushels as well as the 10-year average of 264.3 million bushels.

The United Kingdom still leads the list of countries purchasing wheat from Canada, but her purchases are substantially below the average for the last 30 years. The changing position of Communist China as a grain importer is reflected in the fact that her purchases of wheat were 15.6 million bushels below those of a year ago and her purchases of barley at 1.1 million bushels show a decline of some 18.2 million bushels below her 1961-62 purchases.

Leading Buyers of Canadian Grain

Sales of Wheat and Wheat Flour, Oats, Barley, Rye and Flaxseed

	1962-63	1961-62	1960-61	1959-60
	—million bushels—			
United Kingdom	103.3	99.7	108.5	130.0
China	57.5	91.3	55.1	—
Japan	48.6	52.3	58.8	49.6
Germany	35.4	47.8	33.5	32.1
Belgium & Netherlands	29.8	18.1	19.6	24.1
United States	7.8	13.7	18.3	22.3

Carryover of Canadian Grain

The Dominion Bureau of Statistics has released its estimate of the stocks of the five major grains in all North American positions at July 31, 1963. This estimate of the carryover at 736.8 million bushels is 37% above last year's total. The 10-year average 1953-1962 is set at 828 million bushels.

Canadian Carryover as at July 31

	1963	1962	1961	Average 1953-62
	—in million bushels—			
Wheat	488.4	391.1	607.8	568.7
Oats	150.3	79.1	115.1	126.6
Barley	89.7	57.8	112.6	115.0
Rye	4.2	3.7	7.4	12.5
Flaxseed	4.2	5.3	7.6	5.0
Total—5 grains	736.8	537.0	850.5	827.8
On Farms	187.4	144.9	328.2	308.0
Commercial	549.4	392.1	522.3	519.8

The statistics showing the volume of grain held on Canadian farms is one that may give concern to producers. There is, however, no one reason for the variation in farm held grain stocks, since the volume reflects both the pattern of production and the flow to market.

Farm Carryover in Canada

	1963	1962	1961
	—in million bushels—		
Wheat	64.70	59.2	170.4
Oats	92.40	56.9	93.7
Barley	28.95	26.3	60.1
Rye	.55	1.2	2.6
Flaxseed	.81	1.3	1.4
Total	187.41	144.9	328.2

Farm Carryover in the Prairie Provinces

Farm held stocks of the five principal grains on prairie farms at July 31, 1963, amounted to 159.3 million bushels, an increase of 35% over the year-end stocks of 118.4 million in 1962.

	Manitoba	Sask-atchewan	Alberta	Total
		—in million bushels—		
Wheat	6.0	45.0	12.0	63.0
Oats	13.0	29.0	26.0	68.0
Barley	3.0	8.0	16.0	27.0
Rye	.03	.2	.3	.53
Flaxseed	.1	.5	.2	.80
Total	22.13	82.7	54.5	159.33

Farm Income

The economic position of grain producers in western Canada is constantly under review by your Board of Directors. The measure of prosperity of these farmers is indicated by a study of the farm cash income statistics issued by the Dominion Bureau of Statistics for the year 1962. In that year both farm cash income and operating expenses and depreciation charges reached an all-time high. Farm cash income in 1962, at $3,149.4 million is 6.6% above the previous record high established a year earlier, and 13.4% above the average for the previous five years. The income derived from the sale of cereals and flaxseed has particular significance to Wheat Pool members.

Preliminary Estimate of Farm Cash Income in the Three Prairie Provinces

(Dominion Bureau of Statistics)

	1962	1961	1960
	—in thousand dollars—		
Wheat	$511,229	$468,664	$427,630
Wheat, CWB Payments	152,523	122,330	70,640
Oats	25,562	15,752	16,261
Oats, CWB Payments	4,301	8,928	3,153
Barley	51,019	62,897	67,994
Barley, CWB Payments	24,244	2,022	5,335
Rye	8,580	4,722	4,138
Flaxseed	46,662	48,800	41,440
Rapeseed	10,127	17,047	12,943
Other Crops	31,137	33,500	28,691
Net Cash Advance Payments	5,916	−34,538	21,040
Total Crops	$871,300	$750,124	$699,265
Cattle and Calves	329,029	318,608	166,882
Hogs	116,772	121,769	102,220
Sheep and Lambs	4,785	5,624	4,950
Other Livestock & Products	173,604	179,648	169,878
Total Livestock & Products	$624,190	$626,649	$543,930

Farm net income amounted to $1,630.3 million, nearly $600 million greater than in 1961. Most of the gain can be attributed to a significant increase in farm held inventories of grain in western Canada.

Total Net Farm Income

	3 Prairie Provinces	6 Other Provinces	Canada ex Newfoundland
	—in million dollars—		
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	591.4	607.9	1,199.3
1960	718.1	621.9	1,340.3
1961	443.5	600.5	1,044.0
1962	907.8	722.5	1,630.3

Farm operating expenses have continued their steady climb in 1962, being 5% above the figures estimated for 1961. In 1962, these expenses amounted to $2,109.3 million; in 1961, $2,007.8 million; in 1960, $1,907.7 million; in 1959, $1,884.5 million; in 1958, $1,793.1 million.

Prairie Farm Assistance Act

The statistics for the year 1962-63 covering the operations of Prairie Farm Assistance again demonstrate the value of this program. Approximately two dollars was paid for each dollar collected. The variation in crop yield in the prairies resulted in awards being made to over 53,000 producers.

1962-63 Crop Year

	1% Levy	Awards	Payments
Manitoba	$ 1,213,940.74	3,565	$ 815,068.00
Saskatchewan	5,279,829.33	22,429	6,865,448.50
Alberta, Peace River Block and B.C.	2,120,654.06	27,698	7,798,813.00
Total	$ 8,614,424.13	53,692	$ 15,479,329.50

1939-40 to 1962-63

Manitoba	$ 20,942,452.11	142,110	$ 25,957,924.77
Saskatchewan	81,890,474.09	814,109	216,608,171.03
Alberta and Peace River Block	39,854,059.74	389,052	86,377,228.05
British Columbia	—	7,505	1,447,552.25
Unallocated	20,145.26	—	—
Total	$142,707,131.20	1,352,776	$330,390,876.10

Conclusion

Forty years ago grain producers of the prairie provinces conceived the idea that by pooling their marketable grain they could bring stability to their industry. The idea that grain producers could provide their own grain handling facilities and that these could operate as co-operatives, was the force that launched that great experiment: the Wheat Pools.

The Wheat Pools were directed to serve their members in two fields—that of grain handling and marketing, and in the framing of agricultural policy.

During this forty-year period great changes in both agricultural techniques and in trading methods have challenged the ingenuity of the farmer and his organizations. With loyal membership and devoted management these farmer-owned organizations have taken a prominent and responsible place in the nation's business.

The passing years have given the members valuable experience which now enables them to utilize their organizations in meeting their need for additional services.

This demand and the changing pattern of agriculture is providing new challenge to the Wheat Pools: requiring them to move into new fields of activity in their declared purpose of meeting the needs of members. We are confident the experience gained and the financial strength acquired, will enable the Wheat Pools to successfully provide the

expanding services which members direct as their industry becomes more commercialized and specialized.

The period during which the Wheat Pools have been in business has brought many changes in marketing methods. These changes have not lessened the competitive character of international trading. We anticipate that this changing pattern of trade will continue to evolve. It must remain the purpose of producers to see that agricultural products are not submerged in the widening industrial programs which are emerging and that continuing efforts be made to market Canada's grain at remunerative prices.

Respectfully submitted,

CHAS. W. GIBBINGS
W. J. PARKER
G. L. HARROLD
} *Executive*

L. A. BOILEAU
N. MALM
H. B. SNEATH
G. G. JAMIESON
A. J. MACPHERSON
E. A. BODEN

Canadian Pool Agencies Limited
DIRECTORS' REPORT
1962-63

11th October 1963.

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

Gentlemen:

This Agency has completed its thirty-fifth year of operations, and we present herewith for your approval the Annual Report and Financial Statements for the year ended 31st July 1963.

The earnings vary somewhat from year to year due to some insurance only coming up every three years. The profit commission which we receive from the insurance companies which is dependent on the profit the companies make on our business also varies, and this year we had quite a decrease in this commission due to heavy losses the companies suffered.

The surplus produced was $95,271.14 out of which the sum of $432.37 was provided for income tax, leaving $94,838.77 available for payment of patronage dividends. This compares with $109,635.38 last year.

On business handled by this Agency and placed with various insurance companies, other than Pool Insurance Company, we receive commissions, which provide the bulk of our income. While it is important that the maximum commissions are secured and a surplus on operations produced, it must be mentioned that many services provided are not actually reflected in the year's surplus. At all times we endeavour to obtain lower premium charges for the Parent Organizations, having in mind, of course, the stability of the company with whom we place the business. In this regard we have secured some reductions in rates this year.

We can handle all types of insurance, except life insurance. The greatest income is derived from fire and explosion insurance, followed by fidelity bonds and floater insurance. Fourteen 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 member patrons based on the amount of business contributed. Each member patron will receive the dividends as shown on the Surplus Account, Exhibit B.

The following comments to Financial Statements may be of interest:

BALANCE SHEET

Agency Assets and Liabilities

You will observe that the assets included under this heading represent premium 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 man-

agement 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 $13,551.00 is the balance due Canadian Pool Agencies Limited on the inter-office account.

Saskatchewan Wheat Pool—loan: In order to obtain a more favorable interest earning on temporary surplus funds, these have been deposited as available with Saskatchewan Wheat Pool on a demand loan basis.

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, 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 as follows:

	No. of Shares	
Alberta Wheat Pool	663	$ 6,630.00
Manitoba Pool Elevators	663	6,630.00
Saskatchewan Wheat Pool	664	6,640.00
Victoria Elevator Limited	1	10.00
Directors' qualifying shares	9	90.00
	2,000	$20,000.00

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 per cent 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,

CHAS. W. GIBBINGS
W. J. PARKER
G. L. HARROLD
} *Executive*

E. A. BODEN
L. A. BOILEAU
G. G. JAMIESON
A. J. MACPHERSON
N. MALM
H. B. SNEATH

POOL INSURANCE COMPANY
DIRECTORS' REPORT
1962-63

Winnipeg, Manitoba,
26th February 1963.

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

Gentlemen:

The year 1962, the twenty-fourth of your company, shows the best surplus ever produced. The surplus this year is $882,472.68 as compared with $525,276.23 last year. The loss ratio this year was 26.20 per cent as compared with 55.85 per cent the previous year. The total losses numbered four, being our average over the years; but three of them were small plants and the grain stocks were comparatively light.

Additional information contained in the financial statements submitted herewith, for your approval, show that we transferred $27,000.00 to the 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 $7,616.00. These deductions from the surplus left a balance of $847,854.83 for allocation to the policy-holders on the basis of their contribution to this surplus.

We partially reinsure all our risks with the exception of dwellings, and as of 1st August 1961 we increased our retention from 50 per cent to 60 per cent, and the results reflect a full year of 60 per cent participation.

The total premium income amounted to $1,381,750.82 as compared with $1,575,507.10 last year. After placing reinsurance the net earned premium income was $847,905.29 as compared with $842,810.62 last year.

The losses and adjustment expenses amounted to $368,379.73, the company's share being $222,185.41. Four country elevators and their contents were totally destroyed at the following locations:

In Manitoba —Thornhill "C", Carnegie and Ste. Agathe.
In Saskatchewan—Freemantle.

In addition, a number of small fire losses occurred—seven at elevators and three miscellaneous, one total dwelling loss and two partial losses, also twenty-nine windstorm losses at elevators.

The value of property insured decreased approximately forty million dollars from last year due to the reduction in grain stocks. We list the figures hereunder:

Country elevators	$ 99,149,000
Grain	142,801,000
Dwellings	9,020,000
Miscellaneous	4,837,000
	$255,807,000

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 reinsurance, less losses. Interest earned on investments and temporary loans to the parent organizations amounted to $54,707.60.

The greatest expense is in connection with the inspection service. We have five inspectors engaged in inspecting all the property insured, and we consider this work important in keeping our losses to a minimum. The parent organizations also perform an inspection of properties periodically by their superintendents. Circulars and pamphlets emphasizing the need to be aware of fire hazards are also sent out by ourselves and the parent organizations. We

feel that all this activity helps to reduce the number of losses and the experience has improved over the years from the efforts made along these lines.

The following comments relative to the balance sheet are submitted for your information:

ASSETS

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 temporary surplus cash taken up by the Alberta and Saskatchewan Wheat Pools.

Investments

Our investment portfolio consists mainly of Government of Canada Bonds, with a small amount of Province of Manitoba Savings 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, unless an opportunity avails itself to other more attractive securities. 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 $3,200.00 the asset covering five automobiles is shown as $7,466.76. These automobiles are used by the fire inspectors.

LIABILITIES

Current Liabilities

Premiums due the reinsurance companies are shown. The item covering taxes accrued represents premium tax, income tax and fire prevention tax due to the Federal and Provincial governments.

Reserve for Unearned Income

These reserves are calculated on the basis of one hundred per cent of the unearned premiums on our own retention and one hundred per cent of the unearned portion of the reinsurance commissions as at 31st December 1962.

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
	2,500	$250,000.00	$185,000.00	$155,000.00

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,

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