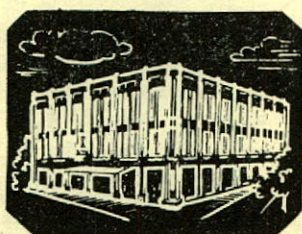


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**Saskatchewan
Co-operative Producers
Limited**



...

**TWENTY-SIXTH
ANNUAL REPORT**

...

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**SASKATCHEWAN CO-OPERATIVE
PRODUCERS LIMITED**

Directors' Report

Regina, Saskatchewan
7th November 1950

IN MEMORIAM

THIS year Saskatchewan Co-operative Producers Limited has completed twenty-six years of co-operative service to the farmers of Saskatchewan.

With the passage of the years it is inevitable that there should pass from our midst some of those pioneers who laboured to place the co-operative movement in this Province on the strong and sure foundation it enjoys today.

It is with deep regret that your Board of Directors places on record the great loss sustained in the passing of several men who played an active part in the earlier days of this Organization and who continued to maintain a keen interest in its welfare to the very end.

These include the late Johannes Einarsson of Calder, Saskatchewan, one of the original Pool delegates, who passed away on the 2nd August 1950, at the age of 87 years. The late Mr. Einarsson was typical of the pioneers who settled this Province. Born in Iceland, he came to Saskatchewan by way of the United States and homesteaded near Calder 60 years ago. Always a public spirited man, he helped to organize the Local Improvement District in which his farm was located, and acted as the first Secretary-Treasurer. He assisted in organizing the first school district and served as a trustee for many years. When rural municipalities were organized he was the first Reeve of Churchbridge R.M. No. 211. He was prominent in all farm organizations throughout the period. He was first elected as a delegate to the Saskatchewan Wheat Pool and with the exception of two years, served this Organization until November 1935.

The late A. J. MacLeod of Evesham passed away on 12th August 1950. He was a public spirited man with a keen sense of responsibilities of citizenship. He served as a member of the first council of R.M. No. 319. He took an active part in organizing the first school district in his territory. For five years he represented his constituency in the Saskatchewan Legislature. The late Mr. MacLeod was a member of the local Wheat Pool committee, a director of the local co-operative association and the credit union up to the time of his death. He served two terms as a Wheat Pool delegate, from November 1926 to November 1928.

Another pioneer of the movement who died during the year was the late C. M. Emery of Assiniboia. Mr. Emery was first elected delegate in November 1925 and served his last year and attended the annual meeting in

November 1930. He was an active worker for the old Saskatchewan Grain Growers' Association and served that organization as director at large for a number of years. He was also prominent in the work of the United Church.

The late Mr. Charles H. Comerford was a pioneer in the Mullingar district where he settled in 1906. Mr. Comerford was the first Reeve of the R.M. of Meeting Lake and served in this capacity for twenty years. He was a trustee and chairman of the school board for many years. The late Mr. Comerford was first elected a delegate in November 1928 and continued to hold office until his retirement in November 1941.

The late Mr. C. G. Hare of Bapaume died suddenly in December 1949. Mr. Hare came to Canada from England following the first world war and settled at Bapaume. He served for a number of years as a member of his municipal council and was also chairman of the Wheat Pool committee. The late Mr. Hare served for eight years as a delegate.

The late Mr. J. B. Clark, formerly of Naisberry, died suddenly in British Columbia on 21st April 1950. Mr. Clark was also a pioneer in the province, homesteading south of Melfort in 1903. For more than twenty years he served on the council of the R.M. of Star City. He was also a trustee and secretary of the Naisberry school board and a director of the co-operative association, of which he was president for twenty years. He served on the board of the Carrot River livestock shipping association, was for a period of time a director of the Saskatchewan Co-operative Wholesale Society and for four years acted as a director of the Saskatchewan Co-operative Creamery Association Limited. The late Mr. Clark was first elected as a delegate in the fall of 1927 and continued to serve in that capacity until 1936. He was a member of the Board of Directors for two years, in 1928-1929 and 1929-1930.

The late Mr. J. N. Sandager of Hinchliffe died suddenly of a heart attack in March 1950. Active in co-operative associations for many years, Mr. Sandager served as a Wheat Pool delegate from 1928 to 1941 and as a member of the Board of Directors for five years, 1931-1932 and 1932-1933, and again from 1937-1938 to 1939-1940.

The late Mr. C. H. Broten of Viscount passed away on the 30th August 1950, at the age of 68 years. Mr. Broten was a pioneer in the Viscount district. He was born near Oslo, Norway, and came to the United States in 1903 and to Canada in 1907. He was a leader in the community for many years and a councillor of the R.M. of Colonsay No. 342. Mr. Broten served as a Wheat Pool delegate for two years, 1926-1927 and 1927-1928.

The late Mr. A. J. Sellsted died at his home in Benson on 25th October 1949. Mr. Sellsted served the Pool Organization as a delegate during the years 1929-1930 to 1944-1945. He settled in the Benson district at the turn of the century, arriving from Bottineau, North Dakota. He was also a pioneer leader in his community. For many years he served as Reeve of Benson Municipality and was prominent in all community activities.

All of these men had a splendid record of service to their community. Each of these men in his own way made an important contribution not only to the welfare and progress of this Organization, but also to the community in which they lived and the province which had become their adopted home. For all of them:

*"Life's race well run,
Life's work well done,
Life's victory won,
Now cometh rest."*

* * *

IN submitting this report to the Twenty-sixth Annual Meeting of the Delegates of Saskatchewan Co-operative Producers Limited, your Board of Directors has tried to present a complete review of the operations of the whole Organization for the year ended 31st July 1950.

As in former years, this report presents the operations, not only of the parent body, but of all Pool subsidiaries and inter-provincial subsidiaries.

Consolidated Balance Sheet

The combined financial position of all the companies constituting the Saskatchewan Wheat Pool is set out in the Consolidated Balance Sheet, a copy of which is attached to this report as Statement No. 1. The usual explanatory notes on the various items of the Consolidated Balance Sheet are also attached.

As at 31st July 1950, total current assets for the entire Pool Organization amounted to \$23,198,705.71. Total current liabilities amounted to \$18,561,979.16. The difference between these two items, namely \$4,636,726.55, represents the current position of the Organization.

Provision is made in the Consolidated Balance Sheet for an item of capital commitments in respect of buildings and work under construction and machinery under purchase estimated at \$350,000.00. After making provision for these items the balance of \$4,286,726.55 remains available for working capital for the season 1950-1951. This compares with \$3,071,735.95 at 31st July 1949 and shows an improvement in working capital position during the past year of \$1,214,990.60.

Fixed Assets

Statement No. 1A attached to the report shows in detail the cost, the depreciation reserve set up against each item and the net value of all Pool fixed assets as at 31st July 1950.

The total original cost is shown as \$39,280,548.76. Depreciation has been provided to the extent of \$21,697,682.21, leaving the net value of the fixed assets of the Company at the end of the last fiscal year \$17,582,866.55.

Consolidated Capital Statement

Statement No. 2 sets out in detail the current financial position of the Organization as at 31st July 1950. After providing for the completion of certain buildings and work under construction and machinery under purchase amounting to \$350,000.00, as already indicated the surplus available for working capital for the season 1950-1951 is \$4,286,726.55, as compared with \$3,071,735.95 the previous year. The increase of \$1,214,990.60 is accounted for as follows:

Additions**Surplus Earnings**

| | |
|---|---------------|
| Saskatchewan Co-operative Livestock Producers Ltd. Transferred to Reserve Account..... | \$ 23,286.35 |
| Saskatchewan Pool Elevators Ltd. Transferred to Reserve Account..... | 201,354.52 |
| | <hr/> |
| | \$ 224,640.87 |
| Reserve for Unearned Subscriptions..... | 10,000.00 |

Liquidation of Capital

| | |
|---|----------------|
| Depreciation on Fixed Assets..... | 2,135,767.10 |
| Deferred Accounts Receivable..... | 79,274.21 |
| Deferred Charges: | |
| Temporary Storage Bins..... | \$ 5,073.34 |
| Reduction in Stock of Repair Parts and Supplies..... | 55,442.94 |
| | <hr/> |
| | 60,516.28 |
| Capital Subscribed..... | 1,499.00 |
| | <hr/> |
| | \$2,511,697.46 |

Deductions

| | |
|---|-----------------------|
| Capital Expenditures, Including Balance of Approved Program..... | \$1,264,732.69 |
| Increase in Investments..... | 506.72 |
| Reduction in Reserve Account..... | 31,467.45 |
| | <hr/> |
| | 1,296,706.86 |
| <i>Increase in Working Capital.....</i> | <i>\$1,214,990.60</i> |

All capital expenditures approved to 31st July 1950 are provided for in the above statement, including the program of country elevator and country cottage construction and capital replacement, and sundry capital purchases of machinery for the Terminals and Modern Press Limited.

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

Statement No. 3 attached hereto sets out in detail the composition of surplus capital as at 31st July 1950. The various items of this statement are largely self-explanatory. It will be noted from this statement that the commercial reserve fund is in liquid form to the extent of \$1,571,750.01, an increase from the previous year of \$44,779.73. This increase is accounted for as a result of the liquidation of fixed assets of Saskatchewan Co-operative Producers Limited and Saskatchewan Co-operative Livestock Producers Limited, less provision for additional fixed assets of Modern Press Limited.

The reserve account is in liquid form to the extent of \$2,714,976.54, which is an increase of \$1,170,210.87 from the previous year. The elevator deductions and capital receipts are non-liquid. The net increase in the liquid position of the reserve account is due largely to the liquidation of capital previously expended in fixed assets by providing for depreciation, and to the transfer of surplus earnings. The remainder of the increase is due to reduction in the deferred accounts receivable and deferred charges, which permitted a greater portion of elevator deductions to be applied on fixed assets, thus releasing a portion of the reserve account which was previously in non-liquid form. The balance of the reserve account in liquid form belongs to the Elevator Company.

The reserve account of Saskatchewan Co-operative Livestock Producers Limited has been applied on fixed assets with the exception of \$10,948.21, which has been applied on funds retained by Canadian Livestock Co-operative (Western) Limited in its equity account.

The increase in working capital represents capital funds liquidated by way of depreciation, reduction in deferred accounts receivable, provision from earnings transferred to reserve accounts and new capital receipts, the total of

which was in excess of the total of new and contemplated capital expenditures and net payments made from reserve accounts.

Statement of Assets and Growers' Equity as at 31st July 1950

As set out in the Consolidated Balance Sheet, the combined assets of the Organization, excluding the Province of Saskatchewan Deferred Accounts Receivable are as follows:

Assets

| | |
|--|-------------------------------|
| Fixed Assets (Less Reserve for Depreciation)..... | \$17,582,866.55 |
| Investments and Memberships (Less Reserve)..... | 196,422.20 |
| Accounts Receivable—Deferred (Excluding Province of Saskatchewan Accounts Receivable Deferred)..... | 345,696.44 |
| Stocks of Repair Parts and Supplies..... | 245,456.68 |
| | <u>\$18,370,441.87</u> |
| Working Capital (after providing for Expenditures to Complete Programme of Building and Work under Construction and Machinery under Purchase)..... | 4,286,726.55 |
| Amount provided to complete Programme of Building and Work under Construction and Machinery under Purchase..... | 350,000.00 |
| | <u>\$23,007,168.42</u> |
| Less: Reserve for Unearned Subscriptions, Modern Press Limited..... | 10,000.00 |
| Total Net Assets..... | <u><u>\$22,997,168.42</u></u> |

The direct investments of the shareholders in the assets of the Organization consist of the following:

| | |
|--------------------------------|-------------------------------|
| Capital (Membership Fees)..... | \$ 138,167.00 |
| Elevator Deductions..... | 12,188,060.07 |
| Commercial Reserve..... | 6,567,851.17 |
| Total Investment..... | <u><u>\$18,894,078.24</u></u> |

The net book value of the assets as shown above is \$22,997,168.42. This is equivalent to 121.716% of the direct investment of the shareholders in the Organization, which amounted to \$18,894,078.24, and compares with 120.691% at 31st July 1949, an increase of 1.025c on the dollar.

Total Grain Handlings

Statement No. 4 attached to this report shows the total amount of grain handled by Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited during the period 1924 to 1950 inclusive.

Distribution of Net Earnings

Statement No. 5 attached hereto shows the total amount of net earnings and the distribution of the earnings of Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited for the period 1924 to 1950 inclusive.

It may be of interest to delegates to recall that the total amount of elevator and commercial reserve deductions, which constituted the only capital of the Pool Organization, was approximately \$18,750,000.00. According to Statement No. 5 almost 13 million dollars has been returned to growers in cash as patronage dividends, while an additional sum of over \$8,851,000.00 declared or allocated as patronage dividends has been used or is available to purchase deductions for credit to growers on a patronage basis. These two items, representing the amount of patronage dividends declared either as cash or credits, are over 3 million dollars in excess of the total amount of elevator and commercial reserve deductions.

Including the amount of surplus earnings for the year ended 31st July 1950 allocated for the purchase and transfer of deduction certificates, the total amount of deductions revolved will be slightly over 10 million dollars when the current project is completed.

Saskatchewan Co-operative Producers Limited

A complete copy of the Financial Statements of Saskatchewan Co-operative Producers Limited, together with the Auditors' Report covering last year's operations, has been submitted separately to the delegates.

Balance Sheet

The Balance Sheet for the year ended 31st July 1950 appears as Statement No. 1, Page 10 of the Auditors' Report. Explanations of most of the items appearing in the Balance Sheet have already been given in the report covering the Consolidated Statement.

Income and Expenses

Details of income and expenses for the year ended 31st July 1950 appear in Statements Nos. 2 and 2A, pages 11, 12 and 13 of the Auditors' Report. Ordinary income amounted to \$587,332.10, while operating expenses totalled \$592,291.70, resulting in an operating deficit of \$4,959.60. After certain adjustments, including loss on demolition of the Outlook Flour Mill of \$3,027.58, and a profit on Realization of Assets amounting to \$9,208.59, the net surplus for the year appears as \$1,221.41.

In addition to ordinary income the Company received from Saskatchewan Pool Elevators Limited an amount of \$175,417.36. This amount was allocated as follows:

| | |
|---|---------------------|
| 1. An amount to meet the loss on operations of Modern Press Limited..... | \$162,170.78 |
| 2. An amount estimated to cover the balance of Income Tax liability for 1950..... | 13,246.58 |
| <i>Total</i> | <u>\$175,417.36</u> |

Saskatchewan Pool Elevators Limited

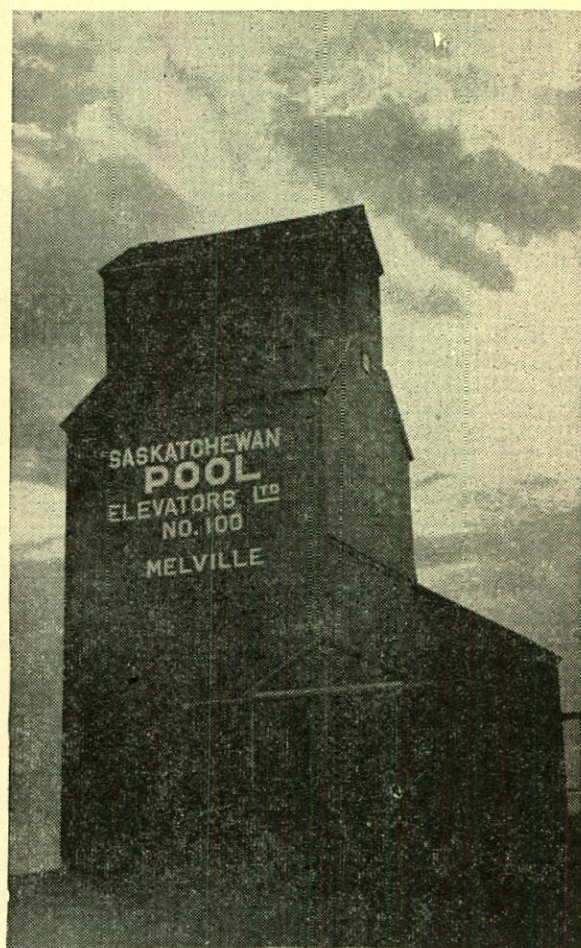
Financial Statements

The Financial Statements and Auditors' Report of Saskatchewan Pool Elevators Limited submitted separately to delegates show in detail the operations of the past season and the financial position of the Company as at 31st July 1950.

The Balance Sheet shows total current assets of \$21,804,140.27 and current liabilities of \$18,723,095.64. The difference between these two items, namely \$3,081,044.63, represents the current position of the Company. Provision has been made in the Balance Sheet for capital commitments in respect of buildings and work under construction, estimated at \$300,000.00.

Details of elevator earnings are shown in Statement No. 2, Page 43 of the Auditors' Report and Statement No. 2A, page 44, sets out the details of expenses. These statements show a total operating revenue of \$9,846,701.81, with operating expenses of \$7,534,898.44. The difference between these two items, namely \$2,311,803.37, represents operating earnings for the year under review.

After deducting depreciation amounting to \$837,082.03, the operating earnings of Saskatchewan Pool Elevators Limited are shown as \$1,474,721.34.



Elevator Capacity

As the end of the fiscal year falls at a time when the Company's construction work is at its peak, it has always been difficult to present an exact picture of the country elevator capacity at the end of the fiscal year. At the same time, within a given twelve months, construction work is carried on chargeable in two separate fiscal years.

The following figures show the number of elevators, annexes, etc., and their capacity when the 1950 building program has been completed. These figures include twenty annexes authorized to be built this fall and chargeable against the 1950-1951 program.

| | <i>Capacity (Bushels)</i> |
|--------------------------------------|-------------------------------|
| 1,153 country elevators..... | 38,297,000 |
| 122 cribbed annexes..... | 2,794,000 |
| 45 permanent frame annexes..... | 1,516,000 |
| 62 semi-permanent frame annexes..... | 2,360,000 |
| 786 temporary annexes..... | 17,470,000 |

Total: Country elevator capacity on completion of the current year's programme, including 20 annexes chargeable to the 1950-1951 program.....62,437,000

Grain Handlings

The following statement shows the volume of grain handled through Pool country elevators and over the platform for the year under review, as compared with the previous year:

| | 1949-1950 (Bushels) | 1948-1949 (Bushels) |
|--|------------------------|------------------------|
| Grain handled through Elevators..... | 122,918,069 | 117,436,685 |
| Grain shipped over Platform..... | 90,557 | 71,658 |
| Total Handlings..... | 123,008,626 | 117,508,343 |
| Average handled per Elevator operated..... | 114,025 | 104,948 |
| Percentage handled of Total Deliveries in Saskatchewan..... | 51.43% | 50.20% |

The following preliminary figures make an interesting comparison of primary grain marketings in Saskatchewan for season 1949-1950 with those of season 1948-1949. Also shown are figures covering Pool Elevator handlings and percentages, along with figures for the previous year, for comparative purposes.

Total Primary Receipts at Country Elevators in Saskatchewan during Grain Years 1949-1950 and 1948-1949

| | 1949-1950 (Bushels) | 1948-1949 (Bushels) |
|--------------------|------------------------|------------------------|
| Wheat..... | 172,427,000 | 158,635,000 |
| Coarse Grains..... | 66,591,000 | 75,116,000 |
| Total..... | 239,018,000 | 233,751,000 |

Handled by Saskatchewan Pool Elevators Limited

| | 1949-1950 (Bushels) | 1948-1949 (Bushels) |
|--------------------------|------------------------|------------------------|
| Wheat..... | 89,493,000 | 80,550,000 |
| Coarse Grains..... | 33,425,000 | 36,886,000 |
| Total..... | 122,918,000 | 117,436,000 |
| Pool Elevator Share..... | 51.43% | 50.20% |

Grading Statements

The grading statements show a net loss in grades amounting to \$145,592.00, compared with \$189,204.00 a year ago. The average loss per car for the year under review was \$2.23 as against \$3.13 in the previous year.

Weigh-ups

By the end of the year weigh-ups of stocks were completed at all but three country elevators. With these exceptions the inventory of stocks was based on actual weights and travelling superintendents' estimates of grades of grain in store at the time of the weigh-up.

Insurance

Country elevator properties at four points were destroyed by fire during the year. Total claims for loss of buildings and grain amounted to \$127,739.67, compared with \$96.20 in the previous year. The loss ratio on buildings was 58.01% and on grain 34.61%. The over-all loss ratio on buildings and grain worked out at 46.38% of the premiums paid.

Shipping and Export Department

During the year under review total sales of grain in all positions amounted to 13,663,759 bushels, compared with 17,660,974 bushels in the previous year. The following figures show total sales of each kind of grain with comparative figures for the previous year:

| | Season 1949-1950 (Bushels) | Season 1948-1949 (Bushels) |
|------------------------|----------------------------------|----------------------------------|
| Wheat..... | 6,525,991 | 6,393,936 |
| Oats..... | 5,637,324 | 7,832,324 |
| Barley..... | 1,447,004 | 3,343,355 |
| Flax..... | 170 | 37,069 |
| Rye..... | 53,270 | 54,290 |
| Total..... | 13,663,759 | 17,660,974 |
| Screenings (tons)..... | 7,083 | 4,194 |

Carlot shipments for the domestic market for the year under review were 1,700 as compared with 2,333 for the previous year.

Churchill

At the beginning of the 1950 shipping season stocks of wheat in store at Churchill amounted to 125,968 bushels. During the season there was shipped into Churchill a total of 7,100,295 bushels. Of this amount Saskatchewan Pool Elevators shipped 3,766,108 bushels, representing 53.041% of the total. Stocks available for shipment during the 1950 season amounted to 7,226,263 bushels. This compared with a total of 5,653, 502 bushels in the 1949 season.

The total amount exported during the 1950 shipping season was 6,767,743 bushels. Of this total the amount allocated to the Export Department of Saskatchewan Pool Elevators was 1,800,243 bushels, or 26.6 of the total exported. Altogether 20 cargoes were shipped from the Northern port in the 1950 shipping season as against 16 in the previous year. The balance of wheat left in store at the close of the shipping season is estimated at 458,520 bushels.

The following statement shows the vessel clearances from Churchill for the 1950 season:

| Vessel | Date Cleared | Destination | Cargo (Bushels) |
|--------------------|---------------------|---------------------|--------------------|
| Durham Trader..... | Aug. 3, 1950..... | Antwerp..... | 306,000 |
| Tricape..... | Aug. 5, 1950..... | United Kingdom..... | 356,000 |
| Mont Sandra..... | Aug. 11, 1950..... | United Kingdom..... | 369,600 |
| Warkworth..... | Aug. 13, 1950..... | United Kingdom..... | 347,000 |
| Begonia..... | Aug. 15, 1950..... | United Kingdom..... | 263,900 |
| Ramillies..... | Aug. 15, 1950..... | Antwerp & Rotterdam | 354,850 |
| Anunciada..... | Aug. 18, 1950..... | Antwerp..... | 336,000 |
| Italterra..... | Aug. 30, 1950..... | Rotterdam..... | 352,800 |
| Essex Trader..... | Aug. 31, 1950..... | Malta..... | 346,000 |
| Italvalle..... | Sept. 11, 1950..... | Malta..... | 321,000 |
| Italmare..... | Sept. 13, 1950..... | United Kingdom..... | 369,600 |
| Tricape..... | Sept. 15, 1950..... | United Kingdom..... | 355,000 |
| Doris Clunies..... | Sept. 18, 1950..... | Eire..... | 358,400 |
| Durham Trader..... | Sept. 19, 1950..... | Antwerp..... | 309,200 |
| Anunciada..... | Sept. 20, 1950..... | Antwerp..... | 336,000 |
| Mont Sandra..... | Sept. 21, 1950..... | United Kingdom..... | 369,600 |
| Ramillies..... | Sept. 23, 1950..... | Antwerp..... | 354,850 |
| Begonia..... | Sept. 28, 1950..... | Eire..... | 260,743 |
| Warkworth..... | Sept. 30, 1950..... | United Kingdom..... | 348,200 |
| Italterra..... | Oct. 3, 1950..... | Genoa..... | 352,800 |
| Total..... | | | 6,767,743 |

It will be noted that during the 1950 shipping season eight vessels were able to make two voyages to Churchill as compared to five vessels making two voyages in the 1949 season.

Seed Grain Distribution

Our agreement with Saskatchewan Seed Growers' Co-operative Limited, Moose Jaw, for the distribution of seed grain was continued last season. Under this arrangement the Company makes no purchases of seed grain directly from growers. As orders are obtained they are passed on to Saskatchewan Seed Growers' Co-operative

Limited and shipment is made directly from their stocks. The amount of the various seed grains handled last year was as follows:

| | |
|-----------------------|------------------------|
| Wheat..... | 80,606 bushels |
| Oats..... | 17,836 bushels |
| Barley..... | 5,768 bushels |
| Flax..... | 760 bushels |
| Total—All Grains..... | <u>104,970 bushels</u> |

Saskatchewan Wheat Pool Construction Company Limited

Activities of this Company for the season 1950 included the following:

Elevator Repairs

A programme of repairs and improvements to elevators and annexes (both permanent and temporary) was authorized by the Board of Directors in March 1950 in the amount of \$558,539.00. This figure was adjusted upward at intervals during the season as supplementary repairs became necessary, bringing the total estimated cost of approved repairs to \$635,780.00. Of this total only about 60% or \$381,715.00 had been spent as at 31st July 1950. This sum was divided as follows:

| | |
|--|---------------------|
| Elevators and Permanent Annexes..... | \$349,401.00 |
| Repainting of Elevators and Annexes..... | 16,837.00 |
| Temporary Annex Repairs..... | 15,477.00 |
| Total..... | <u>\$381,715.00</u> |

Major replacements of machinery and equipment completed at 31st July 1950 included:

| | | | |
|-----------------------------------|----|----------------------------|----|
| Scale Conversions..... | 13 | Boot Tanks Installed..... | 2 |
| Scale Beams raised to 15-ton..... | 6 | Engines Installed..... | 15 |
| Scales Installed..... | 5 | Engines Transferred..... | 5 |
| Scales Transferred..... | 3 | Cleaner Installed..... | 1 |
| Air Dumps Installed..... | 3 | Engine Houses Rebuilt..... | 8 |
| | | Engine Houses Remodelled | 5 |

Ninety-five elevators and 11 annexes were repainted.

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

Demolition and Reconstruction of Elevators

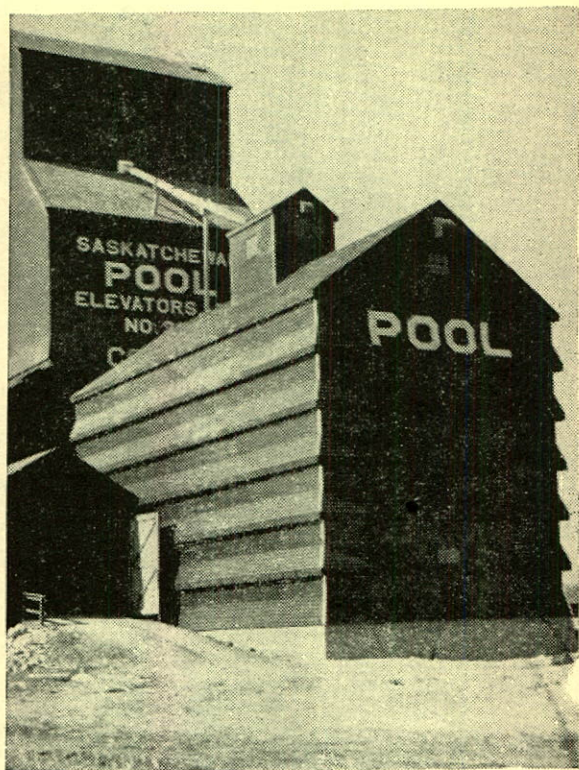
A total of five projects was authorized and completed at the following points:

| | |
|--------------|--|
| Dysart— | rebuilt to 75,000 bushels—no cleaner. |
| Elfros— | rebuilt to 75,000 bushels—cleaner reinstalled. |
| Preeceville— | rebuilt to 100,000 bushels—cleaner reinstalled. |
| Nipawin— | rebuilt to 100,000 bushels—cleaner reinstalled. |
| White Bear— | a new 75,000 bushel plant was built adjacent to the old elevator which was turned 90 degrees and which will now be used as an annex. |

The permanent cribbed annex was retained at Nipawin and temporary annexes (one each) were retained at Dysart, Elfros and White Bear. Varying amounts of old lumber were used in these works but in general all machinery was new, excluding the cleaner.

Replacement of Burned Elevators

As already indicated, during the period 1st January 1950 to 15th June 1950, we lost four elevators by fire.



These have all been replaced as follows:

| | |
|-------------|---|
| Meacham— | 75,000 bushels—new cleaner installed. |
| Catherwood— | 35,000 bushels—no cleaner. |
| Cory— | 35,000 bushels—no cleaner. |
| Tuffnell— | 35,000 bushels—no cleaner (plus 40,000 bushels —semi-permanent annex). |

New Elevators

At Veillardville a 35,000 bushel elevator was built. This is the only elevator at this point.

Approximate costs of elevators vary from point to point, not only on account of the different sizes, but also on account of the varying amounts of salvaged lumber used, but in general the following should apply to the works completed this season:

| | |
|---|-------------|
| 35,000 bushel elevator (no cleaner)..... | \$31,000.00 |
| 75,000 bushel elevator (no cleaner)..... | 47,000.00 |
| 100,000 bushel elevator (no cleaner)..... | 54,000.00 |

It should be noted, however, that material for most of the above works was purchased before the recent sharp increase of lumber prices. It may be expected, therefore, that future elevators will cost from 10% to 15% more, based on September 1950 prices.

New Annexes

In October 1949 the Board of Directors granted approval for a further 35 annexes to be built, these to apply

on the 1950 construction season. Of these, 10 were completed by November 1949 (reported in the Twenty-fifth Annual Report). The balance, located at the following points, were built during the summer and fall of 1950:

| Permanent Frame | Bus. | Semi-permanent Frame | Bus. |
|------------------------|-------------|-----------------------------|-------------|
| Archerwill..... | 40,000 | Beatty..... | 40,000 |
| Fosston..... | 34,000 | Canora..... | 35,000 |
| Garrick..... | 40,000 | Choiceland..... | 35,000 |
| Gronlid..... | 34,000 | Clair..... | 40,000 |
| Henribourg..... | 34,000 | Domremy..... | 40,000 |
| Holbein..... | 34,000 | Estevan..... | 35,000 |
| Invermay..... | 30,000 | Fulda..... | 40,000 |
| Kindersley..... | 40,000 | Grayson..... | 35,000 |
| | | Kinistino "B"..... | 45,000 |
| | | Meath Park..... | 40,000 |
| | | Norquay..... | 50,000 |
| | | Shellbrook..... | 40,000 |
| | | Somme..... | 45,000 |
| | | Watson..... | 35,000 |
| | | Weekes..... | 40,000 |
| | | White Fox..... | 40,000 |
| | | Marsden..... | 35,000 |

In August 1950 approval was given to build a further 20 annexes at the following points (these to be chargeable to the 1951 construction season). Construction of these annexes will be proceeded with this fall and it is hoped all will be completed by 30th November 1950:

| Permanent Frame | Bus. | Semi-permanent Frame | Bus. |
|------------------------|-------------|-----------------------------|-------------|
| Amsterdam..... | 30,000 | Aberdeen "A"..... | 35,000 |
| Churchbridge..... | 30,000 | Brooksby..... | 40,000 |
| Margo..... | 35,000 | Edam..... | 35,000 |
| Rex..... | 35,000 | Gainsboro..... | 35,000 |
| Zenon Park..... | 35,000 | Isham..... | 35,000 |
| | | Leask..... | 40,000 |
| | | Lipton..... | 35,000 |
| | | Lone Rock..... | 35,000 |
| | | Ponteix..... | 35,000 |
| | | Rocanville..... | 40,000 |
| | | St. Brieux..... | 35,000 |
| | | Smeaton..... | 40,000 |
| | | Stewart Valley..... | 35,000 |
| | | Stoughton..... | 35,000 |
| | | Talmage..... | 35,000 |

In addition to the above it was found necessary to dismantle 17 temporary annexes to make room for more permanent structures. No permanent cribbed annexes have been authorized this season. The average costs of the various types and sizes of annexes are:

| | Bus. | |
|---------------------------|-------------|-------------|
| Permanent Frame..... | 34,000 | \$10,500.00 |
| Permanent Frame..... | 40,000 | 11,200.00 |
| Semi-permanent Frame..... | 35,000 | 7,600.00 |
| Semi-permanent Frame..... | 40,000 | 8,700.00 |

It should be noted that based on September 1950 prices, future annexes will cost approximately 10% more than the costs given above.

Repairs to Agents' Dwellings

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

- Additional rooms;
- Concrete basements—complete or partial;
- General repairs—including painting.

Expenditures in this connection will amount to approximately \$36,000.00 (appropriation was \$50,000.00).

New Dwellings

Only one new dwelling was authorized. At Daylesford a 4-room house was built at a total cost of \$5,700.00. With

the advent of higher prices this type of dwelling will cost \$6,300.00. A 6-room dwelling will cost \$7,300.00.

Livestock Yards

No major projects were carried out for the Saskatchewan Co-operative Livestock Producers Limited. However, some minor repairs, plus a complete repaint job, were done at the Regina yards.

General

Over-all costs of construction show an increase over those obtaining in 1949. General machinery prices remained firm until 1st August 1950, when a 10% increase was put into effect. Engines have not increased in price but we are advised of a 10% increase for 1951 orders. Hardware and paint will also increase in the near future. Lumber, however, has been the main factor in the rise of construction costs. Several increases have taken place, the over-all result being an increase of 46% in retail yard prices, 43% in Alberta spruce carlot prices and 20% in Saskatchewan Timber Board spruce prices. Supplies procurable from the latter are limited as to quantity and seasonal delivery.

The relative lateness of completion of the authorized program, compared to 1949, is explained in part by the necessity of replacing four elevators which had been destroyed by fire, but the main factor is that lumber was slow in coming forward as the market was highly competitive at the time when we were in a position to specify points of delivery.

The average number of men employed in all branches of work during the period May to October was 255.

Laboratory Service

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

| Year | Germination | Moisture |
|-------------|--------------------|-----------------|
| 1949-1950 | 35,724 | 1,863 |
| 1948-1949 | 34,800 | 2,042 |
| 1947-1948 | 44,784 | 2,717 |

In addition to these tests the laboratory also cleaned, weighed and graded 1,042 samples of grain for the Junior Co-operative Variety Test Plots.

Smut Tests

The service under which Pool members were enabled to have seed grain samples tested for smut by the Associated Laboratory Services at Saskatoon, was continued during the past year. During the season 11,798 samples were submitted and tests made for Pool members. This compares with 10,769 samples submitted the previous year. Arrangements have been made to continue this service during the current year.

Industrial Division

Vegetable Oil Plant

After providing the sum of \$44,069.82 for depreciation on fixed assets, the operations of the Vegetable Oil Plant

for the year ended 31st July 1950 showed an operating loss of \$87,600.43. Included in the expenses of the Plant is an item of \$26,828.82 for rent payable to the Elevator Company.

In the course of the year the Vegetable Oil Plant operated a total of 81 days. During this period the quantity of flax processed amounted to 162,083 bushels, an average of 2,000 bushels per day.

Total linseed oil recoveries during the year amounted to 352,290 gallons and 2,880 tons of oilcake meal were produced. Total oil sales for 1949-1950 amounted to 3,109,005 pounds, with a sales value of \$519,009.92. Of the total oil produced 2,655,078 pounds or 85.4% of the production was sold on the domestic market, while 453,927 pounds or 14.6% was disposed of in the export market. During the same period sales of oilcake meal amounted to 2,880 tons with a sales value of \$189,625.95. Sales of linseed oil to the Western domestic trade have been reasonably satisfactory. These amounted to 2,650,838 pounds. This represents approximately 83% of all the oil sold by crushers in Western Canada.

Flour Mill

After providing for depreciation of \$162,152.64 and charging rent amounting to \$143,223.12, the operations of the Flour Mill resulted in a loss of \$229,386.73. The total value of flour and mill products sold during the year amounted to \$3,448,187.65.

Grain Storage

The operations of the Mill elevator were curtailed during the past year due to the limited amount of wheat made available to the Mill by the Canadian Wheat Board. The total amount of wheat taken into storage during the period was 1,461,840 bushels, with 51,125 bushels purchased as street wheat. Total flax receipts into the elevator for the year were 153,247 bushels. Altogether 904 carlots of wheat were unloaded in the Mill elevator.

Mill

During the year under review the Mill operated 269½ days representing 89.8% of the possible operating time, based on a 300 day operating year. This compares favorably with the experience of other Canadian mills.

Flour production for the year totalled 323,664 barrels and millfeed production 10,766 tons. The average daily flour production was 1,200 barrels and the daily millfeed production 40 tons. The total amount of wheat ground during the season was 1,373,887 bushels.

The average percentages of the various grades of wheat used in the mill mix throughout the year were as follows:

| | |
|-------------------|--------|
| 1 Nor..... | 30.04% |
| 2 Nor..... | 64.79% |
| 3 Nor..... | 3.76% |
| 4 Nor..... | .91% |
| Other Grades..... | .50% |

The average amount of wheat per barrel of flour for the season was 4 bushels, 18 pounds; representing an extraction of 75%. The quality of all grades of flour was maintained well up to standard during the entire season. The average gross and net yields of flour indicate that the clean-up of the plant is very satisfactory.

The mechanical performance of the Mill during the season was very satisfactory and outside of a few minor

breakdowns, no serious trouble was experienced. The Mill is now carrying a load of over 1,300 barrels per day.

Flour Sales

Flour sales on the domestic market were fairly consistent during the year. The sales of top patent flour averaged out at approximately 7,000 barrels per month. Total domestic sales for the period were 117,811 barrels. Top patent sales were 85,324 barrels, which represented 72.3% of all domestic sales and 25.7% of total sales. A summary of the domestic sales is as follows:

| | Barrels |
|----------------------------------|----------------|
| Pool..... | 25,965 |
| Red Label..... | 62,360 |
| Domestic Bakers..... | 21,689 |
| Domestic Low Grade..... | 4,566 |
| Whole Wheat and Graham..... | 1,985 |
| Wheatlets and Granules..... | 1,246 |
| Total Domestic Sales..... | 117,811 |

The total export sales for the season amounted to 213,623 barrels and exceeded the total domestic sales of all grades by 95,812 barrels.

The export market was quite strong during the period with the exception of the month of February. The best month for export sales was November 1949, when 26,355 barrels were sold. The lowest month was February 1950, when sales amounted to only 8,344 barrels.

The disturbed international condition, particularly in China, has created a difficult situation in some of our export markets. Elsewhere, however, our experience has been satisfactory. Export shipments to the Philippines amounted to approximately 55% of our total export sales. A substantial volume of business has been received each month from this market and prices remain more stable than in any of our other export markets. Good accounts have been established in the Philippines and it is the policy of the Mill to do everything possible to keep these accounts supplied. As Pool delegates are aware, a certain percentage of the Mill production must be exported and up to date the Philippines have proved the most economical market in which to operate. A summary of export sales of flour from the Pool Mill for the year under review is as follows:

| | Barrels | | Barrels |
|-------------------------|---------|---------------------------|----------------|
| Bahamas..... | 600 | Grenada..... | 1,350 |
| Bermuda..... | 87 | Guatemala..... | 3,425 |
| Bolivia..... | 400 | Hong Kong..... | 34,656 |
| China..... | 1,250 | Jamaica..... | 500 |
| Costa Rica..... | 8,023 | Netherlands Antilles..... | 166 |
| Cuba..... | 28,335 | Philippines..... | 118,791 |
| Dominican Republic..... | 1,200 | Trinidad..... | 12,400 |
| Ecuador..... | 750 | Venezuela..... | 400 |
| Great Britain..... | 13,000 | Total..... | 213,623 |

During the year our agreement with Interprovincial Co-operatives was rewritten and an important change was made in sales policy. Your Directors would like to pay tribute to the good work done by the Regional and Interprovincial Wholesales. An increasing number of co-operative associations are handling Co-op brand flour from the Pool Mill exclusively. As a result of conferences with Interprovincial it was obvious, however, that any further progress in the distribution of flour in the domestic market over that which had been obtained, would be slow.

Co-operative associations generally were doing a good job but co-operative coverage is not yet adequate to provide an outlet for the production of the Mill. Too large a proportion of the Mill production has had to find a market in the export field.

As a result of various conferences between the Inter-provincial Executive and the Executive Committee of your Board, arrangements were made so that Inter-provincial would continue to act as the sales agency for domestic flour distributed through co-operative outlets and also for export. In order to increase the percentage of flour sold in the domestic market the Mill has undertaken responsibility for the distribution of Pool brand flour through private channels. An effort has been made to use the resources of the whole organization to carry out the new program and your Board is glad to report that progress is being made in this direction.

Conditions have forced the decision to concentrate on increasing the distribution of the production of the Pool Mill through private channels. Your Board hopes that the day may come when the total output of the Mill will reach the market through co-operative outlets. In the meantime, in order to make the Mill products available to Pool members, we are using an increasing number of private distributors, most of whom have been recommended by Wheat Pool committees.

Saskatchewan Pool Terminals Limited

Financial Statements

The Balance Sheet of Saskatchewan Pool Terminals Limited appears as Statement No. 1, page 56 of the Auditors' Report. The Statement of Earnings and Expenses of this subsidiary for the year ended 31st July 1950 appears as Statement Nos. 2 and 2A, pages 57 and 58 of the Auditors' Report.

Total operating revenue amounted to \$5,158,543.28, and operating expenses to \$2,342,749.40, leaving operating earnings of \$2,815,793.88 before providing for depreciation. After deducting depreciation on buildings and equipment amounting to \$985,976.86, and a proportion of Pool expenses amounting to \$1,146.69, the net operating earnings of Saskatchewan Pool Terminals Limited are shown as \$1,828,670.33, as compared with \$918,509.62 in the previous year.

Contributing largely to the improvement in results is the fact that Terminal No. 4B with its two storage annexes, and the new storage annex at Terminal No. 7, were available for operation for the entire year.

Summary of Earnings and Expenses—Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited—Grain Division

Statement No. 5, page 49 of the Auditors' Report contains a summary of earnings of Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited. The combined operating revenue for the year under review amounted to \$15,005,245.09. Operating expenses for the year totalled \$9,877,647.84. The operating earnings amounted to \$5,127,597.25 before providing depreciation. After deducting depreciation amounting to \$1,823,058.89, the net earnings for the year's operations are shown as \$3,304,538.36. This compares with the net earnings for the previous year of \$2,440,240.27. The

following summary shows the position for the year ended 31st July 1950:

Grain Division

| | |
|---|-----------------------|
| Operating Earnings after charging Depreciation..... | \$3,304,538.36 |
| Profit on Realization of Assets..... | 7,087.93 |
| | <u>\$3,311,626.29</u> |

Deduct:

| | |
|--|-----------------------|
| Proportion of Pool Expenses..... | \$222,887.57 |
| 1929-1930, Pool Overpayment Expense..... | 54,313.68 |
| | <u>277,201.25</u> |
| | <u>\$3,034,425.04</u> |

Industrial Division

| | |
|----------------------------------|------------------------------|
| Loss on Vegetable Oil Plant..... | \$ 87,600.43 |
| Loss on Flour Mill..... | 229,386.73 |
| | <u>316,987.16</u> |
| Surplus for the Year..... | <u><u>\$2,717,437.88</u></u> |

Allocation of Earnings

The surplus for the year ending 31st July 1950 has been allocated as follows:

| | |
|---|------------------------------|
| Share of Earnings to Saskatchewan Co-operative Producers Limited..... | \$ 175,417.36 |
| Excess Charges Refund—Season 1949-1950..... | 2,055,666.00 |
| Provision for Income Tax (estimated)..... | 285,000.00 |
| Transferred to Reserve Account..... | 201,354.52 |
| Total..... | <u><u>\$2,717,437.88</u></u> |

Terminal Elevator Handlings

The total volume of grain handled through Pool terminals at Port Arthur for the year ended 31st July 1950 amounted to 88,161,705 bushels of all grains. This represented an increase of 11,550,711 bushels over the amount handled the previous season.

The following figures show a comparison of quantities handled by Saskatchewan Pool Terminals Limited for the season and for the previous year:

| | 1949-1950 (Bushels) | 1948-1949 (Bushels) |
|-------------------------------|------------------------|------------------------|
| Terminals Nos. 4A and 4B..... | 41,914,666 | 31,670,513 |
| Terminal No. 7..... | 46,247,039 | 44,940,481 |
| Totals..... | <u>88,161,705</u> | <u>76,610,994</u> |

Stocks of grain in store in Pool terminals at 31st July 1950 amounted to 7,203,371 bushels made up as follows:

| | |
|------------------------------|---------------------------------|
| Terminals Nos 4A and 4B..... | 2,617,849 bushels |
| Terminal No. 7..... | 4,588,523 bushels |
| Total..... | <u><u>7,203,371 bushels</u></u> |

Statistics issued by the Board of Grain Commissioners for Canada show that 163,496 cars were shipped from Western Canada and unloaded at the Lakehead during the 1949-1950 crop year. Of this number, Pool terminals unloaded 48,662 cars, equal to 29.76% of the total unloads.

The distinction of handling a larger volume of grain than any other terminal at the Lakehead was again held by Pool Terminal No. 7. The total number of cars unloaded at Pool Terminal No. 7 was 24,947, representing 15.26% of all Lakehead unloads. Pool Terminals Nos. 4A and 4B unloaded 23,715 cars, equal to 14.5% of the total Lakehead unloads.

Outward shipments from Pool terminals amounted to 83,881,816 bushels of all grains. This represented an increase of 7,176,993 bushels over the quantity shipped during the previous year. Of the outward shipments 75,556,652

bushels, or 90.07%, were shipped by lake boat and 8,325,164 bushels, or 9.93% of the total were shipped by rail.

Maintenance

Substantial progress has been made in the installation of dust control equipment at Pool terminals at the Lakehead, in accordance with the Ontario Code. The installation has been completed at Terminal No. 4B. At Terminal No. 7 the workhouse and track shed are completed to the Code requirements. Your Board has been advised that the Ontario Labour Department is satisfied with the progress being made in installing dust control equipment in Pool terminals. Arrangements have been made to secure new estimates on the cost of installing equipment in the workhouse and track shed and basement tunnels at Terminal No. 4A and also in the new annex and annex tunnels at Terminal No. 7.

The terminal plants have been maintained in good condition by our own millwrights and electricians and at the start of the present season these plants were in good shape to handle the maximum amount of business in an efficient and safe manner.

Modern Press Limited

Financial Statements

Details of the financial results for the year ended 31st July 1950 are shown in the Financial Statements and Auditors' Reports submitted separately to the delegates.

After providing for depreciation on fixed assets of \$45,516.59 and charging interest amounting to \$36,628.47 on the net capital cost of the fixed assets, the operations of the Company show a loss for the year of \$162,170.78. A comparison of the operations for the year, with those of the previous season is shown below:

Commercial Printing Department

| | 1949-1950 | 1948-1949 | Increase (Decrease) |
|--|---------------------|---------------------|------------------------|
| Revenue from: | | | |
| Job Sales, etc..... | \$250,464.26 | \$248,261.85 | \$ 2,202.41 |
| Cost of Stock..... | \$ 78,192.71 | \$ 73,954.59 | \$ 4,238.12 |
| Expenses..... | 184,413.07 | 186,338.03 | (1,924.96) |
| | <u>\$262,605.78</u> | <u>\$260,292.62</u> | <u>\$ 2,313.16</u> |
| Deficit before Depreciation..... | | \$ 12,030.77 | \$ (12,030.77) |
| Deficit before Depreciation and Interest on Capital Advances..... | \$ 12,141.52 | | \$ 12,141.52 |
| Interest on Capital Advances..... | 16,190.23 | | 16,190.23 |
| Depreciation..... | 18,739.28 | 9,120.49 | 9,618.79 |
| Deficit after Depreciation and Interest on Capital Advances..... | \$ 47,071.03 | \$ 21,151.26 | \$ 25,919.77 |
| Proportion of Pool Expenses.... | 1,306.15 | 1,952.18 | (646.03) |
| | <u>\$ 48,377.18</u> | <u>\$ 23,103.44</u> | <u>\$ 25,273.74</u> |
| Less: Profit on Realization of Assets..... | 200.00 | | 200.00 |
| Deficit..... | <u>\$ 48,177.18</u> | <u>\$ 23,103.44</u> | <u>\$ 25,073.74</u> |

Western Producer Department

| | 1949-1950 | 1948-1949 | Increase (Decrease) |
|---|--------------|--------------|------------------------|
| Revenue from: | | | |
| Advertising..... | \$310,965.75 | \$308,016.39 | \$ 2,949.36 |
| Subscriptions..... | 48,813.44 | 27,834.79 | 20,978.65 |
| Miscellaneous..... | 5,167.87 | 5,263.67 | (95.80) |
| Total Revenue..... | \$364,947.06 | \$341,114.85 | \$ 23,832.21 |
| Newsprint..... | \$147,768.83 | \$172,000.54 | \$ (24,231.71) |
| Expenses..... | 281,343.98 | 292,656.61 | (11,312.63) |
| Total Expenses..... | \$429,112.81 | \$464,657.15 | \$ (35,544.34) |
| Deficit before Depreciation..... | | \$123,542.30 | \$(123,542.30) |
| Deficit before Depreciation and Interest on Capital Advances..... | \$ 64,165.75 | | \$ 64,165.75 |
| Interest on Capital Advances..... | 20,438.24 | | 20,438.24 |
| Depreciation..... | 26,777.31 | 12,862.02 | 13,915.29 |
| Deficit after Depreciation and Interest on Capital Advances..... | \$111,381.30 | \$136,404.32 | \$ (25,023.02) |
| Proportion of Pool Expenses.... | 2,612.30 | 1,952.18 | 660.12 |
| Deficit..... | \$113,993.60 | \$138,356.50 | \$ (24,362.90) |
| SUMMARY | | | |
| Deficit—Commercial Printing Department..... | \$ 48,177.18 | \$ 23,103.44 | \$ 25,073.74 |
| Deficit—Western Producer Department..... | 113,993.60 | 138,356.50 | (24,362.90) |
| Loss on Realization of Assets..... | | 60.09 | (60.09) |
| Net Deficit for the Year..... | \$162,170.78 | \$161,520.03 | \$ 650.75 |

Circulation

Total net paid circulation of The Western Producer at 31st July 1950 was 153,653. A total of 48,924 subscriptions were received during the year. Distribution of circulation by provinces for the year under review as compared with the previous year is as follows:

| | 1949-1950 | 1948-1949 | Gain or (Loss) |
|-----------------------|-----------|-----------|----------------------|
| Saskatchewan..... | 81,346 | 80,181 | 1,255 |
| Alberta..... | 35,340 | 35,487 | (147) |
| Manitoba..... | 21,511 | 22,349 | (838) |
| British Columbia..... | 13,829 | 15,664 | (1,835) |
| Miscellaneous..... | 1,537 | 2,428 | (891) |

Editorial

There are no special new developments to report in connection with the editorial policy of The Western Producer during the year under review. Certain improvements and expansions which have been contemplated for some time have again been deferred. These would involve, amongst others, an improvement in the reading qualities of the body type, as well as the addition of a section devoted exclusively to co-operation. As indicated in the last annual report, however, further improvements must wait upon increased earnings and while the financial position has improved during the past year, a further definite improvement is awaited before going ahead with the changes which would add to publication expenses with no immediate corresponding increase in revenue.

Certain smaller changes, however, have taken place. In order to secure the type of features and special articles required for the magazine section of the paper it was found necessary to make an addition to the editorial staff. Practically all of the magazine section is produced by



the editorial staff and it is obvious that this calls for a good deal of preparation, research and travel.

An attempt has been made to meet the repeated requests for a section devoted to farm mechanics and engineering. For several weeks now the feature "Engineering for the Farm" has been appearing. Readers are invited to address their questions to the author who sends them a personal reply. No charge is made for the service. It usually takes some time for a feature such as this to establish itself. There is reason to believe, however, that it is already meeting with an encouraging response.

A start has been made on another feature devoted to the farm home in all its aspects inside and out. It is hoped that this will develop into a useful and popular service which will exert a helpful influence in the planning, building, remodelling and layout of farm homes and buildings. The ultimate object is to create an active interest in better living conditions on the farm and to point up the advantages of the rural life. Pictures of actual prairie farmsteads, new and remodelled, which incorporate the desirable characteristics of comfortable, attractive homes will be published from time to time. Details of the cost and work involved will be given. The idea is to keep all suggestions on a definitely practical level well within the

reach of the average farmer, a fact which will be made quite clear by demonstrating by illustration that practical farmers have already acquired them. Most of the information will be drawn from the experiences of farmers who have built or are in the process of building or remodelling permanent homes. Names and addresses of such farmers have been obtained by means of a questionnaire circulated amongst the agricultural representatives of the three Prairie Provinces.

Agricultural Department

A reasonably good start was made on the expanded program of agricultural coverage referred to in last year's report. A fairly complete calendar of farm events across Western Canada was formulated and, within the limits of space available for the agricultural pages, articles and pictures touching subjects of topical interest were carried.

As in former years, the agricultural editor attended the major agricultural events in Western Canada, giving first-hand coverage to them. Contacts with government and other agricultural bodies have been maintained. Good use has been made of camera equipment available to the agricultural department.

The "Producer" was fortunate in securing the services of Dr. Norman Wright, V.S., to take over the animal diseases column from Dr. J. L. Millar, who found that the column took up too much of his time. Dr. Wright is well known to many farmers in Saskatchewan and has had wide experience in replying to farmers' questions about animal health. For many years he was professor of veterinary medicine at the University of Saskatchewan.

Plans for the coming year include further expansion of agricultural coverage and, if possible, wider use of photographs on agricultural pages.

Women's Section

Throughout the years the Women's Section of The Western Producer has had as its aim co-operation with readers in working for a better and more satisfying rural life. Nearly all its features contribute toward this.

One of the most popular features during the year has been the "I'd Like to Know" page, in which a well known home economist, who is also a farm housewife, answers questions on household problems. These questions have arrived in astonishing number and variety.

In dealing with household matters an attempt has been made to provide valuable information both to those who are modernizing their homes, who purchase much prepared food, or who are able to use more up-to-date methods of preserving food such as pressure cookers and quick freezing, and to those who still prepare most of their food at home and use older methods of preservation.

Through the courtesy of the National Gallery of Canada a special series of articles was featured to acquaint homemakers with the work of the national industrial design committee in ensuring good design in the mass-produced articles of everyday use.

Special attention has been given to the needs of handicapped people and their efforts to help themselves. Assistance was given to the campaign on behalf of Saskatchewan children afflicted with cerebral palsy.

The pages have continued to tell rural people about cultural opportunities, such as handicraft courses, books and libraries, art schools and scholarships, as well as to

reflect activities in rural communities such as art exhibits, drama festivals. Special note has been made of the writing of community history and the marking of spots important in prairie history.

The club page has featured the activities of organized rural women, the Homemakers, the Women's Institutes of Alberta, British Columbia and Manitoba, United Farm Women, the Saskatchewan Women's Co-operative Guild and Homecraft Clubs. This year a new feature has been added in the form of a short column dealing with the Canadian Association of Consumers, to which women all across Canada belong.

Once more the garden page has carried news of research work in horticulture and garden hints by experts as well as describing the achievements of enthusiastic amateurs or better still, giving them space to tell of their own. Such events as the Western Canada Society of Horticulture, the convention of the Saskatchewan Horticultural Societies and the Saskatchewan Fruit Show were covered.

Photographs by staff members have been an important part of the year's work.

The Women's Section of The Western Producer wants readers to feel the pages belong to them. That they do so is evidenced by the inquiries received and by the continued contributions of letters and poetry.

Youth Section

In spite of the fact that the Young Co-operators' pages are occasionally increased to three instead of the regular two, the young people are ever anxious for more space. Some 186 newcomers, both senior and junior, joined during the past year, bringing the total to almost 4,000 members in the Y.C. files, although it is impossible to estimate how many thousands have written to the pages in the 23 years of its existence. Most of these rural boys and girls live in the Prairie Provinces but there are also active members in Ontario, Quebec, the Maritimes and British Columbia.

Co-ops who have attained adult status often contribute to the adult sections and at intervals to the Y.C. pages, for they are reluctant to break the friendly ties. These letters from "old timers" indicate a wide range of professions and activities in which these former Y.C.s now participate.

The long established "Across Borderlines" corner has recently had a revival, creating interest in international matters, while requests for Canadian correspondents have arrived from U.S.A., Africa, Turkey, Zanzibar, India, England, Ireland, Wales, Scotland, Holland, Germany, Bermuda, Japan, Philippines, Malta, Denmark, Cuba, New Zealand, Hawaii, and Australia with regular letters to the pages from Turkey, New Zealand, Australia and Trinidad.

There is, as always, keen interest in such topics as art, bird lore, books, debates, films, gardens, hobbies, housekeeping, music, nature, needlework, pets, radio, sports, western subjects, senior and junior poetry and stories and general subjects, as well as contests, affiliated clubs and a varied number of Y.C. exchanges. Three new corners suggested last year by the members have come into their own this year. These are the Question Box, Beauty and Travel, indicating an ever-growing variety of tastes.

Belonging to a large, organized club brings to rural members a sense of comradeship lacking in more sparsely settled districts. The Y.C. pages provide an opportunity

of making friends through correspondence and act as a medium of expression.

Reader Services

Orders received for patterns of various kinds and for fashion books totalled 78,721. This represents a decrease of 15,612 from the 1948-1949 total and is the first time for many years that the total of pattern sales has not shown an increase.

The heading "Household Arts" covers a wide range of embroidery, crocheted and knitted designs, as well as instructions for making quilts, rugs, cushions, etc.

The following statement shows the number of orders received during the year under review:

| | |
|---------------------|---------------|
| Household Arts..... | 29,668 |
| Dress Patterns..... | 46,273 |
| Fashion Books..... | 2,780 |
| Total..... | <u>78,721</u> |

Saskatchewan Co-operative Livestock Producers Limited

Financial Statements

The Auditors' Report and Financial Statements submitted to the delegates will show in detail the financial position of the livestock subsidiary at the end of the fiscal year.

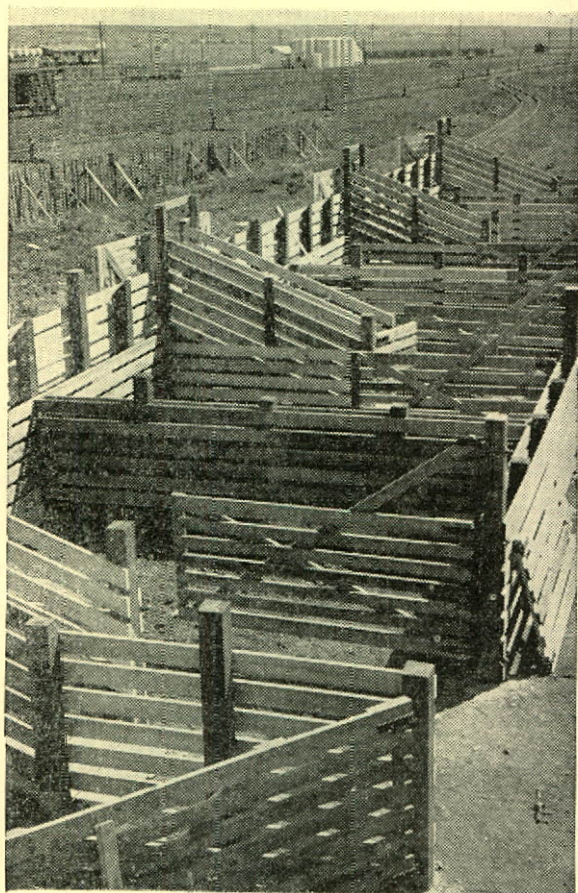
From the Statement of Earnings and Expenses it will be noted that after providing for depreciation on fixed assets, amounting to \$29,115.18, operations of the Company for the year ended 31st July 1950 resulted in a surplus of \$37,286.35 before provision for income tax, as compared with a surplus of \$32,402.09 the previous year.

In arriving at this surplus there is included a share of earnings of Canadian Livestock Co-operative (Western) Limited amounting to \$32,845.97 and a surplus from the operations of the Transit Compensation Fund amounting to \$8,277.23. After providing for estimated income tax amounting to \$14,000.00, the year's operations show a net surplus of \$23,286.35, which amount has been transferred to reserve account.

Livestock Operations

Statement No. 15 attached to this report shows the comparative handlings of livestock for the past two years, by divisions. This statement shows that during the past season, handlings of cattle and calves showed a small increase, with a substantial increase in the handlings of hogs. The percentage of provincial deliveries of cattle and calves handled co-operatively remains much the same as last year, 40.7% as against 40.01% in season 1948-1949. Hog percentages also remained at about the same level, being 36.3% a year ago, against 37.1% in 1949-1950.

In the course of the year under review all time price highs for practically all classes of cattle were established. Stocker and feeder cattle received exceptionally strong buying support from both the U.S. and Canada throughout the year. The strong demand for these classes of cattle probably had a definite influence in strengthening prices on all butcher classes. The continued demand for feeder cattle would appear to indicate confidence by the purchasers that there would continue to be a ready outlet for butcher



A Corner of the Swift Current Yards

cattle at favorable price levels, both in Canada and the U.S.

Saskatchewan hog markets showed a considerable improvement and held at prices in line or above the 1949 peak contract until late in December 1949, when it became apparent that the 1950 United Kingdom bacon contract would be negotiated at a lower figure. In the latter part of December, under heavy deliveries, prices declined to a level in line with the new bacon contract. After the new year, as marketings decreased and the numbers available were more in line with the needs of the domestic trade, prices gradually increased, reaching a high of \$33.00 basis Grade A St. Boniface in July of this year.

The total number of livestock handled by all of our divisions for the year was:

| | |
|----------------------|---------|
| Cattle..... | 176,943 |
| Calves..... | 43,555 |
| Hogs..... | 117,451 |
| Sheep and Lambs..... | 20,876 |

Of these numbers 60.15% were marketed through our own Saskatchewan agencies, the remaining 39.85% being marketed through Canadian Livestock Co-operative (Western) Limited at St. Boniface.

The following statement shows the volume of exports of live cattle and of dressed meats to the U.S.A. during the past year:

Exports to the United States

Live Animals

(Number of Head)

Cattle

| | | |
|--|---------|---------|
| For immediate slaughter and feeding purposes | | |
| 5th August 1949 to 29th December 1949..... | 152,372 | |
| 1st January 1950 to 3rd August 1950..... | 188,308 | |
| | | 340,680 |
| Dairy and Breeding Stock | | |
| 5th August 1949 to 29th December 1949..... | 25,761 | |
| 1st January 1950 to 3rd August 1950..... | 43,053 | |
| | | 68,814 |
| | | 409,494 |

Calves

| | | |
|--|--------|--------|
| 5th August 1949 to 29th December 1949..... | 12,101 | |
| 1st January 1950 to 3rd August 1950..... | 23,519 | |
| | | 35,620 |

Sheep and Lambs

| | | |
|--|--------|--------|
| 5th August 1949 to 29th December 1949..... | 8,778 | |
| 1st January 1950 to 3rd August 1950..... | 90,767 | |
| | | 99,545 |

Dressed Meats

(Pounds)

Beef and Veal

| | | |
|--|------------|------------|
| 5th August 1949 to 29th December 1949..... | 61,025,947 | |
| 1st January 1950 to 3rd August 1950..... | 38,674,825 | |
| | | 99,700,772 |

Mutton and Lamb

| | | |
|--|-----------|-----------|
| 5th August 1949 to 29th December 1949..... | 3,401,689 | |
| 1st January 1950 to 3rd August 1950..... | 73,305 | |
| | | 3,474,994 |

The three new markets operated at Swift Current, Yorkton and North Battleford are receiving increasing support from producers in the areas which they serve. The prices realized for all classes of livestock at these markets have held well in line with those obtained at other marketing centres.

Your Board is of the opinion that the setting up of these new markets has contributed in a substantial degree to more stable livestock prices in the areas which they serve.

Looking ahead it is anticipated that cattle marketings in Canada should remain at approximately the same level this year as last, with possibly a larger number of better finished animals being offered, due to the abundance of feed grain available.

The Livestock Management is of the opinion that livestock producers would be well advised to finish and market cattle at weights more suitable to the domestic trade. They anticipate that in the event of an increase in the number of well finished cattle in Canada and the U.S.A., steers of over 1,000 pounds may sell at a discount under the 800 to 1,000 pound class. Forecast for Canada indicates an increase in hog marketings of 12.3% over last year, with the expected increase for Saskatchewan being 13%. The recent announcement that all restrictions on import and export of pork and pork products between Canada and the U.S.A. may be lifted 31st December of this year will probably result in a levelling of hog prices between the two countries after the new year. On account of their volume it may be expected that the U.S.A. hog market may become the dominant factor in establishing the price structure for Canadian hogs and hog products.

Our livestock officials are of the opinion that in view of general economic conditions in Canada and the U.S.A. all classes of livestock will probably continue to realize reasonable returns to producers for some time to come.

As at 1st August 1950 the total amount of all meats in storage in Canada was 60,907,000 pounds as compared with 57,746,000 pounds a year ago. Meat statistics in the U.S.A. show that as at 1st August 1950 the amount of beef in storage in that country represents 54% of the average for the last five years; pork 107% of the five year average and the total of all meats in storage in the U.S.A. was 93% of the five year average.

The following statement shows the volume and percentage of provincial deliveries handled through co-operative channels:

| | 1946-1947 | 1947-1948 | 1948-1949 | 1949-1950 |
|---|-----------|-----------|-----------|-----------|
| Cattle and Calves | | | | |
| Provincial Deliveries.... | 527,915 | 470,082 | 555,960 | 541,559 |
| Handled Co-operatively.. | 185,532 | 180,290 | 222,737 | 220,448 |
| Percentage of Co-operative Handlings..... | 35.14% | 38.35% | 40.01% | 40.7% |
| Hogs | | | | |
| Provincial Deliveries.... | 398,001 | 448,070 | 239,343 | 316,443 |
| Handled Co-operatively.. | 145,428 | 161,483 | 86,892 | 117,451 |
| Percentage of Co-operative Handlings..... | 36.54% | 36.04% | 36.3% | 37.1% |
| Sheep and Lambs | | | | |
| Provincial Deliveries.... | 134,735 | 91,116 | 70,595 | 54,066 |
| Handled Co-operatively.. | 52,618 | 41,339 | 24,766 | 20,876 |
| Percentage of Co-operative Handlings..... | 39.05% | 45.37% | 35.1% | 38.6% |

The following statement prepared by the Dominion Bureau of Statistics shows the livestock population on farms for the past three years:

SASKATCHEWAN

| | Cattle and Calves | Hogs | Sheep and Lambs |
|-----------------------|-------------------------|---------|-----------------------|
| June 1, 1947..... | 1,511,300 | 558,300 | 285,300 |
| December 1, 1947..... | 1,303,900 | 443,600 | 177,200 |
| June 1, 1948..... | 1,436,500 | 396,100 | 253,300 |
| December 1, 1948..... | 1,109,500 | 343,900 | 149,600 |
| June 1, 1949..... | 1,254,100 | 458,600 | 234,100 |
| December 1, 1949..... | 1,113,300 | 422,400 | 142,300 |

CANADA

| | Cattle and Calves | Hogs | Sheep and Lambs |
|-----------------------|-------------------------|-----------|-----------------------|
| June 1, 1947..... | 9,718,100 | 5,473,200 | 2,706,900 |
| December 1, 1947..... | 8,943,500 | 5,381,200 | 1,586,700 |
| June 1, 1948..... | 9,475,900 | 4,463,100 | 2,246,800 |
| December 1, 1948..... | 8,251,300 | 4,604,200 | 1,322,300 |
| June 1, 1949..... | 9,081,300 | 5,162,900 | 2,075,400 |
| December 1, 1949..... | 8,243,300 | 5,412,900 | 1,235,100 |

Canadian Livestock Co-operative (Western) Limited

Canadian Livestock Co-operative (Western) Limited is the interprovincial co-operative livestock selling agency operating at St. Boniface, Manitoba, and owned by the provincial co-operatives of the three Prairie Provinces.

Financial Statements

The Balance Sheet of this organization, Statement No. 16 attached to this report, shows the financial position as at 31st July 1950. Total operating revenue for the year amounted to \$177,342.91, while total operating expenses for the same period were \$124,535.12, leaving an operating surplus before providing for income tax of \$52,807.79. After providing for income tax amounting to \$242.47, there is a net surplus for the year amounting to \$52,565.32. This

compares with a net surplus for the previous year of \$54,922.37.

In accordance with a resolution passed by the directors of Canadian Livestock Co-operative (Western) Limited on 18th July 1950, the surplus has been allocated on the following basis:

| | | | |
|--|----------|-------------|--------------------|
| a. Loans from members..... | | | \$ 877.41 |
| Alberta Livestock Co-operative Limited..... | .449% | \$ 3.94 | |
| Manitoba Pool Elevators..... | 37.065% | 325.21 | |
| Saskatchewan Co-operative Livestock Producers Limited.... | 62.486% | 548.26 | |
| | 100.000% | \$ 877.41 | |
| b. Available for distribution on the basis of revenue contributed to the Sales Agency during the period..... | | | 51,687.91 |
| Alberta Livestock Co-operative Limited..... | .449% | \$ 232.08 | |
| Manitoba Pool Elevators..... | 37.065% | 19,158.12 | |
| Saskatchewan Co-operative Livestock Producers Limited.... | 62.486% | 32,297.71 | |
| | 100.000% | \$51,687.91 | |
| | | | <u>\$52,565.32</u> |

During the year under review Canadian Livestock Co-operative (Western) Limited handled 6,747.1 cars of livestock, as compared with 7,260.2 cars a year ago. The following statement shows the distribution of these cars among the three provinces:

| | No. of Cars | Percentage of Total |
|--|----------------|---------------------|
| Alberta Livestock Co-operative Limited..... | 27.3 | .404% |
| Manitoba Pool Elevators..... | 2,484.8 | 36.828% |
| Saskatchewan Co-operative Livestock Producers Limited..... | 4,235.0 | 62.768% |
| | <u>6,747.1</u> | <u>100.000%</u> |

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

Canadian Co-operative Wheat Producers Limited

The annual report of Canadian Co-operative Wheat Producers Limited as presented to its shareholders, is included in and forms part of this report. As in previous years this report presents a comprehensive survey of both national and international developments during the past year and is well worthy of study by delegates and Pool members.

Canadian Pool Agencies Limited

The report of the directors of Canadian Pool Agencies Limited to its annual meeting of shareholders is also attached hereto for the information of delegates. The Balance Sheet for the year ended 31st July 1950 and the Statement of Income and Expenses and Patrons' Equity are also attached as Statements Nos. 9, 10 and 11.

Pool Insurance Company

As has been pointed out on previous occasions, the fiscal year of the Pool Insurance Company ends on 31st December. The report of the operations of this inter-provincial organization for the year 1949, together with the Balance Sheet and Statement of Income and Expenditures are included in and form part of this report.

The Manager of Pool Insurance Company, who is also Manager of Canadian Pool Agencies Limited, will be in

attendance at this meeting and will be in a position to submit information of the progress being made during the current year.

Publicity

The activities of the Publicity Department for the year under review are set out below under major headings.

Radio

As in former years, radio has been used extensively as a medium of publicity for the Saskatchewan Wheat Pool. During the year hockey broadcasts were carried over a network of two stations, CKRM Regina, in the south and CKBI Prince Albert, in the north. The broadcasting of hockey is used to build up an audience for the ten minute intermission talk which is put on between the two periods. It is fully realized that there is no radio program which appeals to all persons alike and hockey is no different in this respect than any other program. In the main, hockey broadcasts appeal to the younger people, both those living on farms and those living in towns and cities. Hockey, therefore, is an excellent medium to reach out to a large number of young people who are potential future members and as a medium of approach to a large number of people who are not directly interested in farming.

In an attempt to reach out to a larger audience of people who may not be particularly interested in hockey a second series of broadcasts was carried over five stations including CKCK Regina, CHAB Moose Jaw, CJGX Yorkton, CJNB North Battleford and CFQC Saskatoon. This program was planned on an entirely different basis to the hockey broadcasts. The hockey broadcast aims at drawing a specific audience of people who are interested in sports. The variety type of program, carried over a number of stations, is aimed at catching the natural audience that each station enjoys and by having the broadcasts over a number of stations it is believed that a large number of people are reached in this way. Broadcasting of the variety type of program was done by the use of discs which were shipped around the circuit.

The Sunday news broadcast over CKCK was continued throughout the year and may be heard by Pool members on Sunday afternoons in that section of the Province which can tune in the Regina station satisfactorily.

During the course of the year a very wide range of subjects was covered in radio talks. Broadly speaking, they were mainly on topics directly related to agriculture and co-operation, or subjects which were indirectly related. The following are some of the major topics which were used as themes for broadcast addresses during the year:

The Annual Meeting of Delegates; A Quarter Century of Progress; Crow's Nest Freight Rates; The Speculative Market; Pool Flour; Agricultural Prices Support Act; The Canada-United Kingdom Wheat Agreement; Saskatchewan Wheat Pool Services; The Pool's Brief on Freight Rate Increases; The Livestock Pool; The Annual Meeting of the Canadian Federation of Agriculture; Canadian Wheat Board Operations; Variety Test Program; Price Supports for Farm Products; The International Federation of Agricultural Producers; Wheat Pool Policies; Rochdale, Cradle of Co-operation; A Half Century of Achievement; The Importance of Agriculture to the National Economy; Agricultural Production, Lifeblood of the Nation; Stabilized Prices for Agriculture; Floor Prices for Agriculture; and "Journalistic David and Goliath."

Guest speakers appearing on Pool broadcasts included Graham Spry, Agent General for Saskatchewan in Great Britain and Europe; C. B. Davidson, Secretary, The Canadian Wheat Board and W. A. MacLeod, Director of Publicity of Canadian Co-operative Wheat Producers Limited.

Advertising

General advertising for the Wheat Pool Organization has been concentrated in The Western Producer and in the weekly press of Saskatchewan. Advertising in The Western Producer reaches out beyond the boundaries of the Province, with the heaviest concentration within the Province. The weekly papers in Saskatchewan are used regularly as a supplementary medium and these reach out to many farm homes that are not serviced by any other newspaper.

In addition to the regular weeklies, advertising is translated into several different languages and placed in a selected list of non-English language papers published in Saskatchewan, or published outside Saskatchewan with circulation in the province. The selection of these papers is aimed at including all the major language groups represented in Saskatchewan. Advertising is also placed in a selected list of publications published in other sections of Canada.

Good public relations have been maintained with the Saskatchewan Division of the Canadian Weekly Newspapers Association, the radio stations in Saskatchewan, the Canadian Broadcasting Corporation, the Agricultural Exhibition Associations in Saskatchewan, the Extension Department of the University of Saskatchewan, the agricultural press, both inside and outside Saskatchewan and other farm organizations across Canada, including the Agricultural Institute of Canada.

Flour Advertising

Flour advertising throughout the year has been carried in newspapers and on radio stations and has been extended through the use of painted signs on the cupola of elevators, metal signs for distribution to merchants, paper window streamers, pamphlets and folders.

The heaviest concentration of advertising was carried in Saskatchewan but advertising was also carried in Alberta, Manitoba and the Maritimes.

Baking made from Pool flour was well received at the Class "B" Fairs this summer and many prizes were awarded to entries of bread, cakes and pastry made from Pool flour.

Flour exhibits were featured at all the Class "A" and Class "B" Fairs and at a number of smaller fairs in Saskatchewan. This matter will be dealt with more fully under the heading of "Exhibitions."

Calendars

Pool calendars are still in strong demand. In keeping with the regular practice, Pool calendars are mailed out to all shareholders by direct mail. Groups of calendars are mailed out to all elevator agents who use them to distribute to places of business, schools and to individuals with whom they carry on business or with whom they desire to maintain good public relations. Additional supplies of calendars are kept on hand at Head Office to meet requirements as they arise. Calendars are sent out to a large mailing list of business firms in Saskatchewan and organizations with which branches of the Organization do business in Winnipeg, Port Arthur, Saskatoon and other places. The

calendars continue to be in strong demand for office purposes among a number of organizations. The index on the back, related to districts on the map, has been very valuable for organization purposes. Calendars are much sought after for this reason.

The current year's calendar was printed by Modern Press Limited in Saskatoon, the first time this job has ever been attempted in our own plant. The job was run off on schedule and direct mailing was made from the Modern Press plant in Saskatoon.

The introduction of colour on this year's map to show the boundaries of the districts appears to have been well received and opinions reported to the Department indicate that the job compares very favorably with any of the calendar jobs produced by long established plants in Eastern Canada.

Exhibitions

The Saskatchewan Wheat Pool was represented at the major fairs in Saskatchewan with exhibits and rest booths. This year the exhibit was used to publicize flour almost exclusively. All the domestic and export flour brands were featured in the exhibit on the Class "B" circuit and emphasis was placed on the special cotton prints and tea towelling bags, showing the manner in which these could be used for dresses, sun suits, aprons, towels, etc.

Flour exhibits were featured at some of the Class "C" fairs and a number of floats were placed in parades at some of the local sports days in the province.

As an added feature paper Indian headdresses advertising Pool and Co-op flour were distributed to youngsters who called at the booth. These were in very strong demand. The headdresses were distributed each day in limited quantities in an effort to get the best possible distribution with the headdresses that were available.

Research

Research work was carried on in the department along all lines in which there was need for detailed study. Major items covered included freight tariffs on grain and livestock; price spreads; the effect of foreign exchange controls; agricultural marketing; natural products marketing legislation; coarse grains marketing and numerous other subjects related to the business of the Organization and to agriculture and co-operation in general.

Library

For the twelve month period ended 31st July 1950, 8,616 books were mailed out to borrowers from the Wheat Pool library. This represents an increase of 67 over the previous year. The number of borrowers using the Pool library facilities showed an increase of 12 over the previous year.

At 31st July 1950 the total number of active borrowers was 2,050 of which number 1,935 were Pool members and 115 agents. The figures quoted do not include the large number of people who made use of the reference section of the library. Attached to this report, is a table covering operations of the library for the year under review, Statement No. 6.

Crop Reporting

The Saskatchewan Wheat Pool crop report continues to grow in popularity and is regarded as one of the most authentic reports covering crop conditions in Saskatchewan. This, together with the report from Alberta and Manitoba

published in *The Western Producer*, constitutes the most complete crop reporting data which is available in any form throughout the growing season. The report is published every week with an accompanying chart which shows the progress of the current year's crop in relation to crops of the previous years. A summary based on this report is prepared each week for the Canadian Press which is widely used by daily newspapers all across Canada. The publication of this report, together with the reports from Manitoba, and Alberta, have put *The Western Producer* out in front on its crop reporting service. The past season was probably the most difficult season to forecast of any that has occurred for many years. It is important to note that prior to the severe frost damage, the Wheat Pool report repeatedly made reference to the danger of frost and while the condition figure was quoted each week, forecasting the possible outcome of the crop, at all times during the growing season repeated warnings were issued that until the crop was harvested there was still a grave danger of frost.

Junior Activities

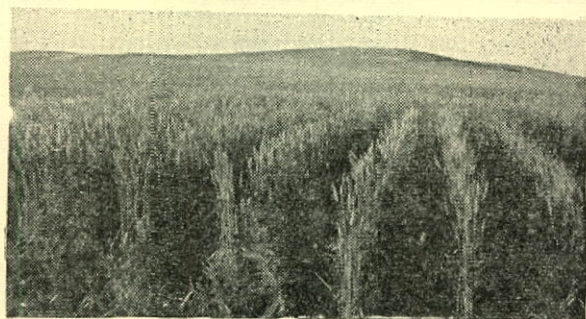
Variety Testing

The development of new cereal varieties for use under Saskatchewan conditions is a research field in which the Saskatchewan Wheat Pool maintains active and continuous interest. Each year new varieties, which have shown promise at official research centres, are included in the Wheat Pool variety testing program for extensive tests under widely differing soil and moisture conditions.

This work has been conducted on a scientific basis for the past sixteen years and during that period approximately 5,000 individual tests have been supervised, involving more than 75 different varieties and strains.

The results of the tests are passed on to farmers through the variety test booklet, published annually by the Wheat Pool Organization. They are also used by the Saskatchewan Cereal Variety Committee. This committee is composed of cerealists and plant scientists from the various research organizations of Saskatchewan. It meets each year in December to review the results of all recognized tests conducted in the previous season and to revise the varietal recommendations for the province. In addition, the results of Wheat Pool tests are used regularly in the publications of other organizations and as basic information for further research.

The degree of interest shown in these tests by young people throughout Saskatchewan is reflected in the fact that during 1950 the number of tests conducted reached the near record mark of 336. Three projects were undertaken, the major one consisting of 194 wheat tests. The varieties Thatcher, Redman (a new strain), Lee and Rescue (a new strain), were used in tests throughout the central, southern and western cereal variety zones. In the northern and eastern districts Saunders was substituted for Rescue. The new Redman and Rescue stocks used in the 1950 tests contain several minor improvements in quality and appearance. Lee is a new bearded bread wheat variety produced in Minnesota from a cross between Hope x Timstein. It is expected to prove more resistant to leaf rust than any variety now in use throughout Saskatchewan. Lee has been licensed and is eligible for top grades. As a general policy an attempt was made to place at least one wheat test in every sub-district of the province. With a few exceptions this plan has been successful, providing



experimental coverage in many areas where scientific tests were not conducted by other organizations.

A total of 75 barley tests were undertaken during the year under review, using the varieties Hannchen, Montcalm, Moore and Vantage. Of these, Moore is the only variety which has not been grown in Wheat Pool tests before. Moore is an American variety which, although tentatively approved for the malting class in the United States, has not been considered eligible for licensing so far in Canada. Because of a demand for further information about Moore among Saskatchewan farmers and plant breeders, the variety was included in the barley tests during the past year.

At the request of field husbandry authorities of the University of Saskatchewan, the crop comparison project was continued for a third season. During the year 67 tests were conducted, providing an exact comparison of Thatcher

wheat, Fortune oats, Montcalm barley and Dakota flax, when grown under identical conditions.

As in past years, Dr. J. B. Harrington, Professor of Field Husbandry at the University of Saskatchewan, has maintained a keen interest in the Wheat Pool tests. Although Dr. Harrington has been engaged in research activities in Egypt during the past testing season, he has kept in close contact with the variety testing activities and given general supervision to the work. Considerable technical advice in planning the 1950 project has been provided by Mr. L. H. Shebeski, Associate Professor of Field Husbandry, University of Saskatchewan.

Seed and instructions for planting each test were supplied from Head Office and after the work was begun a rain gauge, a test supervisor's badge and a plot sign were provided to each young person supervising a test for the first time. Duties of the co-operator included seeding and supervising the test, completing detailed progress reports and monthly rainfall reports during the growing season, and harvesting the grain in the fall. The returns from each test were forwarded by the local Pool Elevator agent to Head Office, where threshing, weighing and grading of the samples was carried out. Preparation of the test results for publication is now under way.

The importance of the Saskatchewan Wheat Pool testing program as a source of reliable information regarding the performance of new varieties has been long recognized. This is particularly true of the tests conducted in districts from which experimental information would not otherwise be obtained. Perhaps even more important than its practical objective, however, is the contact maintained through this work with young farm leaders throughout the province.

In this connection many committees have made a practice of holding one meeting at the site of their variety test during the summer. In addition, many committees have invited and encouraged variety test supervisors to present reports on their work to local Pool meetings.

The junior variety test supervisors must be commended again this year for a job well done. In most cases they have carried out their tasks accurately and enthusiastically. It is hoped that the knowledge and practical experience gained through this and other youth projects undertaken by the Wheat Pool Organization will assist many of them in future years to accept the responsibilities of farm and community leadership.

Junior Grain Clubs

As in previous years, support of the Junior Club Movement directed by the Extension Department of the University of Saskatchewan, continued to be an important project and, as usual, received strong support from Pool delegates and staff in all parts of the province. The sponsorship of these clubs by Wheat Pool committees continues to increase. Out of 118 junior grain clubs in operation, 67 were organized and sponsored either by Wheat Pool committees or by Pool Elevator agents.

In addition to the close co-operation maintained with the Extension Department of the University in the organization and operation of these clubs and other activities referred to in the Country Organization report, the usual grant of \$7,500.00 was made to the University of Saskatchewan to assist in developing junior club activities, as recommended at the last annual meeting of delegates. This assistance has been gratefully acknowledged by the University authorities.

The following statement prepared by Professor Gordon, Assistant Director of the Extension Department of the University, sets out in some detail the activities of the junior grain clubs in 1950:

| Variety Grown | | No. of Club Projects | No. of Members | No. of Acres | Approximate Yield (Bushels) |
|--------------------|--------------------|----------------------------|-------------------|-----------------|--------------------------------|
| Wheat | Thatcher..... | 74 | 1,064 | 2,161 | |
| | Rescue..... | 8 | 114 | 228 | |
| | Redman..... | 2 | 29 | 58 | |
| | Apex..... | 1 | 15 | 30 | |
| | Marquis..... | 1 | 14 | 28 | |
| | Durum..... | 3 | 43 | 86 | |
| Total..... | | 89 | 1,279 | 2,591 | 51,820 |
| Oats | Fortune..... | 7 | 104 | 228 | |
| | Exeter..... | 6 | 85 | 170 | |
| | Victory..... | 3 | 44 | 88 | |
| | Ajax..... | 2 | 28 | 56 | |
| Total..... | | 18 | 261 | 542 | 32,520 |
| Barley | Montcalm..... | 15 | 217 | 1,134 | |
| | Hannchen..... | 1 | 15 | 30 | |
| Total..... | | 16 | 232 | 1,164 | 46,560 |
| Flax | Redwing..... | 1 | 16 | 32 | |
| | Dakota..... | 1 | 15 | 30 | |
| Total..... | | 2 | 31 | 62 | 620 |
| Grass | Crested Wheat.... | 3 | 31 | 31 | |
| | Brome..... | 1 | 10 | 10 | |
| | Red Clover..... | 1 | 14 | 14 | |
| | Alfalfa..... | 1 | 11 | 11 | |
| Total..... | | 6 | 66 | 66 | |
| Potatoes | Irish Cobbler..... | 1 | 12 | | |
| | Netted Gem..... | 1 | 15 | | |
| | Pontiac..... | 1 | 6 | 4 | |
| Total..... | | 3 | 33 | 4 | 500 |
| TOTALS..... | | 134 | 1,836 | 4,363 | 131,520 Gr. 500 Po. |

In reporting on the work of the year, Professor Gordon points out that there has again been an increase in the number of clubs from 104 one year ago to 118 this year. This number, however, does not accurately reflect the total increase as several clubs this year have for the first time been growing more than one seed plot. The total number of club projects actually supervised was 134. The membership was increased from 1,647 to 1,836 and the total number of acres seeded from 3,396 to 4,429.

Wheat was again the most popular grain to grow, 89 clubs undertaking this as their project. Thatcher was by far the most popular variety of wheat, 74 of the 89 clubs choosing this variety.

Oat clubs showed an increase from 12 to 18, with the varieties of Fortune and Exeter being the most popular. Sixteen clubs took barley as their project; also, for the first time for quite a number of years, a number of clubs decided to seed down one acre to either grass or clover seed, 6 clubs, all in the Nipawin district, undertaking this project.

Junior Livestock Clubs

In addition to the grain clubs, the junior livestock clubs, directed by the Extension Department of the University, have also had a successful year. The following statement shows the number of clubs and the membership active during the current year:

| | No. of Clubs | No. of Members |
|---------------------------|--------------|----------------|
| Junior Beef Clubs..... | 174 | 2,270 |
| Junior Swine Clubs..... | 8 | 130 |
| Junior Dairy Clubs..... | 11 | 220 |
| Junior Poultry Clubs..... | 5 | 70 |
| Total..... | 198 | 2,690 |

Again a substantial number of these livestock clubs are sponsored by Wheat Pool committees.

Homecraft Clubs

From previous reports delegates are familiar with the work of the Homecraft Clubs for rural girls. This work was initiated a number of years ago largely on the recommendation of the Pool Organization. Homecraft Clubs registered at the University, with their projects, are as follows:

| Project | No. of Clubs | No. of Members |
|-------------------|--------------|----------------|
| Clothing..... | 34 | 291 |
| Floods..... | 7 | 54 |
| Eti-Cues..... | 12 | 97 |
| Others..... | 6 | 33 |
| Total..... | 59 | 475 |

A new project in second year foods is in the course of preparation and will be available next season. Books in the Homecraft Library are sent to clubs on request, as are the kits of samples and illustrative material in connection with the various projects. The monthly letter which was previously sent to Homecraft Clubs has now been incorporated into the bi-monthly "Club News Letter" and is sent to all junior boys' and girls' clubs in Saskatchewan.

A junior club rally was held at Kenosee Lake in August of this year. Twenty clubs, including 4 Homecraft Clubs, were present with a total attendance of 280 boys and girls.

International club visits between 4-H Clubs in the U.S.A. and Junior Clubs in Saskatchewan were tried out last fall. Another "across the Border" visit was held at Eastend in July 1950. Eighty-four U.S.A. boys and girls and leaders were guests of 90 Saskatchewan Junior Club members and their leaders. A member of the Pool field staff was guest speaker of the evening.

As indicated in the Country Organization report, there has been the closest co-operation throughout the year between the University Extension services and certain Pool activities. In connection with the "Citizenship Day" program, the Extension Department provided a speaker at 52 of these gatherings between September 1949 and April 1950. In an effort to interest more women in attending these meetings, notices were sent from the Women's Department of the University of Saskatchewan to Homemakers' Clubs, Women's Co-operative Guilds, Homecraft Clubs and Auxiliaries to the Canadian Legion in the immediate area of each meeting. Last July the Women's Department also provided speakers for the one-week co-operative schools.

In concluding a fairly comprehensive report of activities, the Assistant Director of University Extension Services in charge of women's work states: "The assistance, both financial and in the field, given by the Saskatchewan Wheat Pool to all these undertakings has given encouragement to staff members and evidenced deep understanding of rural problems. Thank you."

Saskatchewan Women's Co-operative Guild

Your Board would again acknowledge the practical assistance of the Saskatchewan Women's Co-operative Guild in directing the attention of community families to Wheat Pool services and facilities. In their effort to help increase sales of Pool Co-op flour, Guild members have held sales of home cooking and displays of baking, "Get Acquainted" teas and other social events, all featuring Pool Co-op flour. One guild conducted a baking demonstration, using Pool Co-op flour, at an evening class at a technical school.

Guild members have also been responsible for lunches served at Wheat Pool committee conventions, rallies and sports events sponsored by the organization. They have also provided speakers at Wheat Pool committee conventions, citizenship days and other rallies. Some of the local guilds report a systematic telephone reminder to their neighbors in the community to attend Wheat Pool meetings. They encourage women to serve on Wheat Pool committees and have sponsored students to the co-operative summer schools. One or two of the guilds have visited the Wheat Pool Flour Mill at Saskatoon. Practically all of these guilds indicate that they strive at all times to interest the younger farm families in joining the Wheat Pool and taking part in the various activities.

For all of these very practical activities your Board would like to place on record its sincere appreciation.

Country Organization

Wheat Pool Committees

The local Wheat Pool committee has always been a source of great strength to the entire Organization. It has functioned as a reliable source of information to the local membership and it has been the useful connecting link between the membership, the Wheat Pool delegate and the Head Office of the Organization.

At 31st July 1950 there were 1,157 committees functioning in the province, which compares with 1,158 at the same date last year, a decrease of 1 committee. Statement No. 7 which forms part of the annual report, shows the total number of committees in the province, with the distribution by Wheat Pool districts and sub-districts. Statement No. 8 indicates that 1,060 of these committees were reorganized during the year, leaving 97 that have not reported reorganization during the last twelve months. This compares with 96 one year ago and indicates a high percentage of active committees in all Wheat Pool districts. It is of interest to note that 10,172 Wheat Pool shareholders are presently serving as members of local committees.

Committee Conventions

The usual program of committee conventions was carried through in May, June and July. Attendance was good, showing an increase over previous years. The reports of committee work during the year which were presented by the Secretary, together with a discussion of these reports led by the Wheat Pool delegate, were the key items on the agenda at all conventions and provided the basis upon which the meeting was conducted. Analyzing the work done and comparing their work with other committees and laying definite plans to do better work in the future, is the feature which distinguishes a Wheat Pool committee convention from any other type of Wheat Pool meeting. The efficiency with which committee work is planned is the measure of the success of a convention.

The report of the director on Pool policy is an important item on the agenda. Under this heading problems of marketing and price are discussed. The International Wheat Agreement was explained in detail and received strong support from every district. Final settlement of the 5-year pool was also reviewed. The Canadian Wheat Board was approved as the sole marketing agency for all grains, while at the same time the practice of selling coarse grains through the speculative market was condemned.

Policy, as laid down by delegates at their annual meeting, received the approval of committee men at all conventions. Other features included reports on the Industrial Division, which indicates that Pool and Co-op flour are established as high quality products. The operation of the Vegetable Oil Plant was reviewed. Co-operative marketing of livestock is coming into its own. It is apparent that committees recognize the part they can play in assembling shipments. The steady expansion of this department and the increase in percentage of livestock handled can be credited in large measure to the loyal support of local committees.

Junior Co-operative activities, Women's Co-operative Guilds, co-operative education and general organization work were all discussed freely. Agents of Saskatchewan Pool Elevators Limited attend the conventions in all cases where the business of the elevator permit them to do so. Six hundred and ninety-five agents were present at 128 conventions. During the discussion of the problems of Saskatchewan Pool Elevators Limited these employees made a valuable contribution. Travelling superintendents were present and led discussions and answered numerous questions affecting the handling of grain. Co-operative livestock shippers also give information and reports on the year's operations. There was excellent team work throughout on the part of all employees.

During the year under review 128 conventions were held, as compared to 124 for the previous year. Of these, 93 were single sub-district meetings, 32 were joint conventions of two sub-districts, while 3 included committee men from three sub-districts. Total attendance was 8,771, with an average of 68. This compares with 8,179 last year and an average of 66. Of the total attendance, 5,155 were Wheat Pool committee members, 695 were elevator agents and 2,921 were visitors. Eight hundred and ten of the visitors were ladies. The minutes of conventions continue to come in in good form. They are interesting and informative documents which are preserved from year to year and have become a valuable source of reference material.

Committee Programs

Education material in the form of committee programs was issued by the Country Organization Department during the past year and was mailed to the chairman and secretary of Wheat Pool committees, Pool elevator agents, delegates, key men and a number of others who have asked to be placed on the mailing list. About 5,000 copies of each issue were distributed. These programs continue to meet a need for reliable material prepared in concise readable form.

The following is a list of titles: Taking an Active Part; Highlights of the 25th Annual Meeting; You have to be Prepared; Sellers Need Buyers; Important Business; Timely Topics and Highlights of the Committee Conventions.

Visual Education

During the past year the department purchased 103 films, including news reels, co-operative films, travel, comics, soil conservation and sing-songs, with which to balance our programs and keep them up to date. Only a limited number of first class comics are made in 16 m.m. and this year the production and importation of 16 m.m. films seemed to be very limited. It may be that a really satisfactory co-operative film will not be available unless one is produced in Canada. There is continued appreciation of the type of program presented by the Wheat Pool. Sound motion pictures with an entertainment and educational value fill a need in rural communities.

Meetings

During the year district representatives attended 2,782 meetings of all kinds, with an estimated attendance of 140,929. At 849 of these meetings motion pictures were shown. This is an increase of 162 motion picture meetings for the year.

At all of these meetings current information in connection with the Wheat Pool was given, marketing problems were explained and the policy of the Wheat Pool was outlined. To tell the Wheat Pool story to 140,900 persons is an achievement of some merit.

In addition to the foregoing there were personal visits to 8,338 farmers, 5,866 business men were interviewed and there were 4,548 visits to Pool elevators.

Co-operative Schools, Citizenship Days and Rallies

The program of co-operative schools, citizenship days and rallies was continued and expanded during the year. As usual the program varied from district to district, depending upon the specific need of the area and the personnel available to give lectures. Canadian citizenship and the principles of co-operation were the theme of these meetings. The department continued to enjoy the active co-operation of the Department of Education, the Department of Agriculture, the University of Saskatchewan and the Co-operative Union, in the program. Eighty-three of these events were held during the year with a total attendance of 5,683.

The annual series of co-operative schools was carried through most successfully. Five schools were held, all during the week of the 3rd to the 8th of July. The general pattern was similar to that of other years with the same sponsoring organizations, namely the Extension Department of the University of Saskatchewan, Saskatchewan Federated Co-operatives Limited, Women's Co-operative Guilds, Co-operative Union of Saskatchewan, the Department of Co-operation, the Experimental Station at Swift Current and the Saskatchewan Wheat Pool. Last year the attendance at these schools was so large that facilities were not adequate and classes were crowded. This year a fifth school was held at North Battleford, which resulted in a better distribution of students. Attendance was very satisfactory—North Battleford, 70; Fort Qu'Appelle, 74; Prince Albert, 77; Saskatoon, 102; and Swift Current, 57; a total of 380. There were 178 girls and 202 boys. The average age was 17 years and the average education was Grade 10.

Wheat Pool fieldmen continue to take care of the organization features of the school, that is the organizing and registering of students and arranging for transportation. Each school has a local committee which is responsible for the conduct of the entire school. In every case the chairman

of this committee was a member of the field staff. In addition to the foregoing, fieldmen taught many of the lessons in the classroom.

The co-operative canteen, which has been a successful feature of these schools for a number of years, continues to grow in popularity and is without doubt one of the effective and practical lessons of the school.

The school at Swift Current is a Wheat Pool project serving the youth of Wheat Pool districts 3, 4 and 5, operated by a special committee appointed by the delegates of these districts, consisting of one delegate from each district and the three fieldmen concerned. Students are financed by contributions from Wheat Pool committees in the three districts.

Dominion-Provincial Youth Training

The Country Organization Department again co-operated with the University of Saskatchewan in organizing four regional agricultural short courses. These were residential schools of six weeks duration held at Kenosee Lake Chalet, North Battleford, Prince Albert and Moose Jaw. The first three were co-educational courses, while the one at Moose Jaw was for boys only. Plans are already underway to continue this work during the coming winter.

Flour

During the year the product of the flour mill has established an enviable record of high quality and is steadily gaining in popularity throughout the province. The department has continued its active work in introducing this flour to Saskatchewan consumers and also in carrying on as salesmen.

Livestock Marketing

During the year under review the department gave assistance to Wheat Pool committees and shippers in organizing and assembling co-operative shipments of livestock to all the provincial markets operated by the Livestock Pool and to Canadian Livestock Co-operative (Western) Limited at St. Boniface. Special attention was given in the matter of opening the new market at North Battleford.

Co-ordination

The Co-ordination Agreement under which Wheat Pool fieldmen carry on promotion and education work for Saskatchewan Federated Co-operatives Limited and Canadian Co-operative Implements Limited was continued during the year.

In addition to the work outlined above, a general program of organization and education was carried on, working always in close consultation with Wheat Pool directors, delegates, committees and employees.

Co-operative Associations

During the year 1st August 1949 to 31st July 1950 there was a net increase of 43 in the number of co-operative associations of all types carrying on business in Saskatchewan. This was made up of an increase of 27 associations under the Co-operative Associations Act and 16 credit unions.

The number of co-operative associations of all types operating in Saskatchewan at 31st July 1950 was 1,285, made up as follows:

| | |
|--|--------------|
| Under the Co-operative Associations Act..... | 992 |
| Under the Co-operative Marketing Associations Act..... | 33 |
| Under the Credit Union Act..... | 240 |
| Under Special Saskatchewan Legislation..... | 15 |
| Under Dominion Legislation..... | 5 |
| Total..... | 1,285 |

Membership

For the year under review, 3,322 applications for shares were received; 1,823 were transfers in blank and 1,499 new shares were allotted. In addition, during July 792 applications for shares were received, of which 773 were allotted new shares and 19 were transferred.

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

| Year Ended | Applications |
|---------------------|--------------|
| 31st July 1934..... | 515 |
| 31st July 1935..... | 695 |
| 31st July 1936..... | 869 |
| 31st July 1937..... | 1,016 |
| 31st July 1938..... | 370 |
| 31st July 1939..... | 887 |
| 31st July 1940..... | 3,477 |
| 31st July 1941..... | 3,040 |
| 31st July 1942..... | 5,616 |
| 31st July 1943..... | 5,946 |
| 31st July 1944..... | 7,704 |
| 31st July 1945..... | 6,304 |
| 31st July 1946..... | 5,484 |
| 31st July 1947..... | 8,529 |
| 31st July 1948..... | 6,609 |
| 31st July 1949..... | 3,817 |
| 31st July 1950..... | 3,322 |

As has been pointed out in former annual meetings, as the membership of the Organization increases, the problem of keeping an accurate record of addresses of Pool members becomes more acute. As indicating the extent of this problem, it may be noted that the department in charge of the membership register made 11,690 changes of address during the year under review. Throughout the year advice was received of the death of 1,467 members.

General

The Canadian Wheat Board

At the last session of Parliament the Wheat Board Act was amended to provide that The Canadian Wheat Board would continue to act as the sole selling agency for wheat until 31st July 1953. This covers the period during which the International Wheat Agreement will remain in effect and was in line with the recommendation from the last annual meeting of delegates.

Initial Payments for Crop Season 1950-1951

As delegates are aware the initial payment for wheat for the current crop season is \$1.40 per bushel basis 1 Nor. Lakehead, 35c lower than the initial payment in the previous year. In a submission to the Minister of Trade and Commerce under date of 24th March 1950, Pool representatives strongly recommended that the initial payment this year should be established at \$1.60 per bushel, which was close to the then prevailing minimum price (\$1.54) for the current crop year, under the International Wheat Agreement.

In reply the Minister pointed out that under the terms of the Wheat Agreement the minimum price was actually \$1.40 in United States' funds and that there was no guarantee that the 10% discount in Canadian funds, which had resulted in the minimum International Wheat Agreement price being increased to \$1.54, would remain in effect throughout the year.

As a result of frost damage the anticipated current year's wheat yield was greatly reduced and the volume of wheat in the lower grades was substantially greater than experienced in 1928, the last year of general frost damage

in Western Canada. In view of the large volume of lower grades it was evident that the prospective cash return to farmers from the existing initial Wheat Board payments would in many cases, be insufficient to meet operating and living costs.

In view of these facts, early in September the central executive of the three Pools issued a statement pointing out that the request made last March for an initial payment on the basis of \$1.60 for 1 Nor. Lakehead, had been fully justified and urging that the Government should undertake to make an interim payment on wheat delivered to The Canadian Wheat Board at the earliest possible moment. With the declaration of an interim payment, the initial payment on grain still to be delivered would be increased by the amount of the interim payment.

In the submission to the Government above referred to, the Pools recommended that the initial payment for coarse grains for the current season should be the same as that in effect the previous year, namely 60c per bushel basis 1 Feed Lakehead for oats and 87c per bushel basis 1 Feed Lakehead for barley.

Coarse Grains Marketing

A resolution passed at the last annual meeting of delegates urged that the speculative element in marketing grain should be eliminated and a marketing system established which would ensure stability in prices, both for producer and consumer. The resolution also asked that the Wheat Board's coarse grains marketing policy be changed to give effect to the wishes of organized farmers in this connection. This matter was also taken up with the Government in the submission above referred to and it was urged that the marketing of coarse grains should be the responsibility solely of The Canadian Wheat Board and that the speculative market should be closed.

During the year under review, as a result of widely fluctuating prices of oats and barley, there has been widespread dissatisfaction amongst the buyers of our feed grains in the Eastern and Maritime provinces. They have indicated that it is not the price at which the grain is sold to which they object, but rather, the wide fluctuations in price which have taken place during the year as a result of the futures market operations. On two occasions the Canadian Federation of Agriculture has convened meetings in Eastern Canada when the matter of coarse grains marketing was under consideration.

It is still the opinion of your Board that The Canadian Wheat Board should be the sole marketing agency for coarse grains and that its marketing operations should be carried on outside of the speculative market. With a complete knowledge of market supplies and requirements, the Wheat Board should be able to establish realistic and also stable prices which will more accurately reflect the true values of feed grains than can possibly be done by a fluctuating speculative market.

At the same time it is realized that the Wheat Board would find it difficult, if not impossible, to control the resale value of grain to the feeder in Eastern Canada who buys in small lots. In consequence, it would appear that Eastern farm organizations must be prepared to accept responsibility for seeing that resale prices are in line with the prices charged by the Board and that the economies effected in direct merchandizing would be reflected back to the feeder.

Settlement of the Five-year Pool

On 24th March 1950 and again on 29th June 1950, your representatives made representations to the Minister

of Trade and Commerce and other members of the Government in connection with the winding up of the 5-year pool. The Government was advised that in the final settlement of the 5-year pool, which terminated on 31st July 1950, provision should be made for:

- (1) An adjusting payment on all wheat sold for domestic consumption during the period 1st March 1945 to 17th February 1947; and
- (2) A settlement of the obligation to wheat growers under the "will have regard to" clause in the Canada-U.K. Wheat Agreement.

As Pool delegates will recall, wheat used for domestic consumption was supplied by The Canadian Wheat Board at \$1.25 per bushel, plus carrying charges, for the period from 1st March 1945 to 17th February 1947. During this whole period all wheat for export was sold at a price substantially above this figure. In the opinion of your Board the export price during this time would average probably \$1.55 per bushel. Your Board has also estimated that the amount of wheat used for domestic consumption during this period would be at least 160 million bushels. It urged upon the Government that when the final accounting was made, the Government should arrange to make a refund to the producers of an amount somewhere in the neighborhood of 48 million dollars in settlement of this claim.

In addition to the foregoing, the Pool's submissions dealt with the obligation to Canadian wheat growers under the Canada-U.K. Wheat Agreement. It will be recalled that the Agreement in its original form provided that—"In determining prices for the crop years 1948-1949 and 1949-1950, the United Kingdom Government will have regard to any differences between the prices paid under this Agreement in the 1946-1947 and 1947-1948 crop years and the world prices for wheat in the 1946-1947 and 1947-1948 crop years."

In other words, it was the original intention of the Agreement and it was so understood by your Board, that the prices established for the last two years of the contract would be such as would compensate producers in the event of the prices in the first two years of the contract being substantially lower than world wheat prices. It is obvious, however, that the terms of the original Agreement were modified as the result of later negotiations between representatives of the two governments. This modification appeared in a statement issued from London and Ottawa when the price of wheat for the crop season 1949-1950 was announced as \$2.00 per bushel. At that time the Prime Minister, the Rt. Hon. Louis St. Laurent, issued a statement as follows:

"Representatives of the United Kingdom and Canadian Governments have had discussions on the price to be paid by the United Kingdom for Canadian wheat in 1949-1950, the fourth and final year under the U.K.-Canada Wheat Agreement of 1946.

"After taking into account all relative considerations including but without attempting to reach a final settlement of the United Kingdom obligations under Clause 2 (b) of the Agreement, the two Governments have agreed upon a price of \$2.00 per bushel.

"The two Governments have also agreed that their representatives shall meet not later than 31st July 1950 to settle any obligations of the United Kingdom which may then still be outstanding under Clause 2 (b) of the Agreement. The extent to which any such obligations will remain will depend largely upon the actual prices ruling for wheat during 1949-1950."

The meeting to settle any obligations of the United Kingdom which might be outstanding under Clause 2 (b) of the Agreement was attended by the Minister of Trade and Commerce. On his return from the United Kingdom he reported to the House of Commons that in recent discussions the United Kingdom Government had taken a

very strong position that they had fulfilled all obligations under this Clause.

In the Pool's submission to the Minister of Trade and Commerce it was pointed out that since the Canada-United Kingdom contract was an agreement between the two governments, only the Government of Canada could decide whether or not the obligations undertaken by the United Kingdom Government had been fulfilled. The Pools took the attitude that if the Government of Canada agreed that there was no further obligation on the part of the United Kingdom under the "will have regard to" clause, then the full responsibility for settlement of the obligation to Western Canadian farmers must be assumed by the Government of Canada.

On both occasions above referred to the Pools urged strongly that Western Canadian farmers were entitled under the terms of the Agreement, to a further substantial payment before the Canada-U.K. Wheat Agreement could be regarded as complete. Such payment would, of course, be included in the final payment of the 5-year wheat pool.

It is our understanding that no final decision has yet been made by the Canadian Government as to the amount to be paid as a final payment in winding up the 5-year pool. In the meantime, as a result of further discussions with the Minister of Trade and Commerce, the Pools have an undertaking that before a final decision is arrived at, Pool representatives will be given a further opportunity to make further representations in connection with this whole matter.

International Wheat Agreement

The first year's operations under the International Wheat Agreement have been completed. The original draft agreement initialled in Washington in March 1949 provided that exporting countries would make available 456,283,389 bushels of wheat in each crop year, commencing in 1949-1950 and ending in 1952-1953, which amount the 37 importing countries agreed to accept within the price ranges stipulated in the Agreement.

The total amount of 456,283,389 bushels was allocated amongst the wheat exporting countries as follows:

| | |
|-------------------|----------------------------|
| Australia..... | 80,000,000 bushels |
| Canada..... | 203,069,635 bushels |
| France..... | 3,306,934 bushels |
| U.S.A..... | 168,069,635 bushels |
| Uruguay..... | 1,837,185 bushels |
| Total..... | 456,283,389 bushels |

As a result of some of the participants failing to ratify or sign the Agreement the total guaranteed quantities were reduced by nearly 20 million bushels and the total amount was reallocated amongst the exporting countries as follows:

| | |
|-------------------|----------------------------|
| Australia..... | 76,914,616 bushels |
| Canada..... | 195,237,795 bushels |
| France..... | 3,179,394 bushels |
| U.S.A..... | 161,587,648 bushels |
| Total..... | 436,919,453 bushels |

It was on this basis that the Agreement started on its course. However, there have been a number of changes which have affected the total quantities to be handled under the International Wheat Agreement since it commenced operations a year ago. Some of the countries have increased their guaranteed import requirements and others which did not participate in the negotiations have since

acceded to the Agreement. As a result of these changes the status of guaranteed export quantities for the remaining three years of the Agreement is as follows:

| | 1950-1951 (bushels) | 1951-1952 (bushels) | 1952-1953 (bushels) |
|--------------------|------------------------|------------------------|------------------------|
| Australia..... | 84,999,996 | 84,999,996 | 84,999,996 |
| Canada..... | 217,824,764 | 225,824,788 | 227,824,785 |
| France..... | 3,859,412 | 3,859,412 | 3,859,412 |
| U.S.A..... | 227,973,552 | 219,973,528 | 217,973,531 |
| Totals..... | 534,657,724 | 534,657,724 | 534,657,724 |

It is of interest to note that practically all of the regular world markets for wheat are now under the Agreement. The only markets of any consequence not included in the Agreement would be Japan, China and Chile. Incidentally, Japan has already applied for admission to the Agreement.

At this time it can be said that the exporting countries have lived fully up to the terms of the Agreement. They have offered and sold wheat freely at maximum prices and it has not been necessary for the importers to make any calls for wheat. As has been previously indicated, the real test of the Agreement will come if prices drop to the floor. It is probable, however, that so long as such countries as the United Kingdom, Belgium, the Netherlands, etc., live up to the terms of the Agreement, the other importing participating countries will accept their obligations.

Opponents of the International Wheat Agreement have tried to argue that since the full amount available from the exporters under the Agreement was not taken up by the importers, then the Agreement had failed.

The final report of sales and purchases for the crop year 1949-1950 showed that purchases totalling 11,683,182 metric tons were recorded by importing countries. This is equal to 425,383,000 bushels and compares with the total amount available from exporters at the beginning of the season of 436,919,000 bushels.

Your Board is of the opinion that this first year's operations will be regarded as generally satisfactory. From the exporting countries' viewpoint the results achieved would appear to indicate a very healthy position.

International Commodity Agreements

The International Wheat Agreement is the outstanding example of an international commodity agreement. Your Board believes that intelligent co-operation must finally replace economic warfare. Through international co-operation we can expect to develop a greater degree of international understanding and goodwill which will provide the only sure foundation for a lasting world peace.

In the meantime, the Food and Agriculture Organization of the United Nations maintains a keen interest in commodity problems. A committee has been set up as an advisory body which would—"address its attention primarily to the food and agriculture surplus commodity situation arising from balance of payment difficulties." The International Federation of Agricultural Producers at its annual meeting held in Stockholm this year, fully endorsed the principle of commodity agreements. It reaffirmed its confidence in the International Wheat Agreement for reasons which it set out and instructed the secretariat to prepare draft proposals for the orderly marketing of commodities in surplus or near surplus supply in the interests of producers and consumers.

Increased Trade with the United Kingdom

During the year we have kept in close touch with the movement to increase trade with the United Kingdom. Still today the United Kingdom is the chief buyer of our Canadian wheat and her ability to continue to buy large quantities of wheat and other food products is determined to a very considerable extent by the volume of goods which she is able to market in Canada. Members of your Board have acted on committees responsible for urging increased trade with the United Kingdom. A shortage of dollars has been the principal barrier to increased trade, not only with the United Kingdom, but in the international field generally. Your Board is satisfied that this dollar shortage can only be overcome in proportion as the dollar countries are willing to import increased quantities of goods from the sterling area.

Scholarships

At the last annual meeting a resolution was passed recommending that a Wheat Pool scholarship to the School of Agriculture at the University of Saskatchewan in an amount of \$200.00 payable to one student in each district each year of the two-year course, \$100.00 per year, be established.

In reviewing this recommendation of the delegates the Board expressed the opinion that no action should be taken at this time for the provision of sixteen scholarships to the School of Agriculture and that the whole question should be referred back to the next annual meeting of delegates for further consideration. Your Board will welcome a further expression of opinion on this matter in the course of the present meeting.

Future Policy

In previous years it has been the practice of your Board to submit certain recommendations regarding the future policy of the Pool organization for consideration of the delegates. Many of these objectives have now been achieved. However, much yet remains to be accomplished.

Looking to the future it will be the general objective of your Board to take such steps as may be found necessary in co-operation with the other two Pools, and with the other farm organizations across Canada through the Canadian Federation of Agriculture, to maintain farm purchasing power at the balanced levels of 1949.

In the field of grain marketing each crop season appears to present a new set of problems which must be dealt with.

The quality of this year's crop, with a very large percentage of the total production in Feed grades, presents a new problem in marketing which has not been encountered since 1928, the last year of a general frost.

In recent weeks grain trade propaganda has been directed towards trying to make capital out of the fact that the Wheat Board's initial spreads, particularly in the lower grades, were wider than in recent years.

As on many occasions in the past, the private grain trade, including the Winnipeg Grain Exchange, have tried to suggest that if the marketing of the crop were left in their hands all would be well. They overlook the fact that in 1928, the last year of a general frost, the open market was functioning. Although the crop had suffered severely the volume of grain grading No. 5, No. 6 and Feed was

very much lower than is anticipated during the coming year. Throughout the crop season, because of the pressure of these grades, the spread between 1 Northern and Feed gradually widened until towards the end of the season, on 25th July 1929, the spread between 1 Northern wheat and Feed wheat was 88½c per bushel. For the whole of July 1929 the average spread was 74.9c.

In the crop season 1927-1928 when the percentage of Feed grain was comparatively small, the open market quotation on 13th October 1927 showed a spread of 67c per bushel between 1 Northern and Feed wheat.

This compares with the initial spread fixed by the Wheat Board between 1 Northern and Feed of 40c per bushel during the current year. At the time this report is prepared the Wheat Board is offering Feed wheat at a spread of 33c under the top grade.

In view of the large volume of lower grade wheat during the current season, your Board is satisfied that only under an orderly marketing program carried out by the Wheat Board can satisfactory results be achieved from the marketing of this year's crop. They believe that if left to the mercies of a speculative system the only method that system recognizes of disposing of a surplus commodity is to force the price down to levels which will move the commodity, irrespective of the results of such a policy on the farm homes of Western Canada.

Your Board therefore recommends that for the coming year the policy of the Organization should be directed to:

- (1) Full support of The Canadian Wheat Board in a program for the orderly marketing of Western grown grains.
- (2) Full support of the principle inherent in the International Wheat Agreement as the basis upon which the international trade in wheat should be carried on.
- (3) Support for the application of the Agricultural Prices Support Act for the maintenance of adequate floor prices of those farm commodities to which the Act applies.

In this connection it is hardly necessary to emphasize that the maintenance of farm prices is essential to the continued prosperity of the Canadian economy. Adequate farm purchasing power is a vital factor in maintaining full employment in towns and cities of Canada.

- (4) Your Board will continue to urge for a satisfactory adjusting payment in the final settlement of the 5-year wheat pool which will include:
 - (a) A payment of approximately 48 million dollars, representing the amount by which wheat producers subsidized the people of Canada in the consumption of wheat during the period 1st March 1945 to 17th February 1947.
 - (b) A further payment representing the cash value to Western wheat growers of the "will have regard to" clause in the Canada-U.K. Wheat Agreement.

If the Canadian Government is prepared to accept the attitude of the United Kingdom Government that the United Kingdom has fulfilled its obligations, then responsibility for a further adjustment to the producers rests squarely with the Canadian Government.

- (5) Your Board will continue to urge that the initial payment for the current crop season should have been \$1.60 per bushel basis 1 Northern at Lakehead, and will reiterate the request for an interim payment on grain already delivered to the Board to bring the amount received by growers up to this level.
- (6) In connection with the marketing of coarse grains, your Board will continue to urge upon the Government that this should be the sole responsibility of The Canadian Wheat Board and that the speculative market should not be used in its operations.

In this connection it will be recalled that The Canadian Wheat Board has marketed the wheat crop of Western

Canada over a long period outside of the futures market—in fact the statement has been made that the Board could not operate successfully in the marketing of wheat side by side with a speculative market. Your Board is of the opinion that the same is true with respect to the marketing of coarse grains.

- (7) Through the Canadian Federation of Agriculture your Board will continue to support the principle of international commodity agreements for the orderly international marketing of farm commodities in the interests of producer and consumer.
- (8) In the livestock field your Board will continue to urge that the compulsory practice relating to the carcass grading of hogs and hog products should be eliminated and that it should be replaced by a compulsory system of either live grading or carcass grading at the option of the producer.

In this connection discussions have already taken place with officials of the Dominion Department of Agriculture. Preliminary arrangements have been made for a conference of all interested parties when existing livestock regulations will be reviewed. Your Board is of the opinion that the question of optional live grading of hogs will become even more important in view of the possible opening of the U.S.A. market for hogs at the beginning of 1951.

- (9) The loss sustained in this year's grain production points up the need for an adequate scheme of crop insurance and it will be the policy of your Board that an adequate scheme of crop insurance should be worked out jointly by Dominion and Provincial authorities, the cost to be borne jointly by the Dominion and Provincial Governments and by the producers.

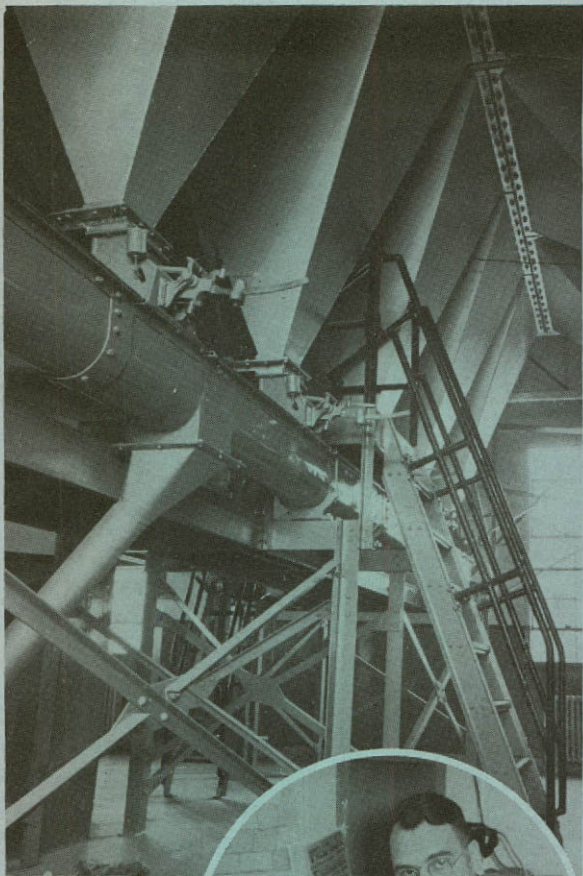
In general it will be the purpose of your Board to continue to co-operate with all other farm organizations across Canada, through the Canadian Federation of Agriculture, to secure the establishment of sound national agricultural policies and the maintenance of stable prices on farm commodities at levels fair to the producer and to the consumer.

Officials and Staff

Your Board desires to acknowledge the important contribution to the successful operation of the Organization by the officials and members of the staff of the whole Organization in all its departments.

During the past year important changes have taken place in the management of the Organization. On 31st July Mr. J. D. Read retired from his position as General Manager of Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited after twenty-six years of valuable service to the Organization. Mr. Read was the first Treasurer of the Pool organization, having been appointed in July 1924. In 1929 he succeeded Mr. D. MacRae as General Manager of Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited and held that office until his retirement. Throughout the whole of Mr. Read's term of office the Board has greatly appreciated his loyal co-operation and wise counsel in meeting the many problems with which the Organization has been faced.

Effective 1st August 1950, Mr. D. R. Lamont was appointed to succeed Mr. Read as General Manager of Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited. Mr. Lamont joined the staff of Saskatchewan Pool Elevators Limited in 1926. In 1930 he was appointed Assistant Treasurer and in August 1937 assumed the position of Assistant Manager of Saskatchewan Pool Elevators Limited.



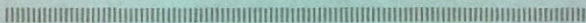
Wheat
Blending Bins
Showing
Percentage Feeders

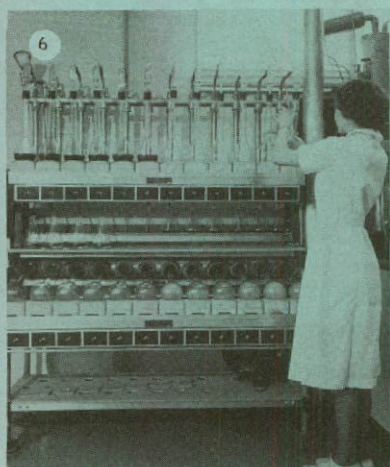
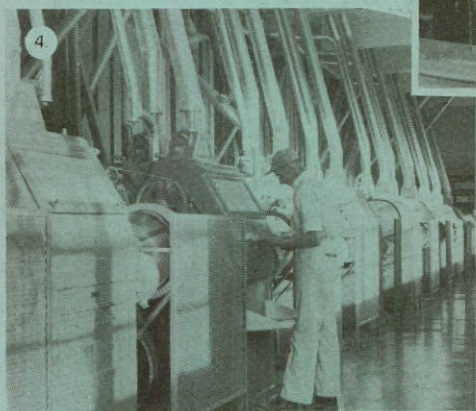
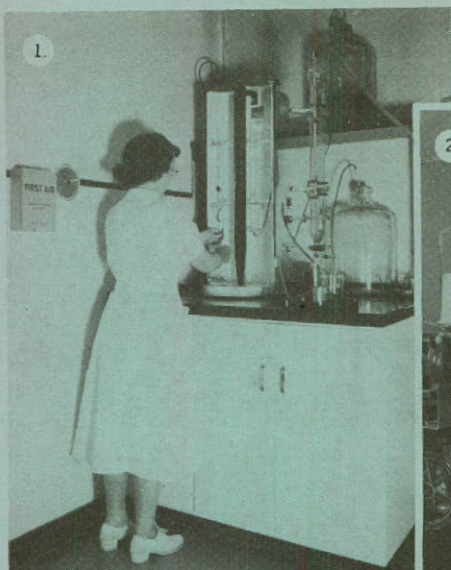


Mill Superintendent
H. H. Bonham

The

WHEAT POOL FLOUR MILL

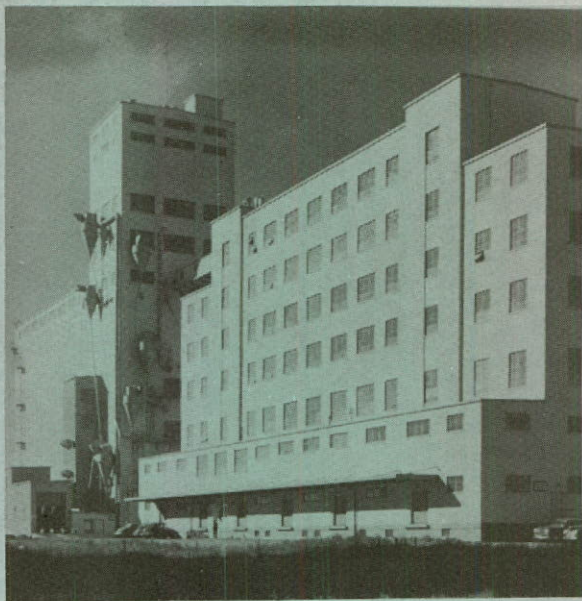




1. Titrating Proteins in
ing and Sewing Machine
Extraction. 4. Grinding
6. Protein Digester and
and Fibre Extracting Ap



1. Laboratory. 2. Pack-
ing Machine. 3. Fat and Fibre
Analysis. 4. Stillation Unit. 5. Elevator Boots.
6. Fat and Fibre Analysis. 7. Fat
and Fibre Analysis in the Laboratory.



FOR the best in . . .

★ *Quality*
★ *Economy*
★ *Nourishment*
★ *Purity*
★ *Satisfaction*



Pool Flour, a superior all-purpose flour. A product worthy of the brand mark of the farmers' own organization—The Wheat Pool.

BUY POOL FLOUR

Mr. J. E. McArthur, previously General Superintendent, has been appointed Assistant Manager in place of Mr. Lamont.

Also during the year, Mr. W. Riddel, Assistant General Manager, and formerly Treasurer of the Organization, resigned after twenty-five years service to assume the duties of a Commissioner of The Canadian Wheat Board.

Conclusion

In this grave period in the world's history when doubt and uncertainty are the dominant factors—when somewhere in the world a "cold" war may become a "shooting" war almost overnight—the opportunity for the application of the co-operative philosophy and the practice of co-operative principles is probably wider than ever before.

One of the important end results of the co-operative movement is that it tends to draw the community together. It breaks down local barriers. And, the same is true in the national and international fields.

To reach its highest ideals the co-operative movement must break down the national and racial barriers that divide the common people of the world and provide a sure foundation, not only for economic progress, but also for international understanding and goodwill.

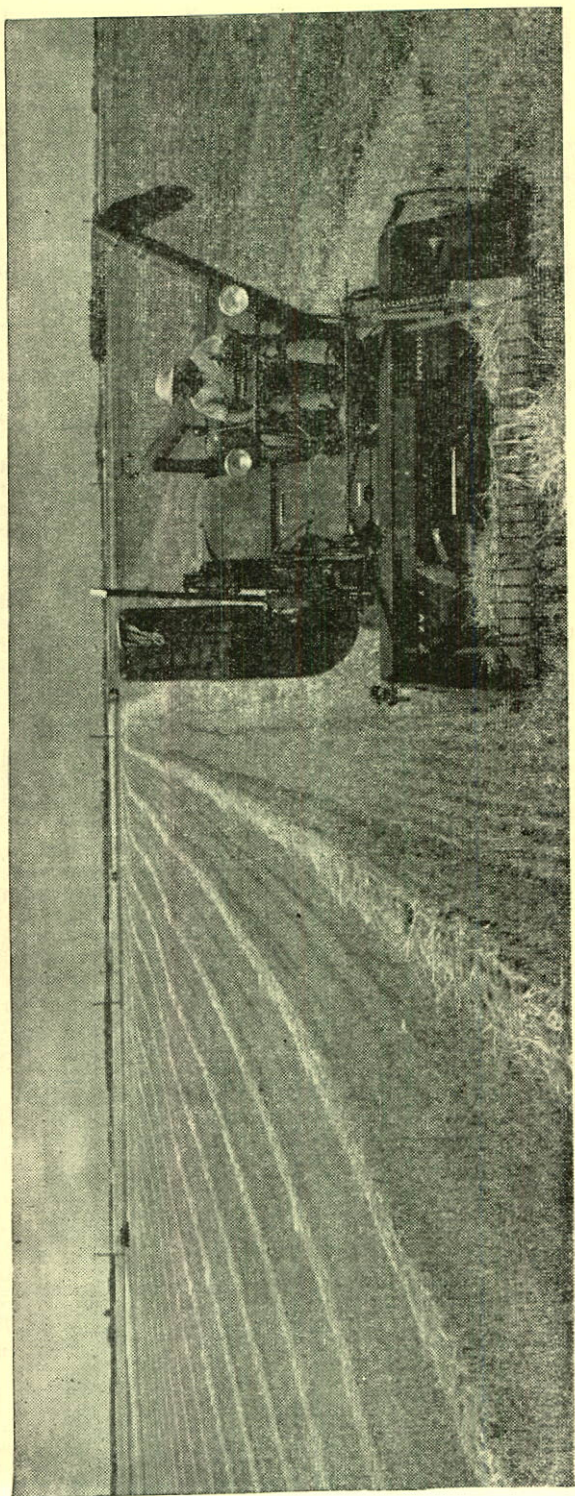
In recent years your Organization has been of some assistance in helping to build farm organization to national and international levels through its active support of the Canadian Federation of Agriculture and the International Federation of Agricultural Producers. That it has been able to do so will be a matter for satisfaction to Saskatchewan Pool members generally.

At the same time your Board realizes that the ability of your Organization to exert influence at the national and international levels is directly in proportion to the degree of support of the co-operative movement by individual members.

Your Board believes that so long as members of the Saskatchewan Wheat Pool continue to evidence the same keen interest in the affairs of their own Organization in the future as they have shown in the past, so long as they continue to provide the same wholehearted and loyal support of their institutions, the views of the organized farmers of Saskatchewan will continue to influence agricultural policy, not only provincially and federally, but also in the international sphere.

All of which is respectfully submitted.

MARSH ADAMS
A. F. SPROULE
J. W. ORR
J. M. MCCALLUM
T. G. BOBIER
WARDEN BURGESS
J. N. BURRILL
W. J. BALL
ALBERT GREENFIELD
W. F. MCLEOD
L. W. ELLIOTT
E. A. BODEN
WILLIAM CUMMINS
W. MCK. ROSS
A. W. FRIESEN
J. H. WESSON



GEORGE A. TOUCHE & CO.

Chartered Accountants

356 Main Street
WINNIPEG

29th September 1950.

To the Shareholders,

Saskatchewan Co-operative Producers Limited,
Regina, Saskatchewan.

We have examined the books and accounts of Saskatchewan Co-operative Producers Limited, Modern Press Limited, Saskatchewan Co-operative Livestock Producers Limited, Saskatchewan Pool Elevators Limited, and Saskatchewan Pool Terminals Limited for the year ended 31st July, 1950, and have reported in Statutory form on the Balance Sheets of these Companies.

No further payments will be made by the Company in respect of the amount of \$2,031,000.00 owing to the Province of Saskatchewan re the 1929-1930 Pool Overpayment, as the Sinking Fund assets accumulated through interest and discount earnings are sufficient to liquidate the total principal indebtedness. Payments will be necessary however, to cover the Sinking Fund interest deficiency, U.S. premium on bond coupons and bank charges, and in the final accounting in 1951 a payment will be necessary sufficient in amount to cover any U.S. premium on bonds still in the hands of the public, any loss on the sale of securities held by the Sinking Fund and any expenses of the Government incurred by reason of the operation of the Sinking Fund.

Under the terms of the Retirement Annuity Plan as amended, there is a liability of undetermined amount in respect of employees engaged prior to 1st August, 1939, and in respect of all participant employees for the period prior to 1st August, 1949, as a result of the increased benefits effective at that date; in the past year the sixth payment was made to the Government of Canada Annuities Branch in respect of the estimated total liability amortized over ten years.

The use of the diminishing balance method of depreciation and maximum rates allowable under Income Tax regulations for certain of the fixed assets of the organization has resulted in the Reserves for Depreciation being increased by approximately \$237,500.00 more than if the straight line method and former rates had been used throughout.

We have obtained all the information and explanations we have required, and, in our opinion, subject to the foregoing, the appended Balance Sheet is properly drawn up so as to present in consolidated form a true and correct view of the state of the organization's affairs as at 31st July, 1950, according to the best of our information and the explanations given, and as shown by the books of the various companies; and, in our opinion, all the transactions of the companies that have come to our notice have been within the objects and powers of the companies.

GEORGE A. TOUCHE & CO.,

Chartered Accountants,

Auditors.

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED

MODERN PRESS LIMITED

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED

SASKATCHEWAN POOL ELEVATORS LIMITED

and

SASKATCHEWAN POOL TERMINALS LIMITED

STATEMENT No. 1

CONSOLIDATED BALANCE SHEET AT 31st JULY 1950

ASSETS

Cash and Securities

| | |
|--|-----------------|
| Cash in Banks..... | \$ 2,108,245.09 |
| Cash Funds—Payors..... | 738,360.12 |
| Province of Saskatchewan Bonds, at cost..... | 25,000.00 |

\$ 2,871,605.21

| | |
|---|---------------|
| Accounts Receivable—Current..... | 1,613,352.94 |
| Stocks of Grain (as certified by responsible officials)..... | 17,916,814.44 |
| Stock in Trade (as certified by responsible officials)..... | 521,041.99 |
| Manufacturing Supplies (as certified by responsible officials)..... | 105,063.63 |
| Prepaid Taxes, Insurance and Other Expenses..... | 170,827.50 |

Total Current Assets.....\$23,198,705.71

LIABILITIES AND CAPITAL

Cheques, Vouchers and Orders Outstanding

| | |
|--|-----------------|
| Cheques and Money Orders..... | \$ 5,634,840.58 |
| Grain Drafts, Expense Orders and Cash Tickets..... | 6,162,036.96 |
| Growers' Certificates..... | 6,288.67 |

\$11,803,166.21

Accounts Payable—Current

| | |
|---|---------------|
| Bank Loans..... | \$ 450,000.00 |
| Province of Saskatchewan Sinking Fund Deficiency..... | 40,306.62 |
| Excess Charges Refund Season 1949-1950..... | 2,055,666.00 |
| Reserve for Income Taxes..... | 206,200.03 |
| Excess Charges Refund, Season 1948-1949 in abeyance.. | 3,906.59 |
| Sundry..... | 4,002,733.71 |

6,758,812.95

Total Current Liabilities.....\$18,561,979.16

Accounts Receivable—Deferred

| | | |
|---|-----------------|---------------------|
| Province of Saskatchewan Sinking Fund Assets..... | \$ 2,031,000.00 | |
| Growers' Accounts..... | 10,475.95 | |
| Canadian Livestock Co-operative (Western) Limited.. | 21,209.26 | |
| Pool Elevator Corporation..... | 309,000.00 | |
| Refundable Portion of Excess Profits Tax..... | 5,011.23 | |
| | | <u>2,376,696.44</u> |

Investments and Memberships, at cost, Less Reserve

| | |
|---|------------|
| (Including amount paid on Pool Insurance Company Shares, on which there is an uncalled balance of \$32,500.00)..... | 196,422.20 |
|---|------------|

53 **Fixed Assets, at cost, Less depreciation**

| | | |
|---|-----------------|----------------------|
| Land, Buildings, Machinery and Equipment..... | \$39,280,548.76 | |
| Less Reserves for Depreciation..... | 21,697,682.21 | |
| | | <u>17,582,866.55</u> |

Deferred Charges

| | | |
|--|------------|------------------------|
| Stocks of Repair Parts and Supplies..... | 245,456.68 | |
| | | <u>\$43,600,147.58</u> |

Account Payable—Deferred

| | | |
|---|---------------|--|
| Province of Saskatchewan re 1929-1930 Pool Overpayment..... | 2,031,000.00 | |
| Reserve for Unearned Subscriptions..... | 10,000.00 | |
| Deferred Credit to Reserve | | |
| Refundable Portion of Excess Profits Tax..... | 5,011.23 | |
| Elevator Deductions..... | 12,188,060.07 | |
| Commercial Reserve..... | 6,567,851.17 | |

Capital

| | | |
|--|--------------|------------|
| Authorized | | |
| 200,000 shares of \$1.00 each..... | \$200,000.00 | |
| Issued and fully paid, 138,167 shares..... | | 138,167.00 |

Reserves

| | | |
|--|---------------|---------------------|
| Saskatchewan Co-operative Livestock Producers Ltd..... | \$ 107,436.47 | |
| Saskatchewan Pool Elevators Limited..... | 3,990,642.48 | |
| | | <u>4,098,078.95</u> |

Capital Commitments

| | |
|---|--------------|
| In respect of Buildings and Work under Construction and Machinery under Purchase—Estimated..... | \$350,000.00 |
|---|--------------|

Approved on Behalf of the Board:

J. H. WESSON, *Director*
A. F. SPROULE, *Director*\$43,600,147.58

This is the Balance Sheet referred to in our report of 29th September 1950.

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

**SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED
MODERN PRESS LIMITED**

STATEMENT No. 1A

**SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED
SASKATCHEWAN POOL ELEVATORS LIMITED
and
SASKATCHEWAN POOL TERMINALS LIMITED**

FIXED ASSETS AT 31st JULY 1950

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED

Head Office Building, Equipment, Etc.

| | Cost | Depreciation Reserve | Net Value |
|--|----------------------|-------------------------|----------------------|
| Building, Equipment and Alterations..... | \$ 337,761.96 | \$ 170,481.03 | \$ 167,280.93 |
| Furniture and Fixtures..... | 162,271.53 | 150,401.20 | 11,870.33 |
| Automobiles..... | 50,564.64 | 16,714.57 | 33,850.07 |
| Motion Picture Equipment..... | 22,362.42 | 19,137.11 | 3,225.31 |
| Motion Picture Films..... | 7,326.01 | 5,099.59 | 2,226.42 |
| Radio and Radio Equipment..... | 793.77 | 410.73 | 383.04 |
| Site—Regina..... | 25,397.75 | — | 25,397.75 |
| Total..... | \$ 606,478.08 | \$ 362,244.23 | \$ 244,233.85 |

MODERN PRESS LIMITED

| | | | |
|--|----------------------|----------------------|----------------------|
| Building, Machinery and Equipment..... | \$ 799,866.19 | \$ 129,713.35 | \$ 650,152.84 |
| Furniture and Fixtures..... | 30,310.20 | 6,135.14 | 24,175.06 |
| Site—Saskatoon..... | 12,725.00 | — | 12,725.00 |
| Total..... | \$ 822,901.39 | \$ 135,848.49 | \$ 687,052.90 |

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED

| | | | |
|---------------------------------------|----------------------|---------------------|----------------------|
| Stock Yards..... | \$ 187,388.82 | \$ 31,667.64 | \$ 155,721.18 |
| Assembly Yards..... | 1,195.19 | 375.25 | 819.94 |
| Country Scales and Sheds..... | 6,550.56 | 3,130.30 | 3,420.26 |
| Tattoo Equipment..... | 7,602.81 | 6,059.36 | 1,543.45 |
| Sundry Equipment..... | 623.76 | 267.95 | 355.81 |
| Furniture and Fixtures..... | 18,301.78 | 9,325.00 | 8,976.78 |
| Automobiles, Trucks and Tractors..... | 33,988.15 | 14,976.91 | 19,011.24 |
| Site—Yorkton..... | 300.00 | — | 300.00 |
| Total..... | \$ 255,951.07 | \$ 65,802.41 | \$ 190,148.66 |

SASKATCHEWAN POOL ELEVATORS LIMITED

Grain Division

| | | | |
|---|------------------------|------------------------|------------------------|
| Terminal No. 4A—Building..... | \$ 2,060,124.08 | \$ 1,234,044.46 | \$ 826,079.62 |
| Terminal No. 4A—Machinery and Equipment..... | 1,458,025.71 | 924,731.82 | 533,293.89 |
| Terminal No. 4B—Building..... | 1,602,456.91 | 92,585.14 | 1,509,871.77 |
| Terminal No. 4B—Machinery and Equipment..... | 2,020,372.05 | 470,531.05 | 1,549,841.00 |
| Terminal No. 7 —Building..... | 2,433,700.59 | 1,330,602.73 | 1,103,097.86 |
| Terminal No. 7 —Machinery and Equipment..... | 1,980,542.94 | 1,229,127.19 | 751,415.75 |
| Terminal No. 7 —Storage Annex Building..... | 919,114.34 | 61,236.24 | 857,878.10 |
| Terminal No. 7 —Storage Annex Machinery and Equipment..... | 170,177.75 | 36,418.03 | 133,759.72 |
| Terminal —Feed Mill Building..... | 27,515.00 | 2,751.50 | 24,763.50 |
| Terminal —Feed Mill Machinery and Equipment..... | 44,288.65 | 8,857.73 | 35,430.92 |
| | \$12,716,318.02 | \$ 5,390,885.89 | \$ 7,325,432.13 |
| Country Elevators and Coal Sheds..... | \$18,291,388.43 | \$14,395,624.83 | \$ 3,895,763.60 |
| Temporary Bins..... | 5,073.34 | 507.33 | 4,566.01 |
| Agents' Residences..... | 1,474,090.32 | 710,530.90 | 763,559.42 |
| Work Under Construction..... | 566,592.01 | — | 566,592.01 |
| Wheat Pool Building, and Restaurant Equipment—Winnipeg..... | 224,713.86 | 17,407.39 | 207,306.47 |
| Sites—Terminal Elevators, etc..... | 288,778.48 | — | 288,778.48 |
| Warehouses—Regina and Port Arthur..... | 36,936.94 | 8,133.57 | 28,803.37 |
| Furniture and Fixtures..... | 211,835.46 | 163,674.64 | 48,160.82 |
| Automobiles..... | 162,614.73 | 69,134.29 | 93,480.44 |
| Payors' Safes..... | 15,373.57 | 13,317.47 | 2,056.10 |
| Carried Forward..... | \$33,993,715.16 | \$20,769,216.31 | \$13,224,498.85 |

FIXED ASSETS AT 31st JULY 1950

| | Cost | Depreciation Reserve | Net Value |
|--|----------------------|-------------------------|----------------------|
| SASKATCHEWAN POOL ELEVATORS LIMITED | | | |
| Brought Forward..... | \$33,993,715.16 | \$20,769,216.31 | \$13,224,498.85 |
| Industrial Division | | | |
| Vegetable Oil Plant | | | |
| Building..... | \$ 112,265.22 | \$ 8,045.44 | \$ 104,219.78 |
| Machinery and Equipment..... | 209,605.66 | 72,473.10 | 137,132.56 |
| Refinery Building..... | 32,357.72 | 862.87 | 31,494.85 |
| Refinery Machinery and Equipment..... | 90,951.19 | 12,037.62 | 78,913.57 |
| Storage Tank Building..... | 23,377.43 | 722.38 | 22,655.05 |
| Storage Tank Machinery and Equipment..... | 19,700.61 | 4,729.36 | 14,971.25 |
| Laboratory Equipment..... | 3,078.32 | 934.04 | 2,144.28 |
| Furniture and Fixtures..... | 3,577.55 | 1,002.02 | 2,575.53 |
| Automobile..... | 2,327.74 | 581.94 | 1,745.80 |
| | <u>\$ 497,241.44</u> | <u>\$ 101,388.77</u> | <u>\$ 395,852.67</u> |

Industrial Division**Flour Mill**

| | | | |
|---|-------------------------------|-------------------------------|-------------------------------|
| Mill Building..... | \$ 863,004.17 | \$ 24,445.14 | \$ 838,559.03 |
| Mill Machinery and Equipment..... | 750,651.99 | 105,526.80 | 645,125.19 |
| Grain Elevator Building..... | 746,644.77 | 21,034.62 | 725,610.15 |
| Grain Elevator Machinery and Equipment..... | 422,505.06 | 59,775.44 | 362,729.62 |
| Boiler House and Substation Building..... | 80,043.71 | 2,443.30 | 77,600.41 |
| Boiler House Equipment..... | 79,968.07 | 12,100.96 | 67,867.11 |
| Substation Equipment..... | 67,506.56 | 10,043.13 | 57,463.43 |
| Laboratory Equipment..... | 5,491.56 | 822.63 | 4,668.93 |
| Furniture and Fixtures..... | 6,385.29 | 912.26 | 5,473.03 |
| Automobile..... | 2,335.00 | 1,050.75 | 1,284.25 |
| Plant Tools and Equipment..... | 9,122.75 | 1,179.44 | 7,943.31 |
| | <u>\$ 3,033,658.93</u> | <u>\$ 239,334.47</u> | <u>\$ 2,794,324.46</u> |
| Site—Saskatoon | \$ 6,291.00 | \$ — | \$ 6,291.00 |
| Spur Tracks..... | 31,369.25 | 3,371.43 | 27,997.82 |
| Total..... | <u><u>\$37,562,275.78</u></u> | <u><u>\$21,113,310.98</u></u> | <u><u>\$16,448,964.80</u></u> |

SASKATCHEWAN POOL TERMINALS LIMITED

| | | | |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Furniture and Fixtures..... | \$ 16,247.83 | \$ 13,497.61 | \$ 2,750.22 |
| Automobiles..... | 5,516.74 | 3,095.78 | 2,420.96 |
| Miscellaneous Equipment..... | 11,177.87 | 3,882.71 | 7,295.16 |
| Total..... | <u>\$ 32,942.44</u> | <u>\$ 20,476.10</u> | <u>\$ 12,466.34</u> |
| Grand Total..... | <u><u>\$39,280,548.76</u></u> | <u><u>\$21,697,682.21</u></u> | <u><u>\$17,582,866.55</u></u> |

CONSOLIDATED BALANCE SHEET

The following explanations may be of value in considering this statement:

ASSETS

CASH AND SECURITIES

Province of Saskatchewan Bonds—\$25,000.00: This amount represents Province of Saskatchewan Industrial Development 3% Debentures due 1st February 1955, valued at cost.

ACCOUNTS RECEIVABLE—CURRENT

Sundry—\$1,613,352.94: This item is comprised principally of accrued handling charges on grain in store in Country and Terminal Elevators, Trade Accounts, Sundry Loans, Advances, Freight, Sales of Grain, etc.

Stocks of Grain—Less Stored Grain—\$17,916,814.44: This amount represents the value of grain on hand in various positions at 31st July 1950, less the liability for stored grain. Values of open Market grains have been based upon Winnipeg market cash closing prices at 31st July 1950, or upon open sales contracts where applicable, after allowance, where necessary, for freight and other charges.

Values of grains deliverable to The Canadian Wheat Board have been based upon Wheat Board prices, less freight where necessary.

Stock in Trade—\$521,041.99: This item includes the value of Job Stock and Newsprint on hand at Modern Press Limited, Saskatoon; Oil and Flax on hand at the Vegetable Oil Plant, Saskatoon; and Flour, Feed and Wheat on hand at the Flour Mill, Saskatoon, at 31st July 1950.

Manufacturing Supplies—\$105,063.63: This amount represents the cost of Drums, Sacks, Fuel, Grease and Oil on hand at the Vegetable Oil Plant, Saskatoon, and Bags and Improvers on hand at the Flour Mill, Saskatoon, at 31st July 1950.

Prepaid Taxes, Insurance and other Expenses—\$170,827.50: This amount represents prepayment of various items chargeable to the operations of the succeeding year.

ACCOUNTS RECEIVABLE—DEFERRED

Province of Saskatchewan Sinking Fund—Assets—\$2,031,000.00: Under the terms of the Supplementary Agreement with the Province of Saskatchewan, dated 17th March 1933, any payments made by the Company in excess of moneys expended by the Province in respect of the 1929-1930 Pool Overpayment Account will accrue to the benefit of the organization, to be taken into consideration in the final accounting in respect of the liability referred to. As the rate of interest paid by the Company to the Province, namely 5%, is in excess of that paid by the Province on the 4½% Debentures, 1951, such excess payments have been made and are reflected in the Sinking Fund Asset Account to the extent of \$1,577,977.56. The balance of \$453,022.44 represents the net difference between the cost and par value of investments held in the 4½% Debentures 1951 Sinking Fund after charging thereto the balance required to cancel Debentures previously purchased by the Sinking Fund Trustees.

Growers' Accounts—\$10,475.95: Items comprising this amount are as follows:

| | |
|---|--------------------|
| Advances against Reserves..... | \$ 1,161.57 |
| Seed Grain advances against Reserves..... | 9,314.38 |
| | <u>\$10,475.95</u> |

Canadian Livestock Co-operative (Western) Limited—\$21,209.26: This represents Saskatchewan Co-operative Livestock Producers Limited portion of undistributed surplus earnings of Canadian Livestock Co-operative (Western) Limited, set aside in Equity Account during seasons 1939-1940 to 1949-1950 inclusive.

Pool Elevator Corporation—Buffalo—\$309,000.00: This amount represents the balance owing on the sale of the Buffalo Terminal and is repayable in twenty-four (24) semi-annual payments of \$12,500.00 each in U.S. Funds, on 1st February and 1st August, 1953 to 1964 inclusive, with a final payment of \$9,000.00 due 1st February 1965, with interest at the rate of 4½%.

Refundable Portion of Excess Profits Taxes—\$5,011.23: This amount represents the estimated refundable savings portion of the Excess Profits Taxes for seasons 1944-1945 and 1945-1946, repayable to Modern Press Limited.

Investments and Memberships—\$196,422.20: This amount represents investments in shares and memberships at cost, less a reserve of \$50,000.00 which was set aside from surplus income of Saskatchewan Co-operative Producers Limited in season 1936-1937 to provide against loss on the Company's investment in Canadian Co-operative Wheat Producers Limited. Details of Investments and Memberships are as follows:

| | |
|--|---------------------|
| Canadian Co-operative Wheat Producers Limited (500 Shares of \$100.00 each)..... | \$ 50,000.00 |
| Canadian Pool Agencies Limited (667 Shares of \$10.00 each)..... | 6,670.00 |
| Pool Insurance Company 1,250 Shares of \$100.00 each)..... | \$125,000.00 |
| Premium of \$12.00 per Share..... | 15,000.00 |
| | <u>\$140,000.00</u> |
| Less: Unpaid thereon..... | 32,500.00 |
| | <u>107,500.00</u> |
| Canadian Livestock Co-operative (Western) Limited (8 Shares of \$1.00 each)..... | 8.00 |
| Saskatchewan Co-operative Credit Society Limited (2,950 Shares of \$10.00 each)..... | 29,500.00 |

| | |
|---|---------------------|
| Saskatchewan Federated Co-operatives Limited..... | 208.85 |
| Local Co-operative Associations— | |
| Sundry Shares..... | 4,493.35 |
| Rural Telephone Companies—Sundry Shares.. | 1,842.00 |
| Winnipeg Grain and Produce Exchange | |
| Clearing Association Limited (10 Shares)..... | 12,250.00 |
| Lake Shippers' Clearance Association— | |
| (1 Membership)..... | 3,000.00 |
| Winnipeg Grain Exchange (6 Memberships).. | 30,950.00 |
| | <u>\$246,422.20</u> |
| Less: Reserve..... | 50,000.00 |
| | <u>\$196,422.20</u> |

FIXED ASSETS

Statement "IA" shows in detail the Cost, Depreciation Reserve, and Net Value of our Fixed Assets at 31st July 1950.

LIABILITIES

CHEQUES, VOUCHERS AND ORDERS OUTSTANDING

Growers' Certificates—\$6,288.67: This represents the amount due on Growers' Certificates covering deliveries to the various seasons' Wheat and Coarse Grains Pools, which have not been presented to Head Office for payment.

ACCOUNTS PAYABLE—CURRENT

Bank Loans—\$450,000.00: This represents the amount of borrowings from the lending banks at 31st July 1950.

Province of Saskatchewan Sinking Fund Deficiency—\$40,306.62: This sum represents the deficiency at 31st July 1950, between the accrued earnings and investments of the 4½% Debentures 1951 Sinking Fund, and the accrued interest and liability to the Debenture holders.

Excess Charges Refund—Season 1949-1950—\$2,055.666.00: This amount has been allocated from the past season's surplus earnings of the Elevator Company in accordance with a resolution of the Board of Directors dated 26th September 1950.

Reserve for Income Taxes—\$206,200.03: This represents provision for Income taxes, less payments made to 31st July 1950.

1948-1949 Excess Charges Refund in Abeyance—\$3,906.59: This sum represents the balance left over after distribution of payments from the sum allocated as Excess Charges Refund last season.

Sundry—\$4,002,733.71: This amount consists principally of accrued expenses, Trade Accounts and Loan Accounts.

DEFERRED LIABILITIES

Province of Saskatchewan re 1929-1930 Pool Overpayment—\$2,031,000.00: This amount is equal to the Province of Saskatchewan 4½% Debentures 1951 outstanding at 31st July 1950, in the hands of the public. This liability is provided for by the accumulation of Interest and Premiums and Discounts set up on the Balance Sheet as Province of Saskatchewan Sinking Fund—Assets.

DEFERRED CREDIT TO RESERVE

Refundable Portion of Excess Profits Taxes—\$5,011.23: This amount represents the estimated refundable savings portion of Excess Profits Taxes for seasons 1944-1945 and 1945-1946, payable to Modern Press Limited, and will be credited to Reserve Account on receipt of payment.

Reserve for Unearned Subscriptions—\$10,000.00: This item represents a partial provision for unexpired subscriptions to The Western Producer at 31st July 1950. It is intended that further provision will be made in subsequent years.

CAPITAL RESERVES, ETC.

Elevator Deductions—\$12,188,060.07—Commercial Reserves—\$6,567,851.17: Funds in respect of Elevator Deductions are invested in Saskatchewan Pool Elevators Limited, and in respect of Commercial Reserves in the remaining Investments, Loans, Fixed Assets, etc.

Capital—\$138,167.00: This sum includes new capital subscribed during the year to the extent of \$1,499.00.

RESERVE ACCOUNTS

Saskatchewan Co-operative Livestock Producers Limited—

\$107,436.47: The following is a summary of this account:

| | |
|--|----------------------|
| Balance at 31st July 1949..... | \$ 85,486.02 |
| Deduct: Adjustment on Prior Year's Income Taxes..... | 1,335.90 |
| | <u>\$ 84,150.12</u> |
| Add: Surplus for the year ended 31st July 1950..... | 23,286.35 |
| | <u>\$ 107,436.47</u> |

Saskatchewan Pool Elevators Limited—\$3,990,642.48: The following is a summary of this account:

| | |
|---|-----------------------|
| Balance at 31st July 1949..... | \$3,819,419.51 |
| Deduct: Adjustment of Excess Charges Refund, | |
| Season 1946-1947..... | 6.53 |
| | <u>\$3,819,412.98</u> |
| Deduct: Adjustment on Income and Excess Profits Taxes | |
| Seasons 1945-1946 to 1947-1948..... | \$113,412.07 |
| Season 1948-1949..... | 2,929.04 |
| | <u>116,341.11</u> |
| | <u>\$3,703,071.87</u> |
| Add: Capital Gains on Disposals of Fixed Assets..... | 86,216.09 |
| Transferred from Surplus Earnings..... | 201,354.52 |
| | <u>\$3,990,642.48</u> |

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED

STATEMENT No. 2

MODERN PRESS LIMITED

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED

SASKATCHEWAN POOL ELEVATORS LIMITED

and

SASKATCHEWAN POOL TERMINALS LIMITED

CONSOLIDATED CAPITAL STATEMENT AT 31st JULY 1950

Capital Receipts

| | |
|--|-----------------|
| Capital..... | \$ 138,167.00 |
| Commercial Reserve..... | 6,567,851.17 |
| Elevator Deductions..... | 12,188,060.07 |
| Reserve Accounts—Subsidiary Companies..... | 4,108,078.95 |
| Deferred Loans Outstanding..... | 2,031,000.00 |
| Deferred Credit to Reserve Account..... | 5,011.23 |
| | <hr/> |
| | \$25,038,168.42 |

Capital Expenditures

Fixed and Sundry Assets

| | |
|---|-----------------|
| Fixed Assets (Less Reserve for Depreciation)..... | \$17,582,866.55 |
| Investments and Memberships (Less Reserve)..... | 196,422.20 |

Deferred Accounts

| | |
|-----------------------------------|--------------|
| Accounts Receivable—Deferred..... | 2,376,696.44 |
| Deferred Charges..... | 245,456.68 |

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

(Estimated Expenditures)

| | |
|---|--------------|
| Country Elevators and Agents' Residences..... | \$817,445.27 |
| Terminals..... | 49,146.74 |
| Modern Press Limited..... | 50,000.00 |

\$916,592.01

| | |
|--|------------|
| Less: Paid on Account (Work under Construction)..... | 566,592.01 |
|--|------------|

350,000.00

Balance—Available as Working Capital
for Season 1950-1951.....

4,286,726.55

\$25,038,168.42

\$25,038,168.42

CURRENT POSITION PER CONSOLIDATED BALANCE SHEET AT 31st JULY 1950

| | |
|---|------------------------|
| Current Assets..... | \$23,198,705.71 |
| Current Liabilities..... | 18,561,979.16 |
| Current Position as per Balance Sheet..... | \$ 4,636,726.55 |

Less:

| | |
|---|------------|
| Estimated Capital Expenditures to complete Programme of Building and Work under Construction, and Machinery under Purchase..... | 350,000.00 |
|---|------------|

| | |
|---|------------------------|
| Balance—Available as Working Capital for Season 1950-1951..... | \$ 4,286,726.55 |
|---|------------------------|

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED
MODERN PRESS LIMITED
SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED
SASKATCHEWAN POOL ELEVATORS LIMITED
 and
SASKATCHEWAN POOL TERMINALS LIMITED

STATEMENT No. 3

SOURCE OF CAPITAL FUNDS, ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS AND WORKING CAPITAL
 as at 31st July 1950

| | Capital | Commercial Reserve | Elevator Deductions | Reserve Accounts | Reserve for Unearned Subscriptions | Refundable Portion of Excess Profits Taxes | Deferred Loans Outstanding | Total |
|------------------------------------|---------------------|-----------------------|------------------------|-----------------------|--|--|----------------------------------|------------------------|
| SOURCE OF CAPITAL FUNDS | | | | | | | | |
| Stock Subscriptions..... | \$138,167.00 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 138,167.00 |
| Deductions from Pool Payments..... | — | 6,567,851.17 | 12,188,060.07 | — | — | — | — | 18,755,911.24 |
| Retained from Operations..... | — | — | — | 4,098,078.95 | 10,000.00 | 5,011.23 | — | 4,113,090.18 |
| Province of Saskatchewan—Loan..... | — | — | — | — | — | — | 2,031,000.00 | 2,031,000.00 |
| TOTAL CAPITAL RECEIPTS..... | \$138,167.00 | \$6,567,851.17 | \$12,188,060.07 | \$4,098,078.95 | \$10,000.00 | \$5,011.23 | \$2,031,000.00 | \$25,038,168.42 |

ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS

Deferred Accounts Receivable

| | | | | | | | | |
|--|------------|--------------|---------------|--------------|-----------|----------|----------------|-----------------|
| Province of Saskatchewan Sinking Fund—Assets..... | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$2,031,000.00 | \$ 2,031,000.00 |
| Growers' Accounts..... | — | 10,475.95 | — | — | — | — | — | 10,475.95 |
| Canadian Livestock Co-operative (Western) Limited..... | — | 10,261.05 | — | 10,948.21 | — | — | — | 21,209.26 |
| Pool Elevator Corporation—Buffalo..... | — | — | 309,000.00 | — | — | — | — | 309,000.00 |
| Refundable Portion of Excess Profits Taxes..... | — | — | — | — | — | 5,011.23 | — | 5,011.23 |
| Investments..... | — | 29,684.08 | 166,738.12 | — | — | — | — | 196,422.20 |
| Fixed Assets..... | 138,167.00 | 4,895,680.08 | 11,166,865.27 | 1,372,154.20 | 10,000.00 | — | — | 17,582,866.55 |
| Expenditures Approved for Completion of Programme of Building and Work Under Construction, and Machinery under Purchase (Capital Commitments)..... | — | 50,000.00 | 300,000.00 | — | — | — | — | 350,000.00 |

Deferred Charges

| | | | | | | | | |
|--|---|---|------------|---|---|---|---|------------|
| Stocks of Repair Parts and Supplies..... | — | — | 245,456.68 | — | — | — | — | 245,456.68 |
|--|---|---|------------|---|---|---|---|------------|

| | | | | | | | | |
|--|---------------------|-----------------------|------------------------|-----------------------|--------------------|-------------------|-----------------------|------------------------|
| TOTAL CAPITAL EXPENDITURES..... | \$138,167.00 | \$4,996,101.16 | \$12,188,060.07 | \$1,383,102.41 | \$10,000.00 | \$5,011.23 | \$2,031,000.00 | \$20,751,441.87 |
|--|---------------------|-----------------------|------------------------|-----------------------|--------------------|-------------------|-----------------------|------------------------|

| | | | | | | | | |
|--------------------------------------|------|-----------------|------|-----------------|------|------|------|-----------------|
| BALANCE—WORKING CAPITAL | \$ — | \$ 1,571,750.01 | \$ — | \$ 2,714,976.54 | \$ — | \$ — | \$ — | \$ 4,286,726.55 |
|--------------------------------------|------|-----------------|------|-----------------|------|------|------|-----------------|

| | |
|---|-----------------|
| TOTAL CURRENT ASSETS —as per Consolidated Balance Sheet—Statement “1” | \$23,198,705.71 |
| TOTAL CURRENT LIABILITIES —as per Consolidated Balance Sheet—Statement “1” | \$23,198,705.71 |

| | |
|---|----------------------|
| TOTAL CURRENT LIABILITIES —as per Consolidated Balance Sheet—Statement "I" | 18,561,979.16 |
| BALANCE—Current Position | <u>18,561,979.16</u> |

| | |
|--|------------------------|
| BALANCE—Current Position..... | \$ 4,636,726.55 |
| Less: Estimated Capital Expenditures to Complete Programme of Building and Work under Construction, and Machinery under Purchase..... | 350,000.00 |

| | |
|--------------------------------------|------------------------|
| BALANCE—Working Capital | \$ 4,286,726.55 |
|--------------------------------------|------------------------|

STATEMENT OF GRAIN HANDLINGS

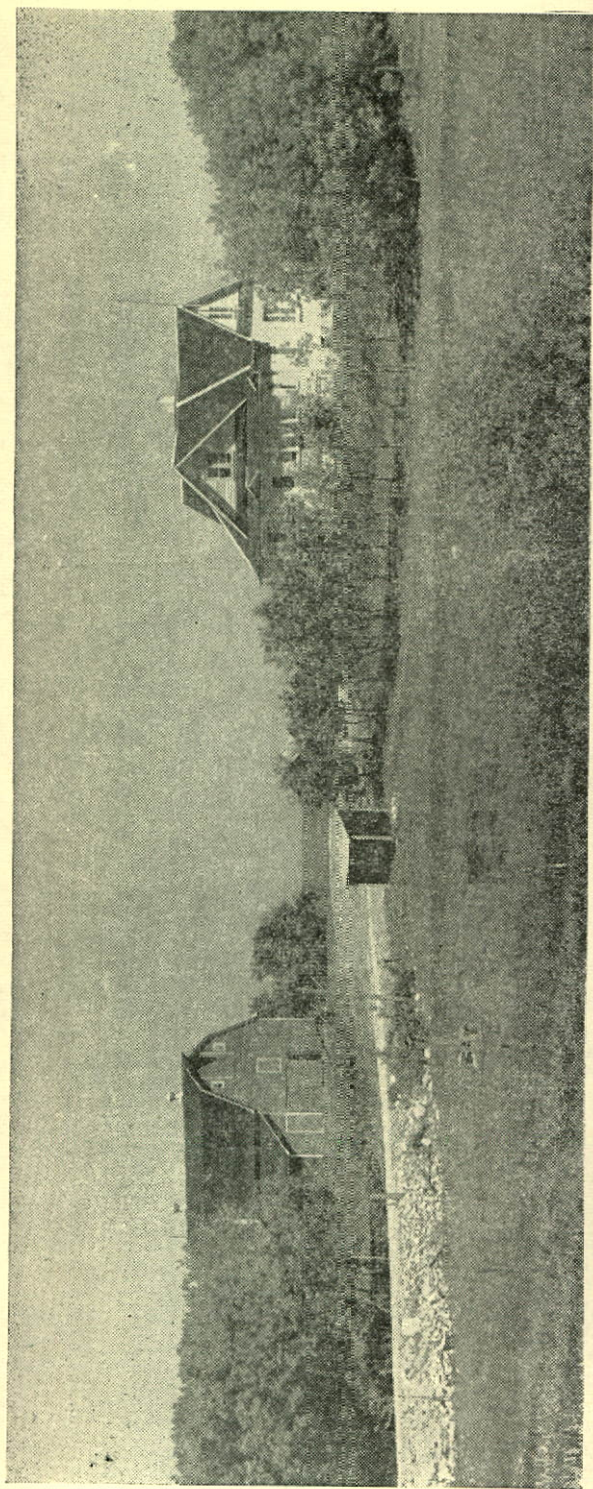
SASKATCHEWAN POOL ELEVATORS LIMITED and SASKATCHEWAN POOL TERMINALS LIMITED
as at 31st JULY 1950

TOTAL HANDLED (ALL GRAINS)

| | Bushels 1924-1949 | Bushels 1949-1950 | Bushels 1924-1950 |
|--|----------------------|----------------------|----------------------|
| SASKATCHEWAN POOL ELEVATORS LIMITED | | | |
| Country Elevators..... | 2,116,082,753 | 122,918,069 | 2,239,000,822 |
| Platform..... | 58,406,600 | 90,557 | 58,497,157 |
| Total | <u>2,174,489,353</u> | <u>123,008,626</u> | <u>2,297,497,979</u> |
| Number of Elevators Operated..... | | <u>1,078</u> | |
| Average Handling per Elevator..... | | <u>114,025</u> | |

SASKATCHEWAN POOL TERMINALS LIMITED

| | | | |
|---------------------|----------------------|-------------------|----------------------|
| Terminal No. 4..... | 430,884,636 | 41,914,666 | 472,799,302 |
| No. 5..... | 117,258,782 | — | 117,258,782 |
| No. 6..... | 446,839,261 | — | 446,839,261 |
| No. 7..... | 586,328,622 | 46,247,039 | 632,575,661 |
| No. 8..... | 28,240,761 | — | 28,240,761 |
| Total | <u>1,609,552,062</u> | <u>88,161,705</u> | <u>1,697,713,767</u> |



SASKATCHEWAN POOL ELEVATORS LIMITED

STATEMENT No. 5

STATEMENT OF EARNINGS
1st AUGUST 1925 to 31st JULY 1950

| | Total 1925 to 1949 | Sundry Adjustments | Season 1949-1950 | Total 1925 to 1950 |
|--|-----------------------|-----------------------|---------------------|-----------------------|
| NET EARNINGS—After adjusting for Income Taxes and Industrial Division Losses for Season 1948-1949..... | \$49,236,569.83 | \$ (30,125.02) B | \$3,026,626.29 | \$52,233,071.10 |
| Less: Industrial Division—Vegetable Oil Plant loss, 1949-1950..... | \$ 87,600.43 | | | |
| Industrial Division—Flour Mill loss, 1949-1950..... | 229,386.73 | | 316,987.16 | 316,987.16 |
| | \$49,236,569.83 | \$ (30,125.02) | \$2,709,639.13 | \$51,916,083.94 |

DISTRIBUTION OF EARNINGS

Excess Charges Refund:

| | | | | |
|--|-----------------|---------------------------|----------------|-----------------|
| Paid to Growers..... | \$12,988,515.50 | \$ 6.53 A | \$ — | \$12,988,522.03 |
| Credits to Growers' Overpayment Accounts..... | 2,559,217.44 | — | — | 2,559,217.44 |
| Reserve Certificates Purchased or to be Purchased in Settlement of Credits..... | 6,235,940.13 | 556,093.41 C | — | 6,792,033.54 |
| Allocated for Distribution on Deliveries, Season 1948-1949..... | 560,000.00 | (556,093.41) C | — | 3,906.59 |
| Allocated for Distribution on Deliveries, Season 1949-1950..... | — | — | 2,055,666.00 | 2,055,666.00 |
| Total Excess Charges Refund..... | \$22,343,673.07 | \$ 6.53 | \$2,055,666.00 | \$24,399,345.60 |
| Farm Storage Paid to Growers..... | 306,456.74 | — | — | 306,456.74 |
| Share of Pool Expenses..... | 1,999,445.37 | — | 222,887.57 | 2,222,332.94 |
| Interest on Elevator Deductions..... | 3,378,697.80 | — | — | 3,378,697.80 |
| Share of Earnings to Pool re Principal Payments 1929-1930 Pool Overpayment Liability, etc..... | 9,242,656.18 | (54,031.88) D | 175,417.36 | 9,364,041.66 |
| Interest Paid on 1929-1930 Pool Overpayment Liability..... | 8,146,221.16 | 54,031.88 D | 46,988.05 | 8,247,241.09 |
| Administration Expense—Sinking Fund, Province of Saskatchewan..... | — | — | 7,325.63 | 7,325.63 |
| Reserve Account..... | 3,819,419.51 | (30,125.02) B (6.53) A | 201,354.52 | 3,990,642.48 |
| Total..... | \$49,236,569.83 | \$ (30,125.02) | \$2,709,639.13 | \$51,916,083.94 |

| | |
|--|------------------------|
| Net Earnings as Above..... | \$51,916,083.94 |
| Depreciation Reserve as at 31st July 1950..... | 21,113,310.98 |
| Interest on Mortgages (Paid to Province of Saskatchewan and Liquidator Saskatchewan Co-operative Elevator Company Limited, From 1st August 1926, to 31st August 1933, in respect of the purchase of the assets of the latter Company)..... | 2,150,331.29 |
| TOTAL OPERATING EARNINGS—1st August 1925, to 31st July 1950..... | \$75,179,726.21 |

Note: Sundry Adjustments shown in the second column comprise the following:

- (A) Adjustment of Excess Charges Refund Season 1946-1947 charged to Reserve Account.
- (B) Adjustment of Income and Excess Profits Taxes Seasons 1945-1946 to 1948-1949, amounting to \$116,341.11, less transfer of Capital Gain on Disposals of Assets to Reserve Account—\$86,216.09.
- (C) Distribution of Excess Charges Refund set aside for the purchase of Reserve Certificates amounting to \$556,093.41.
- (D) This represents part of last season's principal payment made to the Province of Saskatchewan re the 1929-1930 Pool Overpayment which was applied by the Sinking Fund Trustees as Interest.

LIBRARY RECORD FOR 1949-1950

| | Books Mailed | Books Returned | Requests Books | Catalogues | Postage |
|--------------------|-----------------|-------------------|-------------------|------------|-----------------|
| 1949 | | | | | |
| August..... | 481 | 520 | 16 | 7 | \$24.55 |
| September..... | 470 | 488 | 20 | 20 | 23.48 |
| October..... | 566 | 537 | 45 | 51 | 29.40 |
| November..... | 647 | 563 | 81 | 60 | 34.95 |
| December..... | 694 | 635 | 75 | 89 | 39.59 |
| 1950 | | | | | |
| January..... | 1,002 | 846 | 188 | 95 | 46.65 |
| February..... | 1,051 | 938 | 164 | 88 | 53.96 |
| March..... | 1,123 | 1,109 | 80 | 45 | 63.17 |
| April..... | 849 | 865 | 28 | 6 | 40.59 |
| May..... | 672 | 707 | 25 | 7 | 35.77 |
| June..... | 553 | 586 | 21 | 5 | 27.13 |
| July..... | 508 | 537 | 14 | 3 | 28.23 |
| Totals..... | 8,616 | 8,331 | 757 | 476 | \$447.47 |

Number of Borrowers as at 31st July 1950:

| | |
|---------------------------|--------------|
| Wheat Pool Members..... | 1,935 |
| Pool Elevator Agents..... | 115 |
| Total..... | 2,050 |

STATEMENT No. 7**WHEAT POOL COMMITTEES 1949-1950
TOTAL NUMBER OF COMMITTEES**

| Sub-district | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | Total |
|------------------|----|----|----|----|----|----|----|----|----|----|----|--------------|
| District 1..... | 3 | 4 | 7 | 10 | 7 | 6 | 8 | 12 | 6 | 8 | — | 71 |
| District 2..... | 6 | 4 | 4 | 8 | 3 | 5 | 9 | 8 | 12 | 5 | — | 64 |
| District 3..... | 3 | 4 | 3 | 4 | 6 | 3 | 3 | 5 | 3 | 7 | — | 41 |
| District 4..... | 5 | 7 | 9 | 5 | 5 | 2 | 4 | 6 | 3 | 6 | — | 52 |
| District 5..... | 9 | 7 | 5 | 8 | 7 | 3 | 6 | 10 | 8 | 5 | — | 68 |
| District 6..... | 9 | 10 | 7 | 8 | 9 | 12 | 11 | 7 | 7 | 8 | — | 88 |
| District 7..... | 8 | 5 | 5 | 5 | 6 | 8 | 6 | 5 | 7 | 4 | 7 | 66 |
| District 8..... | 8 | 9 | 10 | 8 | 7 | 7 | 6 | 7 | 5 | 3 | 5 | 75 |
| District 9..... | 6 | 7 | 5 | 8 | 3 | 8 | 6 | 7 | 5 | 6 | — | 61 |
| District 10..... | 6 | 6 | 3 | 7 | 15 | 8 | 4 | 7 | 4 | 9 | — | 69 |
| District 11..... | 9 | 11 | 12 | 5 | 5 | 7 | 12 | 7 | 10 | 9 | — | 87 |
| District 12..... | 10 | 7 | 9 | 7 | 5 | 6 | 7 | 8 | 11 | 8 | — | 78 |
| District 13..... | 8 | 12 | 4 | 10 | 8 | 7 | 12 | 6 | 9 | 9 | 7 | 92 |
| District 14..... | 6 | 8 | 6 | 13 | 3 | 6 | 8 | 12 | 7 | 9 | 7 | 85 |
| District 15..... | 9 | 8 | 9 | 8 | 6 | 4 | 8 | 5 | 7 | 8 | 4 | 76 |
| District 16..... | 7 | 8 | 9 | 7 | 4 | 11 | 5 | 9 | 7 | 7 | 10 | 84 |
| | | | | | | | | | | | | <u>1,157</u> |

STATEMENT No. 8**COMMITTEES RE-ORGANIZED**

| Sub-district | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | Total |
|------------------|----|----|----|----|----|----|----|----|----|----|----|--------------|
| District 1..... | 3 | 4 | 7 | 10 | 7 | 6 | 8 | 11 | 6 | 8 | — | 70 |
| District 2..... | 6 | 3 | 4 | 7 | 3 | 5 | 8 | 7 | 12 | 4 | — | 59 |
| District 3..... | 3 | 2 | 3 | 3 | 4 | 3 | 3 | 5 | 3 | 7 | — | 36 |
| District 4..... | 2 | 5 | 8 | 5 | 5 | 1 | 4 | 5 | 3 | 6 | — | 44 |
| District 5..... | 8 | 7 | 5 | 7 | 7 | 3 | 6 | 10 | 7 | 5 | — | 65 |
| District 6..... | 8 | 10 | 7 | 8 | 8 | 10 | 11 | 7 | 7 | 7 | — | 83 |
| District 7..... | 8 | 5 | 4 | 5 | 6 | 8 | 6 | 5 | 7 | 4 | 7 | 65 |
| District 8..... | 8 | 8 | 10 | 8 | 6 | 7 | 5 | 6 | 4 | 2 | 4 | 68 |
| District 9..... | 6 | 7 | 4 | 7 | 3 | 8 | 6 | 6 | 5 | 6 | — | 58 |
| District 10..... | 6 | 5 | 3 | 7 | 14 | 8 | 4 | 7 | 4 | 8 | — | 66 |
| District 11..... | 9 | 10 | 11 | 5 | 3 | 7 | 7 | 4 | 6 | 4 | — | 66 |
| District 12..... | 10 | 5 | 9 | 7 | 5 | 6 | 7 | 7 | 11 | 7 | — | 74 |
| District 13..... | 8 | 12 | 4 | 9 | 8 | 6 | 5 | 6 | 9 | 8 | 7 | 82 |
| District 14..... | 5 | 8 | 6 | 13 | 3 | 5 | 8 | 11 | 7 | 9 | 6 | 81 |
| District 15..... | 9 | 6 | 8 | 8 | 5 | 1 | 7 | 3 | 7 | 8 | 3 | 65 |
| District 16..... | 7 | 6 | 8 | 7 | 4 | 11 | 5 | 7 | 7 | 7 | 9 | 78 |
| | | | | | | | | | | | | <u>1,060</u> |

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building, Winnipeg, Manitoba

BALANCE SHEET AS AT 31st JULY 1950

| ASSETS | | LIABILITIES | |
|--|--------------------|---|--------------------|
| Agency Assets | \$ 35,230.69 | Agency Liabilities | \$ 35,230.69 |
| Cash in Agency Bank Accounts..... | \$12,538.44 | Accounts Payable..... | \$25,698.04 |
| Accounts Receivable..... | 22,692.25 | Commissions—per Contra..... | 9,532.65 |
| | <u>\$35,230.69</u> | | <u>\$35,230.69</u> |
| Shareholders' and Patrons' Assets | 72,768.28 | | |
| Cash..... | \$ 3,630.51 | Shareholders' Liabilities and Reserves | 52,768.28 |
| In General Bank Accounts..... | \$ 3,560.51 | Miscellaneous Accounts Payable..... | \$ 1,257.75 |
| On Hand..... | 70.00 | Reserve for Income Tax Payable..... | 335.88 |
| | <u>\$ 3,630.51</u> | Patronage Dividend Payable—Exhibit B..... | 31,174.65 |
| | | General Reserve against Unearned Income and Investments.. | 20,000.00 |
| Accounts Receivable | 33,450.99 | Allocated as follows: | |
| Commissions—per contra..... | \$ 9,532.65 | Alberta Wheat Pool..... | \$ 5,568.12 |
| Loan Accounts—Secured..... | 20,929.59 | Manitoba Pool Elevators..... | 3,146.82 |
| Pool Insurance Company..... | 2,407.92 | Saskatchewan Co-operative Producers Ltd.. | 11,285.06 |
| Miscellaneous..... | 580.83 | | <u>\$20,000.00</u> |
| | <u>\$33,450.99</u> | | <u>\$52,768.28</u> |

| | | |
|---|--------------------|---------------------|
| Investments—at Cost | 35,086.78 | |
| \$35,000.00 Dominion of Canada Bonds, 3½% Maturing June 1, 1966..... | \$35,086.78 | |
| (Quoted Value July 31, 1950, \$36,050.00) | | |
| Membership Deposit | 100.00 | |
| Insurance Agents' Association..... | \$ 100.00 | |
| Furniture and Fixtures | 500.00 | |
| Cost..... | \$ 6,846.00 | |
| Less: Depreciation Reserve..... | 6,346.00 | |
| | \$ 500.00 | |
| | <u>\$72,768.28</u> | |
| | | <u>\$107,998.97</u> |

| | | |
|--|-------------|---------------------|
| Capital Stock | | 20,000.00 |
| Authorized..... | \$20,000.00 | |
| Issued and Fully Paid (2,000 Shares of \$10.00 each)..... | \$20,000.00 | |
| | | <u>\$107,998.97</u> |
| Signed on behalf of the Board: JOHN H. WESSON, <i>Director</i> W. J. PARKER, <i>Director</i> | | |

AUDITORS' REPORT

We have audited the accounts of Canadian Pool Agencies Limited for the year ended 31st July 1950 and have received all the information and explanations we have required. Bank balances have been confirmed by certificate direct from the Company's bankers. Accounts receivable and payable have been confirmed by circularization. Dominion of Canada bonds held for investment were produced for examination.

We certify that, in our opinion, the above Balance Sheet and related Statements are properly drawn up so as to exhibit, respectively, a true and correct view of the financial position of Canadian Pool Agencies Limited as at 31st July 1950, and the results of operating for the year ended that date, according to the best of our information, the explanations given to us, and as shown by the records of the Company. All transactions coming under our notice have been within the powers and objects of the Company to the best of our information and belief.

Winnipeg, Manitoba, 25th September 1950.

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

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building, Winnipeg, Manitoba

SUMMARY OF SURPLUS ACCOUNT
For the Year Ended 31st July 1950

| | <i>Debit</i> | <i>Credit</i> |
|---|--------------------|--------------------|
| Surplus for year ended 31st July 1950, Exhibit C..... | | \$31,510.53 |
| Reserve for Income Tax..... | \$ 335.88 | |
| Patronage Dividend for year 1949-1950, Exhibit A..... | 31,174.65 | |
| Allocated as follows: | | |
| Alberta Wheat Pool.....\$ 8,709.39 | | |
| Manitoba Pool Elevators..... 9,185.55 | | |
| Saskatchewan Pool Elevators Limited..... 8,254.14 | | |
| Saskatchewan Pool Terminals Limited..... 4,733.68 | | |
| Saskatchewan Co-operative Producers Limited..... 144.78 | | |
| Saskatchewan Co-operative Livestock Producers Limited..... 129.30 | | |
| Modern Press Limited..... 17.81 | | |
| | <u>\$31,174.65</u> | |
| | | <u>\$31,510.53</u> |
| | | <u>\$31,510.53</u> |

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building, Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE
For the Year Ended 31st July 1950

Income

| | | |
|------------------------------|--------------------|-------------|
| Commissions..... | | \$46,251.00 |
| Fire..... | \$14,988.97 | |
| Bonds..... | 17,892.64 | |
| Lake Marine and Outturn..... | 1,951.57 | |
| Ocean Marine..... | 605.41 | |
| Automobile..... | 3,024.29 | |
| Accident and Sickness..... | 152.61 | |
| Liability..... | 1,014.24 | |
| Use and Occupancy..... | 1,381.84 | |
| Robbery and Burglary..... | 371.48 | |
| Floater..... | 466.93 | |
| Inland Transportation..... | 125.40 | |
| Sprinkler Leakage..... | (6.50) | |
| Steam Boiler..... | 151.76 | |
| Contingent..... | 4,363.49 | |
| | <hr/> | |
| Less: Brokerage Paid..... | 46,484.13 | |
| | 233.13 | |
| | <hr/> | |
| | \$46,251.00 | |

Other Income

| | |
|---------------|----------|
| Interest..... | 2,136.04 |
|---------------|----------|

Total Income for Year.....

48,387.04
16,876.51

Expenses.....

| | |
|-----------------------------------|-------------|
| Salaries..... | \$12,210.61 |
| Directors' Fees and Expenses..... | 364.95 |
| Rent and Light..... | 1,566.69 |
| Telephone and Telegraph..... | 301.65 |
| Printing and Stationery..... | 646.63 |
| Postage and Excise..... | 202.83 |
| Taxes and Licenses..... | 216.69 |
| Travelling Expense..... | 195.23 |
| Legal and Audit..... | 510.83 |
| Depreciation..... | 209.75 |
| Insurance..... | 53.12 |
| Annuity and Group Insurance..... | 258.19 |
| Miscellaneous..... | 439.34 |

17,176.51

Deduct: Recovery from Interprovincial Pool..... 300.00

\$16,876.51

Balance—Surplus for year ended 31st July 1950
Carried to Exhibit B.....

\$31,510.53

POOL INSURANCE COMPANY
Wheat Pool Building, Winnipeg, Manitoba

BALANCE SHEET
as at 31st December 1949

| ASSETS | | LIABILITIES | |
|--|---------------------|--|---------------------|
| Cash in Bank..... | \$255,956.07 | Current Liabilities..... | \$279,704.37 |
| In Bank of Montreal—Current Account..... | \$ 55,811.83 | Miscellaneous Accounts Payable..... | \$ 730.40 |
| —Savings Account..... | 200,144.24 | Reinsurance Accounts Payable..... | 115,660.05 |
| | <u>\$255,956.07</u> | Fire Losses in Process (net of Reinsurance)..... | 6,306.80 |
| | | Taxes Accrued..... | 4,908.68 |
| | | Dividends Payable as per Exhibit B..... | 152,098.44 |
| | | | <u>\$279,704.37</u> |
| Accounts Receivable..... | 71,682.95 | Reserve for Unearned Income..... | 71,005.36 |
| Canadian Pool Agencies Limited..... | \$ 71,467.21 | Unexpired Portion of Premiums Income..... | \$ 48,078.06 |
| Advances to Inspection Staff..... | 215.74 | Unexpired Portion of Reinsurance | |
| | <u>\$ 71,682.95</u> | Commissions..... | 28,714.38 |
| | | | <u>\$ 76,792.44</u> |

| | | |
|--------------------------------------|---------------------|----------------------------|
| Investments—at Cost | | 252,681.25 |
| Dominion of Canada Bonds: | <i>Par Value</i> | |
| Sixth Victory Loan—3% due 1960..... | \$107,500.00 | |
| Eighth Victory Loan—3% due 1963..... | 87,500.00 | |
| Ninth Victory Loan—3% due 1966..... | 55,000.00 | |
| | <u>\$250,000.00</u> | |
| Market Value..... | <u>\$256,875.00</u> | |
| Interest Accrued Thereon..... | | 1,475.00 |
| Automobiles | | 5,500.00 |
| | | <u><u>\$587,295.27</u></u> |

| | | |
|---|---------------------|----------------------------|
| Less: Commissions Paid on Business not yet taken into Income | 5,787.08 | |
| | <u>\$ 71,005.36</u> | |
| Capital Stock | | 185,000.00 |
| Authorized—5,000 Shares at \$100.00..... | <u>\$500,000.00</u> | |
| Subscribed—2,500 Shares at \$100.00..... | <u>\$250,000.00</u> | |
| Paid up Thereon..... | <u>\$185,000.00</u> | |
| Capital Surplus | | 51,585.54 |
| Premium at 12% on Capital Stock..... | \$ 30,000.00 | |
| Surplus Realized on Investments Sold..... | 8,932.01 | |
| Transferred from Shareholders' and Patrons' Equity Account—Exhibit B..... | 10,000.00 | |
| Income Tax 1946—Refunded..... | 2,653.53 | |
| | <u>\$ 51,585.54</u> | |
| | | <u><u>\$587,295.27</u></u> |

Approved on Behalf of the Board:
 JOHN H. WESSON, *Director*
 W. J. PARKER, *Director*

AUDITORS' CERTIFICATE

In our opinion the Balance Sheet of Pool Insurance Company as at 31st December 1949 is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information, the explanations given to us, and as shown by the books of the Company. All transactions coming within our notice were, in our opinion, within the powers and objects of the Company.
 Winnipeg, Manitoba, 28th February 1950

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

POOL INSURANCE COMPANY

Wheat Pool Building, Winnipeg, Manitoba

SUMMARY OF SHAREHOLDERS' AND PATRONS' EQUITY
ACCOUNT

For the Year Ended 31st December 1949

| | Debit | Credit |
|--|---------------------|---------------------|
| Balance at Credit 31st December 1948..... | | \$156,015.65 |
| Distributed during 1949..... | \$156,015.65 | |
| Shareholders' Dividend Year 1948: | | |
| Alberta Wheat Pool.....\$ | .55 | |
| Manitoba Pool Elevators.... | .37 | |
| Saskatchewan Pool Elevators Limited..... | .93 | |
| Patrons' Dividend: | | |
| Alberta Wheat Pool..... | 23,637.36 | |
| Alberta Pool Elevators Limited..... | 23,420.84 | |
| Alberta Wheat Pool and Alberta Pool Elevators Limited..... | 147.96 | |
| Manitoba Pool Elevators.... | 25,661.87 | |
| Saskatchewan Pool Elevators Limited..... | 81,880.90 | |
| Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited..... | 5.41 | |
| Saskatchewan Co-operative Producers Limited..... | 911.21 | |
| Saskatchewan Co-operative Livestock Producers Ltd..... | 319.38 | |
| Modern Press Limited..... | 28.87 | |
| | <u>\$156,015.65</u> | |
| | 156,015.65 | 156,015.65 |
| Surplus for the Year 1949—Exhibit C..... | | 162,908.44 |
| Transferred to Capital Surplus..... | 10,000.00 | |
| Reserve for Income Tax..... | 810.00 | |
| Balance Carried Down..... | 152,098.44 | |
| | <u>\$318,924.09</u> | <u>\$318,924.09</u> |
| Balance Brought Down..... | | \$152,098.44 |
| Allocated as follows: | | |
| Shareholders' Dividend..... | \$ 1.85 | |
| Alberta Wheat Pool.....\$ | .55 | |
| Manitoba Pool Elevators.... | .37 | |
| Saskatchewan Pool Elevators Limited..... | .93 | |
| | <u>\$ 1.85</u> | |
| Patrons' Dividend..... | 152,096.59 | |
| Alberta Wheat Pool.....\$ | 27,095.28 | |
| Alberta Pool Elevators Limited..... | 23,423.51 | |
| Alberta Wheat Pool and Alberta Pool Elevators Limited..... | 137.96 | |
| Manitoba Pool Elevators.... | 26,322.36 | |
| Saskatchewan Pool Elevators Limited..... | 74,407.72 | |
| Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited..... | 6.65 | |
| Saskatchewan Co-operative Producers Limited..... | 19.95 | |
| Saskatchewan Co-operative Livestock Producers Ltd..... | 628.31 | |
| Modern Press Limited..... | 54.85 | |
| | <u>\$152,096.59</u> | |
| | <u>\$152,098.44</u> | <u>\$152,098.44</u> |

POOL INSURANCE COMPANY

Wheat Pool Building, Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE

For the Year Ended 31st December 1949

| | | |
|--|--------------|--------------|
| Premiums on Business written in 1949..... | \$560,073.42 | |
| Less: Ceded to other Companies..... | 462,984.03 | |
| | | \$ 97,089.39 |
| Deduct: Increase in unearned Premium Reserve | | 5,585.08 |
| | | <hr/> |
| Premiums Earned in 1949..... | | 91,504.31 |
| Deduct: Losses and Adjustment Expense..... | \$141,603.12 | |
| Less: Reinsurance Recoveries..... | 118,859.35 | |
| | | 22,743.77 |
| Net Underwriting Income..... | | 68,760.54 |
| Add: Commissions on Reinsurance placed with other Companies (earned portion only)..... | | 128,049.60 |
| Special allowances by unlicensed companies in lieu of taxes..... | | 12,860.45 |
| Inspection fees on elevators in British Columbia..... | | 118.49 |
| Total Income before Commissions paid | | 209,789.08 |
| Deduct: Commissions paid (on earned premiums only)..... | | 2,977.45 |
| Balance available for Expenses and to Shareholders and Patrons..... | | 206,811.63 |
| Deduct: Expenses | | |
| Taxes, Licenses and Association Dues..... | \$ 14,447.88 | |
| Inspection Service | | |
| Salaries..... | \$11,920.45 | |
| Board and Lodging..... | 3,235.78 | |
| Transportation..... | 4,170.15 | |
| Annuities, Group and Unemployment Insurance. | 762.05 | |
| Pension..... | 439.47 | |
| Insurance..... | 423.23 | |
| Printing, Postage and Miscellaneous..... | 554.83 | |
| | | 21,505.96 |
| Administration | | |
| Salaries..... | 11,479.75 | |
| Rent and Light..... | 1,314.48 | |
| Directors' Fees and Expenses | 696.61 | |
| Travelling Expense..... | 321.70 | |
| Printing, Postage and Stationery..... | 439.70 | |
| Telephone and Telegraph..... | 275.93 | |
| Legal and Audit..... | 578.90 | |
| Annuities, Group and Unemployment Insurance. | 274.08 | |
| Miscellaneous..... | 495.48 | |
| | | 15,876.63 |
| | | <hr/> |
| | | 51,830.47 |
| Add: Interest Earned..... | | 154,981.16 |
| | | 7,927.28 |
| Balance—Surplus for the Year 1949 | | |
| Carried to Exhibit B..... | | \$162,908.44 |

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED

COMPARATIVE STATEMENT OF HANDLINGS

Seasons 1949-1950 and 1948-1949

| | Season 1949-1950 | Season 1948-1949 | Increase (Decrease) |
|--|---------------------|---------------------|------------------------|
| Moose Jaw Division: | | | |
| Cattle..... | 18,166 | 17,011 | 1,155 |
| Calves..... | 4,753 | 3,866 | 887 |
| Hogs..... | 6,012 | 5,749 | 263 |
| Sheep..... | 2,844 | 2,104 | 740 |
| North Battleford Division: | | | |
| Cattle..... | 14,967 | — | 14,967 |
| Calves..... | 1,185 | — | 1,185 |
| Hogs..... | 7,405 | — | 7,405 |
| Sheep..... | 1,100 | — | 1,100 |
| Prince Albert Division: | | | |
| Cattle..... | 13,327 | 14,683 | (1,356) |
| Calves..... | 1,737 | 1,774 | (37) |
| Hogs..... | 15,113 | 10,030 | 5,083 |
| Sheep..... | 2,440 | 2,756 | (316) |
| Regina Division: | | | |
| Cattle..... | 27,963 | 29,220 | (1,257) |
| Calves..... | 3,830 | 4,356 | (526) |
| Hogs..... | 9,453 | 8,246 | 1,207 |
| Sheep..... | 1,644 | 2,329 | (685) |
| St. Boniface Division: | | | |
| Cattle..... | 27,067 | 37,795 | (10,728) |
| Calves..... | 13,058 | 13,716 | (658) |
| Hogs..... | 39,967 | 32,142 | 7,825 |
| Sheep..... | 5,001 | 7,647 | (2,646) |
| Saskatoon Division: | | | |
| Cattle..... | 21,499 | 24,472 | (2,973) |
| Calves..... | 3,796 | 3,590 | 206 |
| Hogs..... | 11,449 | 7,101 | 4,348 |
| Sheep..... | 1,185 | 1,360 | (175) |
| Swift Current Division: | | | |
| Cattle..... | 8,337 | 9,641 | (1,304) |
| Calves..... | 2,068 | 1,150 | 918 |
| Hogs..... | 2,762 | 2,816 | (54) |
| Sheep..... | 164 | 258 | (94) |
| Yorkton Division: | | | |
| Cattle..... | 10,273 | 5,440 | 4,833 |
| Calves..... | 5,551 | 4,137 | 1,414 |
| Hogs..... | 4,424 | 3,655 | 769 |
| Sheep..... | 1,259 | 690 | 569 |
| Total Divisions: | | | |
| Cattle..... | 141,599 | 138,262 | 3,337 |
| Calves..... | 35,978 | 32,589 | 3,389 |
| Hogs..... | 96,585 | 69,739 | 26,846 |
| Sheep..... | 15,637 | 17,144 | (1,507) |
| Saskatchewan Handlings at Winnipeg (Other than Saskatchewan Co-operative Livestock Producers Limited) | | | |
| Cattle..... | 35,344 | 42,926 | (7,582) |
| Calves..... | 7,527 | 8,960 | (1,433) |
| Hogs..... | 20,866 | 17,153 | 3,713 |
| Sheep..... | 5,239 | 7,622 | (2,383) |
| Total Handlings: | | | |
| Cattle..... | 176,943 | 181,188 | (4,245) |
| Calves..... | 43,505 | 41,549 | 1,956 |
| Hogs..... | 117,451 | 86,892 | 30,559 |
| Sheep..... | 20,876 | 24,766 | (3,890) |

Note:—Brackets denote figures in red.

CANADIAN LIVESTOCK CO-OPERATIVE (WESTERN) LIMITED

BALANCE SHEET
as at 20th July 1950

ASSETS

Current Assets:

| | | |
|--|-------------|--------------|
| Cash in The Royal Bank of Canada..... | \$26,067.60 | |
| Accounts Receivable—Schedule 1..... | \$1,764.55 | |
| Less: Reserve for Doubtful Accounts..... | 100.00 | |
| | 1,664.55 | |
| Dominion of Canada Bonds—at Cost..... | 20,000.00 | |
| (Market Value \$20,400.00) | | |
| Accrued Interest Receivable..... | 716.67 | |
| Due from Trust Account..... | 13,294.32 | |
| | | \$ 61,743.14 |

Trust Assets:

| | | |
|--------------------------------|-------------|-----------|
| Sales Accounts Receivable..... | \$51,367.09 | |
| Inventories: | | |
| Livestock—at Market..... | \$2,994.79 | |
| Feed —at Cost..... | 1,456.50 | |
| | 4,451.29 | |
| | | 55,818.38 |

Other Assets:

| | | |
|---|-------------|---------------------|
| Winnipeg Livestock Exchange Memberships—(5).. | | 350.00 |
| Office Furniture and Equipment..... | \$ 8,561.98 | |
| Less: Reserve for Depreciation..... | 5,859.22 | |
| | | 2,702.76 |
| Automobile..... | \$ 2,735.35 | |
| Less: Reserve for Depreciation..... | 1,050.95 | |
| | | 1,684.40 |
| Prepaid Operating Expenses..... | | 1,302.03 |
| | | <u>\$123,600.71</u> |

LIABILITIES

Current Liabilities:

| | | |
|-----------------------|-------------|--------------|
| Accounts Payable..... | \$ 1,227.62 | |
| Accrued Salaries..... | 5,867.53 | |
| Surplus Payable..... | 17,189.18 | |
| | | \$ 24,284.33 |

Trust Liabilities:

| | | |
|--|-------------|-----------|
| Bank Overdraft..... | \$31,137.83 | |
| Due to Local Associations..... | 1,637.35 | |
| Producers' Livestock Pooling Fund..... | 2,837.00 | |
| Transit Compensation Fund..... | 5,896.68 | |
| Exchange on Outstanding Cheques..... | 1,015.20 | |
| Due to General Account..... | 13,294.32 | |
| | | 55,818.38 |

| | | |
|------------------------------|-----------|--|
| General Reserve..... | 4,949.06 | |
| Loans from Members..... | 4,221.49 | |
| Members' Equity..... | 34,303.45 | |
| Memberships Issued—(24)..... | 24.00 | |

Approved on Behalf of the Board:

(Signed) L. W. ELLIOTT, Director

(Signed) W. CROSSLEY, Director

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

(Signed) MILLAR, MacDONALD & CO., Chartered Accountants.
Winnipeg, Manitoba, 24th August 1950\$123,600.71

Canadian Co-operative Wheat Producers Limited

DIRECTORS' REPORT 1949-1950

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

Gentlemen:

During the year ended 31st July 1950, the co-operative movement made steady growth in all democratic countries; and the farm movement took decided steps toward world unity.

During the year, each of our three Pools advanced its independent development by close co-operation and unified action, which brought to the service of each member the sum of our strength, in the vital issues which confront our Canadian nation and all mankind.

During the year, your Central Board lost a valued member in the death of Mr. E. H. Keith. Mr. A. T. Baker has been nominated by the Alberta Wheat Pool to replace Mr. Keith. Illness caused the retirement of J. T. Hull, after a lifetime of useful service. To succeed him as secretary, the Board appointed E. S. Russenholt.

Central Board

Your Central Board worked throughout the year to crystallize the will of Pool members into definite decisions, and to register those decisions, effectively, on such issues as the Wheat Board Act; extension of Wheat Board powers; marketing of coarse grains by the Wheat Board; distribution of railway cars; grading of feed grains; fair settlements under the 5-year pool and the Canada-U.K. Agreement and railway freight rates.

Board representatives met the Dominion Cabinet, with the C.F.A. executive, on 8th February 1950. They stressed agriculture's aim to "hold the line" of 1949 until industry and labor take parallel positions.

A joint Pool brief to the Royal Commission on Transportation was printed and widely distributed.

In executive meetings with the Minister of Trade and Commerce, on 24th March and 29th June 1950, and in persistent correspondence, your Board urged:

1. A settlement of the 5-year pool, which shall include:
 - (a) An adjusting payment on some 160 million bushels of wheat sold for domestic consumption from 1st March 1945 to 17th February 1947—representing the amount by which grain producers subsidized the Canadian public during that period;
 - (b) Settlement of the obligation under the "will have regard to" clause in the Canada-U.K. Agreement.
2. A fixed price of \$1.98 per bushel for wheat used for domestic flour during the 1950-51 crop year.
3. Wheat Board initial payment of \$1.60 per bushel for the 1950-51 crop year.
4. Reformation of the Wheat Board Advisory Committee.
5. Increasing the Canadian Wheat Board from three to five members.
6. Extension of the powers of the Canadian Wheat Board to market all Western Canadian grains.

Interprovincial Pool Meetings

The Directors of our three Wheat Pools assembled in Interprovincial meetings on 23rd-24th January and 17th-18th July 1950.

The January meeting resolved that the Dominion Government should be pressed to: (1) make the Wheat Board sole marketing agency for Canadian grain; (2) make a fair final settlement on the 5-year wheat pool and (3) fix the price of domestic wheat sales at \$1.98 per bushel for the 1950-51 crop year.

The meeting also recommended that quotas be established as permanent policy; that any Advisory Committee to the Wheat Board be composed of producers; and that the number of Wheat Board members be increased. It was also agreed that each Pool appoint representatives to the reorganized Canadian Barley and Oil Seeds Committee and that study continue on increased tolerances of wheat in feed grades of oats and barley.

The Interprovincial meeting of 17th-18th July discussed handling agreements with the Wheat Board and agreed upon the tariffs which the individual Pools proposed to file with the Board of Grain Commissioners for the current crop year.

After considering the report of the Central Executive on their meetings with the Minister of Trade and Commerce on 24th March and 29th June 1950; and the Minister's statement that government policy is that wheat for domestic use shall be sold at the same price as for export, the Interprovincial Pool meeting again recommended that the price of wheat for domestic use should be fixed at the International Wheat Agreement ceiling price (\$1.98) for the 1950-51 crop year.

Western Agricultural Conference

The farm people of our Canadian West are working out a mechanism of organization in which they come together in their community and provincial co-operatives and agricultural federations; work out decisions in their interprovincial co-operatives and the Western Agricultural Conference; register these decisions at the national level through the Co-operative Union and the Canadian Federation of Agriculture; and shake hands with the farm people of the world in the International Federation of Agricultural Producers.

The Western Agricultural Conference at Winnipeg on 25th-27th January 1950, brought together representatives of the farm organizations of British Columbia, Alberta, Saskatchewan and Manitoba. Salient resolutions called upon the Dominion Government: to extend the powers of the Canadian Wheat Board as sole marketing agency for wheat and coarse grains; to make a substantial final payment to producers on the 5-year wheat pool; to increase 1950-51 initial prices to 71 ½c for oats and \$1.00 for barley, basis No. 1 feed grades; and to retain Crow's Nest freight rates under government jurisdiction.

Canadian Federation of Agriculture

Representatives of Canadian farm organizations, from sea to sea, assembled in the 14th annual meeting of the Canadian Federation of Agriculture on 30th January 1950, at Niagara.

Decisions reached were submitted to the Dominion Government and to the Canadian people in precise,

persistent and logical presentations. Issues advanced by the C.F.A. include: maintenance and development of public radio; income tax; price supports; marketing of all Canadian grain through the Wheat Board; co-ordinated provincial and Dominion legislation and agencies for effective commodity marketing; adequate co-operative organizations to move Western feed grains to Eastern feeders; and equitable freight rates.

The C.F.A. submitted a brief to the Royal Commission on Transportation in November 1949, urging that the Dominion Government: (1) put teeth into legislation passed in 1933 to eliminate duplication in railway services; (2) revise capital structure of the Canadian National; and (3) subject railway efficiency to full study. The brief emphasized that railway wages are 55% higher than in 1920; and that railway employees top the salary list for all industrial groups—with farmers' income at the bottom.

International Federation of Agricultural Producers

Representatives of Canada's organized farmers met delegates representing the farmers of 24 other nations, in the IFAP annual conference at Stockholm, Sweden, in May 1950. Addresses castigated the "negligible progress" made by governments toward solving the world food problem. The closing session, on 9th June, called for government action in handling farm surpluses through commodity agreements—so that farmers can produce to the limit without being penalized.

Mexico, Greece and Italy were received into membership, increasing the number of member nations to 25. H. H. Hannam was re-elected President.

The conference determined that IFAP must take action in specific proposals for marketing surplus commodities; and for developing agricultural co-operation, national and international. As a step in this direction, a Standing Committee on Co-operation was appointed. John Davis (Secretary of the U.S. National Council of Farmer Co-operatives) was named Chairman. This Committee was charged with improving relations between co-operatives and governments and developing trade between co-operatives throughout the world.

International Wheat Agreement

The first year of actual operation of the International Wheat Agreement—completed on 31st July 1950—is an historic achievement of tremendous potential for the future welfare of mankind.

Under the Agreement, guaranteed quantities of wheat totalling 525 million bushels were to be moved during 1949-50 from four exporting to 37 importing nations. At the close of the crop year, 81.7% of this total had been so moved—with Australia selling 99.6%, France 98.9% U.S. 68% and Canada 86% of their respective allotments. Under the terms of the Agreement, importing nations may be required to take their full allotment but only at the floor price. Subsequent events have proved that it is well that Canada has a carryover of high grade wheat to satisfy the current year's requirements.

Of the 37 importing nations, 13 bought 100% and 10 more over 90% of their allotments. Germany was in the Agreement for only about one-third of the crop year but took 48% of the annual allotment of 1.8 million metric tons. Italy bought only 32% of her agreed 1.1 million metric tons. Brazil imported but 3.3% of the 360,000 tons

guaranteed—buying the bulk of wheat requirements outside the Agreement through barter deals with Argentina.

Canada sold wheat to 29 of the 37 nations importing under the Agreement. The Dominion provided over half of Belgium's purchases; nearly three-quarters of Cuba's imports; 60% of the wheat taken by Eire and 100% of sales to Switzerland.

Canadian Wheat Board

The Canadian Wheat Board annual report for 1948-49 (issued early in 1950) shows that during the 1948-49 crop year Class II prices, basis No. 1 Northern in store Lakehead or Vancouver, ranged from \$1.91 to \$2.48, and averaged \$2.23 per bushel. Board receipts of wheat totalled 293 million bushels and exports (including flour) were 232.8 million bushels. Board payments included settlements on participation certificates on crops prior to 1945 which had not previously been surrendered and a 20-cent adjustment on wheat delivered between 1st August 1945 and 31st March 1949 to the 5-year pool. During the year, the Board issued 1,365,559 cheques worth \$220,681,269.00 to producers.

The Canadian Wheat Board was charged with additional responsibilities when the Canadian Government instructed the Board to market coarse grains for 1949-50. On 4th August 1949, the Board announced that oats and barley would be sold freely, using all existing channels of trade.

At the beginning of the 1949-50 crop year, the Board authorized open deliveries for rye and flaxseed and open deliveries for wheat, oats and barley until new crop deliveries made quotas necessary. On 12th August 1949, quotas of 12 bushels per seeded acre became effective except at specified open points. On 7th October the Board authorized open deliveries at all Manitoba points and all Alberta points except in the Peace River Territory. Beginning 23rd November 1949, all quotas were removed permitting producers to deliver wheat, oats and barley to any elevator with available space.

Beginning in February 1950, the Board urged producers to accelerate deliveries. Farmers responded. When the crop year ended on 31st July 1950, only 11 million bushels of wheat were held on farms. This was 25% of farm holdings one year before.

A final payment on the 1949-50 flaxseed pool was declared by the Board on 17th August 1950. The final payment of \$1.243 basis No. 1 C.W., with the initial payment of \$2.50, made a total of \$3.743 per bushel on the flaxseed delivered to this pool.

Review of Wheat Board operations brings out three salient facts: First, the work done to cultivate new markets has yielded an encouraging measure of success. Second, increased production in importing lands and international exchange difficulties call for intensified efforts to build markets for Canada's grain. Third, methods have yet to be developed which will market Western feed grains efficiently, and, at the same time yield a satisfactory measure of price stability to producers and consumers.

Exports

Shipments of Canadian wheat and wheat products to Latin America in 1949 were almost 400% above 1948. Sales of wheat and other grain products to the Philippines

increased in 1949 by nearly 300%. Exports of Canadian wheat (and wheat flour) in 1949-50 went to 83 countries in 6 continents.

Canada's 1949-50 exports of wheat (and wheat flour in terms of wheat) totalled some 224.7 million bushels. This was a drop of about 3% from the preceding year; and 12% below the average for the last ten years. During the 1949-50 crop year exports under the International Wheat Agreement totalled 183.9 million bushels, and 40.8 million bushels were exported outside the Agreement. U.K. continued to be our best customer, taking some 73% of all wheat moved under the Agreement and 58% of the total exported. Other substantial buyers were Belgium, Switzerland, South Africa and Japan.

Canadian Government Policy

Marketing Western grain has become a major part of Canadian Government policy. In other countries, too, trade in food products is a responsibility of national governments. For instance, Canada exports wheat and flour to 35 countries under the International Wheat Agreement. In 17 of those nations, government agencies buy directly, in 12 others, imports are under license and in only one country out of 35, El Salvador, are imports free of all controls.

As Canadian Government policy, Western oats and barley were marketed through pools operated by the Canadian Wheat Board, beginning 1st August 1949—as authorized by amendment to the Wheat Board Act in 1948 and by complementary legislation passed by the Governments of Alberta, Saskatchewan and Manitoba. Initial payments were fixed at 61½c per bushel for oats and 90c for barley—basis No. 1 feed grades in Lakehead store (less deductions of 1½c on oats and 3c on barley to meet expenses).

(On 30th September 1950, the Minister of Trade and Commerce announced that some 42.5 million dollars would go out to producers in final payments on the oats and barley pools which closed 31st July 1950. Final payments on these 1949-50 pools will be on a grade basis and will average: for oats, about 19½ cents per bushel, malting barley, about 57 cents and feed barley from 44½ to 47 cents per bushel. These final payments, added to initial payments at the time of delivery, will make total payments of about 85 cents per bushel for oats and about \$1.45 per bushel for barley delivered to the 1949-50 pools.)

Initial payment for wheat in the 1949-50 crop year was fixed at \$1.75 per bushel, basis No. 1 Northern, in store Lakehead or Vancouver. Initial payments had been \$1.55, from 1st August 1948 to 31st March 1949.

On 19th September 1949, the Canadian dollar was devalued 10%—in relation to the U.S. dollar. Prices embodied in the International Wheat Agreement had been established on the basis of Canadian currency at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as at 1st March 1949. Thus, the ceiling price of \$1.80 per bushel (basis No. 1 Northern in Lakehead or Vancouver store) became \$1.98, in Canadian funds, when Canada's dollar was devalued 10%.

The Canadian Parliament, on 5th June 1950, passed the amended Wheat Board Act which extends the powers of the Canadian Wheat Board to 1st August 1953, makes provision for increasing the number of Commissioners from three up to five; and puts pooling operations in wheat on an annual basis.

The Government announced on 25th March 1949, that throughout 1949-50 Western producers would get the same price for wheat for domestic use and for the Canada-U.K. Agreement, namely, \$2.00 per bushel, basis No. 1 Northern, in Lakehead or Vancouver store. On 25th July 1950, the Government announced that effective 1st August 1950, the Wheat Board would sell wheat for use in Canada at the same price as for export under the International Wheat Agreement.

The Canada-U.K. Wheat Agreement ended 31st July 1950, and is superseded by the International Wheat Agreement. This multilateral agreement is a big step away from the cut-throat competitive trading which sacrificed both producer and consumer, and in the direction of orderly marketing for which the Pools have worked and fought since their beginning.

Prairie Farm Assistance

Payments by PFAA for 1949-50 totalled nearly 22 million dollars. More than 70% of payments in the first half of this crop year were to townships with yields below 4 bushels per acre. In June 1950, the Minister of Agriculture stated that PFAA would cover crop losses due to flood—as in 1948 when Carrot River farms were flooded and could not be seeded, PFAA allowances were made.

For the 1949-50 crop year, assessments, number of awards and payments were as follows:

| | 1% Assessment | Number of Awards | Total Payments |
|-------------------|-----------------|------------------|----------------|
| Manitoba..... | \$ 1,355,660.07 | 2,021 | \$ 325,734.75 |
| Saskatchewan..... | 4,525,628.79 | 49,632 | 15,368,200.75 |
| Alberta..... | 2,515,568.28 | 33,165 | 6,305,636.75 |

In the 11 years ending 31st July 1950, Western farmers have contributed 48 million dollars to PFAA and have been paid back 126 million dollars. Assessments and payments, by provinces, have been as follows:

| | 1% Assessment | Number of Awards | Total Payments |
|-------------------|-----------------|------------------|-----------------|
| Manitoba..... | \$ 7,706,254.64 | 22,527 | \$ 2,653,122.52 |
| Saskatchewan..... | 26,266,270.02 | 410,182 | 95,221,830.83 |
| Alberta..... | 14,073,629.84 | 147,009 | 28,900,583.30 |

Freight Assistance

Freight assisted shipments continued their steady decline during 1949-50. During the first 11 months of this crop year shipments of wheat, oats and barley from the West to B.C. and Eastern Canada amounted to 75.7 million bushels—a drop of some 9% below the same period in 1948-49.

The Minister of Agriculture announced in the House of Commons on 18th June 1950, that freight assistance on feed grain moving from the West to B.C. and Eastern Canada will be extended to 31st July 1951.

Since freight assistance was inaugurated in 1941 a total of 139.7 million dollars has been paid out in freight assistance in moving 24.7 million tons of feed grains out of the West. The Federal Treasury has paid out on such freight assistance to other parts of Canada one-third more than the total paid under PFAA on crop failures.

Transportation

Geography, production and markets all combine to make transportation a prime factor in the lives of the farm

people who make up our Canadian Wheat Pools. The year under review adds another chapter to the endless fight to establish and maintain freight rates on a basis which shall be efficient and equitable—and yield most benefit to our nation.

The railways, in common with other segments of our economy, faced rising costs. They asked for increased freight rates to meet these. The Board of Transport Commissioners granted increases of 21% in March 1948; 8% in September 1949; 7.4% in March 1950; and 3.4% in May 1950. These increases add up to a cumulative total of 45.2%. In addition to these general increases there have been other increases on special rates which affect farmers' production costs. A Royal Commission on Transportation was appointed on 29th December 1948, to study the whole problem of Canadian transport and freight rates. Hearings were held across the Dominion. Western Governments presented briefs to the Commission, calling for equity in the rates paid by Eastern and Western Canadians.

The Canadian Wheat Pools submitted a joint brief to the Commission in January 1950. The Pool brief reviewed the history of relations between railways and Western farmers. It emphasized the fact that wheat grown in the West must be carried to world markets and sold at world prices. Western farmers pay the freight and cannot pass on this cost to the buyer as do merchants and manufacturers.

The C.P.R. was built as a major project in national policy. It was built to protect the West from U.S. absorption; divert prairie traffic from its natural southward flow and give Eastern Canada a virtual monopoly on Western Canadian trade—with the enormous financial benefits which flowed eastward from a prosperous, populated West.

To head off U.S. railway invasion and monopolize traffic in Southern Alberta and British Columbia, the C.P.R. entered into the Crow's Nest Agreement with the Government of Canada on 6th September 1897. The Government gave the Company land, minerals and a cash subsidy of some 3.4 million dollars. In return therefor the Company agreed: first, to run a railway from Lethbridge to Nelson; and second, to carry eastbound wheat and flour and specified westbound farm necessities at rates not exceeding a specified maximum, *for all time*.

This Agreement was a cornerstone of Canada's national policy. It has been the basis of Western development—from which the railways have reaped rich rewards.

Through a long and tangled history of rate litigation, the C.P.R. has succeeded in being relieved of its undertakings under the Agreement—until only the eastbound grain rates remain. Now, the railway suggests that (while it retains all the benefits) these grain rates should be placed under the control of the Board of Transport Commissioners.

The Pool brief stressed: "Western grain rates . . . must continue to be dealt with by the Government of Canada on the national policy level." As a former Dominion Prime Minister said, "The East is protected by waterways; the Pacific by the Panama Canal, and the West by Parliament."

Today, in the face of increasing world competition, Western farmers must keep down their cost of production. The railways must insure that none of their costs are out of line with the general economy. Wages and salaries are the biggest factor in railway costs. The railway wage level

should be fairly related to that of those who pay the freight. Western farmers buy on the basis of cost, plus freight; and sell on the basis of world prices, less freight. While the Crow's Nest Agreement was, technically, between the government and the railway (the Pool brief points out) "It was in fact an agreement upon which a third party, namely the people who settled the prairies, relied as an inducement to build the Western economy. Canada and the railroad must keep faith with these people. These rates must be retained under the control of Parliament."

The Commission completed its sittings on 31st May 1950. Its report will be forthcoming in due course.

Production, Prices and Costs

The crop year 1949-50 was a time of fundamental change in our national and world economy. For Canadian farmers it was a time of change in production, prices and costs.

Sales of new farm implements and equipment reached an all-time peak of 220.7 million dollars, wholesale, in 1949. This was 29% above 1948; and 78% above 1947.

During the year under review, farmers in Alberta, Saskatchewan and Manitoba reduced by 10.2% their debt on farm mortgages and agreements of sale to companies composing the Dominion Mortgage and Investment Association. The 1949 total of 32.5 million dollars was only 19% of the 168.6 million dollars owed in 1937.

Western farmers used some 16 million bushels of wheat as feed during 1949-50—representing 4.7% of wheat production. In 1948-49 they fed 6.3% of the wheat crop. A large amount of feed wheat will be available from the 1950 harvest.

In 1950 the price level for farm products continued downward, and costs of production upward. The index of prices for farm products (based on 1935-39=100) was 249.5 in May 1950. This was 2.9 below 1948. Livestock prices were up. Farm production costs continued to rise. By April 1950, the index for commodities and services used by farmers was 209.9—13 points higher than one year before. Farm living costs reached 176.7—an increase of 14.1 in one year. The index of urban living costs was 164—11 points above April 1949.

In May 1950, wages on Western farms were about 5% higher than two years before. The price of Western occupied farm lands in 1949 averaged \$31.00 an acre—4% above 1948; and 93% higher than the 1935-39 level.

Industrial wage increases outstripped rising living costs—both in dollars and in buying power. Average annual earnings of all Canada's workers in mining, manufacturing, transportation and construction in 1950 were 216% of the level for the 1935-39 period; and the day's pay in 1950 buys one-third more than the day's pay in 1935-39.

Farm Income

The gross value of the principal field crops produced in 1949 on Canadian farms was estimated at 1,420 million dollars—16% below 1948. Cash income from the sale of farm products was as follows for the last three years:

| | 1947 | 1948 | 1949 |
|---------------|---------------------|---------|---------|
| | Millions of Dollars | | |
| Canada..... | \$1,962 | \$2,449 | \$2,409 |
| The West..... | 954 | 1,212 | 1,227 |

Net farm income in 1949 was 4% below the 1948 all-time peak—due to decreased returns and increased costs—but was well above 1947. The net for the last three years was as follows:

| | 1947 | 1948 | 1949 |
|---------------------|---------|---------|---------|
| Millions of Dollars | | | |
| Canada..... | \$1,128 | \$1,600 | \$1,537 |
| The West..... | 555 | 854 | 801 |

Canadian 1949-50 Crop

The acreages and gross value of principal crops on Canadian farms in 1949—compared with the previous three years—were as follows:

| | Area, in million acres | | | | Value, in million dollars | | | |
|---------------|------------------------|------|------|------|---------------------------|------|------|------|
| | 1946 | 1947 | 1948 | 1949 | 1946 | 1947 | 1948 | 1949 |
| Canada..... | 59.6 | 60.7 | 60.9 | 61.8 | \$1424 | 1531 | 1685 | 1420 |
| The West..... | 42.2 | 43.6 | 42.8 | 43.4 | 935 | 955 | 980 | 780 |

Acreages, yields and production in the West for 1949, compared with 1948, were as follows:

| | Area in million acres | | Yield bus. per acre | | Production in million bushels | |
|---------------|--------------------------|------|------------------------|------|----------------------------------|------|
| | 1948 | 1949 | 1948 | 1949 | 1948 | 1949 |
| Wheat..... | 22.8 | 26.4 | 15.6 | 12.7 | 356 | 337 |
| Oats..... | 7.3 | 7.3 | 29.7 | 25.9 | 224 | 190 |
| Barley..... | 6.0 | 5.6 | 22.3 | 19.4 | 142 | 109 |
| Rye..... | 1.9 | 1.0 | 11.4 | 7.1 | 22.3 | 7.5 |
| Flaxseed..... | 1.8 | .3 | 9.3 | 6.8 | 16.8 | 2. |

Weather was the main factor in reducing 1949 yields below 1948.

Carryover

Carryover of Canadian grains at the end of the last three crop years is estimated as follows—in millions of bushels:

| | 31st July 1948 | 31st July 1949 | 31st July 1950 |
|---------------|----------------|----------------|----------------|
| Wheat..... | 77.7 | 102.4 | 113.2 |
| Oats..... | 47.9 | 60.5 | 44.3 |
| Barley..... | 31.4 | 29.7 | 20.4 |
| Rye..... | .9 | 11.9 | 6.6 |
| Flaxseed..... | 3.3 | 10.7 | 4.5 |

Wheat carryover for the last ten years (1940-49) has averaged 275 million bushels. The 20-year average (1930-49) is 204 million bushels.

Conservation

Across Western Canada, in 1949, the greatest number of small water development projects were completed by PFRA since this program began. Thousands of dug-outs, dams and dikes, together with many larger community projects, were built to harness land and water together in greater production. Drought in some regions, and flood in others, hammered home the necessity for regional and national action in planning and developing conservation—for the use of all our resources for the greatest good of the greatest number of our people, over the longest time.

Co-operation

More than a million Canadians worked together in 2,637 co-operatives during the crop year ended 31st July 1949; and, for the first time in history did co-operative business for themselves exceeding one billion dollars.

In a candid analysis of our movement, Canadian co-operators may find encouragement but no basis for complacency.

In the year under review, Canadian co-operatives increased their total assets 17%, to nearly 237 million dollars. Co-operative marketing increased 26.9% and merchandising 21%.

Consumer co-operation is now developing faster than producer co-operation. During 1948-49, 11 regional wholesales increased their business by about 20%; but the 1,829 locals that owned these wholesales bought most of their needs from other suppliers—including 68% of feed and fertilizers, 58% of petroleum products and 81% of food products. Co-operatives do 2% of Canada's retail trade. That means that 98% of the needs of Canadians are supplied on the profit basis.

In the past year co-operatives in many lands carried on the long work of building ITO into an agency through which they might trade with each other. Trade between nations is a vital need. Such progress as was made in improving trade was largely the work of agencies other than co-operatives. Producer and consumer co-operatives have got further ahead in working together in Canada than in many other lands; but co-operation between co-operatives is an objective, largely, still to be won.

Conclusion

Measuring recent co-operative progress against total Canadian business expansion and balancing co-operative development against community and world needs may raise the question whether we are making significant headway in increasing the percentage of our economy which is served co-operatively. Certainly, any candid analysis must emphasize the great opportunity for co-operative expansion that challenges all co-operators.

The year ahead is a time to use our hard-won position as the starting line for a great co-operative advance. It is a time to renew our faith in co-operation—as the method which can solve our economic frustrations and feed the world's needy; as the philosophy which embraces the truths for which the souls of men hunger; and as the basis of the economic efficiency, social justice and individual liberty which lead to abundance and peace.

Respectfully submitted,

| | | |
|-------------------|---|------------------|
| J. H. WESSON | } | <i>Executive</i> |
| W. J. PARKER | | |
| BEN S. PLUMER | | |
| THOS. G. BOBIER | | |
| J. W. BALDWIN | | |
| GEO. N. McCONNELL | | |
| W. J. BALL | | |
| A. T. BAKER | | |
| W. J. BLAIR | | |

Canadian Pool Agencies Limited

DIRECTORS' REPORT 1949-1950

To the Shareholders, 6th October 1950.
Canadian Pool Agencies Limited,
Wheat Pool Building, Winnipeg, Manitoba.

Gentlemen:

We submit herewith, for your approval, the Twenty-second Annual Report and Financial Statements of your Company for the fiscal year ended July 31st 1950, showing excess of income over expenses of \$31,174.65, after provision for Income Tax, as against the relative amount of \$46,314.70 for the previous year, thereby reflecting a net decrease of \$15,140.05.

The reduction in income is wholly attributable to lower commission earnings and is due, in part, to a reduced commission rate on one of our large Fidelity Bonds, and to a greater extent to the fact that there was practically no three-year business written this year, and notwithstanding this fact some three-year policies of the previous year were cancelled as of this year end, necessitating commission refunds. These policies were renewed subsequent to the year end and the earnings will be reflected in next year's income.

Continuing the usual practice, your Agency is operated on the principle that service comes before profit, and it continues to serve the Pool organizations in protecting their interests in the insurance field, in a manner not wholly reflected in the earnings of the Company, and in this regard we have been able to obtain reductions in rates on a few types of insurance. These reductions, while being direct savings to the Parent Organizations, reflect decreased earnings of the Agency.

Twelve types of insurance were handled during the year. The greatest income is derived from Fidelity Bonds, next comes Fire Insurance and then Automobile Insurance. This is the first year Fire Commissions have taken second place. It should be mentioned, however, that the Agency does not take commission on Fire Insurance on Country Elevator business. The full premium is retained by Pool Insurance Company.

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

BALANCE SHEET

Agency Assets and Liabilities

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

Shareholders' and Patrons' Assets

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

Loan Accounts: Nineteen new loans were made during the year and six were repaid, leaving the total number at twenty-nine. Of this number eight loans were made to finance the purchase of automobiles, and the balance were made to employees of one of the Parent Organizations and are fully guaranteed. Interest is thus earned on a part of our surplus funds without tying them up for any lengthy period. The Agency secures insurance on automobiles

and property financed thereby, and insurance once obtained in this manner is usually renewed.

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

Investments: The amount shown under this heading represents the cost price of purchases of \$35,000.00 of Dominion of Canada Bonds, 3½% redeemable June 1966. The market value of these bonds as at the date of the Balance Sheet represented an amount of \$36,050.00, which is in excess of the cost price of the bonds. While there may be some fluctuations in the value of these bonds, it is our belief that they offer the best medium of obtaining an earning without risk of loss. We are in the satisfactory position of being able to invest considerably more than our capital and reserve the year round, and operate the Agency on current income.

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

Furniture and Equipment: We continue to carry this asset at the nominal sum of \$500.00 by adding to the depreciation reserve the sum of \$209.75, being the cost of new purchases this year.

Shareholders' Liabilities and Reserve

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

Patrons' Equity: The item of \$31,174.65 represents the excess of income over expenses for the year ended July 31st 1950, after provision for income tax. This amount is available for payment as Dividends, and divided on the basis of patronage each Pool will receive the dividends as shown on Surplus Account, Exhibit "B".

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

Equity to Shareholders

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

| | No. of Shares | Values |
|---|------------------|--------------------|
| Alberta Wheat Pool..... | 664 | \$ 6,640.00 |
| Manitoba Pool Elevators..... | 663 | 6,630.00 |
| Saskatchewan Co-operative Producers Limited..... | 1 | 10.00 |
| Saskatchewan Pool Elevators Limited..... | 660 | 6,600.00 |
| Saskatchewan Pool Terminals Limited..... | 1 | 10.00 |
| Saskatchewan Co-operative Livestock Producers Limited..... | 1 | 10.00 |
| Modern Press Limited..... | 1 | 10.00 |
| Directors' Qualifying Shares..... | 9 | 90.00 |
| | <u>2000</u> | <u>\$20,000.00</u> |

INCOME AND EXPENDITURE STATEMENT

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

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

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

Respectfully submitted,

| | | |
|-------------------|---|------------------|
| J. H. WESSON | } | <i>Executive</i> |
| W. J. PARKER | | |
| BEN S. PLUMER | | |
| THOS. G. BOBIER | | |
| J. W. BALDWIN | | |
| GEO. N. McCONNELL | | |
| W. J. BALL | | |
| A. T. BAKER | | |
| W. J. BLAIR | | |

Pool Insurance Company
DIRECTORS' REPORT
1949-1950

Winnipeg, Manitoba
28th February 1950.

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

Gentlemen:

We have pleasure in submitting herewith for your approval the Eleventh Annual Report and Financial Statements, covering operations of your Company for the year ended 31st December 1949.

The result for the year shows Excess of Income over Expenditure of \$162,908.44 as compared with \$156,015.65 last year. After transferring \$10,000.00 to Capital Surplus Account, setting up the usual Capital Stock Dividend as required by the Company's Charter and a reserve of \$810.00 for income tax, the balance of \$152,096.59 has been allocated to the policyholders on the basis of their contribution to the surplus.

The total premium income amounted to \$560,073.42 as compared with \$556,948.41 last year.

After reinsuring 85% of our liability, with the exception of dwelling risks, the net earned premium income was \$91,504.31. The net losses and adjustment expenses of \$22,743.77 produced a loss ratio of 24.86% as compared with 79.55% last year.

Three total losses were reported, being slightly better than average, and as they occurred when the grain stocks were comparatively light, we are able to report this favorable loss ratio.

The elevators were located as follows:

In Alberta—Czar

In Manitoba—Portage la Prairie, Kronsgrart.

In addition to these total losses, forty small losses were sustained, thirty-six at elevators and four at dwellings.

The inspection of all Pool property insured by the Company for the purpose of detecting and removing fire hazards is, we consider, a most important feature of our operations, and in this regard we have pleasure in expressing our appreciation of the co-operation of the agents, superintendents and managements in carrying out the recommendations and suggestions made by our inspectors. We do depend to a large extent on the year-round alertness of the elevator agents in detecting and removing fire hazards, and we cannot stress too often that continued vigilance is essential if we are to improve the loss experience. Extra precautions against fire hazards at the time of continued operation of the elevator is essential, particularly in regard to checking of the machinery.

During the year one of our fire inspectors retired; Mr. John York, who has been replaced by Mr. R. W. MacLean, a former elevator agent.

You may be interested in the value of the property insured by your Company, which we list hereunder. Building values change from time to time and the values

shown are as at 31st December 1949. The value of the grain is the daily average for the year:

| | |
|---|------------------------|
| Country Elevators..... | \$41,773,232.00 |
| Grain..... | 45,785,438.56 |
| Dwellings..... | 3,337,318.00 |
| Furniture and Fixtures and Miscellaneous..... | 1,716,449.94 |
| | <u>\$92,612,438.50</u> |

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

The total revenue shown in the statement of Income and Expenditure is largely made up of the earned premiums on our percentage of the risks, plus commission earned on the reinsurance, less losses and earned commission paid to Canadian Pool Agencies Limited. In addition, the item of \$12,860.45 is the amount paid to us by the unlicensed Reinsurers in lieu of taxes and Underwriters' Association expenses. The small item of \$118.49 represents an allowance we received to cover cost of inspection, made for the Insurance Companies which insure three elevators in British Columbia. The revenue derived from the insurance on British Columbia elevators is insufficient to warrant our taking out a license in the Province.

By far the greatest expense is in connection with the operation of the Inspection Service. This service provides inspection of each elevator approximately twice a year.

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

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

ASSETS

Cash on Hand and in Bank

Under this heading the Current and Savings Bank Accounts are shown.

Accounts Receivable

Under this heading is an amount due from Canadian Pool Agencies Limited in respect to business placed with the Company through the Agency, less a balance due to the Agency on inter-office account. The sum of \$215.74 represents the amount advanced to our Inspectors to cover travelling expenses.

Investments

You will notice the market value of the Company's investments exceed the ledger value by \$4,193.75.

Automobiles

Three new automobiles were purchased during the year, and after allowing depreciation in this account of \$615.90 the asset covering four automobiles is shown as \$5,500.00. These automobiles are used by our fire inspectors.

LIABILITIES

Current Liabilities

Premiums due the reinsurance companies are shown. Losses in process consist of the Company's estimated net share of losses for which adjuster's reports have not been received. The item covering Taxes Accrued represents War Revenue Premium Tax and Fire Prevention Taxes due respectively to the Dominion and Provincial Governments.

Reserve for Unearned Income

These reserves are calculated on the basis of one hundred percent of the unearned premiums on our own retention and one hundred percent of the unearned portion of the reinsurance commissions as at 31st December 1949.

Capital Stock

The ownership of the Capital Stock of Pool Insurance Company is held by the three Provincial Pool Organizations as follows:

| | Shares | Subscribed | Paid Up | Premium Paid |
|---|-------------|---------------------|---------------------|--------------------|
| Alberta Wheat Pool..... | 750 | \$ 75,000.00 | \$ 55,500.00 | \$ 9,000.00 |
| Saskatchewan Pool Elevators Limited..... | 1250 | 125,000.00 | 92,500.00 | 15,000.00 |
| Manitoba Pool Elevators.. | 500 | 50,000.00 | 37,000.00 | 6,000.00 |
| | <u>2500</u> | <u>\$250,000.00</u> | <u>\$185,000.00</u> | <u>\$30,000.00</u> |

The \$30,000.00 premium on Capital Stock referred to above, was provided to create a surplus required by the Dominion Superintendent of Insurance. According to the Insurance Act, we are required to retain a surplus at least equal to 80% of our unearned premiums before refunds of excess charges are made. This \$30,000.00, together with \$8,932.01 excess realized on Dominion of Canada bonds sold, plus an additional \$10,000.00 retained from the year's earnings, and a refund from the Dominion Government in respect to income tax paid in 1946, creates the capital surplus of \$51,585.54 as shown on the Balance Sheet. The purpose of so further increasing the Capital Surplus being to permit the Company to retain a greater share of the insurance written.

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

Respectfully submitted,

| | |
|-----------------|--------------------|
| J. H. WESSON | } <i>Executive</i> |
| W. J. PARKER | |
| BEN S. PLUMER | |
| G. N. McCONNELL | |
| THOS. G. BOBIER | |
| J. W. BALDWIN | |
| W. J. BLAIR | |
| E. H. KEITH | |
| W. J. BALL | |

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