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Saskatchewan
Co-operative Producers
Limited

Twenty-Third
ANNUAL
REPORT



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SASKATCHEWAN

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MCGILL UNIVERSITY



**SASKATCHEWAN CO-OPERATIVE
PRODUCERS LIMITED**

Directors' Report

Regina, Saskatchewan,
4th November 1947

IN MEMORIAM

This year Saskatchewan Co-operative Producers Limited completes twenty-three years of co-operative service on an ever widening scale to the organized farmers of Saskatchewan.

With the passage of the years it becomes our sad duty to record the loss of an increasing number of those who helped lay the foundation and raise the structure of the co-operative movement in this Province.

It is with deep regret that your Board places on record the great loss sustained by your organization in the passing of the late Mr. A. D. Young of Cymric. Mr. Young was first elected a delegate in 1926. In December, 1933, he was elected to the Board of Directors as representative of District 9 and remained a member of the Board until the time of his death.

Other men who passed away during the present year and who played an important part in the development of this organization included the late Mr. Norman C. Stewart of Phippen, who was first elected a delegate in 1926. He was elected to the Board of Directors as representative of District 12 in December, 1938, and served several terms in that capacity. The late Mr. Ed. Cooke of Carmichael, was first elected a delegate in 1929 and continued to hold office until 1945. He was appointed to the Board of Directors as representative of District 4 in December, 1937, which office he held for three years. The late Mr. Henry Willner of Davidson was one of the first delegates of the organization elected in the first election held in July, 1924. While Mr. Willner was not officially connected with the organization in recent years, his interest in co-operative development remained constant. The late Mr. D. R. Lister of Dahinda, was elected in 1942 and held office as delegate at the time of his death last month.

All of these men gave liberally of their time and energy to the development of the co-operative movement in Saskatchewan. They have passed on, most of them in the prime of life, still with the vision before them, still with work to be done. In the agricultural co-operative movement there is no settled ease for those who are placed in positions of leadership. There is always work to be done—new fields to conquer—if the objective of co-operation is to be realized in improved living conditions in our western farm homes.

The men whose names are listed here were in the very forefront of co-operative advance during the best years of their useful lives. Their memory will be an inspiration to those of us who are left to carry on.

* * *

As in former years, in submitting this report to the Twenty-third Annual Meeting of Delegates of Saskatchewan Co-operative Producers Limited, your directors have endeavored to present a complete review of the operations of the organization for the year ended 31st July 1947. The report outlines the operations not only of the parent body but of all subsidiaries and interprovincial Pool subsidiaries.

Consolidated Balance Sheet

A copy of the Consolidated Balance Sheet (Statement No. 1) is attached to this report. This statement sets out the combined financial position of Saskatchewan Co-operative Producers Limited, Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, Modern Press Limited and Saskatchewan Co-operative Livestock Producers Limited as at 31st July 1947. The usual explanatory notes on the principal items of the Consolidated Balance Sheet are also attached.

At the end of the fiscal year, 31st July, 1947, current assets for the whole organization amounted to \$24,677,-735.30 and current liabilities to \$13,496,142.49. The difference between these two items, namely, \$11,181,592.81 represents the current position of the organization.

Provision is made in the Consolidated Balance Sheet for contingent liabilities in respect of buildings, work under construction and machinery under purchase, estimated at \$3,845,000.00. After making provision for these items, the balance of \$7,336,592.81 remains available for working capital for the season 1947-1948.

Consolidated Capital Statement

The Consolidated Capital Statement (Statement No. 2) sets out in detail the current financial position of the organization as at 31st July 1947.

After providing for the completion of the balance of the approved program of capital expenditures estimated at \$3,845,000.00, as already stated the surplus available for working capital for the season 1947-1948 is shown as \$7,336,592.81, as compared with an amount of \$19,423,-579.39 for the previous season. The decrease of \$12,086,-986.58 is accounted for as follows:

Additions

Surplus Earnings

Saskatchewan Co-operative Producers Limited.....	\$887,180.58
Modern Press Limited.....	28,022.07
Saskatchewan Co-operative Livestock Producers Limited.....	5,517.09
Saskatchewan Pool Elevators Limited — Surplus Earnings Transferred to Reserve Account.....	102,146.48

Liquidation of Capital

Depreciation on Fixed Assets.....	\$ 1,141,835.29
New Capital Subscribed.....	1,276.00
Deferred Credit to Reserve Account.....	79,138.63

\$ 2,245,116.14

Deductions

Additions to Plant Values of Fixed Assets, Including Balance of Approved Program.....	\$ 1,952,259.61
Addition to Investments.....	213.40
Additions to Stocks of Repair Parts and Supplies.....	21,895.76
Payment of Excess Charges Refund—1943-1944.....	5,221,158.33
Payment of Excess Charges Refund—1944-1945.....	1,015,723.74
Payment of Excess Charges Refund—1945-1946.....	1,994,446.15
Income and Excess Profits Taxes, 1942 to 1945 inclusive.....	2,629,135.21
Income and Excess Profits Taxes, 1945-1946.....	361,568.28
Reduction Producers' Equity—Old Membership.....	179,103.08
Payment of Principal to Province of Saskatchewan re 1929-1930 Pool Overpayment Liability.....	887,180.58
Temporary Storage Bins—Country Elevators.....	1,885.01
Additions to Deferred Accounts Receivable.....	67,533.57
	<u>\$14,332,102.72</u>

Decrease..... (\$12,086,986.58)

All capital expenditures approved to date are provided for in the above statement and include the estimated cost of the Flour Mill at Saskatoon, the new building and equipment for Modern Press Limited, the building of Terminal No. 4b and improvements in other terminal plants, along with the program of country elevator and cottage construction and capital replacements.

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

Statement No. 3 attached hereto has been prepared to show in detail composition of surplus capital as at 31st July 1947. The various items are largely self-explanatory. It will be noted that the portion of the Commercial Reserve now in liquid form amounts to \$3,779,028.80, a decrease from the previous year of \$168,241.04. This decrease is accounted for by the provision made for new capital expenditures in connection with the industrial development program, etc., for which the Commercial Reserve is the only source of funds available at the present time.

Elevator Deductions amounting to \$451,022.31 are also in liquid form, a decrease of \$679,326.17 from the previous year. This decrease represents an excess of new or contemplated capital expenditures over the amount of capital funds liquidated by provision from earnings or depreciation reserve on existing assets.

The expenditures provided for include the cost of building Pool Terminal No. 4b and the program of other capital expenditures in connection with country elevators, cottages and terminals.

The reserve account of the Elevator Company is fully liquid.

The reserve account of Modern Press Limited has been fully used to meet capital expenditures in connection with the new plant expansion.

Part of the reserve account of Saskatchewan Co-operative Livestock Producers Limited, amounting to \$28,076.04 is applied on fixed assets with a balance of \$8,151.05 applied on funds retained by Canadian Livestock Co-operative (Western) Limited in equity account instead of being distributed in cash. The old membership equity account, which is composed of an undistributed balance, is applied on fixed assets.

Advances from the Commercial Reserve funds are at present in effect for Modern Press Limited and Saskatchewan Co-operative Livestock Producers Limited.

Consolidated Statement of Assets, Direct Liabilities and Growers' Equity as at 31st July 1947

Statement No. 4 attached hereto shows a balance of assets over liabilities of \$19,763,231.10, which amount represents the equity of the members and patron members in the assets of the organization based on book values. This represents a decrease of \$10,178,341.58, accounted for as follows:

Surplus Earnings

Saskatchewan Co-operative Producers Limited.....	\$ 887,180.58
Modern Press Limited.....	28,022.07
Saskatchewan Co-operative Livestock Producers Limited.....	5,517.09
Saskatchewan Pool Elevators Limited, Surplus Earnings—Transferred to Reserve Account.....	102,146.48
Increase in Province of Saskatchewan Sinking Fund Interest Account.....	119,512.36
New Capital Subscribed.....	1,276.00
Deferred Credit to Reserve Account.....	79,138.63

\$ 1,222,793.21

Less

Payment of Excess Charges Refund:	
1943-1944.....	\$ 5,221,158.33
Payment of Excess Charges Refund:	
1944-1945.....	1,015,723.74
Payment of Excess Charges Refund:	
1945-1946.....	1,994,446.15
Payment of Old Members' Equity.....	179,103.08
Payment of Income and Excess Profits	
Taxes—1941-1942 to 1944-1945.....	2,629,135.21
Payment of Income and Excess Profits	
Taxes—1945-1946.....	361,568.28
	<u>\$11,401,134.79</u>
Decrease.....	<u>(10,178,341.58)</u>

The growers' equity of \$19,763,231.10 represents 83.707% of the book value of the Company's assets as compared to 86.348% last year, a decrease of 2.641%. These percentage figures, however, merely indicate the extent to which the assets of the organization are encumbered by direct liabilities to other than members and patron members.

The direct investment of the shareholders in the assets of the organization consists of:

Capital (Membership Fees).....	\$ 130,688.00
Elevator Deductions.....	12,188,060.07
Commercial Reserve.....	6,567,851.17
Total Investment.....	<u>\$18,886,599.24</u>

To ascertain the book value of this investment it is necessary to deduct from the growers' equity of \$19,763,231.10 the sum of \$5,739.72 covering the old membership Livestock Pool equity—the distribution of which may be made on a basis other than that of the members' direct investment in the organization.

Excluding this item of \$5,739.72 to the credit of the old Livestock members' equity account, the growers' equity would amount to \$19,763,231.10, which is equivalent to 104.611% of the total of \$18,886,599.24 subscribed by shareholders in the form of capital, elevator deductions and commercial reserve.

The book value of the shareholders' direct investment, therefore, is equal to 104.611 cents for each dollar of face value. This compares with a book value of 106.043 cents on the dollar at 31st July 1946, a decrease of 1.432 cents.

Payments to Province of Saskatchewan in Respect of the 1929-1930 Pool Overpayment Liability

Statement No. 5 attached hereto has been prepared to show the payments made to the Province of Saskatchewan up to and including 15th September 1947, in respect of the 1929-1930 Pool Overpayment liability and to show the balance of the regular payments to be made to the Province in full settlement of the liability as provided for under the terms of the Supplementary Agreement dated March, 1933.

It will be noted from the statement that the amount involved in the liquidation of the original indebtedness, on the basis of amortized payments of principal and interest at 5% as set out in the agreement amounts to \$22,101,297.58. Of this amount \$8,349,297.58 comprises interest and \$13,752,000.00 principal. Over 80% of the total amount of \$22,101,297.58 has been paid to date. The remaining payments to be made amount to \$4,327,264.30, of which \$480,465.96 will consist of interest, leaving a balance of \$3,846,798.34 to be applied as principal payments in full settlement of the liability.

Total Grain Handlings

Statement No. 6 attached to this report shows the total quantity of grain handled by Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited during the period 1924 to 1947 inclusive.

Net Earnings—Distribution

Statement No. 7 shows the net earnings and distribution of earnings of these companies for the same period.

Saskatchewan Co-operative Producers Limited

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

Balance Sheet

The Balance Sheet for the year ended 31st July 1947, appears as Statement No. 1, Page 11, 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. Total current assets as at 31st July 1947, amounted to \$7,253,731.20, and total current liabilities to \$1,699,216.04. The difference between these two items, \$5,554,515.16, represents the current position of the parent company.

There is provision in the Balance Sheet for contingent liabilities amounting to \$1,460,000.00 in connection with buildings and work under construction and machinery under purchase for the industrial program at Saskatoon. After making provision for these items the balance of \$4,094,515.16 represents the amount available as working capital for the organization.

Income and Expenses

Income for the year ended 31st July 1947, amounted to \$1,450,371.42, details of which are shown in Statement No. 2, Page 12, of the Auditors' Report. Expenses, details of which appear in Statements Nos. 2 and 2a, Pages 12 and 13, of the Auditors' Report amounted to \$563,190.84.

Included in the income of the Company is an amount of \$1,067,486.22 representing a share of earnings of Saskatchewan Pool Elevators Limited, received from the latter Company to provide the amount of \$887,180.58 required to meet the instalment of principal due to the Province of Saskatchewan on 15th September 1947, and to meet the deficit in the ordinary operations of the Company amounting to \$241,884.59, less the net earnings of the Vegetable Oil Plant of \$61,578.95; a net deficit of \$180,305.64. The deficit on ordinary operations compares with a deficit of \$74,488.55 in the previous year, and is accounted for by a reduction in the ordinary income of \$88,720.71 and an increase in expenses of \$78,675.33. The surplus of \$887,180.58 has been applied in the reduction of the Company's share of the 1929-1930 pool overpayment liability.

Saskatchewan Pool Elevators Limited

The Financial Statements and Auditors' Report of Saskatchewan Pool Elevators Limited, which have been submitted separately to delegates, show in detail the operations of the past season and the financial position of the Company as at 31st July 1947.

The Balance Sheet shows total current assets of \$23,195,323.15 and current liabilities of \$17,444,748.18. The difference between these items, namely \$5,750,574.97 represents the current position of the Company.

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 \$8,192,616.30, with operating expenses of \$6,195,010.25. The difference between these two items, \$1,997,606.05 represents operating earnings for the year. After deducting depreciation amounting to \$872,802.57, details of which are shown in the Auditors' Report, the net earnings of the Country Elevator Department are shown as \$1,124,803.48.

Saskatchewan Pool Terminals Limited

The Balance Sheet of Saskatchewan Pool Terminals Limited appears as Statement No. 1, Page 51, of the Auditors' Report. Statement of earnings and expenses for this subsidiary for the year ended 31st July 1947, appears as Statement No. 2, Page 52, of the Auditors' Report. Total operating revenue amounted to \$3,330,848.10 and operating expenses to \$2,045,837.31, leaving operating earnings of \$1,285,010.79 before providing for depreciation. After deducting depreciation on buildings and equipment, amounting to \$220,590.60, the net earnings of Saskatchewan Pool Terminals Limited amount to \$1,064,420.19, as compared with \$1,257,101.39 in the previous year.

Summary of Earnings and Expenses, Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited

Statement No. 3, Page 45, 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 amounts to \$11,523,464.40 with operating expenses of \$8,240,847.56, leaving operating earnings of \$3,282,616.84. After deducting depreciation of \$1,093,393.17, the net earnings for the year's operations amounted to \$2,189,223.67. The following summary shows the position for the year ended 31st July 1947:

Net Earnings After Charging Depreciation.....	\$ 2,189,223.67
Gain on Realization of Assets.....	720,079.65
	<hr/>
	\$ 2,909,303.32
Deduct	
Proportion of Pool Expenses.....	\$131,791.43
Interest on 1929-1930 Pool Overpayment Liability.....	242,023.19
Interest on Elevator Deductions.....	365,856.00
	<hr/>
	739,670.62
Surplus for the Year.....	<hr/>
	\$ 2,169,632.70

After deducting the payment of \$1,067,486.22 to Saskatchewan Co-operative Producers Limited previously referred to, the balance of \$1,102,146.48 represents surplus for the year after meeting all charges and providing for full depreciation on the fixed assets at the regular rate but before provision for income taxes.

Statement of Earnings

Attached to this report is a Statement of Earnings (Statement No. 7), covering the entire period of operations of the Company from 1st August 1925, to 31st July 1947, showing the distribution of these earnings.

Distribution of Surplus

Your Board has given careful consideration to the distribution of this year's surplus earnings amounting to \$1,102,146.48 and has decided:

1. That there be transferred to Excess Charges Refund Account, Season 1946-1947, for distribution at a pro rata rate per bushel to be determined on all grain delivered by Pool members to Saskatchewan Pool Elevators Limited, during the season 1946-1947, and to be used for the purchase of deduction certificates at face value, to be transferred on the books of Saskatchewan Co-operative Producers Limited to the credit of members entitled thereto the sum of.....	\$ 700,000.00
2. That there be transferred to Reserve for the payment of Income and Excess Profits Taxes the sum of.....	\$ 300,000.00
3. That there be transferred to Reserve Account the sum of.....	102,146.48
	<u>\$ 1,102,146.48</u>

As in former years, the time, form and manner of the above distribution will be in the discretion of the Board of Directors and in accordance with the requirements of the Income War Tax Act as amended.

Elevator Capacity

During the year under review Saskatchewan Pool Elevators Limited purchased twenty-one additional elevators; five were burned and one demolished. This gives a net increase of fifteen elevators and makes the total number of elevators at the end of the year 1,154 as compared to 1,139 at the same period a year ago. Since the end of the year six additional elevators have been purchased and three new elevators have been constructed. These are not included in the total of 1,154.

The rated storage capacity of Pool country elevators as at 31st July 1947, is as follows:

Country Elevators and Permanent Annexes.....	39,191,800 bushels
Temporary Bins.....	18,151,000 bushels
	<u>57,342,800 bushels</u>

Grain Handlings

Deliveries to Pool country elevators last season amounted to 131,928,166 bushels as compared with 123,889,882 bushels in the previous season. The average handled per elevator amounted to 118,427 bushels as compared with 111,312 bushels in the year ended 31st July 1946. The percentage handled of the total deliveries in the Province was the highest experienced by Pool Elevators since the commencement of its operations. For the past season 50.85% of all grain delivered was handled through Pool Elevators as compared with 50.52% the previous year. The previous high record was established in the year 1929-1930 when Pool Elevators handled 50.62% of all the grain delivered.

The following figures provided by the Board of Grain Commissioners give an interesting comparison of primary handlings in country elevators for the crop year 1946-1947 compared with the year 1945-1946:

Total Primary Handlings at Country Elevators During Grain Years 1946-1947 and 1945-1946

	Receipts (000's omitted)			
	Season 1946-1947		Season 1945-1946	
	Western Canada	Sask.	Western Canada	Sask.
Wheat.....	333,410 bus.	177,956 bus.	236,123 bus.	140,990 bus.
Coarse Grains...	181,023 bus.	81,479 bus.	182,158 bus.	104,204 bus.
Total Marketings.....	<u>514,433 bus.</u>	<u>259,435 bus.</u>	<u>418,281 bus.</u>	<u>245,194 bus.</u>

Handled by Saskatchewan Pool Elevators Limited

Wheat.....	91,988 bus.	71,329 bus.
Coarse Grains...	39,940 bus.	52,561 bus.
Total.....	131,928 bus.	123,890 bus.
Pool Elevator		
Share.....	25.65%	50.85%
	29.62%	50.52%

Statement No. 6 attached to this report shows the volume of all grain handled by the Company since the inception of the organization.

Carryover stocks in country elevators at the end of the year under review amounted to 5,123,263 bushels, compared with 5,791,000 bushels a year ago.

Grading Statement

Grading statements show a net loss of \$143,938.60, compared with a loss of \$150,823.95 in the previous year. The average loss per car is \$2.08 against a loss of \$2.22 a year ago. A substantial part of this loss is accounted for by wheat taken at straight grades grading tough when shipped.

Weigh-ups

By the end of the year it was again found possible to weigh-up all country elevators except one, so that the inventory of stocks with that exception was based on actual weigh-up figures.

Insurance

Our record of fire losses was heavier than it has been for a number of years. There were five complete losses, including stocks, and minor losses at six other points. Property losses amounted to \$92,480.59 and grain losses to \$160,766.32; a total of \$253,246.91. The loss ratio on property was 82.64% and on grain 156.76% or a combined rate of 118.08%. Salvage on grain would reduce the loss to the insurance companies considerably from the above figures.

Shipping and Export Department

Total sales of grain in all positions amounted to 33,547,732 bushels, compared with 58,713,681 bushels in the previous year. The following figures show total sales of each kind of grain with comparative figures for the previous year:

	1946-1947	1945-1946
Wheat.....	9,239,679 bus.	18,094,760 bus.
Oats.....	16,078,080 bus.	27,667,286 bus.
Barley.....	8,228,473 bus.	12,841,032 bus.
Flax.....	1,500 bus.	110,603 bus.
	33,547,732 bus.	58,713,681 bus.
Screenings.....	32,623 tons	18,553 tons

Churchill

During the year under review there were unloaded into the Churchill elevator 3,167,975 bushels of wheat and a total of 2,928,936 bushels were shipped out. Unloads of wheat shipped out by Pool Elevators amounted to 1,450,703 bushels, or approximately 50% of all unloads. In the 1946-1947 shipping season there were nine cargoes shipped from Churchill with a total of 2,928,936 bushels. Of this quantity Pool Elevators Export Department exported 1,037,000 bushels, which figures out to approximately 35%.

In view of the renewed interest in the Port of Churchill during this year's open shipping season, the following statement showing the record of receipts and shipments from the opening of the port in 1932 up to the end of the last grain year and also Pool participation in this business, may be of interest:

Season	Receipts (Figures from Canada Trade Year Books) (Bushels)	Shipments (Bushels)
1931-1932.....	2,835,277	544,769
1932-1933.....	2,870,116	2,736,029
1933-1934.....	2,750,587	2,707,891
1934-1935.....	3,963,516	4,049,877
1935-1936.....	2,487,431	2,407,000
1936-1937.....	2,426,721	4,293,501
1937-1938.....	—	603,982
1938-1939.....	3,178,016	916,913
1939-1940.....	1,924,474	1,772,461
1940-1941.....	112,786	—
1941-1942.....	no change	no change
1942-1943.....	no change	no change
1943-1944.....	—	739,584
1944-1945.....	no change	no change
1945-1946.....	no change	no change
1946-1947.....	3,167,975	2,928,936
Totals.....	25,716,899	23,700,943

(Pool Elevator Figures from our own Records)

Supplied by:

	Pool Elevators	Pool Central Selling Agency	Others
	17,997,000 bus. 70%	544,000 bus. 2%	7,720,000 bus. 28%
Exported by Pool Elevators.....	5,192,000 bus.		

At the beginning of the current (1947) season, stocks in store at Churchill amounted to 42,656 bushels. There was shipped into Churchill during the season a total of 5,043,168 bushels. Of this amount Saskatchewan Pool Elevators Limited shipped 2,846,358 bushels or 56.440% of the total. The amount exported during the season was 4,975,753 bushels. The amount allocated by the Canadian Wheat Board to the Export Department of Saskatchewan Pool Elevators Limited for export was 1,725,753 bushels or 34.683% of the exports. There is left in store at the close of the season 110,071 bushels of wheat.

The following statement shows the vessel clearances for the 1947 season as at 9th October. It will be noted that two vessels were able to make two voyages to Churchill during the season:

Date Cleared	1 Nor.	2 Nor.	3 Nor.	4 Nor.	Total
Vessel	(Bushels)				
Essex Trader Aug. 14	—	348,200-00	—	—	348,200-00
Mattagami Aug. 14	—	328,000-00	—	—	328,000-00
Leeds City Aug. 16	—	—	299,000-00	—	299,000-00
Ingerto Aug. 19	—	284,053-40	—	—	284,053-40
Savannah Aug. 21	—	355,000-00	—	—	355,000-00
Atlantic City Aug. 26	—	325,000-00	—	—	325,000-00
Fort Richleau Aug. 30	—	—	347,000-00	—	347,000-00
Essex Trader Sept. 12	—	348,500-00	—	—	348,500-00

Middlesex Trader Sept. 15	347,000-00	—	—	—	347,000-00
Mattagami Sept. 18	—	346,000-00	—	—	346,000-00
Fort Anne Sept. 20	—	336,000-00	—	—	336,000-00
Langlecrag Sept. 24	—	—	296,000-00	—	296,000-00
Fort Wedderburne Sept. 24	220,000-00	118,000-00	—	—	338,000-00
Fort Cataraqui Sept. 29	—	292,805.20	—	49,194-40	342,000-00
Fort Kootenay Sept. 29	—	220,000-00	116,000-00	—	336,000-00
<hr/>					
	567,000-00	3,301,559-00	1,058,000-00	49,194-40	4,975,753-40
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Seed Grain Distribution

During the year under review there was a substantial increase in the Saskatchewan production of field inspected crops. Local and export demand continued good, and Saskatchewan seed growers were able to dispose of practically all seed stocks at satisfactory prices.

This Department of Pool Elevators again showed a substantial increase in the volume of grain handled. During the year ended 31st July 1947, total sales of registered and certified seed amounted to 273,000 bushels as compared with 176,000 a year ago, an increase of 97,000 bushels. A breakdown of the sales shows the following:

Registered and Certified Seed Grain sold in Saskatchewan.	168,500 bus.
Registered and Certified Seed Grain sold for Export.....	104,500 bus.
	<u>273,000 bus.</u>

The following statement shows the volume of registered and certified seed grain handled by Pool Elevators and also by the Saskatchewan Branch of the Canadian Seed Growers' Association for the past six seasons:

Season	Sask. Pool Elevators Limited	Sask. Branch Seed Growers Association	Total Sales
1947.....	273,000 bus.	163,000 bus.	436,000 bus.
1946.....	176,000 bus.	131,000 bus.	307,000 bus.
1945.....	120,600 bus.	89,200 bus.	209,800 bus.
1944.....	112,000 bus.	73,100 bus.	185,100 bus.
1943.....	27,800 bus.	18,000 bus.	45,800 bus.
1942.....	24,000 bus.	23,800 bus.	47,800 bus.

In the course of the year the Department also handled 52,650 lbs. of forage crop seeds as compared with 37,700 lbs. the previous year.

While there was a limited market for commercial seed oats in carlots in Eastern Canada last spring, there was also a shortage of high quality oats suitable for cleaning to a commercial seed grade. There was also a shortage of seed oats in certain areas in Saskatchewan. In consequence no commercial seed oats were shipped to Eastern Canada during the past year, although twenty cars were assembled and sold locally.

During the past year a committee of your Board has been reviewing the whole seed grain situation in Saskatchewan with a view to determining whether the time has not now arrived for the Pool organization to expand further in the field of seed distribution through the acquisition of processing facilities. Further information in this connection will be submitted to the meeting.

Saskatchewan Wheat Pool Construction Company Limited

At the beginning of the 1947 construction season the sum of \$1,427,886.00 was approved by the Board to cover the following construction work:

- (a) Repairs and improvements to existing elevators;
- (b) Demolition and reconstruction of 10 elevators;
- (c) Construction of 20 permanent annexes;
- (d) Installation of 30 new cleaners, plus 4 transfers;
- (e) Repairs and improvements to agents' dwellings;
- (f) Construction of 25 agents' dwellings.

This did not include provision for repairs to temporary annexes nor for construction of elevators at new delivery points.

The position of material and labor showed no improvement over the previous year. Lumber has been obtainable in amounts sufficient to meet requirements but the flow has been uneven resulting in considerable loss of time and additional expense due to the necessity of substituting. Sheet metal for spouting and nails have been very difficult to secure in the right quantities at the right times.

The labor situation was also difficult. The peak payroll occurred during the month of August with 330 men on the construction payroll. Since August the number has been reduced substantially.

The following statement shows the extent to which it was possible to carry out the program laid down at the beginning of the construction season:

Detail of Work	No. Projected	No. Completed
Scale Conversions.....	191	115
New 15 or 20 Ton Scales.....	3	2
Scale Transfers.....	Indefinite	9
72" Air Dumps.....	51	47
New Engines.....	23	22
Engine Transfers.....	Indefinite	12
Boot Tanks.....	9	6
New Cleaners.....	30	7
Cleaner Transfers.....	4	3

Elevator Construction

As indicated above, the original plans called for the demolition and rebuilding of ten obsolete elevators. Nine of these were completed at the following points:

Buchanan, 60,000 bus.; Elstow, 60,000 bus.; Eston, 85,000 bus.; Hazelcliffe, 35,000 bus.; Lewvan, 60,000 bus.; Morse, 45,000 bus.; Prince Albert, 60,000 bus.; Salvador, 45,000 bus.; and Vawn, 45,000 bus.

In addition to the above, elevators were destroyed by fire and rebuilt at the following stations:

Cymric, 60,000 bus.; Richard, 45,000 bus.; Roche Percee, 35,000 bus.; Togo, 60,000 bus.; and Westbend, 60,000 bus.

At the time this report is prepared elevators are under construction at Somme, 45,000 bus.; Canopus, 35,000 bus.; Kamsack, 60,000 bus.

In order to carry out the full program of elevator construction it was found necessary to employ the services of a contractor employing two crews in addition to our own construction crews.

Cottage Construction

A total of twenty-two points were approved for the construction of agents' dwellings and fifteen units have been completed.

Elevator Painting

It is anticipated that 350 elevators and forty annexes will have been painted at the close of the present construction season. All of this work has been carried out by contractors.

Cottage Painting

A total of 109 cottages have been repainted, practically all of the work being done by agents.

Labor

The average number of men employed in the Department, excluding contractors, during the period May to October was 310.

General

Labor and material costs have increased materially over the 1946 average. In general the rate of work per man hour has not improved over the 1946 figure, but during the season a large number of young men have received useful training and should be of greater value in the 1948 program.

In connection with material, the price of lumber has increased approximately \$12.00 per thousand for cribbing and correspondingly more in the select grades. For other materials there has been a general increase all along the line, but in no case has the increase reached the level for lumber.

Although accurate figures are not available at the time this report is prepared, it would appear that the cost of a 35,000 bushel, 45,000 bushel and 60,000 bushel elevator, building it entirely of new material, is respectively, \$26,000.00, \$31,000.00 and \$37,000.00. On this basis the cost per bushel for the three sizes of elevators given is approximately 74 cents, 69 cents and 61 cents.

Laboratory Service

As in former years 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:

	Germination	Moisture
1946-1947.....	35,882	3,506
1945-1946.....	30,282	2,340
1944-1945.....	15,292	1,715

In addition to these tests the laboratory also cleaned, weighed and graded 1,044 samples of grain for the junior variety test plots.

Smut Tests

The service under which Pool members were enabled to have their seed grain samples tested for smut by the Associated Laboratory Service of Saskatoon, was continued during the year under review. During the season 10,130 tests were made for Pool members. This service is being continued for the current year.

Saskatchewan Pool Terminals Limited

Terminal Elevator Handlings

The total volume of grain handled through Pool Terminals at Port Arthur for the year ended 31st July 1947, amounted to 97,423,015 bushels of all grains as compared with 95,965,256 bushels in the previous year. In view of the size of the Saskatchewan crop, the shortage of cars for a considerable part of the season and the fact that large

quantities of grain originating in Pool country elevators were shipped to mills, the Pacific coast and to Churchill, your Board believes that this handling can be regarded as reasonably satisfactory.

Grain and flour moved almost continuously throughout the season from the seaboard to the British Isles and to European countries, with lesser quantities being shipped periodically to countries in Asia, Africa and South America.

Total exports of Canadian wheat and wheat flour during the year amounted to 242,536,498 bushels, a substantial reduction from the previous year's exports. Total exports of coarse grains, whole and processed, amounted to 41,914,000 bushels, or over nine million bushels less than last season. Shipments of grain by rail from country points to the United States were negligible and shipments to that country for milling in bond by boat from the Lakehead amounted to only one and one-half million bushels of wheat.

Receipts of grain for the various Pool Terminals for the past year, as compared with the previous year, are as follows:

	1946-1947	1945-1946
	(Bushels)	
Terminal No. 4.....	25,832,908	24,214,173
Terminal No. 5.....	—	288,076
Terminal No. 6.....	26,579,511	25,410,419
Terminal No. 7.....	45,010,596	46,052,588
	<u>97,423,015</u>	<u>95,965,256</u>

Grain in store in Pool Terminals as at 31st July 1947, amounted to 2,814,123 bushels, or 107,239 bushels more than the amount in store at the same date a year ago.

Stocks in store by terminals were as follows:

Terminal No. 4.....	684,155 bus.
Terminal No. 6.....	673,801 bus.
Terminal No. 7.....	1,456,167 bus.
	<u>2,814,123 bus.</u>

Statistics provided by the Board of Grain Commissioners for Canada show 170,231 cars as having been shipped out from the West and unloaded at the Lakehead during the crop year 1946-1947. Of this number Pool Terminals unloaded 56,008 cars or 32.9%. A year ago 51,853 cars or 30.05% of the total unloads were handled at Pool Terminals.

The capacity of Pool Terminals represents 23.72% of the total Lakehead licensed terminal space so that the percentage of cars unloaded and handled through Pool facilities exceeded the percentage of licensed space by 9.18%.

Pool Terminal No. 7 again led all terminal elevators in the volume of grain handled during the season, 25,939 cars being unloaded at this terminal, representing 15.24% of the total unload. Pool Terminal No. 4 handled 15,174 cars or 8.91% of the Lakehead total, while Pool Terminal No. 6 unloaded 14,895 cars, equal to 8.75% of the Lakehead unloads.

Pool Terminal No. 4b

Plans for the construction of Pool Terminal No. 4b to replace Pool Terminal No. 5 were submitted in detail to the last annual meeting and substantial progress has been made in this work. The capacity of the new workhouse will be approximately 367,000 bushels. It will be connected directly with annexes Nos. 2 and 3 of old Terminal No. 5 and annex No. 1 of Terminal No. 4. This new plant has

been designed and is being constructed to include the fastest possible unloading, shipping and cleaning equipment.

This work, like all other construction work, has been subject to delays, but it is now anticipated that the plant will be completed in time to start operations for the 1948-1949 crop season.

During the past year the Board has also been considering the advisability of providing additional storage space at Pool Terminal No. 7. This whole question was reviewed with the Company's engineers when the Board met at Port Arthur last month. It has now been decided to go ahead with the construction of two million bushels additional storage on the inshore end of Pool Terminal No. 7. Provided no unforeseen difficulties develop, this additional storage should be ready for operation in October, 1948, in time for the movement of the 1948-1949 crop.

Approval was also given to the installation of a grain grinding plant to be located in the new storage. Orders for suitable equipment for this plant are now being placed.

Modern Press Limited

Financial Statements

Details of the financial results of the operations of Modern Press Limited for the year ended 31st July 1947, are set out in the Financial Statements and Auditors' Reports submitted separately to the delegates.

After providing for depreciation on fixed assets amounting to \$13,018.39, the operations of Modern Press Limited show a surplus of \$45,148.79, before providing for income and excess profits taxes. This is made up of surplus of \$18,116.63 on the operations of the Job Printing Department and a surplus of \$27,032.16 on the publication of The Western Producer. This year's surplus of \$45,148.79 compares with a surplus in the previous season of \$69,796.57.

As in former years depreciation has been charged in equal portions to the Commercial Printing and Western Producer Departments. The sum of \$17,126.72, covering Dominion Income and Excess Profits Taxes has been deducted from the surplus for the year, and the balance of \$28,022.07 has been transferred to reserve account.

Commercial Printing Department

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

	1946-1947	1945-1946	Increase (Decrease)
Job Sales, etc.....	\$165,445.06	\$150,495.92	\$14,949.14
Cost of Stock.....	49,803.54	43,439.31	6,364.23
Expenses.....	91,015.69	82,551.02	8,464.67
Surplus Before Depreciation..	\$ 24,625.83	\$ 24,505.59	\$ 120.24
Depreciation.....	6,509.20	5,304.99	1,204.21
Surplus After Depreciation....	\$ 18,116.63	\$ 19,200.60	\$ (1,083.97)

The Western Producer

A comparison of the financial operations of The Western Producer for the year ended 31st July 1947, with those of the previous year is shown below:

	1946-1947	1945-1946	Increase (Decrease)
Advertising.....	\$213,388.80	\$181,111.10	\$32,277.70
Subscriptions.....	27,530.24	28,562.46	(1,032.22)
Miscellaneous.....	3,928.00	3,788.56	139.44

Total Revenue.....	\$244,847.04	\$213,462.12	\$31,384.92
Newsprint.....	76,543.10	52,053.36	24,489.74
Expenses.....	134,762.59	105,507.80	29,254.79
Surplus Before Depreciation..	33,541.35	55,900.96	(22,359.61)
Depreciation.....	6,509.19	5,304.99	1,204.20
Surplus After Depreciation....	\$ 27,032.16	\$ 50,595.97	\$ (23,563.81)

The following figures provide a fairly complete picture of the costs incidental to the publication of The Western Producer for the past four fiscal years:

	1943-1944	1944-1945	1945-1946	1946-1947
Total Gross Press Run.....	5,671,651	5,942,401	5,987,972	6,412,802
Total Net Press Run	5,633,320	5,908,154	5,949,235	6,387,863
Total Spoiled Copies	49,331	34,247	38,737	24,939
Percentage Spoils to Gross Run.....	.869%	.576%	.647%	.388%
Average Net Run Per Issue.....	108,122	113,426	114,408	120,523
Cost Per Copy Net Run.....	2.7105c	2.6631c	2.7376c	3.4098c
Cost for 52 Issues (Per Copy).....	\$1.4095	\$1.3848	\$1.4236	\$1.7731
Lowest Net Press Run.....	104,675	111,950	111,815	117,325
Highest Net Press Run.....	112,825	115,000	117,967	124,515

Circulation

As a result of very intensive sales effort during the summer months net paid circulation reached a new high of 122,688 at the end of the year, an increase of 6,641 for the 12-month period. A total of 53,670 subscriptions were sold during the year, 8,350 more than in the previous year. The distribution of circulation by provinces for the two-year period is as follows:

	1946-1947	1945-1946
Saskatchewan.....	67,114	64,582
Alberta.....	28,061	29,511
Manitoba.....	12,377	8,312
British Columbia.....	13,753	12,304
Miscellaneous.....	1,383	1,338
	<u>122,688</u>	<u>116,047</u>

Building and Plant Expansion

Work on the new building was stopped in December, 1946, and was not resumed until April, 1947. Work was further delayed by a carpenters' strike in May, which may mean that the new plant will not be in full operation until some time in 1948. Most of the new machinery ordered over the past three years has reached Saskatoon, and the Goss newspaper press is being installed at the present time. Some of the new commercial printing machinery is already in use in the old building.

In last year's report the hope was expressed that by this time The Western Producer would be operating with new machinery and equipment in the new building. Due to the same causes which have interfered with construction in every phase throughout the West, this has not yet been found possible. Until the construction work is completed and the new equipment in operation, the paper will continue to be published under difficulties.

However, preparatory steps for substantial improvements in the paper have been undertaken, and your Board is of the opinion that the Editorial Staff of The Western Producer will be in good shape to undertake the expanding duties and responsibilities which will fall on them when the new equipment comes into operation.

Editorial

The Editorial Department of The Western Producer has carried on routine work throughout the past year and there has been nothing out of the ordinary to call for a special report.

The general policy of the paper has been maintained. There are some indications that some of the readers are somewhat dissatisfied with the curtailment of many features of the paper which newsprint rationing, etc., have imposed, but on the whole the paper has continued to retain the loyal support of its readers who probably recognize the difficulties which have had to be met, and that every effort is being made to overcome them.

Agricultural Department

Several new developments in western agricultural practices were carefully followed by the Agricultural Department during the year under review. Articles on the proper use of new weed control chemicals appeared regularly during the year. New types of farm tillage machines were described in several articles. The main work of the Department, however, was concerned with maintaining and developing interests which had proved of value to farm readers.

The Agricultural Editor attended many of the major livestock events across Canada, including shows of pure-bred cattle, sheep and swine, feeder cattle sales, together with a few private sales conducted by livestock breeders producing foundation stock. All of the Class A circuit exhibitions and seven Class B fairs were reported. In addition to these the Agricultural Editor attended two major national shows of livestock—the Toronto Royal Agricultural Winter Fair and the Pacific National Exhibition at Vancouver—both of which re-opened this year following a lapse of several years during the war. Reports on these events in The Western Producer have been followed closely by livestock men, and it is the intention to continue them.

The Department recognizes, however, that expanded coverage must be provided to include agricultural products other than livestock, and when this is possible will further develop the fields of crops, cropping practices, soil and water conservation, etc. With more space available in the paper it is hoped to expand agricultural coverage steadily. Expansion of the area covered will also be attempted. With an increase in circulation in British Columbia more attention will be paid to fruit growing, dairying and ranching in this area, and also in the farming country of the Peace River.

In line with discussions at previous annual meetings the Agricultural Department has arranged to conduct a column on veterinary science as one of the new features when the new equipment is available.

Excellent relations have been maintained with agricultural colleges, government officials and others closely identified with agriculture. Good relations also exist between the Department and the professional organization of trained agriculturists, the Agricultural Institute of Canada.

Women's Section

As with the other sections of the paper, the Women's Section, although experiencing certain difficulties as a result of delayed expansion of plant and paper, reports an encouraging year. Correspondence as a whole increased and showed a genuine interest in the women's and children's pages from a much wider area. Articles dealing with food

values and preparation, health, home decoration and household sewing, have appeared regularly. Book reviews appear as often as space permits.

Editorially, consideration of the problems of old age pensioners developed new angles. Some of the questions discussed included: What is the best type of old folks' home? What contribution can older people continue to make to the community? How can they enjoy a happier old age?

The cause of handicapped civilians and of the blind continued to receive publicity throughout the year.

The Garden Page continues to serve as a friendly meeting place for gardening enthusiasts on the Prairies and in British Columbia. It provides a common ground for the exchange of gardening experiences and practical gardening advice. Timely garden hints, suggestions on planting methods, suitable varieties and control of diseases and pests have all been publicized. Research work being carried on by horticulturists has been followed throughout the year.

Plans have already been laid, when more space is available, for an increasing number of interviews with gardeners and more reports on prairie orchards and farm beauty spots.

The Club Page has carried its usual features. In addition to reports of Saskatchewan Homemakers, Co-operative Women's Guild meetings, Farm Women's and Girls' groups, personal coverage of Women's Institute annual meetings in Manitoba and Alberta and of the United Farm Women of Alberta, has led to valuable contacts in these Provinces.

A step towards improved women's pages was taken last year when arrangements were made to secure feature articles by a well-known home economist. When time and space permit it is the intention to devote more attention to rural home-making, housing, electrification and community life.

Youth Section

In spite of the fact that space available to young co-operators is being curtailed, the Young Co-operators' Pages have continued to attract rural young people, and many newcomers to both the teen-age and junior sections were welcomed during the year. Keen disappointment was expressed by the juniors over the reduction in the space available to them.

The twentieth birthday of the Young Co-operators' Pages was celebrated at the end of February, and many early members returned to the Pages for the occasion. Comments received at that time indicate that the Pages are followed by many young co-operators long after they have taken their places in the adult world.

Reader Services

Orders received for patterns of various kinds and for fashion books total 83,846. This represents an increase of 2,891 over the 1945-1946 total, while that figure showed an increase of 11,266 over the previous year. The continued response to this feature indicates that the Fashion Page continues to be of decided interest and service to readers.

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

Household Arts.....	38,265
Dress Patterns.....	40,956
Fashion Books.....	4,625
	<hr/>
	83,846

Saskatchewan Co-operative Livestock Producers Limited

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

It will be noted from the Balance Sheet total current assets at the end of the year amounted to \$640,869.81. From the Statement of Earnings and Expenses it will be noted that after providing for depreciation on fixed assets in the sum of \$7,955.89, and making provision for doubtful accounts of \$150.00, the operations of the Company resulted in a surplus of \$9,424.87. In arriving at this surplus there is included a share of earnings of Canadian Livestock Co-operative (Western) Limited amounting to \$37,928.69, and a surplus from the operations of the Transit Compensation Fund amounting to \$3,595.90.

After making provision for income and excess profits taxes of \$3,907.78, there is left a surplus of \$5,517.09 for the year. This amount has been transferred to reserve account.

While the amount of this surplus is small when compared with the total value of the livestock marketed, your Board is satisfied that as a result of the operations of the livestock subsidiary the livestock market has been maintained at higher and more stable levels throughout the year than would otherwise have been the case. This has been reflected in the higher returns received by producers in individual settlements throughout the year.

Livestock Operations

Statement No. 17 attached to this report shows the comparative handling of livestock for the past two years. The decline in hog receipts, so pronounced a year ago, continued into the present season.

Canadian Livestock Co-operative (Western) Limited

Canadian Livestock Co-operative (Western) Limited is a co-operative livestock selling agency operating at St. Boniface, Manitoba. The Balance Sheet of this organization shows the financial position as at 31st July 1947. Total operating revenue for the year amounted to \$172,401.18, while total operating expenses for the same period were \$113,796.08, leaving an operating surplus of \$58,605.10. After provision for taxes on income amounting to \$325.00, the balance of \$58,280.10, was allocated as follows:

(a) Members' Equity (revolving fund basis).....				\$ 2,590.28
Alberta Livestock Co-operative Limited.....	1.050%	\$	27.20	
Manitoba Co-operative Livestock Producers Limited.....	33.870%		877.33	
Saskatchewan Co-operative Livestock Producers Limited..	65.080%		1,685.75	
	100.000%		\$ 2,590.28	
(b) Distributed on the basis of revenue contributed to the Sales Agency during the year..				55,689.82
Alberta Livestock Co-operative Limited.....	1.050%	\$	584.74	
Manitoba Co-operative Livestock Producers Limited.....	33.870%		18,862.14	
Saskatchewan Co-operative Livestock Producers Limited..	65.080%		36,242.94	
	100.000%		55,689.82	
				<u>\$58,280.10</u>

During the period under review C.L.C. handled 8,003 cars of livestock of which 5,352.4 were credited to Saskatchewan Co-operative Livestock Producers Limited.

General

Due to the decline in total provincial marketings livestock handlings through Saskatchewan Co-operative Livestock Producers Limited and also C.L.C. (Western) Limited were less than the previous season. It is interesting to note, however, that the percentage of livestock handled co-operatively in the year ended 31st July 1947, showed an increase in all departments.

The following statement shows the provincial deliveries as well as the number and percentage handled co-operatively:

Cattle and Calves			
	1945-1946	1946-1947	Percentage of increase (Decrease)
Provincial Deliveries.....	600,073	527,915	(12.02)
Handled Co-operatively.....	192,728	185,532	(3.73)
Percentage of Co-operative Handlings.....	32.12	35.14	
Hogs			
Provincial Deliveries.....	622,757	398,001	(36.09)
Handled Co-operatively.....	195,746	145,428	(25.71)
Percentage of Co-operative Handlings.....	31.43	36.54	
Sheep and Lambs			
Provincial Deliveries.....	155,960	134,735	(13.61)
Handled Co-operatively.....	50,895	52,618	3.39
Percentage of Co-operative Handlings.....	32.63	39.05	

The following statement shows the approximate distribution of Saskatchewan cattle and calves marketed for the calendar year 1946 and may be of interest to delegates:

Provincial Deliveries.....				583,330
Arrivals from Alberta.....				16,471
Arrivals from Manitoba.....				17
Total Marketings.....				599,818
<i>Deliveries to Provincial Yards</i>				<i>S.C.L.P.</i>
Prince Albert.....	24,581		15,451	62.86%
Moose Jaw.....	34,635		18,186	52.51%
Saskatoon.....	49,634		21,339	43 %
Regina.....	32,320			
	<hr/>	141,170	23.53%	
Direct to Plants in				
Saskatchewan.....	140,953	23.5%		
Shipments to Mani-				
toba.....	298,066	49.69%		
Shipments to Other				
Provinces				
British Columbia	594			
Alberta.....	3,583			
Ontario.....	4,238			
Quebec.....	11,214	19,629	3.28%	
				<hr/> 599,818
<i>Percentage of Deliveries to Saskatchewan Yards Handled by Saskatchewan</i>				
<i>Co-operative Livestock Producers Limited</i>				
Handled by S.C.L.P. in Saskatchewan				
(Including Regina Yard).....			87,882	62.25%
Handled by S.C.L.P. in Saskatchewan				
(Exclusive of Regina Yard).....			54,976	50.5%

Details of provincial deliveries in Saskatchewan showing the number and percentage delivered by truck and rail direct to the yards and also the volume and percentage delivered directly to packing plants in Saskatchewan is worthy of some study. It will be noted that, while the major percentage of cattle, calves, sheep and lambs is delivered directly to the yards, both by truck and rail, the opposite is true in the case of hogs, where the very

large percentage of both truck and rail shipments go directly to the plants.

Cattle and Calves

	1945-46		1946-47		Calendar Year 1946	
	No. of Head	%	No. of Head	%	Alta.	Man.
Direct to Yards—						
Truck and Rail.....	439,755	73.28	395,128	74.85	56.69	58.39
Direct to Plants—						
Truck and Rail.....	160,318	26.82	132,787	25.15	43.31	41.61
Total Deliveries.....	600,073		527,915			
Truck Shipments to Yards.....	99,699	62.31	92,896	67.29	64.76	47.41
Truck Shipments to Plants.....	60,298	37.69	45,139	32.71	35.24	52.59
Total Truck Shipments.....	159,997	26.66	138,035	26.15	50.92	59.81
Rail Shipments to Yards.....	340,052	77.27	302,229	77.51	48.36	74.71
Rail Shipments to Plants.....	100,024	22.73	87,651	22.48	51.64	25.29
Total Rail Shipments.....	440,076	73.33	389,880	73.85	49.07	40.18
Handled Co-operatively.....	192,728		185,832			
Percentage of Provincial Deliveries.....		32.12		35.2		
Percentage of Yard Deliveries.....		43.83		47.03		

Hogs

	1945-46		1946-47		Calendar Year 1946	
	No. of Head	%	No. of Head	%	Alta.	Man.
Direct to Yards—						
Truck and Rail.....	63,173	10.14	56,716	14.25	12.3	14.22
Direct to Plants—						
Truck and Rail.....	559,584	89.86	341,285	85.75	87.7	85.78
Total Deliveries.....	622,757		398,001			
Truck Shipments to Yards.....	32,339	18.17	23,190	22.72	2.9	8.61
Truck Shipments to Plants.....	145,614	81.83	78,814	77.38	97.1	91.39
Total Truck Shipments.....	177,953	28.57	102,004	25.63	36.22	67.32
Rail Shipments to Yards.....	30,834	6.93	33,526	11.32	17.6	25.7
Rail Shipments to Plants.....	413,970	93.07	262,471	88.68	82.4	74.3
Total Rail Shipments.....	444,804	71.43	295,997	74.37	63.8	32.67
Handled Co-operatively.....	195,746		145,428			
Percentage of Provincial Deliveries.....		31.43		36.28		
Percentage of Yard Deliveries.....		—		—		

Sheep and Lambs

Direct to Yards—						
Truck and Rail.....	112,942	72.42	93,116	69.11	27.88	34.23
Direct to Plants—						
Truck and Rail.....	43,018	27.58	41,619	30.89	71.62	65.64
Total Deliveries.....	155,960		134,735			
Truck Shipments to Yards.....	21,361	55.65	20,757	55.5	50.13	21.37
Truck Shipments to Plants.....	17,021	44.35	16,642	45.5	49.87	78.63
Total Truck Shipments.....	38,382	24.61	37,399	27.75	29.76	69.25
Rail Shipments to Yards.....	91,581	77.89	72,359	74.23	18.58	63.44
Rail Shipments to Plants.....	25,997	22.11	24,977	25.77	81.42	36.56
Total Rail Shipments.....	117,578	75.39	97,336	72.25	69.74	30.61
Handled Co-operatively.....	50,895		52,618			
Percentage of Provincial Deliveries.....		32.63		39.05		
Percentage of Yard Deliveries.....		45.06		56.5		

Public Market, Swift Current

During the year under review approval was given to the establishment of a public market at Swift Current. A suitable site has been secured and plans for the yard have been completed. It is hoped that the necessary construction work may be completed in the near future.

Packing Plant Strike

Due to the continuing decline in the volume of livestock being marketed in Saskatchewan, many operating difficulties were encountered calling for changes in organization and operating methods. In recent weeks these difficulties have been aggravated as a result of the packing plant strike which at the time of the preparation of this report has tied up practically all of the packing plants in Canada and has brought the movement of livestock to a standstill.

It is not the intention of your Board to express any opinion on the merits of the dispute which has brought this condition into being. It should be pointed out, however, that packing plants exist solely for the purpose of processing livestock and when labor disputes develop to the point where livestock no longer can be moved to market, the sole sufferer is the producer of livestock. In recent years it has become the practice to engage in these disputes just at the time when the movement of livestock is reaching towards the peak.

During the strike period the value of the livestock to the producer shows a heavy depreciation. The net result will be that many livestock producers will further reduce their flocks and herds rather than gamble on being in a position to market their stock at maturity. This will have a serious effect on agricultural stability in which the production of livestock has played an increasingly important part in recent years. It will also lessen the volume of livestock to be handled through the plants and hence the amount of labor employed in the plants.

Packing companies and labor union leaders must be brought to realize that unless they can find a more satisfactory method of adjusting labor relations than the method used in recent years where the only sufferer is an innocent third party—the livestock producer—the livestock industry may well reach the point where it ceases to be an important factor either in the agricultural industry or the business of packing plant operation and its ability to provide employment in Western Canada.

On the invitation of the Government of Saskatchewan representatives of your organization have participated in discussions on the situation rapidly developing as a result of the packing plant strike. It is obvious, however, that it is outside the power of any individual province to provide a satisfactory solution to the present problem. Your Board is satisfied that the problem calls for a settlement on a national rather than a provincial basis.

Your Board has supported the action calling for the appointment of a conciliator or conciliation board satisfactory to all of the provinces involved to the end that conciliation may be started immediately and carried on while the plants are being operated.

Your Board also recommended that arrangements should be made to remove the embargo on the shipment of livestock to the United States to provide at least partial relief and that the movement of livestock to the United States market should be facilitated along the lines suggested by the Directors of the Canadian Federation of Agriculture at their meeting in September. At that time the Federation asked the Dominion Government to establish immediately a Dominion export control board to facilitate and supervise the movement of livestock to the United States, such board to accept livestock at public market price levels in effect at the weekend prior to the cessation of slaughtering at Canada Packers, Burns and Swifts plants—the resulting surplus funds to be utilized in the general interests of the livestock industry.

In the opinion of your Board the condition which has developed during the past two months only confirms the need for the establishment of a board of livestock commissioners to administer the Livestock and Livestock Products Act and to make national regulations in connection with marketing.

It is also the intention of your Board to ask the Canadian Federation of Agriculture to recommend to the

Government the appointment of a Dominion Royal Commission to inquire into the packing plant and livestock industry, with a view to recommending whatever action may be found necessary to prevent the repetition of industrial disputes such as have developed in recent years. Your Board believes that an investigation of this kind will produce much valuable public information which may be of assistance in bringing stability to the livestock industry of Canada.

Co-operative Packing Plant

No further action has been taken by your Board up to this time in connection with the establishment of a co-operative packing plant or plants. The position is reviewed from time to time by the Board and when the appropriate time arrives recommendations will be submitted for your consideration.

Canadian Co-operative Wheat Producers Limited

As in former years, the report of Canadian Co-operative Wheat Producers Limited as presented to the shareholders is included in and forms part of this report.

Canadian Pool Agencies Limited

A report of the Directors of Canadian Pool Agencies Limited to the annual meeting of shareholders is also attached to the report. The Balance Sheet for the year ended 31st July, 1947, and Statement of Income and Expenses and Patrons' Equity are also attached as Statements Nos. 11, 12 and 13.

Pool Insurance Company

The fiscal year of Pool Insurance Company ends 31st December. The report of the operations of this inter-provincial organizations for the year 1946 is included and forms part of the report.

The Manager of Pool Insurance Company, who is also Manager of Canadian Pool Agencies Limited, will be in attendance at the meeting and will submit information on the current year's progress.

Publicity

Activities of the Publicity Department are outlined below under major headings.

Radio

Radio broadcasting during the year may be divided into three classifications: (1) Sunday afternoon news broadcasts over CKCK, Regina; (2) the hockey broadcast network; and (3) Tuesday night talks over CKCK.

Subject matter covered in these broadcasts included talks on Pool policy as outlined by the delegates; the Food and Agriculture Organization; the International Federation of Agricultural Producers; Patronage Dividends by Line Companies; Freight Rates; Livestock Marketing; the Dominion-Provincial Agricultural Conference; Proposed World Food Board; International Co-operation; the Barnes Case; Long-term Agricultural Policies; the Winnipeg Grain Exchange; Speculative Trading; Cereal Varieties; Variety Testing; Agricultural Conditions in Great Britain; the Pool's Industrial Development Program; Soil Conservation; the International Wheat Agreement; Crop Reports; the Special Cereal Conference in Paris; Agricultural Security; Hog Production; Post-War Agricultural Production; Stabilized Prices for Agricultural Products; the Canadian Federation of Agriculture; Commodity Agree-

ments; the International Wheat Conference, the Propaganda of the Winnipeg Grain Exchange; International Production; Pool Patronage Refunds; and numerous miscellaneous subjects related to co-operation and agriculture in Saskatchewan.

Inter-period hockey talks were carried over a number of stations including CKRM, Regina, CKBI, Prince Albert, CHAB, Moose Jaw, CJGX Yorkton, and CFQC Saskatoon. As a result of having this network, Pool broadcasts came closer to covering the entire Province than has ever before been achieved.

Advertising

The Western Producer and the Saskatchewan weekly newspapers have been continued as the major outlets for regular Pool advertising with a number of other publications, some published in Eastern Canada, selected for special advertising releases.

In addition to advertising in the local weekly papers in the Province, advertising is placed in a number of non-English language newspapers with Saskatchewan circulation. Efforts are made to place this advertising in a selection of papers which make it possible to reach all the major language groups in this Province.

The usual practice of placing joint advertising in The Western Producer sponsored by the Pool organizations of Manitoba, Saskatchewan and Alberta, was continued.

Harmonious relations have been maintained with the Saskatchewan Division of the Canadian Weekly Newspapers' Association, and good public relations exist between the Pool organization and the Saskatchewan radio stations, and the agricultural press, both inside and outside Saskatchewan.

Calendars

Lifting of war restrictions on paper quotas, together with some easement in supply position, has made it possible to increase our orders for calendars to a more satisfactory position. However, for the year under review calendars were in short supply and it was impossible to meet the demand for calendars, nor was it possible to entirely service the non-active membership.

Demand for the calendars remains strong, and many of them find their way to Great Britain and to many of the States in the United States.

Exhibitions

Contact with the membership of the Pool was maintained through the Class A and Class B fairs. Rest rooms were provided at Class A fairs at Regina and Saskatoon. An exhibit was displayed at the Class B fairs at Moose Jaw, Estevan, Weyburn, Yorkton, Melfort, Lloydminster, North Battleford, and Prince Albert. Large quantities of literature were distributed at the fairs.

Badges were purchased for distribution to those attending the farm boys' and girls' camps at all fairs. These badges provided space for the name of the boy or girl to be printed and bore the inscription: "Farm Boys' (Girls') Camp Member. Compliments of Saskatchewan Wheat Pool." Special invitations were extended to all those attending boys' and girls' camps to visit the Pool exhibit where literature was distributed and arrangements made for brief talks by a delegate or other representative of the organization.

Research

During the year considerable research work, including price analysis and statistical surveys, was conducted in

the Department covering a number of important phases of agriculture in Saskatchewan relating particularly to Pool activities, with special emphasis upon freight rate structures, livestock markets and production, grain processing and statistical comparisons of price levels in Canada and the United States.

Library

The Wheat Pool Lending Library operated through the year, making library service available to a large number of Pool members. For the twelve-month period ended 31st July 1947, 8,218 books were mailed out. The severity of the winter which resulted in little movement of books during the month of January particularly, accounts for the fact the number of books mailed out was approximately 1,000 less than for the previous year. The establishment of libraries under the Provincial Government's library program has lessened the demand for Pool library facilities from some areas in the Province. At 31st July 1947, the number of active borrowers stood at 1,750, made up of 1,631 Pool members and 119 agents.

Attached to this report is a table covering operations of the library for the year under review (Statement No. 8).

Junior Co-operative Activities

Variety Testing

For the thirteenth consecutive year a province-wide variety testing program was undertaken. As in previous years, the program was conducted under the supervision of Dr. J. B. Harrington, Professor of Field Husbandry at the University of Saskatchewan.

The junior co-operators who supervised the individual tests were carefully selected by Wheat Pool delegates. Altogether 318 boys and girls took part in this important experiment. A package of seed and a set of instructions for laying out the test were supplied to each co-operator. The duties of the co-operator included seeding the test, completing detailed reports on the progress of each variety during the growing season, harvesting the grain and packing it for shipment.

In planning the wheat tests for this year the Province was divided into two sections. The dividing line runs from a point near Lloydminster through central Saskatchewan to the southeast corner of the Province. The portion of the Province lying to the southwest of this line comprises the brown and dark brown soils area. Throughout this region, where sawfly losses have become increasingly serious in recent years, the sawfly resistant varieties Rescue, Pelissier and Stewart were tested against Thatcher, the latter variety being used as the standard of comparison. Rescue was used in the tests last year and its yield was satisfactory in the main sawfly area. Rescue is resistant to stem rust but susceptible to leaf rust and covered smut. The Grain Standards Board has decided that, beginning with the current year, this variety will be eligible for the higher grades.

Pelissier and Stewart are both durumms, the former being fairly well known in Saskatchewan. Stewart, a high quality durum originated at the North Dakota Agricultural College, is resistant to stem and leaf rust, and is expected to prove satisfactory in yield.

To the northeast of the dividing line mentioned above the soil is generally black, deep black or grey. In this area the varieties Thatcher, Regent, Redman and Saunders were tested. Thatcher was used as the standard of com-

parison. Regent is fairly well known in Saskatchewan, especially in areas adjacent to the Manitoba boundary. Redman was bred as an improvement on Regent and was used in the tests last year. Saunders is a new early maturing stem rust resistant variety of high milling quality. It is the result of a cross made at the Central Experimental Farm between Thatcher and a selection from Hope x Reward. Saunders may prove of value in the northerly regions where the growing season is short.

Altogether, 159 wheat tests were distributed throughout the Province in a manner which should reflect every condition of soil and moisture that occurred in the different areas.

The oat varieties under test were Ajax, Exeter, VC 15, VC 30, Beacon and Garry. Ajax and Exeter are becoming fairly well known in Saskatchewan. VC 15 and VC 30 are two new varieties developed by the Field Husbandry Department of the University of Saskatchewan. Both were produced as the result of a cross between Victory and a variety known as V.R.M.V. which originated in the United States. VC 15 and VC 30 are resistant to stem rust. Beacon is a new variety developed at the Central Experimental Farm, Ottawa. It is resistant to crown rust and moderately resistant to stem rust. Garry is an early maturing variety which was bred in Manitoba. It is resistant to rusts and smuts and is expected to yield well. A total of 69 oat tests were conducted throughout the north, northeast and eastern areas of the Province.

The barley varieties under test were Plush, Titan, Tregal, Vantage, Velvon and Gem. These are all six-rowed smooth awned varieties. Plush, Titan and Tregal have been used in previous tests. Vantage was originated at the Brandon Experimental Farm in an effort to replace Plush with a variety giving higher yields and better malting quality. As Plush is one of the leading varieties in Saskatchewan at present, the results of tests with Vantage will be of considerable interest to Saskatchewan farmers. Velvon and Gem are new varieties developed in the United States. They show considerable promise for use under Saskatchewan conditions.

The advent of smooth awned varieties in recent years has made barley a much easier crop to handle and has increased its value as a livestock feed.

Varieties suitable for both feeding and malting purposes are in great demand at the present time. In view of this fact it is of the utmost importance that the many new varieties now being introduced receive careful testing and that the farmers of Saskatchewan be advised of their qualities as soon as possible. It is expected that a considerable amount of valuable information will result from the seventy-three barley tests which were carried out in the central, south and western areas of the Province this year.

The continued demand for linseed oil and the fact that the organization has now established a flax crushing plant has created a great deal of interest in the new flax varieties. Seventeen flax tests were carried out in Pool Districts Nos. 1 and 2. For this project the varieties Royal, Victory, Dakota and Rocket were used. Dakota was developed by the United States Department of Agriculture and is resistant to wilt and rust. Rocket was originated at the Dominion Experimental Farm in Ottawa. It is resistant to rust but slightly susceptible to wilt. The introduction of a new early maturing flax variety with high oil quality and good threshing characteristics might aid materially in increasing the flax acreage in Saskatchewan.

The threshing, grading, protein testing and statistical work in connection with the variety testing program are now being carried out. The results will be published in booklet form, and it is anticipated that these will be available to our members early in the coming year in order that they may be studied before 1948 seeding operations begin.

In a Province such as Saskatchewan, where the entire economy depends upon grain production and where weather conditions, insect pests and plant disease can seriously affect the outturn of a crop, it is of the utmost importance that every scientific advance in the field of plant breeding be used to advantage by farmers. New varieties are being introduced each year and their advantages and disadvantages must be carefully considered before they are released for commercial production. Through the annual variety testing project, farmers and plant breeders are provided with results which give an accurate indication of the performance of these varieties under varied soil and moisture conditions. The results of the project are used each year by the Saskatchewan Cereal Variety Committee, together with results from tests conducted at the University and the Experimental Farms, in formulating varietal recommendations for the guidance of growers throughout the Province.

In addition to their scientific value, these tests provide an opportunity for farm boys and girls to obtain valuable practical training. The complex nature of the work creates in every junior co-operator an ability to follow written instructions. The reports which they are often called upon to make at local Wheat Pool committee meetings gives them training in public speaking and citizenship. In addition, these young people learn from their work the difference between varieties and the importance of choosing high quality seed for use in the field. Finally, their association with the Wheat Pool gives the junior co-operators some idea of the efforts made by the organization to assist the farmer in his problems.

Although the tasks involved in conducting a variety test require great care and attention to detail, it has been found that the average teen-age boy or girl is well qualified for this work. The efficiency and enthusiasm shown by junior co-operators in 1947 is an indication that these young people are not only able to conduct the tests properly but derive considerable satisfaction and practical education from the project. During the past year a number of letters have been received from junior co-operators who wished to express their appreciation at having an opportunity to take part in this program.

Junior Grain and Seed Clubs

As in former years assistance of the junior grain club movement directed by the Extension Department of the University of Saskatchewan, continues to be an important project receiving strong support from Pool delegates, agents, committees and field staff in all parts of the Province.

Close and cordial relationship is maintained with the Extension Department of the University of Saskatchewan which is responsible for this work and there is a first class working arrangement in all matters of mutual interest.

In addition to this close co-operation and voluntary assistance to the junior club movement, the usual grant of \$7,500.00 was made to the University of Saskatchewan as recommended by the delegates at the last annual meeting. This assistance is very greatly appreciated by the university authorities.

The following statement sets out in some detail the activities of the junior clubs in 1947:

Variety Grown		No. of Clubs	Members	Acres	Approximate Yield (Bushels)
Wheat	Thatcher.....	42	703	1,406	28,300
	Rescue.....	14	251	502	10,040
	Regent.....	1	12	24	600
	Pelissier.....	1	18	36	900
Total.....		58	984	1,970	39,840
Oats	Ajax.....	4	68	136	5,440
	Vanguard.....	1	16	32	1,280
	Victory.....	1	15	30	1,500
	Valor.....	1	11	22	880
	Exeter.....	1	16	32	1,280
Total.....		8	126	252	10,380
Barley	Montcalm.....	11	197	394	15,760
	Plush.....	6	102	204	8,160
	Titan.....	1	18	36	1,260
	O.A.C.....	1	16	32	1,024
	Rex.....	1	16	32	1,120
Total.....		20	349	698	27,324
Contract Barley					
Montcalm.....		4	105	1,050	39,900
Potato Clubs					
Netted Gem.....		2	20	—	—
Irish Cobbler.....		2	25	—	—
Early Ohio.....		1	23	—	—
Total.....		5	68	7	850
TOTALS.....		95	1,632	3,977	117,448 Grain 850 Potatoes

In reporting on the work of the year, Professor K. W. Gordon, Assistant Director of the Extension Department, points out that the number of clubs during the current season shows an increase of thirty-five over the previous year. Again the most popular grain was wheat, there being a total of fifty-seven wheat clubs. Of this number forty-two grew Thatcher and fifteen worked with the new sawfly resistant Rescue wheat. Eleven of the barley clubs concentrated their activities on the new all-purpose smooth awned malting barley, Montcalm.

Of the total number of ninety-five clubs in operation this season, fifty were sponsored by Wheat Pool Committees.

An experiment tried out this year by the Extension Department involved the establishment of four clubs known as young farmers' clubs. This was undertaken in an effort to ascertain whether the club type of activity would be found suitable for young farmers from eighteen to thirty years of age. In recent years the Province of Ontario has set up a very effective young farmers' organization and the junior club members graduate into these young farmers' clubs at a specified age. The Extension Department is of the opinion that there is a need for some such organization in this Province, but that the program should be different from the junior clubs. The Department inclines to the belief that for the senior clubs emphasis should not be so much on individual achievement involving the production of a good sample of seed or a good individual animal but rather on group or community activity.

There is also the position of the individual farm boy living in the large wheat producing areas where families are far apart and where it is difficult to establish a workable group. The Extension Department hopes to evolve some plan to interest the boys in this position.

Livestock Clubs

As was the case with grain clubs, junior livestock clubs in Saskatchewan also showed an increase over the previous year. In 1946 the Extension Department had under supervision a total of 152 livestock clubs made up as follows:

Swine Clubs.....	10
Baby Beef Clubs.....	130
Poultry Clubs.....	2
Dairy Calf Clubs.....	10
	—
Total.....	152
	==

In 1947, 184 clubs were in operation made up as follows:

Swine Clubs.....	9
Baby Beef Clubs.....	161
Poultry Clubs.....	4
Dairy Calf Clubs.....	10
	—
Total.....	184
	==

While no accurate figures on sponsorship are available, a substantial number of these livestock clubs are also sponsored by Wheat Pool committees, particularly in the northern part of the Province.

Homemakers' Clubs and Women's Work

The work of the homecraft clubs, carried on by the Department of Women's Work at the University of Saskatchewan, continues to provide sound training for girls living in rural Saskatchewan. While the number of homecraft clubs remains about the same as in the previous year, the Director of Women's Work (Professor Bertha G. Oxner) has noted a more general distribution over the whole Province. A marked increase in the number of clubs has taken place in the southwest and northwestern parts of the Province.

A more comprehensive report of the activities of the Department of Women's Work in co-operation with the Wheat Pool organization is being distributed separately to delegates.

Country Organization

The number of Wheat Pool committees on record as at 31st July 1947, was 1,173, which compares with the same number last year, and 1,166 in 1945. Statement No. 9 forming part of the report, shows the total number of committees functioning in the Province, with the distribution by Wheat Pool districts and sub-districts. Statement No. 10 indicates that 1,019 committees were re-organized during the year, leaving 154 committees that have not reported re-organization within the last twelve months. This position compares with eighty-nine unorganized committees one year ago.

Committee Conventions

Committee Conventions were held as usual during May, June and July, with better than average attendance. Reports presented by committee secretaries continue to improve each year and the discussion on these reports, led by the delegate, guides the convention to practical co-operative work, which is the prime purpose of these meetings.

The director's address on policy naturally centered on the British Wheat Agreement and the progress which has been made toward an international agreement. Committee men gave strong support to Pool policy, looking towards stability for agriculture.

During the year under review 127 conventions were held, covering 165 sub-districts; of these ninety-two were single sub-district meetings, thirty-two were joint conventions of two sub-districts, while three included committees from three sub-districts.

The policy of paying a small remuneration to the convention secretary has worked very well. Already the minutes of 124 conventions have been received at head office, which is a very satisfactory position.

Co-operative Education

Wheat Pool Committee Programs were issued during the year by the Country Organization Department and were mailed to the chairman and secretary of each committee, to Wheat Pool delegates, to Pool Elevator agents, travelling superintendents and other country workers, as well as key men in all departments of the organization. Educational material of this nature appears to meet a definite need. The following subjects were covered during the year: Control and Ownership; Another Pool Dividend; Wheat and Security; The Power of Association; Chairman's and Secretary's Handbook; Getting Together.

Further progress can be reported in the field of visual education. Last year most of the motion picture equipment used by District Representatives was on loan from the National Film Board. The budget of the National Film Board was curtailed during the year and the program was reduced accordingly. In this circumstance all equipment on loan was returned to the Film Board during April and May. The Country Organization Department was then authorized to purchase ten sound projectors and ten 110-volt portable power plants, together with all necessary auxiliary equipment.

A library of suitable films is being built up; more good films are now in production and a number of suitable subjects have been purchased. At last it can be said that a limited number of quality co-operative films, satisfactory in material and quite up to standard in both sound and photography, are available. News reels, travelogues and comic films have also been purchased to balance the program. The National Film Board releases continue to be placed at our disposal.

The foregoing development places the Department in a more satisfactory position in so far as motion picture equipment is concerned.

Four co-operative films have been placed in the larger school unit library, and six 1946 news reels which are no longer of current interest will also be placed in the larger school unit library, where they will be of value for historical reference.

The generous co-operation of the National Film Board and the Audio Visual Branch of the Department of Education has been greatly appreciated.

Kodochrome pictures for use in our slide projectors are very popular. They are used to present pictures of local interest which can be shown to advantage along with a sequence on livestock and grain marketing, co-operative schools, credit unions, consumer co-operatives and other activities which form part of our educational program.

Each District Representative has a library of these colored slides which can be used either separately or in conjunction with sound motion pictures.

An experiment is now under way to build a film strip from Kodochrome slides. Sixty-three colored slides have been assembled to tell a general story of co-operative development in Saskatchewan. These are in the hands of the photographer who produces film strips. The strip will provide a useful basis for comparison with single slides, both as to adaptability, wearing quality and cost. If this experiment proves successful, it will provide a further useful visual aid. During the year a film strip on the 1946 Financial Statement was produced.

Co-operative schools and rallies continue to be an important phase of our general educational program. These one and two-day events held in village and rural halls throughout the Province are an effective medium in reaching our young people. More than 2,000 young men and women attended these schools last year.

The annual program of regional co-operative schools was carried through with good results. Schools were held 7th to 12th July, at Saskatoon, Regina, and Prince Albert, and 14th to 19th July, at Swift Current. The following organizations assisted in the project: Extension Department of the University of Saskatchewan, Saskatchewan Federated Co-operatives Limited, Department of Co-operation and Co-operative Development, Saskatchewan Women's Co-operative Guilds, Adult Education Division of the Department of Education, Co-operative Union of Saskatchewan, the Dominion Experimental Farm at Swift Current and the Saskatchewan Co-operative Producers Limited.

The work was co-ordinated through the Co-operative Union. Wheat Pool field men were largely responsible for selection of students and assisted actively in the conduct of the schools as well as providing many lectures. A breakdown of attendance shows total attendance of 356; average age of students nineteen; average education grade ten.

A highlight of the project was a co-operative canteen organized the first day and carried through entirely by the students with their board of directors, managers, auditors, etc., with general meeting, distribution of earnings and all the features of a full-fledged co-operative. The idea caught the imagination of students; it was pursued with enthusiasm and was probably the best individual lesson of the course.

The Wheat Pool again sponsored and organized two co-educational agricultural courses conducted under the Dominion-Provincial Youth Training Plan, supervised by the Extension Department of the University of Saskatchewan. These courses were of six weeks' duration and were held at Kenosee Lake Chalet and at North Battleford. Six one-hour co-operative lectures were included in the teaching curriculum. Lectures were arranged by the Wheat Pool. Plans are already formulated to continue these courses during the coming fall and winter.

The Agents' Study Group and Call to Action Program was extended during the year to include a series of special committee meetings. Study material was prepared in the form of two booklets—"Taxing Co-operatives," and "Co-operation or Speculation." This material will form the basis for future study for Pool Elevator agents and committee men.

The Department of Education has provided additional opportunity for teaching co-operation in public, secondary

and normal schools. As reported last year the present curricula afford many opportunities for teaching co-operation. The high school curriculum has been revised to provide a new course in social studies for grades nine, ten and eleven. The normal schools continue to teach a class in rural sociology designed to prepare teachers for the new emphasis in education.

The Country Organization Department continues to work in close harmony with the Provincial Department of Education and the University of Saskatchewan. Special mention may be made of the assistance received from the Director of the Extension Department, University of Saskatchewan, and his staff.

From 1st August 1946, to 31st July 1947, forty-three new co-operative associations were incorporated in the Province (thirty-one under the Co-operative Associations Act), and twelve new credit unions. During the same period twenty-five associations were dissolved, leaving a net gain for the year of eighteen. Of the twenty-five which were dissolved five were amalgamated with other associations, while ten local livestock shipping associations were struck off the register for the reason that co-operative livestock marketing service is now provided in the area by Saskatchewan Co-operative Producers Limited.

The number of associations operating in Saskatchewan as at 31st July 1947, was 1,132, made up as follows:

Under the Co-operative Associations Act.....	898
Under the Credit Union Act.....	193
Under the Co-operative Marketing Associations Act.....	31
Under Special Provincial Acts.....	7
Under Dominion Legislation.....	3

Enrollment of New Members

For the year under review 8,529 applications for shares were received; 7,253 were transfers in blank and 1,276 new shares were allotted. In addition, during the month of July, 1,940 applications for shares were received of which 207 were allotted new shares and 1,733 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	Total Shares Issued
31st July, 1934.....	515	104,354
31st July, 1935.....	695	104,942
31st July, 1936.....	869	105,717
31st July, 1937.....	1,016	106,640
31st July, 1938.....	370	106,889
31st July, 1939.....	887	107,492
31st July, 1940.....	3,477	110,715
31st July, 1941.....	3,040	113,139
31st July, 1942.....	5,616	117,935
31st July, 1943.....	5,946	121,742
31st July, 1944.....	7,704	127,058
31st July, 1945.....	6,304	129,412
31st July, 1946.....	5,484	129,412
31st July, 1947.....	8,529	130,688

Industrial Development

Vegetable Oil Plant

After many delays due to shortages of material, equipment and labor, the vegetable oil plant at Saskatoon was finally brought into operation on 17th January, 1947.

From the commencement of operations to the end of the fiscal year 31st July, 1947, the plant was in operation 143 days. During that time it processed a total of 188,801 bushels of flax, an average of 1,320 bushels per day. Total linseed oil recoveries amounted to 405,441 gallons, and 3,355 tons of oilcake meal were also produced.

As already indicated, net earnings for the period amounted to \$61,578.95, after allowing for depreciation on buildings, machinery and equipment amounting to \$9,572.98. The total value of oil sales amounted to \$582,195.93, with the cost of oil manufactured, less the stocks of oil on hand, amounting to \$496,538.82, leaving a gross surplus on sales of \$85,657.11. After deducting administration and general expenses of \$14,367.84, rental \$9,191.03 and depreciation on office furniture and fixtures, etc., of \$519.29, the balance of \$61,578.95 constitutes the surplus for the period. The assets and liabilities of the plant are included in the Balance Sheet of Saskatchewan Co-operative Producers Limited.

During the period under review the sale and distribution of linseed oil and oilcake meal were under the control of the Oils and Fats Administrator and the Feeds Administrator respectively. During this period the plant processed the flax and received shipping instructions at fixed prices from these administrators.

On 15th September 1947, most of the controls were eliminated and by November it is anticipated that the last of the controls involving delivery quotas will have been removed.

It has been the policy of your Board to ensure that as far as possible there should be co-operative distribution of the production of this and other plants which may be built in the future. Throughout the period of operation there has been the closest co-operation between the plant management and Interprovincial Co-operatives, the shareholders of which are the regional co-operative wholesale societies in Canada and also the Scottish Co-operative Wholesale Society and the Co-operative Wholesale Society of England, as well as the national farmers' co-operative wholesale in the United States.

In anticipation of the removal of controls conferences have already been held with officials of Interprovincial Co-operatives in an effort to determine whether that organization will be in a position to handle the entire output of the plant. It is anticipated that during the current year it will be necessary to export a substantial quantity of the linseed oil.

The export demand, particularly to Europe, continues strong, but at the present time the plant is handicapped in meeting this demand, as a result of the decision of the Wheat Board to levy an equalization fee on all linseed oil exported. Negotiations are now in hand with the Wheat Board in an effort to overcome this obstacle.

Flour Mill

As indicated in the last annual report a start had been made on the construction of a 1,000 barrel flour mill and 500,000 bushels of grain storage on the Pool's industrial site at Saskatoon. Again this work encountered serious delays but during the last few months substantial progress has been made. It is anticipated that the buildings will have been covered in by the time of the annual meeting, and it will be possible to carry on the work of installing plant and equipment during the winter months.

There are still substantial shortages in certain lines of equipment, and while shipment of the milling plant has been promised for December, it is probable that it will be the early summer of 1948 before the mill comes into operation.

Delivery dates for the flour mill equipment have been established. Already one carload of milling equipment has been received and is in store in the mill building. With the information now available it is hoped that there will be no further serious difficulty in completing the project.

Other Industrial Development

Other projects in the industrial program which are under consideration by your Board include the development of a plant for the production of starch, part of which would be converted to glucose and part used for the production of glycol as well as for the production of starch for domestic use.

The research work in connection with the production of glycol is nearing completion, and it is anticipated that a final report by the National Research Council will be available in the next few months.

The possibilities of a co-operative packing plant in connection with livestock marketing, and also a seed processing plant or plants, is also under consideration.

In view of the shortage of equipment and material, combined with the very rapid rise in all construction costs, including the cost of material, your Board is of the opinion that further heavy capital expenditure in this field should not be undertaken in the immediate future until it has been determined whether construction costs are likely to remain at present levels or whether there will be a reduction in these costs in the near future as is widely anticipated at the present time.

In any case your Board will keep in close touch with the whole position with a view to taking such action as may be deemed advisable in the best interests of the organization and its members.

Future Policy

International Wheat Agreement

The report of the directors of Canadian Co-operative Wheat Producers Limited has outlined in detail the progress made during the year looking towards the establishment of an international wheat agreement.

As indicated in that report your President and Secretary were in attendance at the International Wheat Conference held in London, England, last March and April.

While substantial progress was made and the form of agreement generally approved by all the participating countries, it was found impossible to agree on a price range which would be effective during the life of the agreement.

In order that Wheat Pool delegates may have the most complete information available on this subject, which is of such vital importance to the economic welfare of the Province of Saskatchewan, your Board has extended an invitation to Dr. Leslie A. Wheeler of Washington, D.C., to attend and address this meeting, which invitation has been accepted.

Dr. Wheeler is head of the Foreign Agricultural Relations Division of the United States Department of Agriculture. He is chairman of the International Wheat Council and headed the United States delegation to the latest international wheat conference. He has also participated in all of the international wheat conferences in recent years and has been closely identified with the working out of international commodity agreements as well as participating in the work of the Food and Agriculture Organization.

Dr. Wheeler will attend this annual meeting on November 5 and 6.

The International Wheat Council has called a meeting to be held in Washington on 8th December, when another effort will be made to secure international agreement. Your organization will again be represented.

British Wheat Agreement

It will be recalled that the Canada-United Kingdom Wheat Agreement provides that the United Kingdom will purchase 160 million bushels of wheat in each of the years 1946-1947 and 1947-1948 and 140 million bushels in each of the years 1948-1949 and 1949-1950. The price fixed for the first two years' operations was \$1.55 per bushel, basis One Northern, Fort William. No price was set for the crop years 1948-1949 and 1949-1950, but the agreement provided that the price would not be less than \$1.25 in 1948-1949 and \$1.00 in 1949-1950. In arriving at the price for the two latter years, the agreement provided that the United Kingdom would have regard to any difference between the price paid under the agreement in the 1946-1947 and 1947-1948 crop years and the spot prices for wheat in those same crop years.

There is further provision that the actual prices to be paid for wheat to be bought and sold within the crop year 1948-1949 must be decided not later than 31st December 1947, and the price for the 1949-1950 crop is to be settled not later than 31st December 1948.

When it became apparent that no international wheat agreement would be in effect for the crop year 1947-1948 your Board instituted discussions with the authorities at Ottawa recommending that negotiations be undertaken at an early date with a view to determining the actual price to be paid by the United Kingdom for the 1948-1949 deliveries. These were undertaken in September and it has now been announced by London and Ottawa that for the 140 million bushels to be purchased by Great Britain in 1948-1949 the price will be \$2.00 per bushel, basis One Northern, Fort William-Port Arthur.

This means that the British Government has given practical evidence that it will live up to the intent and spirit of the agreement and confirms the stand taken by this organization that the Canada-United Kingdom Wheat Agreement could become a major factor in maintaining stability in the agricultural industry in the post-war period.

Feed Grains

On 21st October 1947, the Dominion Government announced that effective the following morning price ceilings would be removed from oats and barley and also from meat and meat products. Up to that time your Board had urged that it was in the national interest that controlled prices on feed grains and meats should be maintained. Your Board had also recommended that any increases in

ceiling prices on meats should be accompanied by a corresponding adjustment in prices on oats and barley in order that the proper relationship might be maintained.

General

In the last annual report reference was made to the fact that the then ceiling price of 77 3/8 cents per bushel on wheat used for domestic consumption bore no relationship to the realities of the situation and urged that this position be remedied. During the year under review this has been done and the Canadian consumer now buys his bread and flour on the same price basis for wheat as is in effect under the Canada-United Kingdom Wheat Agreement.

It is the opinion of your Board that in the next crop season, when the \$2.00 price becomes effective under the British Agreement, a similar adjustment should be made on wheat used for domestic consumption.

As a policy for the coming year your Board recommends:

1. That in the interests of a stabilized agriculture, every effort should continue to be made to secure the establishment of an international wheat agreement between the principal importing and exporting countries of the world, which agreement would provide minimum prices for the protection of producers as well as maximum prices for the protection of consumers.
2. That the Wheat Board Act should be amended to provide that the Board should act as the sole marketing agency for all other grains in addition to wheat and flax.
3. That in order to avoid any possible legal controversy as to the power of the Board to handle feed grains, the Dominion Government should be asked to approach the Provincial Governments with a view to securing complementary provincial legislation so that the authority of the Wheat Board to act as the sole marketing agency for all grains may be placed beyond question.
4. That the initial payment on wheat delivered to the Board during the current 1947-1948 season be increased to at least \$1.55 per bushel.
5. That interim payments of a minimum of 20 cents per bushel be paid on deliveries of grain to the Wheat Board for the crop seasons 1945-1946 and 1946-1947.
6. Since the domestic price for wheat has now been established on the same basis as the effective price under the British Agreement, during the period this agreement is in force the domestic price for wheat in Canada should be maintained at a level not less than the price paid by the United Kingdom.
7. That the Dominion Government should continue its efforts to enter into long-term contracts for the sale of other agricultural commodities as an effective means of securing stability in agricultural operations.
8. That in the interests of a stabilized agriculture an adequate scheme of crop insurance should be worked out by Dominion and Provincial authorities, the cost to be borne jointly by Dominion and Provincial Governments and by producers.
9. The need for the establishment of a board of livestock commissioners to administer the Livestock and Livestock Products Act and also for the establishment of a Royal Commission to inquire into the livestock and packing plant industry has already been referred to in this report.

Your Board will continue to urge these adjustments both directly on the governments concerned and also through the channels of the Canadian Federation of Agriculture until satisfactory results have been secured.

Conclusion

The Governments of those countries constituting the United Nations have solemnly pledged that they will take

all possible measures to raise the level of nutrition and the standard of living of the people under their jurisdiction. If that pledge is to be kept it is obvious that we are entering a new era in agriculture.

Prior to the outbreak of the last war a very large proportion of the world's people was undernourished. That was particularly true of many millions of people in Asia and in different parts of Europe.

The war in Europe and also in Asia ended with desperate shortages in foodstuffs, raw materials and other goods and services. To meet the immediate situation U.N.R.R.A. was established to administer relief to the hungry countries of Europe and Asia. That organization completed its work at the end of 1946, but the food situation in many areas remained nearly desperate. Some organization still was necessary and the International Emergency Food Council was set up. Its chief function is to determine the principal supplies of food available in the world and to allocate these supplies where the need is greatest.

The immediate situation is one of scarcity of food supplies and so far as producers are concerned the only problem is to produce the greatest possible supply of foodstuffs to feed a hungry world. The limiting factor at the moment is not the physical capacity to produce enough food, but rather the ability of nations to bring about the financial and economic adjustments necessary to make production and distribution possible.

But the long-term outlook may be different. It has been demonstrated in our own experience here in Western Canada that a relatively small excess of supply over economic demand is followed by a heavy drop in prices. On the other hand a relatively small excess in economic demand over supply may be followed by substantial increases in price. These broad swings in price levels are usually referred to as cyclical movements. But in addition to these there are also disturbing short-term price fluctuations which have a direct bearing on farm income.

Prior to the war an inquiry conducted by a department of the British Government showed, in the matter of wheat, and taking the Liverpool contracts as a standard, that there was only one year in the decade before 1938 when the highest price of the year exceeded the lowest price by less than 46%, and the average excess of the year's high over the year's low, was 70%.

In the opinion of your Board under such conditions it is impossible to establish an all-out orderly program of food production. Any plan intended to bridge the gap between the generally accepted importance of agriculture and those practical measures necessary to create a permanent and prosperous farm life, must take account of these two types of price instability.

If the pledge of the Governments of the countries constituting the United Nations to raise the level of nutrition and the standard of living of all peoples is to be kept, in addition to entering a new era of agriculture, something must be done to establish price stability which will make all-out production possible.

Pool delegates will readily recall the wave of economic nationalism which swept across Europe following the First Great War. Uneconomic production was stimulated by government action supported by all types of subsidies and protection. The seed for unwanted surpluses was sown at that time and the harvest reached its full fruition

in the early 30's when the world's finest bread grain was sold for less than 40 cents a bushel at Fort William.

In the difficult period that lies ahead it will be the policy of your Board to continue to develop and support those actions on a national and international level which will tend to bring about stability in farm income and hence better living conditions in Saskatchewan farm homes.

Respectfully submitted,

MARSH ADAMS

A. F. SPROULE

J. W. ORR

JAS. McCALLUM

T. G. BOBIER

FRED MILNE

JOHN N. BURRILL

W. J. BALL

ALBERT GREENFIELD

GEO. M. EMMONS

L. W. ELLIOTT

JOHN A. FOX

H. A. CROFFORD

W. M. ROSS

A. W. FRIESEN

JOHN H. WESSON

GEORGE A. TOUCHE & CO.

Chartered Accountants

356 Main Street,
WINNIPEG

26th September 1947

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 1947, and have reported in statutory form on the Balance Sheets of these companies.

The amount shown under Deferred Charges as "Overpayment 1929-1930 Pool" is intended to be amortized over future years as conditions warrant or allow.

Under the terms of the Retirement Annuity Plan there is a liability of undetermined amount in respect of employees engaged prior to 1st August 1939; in the past year the third payment was made to the Dominion Government Annuities Branch in respect of the estimated total liability amortized over ten years.

The standard profits used for Modern Press Limited and Saskatchewan Co-operative Livestock Producers Limited in the computation of excess profits taxes have not yet been approved by the Board of Referees. No provision has been made for Modern Press Limited income and excess profits taxes for seasons 1942-1943 to 1944-1945 inclusive.

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 organizations' affairs as at 31st July 1947, 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
CONSOLIDATED BALANCE SHEET AT 31st JULY 1947**

STATEMENT No. 1

ASSETS

Cash and Securities	
Cash in Banks.....	\$10,000,911.07
Cash Funds—Payors.....	873,886.83
Province of Saskatchewan Bonds, at Cost.....	482,529.25
	<hr/>
	\$11,357,327.15
Accounts Receivable, Current	720,561.36
Stocks of Grain (as certified by responsible officials).....	12,416,602.07
Stock in Trade (as certified by responsible officials).....	47,163.91
Manufacturing Supplies (as certified by responsible officials).....	14,500.05
Prepaid Taxes, Insurance and Other Expenses	121,580.76
	<hr/>
Total Current Assets	\$24,677,735.30
Accounts Receivable, Deferred	
Province of Saskatchewan—Sinking Fund Interest, Account.....	\$1,299,868.63
Growers' Accounts.....	14,164.89
Canadian Livestock Co-operative (Western) Ltd.....	20,898.70
Intercontinental Packers Limited.....	25,600.00
Pool Elevator Corporation.....	384,000.00
Refundable Portion of 1942-1943 Excess Profits Tax..	79,138.63
	<hr/>
	1,823,670.85
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).....	170,284.92

LIABILITIES AND CAPITAL

Cheques, Vouchers, etc., Outstanding	
Cheques and Money Orders.....	\$ 4,510,985.51
Grain Drafts, Cash Tickets, etc.....	4,617,609.42
Outstanding Certificates.....	11,892.26
	<hr/>
	\$ 9,140,487.19
Accounts Payable, Current	
Province of Saskatchewan re 1929-1930 Pool Overpayment	
Principal.....	\$887,180.58
Accrued Interest.....	88,518.92
	<hr/>
	\$ 975,699.50
Excess Charges Refund Season 1946-1947	700,000.00
Reserve for Income and Excess Profits Taxes.....	168,772.40
1945-1946 Excess Charges Refunds in Abeyance.....	1,995.20
Sundry.....	2,509,188.20
	<hr/>
	\$ 4,355,655.30
Total Current Liabilities	\$13,496,142.49
Deferred Liability	
Province of Saskatchewan re 1929-1930 Pool Overpayment.....	3,846,798.34
Deferred Credit to Reserve	
Refundable Portion of 1942-1943 Excess Profit Tax.	79,138.63
Elevator Deductions	12,188,060.07
Commercial Reserve	6,567,851.17
Capital	130,688.00

Fixed Assets (Less Reserves for Depreciation)

Country Elevators and Coal Sheds.....	\$4,388,202.71	
Terminal Elevators.....	2,139,542.85	
Land, Buildings and Machinery, Regina and Saskatoon	505,002.56	
Agents' Residences.....	551,111.54	
Work Under Construction.....	2,153,673.76	
Sites—Terminal Elevators, etc.....	256,058.40	
Stock Yards, Assembly Yards and Equipment.....	28,287.77	
Warehouses—Regina and Port Arthur.....	30,139.22	
Office Furniture and Fixtures.....	77,989.76	
Automobiles and Sundry Equipment.....	172,737.52	
		<u>10,302,746.09</u>

Deferred Charges

Overpayment 1929-1930 Pool—Company's Share, Less Reductions.....	\$2,546,929.71	
Stocks of Repair Parts and Supplies.....	129,849.76	
Temporary Storage Bins.....	1,885.01	
		<u>2,678,664.48</u>
		<u>\$39,653,101.64</u>

Livestock Producers' Equity—Old Membership..... 5,739.72

Reserves

Modern Press Limited.....	\$ 195,914.43	
Saskatchewan Co-operative Livestock Producers Ltd....	36,227.09	
Saskatchewan Pool Elevators Limited.....	3,106,541.70	
		<u>3,338,683.22</u>

Contingent Liabilities

In respect of buildings and work under
construction and machinery under
purchase—Estimated \$3,845,000.00

Approved on behalf of the Board.

J. H. WESSON, *Director*
A. F. SPROULE, *Director*

\$39,653,101.64

This is the Balance Sheet Referred to in our Report of 26th September 1947

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

CONSOLIDATED BALANCE SHEET

The following explanations may be of value in considering the above statement:

ASSETS

CASH AND SECURITIES:

Province of Saskatchewan Bonds—\$482,529.25: This represents the following bonds valued at cost:

\$508,000.00 Province of Saskatchewan 4½% Debentures due 1st October 1951, and

25,000.00 Province of Saskatchewan Industrial Development 3% debentures due 1st February 1955.

ACCOUNTS RECEIVABLE—CURRENT:

Sundry—\$720,561.36: 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—\$12,416,602.07: This amount represents the value of grain on hand in various positions at 31st July 1947, less the liability for stored grain. Values of open market grains have been based upon Winnipeg market cash closing prices at 31st July 1947, or upon open sales contracts where applicable after allowing, where necessary, for freight and other charges.

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

Stocks in Trade—\$47,163.91: Includes the value of job stock and newsprint on hand at Modern Press Limited, Saskatoon, and oil on hand at the Vegetable Oil Plant, Saskatoon, at 31st July 1947.

Manufacturing Supplies—\$14,500.05: This comprises the cost of drums, sacks, fuel, grease and oil on hand at the Vegetable Oil Plant, Saskatoon, 31st July 1947.

Prepaid Taxes, Insurance and Other Expenses—\$121,580.76: This amount represents prepayment of various items chargeable to the operations of the succeeding year.

ACCOUNTS RECEIVABLE—DEFERRED:

Province of Saskatchewan—Sinking Fund Interest Account—\$1,299,868.63: 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 monies 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 Interest Account.

Growers' Accounts—\$14,164.89: Items comprising this amount are made up as follows:

Advances Against Reserves.....	\$ 1,208.59
Seed Grain Advances Against Reserves.....	10,611.10
Contract Notes—1928-1933.....	2,345.20
	<u>\$14,164.89</u>

Canadian Livestock Co-operative (Western) Limited—\$20,898.70: This represents the 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 1936-1937 to 1946-1947, inclusive.

Intercontinental Packers Limited—\$25,600.00: The agreement between the Saskatchewan Co-operative Abattoirs Limited and Intercontinental Packers Limited, Saskatoon, was purchased by Saskatchewan Co-operative Producers Limited in order to permit the Abattoir Company to wind up its affairs. The sum of \$25,600.00 represents the balance due under the agreement and is repayable in semi-annual instalments of \$5,000 each, with interest at 5 per cent.

Pool Elevator Corporation—Buffalo—\$384,000.00: This amount represents the balance owing on the sale of the Buffalo Terminal and is repayable in thirty (30) semi-annual payments of \$12,500.00 each in U.S. funds, due 1st February and 1st August, 1950 to 1964 inclusive, and a final payment of \$9,000.00 due 1st February 1965, with interest at the rate of 4½ per cent.

Refundable Portion of 1942-1943 Excess Profits Taxes—\$79,138.63: This is the refundable savings portion of the Excess Profits Taxes levied by the Dominion of Canada for 1943, repayable to Saskatchewan Pool Elevators Limited.

Investments and Memberships—\$170,284.92: This amount represents investment in shares and memberships at cost, less a reserve of \$50,000 which was set aside from surplus income of Saskatchewan Co-operative Producers Limited in season 1936-1937 to provide against loss in the Company's investment in Canadian Co-operative Wheat Producers Limited. Details of the 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	107,500.00
Canadian Livestock Co-operative (Western) Limited		
8 Shares of \$1.00 each.....	8.00	
Saskatchewan Co-operative Credit Society Limited		
450 Shares of \$10.00 each.....	4,500.00	
Saskatchewan Federated Co-operatives Limited		
1 Share of \$100.00.....	100.00	
Local Co-operative Associations—Sundry Shares.....	3,489.92	
Rural Telephone Companies—Sundry Shares.....	1,517.00	
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	
Riverside Country Club Limited, Saskatoon		
2 Shares of \$150.00 each.....	300.00	
	<u>\$220,284.92</u>	
Less: Reserve.....	50,000.00	
		<u>\$170,284.92</u>

FIXED ASSETS:

Country Elevators and Coal Sheds—\$4,388,202.71: Included in this amount are the following items:

	Plant Value	Depreciation	Net Value
Country Elevators.....	\$16,205,760.36	\$11,824,570.07	\$ 4,381,190.29
Coal Sheds.....	10,699.38	3,686.96	7,012.42
	<u>\$16,216,459.74</u>	<u>\$11,828,257.03</u>	<u>\$ 4,388,202.71</u>

Terminal Elevators—\$2,139,542.85: The following are the details of the amount shown in respect of this asset:

	Plant Value	Depreciation	Net Value
Terminal No. 4.....	\$ 3,134,011.64	\$ 2,405,591.42	\$ 728,420.22
Terminal No. 6.....	75,371.80	75,371.80	—
Terminal No. 7.....	4,106,102.71	2,694,980.08	1,411,122.63
	<u>\$ 7,315,486.15</u>	<u>\$ 5,175,943.30</u>	<u>\$ 2,139,542.85</u>

The above values are exclusive of sites, which are shown under the heading of "Sites—Terminal Elevators, etc.". Terminal No. 6 is a leased elevator and the plant value, which is for equipment only, is fully depreciated.

Land, Buildings and Machinery—Regina and Saskatoon—\$505,002.56: This includes the following items:

Regina	Plant Value	Depreciation	Net Value
Head Office Building..\$	247,259.31	\$ 162,102.68	\$ 85,156.63
Site.....	25,397.75	—	25,397.75
Furniture and Equipment.....	30,131.31	13,386.67	16,744.64
Saskatoon			
Modern Press Building	26,372.15	16,279.05	10,093.10
Site.....	12,725.00	—	12,725.00
Machinery and Equipment.....	111,894.38	81,057.67	30,836.71
Vegetable Oil Plant Building.....	226,498.98	2,642.49	223,856.49
Machinery and Equipment.....	99,718.13	5,816.89	93,901.24
Site.....	6,291.00	—	6,291.00
	<u>\$ 786,288.01</u>	<u>\$ 281,285.45</u>	<u>\$ 505,002.56</u>

Agents' Residences—\$551,111.54: Included in this asset are 562 agents' residences valued at \$1,025,034.30, against which there is a reserve for depreciation amounting to \$473,922.76.

Work Under Construction—\$2,153,673.76: This represents sundry construction and replacement work in progress in the Country Elevators and Terminal Departments, Modern Press Limited, and Flour Mill at Saskatoon.

Sites—Terminal Elevators, etc.—\$256,058.40: The following is a summary of the sites which comprise this amount:

Terminal No. 4.....	\$ 91,000.00
Terminal No. 4B.....	34,524.46
Terminal No. 7.....	80,678.30
Elevator Sites.....	1,046.25
Cottage Sites.....	48,187.39
Regina Warehouse Site.....	622.00
	<u>\$256,058.40</u>

Stockyards and Equipment—\$28,287.77: This includes the following items:

	Plant Value	Depreciation	Net Value
Stockyards.....	\$26,035.46	\$ 7,515.88	\$18,519.58
Assembly Yards.....	2,637.83	433.46	2,204.37
Country Scales and Sheds.....	5,258.07	1,216.62	4,041.45
Tattoo Equipment.....	7,677.31	4,154.94	3,522.37
	<u>\$41,608.67</u>	<u>\$13,320.90</u>	<u>\$28,287.77</u>

DEFERRED CHARGES:

Overpayment 1929-1930 Pool—Company's Share \$2,546,929.71
The following is a summary of this account:

Balance at 31st July 1946\$3,553,622.65

Deductions:

Increase in Province of Saskatchewan 4½% Debentures

1951 Sinking Fund Interest Account

Balance at 31st July 1947\$1,299,868.63

Balance at 31st July 19461,180,356.27

Increase.....\$ 119,512.36

Surplus Income—Season 1946-1947.....887,180.58

1,006,692.94

\$2,546,929.71

LIABILITIES

CHEQUES, VOUCHERS, ETC., OUTSTANDING:

Outstanding Certificates—\$11,892.28: 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:

Province of Saskatchewan—\$975,699.50: This amount represents the principal payment due 15th September 1947, together with interest accrued to 31st July 1947, on the total liability to the Province in respect of the 1929-1930 Pool Overpayment.

Sundry—\$2,509,188.20: This amount consists principally of accrued expenses and loan accounts.

Excess Charges Refund, Season 1946-1947—\$700,000.00: 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 24th September 1947.

1945-1946 Excess Charges Refund in Abeyance—\$1,995.20: This amount is made up as follows:

Saskatchewan Pool Elevators Limited \$1,526.12, and Saskatchewan Co-operative Livestock Producers Limited \$469.08, and covers the balances left over after making distribution of the payments.

Reserve for Income and Excess Profits Taxes—\$168,772.40: This represents the balance owing for Income and Excess Profits Taxes for season 1946-1947.

DEFERRED LIABILITIES:

Province of Saskatchewan re 1929-1930 Pool Overpayment—\$3,846,798.34: This represents the balance owing on the above account after completing payment of the 1947 instalment of principal which is provided for under the heading of "Accounts Payable—Current."

In accordance with terms of our agreement, the amount of \$3,846,798.34 is to be repaid with interest at five per cent. per annum in four annual payments, the first payment of principal falling due 15th September 1948.

Deferred Credit to Reserve Account Per Contra—\$79,138.63: This represents the refundable savings portion of the 1943 Excess Profits Tax payable by the Department of National Revenue.

CAPITAL, RESERVES, ETC.

Elevator Deductions—\$12,188,060.07: Commercial Reserve—\$6,567,851.17: Funds in respect of elevator deductions are invested in Saskatchewan Pool Elevators Limited, and in respect of commercial reserve in the remaining investments, loans and fixed assets, etc.

Capital—\$130,688.00: This amount includes new capital subscribed during the year to the extent of \$1,276.00.

Producers' Equity—Old Membership—\$5,739.72: The following is a summary of this account:

Balance at 31st July 1946\$184,842.80

Deduct:

Payment of Old Members' Equity.....	\$177,140.33	
Expenses re Payment.....	1,962.75	
		<u>179,103.08</u>
Balance at 31st July 1947.....		<u>\$ 5,739.72</u>

RESERVE ACCOUNTS:

Modern Press Limited—\$195,914.43: The following is a summary of this account:

Balance as at 31st July 1946\$200,739.62

Deduct:

Income and Excess Profits Taxes, season 1945-1946.....	32,847.26	
		<u>\$167,892.36</u>
Surplus for the season 1946-1947.....	28,022.07	
		<u>\$195,914.43</u>

Saskatchewan Co-operative Livestock Producers Limited—\$36,227.09: The following is a summary of this account:

Balance in Undivided Surplus Account at 31st July 1946. ...\$ 84,591.02

Transferred from Transit Compensation Reserve Balance
at 31st July 1946 15,269.80

\$ 99,860.82

Deduct:

Excess Charges Refunds, season 1945-1946 \$47,377.17		
Income and Excess Profits Taxes, seasons 1944-1945 and 1945-1946.....	21,773.65	
		<u>69,150.82</u>
Balance Transferred to Reserve Account.....	\$ 30,710.00	
Surplus for the season 1946-1947.....	5,517.09	
		<u>\$ 36,227.09</u>

Saskatchewan Pool Elevators Limited—\$3,106,541.70: The following is a summary of this account:

Balance as at 31st July 1946\$4,494,169.55

Transferred from Undivided Surplus Account..... 1,145,501.75

Transferred from Surplus Earnings..... 102,146.48

\$5,741,817.78

Deduct:

Payment of Income and Excess Profits Taxes, 1941-1942 to 1944-1945 inclusive.....	\$2,615,265.97	
Adjustments re Excess Charges Refund, seasons 1943-1944 and 1944-1945.....	20,010.11	
		<u>\$2,635,276.08</u>
		<u>\$3,106,541.70</u>

**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. 2

CONSOLIDATED CAPITAL STATEMENT As At 31st July 1947

Capital Receipts

Dr.	Cr.
	\$ 130,688.00
	6,567,851.17
	12,188,060.07
	5,739.72
	3,338,683.22
	3,846,798.34
	79,138.63
	<hr/>
	\$26,156,959.15

Approved Program of Building and Work Under Construction (Estimated Expenditures)

Vegetable Oil Plant.....	\$ 19,990.00
Flour Mill and Grain Storage.....	1,840,000.00
Head Office Building Alterations, etc....	56,080.23
Country Elevators and Agents' Residences.....	877,482.40
Terminals.....	2,674,367.27
Modern Press.....	530,753.86

\$5,998,673.76

Less: Paid on Account (Work Under Construction and Machinery Under Purchase, etc.).....

 2,153,673.76

3,845,000.00

Balance—Surplus Available as Working Capital for Season 1947-1948.....

7,336,592.81

\$26,156,959.15

\$26,156,959.15

Capital Expenditures

Fixed and Sundry Assets

Fixed Assets (<i>Less Reserve for Depreciation</i>).....	\$10,302,746.09
Investments and Memberships (<i>Less Reserve</i>).....	170,284.92

Deferred Accounts

Accounts Receivable—Deferred.....	1,823,670.85
Deferred Charges.....	2,678,664.48

STATEMENT No. 2 (2)

CURRENT POSITION AS PER CONSOLIDATED BALANCE SHEET as at 31st JULY 1947

Current Assets.....	\$24,677,735.30
Current Liabilities.....	13,496,142.49

Current Position as Per Balance Sheet.....	\$11,181,592.81
---	------------------------

Less:

Estimated Capital Expenditures to Complete Program of Building and Work Under Construction and Machinery Under Purchase.....	3,845,000.00
---	--------------

Balance—Surplus Available as Working Capital for Season 1947-1948	\$ 7,336,592.81
--	------------------------

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 SURPLUS CAPITAL, AS AT 31st JULY 1947

SOURCE OF CAPITAL FUNDS	Capital	Commercial Reserve	Elevator Deductions	Reserve Accounts	Livestock Pool Equity Account Old Membership	1943 Excess Profits Tax Refundable	Deferred Loans Outstanding	Total
Stock Subscriptions.....	\$130,688.00	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 130,688.00
Deductions from Pool Payments.....	—	6,567,851.17	12,188,060.07	—	—	—	—	18,755,911.24
Retained from Operations.....	—	—	—	3,338,683.22	5,739.72	79,138.63	—	3,423,561.57
Province of Saskatchewan—Loan.....	—	—	—	—	—	—	3,846,798.34	3,846,798.34
TOTAL CAPITAL RECEIPTS.....	\$130,688.00	\$ 6,567,851.17	\$12,188,060.07	\$ 3,338,683.22	\$ 5,739.72	\$ 79,138.63	\$ 3,846,798.34	\$26,156,959.15

ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS

STATEMENT No. 3—Continued

Deferred Accounts Receivable

Province of Saskatchewan—Sinking Fund Interest Account.....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,299,868.63	\$ 1,299,868.63
Growers' Accounts.....	—	14,164.89	—	—	—	—	—	14,164.89
Canadian Livestock Co-operative (Western) Ltd..	—	12,747.65	—	8,151.05	—	—	—	20,898.70
Intercontinental Packers Limited.....	—	25,600.00	—	—	—	—	—	25,600.00
Pool Elevators Corporation—Buffalo.....	—	—	384,000.00	—	—	—	—	384,000.00
Refundable Portion of 1942-43 Excess Profits Tax..	—	—	—	—	—	79,138.63	—	79,138.63
Investments.....	—	4,879.00	165,405.92	—	—	—	—	170,284.92
Fixed Assets.....	130,688.00	1,011,959.19	8,930,368.71	223,990.47	5,739.72	—	—	10,302,746.09
Expenditures Approved for Completion of Program of Building and Work Under Construction and Machinery Under Purchase (Contingent Liability)	—	1,715,000.00	2,130,000.00	—	—	—	—	3,845,000.00
49 Deferred Charges:								
1929-1930 Pool Overpayment—Company's Share.....	—	—	—	—	—	—	2,546,929.71	2,546,929.71
Temporary Storage Bins—Country Elevators.....	—	—	1,885.01	—	—	—	—	1,885.01
Stocks of Repair Parts and Supplies.....	—	4,471.64	125,378.12	—	—	—	—	129,849.76
TOTAL CAPITAL EXPENDITURES	\$130,688.00	\$ 2,788,822.37	\$11,737,037.76	\$ 232,141.52	\$ 5,739.72	\$ 79,138.63	\$ 3,846,798.34	\$18,820,366.34
BALANCE—SURPLUS CAPITAL	\$ —	\$ 3,779,028.80	\$ 451,022.31	\$ 3,106,541.70	\$ —	\$ —	\$ —	\$ 7,336,592.81

TOTAL CURRENT ASSETS— (As Per Consolidated Balance Sheet—Statement "1").....	\$24,677,735.30
TOTAL CURRENT LIABILITIES (As Per Consolidated Balance Sheet—Statement "1").....	13,496,142.49
BALANCE—Current Position	\$11,181,592.81
Less: Estimated Capital Expenditures to Complete Program of Building and Work Under Construction and Machinery Under Purchase.....	3,845,000.00
BALANCE—Surplus Capital	\$ 7,336,592.81

STATEMENT No. 4

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

**STATEMENT OF ASSETS, DIRECT LIABILITIES AND
GROWERS' EQUITY**

As At 31st JULY 1947

ASSETS

Fixed Assets

(Less Reserve for Depreciation.....)	\$10,302,746.09
Investments and Memberships	
(Less Reserve).....	170,284.92
Accounts Receivable—Deferred.....	1,823,670.85
Stocks of Repair Parts and Supplies.....	129,849.76
Temporary Storage Bins	
(Less Amount Written Off).....	1,885.01

Surplus Capital (After Providing for Expenditures to Complete Program of Building and Work Under Construction and Machinery Under Purchase).....	7,336,592.81
Amount Provided to Complete Program of Building and Work Under Construction and Machinery Under Purchase.....	3,845,000.00

TOTAL NET ASSETS.....\$23,610,029.44

LIABILITIES (Exclusive of Liabilities to Shareholders)

		Equity
Province of Saskatchewan re 1929-1930 Pool Overpayment.....	\$ 3,846,798.34	16,293%

TOTAL LIABILITIES TO OTHER THAN SHAREHOLDERS.....\$ 3,846,798.34 16,293%

BALANCE OF ASSETS OVER LIABILITIES

Growers' Equity.....	\$19,763,231.10	83,707%
	<u><u>\$23,610,029.44</u></u>	<u><u>100.000%</u></u>

More than a Balance Sheet

This annual report is more than a set of balance sheets, facts and figures. It stands as a tribute to the farmers who knew they were right and gave their wholehearted support to their own organization.

During the twenty-three years since its inception, the Wheat Pool has developed from a dream in the minds of a few men to a great co-operative grain and livestock marketing organization.

The proof of co-operative effort is here in this booklet. Study the record of the Wheat Pool's accomplishments and services and you'll agree that—

The Co-operative Way is the Best Way

Market your grain and livestock
through the Pool.



Saskatchewan
Co-operative Producers
Limited

Head Office:
REGINA

**STATEMENT OF PAYMENTS OF PRINCIPAL AND INTEREST MADE TO THE PROVINCE OF SASKATCHEWAN IN RESPECT OF THE
1929-1930 POOL OVERPAYMENT LIABILITY, UP TO AND INCLUDING PAYMENT MADE ON 15th SEPTEMBER 1947, ALSO
BALANCE OF REGULAR PAYMENTS TO BE MADE FROM 15th SEPTEMBER 1948, to 15th SEPTEMBER 1951**

Original Indebtedness (After allowing for Bond Discount and 1928-1929 Pool Final Payment Loan).....	\$13,752,194.98
Less: Charged to Surplus Interest Account.....	194.98
	<u>\$13,752,000.00</u>

STATEMENT OF PAYMENTS MADE

Date	Total Paid	Interest	Principal	Balance
1st October, 1932.....	\$ 746,739.87	\$ 678,854.87	\$ 67,885.00	\$13,684,115.00
15th September, 1933	1,099,487.84	651,401.36	448,086.48	13,236,028.52
15th September, 1934	1,132,292.23	661,801.43	470,490.80	12,765,537.72
15th September, 1935	1,132,292.23	638,276.89	494,015.34	12,271,522.38
15th September, 1936	1,132,292.23	613,576.12	518,716.11	11,752,806.27
*15th September, 1936	168,254.05	—	168,254.05	11,584,552.22
15th September, 1937	1,123,879.52	579,227.60	544,651.92	11,039,900.30
15th September, 1938	1,123,879.54	551,995.02	571,884.52	10,468,015.78
15th September, 1939	1,123,879.52	523,400.78	600,478.74	9,867,537.04
15th September, 1940	1,123,879.54	493,376.86	630,502.68	9,237,034.36
15th September, 1941	1,123,879.53	461,851.72	662,027.81	8,575,006.55
15th September, 1942	1,123,879.53	428,750.33	695,129.20	7,879,877.35
15th September, 1943	1,123,879.53	393,993.87	729,885.66	7,149,991.69
15th September, 1944	1,123,879.53	357,499.59	766,379.94	6,383,611.75
15th September, 1945	1,123,879.53	319,180.59	804,698.94	5,578,912.81
15th September, 1946	1,123,879.53	278,945.64	844,933.89	4,733,978.92
15th September, 1947	1,123,879.53	236,698.95	887,180.58	3,846,798.34
Total Paid.....	\$17,774,033.28	\$ 7,868,831.62	\$ 9,905,201.66	—

STATEMENT OF PAYMENTS TO BE MADE

Due Date	Amount	Interest	Principal	Balance after Completing Payment
15th September, 1948...	\$ 1,123,879.53	\$ 192,339.92	\$ 931,539.61	\$ 2,915,258.73
15th September, 1949...	1,123,879.53	145,762.94	978,116.59	1,937,142.14
15th September, 1950...	1,123,879.53	96,857.11	1,027,022.42	910,119.72
15th September, 1951...	955,625.71	45,505.99	910,119.72	—
Total to be Paid.....	\$ 4,327,264.30	\$ 480,465.96	\$ 3,846,798.34	\$ —

SUMMARY

	Amount	Interest	Principal
Paid to 15th September, 1947.....	\$17,774,033.28	\$ 7,868,831.62	\$ 9,905,201.66
Balance to 15th September, 1951.....	4,327,264.30	480,465.96	3,846,798.34
Total.....	\$22,101,297.58	\$ 8,349,297.58	\$13,752,000.00

*Distribution of Contingency Reserve of Canadian Co-operative Wheat Producers Limited, in respect of the 1929-1930 Pools.

STATEMENT OF GRAIN HANDLINGS

SASKATCHEWAN POOL ELEVATORS LIMITED and SASKATCHEWAN POOL TERMINALS LIMITED

AS AT 31st JULY 1947

TOTAL HANDLED (ALL GRAINS)

SASKATCHEWAN POOL ELEVATORS LIMITED

	Bushels 1924-1946	Bushels 1946-1947	Bushels 1924-1947
Country Elevators.....	1,765,142,397	131,928,166	1,897,070,563
Platform.....	58,224,116	57,839	58,281,955
Total	1,823,366,513	131,986,005	1,955,352,518
Number of Elevators Operated.....		1,114	
Average Handling Per Elevator.....		118,427	

SASKATCHEWAN POOL TERMINALS LIMITED

Terminal No. 4.....	348,858,498	25,832,908	374,691,406
5.....	117,258,782	—	117,258,782
6.....	402,726,664	26,579,511	429,306,175
7.....	460,412,867	45,010,596	505,423,463
8.....	28,240,761	—	28,240,761
Total	1,357,497,572	97,423,015	1,454,920,587

SASKATCHEWAN POOL ELEVATORS LIMITED—STATEMENT OF EARNINGS—1st AUGUST 1925 to 31st JULY 1947

	Total 1925-1946	Payment of Dominion Income and Excess Profits			Total 1925-1947
		Sundry Adjustments	Taxes 1942 to 1946	Season 1946-1947	
NET EARNINGS (After Adjusting for Dominion Income and Excess Profits Taxes).....	\$46,121,522.17	\$ —	\$ (2,936,082.58)	\$ 2,609,303.32	\$45,794,742.91
DISTRIBUTION OF EARNINGS					
Excess Charges Refund:.....	\$ —	\$ 6,236,882.07 ^a	—	—	\$ —
Paid to Growers.....	6,756,410.82	(5,111.52) ^c	—	—	12,988,181.37
Credits to Growers' Overpayment Accounts.....	2,559,217.44	—	—	—	2,559,217.44
Reserve Certificates Purchased or to be Purchased in Settlement of Credits.....	3,586,105.52	1,945,542.86 ^b	—	—	—
Allocated for Distribution on Deliveries for Season 1943-1944.....	5,213,445.38	5,111.52 ^c	—	—	5,536,759.90
Allocated for Distribution on Deliveries for Season 1944-1945.....	1,003,426.58	(5,213,445.38) ^a	—	—	—
Allocated for Distribution on Deliveries for Season 1945-1946.....	2,267,885.59	(1,003,426.58) ^a	—	—	—
Allocated for Distribution on Deliveries for Season 1946-1947.....	—	(1,945,542.86) ^b	(320,816.61)	—	1,526.12
				700,000.00	700,000.00
Total Excess Charges Refund.....	\$21,386,491.33	\$ 20,010.11	\$ (320,816.61)	\$ 700,000.00	\$21,785,684.83
Farm Storage Paid to Growers.....	306,456.74	—	—	—	306,456.74
Share of Pool Expenses.....	1,511,331.60	—	—	131,791.43	1,643,123.03
Interest on Elevator Deductions.....	3,012,841.80	—	—	365,856.00	3,378,697.80
Share of Earnings to Pool re Principal Payments 1929-1930 Pool Overpayment Liability, etc.....	6,667,751.53	—	—	1,067,486.22	7,735,237.75
Interest Paid on 1929-1930 Pool Overpayment Liability.....	7,596,977.87	—	—	242,023.19	7,839,001.06
	—	(20,010.11) ^a	—	—	—
Transferred to Reserve Account.....	4,494,169.55	1,145,501.75 ^d	(2,615,265.97)	102,146.48	3,106,541.70
Transferred to Undivided Surplus Account.....	1,145,501.75	(1,145,501.75) ^d	—	—	—
Total.....	\$46,121,522.17	\$ —	\$ (2,936,082.58)	\$ 2,609,303.32	\$45,794,742.91

STATEMENT No. 7--Continued

Net Earnings (as above).....	\$45,794,742.91
Depreciation Reserve as at 31st July 1947	17,658,452.92
Interest on Mortgages (Paid to Province of Saskatchewan and Liquidators, 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 1947	\$65,603,527.12

NOTE: Sundry Adjustments, Shown in the Second Column, Comprise the Following:

(a) Distribution of Excess Charges Refund, Season 1943-1944, and Season 1944-1945 Amounting to \$6,236,882.07, of which \$20,010.11 was Charged to Reserve Account and \$5,213,445.38 and \$1,003,426.58 Charged to Excess Charges Refund Accounts, 1943-1944 and 1944-1945, respectively.

(b) Distribution of Excess Charges Refund, 1945-1946, Set Aside for the Purchase of Reserve Certificates Amounting to \$1,945,542.86.

(c) Adjustment Between Accounts "Paid to Growers" and "Reserve Certificates Purchased."

(d) Transfer from Undivided Surplus Account to Reserve Account.

(Bracketed Items Represent Deductions).

LIBRARY RECORD FOR 1946-1947

	Books Mailed	Books Returned	Requests Books	Catalogues	Postage
1946					
August.....	522	551	14	3	\$29.89
September.....	537	547	26	14	30.09
October.....	566	591	44	18	29.09
November.....	605	544	58	60	35.26
December.....	643	607	59	71	36.07
1947					
January.....	886	793	151	130	50.49
February.....	909	800	162	62	44.76
March.....	947	935	89	74	52.22
April.....	849	830	31	78	49.74
May.....	576	648	24	6	37.09
June.....	586	603	20	7	32.45
July.....	592	542	25	2	26.84
Totals.....	8,218	7,991	703	525	\$453.99

Number of Borrowers as at 31st July 1947

Wheat Pool Members.....	1,631
Pool Elevator Agents.....	119
	<u>1,750</u>

STATEMENT No. 9

WHEAT POOL COMMITTEES

1946-1947

TOTAL NUMBER OF COMMITTEES

Sub-district	1	2	3	4	5	6	7	8	9	10	11	T'tl
District 1.....	3	4	7	10	7	7	8	11	6	8	—	71
District 2.....	6	4	5	8	5	5	9	8	12	5	—	67
District 3.....	3	4	3	4	7	3	3	5	3	8	—	43
District 4.....	3	8	9	5	5	2	4	7	3	6	—	52
District 5.....	9	7	5	8	7	3	6	10	9	5	—	69
District 6.....	9	10	7	8	9	12	11	7	7	8	—	88
District 7.....	8	5	5	5	7	9	6	5	7	4	7	68
District 8.....	8	9	10	9	8	8	6	7	5	3	—	73
District 9.....	6	6	5	8	3	9	6	7	6	6	—	62
District 10.....	6	6	4	8	14	8	4	7	4	9	—	70
District 11.....	9	11	12	5	5	7	12	7	10	9	—	87
District 12.....	10	7	9	7	6	6	7	8	11	8	—	79
District 13.....	9	12	4	10	8	7	12	7	9	11	7	96
District 14.....	5	7	8	11	3	8	7	12	7	9	7	84
District 15.....	9	8	9	8	8	5	8	5	5	8	5	78
District 16.....	7	8	9	7	5	11	5	9	7	8	10	86
<u>1,173</u>												

STATEMENT No. 10

COMMITTEES REORGANIZED

Sub-district	1	2	3	4	5	6	7	8	9	10	11	T'tl
District 1.....	3	4	6	10	7	6	8	9	6	8	—	67
District 2.....	6	4	4	8	4	5	9	8	11	5	—	64
District 3.....	3	3	3	4	5	2	3	5	3	5	—	36
District 4.....	2	7	9	4	5	2	4	6	3	5	—	47
District 5.....	5	7	5	7	6	3	5	9	8	5	—	60
District 6.....	4	9	5	5	5	10	11	7	7	5	—	68
District 7.....	6	5	5	5	6	7	6	5	7	4	7	63
District 8.....	8	7	10	7	8	8	5	6	5	3	—	67
District 9.....	5	6	4	5	3	8	6	6	5	6	—	54
District 10.....	5	4	3	7	12	8	2	5	4	8	—	58
District 11.....	7	8	10	2	4	5	8	7	9	7	—	67
District 12.....	10	7	8	6	5	6	7	6	11	8	—	74
District 13.....	8	11	4	10	5	6	10	5	9	9	6	83
District 14.....	5	7	7	10	2	5	7	11	6	9	4	73
District 15.....	7	5	9	7	6	2	7	4	5	6	4	62
District 16.....	6	7	9	6	5	11	3	8	6	7	8	76
<u>1,019</u>												

EXHIBIT A

STATEMENT No. 11

CANADIAN POOL AGENCIES LIMITED, WINNIPEG, MANITOBA

BALANCE SHEET AS AT 31st JULY 1947

ASSETS

Agency Assets.....		\$ 23,394.77
Cash in Agency Bank Accounts.....	\$ 6,942.56	
Accounts Receivable.....	16,452.21	
	<u>\$ 23,394.77</u>	

50 Shareholders' and Patrons' Assets.....		79,652.79
Cash	\$ 18,420.57	
In General Bank Accounts.....	\$ 18,350.57	
On Hand	70.00	
	<u>\$ 18,420.57</u>	

Accounts Receivable	25,445.44	
Commissions—per Contra	\$ 3,388.73	
Loan Accounts—Secured.....	20,428.84	
Pool Insurance Company	1,066.88	
Miscellaneous	560.99	
	<u>\$ 25,445.44</u>	

LIABILITIES

Agency Liabilities.....		\$ 23,394.77
Accounts Payable—Insurance	\$ 20,006.04	
Commissions Payable—per Contra.....	3,388.73	
	<u>\$ 23,394.77</u>	

Shareholders' Liabilities and Reserves		59,652.79
Miscellaneous Accounts Payable.....	\$ 1,198.10	
Reserve for Income Tax	1,247.62	
Patronage Dividend Payable.....	37,207.07	
General Reserve Against Unearned Income and Investments	20,000.00	
Allocated as Follows:		
Alberta Wheat Pool.....	\$ 5,568.12	
Manitoba Pool Elevators	3,146.82	
Saskatchewan Co-operative Producers Limited	11,285.06	
	<u>\$ 20,000.00</u>	
		<u>\$ 59,652.79</u>

Investments—at Cost	35,086.78
\$35,000.00 Dominion of Canada Bonds 3¼% Maturing June 1, 1966.....	\$ 35,086.78
(Quoted value July 31, 1947, \$37,187.50).	
Membership Deposits	200.00
Insurance Agents' Associations	200.00
Furniture and Fixtures	500.00
Cost	\$ 6,745.92
Less: Depreciation Reserve.....	6,245.92
	<u>\$ 500.00</u>
	<u>\$ 79,652.79</u>

\$103,047.56

Capital Stock	20,000.00
Authorized	<u>\$ 20,000.00</u>
Issued and Fully Paid (2,000 Shares of \$10.00 each)	<u>\$ 20,000.00</u>

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

\$103,047.56

AUDITORS' REPORT

We have audited the accounts of Canadian Pool Agencies Limited for the year ended 31st July 1947, and have received all the information and explanations we have required. Bank balances have been confirmed by certificates 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 1947, 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, October 10, 1947.

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

EXHIBIT B**STATEMENT No. 12**

**CANADIAN POOL AGENCIES LIMITED
WINNIPEG, MANITOBA**

SUMMARY OF SURPLUS ACCOUNT**For the Year Ended 31st July 1947**

	<i>Debit</i>	<i>Credit</i>
Balance at Credit 31st July 1946		\$37,983.21
Income Tax Paid for the Year 1945-1946.....	\$ 410.30	
Surplus on Sale of Bonds Distributed	2,757.18	
Alberta Wheat Pool.....	\$ 517.09	
Manitoba Pool Elevators.....	505.35	
Saskatchewan Co-operative Producers Limited.....	1,734.74	
	<u>\$ 2,757.18</u>	
Patronage Dividend for the Year 1945-46.....	34,815.73	
	<u>37,983.21</u>	<u>37,983.21</u>
Surplus for the Year Ended 31st July 1947, as per Exhibit C.		38,454.69
Reserve for Income Tax for the Year 1946-47.....	1,247.62	
Patronage Dividend for the Year 1946-47.....	37,207.07	
Alberta Wheat Pool.....	\$ 8,061.80	
Manitoba Pool Elevators.....	6,249.65	
Saskatchewan Pool Elevators Limited.....	18,275.03	
Saskatchewan Pool Terminals Limited.....	3,852.29	
Saskatchewan Co-operative Producers Limited.....	466.72	
Saskatchewan Co-operative Livestock Producers Limited.....	250.42	
Modern Press Limited.....	51.16	
	<u>\$37,207.07</u>	
	<u>\$76,437.90</u>	<u>\$76,437.90</u>

CANADIAN POOL AGENCIES LIMITED

Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURES

For the Year Ended 31st July 1947

Income:

Commissions.....		\$48,104.40
Fire.....	\$11,851.60	
Bonds.....	20,538.60	
Accident and Sickness.....	229.15	
Liability.....	3,006.63	
Automobile.....	2,946.25	
Robbery and Burglary.....	405.93	
Forgery.....	(2.70)	
Floater.....	387.62	
Windstorm and Cyclone.....	38.89	
Sprinkler Leakage.....	1.15	
Steam Boiler.....	79.53	
Riot and Civil Commotion.....	51.56	
Hail.....	22.50	
Lake Marine and Outturn.....	4,883.85	
Ocean Marine.....	3.80	
Contingent.....	3,491.90	
Overriding.....	200.00	

48,136.26

Less: Brokerage Paid..... 31.86

\$48,104.40

Other Income..... 1,758.95

Interest and Exchange—General.....\$ 595.38

Interest on Investments..... 1,137.50

Miscellaneous..... 26.07

\$ 1,758.95

Total Income for Year..... \$49,863.35

Expenses..... 11,408.66

Salaries..... 7,259.53

Directors' Fees and Expenses..... 682.47

Rent and Light..... 803.25

Telephone and Telegraph..... 160.19

Printing and Stationery..... 554.62

Postage and Excise..... 179.72

Taxes and Licences..... 152.86

Travelling Expense..... 153.55

Legal and Audit..... 783.35

Depreciation..... 144.01

Insurance..... 44.36

Annuity Expense..... 216.00

Miscellaneous..... 574.75

11,708.66

Deduct: Recovery from Interprovincial Pool 300.00

\$11,408.66Balance—Surplus for Year Ended 31st July 1947, Carried
to Exhibit B..... \$38,454.69

EXHIBIT "A"

STATEMENT No. 14

POOL INSURANCE COMPANY

BALANCE SHEET AS AT 31st DECEMBER 1946

ASSETS

Cash in Bank.....		\$168,460.31
In Bank of Montreal.....	\$168,460.31	
Accounts Receivable.....		76,818.31
Canadian Pool Agencies Limited.....	\$ 55,212.16	
Advances to Inspection Staff.....	549.36	
Miscellaneous.....	21,056.79	
	<u>\$ 76,818.31</u>	
Investments.....		249,106.25
Dominion of Canada Bonds:	Par Value	
1935 Loan.....3% due 1955.....	\$ 50,000.00	
Second Victory Loan.....3% due 1952.....	5,000.00	
Sixth Victory Loan.....3% due 1960.....	107,500.00	
Eighth Victory Loan.....3% due 1963.....	87,500.00	
	<u>\$250,000.00</u>	

LIABILITIES

Current Liabilities.....		\$202,603.08
Accounts Payable.....	\$ 82,157.09	
Fire Losses in Process.....	3,680.00	
Taxes Accrued.....	3,720.16	
Reserve for Income Tax.....	2,653.53	
Shareholders' and Patrons' Dividends Payable as per Exhibit B.....	110,392.30	
	<u>\$202,603.08</u>	
Reserve for Unearned Income.....		72,941.03
Unexpired Portion of Premium Income.....	\$ 31,022.23	
Unexpired Portion of Reinsurance Commissions.....	44,119.26	
	<u>\$ 75,141.49</u>	
Less: Commission Paid on Business Not Yet Taken Into Income.....	2,200.46	
	<u>\$ 72,941.03</u>	

Market Value.....	<u>\$261,317.75</u>	
Interest Accrued Thereon.....		1,087.50
Automobiles		1,200.00

\$496,672.37

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		36,128.26
Premium at 12% on Capital Stock.....	\$ 30,000.00	
Surplus Realized on Investments Sold.....	6,128.26	
	<u>\$ 36,128.26</u>	

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

\$496,672.37

AUDITORS' CERTIFICATE

In our opinion the Balance Sheet of Pool Insurance Company as at 31st December 1946, 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, 25th February 1947.

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

POOL INSURANCE COMPANY

SUMMARY OF SHAREHOLDERS' AND PATRONS' EQUITY
ACCOUNT

For the Year Ended 31st December 1946

	Debit	Credit
Balance at Credit 31st December 1945.		\$214,372.59
Distributed During 1946.....	\$214,372.59	
Shareholders' Dividend, Year 1945:		
Alberta Wheat Pool.....\$.55	
Manitoba Pool Elevators...	.37	
Saskatchewan Pool Elevators Limited.....	.93	
Patrons' Dividend:		
Alberta Wheat Pool.....	42,274.37	
Alberta Pool Elevators Limited.....	25,377.24	
Manitoba Pool Elevators...	30,261.58	
Saskatchewan Pool Elevators Limited.....	116,457.55	
	<u>\$214,372.59</u>	
Surplus for the Year 1946, Per Exhibit C.....	214,372.59	214,372.59
Reserve for Income Tax.....	2,653.53	113,045.83
Balance at Credit Available to Shareholders and Patrons.....	110,392.30	
	<u>\$327,418.42</u>	<u>\$327,418.42</u>
Balance at Credit Brought Down		\$110,392.30
Allocated as Follows:		
Shareholders' Dividend.....\$	1.85	
Patrons' Dividend.....	110,390.45	
	<u>\$110,392.30</u>	
Balance at Credit 31st December 1946, as per Balance Sheet—Exhibit A.....	\$110,392.30	
Allocated as Follows:		
Shareholders' Dividend		
Alberta Wheat Pool....\$.55	
Manitoba Pool Elevators.....	.37	
Saskatchewan Pool Elevators Limited....	.93	
Patrons' Dividend—		
Alberta Wheat Pool.....	12,919.73	
Alberta Pool Elevators Limited.....	18,602.98	
Alberta Wheat Pool and Alberta Pool Elevators Limited....	93.95	
Manitoba Pool Elevators.....	17,623.45	
Saskatchewan Pool Elevators Limited....	61,140.34	
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited.....	6.00	
Saskatchewan Co-operative Producers Limited.....	4.00	
	<u>\$110,392.30</u>	
	<u>\$110,392.30</u>	<u>\$110,392.30</u>

EXHIBIT C

POOL INSURANCE COMPANY

STATEMENT OF INCOME AND EXPENDITURE

For the Year Ended 31st December 1946

Premiums on Business Written in 1946.....	\$343,061.32	
Less: Ceded to Other Companies.....	283,784.10	
		\$ 59,277.22
Deduct: Increase in Unearned Premium Reserve.....		4,069.47
		55,207.75
Premiums Earned in 1946.....		
Deduct: Losses and Adjustment Expense.....	\$254,012.68	
Less: Reinsurance Recoveries.....	214,577.68	
		39,435.00
Net Underwriting Income.....		15,772.75
Add: Commissions on Reinsurance Placed with Other Companies (Earned Portion Only).....		126,833.77
Special Allowance by Lloyds in Lieu of Taxes.....		5,007.94
Inspection Fees on Elevators in British Columbia.....		63.61
Total Income Before Commissions Paid.....		147,678.07
Deduct: Commissions Paid (on Earned Premiums Only).....		1,102.46
Balance Available for Expenses and to Shareholders and Patrons.....		146,575.61
Deduct: Expenses		
Taxes, Licenses and Association Dues \$10,016.63		
Inspection Service		
Salaries.....	\$ 10,017.84	
Board and Lodging.....	2,682.12	
Transportation.....	4,943.92	
Annuities and Group Insurance	432.15	
Insurance	392.82	
Printing, Postage and Miscellaneous.....	458.57	
		18,927.42
Administration		
Salaries.....	9,320.38	
Rent and Light.....	793.08	
Directors' Fees and Expenses.....	477.06	
Travelling Expense.....	242.24	
Printing, Postage and Stationery.....	263.57	
Telephone and Telegraph	146.60	
Legal and Audit.....	448.25	
Annuities, Group and Unemployment Insurance.....	260.27	
Miscellaneous.....	605.03	
		12,556.48
		41,500.53
Add: Interest Earned.....		105,075.08
		7,970.75
Balance—Surplus for the Year 1946, Prior to Income Taxes, Carried to Exhibit B.....		\$113,045.83

STATEMENT No. 17**SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS
LIMITED****COMPARATIVE STATEMENT OF HANDLINGS**

Seasons 1946-1947 and 1945-1946

	Season 1946-1947	Season 1945-1946	Increase (Decrease)
Prince Albert Division:			
Cattle and Calves.....	15,314	16,433	(1,119)
Hogs.....	24,521	38,420	(13,899)
Sheep.....	4,864	5,330	(466)
Regina Division:			
Cattle and Calves.....	29,349	32,240	(2,891)
Hogs.....	12,259	19,037	(6,778)
Sheep.....	7,852	6,958	894
Saskatoon Division:			
Cattle and Calves.....	22,405	21,052	1,353
Hogs.....	15,556	18,274	(2,718)
Sheep.....	2,385	2,844	(459)
Moose Jaw Division:			
Cattle and Calves.....	19,853	18,156	1,697
Hogs.....	10,606	13,134	(2,528)
Sheep.....	10,206	4,278	5,928
St. Boniface Division:			
Cattle and Calves.....	51,091	42,466	8,625
Hogs.....	56,591	60,847	(4,256)
Sheep.....	13,448	11,076	2,372
TOTAL DIVISIONS:			
Cattle and Calves.....	138,012	130,347	7,665
Hogs.....	119,533	149,712	(30,179)
Sheep.....	38,755	30,486	8,269
Saskatchewan Handlings at Winni- peg (Other than Saskatchewan Co-operative Livestock Pro- ducers Limited)			
Cattle and Calves.....	47,520	62,381	(14,861)
Hogs.....	25,895	46,034	(20,139)
Sheep.....	13,863	20,409	(6,546)
TOTAL HANDLINGS:			
Cattle and Calves.....	185,532	192,728	(7,196)
Hogs.....	145,428	195,746	(50,318)
Sheep.....	52,618	50,895	1,723

Co-operative Life Insurance Company

Founded April, 1945.
 Dominion license obtained April, 1947.
 Insurance protection exceeds \$9,000,000.
 Operating in Saskatchewan, Alberta, Manitoba and Ontario.
 Head Office: Regina.
 Branch Offices: Edmonton, Winnipeg and Toronto.
 Provides: Individual coverage, Group insurance, Co-operative members group insurance; Credit Union insurance.

Saskatchewan Federated Co-operatives

Incorporated as Saskatchewan Co-operative Wholesale, July, 1928.
 Consumers' Co-operative Refinery incorporated April, 1934.
 Amalgamation of Wholesale and Refinery, as Saskatchewan Federated Co-operatives, November, 1944.

Family of S.F.C.L.

Wholesale—*Head Office:* Saskatoon

Branch Office: Regina

Refinery.....	Regina
Flour Mill.....	Outlook
Shingle Mill.....	Fanny Bay, B.C.
Coal Mines.....	Drumheller, Alta.
Oil Well.....	Turner Valley, Alta.
Printing.....	Regina
Audit.....	Regina

107 Associated Stores

231 Affiliated Bulk Stations

Saskatchewan Federation of Agriculture

Saskatchewan Poultry Pool Limited.
 Saskatchewan Forage Crop Growers'
 Co-operative Marketing Association Ltd.
 Saskatchewan Co-operative Producers
 Limited.
 United Farmers of Canada (Saskatchewan
 Section) Limited.
 Horse Co-operative Marketing Association
 Limited.
 The Saskatchewan R.O.P. Breeders' Co-
 operative Hatchery Marketing
 Association Limited.
 Saskatchewan Federated Co-operatives
 Limited.
 Saskatchewan Co-operative Creamery
 Association Limited.
 The Co-operative Mutual Benefit Association
 of Saskatchewan.
 The Co-operative Union of Saskatchewan.

EXHIBIT A

CANADIAN LIVESTOCK CO-OPERATIVE (WESTERN) LIMITED

STATEMENT No. 18

BALANCE SHEET

As at 31st July 1947

ASSETS

Current Assets:

Cash in The Royal Bank of Canada	\$ 7,875.90	
Accounts Receivable—Schedule 1.....	\$ 3,673.74	
Less: Reserve for Doubtful Accounts.	308.95	
	3,364.79	
Dominion of Canada Bonds—at Cost	\$ 20,000.00	
(Market Value \$20,950.00)		
Accrued Interest Thereon.....	300.00	
	20,300.00	
Due from Trust Account	14,057.68	\$ 45,598.37

Trust Assets:

Sales Accounts Receivable	\$108,267.69	
Inventories:		
Livestock—At Market	\$ 7,589.96	
Feed —At Cost	976.70	
	8,566.66	
		116,834.35

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 2,385.69	
Accrued Salaries	6,511.68	
Buyer's Deposit	247.37	
Provision for Taxes on Income	325.00	
		\$ 9,469.74

Trust Liabilities:

Bank Overdraft	\$ 95,242.44	
Due to Local Associations.....	443.07	
Producers' Livestock Pooling Fund.....	2,249.04	
Transit Compensation Fund.....	4,007.12	
Exchange on Outstanding Cheques.....	835.00	
Due to General Account.....	14,057.68	
		116,834.35
General Reserve.....		4,740.11

Other Assets:

Winnipeg Livestock Exchange Memberships (5).....		500.00
Office Furniture and Equipment.....	\$ 8,734.20	
Less: Reserve for Depreciation.....	3,714.73	
		5,019.47
Automobile	\$ 1,645.30	
Less: Reserve for Depreciation	188.52	
		1,456.78
Prepaid Operating Expenses		184.17
		<u>\$169,593.14</u>

Members' Equity:

Alberta Livestock Co-operative Limited.....	\$ 63.55	
Memberships.....	8.00	
		\$ 71.55
Manitoba Co-operative Livestock Producers Limited.....	17,562.69	
Memberships.....	8.00	
		17,570.69
Saskatchewan Co-operative Livestock Producers Limited.....	20,898.70	
Memberships.....	8.00	
		20,906.70
		<u>38,548.94</u>
		<u>\$169,593.14</u>

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

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

Approved on Behalf of the Board,

L. W. ELLIOTT, *Director.*

W. F. McGREGOR, *Director.*

Winnipeg, Manitoba,

25th August 1947.

Canadian Co-operative Wheat Producers Limited

DIRECTORS' REPORT 1946 - 1947

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

Gentlemen:

It is indicative of a shrinking world, the trend of human relationships toward wider units of collective security, and the increasing efforts of the farmers of the world to secure for their vocation a dignified, appropriate place in world economy, that the most important events in which the Pools have been interested during the past year were international in character. These events were: The International Wheat Conference; the Conference of the Food and Agriculture Organization; the Annual Meeting of the International Federation of Agricultural Producers. For purposes of reference we briefly record these events.

International Wheat Conference

Representatives of some forty countries met in London, England, on March 18, 1947, on the invitation of the International Wheat Council, to consider the draft of an international wheat agreement designed to stabilize the commerce in wheat on a basis fair to both producers and consumers, to establish world wheat reserves as insurance against deficiencies of production, to avoid burdensome surpluses, and promote wheat consumption as an important part of nutritional programs.

The Conference debated the draft agreement up to April 3, when it adjourned for ten days, re-convening on April 14. The Conference failed, however, to reach full agreement on the question of prices, and on April 23 it was agreed to refer the agreement to the International Wheat Council, and the Conference adjourned.

The final draft stipulated the following prices per bushel, basis No. 1 Northern, Fort William, Canadian dollars:

	Minimum	Maximum
Crop Year 1947-48.....	\$1.40	\$1.80
Crop Year 1948-49.....	1.30	1.70
Crop Year 1949-50.....	1.20	1.80
Crop Year 1950-51.....	1.10	1.80
Crop Year 1951-52.....	1.00	1.80

To some representatives both minimum and maximum prices were too high—to some they were too low. There was also some objection to an agreement as long as five years; many, however, were prepared to accept the agreement as it stood. The British delegation objected to the minimum prices for the third and fourth years, and this, with other objections by other countries, led to the breakdown of the Conference.

The International Wheat Council met in Washington, D.C., June 23, 1947, but finding that there was practically no change in the attitude of the representatives of the various countries, and realizing that an agreement could not be completed in time for the 1947-48 crop, it was agreed that the Council keep in touch with the situation and if it considered it advisable, call a meeting of the Council some time between September and November.

It may be of interest at this time to review briefly the history of the movement for the international orderly marketing of wheat.

About 1927 the world wheat situation was beginning to create an international anxiety. A special conference on wheat was called by the International Institute of Agriculture in Rome, April 25, 1927, which is generally referred to as the first international wheat conference. In May, 1927, the second International Wheat Pool Conference was held in Kansas, and at this conference the Canadian Wheat Pools strongly supported the international orderly marketing of wheat, an interprovincial Pool meeting having previously adopted a resolution to that effect.

The International Institute of Agriculture called another conference at Rome in March, 1931, which was attended by representatives from forty-eight countries, including Canada, and at which the Canadian Pools were represented by D. L. Smith and G. W. Robertson. This conference recommended the calling of a special conference of the wheat exporting countries.

The conference of exporting countries was called by Hon. G. Howard Ferguson, High Commissioner for Canada to the United Kingdom, and it met in London on May 18, 1931. The above representatives of the Wheat Pools attended this conference, at which eleven countries were represented. This conference went fully into the wheat situation and called upon the governments represented, among other recommendations, to explore all possible avenues for the greater world utilization of wheat.

In the meantime numerous conferences on the agricultural crisis were being held in Europe under the auspices of the League of Nations, and by September, 1932, some twenty-one conferences had been recorded.

Conferences were also held in Canada on the wheat situation in which representatives of the Pools, the Dominion Government and the governments of the Prairie Provinces took part, and at one of these conferences held in Winnipeg, October 10-11, 1932, a resolution was passed requesting the Dominion Government to convene an international wheat conference.

On May 10, 1933, representatives of the four major wheat exporting countries met in Geneva on the invitation of the Economic Relations Section of the League of Nations. The object of this conference was to get some degree of unanimity among these exporting nations to provide a basis for an international conference. Later the conference was moved to London while the Monetary and Economic Conference was in session.

On the calling of the World Monetary and Economic Conference for June, 1933, the European International Commission of Agriculture (now the International Confederation of Agriculture) at the request of the League of Nations submitted a memorandum to the conference on the agricultural situation, which, among other things, suggested international agreements for the orderly and equitable marketing of agricultural products, beginning with wheat.

The World Monetary and Economic Conference opened in London on June 12, 1933. Although the wheat situation was not on the agenda, Canada's Prime Minister, R. B. Bennett, who headed the Canadian delegation, asked the conference to give consideration to the wheat situation, and his appeal was supported by the representatives of the wheat exporting countries. The conference acceded to the request and instructed its secretary to call an inter-

national conference, and on behalf of the governments of the four major exporting countries an invitation to such conference was issued to eighteen other countries. Representatives of these countries met in London, August 21, 1933, and elected Mr. R. B. Bennett chairman of the meeting.

The outcome of this conference was the first International Wheat Agreement for the two crop years 1933-34 and 1934-35, signed by twenty-one countries.

Because of a specially heavy crop in 1933 Argentina broke her quota allowance, with the result that the agreement became non-effective and lapsed.

The conference had set up a Wheat Advisory Committee which remained in existence and worked on a new agreement and when, in 1938-39, another wheat crisis loomed, the committee set up a preparatory committee composed of representatives of ten countries to prepare another wheat agreement, and discussions took place in London. The outbreak of war in 1939 temporarily interrupted these discussions, but they were resumed in July, 1941, when representatives of Argentina, Australia, Canada, the United Kingdom, and the United States, met in Washington. A new agreement was drafted and accepted by the representatives of the five nations in April, 1942, and approved by the five governments in June, 1942. In August, 1942, the Wheat Advisory Committee became the International Wheat Council.

This new agreement was amended in June, 1946, and the amended agreement was submitted to the International Wheat Conference last March.

Thus the Canadian Wheat Pools have been in the vanguard of this movement for the orderly, equitable marketing of wheat in international commerce from the beginning and prior even to the great depression.

Food and Agriculture Organization

The third session of the Conference of the Food and Agriculture Organization was held in Geneva, beginning August 25, 1947. The reports submitted to the Conference were numerous, and they covered the entire field first laid out by the conference at Hot Springs, Virginia, in 1943.

The conference revealed a food situation worse than that of last year owing in a great degree to crop deficiencies caused by adverse weather conditions.

The conference discussed proposals for "development and organizing of production, distribution and utilization of basic foods, to provide diets on a health standard for the peoples of all countries, and stabilizing agricultural prices at levels fair to producers and consumers alike." It studied reports giving the nutritional value of the available food supply in many countries in terms of calories per head, the data showing that few countries have standards equal to pre-war. On marketing, the report of the Preparatory Commission on World Food Proposals declared that "the free market in the old sense does not exist for agricultural products," and it supported international commodity agreements with price ranges, export and import quotas, reserve stocks to meet crop failure, and buffer stocks for price stabilization against short-term fluctuations.

The constitution of F.A.O. was amended to provide for a World Food Council which will take the place of the International Emergency Food Council which F.A.O.

set up last May to succeed the Combined Food Board. Constitutionally the International Emergency Food Council terminates December 31, 1947. The substitution of a World Food Council was recommended by the Preparatory Committee which was set up at the Copenhagen Conference a year ago to study the proposal of a world food board.

The World Food Council will consist of the representatives of eighteen countries including Canada, the United States and Great Britain. The membership of F.A.O., as reported by the Director-General, is forty-eight countries, in thirty-four of which national F.A.O. committees have been set up.

Viscount Bruce (Hon. Stanley M. Bruce, former Prime Minister of Australia) was elected chairman of the World Food Council. Sir John Boyd Orr, at the request of the conference, consented to remain Director-General of F.A.O. for the time being.

During the year conferences of national committees of F.A.O. in Europe held special meetings at which various agricultural problems were discussed, and on July 15 a special conference of these committees was held in Rome, at which their decisions were put into shape for presentation to the conference at Geneva.

F.A.O., at the request of the International Emergency Food Council, called the special conference on cereals, held in Paris, July 9.

The organization maintains close co-operation with the Economic and Social Council of the United Nations, the International Bank for Reconstruction and Development, the International Monetary Fund, and the recently formed International Trade Organization, and its work in connection with the welfare of rural people is interlocked with the work of the International Labor Organization, the World Health Organization, and the United Nations Educational, Scientific and Cultural Organization.

The report of the Director-General to the Geneva Conference lists the following standing committees in the organization: Agriculture, with thirteen activities; Marketing and Statistics, with fifteen activities; Fisheries, with eleven activities; Forestry and Forest Products, with twenty activities; Nutrition, with seven activities; Rural Welfare, in process of organization; administrative services; information.

The Cereals Committee of the International Emergency Food Council met in Paris, July 8, with representatives of thirty-nine nations in attendance. Mr. George McIvor, Chief Commissioner of the Canadian Wheat Board, is chairman of the committee, and headed the delegation from Canada.

The committee estimated the amount of wheat available for export at 32,000,000 tons (1,195,000,000 bushels) of which 14,500,000 tons (541,300,000 bushels) were estimated for the United States, 8,000,000 tons (298,670,000 bushels) for Canada, 5,500,000 tons (205,300,000 bushels) for Argentina, and 120,000,000 bushels for Australia.

The total cereal deficit for human and animal food was estimated at 600 million bushels.

The committee agreed that there would be a serious world deficit in cereals in 1947-48 and that "extraordinary measures must be undertaken by all governments so that the needs of the countries dependent on imports for their grain supplies may be met." The committee adopted a number of recommendations intended to improve the

existing cereal situation which came before the general F.A.O. conference at Geneva.

The Cereals Committee met in Winnipeg, August 18-19, and again reviewed the world grain situation, the estimates of crops, the import needs and the export supplies, apparently finding no change from the situation as discussed at Paris.

The I.F.A.P.

The second general meeting of the International Federation of Agricultural Producers was held in Scheveningen, Holland, May 13-23, 1947, with representatives present from twenty-nine farmers' organizations in seventeen countries.

The meeting adopted a permanent constitution containing the following objectives of the organization:

- (a) To promote the well-being of all who obtain their livelihood from the land and to assure to them the maintenance of adequate and stable remuneration;
- (b) To exchange information and ideas, to discuss problems of mutual interest and to develop understanding of world problems and how they affect the agricultural primary producers of the world;
- (c) To discover mutual interests among such organizations and to take co-ordinated action to further such interests;
- (d) To encourage, in any manner determined by the Federation, efficiency of production, processing and marketing of agricultural commodities;
- (e) To confer with, advise or assist, as the Federation may deem expedient, international organizations, such as the Food and Agriculture Organization of the United Nations, on any matters affecting the interests or welfare of agricultural primary producers;
- (f) To take active steps to encourage the formation and support of independent organizations of agricultural producers throughout the world, eligible for membership in the Federation, and to promote their admission to such membership so that the world-wide opinion of agricultural producers may be represented on the broadest possible basis;
- (g) To do anything, either alone or in concert with any other persons or organizations, conducive or incidental to any of the objects above-mentioned in any part of the world.

A permanent administration and temporary headquarters were established in London, England, and a strong program of action was adopted. The program included: Steps to be taken for the betterment of rural living; stabilization of farm prices; safeguards against soil erosion; extension of F.A.O. influence internationally; the representation of farm organizations on national F.A.O. committees; assistance of I.F.A.P. in negotiating international multilateral commodity agreements; investigations into marketing systems.

In connection with an international wheat agreement a resolution adopted by the meeting stated that it was the belief of the Federation that if an international wheat agreement were not possible it was unlikely that agreement could be reached on any other commodity. Member bodies were urged to press the need for a wheat agreement upon their respective governments and I.F.A.P. was instructed to communicate forthwith with the International Wheat Council, F.A.O., and any other appropriate agencies, intimating its grave concern and stressing the necessity for a wheat agreement at the earliest possible date. Strong support of agricultural co-operation and the maintenance of peace through United Nations Organization were also features of the proceedings.

James Turner, United Kingdom, was re-elected president, and H. D. Louwes, Holland, P. Martin, France, H. H. Hannam, Canada, were re-elected vice-presidents.

On the invitation of the French delegation the next general meeting will be held in France.

On September 16, H. H. Hannam, president of the Canadian Federation of Agriculture, announced that Andrew Cairns had been appointed executive secretary of I.F.A.P. Mr. Cairns was in charge of the statistical department of Canadian Co-operative Wheat Producers from October, 1927, to September, 1931, having previously been in charge of the Alberta Wheat Pool's educational work. Mr. Cairns resigned to accept a position with the Empire Marketing Board in London. He was secretary of the Wheat Advisory Committee which drafted the first International Wheat Agreement of 1933, and in 1942 he was appointed secretary of the International Wheat Council which drafted the agreement discussed at the conference in London, March-April, 1947.

Interprovincial Pool Meetings

The boards of the three Pool organizations met in Winnipeg, January 21-22, and discussed proposals to bring before the Western Agricultural Conference as recommendations to the annual meeting of the Canadian Federation of Agriculture, including grain marketing, amendments to the income tax act as it affects co-operatives, increased floor and ceiling prices on oats and barley, increased price for flax, and international agreements for the marketing of agricultural products.

The three boards met again on July 21-22, and discussed policy with regard to elevator operations. Mr. Robertson, Secretary of Saskatchewan Wheat Pool, presented to this meeting a comprehensive report on the International Wheat Conference held in London, England, in March-April, 1947, and the subsequent meeting of the International Wheat Council in Washington on June 23. Mr. Robertson dealt with the reasons for the failure of the London conference to accept an agreement.

The meeting re-affirmed the position of the Pools with regard to an international wheat agreement, and in connection with the United Kingdom-Canada Wheat Agreement again urged that the 1945-46 crop should be excluded from the five-year pool, and a final settlement be made with the producers.

The Central Board

In October, 1946, your board, pointing out that since 1927 the Pools had been interested in an international multilateral wheat marketing agreement, requested the Dominion Government to work earnestly toward an agreement to include both exporting and importing countries, and to appoint to the Canadian delegation to the International Wheat Council a representative of the organized wheat growers.

The request was granted and representatives of the Pools attended meetings of the Preparatory Committee in Washington, and Mr. Wesson and Mr. Plumer attended the International Wheat Conference in London as members of the Canadian delegation with Mr. Robertson attending as an observer. Representatives of the Pools were also present at the meeting of the International Wheat Council in Washington, June 23.

Your board issued to the press a protest against the application of the railways for an increase in freight rates and laid emphasis upon the specially heavy pressure of such an increase upon the farmers, both as producers and as consumers.

Your board also continued to press for the removal of disabilities imposed upon co-operatives by the income

tax legislation and urged upon the government the extreme desirability of retaining in the country the services of agricultural scientists by a scale of remuneration in the Department of Agriculture calculated to induce them to stay in Canada.

The Dominion Government was also requested, but unsuccessfully, to increase the premium on the ceiling on malting barley from five to twenty cents.

Western Agricultural Conference

The Western Agricultural Conference met in Winnipeg, January 21-22, 1947, with delegates present from the four western provinces. About 120 resolutions from the provincial organizations were dealt with by a resolutions committee consisting of one representative from each province, and the committee succeeded by consolidation in reducing the number for consideration by the Conference to eighty-six. The resolutions covered a wide field of rural interest, from matters purely agricultural to questions of a fairly general public interest. The Conference reduced the number to go before the Canadian Federation of Agriculture to about fifty.

The Western Agricultural Conference has substantially developed since its beginning in 1935 and it was deemed advisable to give it a systematic organization, and a committee was appointed to draft a constitution for submission to the next annual meeting.

Officers elected for the year 1947 were as follows: President, C. E. Wood, Manitoba; first vice-president, P. E. French, British Columbia; second vice-president, A. F. Sproule, Saskatchewan; secretary, J. T. Hull, Winnipeg.

Canadian Federation of Agriculture

The eleventh annual meeting of the Canadian Federation of Agriculture was held in Winnipeg, January 28-30, 1947. On January 27 the board met and consolidated the large number of resolutions which had been submitted from all parts of the country. It also adopted and gave immediate publicity to a short general brief to the Board of Transport Commissioners on the request of the railways for higher freight rates.

Reports presented to the meeting recorded the activities of the Federation during the year, including relations with the Food and Agriculture Organization and the newly formed International Federation of Agricultural Producers. Representations were made by the Federation to the tariff committee of the government with respect to customs duties on farm requirements. The Federation also joined with the Dairy Farmers of Canada in making representations on the price of dairy products. The Federation also participated in the Dominion-Provincial Conference on agricultural policies and was consulted by the government during the year on many matters of policy.

A large number of resolutions dealing with agricultural and public questions were adopted by the annual meeting and subsequently included in the annual presentation to the government.

On February 28, 1947, representatives of the Federation were received by twelve members of the Cabinet. A memorandum based upon the resolutions passed by the annual meeting was presented, together with a special brief requesting a Dominion Farm Products Marketing Act.

The memorandum dealt with many matters of importance to agriculture, including the following:

The importance of a national livestock and feeds program for the maintenance of production of livestock and poultry products. The need for increased hog production, and in this connection, the need for increased production of barley for feed, for which there is recommended a payment of \$5 an acre bonus on acreage seeded to barley this spring, with a continuance of the present freight assistance policy for feed shipments from the West to British Columbia and Eastern Canada.

A strong protest against the increase permitted in the price of feed wheat of from \$8 to \$11 a ton, and the suggestion that the increase should have been covered by a corresponding increase in the subsidy to feeders.

A request for the earliest possible announcement of the government's policy on future prices of dairy products.

Continuance of the Canadian Wheat Board as a permanent marketing organization for wheat, and extension of its authority to all commercial grains grown in the prairie provinces.

Necessity for adjustment of the application of the income tax in certain particulars in respect to farmers, and for the increase of the single person exemption to \$1,200 and the married person exemption to \$2,400.

Necessity for adjustment of the customs schedules under which arbitrary decisions have placed many items of farm machinery and equipment as subject to customs duty, despite a general provision in the tariff that all such equipment be free of duty. A strong protest against the government's action in disposing of the government-owned nitrate plant at Welland to private interests, and a demand that, as a consequence, the government accept responsibility for protecting the farmers in the price of the fertilizers concerned in the same manner as had been done under government operation of the plant.

A request that at least token shipments of beef cattle be permitted to the U. S. market in order to re-establish that channel of trade in these cattle.

The development of a national policy which would make adequate provision for security and stability for farm people.

The appointment of a commission to undertake a study of the relative positions of agriculture, labor and industry in the national economy.

The brief requesting the enactment of a Farm Products Marketing Act came from a nation-wide conference called by the Federation to discuss marketing legislation, and held at Ottawa, February 26. All member bodies of the Federation had representation at this conference, together with heads of producer marketing boards and others prominent in agricultural affairs. The conference passed a resolution stating the value to agriculture of marketing legislation and requesting the introduction at the next session of parliament of legislation along the lines of a draft act which was part of the brief.

During the week of July 14, 1947, the Federation submitted to the Board of Transport Commissioners a brief opposing the application of the railways for a thirty per cent. increase in freight rates. This brief contained a mass of interesting and informative statistical material relating to agriculture and strongly affirmed that the proposed increase would press more heavily upon agriculture than any other section of the national economy.

Feed Grain

Following a conference at Ottawa, June 11, called by the Canadian Federation of Agriculture to discuss the feed situation in Eastern Canada and its impact on the West, a delegation of directors of the Federation met Rt. Hon. J. G. Gardiner on June 12, and laid before him the following recommendations:

That the present price structure on feed grains—floors and ceilings and drawbacks—be continued until at least July 1, 1948. That plans be made as early as possible for the movement of the normal supply of feed grains into Eastern Canada and British Columbia.

And that, in view of the emergency in Eastern Canada, special measures be instituted to move the necessary additional supplies

of feed grains from Western Canada to Eastern Canada before freeze-up, in order to build the largest possible grain bank in both elevators and farmers' bins to meet the emergency. Unless extraordinary measures such as these are taken, said the delegation, Canadian consumers will suffer shortage of some farm products and face the danger of high prices in some instances; and further, Canada may fall down badly in her export commitments.

The Minister assured the delegation that a very close watch was being kept on the situation, and measures would be considered to ensure transport of as much feed grain supplies as could be obtained from the West.

Government Policy

On February 17, 1947, Hon. J. A. MacKinnon announced in the House of Commons an increase in the price of wheat sold for domestic consumption from \$1.25 a bushel to \$1.55, plus carrying charges. The Minister stated that the prevailing ceiling prices on flour, bread, mill feeds and other wheat products would not be affected by the change.

Explaining the change in policy, Mr. MacKinnon stated that in order to maintain ceiling prices on wheat products the government on August 1, 1942, established a price of 77 $\frac{3}{8}$ cents a bushel based on the highest cash price in the fall of 1941. From that date to September 27, 1943, a drawback was paid to millers of the difference between 77 $\frac{3}{8}$ cents a bushel and the average monthly price of western wheat. On September 27 the government took over all commercial wheat and paid a drawback to millers of the difference between 77 $\frac{3}{8}$ cents and \$1.25 a bushel, which was the fixed initial payment to producers, the government continuing to absorb the carrying charges. The cost to the government of this subsidy for the benefit of consumers, the Minister stated, has been between \$18,000,000 and \$20,000,000 a year.

With Mr. MacKinnon's announcement on February 17 the drawback to millers was increased to the difference between 77 $\frac{3}{8}$ cents a bushel and \$1.55 a bushel plus carrying charges of 3 $\frac{1}{2}$ cents a bushel.

The subsidy on feed wheat of 25 cents a bushel is being continued but the increase in price will mean an increase of approximately 30 cents a bushel for feed wheat, the Minister said. (The actual increase was 33 $\frac{1}{2}$ cents a bushel).

On March 17, Rt. Hon. J. G. Gardiner announced in the House of Commons the following changes in prices of oats, barley and flaxseed: Oats—floor price raised from 40 cents a bushel No. 1 feed to 61 $\frac{1}{2}$ cents, other grades accordingly; price ceiling on all grades raised from 51 $\frac{1}{2}$ cents to 65 cents a bushel. Barley: floor price raised from 56 cents to 90 cents a bushel No. 1 feed, other grades accordingly; price ceiling on all grades raised from 64 $\frac{3}{4}$ cents to 93 cents a bushel. Flaxseed: price raised from \$3.25 a bushel to \$5.00, effective August 1, 1947.

The advance equalization payments on oats and barley were to be discontinued and the Wheat Board was made sole exporter of oats and barley. For the time being the subsidy payments to feeders of 10 cents a bushel on oats and 25 cents a bushel on barley will be made on the same conditions as the 25 cent subsidy on feed wheat. All commercial holders of oats and barley were required to sell their holdings as at midnight March 17 to the Wheat Board on the basis of the existing ceilings of 64 $\frac{3}{4}$ cents for barley and 51 $\frac{1}{2}$ cents for oats.

The government will continue to pay freight on feed grains shipped east from Fort William and west from Calgary and Edmonton until July 31, 1948.

On March 31, Hon. J. A. MacKinnon announced that for the crop year 1947-48 and until further notice, any seasonal delivery quotas for wheat and other grain will be based on seeded acreages and not on authorized acreage as it had been since August 1, 1941.

On April 13, Mr. MacKinnon announced that between May 15 and June 30 farmers could deliver wheat with the option of taking cash settlement at any time in 1947, 1948, and 1949, thus allowing producers a choice of three years in which to declare their income from wheat sales.

On August 27, Hon. J. A. MacKinnon announced that the government at the next session of parliament will recommend an increase in the initial payment for wheat, and if parliament approves, the increase will be made retroactive to include the 1945 crop. The Minister did not indicate the amount of the proposed increase.

October 1, 1947, Rt. Hon. W. L. Mackenzie King announced that \$2.00 a bushel had been agreed upon as the basic price for wheat of the 1948-49 crop under the Canada-United Kingdom Wheat Agreement. This price becomes effective August 1, 1948.

Canadian Wheat Board

The report of the Canadian Wheat Board for the crop year 1945-46 shows that during the year the Board received from producers 235,438,405 bushels of wheat and purchased overages of 2,266,200 bushels, making total receipts 237,704,605 bushels. Sales during the year totalled 218,985,829 bushels, leaving stocks on hand at the close of the season and in the custody of agents of 23,718,776 bushels,

The financial statement shows the following payments on participation certificates and amounts still owing to producers: 1940 wheat crop: paid out \$25,663,689.49, balance payable \$418,110.67. 1941 crop: paid out \$15,047,973.12, balance payable \$257,503.57. 1942 crop: paid out \$19,378,673.71, balance payable \$314,096.41.

The total amount payable on the 1943 crop is given as \$36,423,876.18, and from this no payments to producers had been made at July 31, 1946. As at November 30, 1946, interest earned raised this account to \$36,725,167.

The Board commenced payment of the surplus from 1944-45 operations in the last week of August, 1947. Mr. MacKinnon announced that the amount to be distributed was \$66,019,001. The final grade payment was 18.677 cents a bushel except on No. 5, No. 6, feed wheat and related off grades on which the payment was 20.677 cents a bushel.

In December, 1946, the Wheat Board prohibited the use of wheat for distilling purposes unless it was unfit for human consumption or such use was specially approved by the Board.

On July 22, 1947, the Wheat Board announced that delivery quotas on wheat, oats and barley would be left "open" after July 31, until new crop deliveries and shipments reached a volume which made necessary the establishment of local delivery quotas for one or more of these grains.

On September 13, 1947, the Wheat Board announced that in order to meet domestic feed requirements permits for the export of oats and barley would not be issued during the crop year 1947-48 excepting registered and certified seed and certain oats and barley products.

Amended Wheat Board Act

The Canadian Wheat Board Act, 1935, was amended during the year to give the government and the Wheat

Board more powers than were conferred by the Act of 1935 as it then existed, but with less power than was provided by orders-in-council.

The principal features of the amendments were:

To obtain parliamentary authority for certain powers now existing in orders-in-council.

To give the Wheat Board complete authority with respect to interprovincial and export marketing of wheat.

To establish in connection with the United Kingdom-Canada Wheat Agreement a pool period 1945-46-1949-50.

To increase the initial payment to producers to \$1.35 a bushel effective August 1, 1945.

To authorize the Board to deal with grain other than wheat.

To provide for continuity in pool periods operated by the Board.

It is provided that the section giving the Board power to regulate interprovincial and export trade in wheat shall expire on the first day of August, 1950.

Legislation

The following legislation was passed by the Dominion Parliament during the year under review:

The Agricultural Products Marketing Act gives the government authority to continue certain policies established under the War Measures Act to enter into agreements with other governments for the sale of food supplies and to set up commodity boards for the purpose of carrying out the provisions of the Act.

Amendments to Canada Grain Act

The Canada Grain Act was amended to include the provisions of four orders-in-council enacted under the War Measures Act extending the time between terminal weigh-overs from fifteen to twenty-two months, providing compulsory insurance of grain in terminal elevators against loss by fire and inherent explosion, authorizing transfer of the right to load a car ordered through the car order book, and to provide statutory grades for certain oil seeds, including flaxseed.

Production 1946-47

The area under wheat in the prairie provinces for the 1946-47 crop was above that for the preceding year, being 23,354,000 acres as against 22,566,000 acres.

The third estimate of the Dominion Bureau of Statistics reduced previous estimates of production by 20,000,000 bushels, the revised estimate being 400,000,000 bushels as against 294,600,000 bushels for 1945-46. By provinces the revised estimate is as follows: Manitoba 63,000,000 bushels from 2,835,000 acres; Saskatchewan 200,000,000 bushels from 14,843,000 acres; Alberta 137,000,000 bushels from 7,500,000 acres.

The third estimate of the Bureau reduces oats production from the first estimate of 291,000,000 bushels to 276,000,000; barley production from 149,000,000 to 145,000,000; rye production from 6,467,000 bushels to 5,915,000 bushels; flaxseed production from 8,540,000 bushels to 7,285,000 bushels. No change from the first estimate was made in the acreage for each grain.

Carryover

The Dominion Bureau of Statistics reported a carryover of wheat in all positions including grain carried in the United States, at July 31, 1947, of 84,472,580 bushels as against 73,600,209 bushels for the corresponding period of

1946. Stocks of coarse grains at July 31, 1947, were as follows (corresponding figures for 1946 in brackets): oats 67,996,649 bushels (77,491,528); barley 28,636,494 bushels (29,937,099); rye 702,034 bushels (768,149); flaxseed 777,034 bushels (1,649,218).

Stocks on Farms

The Bureau reports the following stocks on farms in the prairie provinces (previous year in brackets): wheat 24,487,000 bushels (25,841,000); oats 39,812,000 bushels (40,902,000); barley 15,453,000 bushels (13,250,000); rye 212,000 bushels (215,400); flaxseed 436,000 bushels (635,000).

1947-48 Crop

The second estimate (September 12, 1947,) by the Dominion Bureau of Statistics of the 1947-48 wheat crop in the prairie provinces shows a seeded area of 22,992,000 acres as against 23,354,000 acres for 1946-47. Production is estimated at 329,400,000 bushels as against 400,000,000 for the previous year. By provinces the estimate is as follows (previous year in brackets): Manitoba 2,497,000 acres (2,522,000), production 44,000,000 bushels (61,000,000); Saskatchewan 14,085,000 acres (14,085,000), production 180,300,000 bushels (208,000,000); Alberta 6,410,000 acres (6,747,000), production 105,100,000 bushels (131,000,000).

The area seeded to oats in the prairie provinces shows a decline from 8,522,000 acres to 7,898,000 acres and production shows a decline from 276,000,000 bushels to 202,263,000 bushels. Barley acreage increased from 5,797,000 acres to 7,035,000, but production showed a slight decline from 145,000,000 bushels to 140,900,000 bushels. Rye acreage increased from 641,000 acres to 1,072,000 and production increased from 5,915,000 bushels to 12,497,000. Flaxseed also showed an increase from 821,000 acres to 1,414,000 and production increased from 6,208,000 bushels to 11,053,000.

Index Number of Farm Prices

The index number of the Dominion Bureau of Statistics, of prices received for agricultural products during 1946 (base 1935-39=100) was 184.1 as the average for all Canada, against 177.3 for the preceding year. For the prairie provinces the figures are (previous year in brackets) Manitoba 178.8 (180.7); Saskatchewan 171.7 (173.2); Alberta 180.4 (180.8). At July 31, 1947, the figures were: Manitoba 193.2; Saskatchewan 179.3; Alberta 191.9; all Canada 195.0.

On the same basis the Bureau's index for commodities and services used by the farmer at the end of April, 1947, stood at 156.8, and the index for farm living costs stood at 136.1 as against 130.6 for urban living costs.

Subsidies

The Economic Annalist records a total of \$76,220,715 paid out by the Dominion Government as subsidies, mainly for the purpose of supporting consumer price ceilings, on nineteen items connected with agriculture in the calendar year 1946, which compares with \$89,314,888 paid on twenty-two items in 1945. The distribution of these payments in the prairie provinces was as follows: (previous year in brackets): Manitoba \$3,282,607 (\$3,993,568);

Saskatchewan \$4,049,596 (\$8,015,689); Alberta \$4,955,446 (\$10,273,178); Total \$12,287,649 (\$22,282,435).

Farm Mortgages

According to a report issued by the Dominion Mortgage and Investment Association, composed of thirty life insurance trust and loan companies with substantial business in the prairie provinces, agreement of sale debts of farmers in the three prairie provinces declined twenty-one per cent. in 1946. The decline in Manitoba was twenty-three per cent., Alberta was second with a reduction of twenty-two per cent., and Saskatchewan came third with twenty per cent.

The total number of farm mortgages and agreements of sale held by the thirty companies fell from 54,422 in 1937 to 22,057 in 1946.

P.F.A.A. Levy

Collections under the Prairie Farm Assistance Act during the crop year 1946-47 totalled \$3,664,437.81. From each province the collections were: Manitoba \$646,441.21; Saskatchewan \$1,844,270.02; Alberta \$1,173,726.58. Total collected since inception of the fund \$26,384,112.

Amounts paid out during the year in each province were: Manitoba \$6,163.50; Saskatchewan \$9,185,450.81; Alberta \$1,605,377.45; total \$10,796,991.76. Total amount paid out since the inception of the fund \$73,246,258.

Farm Cash Income

Cash income from the sale of farm products in Canada in 1936 was estimated by the Bureau of Statistics at \$1,742,341,000 as compared with \$1,697,698,000 for 1945. Supplementary payments under the Wheat Acreage Reduction Act, the Prairie Farm Assistance Act and the Prairie Farm Income Act amounted to \$16,970,000 as against \$6,439,000 in 1945, making a total for 1946 of \$1,759,300,000 as against \$1,704,137,000 in the previous year.

Cash income from the sale of farm products was higher in 1946 in all provinces except New Brunswick, Saskatchewan and Alberta, but the total was \$86,142,000 below the record year of 1944.

For the prairie provinces the Bureau reports the following income including supplementary payments (previous year in brackets): Manitoba \$171,534,000 (\$154,709,000); Saskatchewan \$411,327,000 (\$417,959,000); Alberta \$289,070,000 (\$293,018,000). Supplementary payments were as follows: Manitoba \$31,000 (\$296,000); Saskatchewan \$12,474,000 (\$2,901,000); Alberta \$4,465,000 (\$3,242,000). From 1939 to 1946 the amount paid to prairie farmers under these three acts totals \$165,346,000.

Cash income of the farmers of the Prairie Provinces for the first six months of 1947 (corresponding period last year in brackets): Manitoba \$57,287,000 (\$50,265,000); Saskatchewan \$127,931,000 (\$122,936,000); Alberta \$125,810,000 (\$100,945,000). These figures include the following supplementary payments: Manitoba \$6,000; Saskatchewan \$8,436,000; Alberta \$1,484,000.

Income Tax on Basic Herds

Following a conference between officials of the Inland Revenue Department and representatives of the Canadian Federation of Agriculture and livestock producer organ-

izations, the Department announced new income tax regulations applying to the proceeds from the sale of basic herds of cattle.

Previously the rule has been to treat the whole of such proceeds as income and tax accordingly. Under the new regulations the Department establishes two groups as follows: One group to consist of those farmers who have filed income tax returns regularly; the other group to consist of those farmers who have not filed income tax returns regularly.

Farmers in the first group will decide for themselves the number of cattle they consider their basic herd, and will advise the district income tax office. If their return is in order it will be accepted by the income tax authorities, and proceeds of the sale by the farmer of all animals over and above the number in his basic herd must be shown as income on his income tax return for taxation purposes. In the event of a total dispersal sale the proceeds from the sale of the basic herd will not be regarded as income for tax purposes.

Farmers in the second group, that is, those who have not filed income tax returns regularly, will be permitted, subject to approval by the income tax office, to establish basic herds as at some specified date, and thus to come under the conditions as farmers with basic herds.

Basic herds will be classed as capital assets and not taxable, but farmers who do not establish basic herds will be liable for income tax on the proceeds of the sale of all cattle.

This change in income tax assessments of farmers has been urged for a number of years by the organized farmers.

Co-operative Business

Co-operative business in Canada for 1946 is recorded as follows by the Economics Division of the Dominion Department of Agriculture: Number of associations (previous year in brackets) 1,953 (1,824); shareholders or members 926,863 (739,804); sales of products \$454,564,927 (\$500,481,627); sales of merchandise \$95,603,311 (\$81,360,855); other income \$4,161,414 (\$3,807,584). Total co-operative business \$554,329,652 (\$585,650,006). Broken down into western, eastern and interprovincial groupings the figures are (previous year in brackets):

Number of associations: western provinces 907 (824); eastern provinces 1,040 (994); interprovincial 6 (6); total 1,953 (1,824).

Shareholders or members: western provinces 728,175 (531,756); eastern provinces 161,246 (156,040); interprovincial 37,442 (52,008); total 926,863 (739,804).

Sales of products: western provinces \$302,374,728 (\$336,167,530); eastern provinces \$117,306,197 (\$119,061,316); interprovincial \$34,884,002 (\$45,252,581); total \$454,564,927 (\$500,481,627).

Sales of merchandise: western provinces \$43,117,684 (\$35,588,815); eastern provinces \$50,136,387 (\$43,615,140); interprovincial \$2,349,240 (\$2,156,900); total \$95,603,311 (\$81,360,855).

Other income: western provinces \$2,374,594 (\$2,042,415); eastern provinces \$1,767,463 (\$1,747,799); interprovincial \$19,357 (\$17,370); total \$4,161,414 (\$3,807,584).

Of the total sales of products of \$454,564,927, grain and seeds accounted for \$205,340,212, the next highest being

livestock with \$83,023,834, and dairy products with \$76,886,462.

Taking the occupied farms in each province as shown in the 1941 census, the co-operative business per occupied farm in 1946 was as follows: British Columbia \$1,587; Saskatchewan \$1,141; Alberta \$999; Manitoba \$825; Ontario \$444; Quebec \$428; Nova Scotia \$396; Prince Edward Island \$256; New Brunswick \$240. The average for all Canada was \$756 per farm.

United Kingdom

The winter of 1946 and spring of 1947 brought unprecedented disaster to English agriculture. It has been estimated that by storm, flood and frost about 4,000,000 sheep and lambs, 50,000 head of cattle, and about 2,000,000 poultry, were lost. Over 700,000 acres of cultivated land were inundated, including 70,000 acres under wheat. About 200,000 acres of winter wheat were lost by frost. Altogether approximately one-third of England's normal spring and summer food supply was destroyed. The total loss to agriculture has been placed between \$40,000,000 and \$80,000,000.

The current British wheat crop is estimated by the United States Department of Agriculture at 65,000,000 bushels as against 73,435,000 bushels last year.

British Austerity Program

Great Britain's "austerity" program, with its drastic reduction of food imports, includes a special program for the increase of agricultural production. The following increases over pre-war production are set as goals to be reached in the crop year 1951-52: Wheat, 60 per cent; barley, 179 per cent.; oats, 56 per cent.; potatoes, 29 per cent.; sugar beet, 31 per cent.; milk, 23 per cent.; eggs, 52 per cent.; beef and veal, 10 per cent. Mutton, lamb and pork are to be decreased. The average is 50 per cent. over pre-war production, 15 per cent. above the peak of 1943-44, and 20 per cent. above 1946-47. The wheat acreage is to be increased by 500,000 acres, and 400,000 acres are to be put under flax. The incentive is increased subsidies and increased basic prices. A grant of \$16 an acre will be paid for the plowing up of grassland three years old or over, and sowing to approved crops. Grant of \$16 a head for steer calves and \$12 for females of approved types born and reared between August 21, 1947, and September 30, 1949. A grant of \$12 an acre on the first ten acres of wheat grown by any one occupier.

New prices for grains will be approximately as follows: Wheat, raised from \$2.05 a bushel to \$2.46; barley, milling, \$1.97 minimum a bushel, malting, \$2.57 maximum a bushel; oats, average seasonal price \$1.21 a bushel.

Special bonuses are to be paid for certain other crops and a bonus to encourage grass conservation.

In connection with the food situation in Great Britain, it may be of interest to record the following food contracts between Canada and the United Kingdom:

Bacon—originating in 1939, continues through 1947 and 1948, and calls for 350 million pounds in 1947 and 400 million in 1948.

Beef—originating in 1944, continues through 1947 and 1948 and calls for a minimum of 120 million pounds in each of these years.

Mutton and Lamb—originating in 1944, expires December 31, 1947. It called for 10 million pounds.

Eggs—originating in 1941, continues through 1947, 1948 and 1949, and calls for 83 million dozen eggs each year.

Cheese—originating in 1940, continues through 1947 and 1948, and calls for 125 million pounds each year.

Evaporated Milk—originating in 1940, continues through 1947 to March 31, 1948, and calls for 600,000 cases each year.

Wheat—originating in 1946, continues to July 31, 1950, and calls for 160 million bushels per year up to July 31, 1948, 140 million bushels to July 31, 1949, and 140 million bushels to July 31, 1950.

In addition, there are contracts for by-products of pork and beef, milk powder, vegetables and fruit. A contract for flax fibre expired September 15, 1947.

United States

The 1947-48 wheat crop of the United States is an estimated all-time record, being 1,408.6 million bushels from 73,907,000 acres, as against 1,155.7 million for 1946-47, the previous all-time record. Winter wheat is estimated at 1,095.6 million bushels, the first winter wheat crop above a billion bushels; last year's crop was 874 million. The spring wheat estimate is 313 million bushels, which compares with 281.8 million last year.

The United States Department of Agriculture estimates that the United States this year may have 450 million bushels for export and 220 million bushels of a carryover next July. Wheat disappearance in 1946-47 totalled 1,173 million bushels, of which 400 million was exported, 500 million processed, and 190 million used as feed.

The national rate in the loan program for 1947-48 averages \$1.83 a bushel, which is interpreted for top grades at the respective markets as \$2.03 at Kansas City, \$2.08 at Chicago, \$2.05 at Minneapolis, and \$1.98 at Portland. The corresponding rate last year was \$1.49.

Argentina

The area under wheat in Argentina for the 1947-48 crop has been estimated at 13,709,000 acres as against 16,465,000 acres in the previous crop year. Production for 1946-47 is estimated at 206,314,000 bushels. Broomhall forecasts the 1947-48 crop at 175 million bushels.

In November, 1946, the government announced a basic price to producers of \$1.38 a bushel for the first 11,000 bushels, and \$1.22 for deliveries over that amount. This price has been extended to July 31, 1947. The basic price for the 1945-46 crop was \$1.62. It is reported that dissatisfaction of the growers with the price is a factor in the decreased acreage under wheat this year.

Argentina has concluded wheat agreements with Brazil and Spain.

It was reported in the press on September 18 that Argentina was selling wheat at over \$5.00 a bushel to some European countries.

Australia

On the urging of the Commonwealth Government the area under wheat in Australia for the 1947-48 crop was increased from 12,526,000 acres to 15,750,000, according to the United States Department of Agriculture. Production for 1946-47 was 116,490,000 bushels; the estimate for

1947-48 is between 200 and 205 million bushels. (Broomhall's estimate 220 million bushels).

The wheat stabilization plan of the Commonwealth Government is in danger of collapse. In a referendum vote the growers of South Australia rejected the plan by a vote of 5,153 to 4,912, with only 61 per cent. of the registered growers voting. No other state has made a move in the matter, although the plan must have the concurrence of all the states. The operations of the Australian Wheat Board cease on December 31, 1947.

The Federal Government recently has been urging the several states to get together and form state pools with a single selling agency.

The constitutional validity of the compulsory acquisition of the nation's wheat production by the Federal Government has come before the Australian courts in an action brought by private concerns with a claim for damages on the ground that the government paid them too low a price. The court decided in favor of the government and the organized wheat growers are taking the case to a higher court. If the government were to lose, the cost to the country would be somewhere around \$100,000,000.

Australian wheat growers have been extremely critical of the Commonwealth Government's plan for stabilization of wheat marketing upon the lapse of power under the War Measures Act, and in April, 1947, the Australian Wheat Growers' Federation adopted a counter plan. This plan asks for a commission to inquire into and determine wheat production costs, such costs to be the floor price in the stabilization plan. It also asks for a compulsory referendum of growers before any stabilization plan becomes effective.

The government set up a commission to determine costs of production; the commission sent out 3,000 questionnaires, and after two months reported to the government that only 250 replies had been received. The government therefore advised the commission that if it did not have the necessary information it need not make a report.

In May, 1947, the state of Western Australia set up a Royal Commission to investigate and report upon wheat stabilization and marketing. The commission examined the constitutional aspects of the question and the feasibility of a state pool in the event of no Federal scheme. It recommended the establishment of a state compulsory pool; that Western Australia enter into arrangements with the other states for co-ordination of export, that the scheme come into operation for the 1947-48 crop and that a ballot of growers be taken in 1951 in connection with its continuance.

Beginning with the crop year 1946-47 the governments of Australia and New Zealand concluded a wheat agreement under which the Commonwealth agreed to sell New Zealand a maximum of 4,500,000 bushels of wheat at $5/9$ a bushel (93 cents Canadian) for the four years 1946-47-1949-50, but the Commonwealth Government will pay the Australian Wheat Board the open market price prevailing at the time of each shipment. The export price at the time the agreement was concluded was $14/5$ a bushel (\$2.33 Canadian); the difference between $5/9$ and $14/5$ will have to be made up by the Australian taxpayer.

The World Situation

The United States Department of Agriculture estimates the world wheat crop for 1947-48 at 5,975 million bushels as against 5,865 million in 1946 and the 1935-39 average of 5,998 million bushels.

The European crop is estimated at 1,085 million bushels, 17 per cent. below 1946 and 32 per cent. below the pre-war average. The import requirements of Europe it is estimated will be substantially above those for 1946.

World production of barley is estimated at 2.2 billion bushels against 2.1 billion for 1946; oats, 4.1 billion bushels against 4.2 billion last year. The production in both grains is about 200 million bushels below pre-war.

World exports of wheat and flour in 1946-47 amounted to about 750 million bushels. Although considerably above the average pre-war export volume of 560 million bushels, it was far below the needs of importing countries. It is doubtful if the export volume available for 1947-48 will come any nearer to meeting the actual needs of importing countries.

It has been estimated by a conference of sixteen nations that it will take some twenty-two billion dollars of outside credits, spread over four years, to restore European countries to economic and social health, but the provision of the billions remains a problem. The United States is now producing about 60 per cent. in value of the world's total production, and export has become imperative for the full utilization of the nation's resources and full employment. Exports have been at the rate of billions of dollars in excess of imports, all of this excess, because of the dollar shortage in importing countries, representing the piling up of huge, practically unpayable, international debts. Canada is, of course, heavily involved in this situation, for her exports have to be paid for in dollars and her exports go to the very countries which have not the dollars, while her imports from the United States have to be paid for in dollars.

Agricultural production as a whole in the United States during the war years increased 25 per cent., food products increased 33 per cent., and livestock 50 per cent., with about 30 million acres being added to crop land, although the agricultural population has declined about 16 per cent. A report of the Research Committee of the United States Committee for Economic Development (an independent national body) says that with the restoration of normal economic conditions "this expanded productive capacity in agriculture will aggravate problems for which pre-war measures had already proved inadequate."

The war has made the United States the world's chief creditor with Canada occupying second place. The debt of the nations to the United States is something over eight billion dollars, Great Britain owing over half of it. A few other fortunately situated nations have loaned to less fortunate neighbors in the neighborhood of two and a half billion dollars, making the total post-war international indebtedness between ten and eleven billion dollars: Canada is creditor to the tune of over \$1,800,000,000. Owing to the dollar situation, and the exports of the United States continuing heavily in excess of imports, the world financial situation is steadily growing worse.

In a recent bulletin, the United States Department of Agriculture, commenting on the export-import situation in the United States, states that "the world dollar shortage may result in the agriculture of the United States being confronted with a severe shrinkage of foreign markets for some of its important export products, and with discrimination in favor of countries whose importers can export."

The I.C.A. in the United Nations

The International Co-operative Alliance, representing the co-operative movement in thirty-seven countries, as a

consulting body of the United Nations, on August 11 introduced in the meeting of the Economic and Social Council a memorandum covering a resolution passed by the annual meeting of the Alliance at Zurich last year. This resolution suggested that the oil resources of the world be placed under an authority of the United Nations, beginning with the oil resources of the Middle East, these resources to be administered in such a way that co-operative organizations can be assured of an equitable share.

These resources at the present time are controlled by large oil combines. The co-operative movement has organized the International Co-operative Petroleum Association and it is felt that its operations will be hampered by lack of access to the basic material. It is moreover believed that the existing monopolistic control may contribute to disturbing the peace of the world by causing conflicts over oil between governments.

The proposal of the Alliance was rejected by the Economic and Social Council by a vote of eight to two. The delegates of the United States and Great Britain voted against it, the latter carrying New Zealand and Canada with them.

Freight Assistance

Early returns indicate the payment of freight assistance during the crop year 1946-47 on 23,869,204 bushels of wheat, against 27,016,720 bushels last year. Of these shipments (previous year in brackets), 19,757,961 bushels (22,999,935) went to the five eastern provinces and 4,111,243 bushels (4,016,785) to British Columbia.

Freight assistance was also paid on 722,848 tons of mill feeds as against 711,314 tons last year.

Obituary

Your Board with regret records the death of A. D. Young on July 11, and R. C. Findlay on July 15. Mr. Young served on the Central Board from February 28, 1941, to the day of his death. Mr. Findlay served as treasurer of this organization from 1930 to 1935, when he joined the Canadian Wheat Board as treasurer, which position he held until his death. Your Board is keenly appreciative of the loyal service given by both men to our organization.

Conclusion

As we note today the conflict of opinion and interest in the sphere of diplomacy, alongside the continuing poverty, hunger and misery of millions in Europe, it is a sobering thought that it is two years since the war ended and the war-torn nations turned to the work of reconstruction and of building a social order more consonant with the highest ideals of human relations.

Today the world is still searching for the path to peace, progress and security, and millions are enduring hunger, malnutrition and disease. The condition of Europe is worse than when the war ended. Although treaties of peace designed to end the war officially and restore normal social, political and economic relations have been concluded with five European ex-enemy nations, the relations within the victorious nations have become such that the final act for the restoration of international comity is held in suspense.

The world political situation reveals tensions which put strains upon statesmanship and which are aggravated by the serious economic conditions. As the proverb has it—a hungry man is an angry man.

In all these frustrating circumstances the farmers of Western Canada can find some satisfaction in the thought that they have done their full share toward alleviating the bitter misery which is Europe's legacy of the war. They have done their utmost in providing desperately needed food and have been leaders in the effort to make food more available to the needy by international agreements of an equitable character.

For the rest, the organized farmers should continue to give wholehearted support to the institutions they have built for the purpose not only of securing for agriculture a more dignified status in national and world economies but assisting in the great humanitarian effort of making more food available for humanity everywhere.

They should give thought to making the Canadian Federation of Agriculture stronger so that it may be successful in improving the conditions of rural life without impairing in any way the conditions of urban life.

In the same way they should give support to the International Federation of Agricultural Producers, which has brought farmers together from the ends of the earth for the purpose of promoting and protecting the welfare of the producers from the soil, and assisting in the work of bringing the fruits of their labor into the service of all humanity.

The Food and Agriculture Organization, although it is not specifically a farmers' organization, should command the earnest support of farmers both as citizens and as producers. As citizens, because it is the greatest humanitarian movement in the world today and seeks to banish hunger and malnutrition from the world and make food abundant; as farmers, because, it seeks to do this by promoting the efficient and fullest use of the land and the efficient and equitable distribution of the product for the benefit of producers and consumers alike.

Finally, the organized farmers should continue to keep before all people the value of the social philosophy of the co-operative movement. That there must be vastly more co-operation in the world, locally, nationally and internationally, before the ideals of social justice, peace and goodwill can be realized, has become painfully more and more apparent during the last few years. Their realization can only be achieved by social engineering—by deliberate intelligent building—for man can build the kind of civilization he desires if he possesses the will to do it. To the creation of both the desire and the will, Pool members and the organized farmers generally should bend all their energies.

Respectfully submitted,

JOHN H. WESSON	}	<i>Executive</i>
W. J. PARKER		
BEN S. PLUMER		
E. H. KEITH		
GEO. N. McCONNELL		
A. F. SPROULE		
THOS. G. BOBIER		
G. G. COOTE		
J. W. BALDWIN		

Canadian Pool Agencies Limited

DIRECTORS' REPORT

1946 - 1947

To the Shareholders,

Canadian Pool Agencies Limited,

Wheat Pool Building, Winnipeg, Manitoba.

Gentlemen:

We submit herewith, for your approval, the Nineteenth Annual Report and Financial Statements of your Company for the year ended 31st July, 1947, showing excess of income over expenses of \$37,207.07, after provision for Income Tax, as against the relative amount of \$34,815.73 for the previous year, thereby reflecting a net increase this year of \$2,391.34.

This is the second complete year since it was decided not to take commission from Pool Insurance Company on country elevator business, which decision was made in order to maintain the Company in the strongest possible position. This, of course, adversely affects the earnings of the Agency, but the Agency income is therefore not subject to great fluctuations due to changes in quantities and prices of grain and the income and earnings are most likely to remain close to this year's figures from year to year.

Your Agency is operated on the principle of providing service to the parent organizations and protecting their interests in the insurance field. The value of this service does not always show up in the earnings of the Company as we at all times endeavor to place the business at the lowest possible rates commensurate with security, and in this regard, we have been able to secure some slight reductions this year, which, while being direct savings to the parent organizations, results in decreased earnings of the Agency.

Fifteen types of insurance were handled during the year. By far the greatest income is derived from Fidelity and Guarantee Bonds, next comes Fire Insurance and Lake Marine Insurance.

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

BALANCE SHEET

Agency Assets and Liabilities

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

Shareholders' and Patrons' Assets and Liabilities

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

Loan Accounts: With exception of two loans to finance the purchase of automobiles, the loans are 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 \$37,187.50 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 our capital and reserve the year round, and operate the Agency on current income.

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

Furniture and Equipment: During the year some small items of equipment were purchased, which slightly increased the total cost of our equipment. However, we continue to carry this asset at the nominal sum of \$500.00 by adding to the depreciation reserve the sum of \$144.01.

Accounts Payable: This amount represents miscellaneous accounts included in this year's expenses, but which had not been paid at the date of the statement.

Patrons' Equity: The item of \$37,207.07 represents the excess of income over expenses for the year ended 31st July, 1947. This amount is available for payment as Patronage Dividends, and represents a return of 77.35% of the total commission received by your Agency. Divided on the basis of patronage each Pool will receive the dividends as shown on 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:

	Number 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
	<hr/> 2,000	<hr/> \$20,000.00

INCOME AND EXPENDITURE STATEMENT

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

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

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

Respectfully submitted,

JOHN H. WESSON	}	<i>Executive</i>
W. J. PARKER		
BEN S. PLUMER	}	
GEO. N. McCONNELL		
A. F. SPROULE		
THOS. G. BOBIER		
E. H. KEITH		
J. W. BALDWIN		
G. G. COOTE		

Pool Insurance Company

DIRECTORS' REPORT

Winnipeg, Manitoba
25th February 1947.

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

Gentlemen:

We have pleasure in submitting herewith for your approval our Eighth Annual Report and Financial Statements covering operations for the year ended 31st December 1946.

The operations for the year result in an excess of income over expenses in the amount of \$113,045.83, prior to provision for income tax. After deduction of the reserve for income tax amounting to \$2,653.53 and setting up the usual capital stock dividend as required by the Company's Charter, the balance of \$110,390.45 has been allocated to the policyholders on the basis of their contribution to the surplus. This compares with a total of \$214,370.74 available to policyholders the previous year. The reduced surplus as compared with last year's results is due to the combined circumstances of a reduced income and a high loss ratio, which latter is the highest loss ratio experienced by the Company since its organization. The experience this year proves the worth of the conservative underwriting policy of your organization as set on 1st August, 1943, namely, that of reinsuring 85% of our liability with the exception of dwelling risks.

The total premium income amounted to \$343,061.32 as compared with \$475,834.60 last year. After placing reinsurance the net earned premium income was \$55,207.75 with net losses and adjustment expenses of \$39,435.00, or a loss ratio of 71.43% as compared with 20.86% last year.

During the year eight elevators and their contents were totally destroyed by fire; the greatest number of total losses in any one year in the Company's experience. These elevators were:

In Alberta: Calahoo and Bentley.

In Manitoba: Oakbank and Broomhill.

In Saskatchewan: Vanguard, Roche Percee, West Bend, and Cymric.

In addition to these total losses, ten small losses were sustained, five on elevators and five on dwellings.

The inspection of all Pool property insured is, we consider, an essential part of our operations, and in this regard we appreciate the co-operation of the agents, superintendents and managements in carrying out the recommendations and suggestions made by our inspectors. We do, however, depend to a large extent on the continued year-round alertness of the agents in detecting and removing fire hazards, and in the face of higher loss ratios generally it cannot be stressed too often that continued vigilance in this regard is essential if we are to enjoy our previous good average experience.

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 1946. The value of the grain is the daily average for the year.

Country Elevators.....	\$30,708,345.00
Grain.....	24,240,867.86
Dwellings.....	1,983,463.00
Furniture and Fixtures and Miscellaneous.....	247,503.00
	<u>\$57,180,178.86</u>

The records of your Company are examined annually by the Dominion Government's Insurance Department and this enhances the security to the policyholders.

The total revenue shown in the statement of Income and Expenditure is made up of the earned premiums on our percentage of the risks and commission earned on the reinsurance, less losses and earned commission paid to Canadian Pool Agencies Limited. In addition, the item of \$5,007.94 is the amount paid to us by Lloyds in lieu of taxes and underwriters' association expenses. The small item of \$63.61 represents an allowance we received to cover cost of inspections made for the insurance companies which insure two elevators in British Columbia. The revenue derived from the insurance on the British Columbia elevators is insufficient to warrant our taking out a license in that 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 total amount at the Company's credit in the bank is shown.

Accounts Receivable

Under this heading is an amount due from Canadian Pool Agencies Limited covering business placed with the Company through the Agency, less a balance due to the Agency on inter-office account. The item of \$549.36 represents the amount advanced to our inspectors to cover travelling expenses. The miscellaneous accounts receivable largely consist of loss and adjustment expenses receivable less contra amounts owing in respect to reinsurance premiums and salvage.

Investments

You will notice the market value of the Company's investments exceeds the ledger value by \$12,211.50.

Automobiles

We have depreciated the value of the four automobiles used by our fire prevention inspectors by \$600.00, leaving the asset as shown on the statement at \$1,200.00.

Liabilities

Accounts Payable

This consists largely of losses and adjustment expenses payable in respect to losses sustained prior to 31st December 1946, but in respect to which payments were not actually made until subsequent to the year end. Losses in process consist of the Company's estimated net share of

two losses for which adjuster's reports have not been received.

Reserve for Unearned Income

These reserves are calculated on the basis of one hundred per cent. of the unearned premiums on our own retention, and one hundred per cent. of the commission on the unexpired portion of the reinsurance as at 31st December, 1946.

Capital Stock

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

Alberta Wheat Pool.....	750 Shares
Saskatchewan Pool Elevators Limited.....	1,250 Shares
Manitoba Pool Elevators.....	500 Shares

The paid-up capital is \$185,000.00, plus \$30,000.00 premium on capital or a total investment of \$215,000.00 divided as follows:

Alberta Wheat Pool.....	\$ 64,500.00
Saskatchewan Pool Elevators Limited.....	107,500.00
Manitoba Pool Elevators.....	43,000.00
	<hr/>
	\$215,000.00

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 our unearned premiums before refunds of excess charges are made. This \$30,000.00 together with \$6,128.26 excess realized on Dominion of Canada bonds sold creates the capital surplus of \$36,128.26 as shown on the Balance Sheet.

We wish to express the thanks of the Directors for the support and co-operation given to the Company by the Parent Organizations, Managements and Staffs.

Respectfully submitted,

JOHN H. WESSON, *President*
W. J. PARKER, *Vice-President*
BEN S. PLUMER, *Executive*
G. G. COOTE
G. N. McCONNELL
A. D. YOUNG
T. G. BOBIER
E. H. KEITH
J. W. BALDWIN

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