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# ANNUAL REPORT

1952-1953



ISSUED BY  
ALBERTA WHEAT POOL  
CALGARY, ALBERTA      DECEMBER, 1953

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## **ALBERTA WHEAT POOL'S**

# **RECORD OF PROGRESS**

**Since 1923**

At the end of the 1952-53 season the Alberta Wheat Pool owned 486 country elevators situated at 433 points in the Province of Alberta and at three points in the Province of British Columbia. The total capacity of all country grain handling facilities is now 34,414,850 bushels. The first Alberta Wheat Pool elevators were built in 1925.

The Alberta Wheat Pool owns modern terminal elevators at Vancouver and Port Arthur. The Vancouver terminal has a capacity of 5,150,000 bushels and the Port Arthur terminal has a capacity of 2,000,000 bushels.

In the 28 years since the Alberta Pool Elevators commenced operations the country elevators have handled a total of 1,096,421,397 bushels of grain.

The Pool organization, since its inception in 1923 has handled a combined total of 1,313,286,851 bushels through pooling and elevator operations. The gross value of all grain handled was \$1,310,613,946.

A total of \$13,303,162 has been distributed as patronage dividends to member patrons of the Pool country elevators. Of this amount \$5,568,984 was paid in cash and \$7,634,178 has been established as reserve credits to individual members.

Cash payments to reserve holders and member patrons for interest, reserve purchases and patronage dividends have totalled \$14,938,237. Original contributions by members to elevator and commercial reserves were \$8,467,830.

Alberta Wheat Pool has paid \$5,840,958 in Dominion, Provincial, Municipal and School taxes.



# ALBERTA WHEAT POOL AND ALBERTA POOL ELEVATORS LTD.

## CONDENSED CONSOLIDATED BALANCE SHEET

<b>CURRENT ASSETS</b>	<b>July 31, 1953</b>	<b>July 31, 1952</b>
Cash .....	\$ 550,294	\$ 618,353
Bonds—Dominion of Canada — at cost .....	2,351,250	2,351,250
Stocks of Grain and Coal .....	38,286,725	26,888,923
Advances, Accounts and Accrued Items Receivable .....	1,177,680	1,438,948
<b>TOTAL CURRENT ASSETS</b> .....	<b>\$ 42,365,949</b>	<b>\$ 31,297,474</b>

<b>CURRENT DEBTS</b>		
Outstanding Cheques, Cash Tickets, etc. ....	\$ 9,256,264	\$ 6,700,488
Bank Loans .....	25,350,000	17,430,000
Advances, Accounts and Accrued Items Payable ....	960,167	840,324
Earnings for Current Season less Prepaid Taxes .....	2,648,437	2,373,573
	<b>\$ 38,214,868</b>	<b>\$ 27,344,385</b>

### **Current Debts Deducted from Current Assets**

<b>Leaves Working Capital of</b> .....	<b>\$ 4,151,081</b>	<b>\$ 3,953,089</b>
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### **FIXED ASSETS**

Buildings and Equipment .....	\$ 16,921,483	\$ 16,305,803
Less: Depreciation .....	11,263,376	10,554,824
<b>NET VALUE</b> .....	<b>\$ 5,658,107</b>	<b>\$ 5,750,979</b>

### **OTHER ASSETS**

Shares, Memberships, Deferred Expenses etc. ....	\$ 425,674	\$ 388,475
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### **NET VALUE OF ALL ASSETS AFTER DEDUCTING**

<b>CURRENT DEBTS</b> .....	<b>\$ 10,234,862</b>	<b>\$ 10,092,543</b>
<b>DEDUCT MORTGAGE LIABILITIES</b> .....	<b>300,000</b>	<b>300,000</b>
<b>Members' Equity</b> .....	<b>\$ 9,934,862</b>	<b>\$ 9,792,543</b>

## RESERVES AND SURPLUS

Reserves Held by Members .....	\$ 7,478,788	\$ 7,471,285
Surplus .....	2,456,074	2,321,258
<b>Members' Equity in Assets As Shown Above</b> .....	<b>\$ 9,934,862</b>	<b>\$ 9,792,543</b>



## REVIEW OF OPERATIONS

FOR THE YEAR ENDING JULY 31st, 1953

### 1. Elevator Operating Results —

Gross Operating Earnings for season 1952-53 .....	\$	3,467,747
Less —		
Interest on Bonds .....	\$	12,000
Depreciation on Buildings and Equipment .....	765,010	777,010
Surplus for the Year .....	\$	<u>2,690,737</u>

### 2. Elevator Operations —

Operated 486 country elevators and Pool-owned terminal at Vancouver. Terminal No. 9 at Port Arthur was operated under agreement with Manitoba Pool Elevators.

### 3. Grain Handlings —

Handled 79,789,409 bushels of grain received from producers compared with 76,927,178 bushels the previous year. This represented 33% of the total grain marketed in the Province of Alberta in 1952-53.

### 4. Reserve Purchases —

Completed purchases of the remaining Elevator and Commercial Reserves accumulated 1923-28, as well as the purchase in full of all reserves from estates of deceased members as authorized by the delegates at the annual meeting in 1952. These purchases totalled \$1,657,811.

### 5. Patronage Dividends —

Distributed \$2,220,123 in patronage dividends for the year 1951-52 involving a cash distribution of \$569,255 and reserve credits of \$1,650,868.

### 6. New Members —

During the year 3,593 new members joined the Alberta Wheat Pool.

### 7. Junior Clubs —

Sponsored 68 Junior Wheat Clubs having a total membership of 1,236 and also 13 Forage Clubs and 65 Girls' Garden Clubs, all under the direction of the Provincial Department of Agriculture.

### 8. Assets —

Alberta Wheat Pool and Alberta Pool Elevators Limited at July 31st, 1953:

OWNED 486 country elevators, 2 terminals, 390 dwellings, 43 coal and flour sheds, 507 country annexes as well as other fixed assets and equipment in addition to the working capital.

THE MEMBERS' EQUITY in these assets is \$9,934,862 and is equivalent to 132.8% of outstanding reserves.

## FINANCIAL POSITION

Working Capital	1931	\$ 2,672,303
	1953	\$ 4,151,081
Properties and Equipment (Cost)	1931	\$ 9,648,028
	1953	\$16,921,483
Other Assets	1931	\$ 217,510
	1953	\$ 425,674
Bond and Mortgage Liability	1931	\$ 7,399,000
	1953	\$ 300,000
Depreciation Reserves	1931	\$ 1,491,042
	1953	\$11,263,376
Members' Equity	1931	\$ 3,647,799
	1953	\$ 9,934,862

## FINANCIAL ACCOMPLISHMENTS OUT OF EARNINGS

### IN PAST TWENTY-TWO YEARS

Acquired additional properties .....	\$ 7,481,619
Paid on 1929 Pool Overpayment .....	5,349,000
Paid Interest on 1929 Pool Overpayment .....	3,332,924
Paid Terminal Mortgage .....	1,750,000
Paid Cash Patronage Dividends .....	3,892,955
Purchased Elevator and Commercial Reserves .....	8,638,001
TOTAL PAID OUT .....	30,444,499
Retained as Working Capital .....	1,478,778
GRAND TOTAL .....	<u>\$31,923,277</u>

ALBERTA WHEAT POOL

# Annual Report

1952-1953



ISSUED BY  
ALBERTA WHEAT POOL  
CALGARY, ALBERTA  
DECEMBER, 1953



## BOARD OF DIRECTORS

---

Ben S. Plumer, Chairman .....	Bassano
G. L. Harrold, Vice-Chairman .....	Lamont
Nelson Malm .....	Vauxhall
R. C. Bell .....	Carstairs
Lew Hutchinson .....	Duhamel
W. J. Blair .....	Naco
W. R. Mueller .....	Spirit River



## DELEGATES

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### LETHBRIDGE—District A.

A 1. (ra)	Madill, Herbert A. ....	60091	Foremost
A 2. (ra)	Blackmer, Russell .....	46434	Coutts
A 3. (ra)	Oliver, W. A. ....	60602	Warner
A 4. (nn)	Redd, Paul H. ....	18734	Raymond
A 5. (ra)	Lee, Lester W. ....	12947	Woolford
A 6. (ra)	Davidson, Edwin N. ....	61209	Coaldale
A 7. (e)	xErdman, Ralph L. ....	80319	Barons
A 8. (e)	xClaeys, Lucien .....	73547	Vauxhall
A 9. (ra)	Egan, Alfred .....	68422	Bow Island
A 10. (re)	Montgomery, T. S. ....	50655	Hilda

### CALGARY—District B.

B 1. (ra)	Pelletier, George E. ....	64025	Pincher Creek
B 2. (ra)	Walker, Gordon B. ....	73156	Claresholm
B 3. (e)	xHagerman, T. H. ....	8573	Parkland
B 4. (ra)	Morrison, W. S. ....	54846	High River
B 5. (a)	xRudolph, Evenis .....	67908	Dalemead
B 6. (e)	Rosenberger, O. Keith .....	60074	Balzac
B 7. (a)	xWood, Ray W. ....	25064	Carstairs
B 8. (ra)	Thompson, S. E. ....	22811	Carmanagay
B 9. (e)	xBrown, Sam Jr. ....	68454	Blackie
B 10. (nn)	Bertrand, V. J. ....	1810	Milo

### DRUMHELLER—District C.

C 1. (ra)	Frey, Jake .....	7263	Arneson
C 2. (ra)	Pearce, J. M. ....	27078	Carolside
C 3. (nn)	Regehr, Gustav .....	59742	Brooks
C 4. (ra)	Petersen, T. A. ....	29309	Rosedale
C 5. (re)	Wheatley, J. M. ....	24466	Chancellor
C 6. (ra)	Cammaert, Emile .....	35501	Rockyford
C 7. (re)	Bates, A. C. ....	73708	Acme
C 8. (a)	Offord, Robert D. ....	73743	Morrin
C 9. (e)	xKaechele, D. ....	11490	Ghost Pine Crk.
C 10. (ra)	Taggart, H. L. ....	56363	Olds

# RED DEER—District D.

D 1.	(ra)	Anderson, Ezekiel	436	Excel
D 2.	(ra)	Massam, R. R.	14139	Sedalia
D 3.	(ra)	Paetz, John T.	62427	Big Stone
D 4.	(nn)	Nelson, Edward	16454	Craigmyle
D 5.	(a)	xMcBride, Hamilton J.	72459	Leo
D 6.	(re)	Judd, S. S.	11486	Stettler
D 7.	(re)	Domoney, Fred	5566	Penhold
D 8.	(nn)	Armstrong, Mark	709	Lacombe
D 9.	(ra)	Murray, James	82130	Eckville
D 10.	(ra)	Haarstad, Alfred B.	30752	Bentley

# CAMROSE—District E.

E 1.	(ra)	Fawcett, George G.	47033	Consort
E 2.	(nn)	Smith, George F.	61111	Provost
E 3.	(ra)	Hallett, John	8662	Fleet
E 4.	(nn)	Wallsten, Gustav A.	63804	Amisk
E 5.	(ra)	Oberg, Gerald	16900	Forestburg
E 6.	(nn)	Hayes, Charles P.	9290	Strome
E 7.	(re)	Haner, Raymond M.	42732	Red Willow
E 8.	(ra)	Johnson, Arne	62168	Camrose
E 9.	(ra)	Johnson, Charles A.	69802	Ponoka
E 10.	(ra)	Howes, T. H.	10280	Millet

# VEGREVILLE—District F.

F 1.	(nn)	Murray, John T.	53264	Chauvin
F 2.	(re)	Dobson, Parke	60982	Paradise Valley
F 3.	(ra)	Davies, George H.	62999	Lloydminster
F 4.	(e)	Jackson, James	60986	Irma
F 5.	(ra)	Bennett, George	1655	Manville
F 6.	(re)	Kokotailo, Tom	12152	Willingdon
F 7.	(re)	Moen, E. A.	14776	Tofield
F 8.	(ra)	Ziegler, George	44725	Vegreville
F 9.	(ra)	Alton, Willmot	40992	Ft. Saskatchewan
F 10.	(e)	xLamothe, Armand	72533	St. Paul

# EDMONTON—District G.

G 1.	(e)	xBoychuk, J. W.	60408	Smoky Lake
G 2.	(e)	Ewasiw, William	68304	Egremont
G 3.	(nn)	Antonson, Carl	657	Pibroch
G 4.	(ra)	Rigney, W. Frank	79476	Gibbons
G 5.	(a)	xSaffin, M.	19803	Morinville
G 6.	(ra)	Paterson, Charles P.	68926	Mayerthorpe
G 7.	(ra)	Powell, Uri	18284	Sexsmith
G 8.	(re)	Hadland, Arthur R.	59388	Baldonnel, B.C.
G 9.	(re)	White, Frank	68571	Spirit River
G 10.	(nn)	McAuley, W. H.	15512	Fairview

(a) Elected by Acclamation.

(ra) Re-elected by Acclamation.

(e) Elected.

(re) Re-elected.

(nn) No Nomination.

(x) Delegates elected in 1953 who did not serve in that capacity in 1952.

# REPORT OF BOARD OF DIRECTORS

## ALBERTA WHEAT POOL

— to —

### THIRTY-FIRST ANNUAL MEETING OF DELEGATES NOVEMBER 24th, 1953

Gentlemen:—

It will be recalled that, in the opening paragraphs of our report to you last year, we stated that more than half of the crop produced in our Province in the year 1951 was carried over in the field, uncut, in the stook or in the swath until April of 1952, during which month and the first two weeks of May, phenomenally good weather permitted the threshing of 56,000,000 bushels of wheat and 71,000,000 bushels of coarse grains, with a moisture content as low as 9%, leaving only about 3% of the 1951 wheat crop, 2% of the 1951 oat crop, and 1% of the 1951 barley crop unthreshed by the end of the third week of May, 1952. This achievement constituted not only a near miracle on the part of nature, but, when it is recognized that at the same date 81% of the 1952 wheat acreage, 48% of the 1952 oat acreage, and 44% of the 1952 barley acreage, was already sown, it was also a near miracle of mechanical achievement on the part of our farmers. Seeding of all grains was practically completed by June 10th.

#### VARIETIES OF WHEAT SOWN.

The percentage of the area sown in the spring of 1952 to each of the various varieties of wheat was practically the same as that of the previous year, as shown in the following table:—

	1951	1952
Thatcher .....	53.5%	53.3%
Saunders .....	11.7	12.8
Marquis .....	12.9	10.1
Rescue .....	6.8	7.0
Garnet .....	5.4	6.3
Red Bobs .....	3.6	5.2
Others .....	6.1	5.3
	<hr/> 100.0	<hr/> 100.0

#### WEATHER CONDITIONS.

The prosperity of Western Canada, and (in a large measure) of Canada as a whole, depends on the weather and its effect on the yield of grain; therefore, because of its value as an historical reference, space is given in each of our Annual Reports to the kind of weather which prevailed during the seeding, growing and harvesting season (April through October) in the year under review.

With the exception of the east central area of the Province, moisture conditions, both sub-soil and surface, were good throughout the entire province during May, June and July of 1952, and development of the crops was two weeks ahead of that of the previous year. Damage from hail was slight and was confined to the central part of the grain growing area. Harvesting of rye and barley was well under way by August 15th, and was general over the province by August 30th. With the coming of September, cooler (though still above normal) temperatures brought scattered showers which retarded harvesting operations, especially in the northern part of the province. The first general severe frost occurred on October 3rd, but (because of the maturity of the crops) did little damage. Shortly thereafter the harvesting of the biggest crop our province ever produced was completed.



## ACREAGE AND YIELD.

The area sown, the yield per acre, and the volume of the various grains produced therefrom in our province in 1952, with comparative figures for the previous year, are shown in round figures in the following table:—

	— 1952 —			— 1951 —		
	Area Sown Acres	Yield Per Acre	Production in Bushels	Area Sown Acres	Yield Per Acre	Production in Bushels
Wheat .....	6,404,000	26.86	172,000,000	6,424,000	23.7	152,000,000
Oats .....	2,587,000	49.86	129,000,000	2,854,000	47.0	134,000,000
Barley .....	3,336,000	35.37	118,000,000	3,041,000	34.5	105,000,000
Rye .....	380,000	20.53	7,800,000	284,000	18.8	5,345,000
Flax .....	151,000	13.25	2,000,000	135,000	11.6	1,570,000
Mixed Grains	71,300	40.67	2,900,000	81,000	39.0	3,159,000
			431,700,000			401,074,000

The percentage of the area sown to the various grains and later hauled out, cut for fodder, or otherwise abandoned as a source of threshed grain, was less than half that of the previous year, as shown in the following table:—

Grain	1952	1951
Wheat .....	3%	6%
Oats .....	8%	13%
Barley .....	4%	8%
Rye .....	2%	6%
Flax .....		8%

## PERCENTAGE OF NATIONAL PRODUCTION.

The following table shows Alberta's contribution to the total Canadian production of the various grains in the year 1952, as compared with that of the previous year:—

	— 1952 —			— 1951 —		
	Can. Crop in Bushels	Alta. Crop in Bushels	Per- cent- age	xCan. Crop in Bushels	Alta. Crop in Bushels	Per- cent- age
Wheat .....	687,922,000	172,000,000	25.0	552,657,000	152,000,000	27.5
Oats .....	466,805,000	129,000,000	27.6	488,191,000	134,000,000	27.4
Barley .....	291,379,000	118,000,000	40.5	245,218,000	105,000,000	42.8
Rye .....	24,557,000	7,800,000	31.8	17,647,000	5,345,000	30.3
Flax .....	12,961,000	2,000,000	15.4	9,897,000	1,570,000	15.9
Mixed Grains ..	63,205,000	2,900,000	4.6	68,509,000	3,159,000	4.6

xUnrevised figures.

## FARM LABOUR

Because of the unusual conditions outlined in the opening paragraphs of this report, under which our farmers were faced with the colossal task of harvesting two crops in the year 1952, the need for an ample supply of farm help was never more urgent; but efficient help was hard to get. Immigrants from farms in Central European Countries were available in limited numbers, but while willing and eager to learn, most of them were not familiar with our farming methods. The National Employment Service provided 1163 workers from Eastern Canada and 1830 others were available within our own province. Wages averaged \$8.50 to \$9.50 per day, plus board and room.

Statistics recently compiled by The Canadian Federation of Agriculture show that while, during the eighty-year period (1870 to 1950) the number of occupied farms in Canada had increased from 368,000 to 677,000, the average area per farm had increased from 98 acres to 257 acres, and that, during the same period, the number of occupied acres per man, including the owner and hired help, had increased from 67 acres to 165 acres. In the seven years following

1945 (i.e. 1946 to 1952, inclusive), the total Canadian agricultural labour force (including members of the farm families) decreased from 1,178,000 to 863,000. It is reasonable to assume that the statistics for the three prairie provinces alone would be even more startling.

During the years 1926 to 1929, agriculture received 16.4% of the National income. In 1952 agriculture received only 12% of the National income, notwithstanding the fact that the average capital requirements per worker in agriculture (including real estate, machinery and livestock) is now approximately \$13,000.00 (four times what it was in 1900), as compared with an average capital requirement of \$5352.00 per worker in the manufacturing industry.

In commenting on these trends in our agricultural industry, The Canadian Federation of Agriculture states:—

"What is more serious to agriculture is the loss of so many farmer sons—highly skilled young men and women who are potentially the best for efficient farm operators and for rural citizenship. Many have been replaced by less skilled personnel, often by immigrants, many of whom are inexperienced in Canadian methods of farming . . . there is the traditional gamble in agriculture with the weather, with disease, with natural hazards and lastly the insecurity of widely fluctuating prices and insecure markets both at home and abroad."

### QUALITY OF WHEAT

The figures in the following table are compiled from deliveries made to Alberta Pool Elevators during the 1952-53 crop year and show that the quality of wheat produced in 1952 was much higher than that of the previous year, figures for which are also given for comparative purposes:—

	— 1952-53 —			— 1951-52 —		
	Straight %	Tough & Damp %	Total %	Straight %	Tough & Damp %	Total %
1 Northern .....	5.82	.03	5.85	.45	.....	.45
2 Northern .....	30.22	.64	30.86	5.23	.51	5.74
3 Northern .....	26.20	.95	27.15	13.67	5.75	19.42
4 Northern .....	16.05	.89	16.94	10.08	10.77	20.85
No. 5 .....	11.62	.71	12.33	12.23	12.58	24.81
No. 6 .....	1.65	.12	1.77	15.37	3.65	19.02
Feed .....	.19	.04	.23	3.12	.47	3.59
Other Grades ..	.....	....	4.87	.....	.....	6.12

In view of the strain placed on all available storage facilities as a result of the large volume of grain carried over from the 1951 crop and threshed in the spring of 1952, plus the unusually heavy crop of 1952, the fact that so large a percentage of the 1952 crop graded dry reduced in large degree the hazard of loss through storage of grain on the farms (often in inadequate facilities) during the period when deliveries to country elevators were necessarily restricted under quota regulations.

### Protein Content, 1952 Crop.

The average protein content by grades of the wheat produced in the three prairie provinces, as determined by the Board of Grain Commissioners, was as follows:—

	Manitoba %	Saskatchewan %	Alberta %	Western Canada %
1 Northern .....	12.3	13.3	12.8	13.2
2 Northern .....	12.2	12.9	12.4	12.8
3 Northern .....	12.2	13.2	12.5	12.9
4 Northern .....	12.5	13.4	12.6	13.1
2 C.W. Garnet .....	.....	11.8	10.8	11.2
3 C.W. Garnet .....	.....	11.9	11.3	11.4
All Grades .....	12.2	13.1	12.5	12.9



## CANADA'S WHEAT CARRYOVER AS AT JULY 31st, 1953

Notwithstanding a ready market for Canadian wheat during the year, it was inevitable (for the reasons already given) that our inventory of wheat at July 31st, 1953 should be higher than that of the previous year (especially the portion thereof which was held on farms and in country elevators) as shown in the following table:—

	July 31st, 1953	July 31st, 1952
On farms .....	92,016,000 bu.	19,262,000 bu.
In country elevators .....	137,164,000 "	94,946,931 "
In private and mill elevators .....	5,816,000 "	4,651,936 "
In interior terminal elevators .....	14,630,000 "	5,454,062 "
In Pacific Coast terminals .....	7,101,000 "	6,613,771 "
In Churchill terminal .....	2,133,000 "	2,251,181 "
In Ft. William-Port Arthur terminals .....	29,146,000 "	13,699,828 "
In transit—lake and rail .....	23,307,000 "	24,332,426 "
In Eastern Canadian elevators .....	48,268,000 "	37,593,896 "
In Mills (Eastern and Western) .....	2,631,000 "	1,925,000 "
 Total in Canada .....	 362,212,000 "	 210,731,031 "
In United States .....	535,000 "	2,243,683 "
	<u>362,747,000 "</u>	<u>x212,974,714 "</u>

x—Unrevised figures.

## WORLD SUPPLY AND DEMAND

### CARRYOVER IN PRINCIPAL WHEAT PRODUCING COUNTRIES (Ex. U.S.S.R.)

Stocks of wheat in store at the beginning of the crop year 1952-53 in each of the principal wheat producing countries of the world, except the U.S.S.R. (from which country statistics are not available), the volume produced in each such country in the crop year 1952-53, and total supplies therein, are shown in the following table:—

	Carryover at Beginning of Crop Year 1952-53	Production in Crop Year 1952	Total Supplies 1952-53	Total Supplies 1951-52
		(Millions of Bushels)		
Canada .....(2)	217.2	687.9	905.1	741.9
United States .....(1)	255.2	1291.4	1547.0	x1377.0
Australia .....(3)	18.0	193.0	211.0	x179.1
Argentina .....(3)	1.8	286.6	288.4	x93.7
	<u>492.6</u>	<u>2458.9</u>	<u>2951.5</u>	<u>2391.7</u>

(1) As at June 30th, 1952.

(2) As at July 31st, 1952 (Revised figure).

(3) As at November 30th, 1952.

x—Revised from last year, as per D.B.S.

The volume of wheat carried over by each of the above listed countries at the end of their respective crop years, with comparative figures for the previous year, was as follows:—

	End of Crop Year 1952-53	xEnd of Crop Year 1951-52
Canada .....	362,700,000	217,200,000
U.S.A. ....	1,036,200,000	838,200,000
Australia .....	60,500,000	43,500,000
Argentina .....	124,600,000	1,800,000
	<u>1,584,000,000</u>	<u>1,100,500,000</u>

x—Revised figures.



This represents an increase of 44% over the inventories of wheat held by these four countries collectively the previous year.

The volume of wheat produced in 1952 by the seven main wheat producing areas of the world, as compared with that of the previous year, and the average annual production for the five-year base period, 1935 to 1939 inclusive, is shown in the following table:—

	1952 (1) Millions of Bushels	1951 (2) Millions of Bushels	1935-39 (2) Millions of Bushels
North America .....	1,991	1,556	1,085
Europe .....	1,635	1,580	1,599
U.S.S.R. .... (3) .....	1,100	1,100	1,240
Asia .....	1,630	1,600	1,474
South America .....	375	155	275
Oceania .....	192	165	177
Africa .....	175	158	144
	<hr/> (3) 5,998 <hr/>	<hr/> 6,324 <hr/>	<hr/> 5,994 <hr/>

(1) Estimated.

(2) Revised figures.

(3) U.S.S.R. production in 1952 not known.

It will be noted that the figures in the first two columns are not comparable inasmuch as the total of the figures in the first column do not include production in Russia, which is a substantial factor in world wheat trade which, in the previous year 1951-52, reached an all time high.

The increased world supplies of wheat in the year under review, but for the judicious control exercised in Canada by the Canadian Wheat Board in its marketing operations and the price support policy of the United States, might have precipitated a "bear" market similar to that which characterized the price trend in rye and flax, as referred to later in this report.

The total volume of wheat which moved into world trade during the cereal year 1952-53, was approximately 900 million bushels, as compared with approximately 1040 million bushels sold the previous year.

### MARKETING POLICY, 1952-53

From the figures already given it will be seen that at the opening (on August 1st, 1952) of the crop year under review our wheat carryover in Canada in all positions amounted to 217.2 million bushels. To this was added, from the harvesting of our 1952 crop, 687.9 million bushels, making a total of 905.1 million bushels. x—Revised figure.

The cereal year under review was the fourth and final year of the first International Wheat Agreement. The quantity guaranteed and the quantity of wheat delivered by each of the four exporting countries which were signatories to the Agreement was as follows:—

	Quantity Guaranteed	Volume Delivered
Canada .....	235,000,000 bushels	231,079,000 bushels
Australia .....	88,700,000 "	86,674,000 "
France .....	4,089,000 "	3,380,000 "
U.S.A. ....	253,136,000 "	251,136,000 "
	<hr/> 580,925,000 " <hr/>	<hr/> 572,269,000 " <hr/>

## DISPOSITION OF CANADIAN WHEAT SUPPLIES.

According to the Dominion Bureau of Statistics, the above mentioned 905 million bushels available in Canada during the year under review were distributed as follows:—

	(Millions of Bushels)
Exported under the International Wheat Agreement .....	231.1
Exported outside the International Wheat Agreement ..	154.8
Used for domestic consumption and seed .....	156.5
Carryover as at July 31st, 1953 .....	362.7
	<hr/> 905.1 <hr/>

## CONTROL OF DELIVERIES FROM THE FARM.

As in previous years, deliveries from the farm of all grains except flax were controlled under a quota system. On August 1st, 1952, The Canadian Wheat Board authorized deliveries of each of the other four grains under the following quotas at all points in Alberta except 240 points, at which "open" delivery quotas were maintained temporarily on wheat, oats and barley:—

Wheat—5 bushels per seeded acre.

Oats—4 bushels per seeded acre.

Barley—4 bushels per seeded acre (plus one carlot of malting Barley)

Rye—5 bushels per seeded acre.

On August 11th, 1952, deliveries of barley at all points were placed under the quota, and on August 19th, 1952, deliveries of wheat and oats at all points were restricted to the respective quotas listed above, namely, five bushels per seeded acre for wheat and four bushels per seeded acre for oats.

On October 4th, 1952, delivery restrictions on Amber Durum wheat were removed for the remainder of the crop year.

In an endeavour to use country elevators to their respective maximum capacities, The Canadian Wheat Board, on October 22nd, 1952, authorized quota increases to 15 bushels per seeded acre, at selected points where all the elevator agents at each respective point agreed that available storage space at that point warranted such increase.

On January 30th, 1953, delivery quotas on all grains, then under control, were increased to 15 bushels per seeded acre at all shipping points in the province.

On March 3rd, 1953, restrictions on deliveries of rye were removed and a "supplementary" quota of three bushels per acre, based on the combined acreage seeded by each producer to wheat, oats and barley, was instituted. Under this supplementary quota each producer had the right to deliver in excess of his 15 bushel quota any one of these three grains in a volume equivalent to three bushels for each acre of his aggregate acreage sown to wheat, oats and barley.

When initiated (on March 3rd, 1953) the privilege of delivering this supplementary quota (of three bushels per acre) was granted only on application of the elevator agents, and on May 1st, 1953, the privilege was made to apply automatically at all points in the province.

On May 15th, 1953, producers were granted the privilege of delivering their grain at points other than that specified in their permit books.

In view of the fact that under the then existing quota regulations, the producers of oats were not receiving as high a financial return per acre as the producers of other grains, The Canadian Wheat Board, on May 27th, 1953, permitted such producers (on application) to deliver increased quantities of oats based on the ratio of their oat acreage to their total grain acreage for that year.

With a view to utilizing any space which was then available at any country elevator in the province, The Canadian Wheat Board, in Order No. 80, of June 17th, 1953, announced its readiness "to consider applications from elevator agents for approval to accept additional deliveries of wheat and barley to fill country



elevator space not required to take care of the balance of grain remaining to be delivered under the basic 15 bushels per seeded acre quota, the supplementary 3 bushels per seeded acre quota, and authorizations for delivery of oats" under the regulations referred to in the preceding paragraph.

In Order No. 98 of July 18th, 1953, The Canadian Wheat Board extended this last mentioned ruling to the delivery of oats. By July 27th, 1953 (under these two last mentioned regulations) a total of 493 shipping points in Alberta were on "open quota" basis. On July 28th, and until August 15th, 1953, all points in the province were declared "open" for the delivery of wheat (other than Durum) and for oats, and for that period producers were granted the privilege of delivering these grains at any point where space was then available. On July 31st (and until August 15th) this privilege was extended to the delivery of barley.

## TRANSPORTATION

Under the supervision of the Transport Controller, Mr. R. W. Milner, the movement of grain from country elevators to terminals and mills, was expertly handled.

With a view to achieving a greater measure of efficiency and equity in the distribution of cars between elevator points throughout Western Canada, Alberta shippers, in the fall of 1952, were provided with a somewhat larger percentage of available cars than had been the case in previous years. The allocation of cars to individual shipping points throughout Western Canada was and is still determined, at any given time, on the basis of the following formula:—

- (a) The total capacity of the elevator or elevators at each and every shipping point is calculated;
- (b) From this is deducted the volume of grain in store in each such elevator, as shown on reports received weekly by The Canadian Wheat Board from all elevator points in Western Canada. The difference between the two figures indicates the space then available at each point;
- (c) From the permits issued to producers at each individual shipping point, the volume of grain still to be delivered at each point, under the then existing quota can be determined;
- (d) From this information it is possible to allocate cars between individual shipping points throughout Western Canada in a manner designed to enable producers to deliver the quota then in effect for each respective type of grain. As and when space becomes available in country elevators, the quota may be increased.

## PAYMENTS ON GRAIN, 1951-52 POOL

It will be recalled that at the close, on July 31st, 1952, of the 1951-52 cereal year, The Canadian Wheat Board held unsold, a considerable quantity of wheat, oats and barley. These inventories were carried into the 1952-53 cereal year and were subsequently dealt with as follows:—

### WHEAT.

Inventories of wheat of all grades amounted to 103,208,409 bushels and were transferred on October 24th, 1952 to the 1952-53 pool at the fixed price of \$167,196,571.92. This transfer was ratified by Order-in-Council No. 4508, passed on November 19th, 1952.

The price realized by producers on the principal grades of wheat delivered to the 1951-52 pool, after deducting Board carrying charges, drying and recondi-



tioning costs, and Board administrative costs, was as follows, basis in store Fort William, Port Arthur, or Vancouver:—

Grade	Initial Payment	Adjustment Payment	Final Payment November 26/52	Total Price
No. 1 Northern .....	\$1.40	\$ .20	\$ .23569	\$1.83569
No. 2 Northern .....	1.37	.20	.24579	1.81579
No. 3 Northern .....	1.34	.20	.25589	1.79589
No. 4 Northern .....	1.26	.20	.27609	1.73609
No. 5 Wheat .....	1.16	.20	.24547	1.60547
No. 6 Wheat .....	1.06	.20	.26567	1.52567
Feed Wheat .....	1.00	.20	.29597	1.49597
No. 1 Amber Durum	1.40	.20	.23569	1.83569
No. 2 Amber Durum	1.37	.20	.24579	1.81579
No. 3 Amber Durum	1.30	.20	.30134	1.80134

78.4% of The Canadian Wheat Board receipts of wheat in the 1951-52 cereal year were of grades No. 3 Northern, No. 4 Northern and No. 5.

## OATS.

Inventories of oats of all grades held by The Canadian Wheat Board amounted to 17,396,604 bushels and were transferred to the 1952-53 pool on September 26th, 1952 at the fixed price of \$13,190,335.98.

The price realized by oat producers for the principal grades of oats delivered to The Canadian Wheat Board in 1951-52, after deducting carrying charges, drying charges, etc., was as follows, basis in store Fort William/Port Arthur:—

	Initial Payment	Final Payment October 15/52	Total Price
No. 2 C.W. ....	\$ .65	18.802c	83.802c
No. 3 C.W. ....	.62	18.922	80.922
Extra No. 1 Feed .....	.62	18.561	80.561
No. 1 Feed .....	.60	17.763	77.763
No. 2 Feed .....	.53	22.122	75.122
No. 3 Feed .....	.48	24.113	72.113

## BARLEY.

Out of total receipts by The Canadian Wheat Board of 130,640,396 bushels of barley during the period, August 1st, 1951 to July 31st, 1952, 11,372,063 bushels remained unsold, and on October 3rd, 1952, were transferred to the 1952-53 pool at the fixed price of \$14,823,905.00, which transfer was authorized by Order-in-Council No. 4331 on October 23rd, 1952.

The price received by barley producers for the principal grades of barley delivered to The Canadian Wheat Board in 1951-52, after deducting carrying charges, etc., was as follows, basis Fort William/Port Arthur:—

	Initial Payment	Adjustment Payment	Final Payment October 29/52	Total Price
No. 3 C.W. Six Row	\$ .96	.20c	1.3333c	\$1.29333
No. 4 C.W. Six Row	.90	.20	1.2682	1.22682
No. 1 Feed .....	.87	.20	1.4158	1.21158
No. 2 Feed .....	.80	.20	1.7591	1.17591
No. 3 Feed .....	.75	.20	1.6153	1.11153

## PAYMENTS ON GRAIN, 1952-53 POOL

Initial payments, effective August 1st, 1952, were established on wheat, oats and barley, as follows:—

Wheat—basis No. 1 Northern in store Ft. William/Port Arthur or Vancouver .....	\$1.40 per bushel
Oats—basis 2 C.W. in store Fort William/Port Arthur .....	.65 per bushel
Barley—basis 3 C.W. 6-Row in store Fort William/Port Arthur .....	.96 per bushel

with appropriate spreads on lower grades.

**Wheat.** On March 2nd, 1953, the initial payment on wheat was increased to \$1.60 per bushel (basis No. 1 Northern, Fort William/Port Arthur or Vancouver), and on April 1st, 1953, The Canadian Wheat Board mailed cheques covering an interim payment of 20c per bushel to producers who had made deliveries on the \$1.40 per bushel initial payment basis.

The Minister of Trade and Commerce, Rt. Hon. C. D. Howe, announced recently in the House of Commons that another interim payment of twelve cents per bushel will be distributed to producers in the near future.

Due to the large carryover in the hands of The Canadian Wheat Board as at July 31st, 1953, it is not anticipated that the final payment on deliveries to the 1952-53 pool will be made until early in the new calendar year.

**Oats.** On November 3rd, 1953, a final payment was made by The Canadian Wheat Board on oats delivered in the 1952-53 crop year. Payments, basis Fort William/Port Arthur, on a few representative grades are listed hereunder:—

	Payments in Cents per Bushel		
	Initial	Final	Total
2 C.W. ....	.65	9.028	74.028
Ex 3 C.W. ....	.62	9.877	71.877
3 C.W. ....	.62	9.128	71.128
Ex 1 Feed ....	.62	9.128	71.128
1 Feed ....	.60	8.393	68.393
2 Feed ....	.53	13.274	66.274
3 Feed ....	.48	15.861	63.861

**Barley.** On March 2nd, 1953, an interim payment of 15c per bushel was made on barley, and the initial payment increased an equivalent amount—to \$1.11 per bushel, basis 3 C.W. 6-Row. To date of writing this report the final payment on barley has not been made.

**Rye.** Rye and flax were not handled by The Canadian Wheat Board and the price thereof was permitted to find its own level under so called "open market" basis. On August 14th, 1952, the price of rye was quoted on the Winnipeg Grain Exchange at \$1.90 per bushel for 2 C.W., but during the succeeding months it gradually declined until on July 28th, 1953, it stood at \$1.07½ per bushel for the same grade. However, a quick rally in the market brought the price up to \$1.12½ per bushel at the close of business on July 31st, 1953, which marked the end of the cereal year.

**Flax.** On August 15th, 1952, No. 1 C.W. flax was quoted on the Winnipeg Grain Exchange at \$3.99 per bushel, but, in common with the trend in rye prices, the price weakened, until, on July 29th, 1953, it reached a low of \$2.83½, but rallied slightly, and at the end of that cereal year, July 31st, 1953, it stood at \$2.85 per bushel.

## ADMINISTRATION

### TARIFF OF HANDLING CHARGES.

The rates established by the Board of Grain Commissioners as the maximum charges for the handling and storage of grain in and through country and terminal elevators during the year under review were the same as the previous year, except

for changes in shrinkage allowance on wheat, oats and barley from  $\frac{3}{4}$  of 1% on tough grain to  $\frac{1}{2}$  of 1%, and from 1% on damp grain to  $\frac{1}{2}$  of 1%.

The 1952 maximum tariffs were established as follows:—

Elevation Charges—	Country Elevators	Fort William/Port Arthur and Vancouver Terminal Elevators
	(per bushel)	(per bushel)
Wheat .....	2 $\frac{5}{8}$ c	2 $\frac{1}{8}$ c
Oats .....	2 $\frac{1}{8}$ c	2 $\frac{1}{8}$ c
Barley .....	2 $\frac{5}{8}$ c	2 $\frac{1}{8}$ c
Rye .....	2 $\frac{5}{8}$ c	2 $\frac{1}{8}$ c
Flax .....	4 $\frac{3}{4}$ c	3 $\frac{3}{4}$ c

#### Storage Charges—

Country elevators—1/30th of 1c per bushel per day after the first 15 days.

Terminal elevators—1/30th of 1c per bushel per day after the first 10 days, which period is divided equally between the buyer and the seller.

#### Shrinkage Allowance—Country Elevators—

	Dry	Tough	Damp
Wheat .....	$\frac{3}{8}$ %	$\frac{1}{2}$ %	$\frac{1}{2}$ %
Oats .....	$\frac{1}{4}$ %	$\frac{1}{2}$ %	$\frac{1}{2}$ %
Barley .....	$\frac{1}{4}$ %	$\frac{1}{2}$ %	$\frac{1}{2}$ %
Rye .....	$\frac{1}{2}$ %	1%	1 $\frac{1}{2}$ %
Flax .....	1 $\frac{1}{2}$ %	2%	2%

During the year we operated on the basis of this schedule, except that we charged only 1/35th of 1c per bushel per day for storage at our country and/or terminal elevators, instead of the maximum of 1/30th of 1c per bushel.

#### COAL.

During the year, as a service to our members, we handled 3420 tons of coal, as compared with a volume of 4607 tons handled the previous year.

#### PLANT AND EQUIPMENT.

In view of the limited funds available for the purpose, expansion of our elevator system during the year was limited in large degree to the construction of annexes. Details of extensions made to our system during the year will be given in the report of our Manager and in the report of our subsidiary Company, Alberta Pool Elevators, Limited.

Repairs were made to dwellings, country elevators and terminal elevators where necessary. The installation of dust control equipment in Terminal No. 1 Vancouver, was continued throughout the year, and other extensive repairs to plant and equipment were carried out.

All plant and equipment is adequately covered by insurance against fire and other hazards.

#### OPERATING RESULTS, 1952-53.

Despite the various problems with which our administration had to deal during the year, the result of our operations (as will be shown in detail in the report of our Manager) was slightly better than that of the previous year—the surplus amounting to \$2,690,737.40, as compared with a surplus of \$2,413,173.02 the previous year.

#### STAFF.

At the close of the fiscal year covered by this report our staff in all departments numbered 931. With the exception of our employees at Vancouver terminal,



who are members of the Grain Workers' Local No. 333, International Union of United Brewery, Flour, Cereal, Soft Drinks & Distillery Workers of America, our relationship with the members of our staff in all departments has been all that we could desire, and our sincere appreciation therefor is herein recorded.

Unfortunately, after negotiations, the officials of the above mentioned Local Union and representatives of our Organization failed to agree on the terms of a new Agreement to replace the one which expired on November 30th, 1952. As a result, the workers at our Terminal No. 1, Vancouver, in common with those of four other companies who operate terminal elevators there, went on strike on February 16th, 1953. Despite efforts in the interval to reach a compromise on the issues at stake, the strike continued until May 6th, 1953, when a settlement was reached and terminal operations at all five plants were resumed.

In the meantime, the movement of grain out of that port was virtually at a standstill and hundreds of grain-laden railway cars could not be unloaded and remained on the crowded sidings.

The Agreement presently in force between the Union and each of the five elevator companies will remain in effect until November 30th next, and will automatically continue in force from year to year thereafter unless a request for revision thereof is made by one party to the other not later than thirty days prior to the date of expiration in any given year.

## PROMOTIONAL ACTIVITIES

### SCHOLARSHIPS.

Support, both financial and physical, was provided again this year to organizations engaged in activities of a cultural and/or scientific nature, the purpose being to promote the welfare of agriculture with special emphasis on the education and training of our farm young people. There is evidence of gratifying results from our contribution to the support of 4-H Clubs throughout the province.

The granting of Alberta Wheat Pool Scholarships to farm boys and girls of our province, as approved by the delegates at our annual meeting last year, was very favourably received by the Board of Governors of the University of Alberta. The first two of these awards (amounting to \$500.00 each per year for a period of five years) were made this year to two students—Miss Mary P. Hendrickson of Tofield and Mr. James C. Bower of Red Deer. The scholastic record, as well as other necessary qualifications of these two students, was most creditable.

Information in greater detail concerning promotional activities will be provided in a supplementary report.

### COUNTRY MEETINGS.

Three hundred and fifty-seven meetings were held during the year at country points throughout the province, as compared with 307 meetings held last year. Total attendance was 29,272, or an average attendance per meeting of 82 persons.

## PUBLICITY

Our program of publicity was conducted along lines similar to that of previous years, the radio being our most constant means of communication with our members and the general public. In this we continued to sponsor broadcasts as follows:—

Over CFCN, Calgary—three newscasts each week day and two on Sunday.

Over CJCA, Edmonton—one newscast daily at 10 p.m.

Over CFCP, Grande Prairie—one newscast daily at 10 p.m.

Over CJOC, Lethbridge—one farm service broadcast at noon each week day.

In co-operation with Alberta Livestock Co-operative, Limited, livestock prices and market comments are carried on the newscasts over Stations CFCN and CFCP.



We also continued our participation with six other Co-operatives of our province in the sponsorship of the "On the Farm Front" broadcast by the Alberta Federation of Agriculture over Stations CFCN and CFRN at 12:22 p.m., Monday through Friday, and over Station CFGP once each week.

As in previous years, a series of six addresses given by the Director, Delegates and Fieldmen of the Peace River district, was carried over radio stations CFGP, Grande Prairie, and CJDC, Dawson Creek.

Weekly publication of "The Budget" was continued throughout the year, with an increase in circulation, over that of the previous year, to approximately 3600 copies per issue.

Seven thousand Alberta Wheat Pool School Calendars were printed and distributed to rural schools of our province. We believe that the special features of this Calendar are appreciated by both teachers and students.

A revised edition of "The Story of Wheat" was published this year and widely distributed. Thirty-five hundred copies were furnished to the Government of Alberta for distribution to our schools. Copies have been, and are being, supplied to various Departments of the Government at Ottawa in response to requests therefrom.

The primary purpose behind our program of publicity is to instil in our younger generation of farm people the importance of the co-operative movement to the agricultural industry of this province.

## PURCHASE OF RESERVES.

It will also be recalled that your Board was authorized by resolution of the delegates in attendance at our annual meeting last year, to use \$1,655,300.00 in the purchase of reserves. Pursuant thereto, disbursements were made as follows:—

- |   |                |
|---|----------------|
| (a) In completing the purchase of First Series Reserves (i.e., Commercial and Elevator Reserves accumulated during the period covered by our First Series Contract, 1923-28), excepting only the \$5.00 equities assigned to new members who joined our Association in recent years ..... | \$1,341,822.52 |
| (b) In the purchase of Second Series Reserves (i.e., Reserves issued to members as patronage dividends) held by estates of members who died on or before December 31st, 1951, where notice of death had been filed at Head Office on or before January 15th, 1953 .....                   | \$ 315,988.84  |

Total Reserves purchased in 1952-53 .....	<u>\$1,657,811.36</u>
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Of the First Series Reserves, amounting to \$8,467,830.71 (accumulated by contract signers during the period, 1923-28) \$8,322,011.86 worth have been fully purchased at one hundred cents on the dollar, leaving \$145,818.85 still outstanding to the credit of members who joined our Association since 1940, and which were acquired by such new members through assignment.

Of the money used in the purchase of the First Series reserves referred to above, there remained undistributed at July 31st, 1953, the sum of \$287,444.38, to the credit of members whose addresses are unknown. Disbursements made since that date have reduced the amount undistributed to \$223,864.53, which is 2.76% of the total issue of such reserves.

## MEMBERSHIP

### ENROLMENT OF MEMBERS.

During the year under review, 3593 applied for, and received, enrolment as members. This is the largest number taken into membership in any year since 1940, since which time applications for membership from 33,388 producers have been granted by your Board.

## CANCELLATION OF MEMBERSHIPS.

In the same period, under the provisions of Section 47 of our Act of Incorporation, 3502 memberships were cancelled by resolution of the Board. A total of 30,042 memberships have now been cancelled.

## DISPOSITION OF SURPLUS, 1951-52.

It will be recalled by delegates who were present at our annual meeting last year that your Board was authorized, by resolution of the delegates in attendance thereat, to dispose of the surplus from our operations of the fiscal year 1951-52, amounting to \$2,413,173.00, in the following manner:—

In payment of Income Taxes .....	\$ 93,785.00
In payment of a cash patronage dividend to producer members .....	570,785.00
In the allocation of reserves to the credit of member patrons .....	1,655,300.00
Surplus to be retained .....	93,303.00
	<hr/>
	\$2,413,173.00

Pursuant to this authority, the undernoted disposition was made:—

In payment of Dominion Income Tax and Provincial Corporation taxes .....	\$ 92,206.54x
In payment of cash patronage dividends to member patrons .....	569,255.49
In the allocation of reserves to the credit of member patrons .....	1,650,867.66
Transferred to earned surplus account .....	100,843.33xx
	<hr/>
	\$2,413,173.02

x—These figures were subsequently adjusted by the payment of an additional tax of \$3034.68, thereby bringing our total payments of Dominion Income Tax and Provincial Corporation taxes to \$95,241.22.

xx—As a result of this additional payment our earned surplus was reduced to \$97,808.65.

## IN MEMORIAM

The year which has passed since last we met in annual meeting has witnessed the passing of a large number of pioneer co-operators from among the ranks of our membership, and to each of them we acknowledge a debt of gratitude for the contribution he has made toward the development of a better way of life for our rural people. Space will not permit personal tribute to each of them and direct reference herein will be confined to those who were closely associated with our Organization in an official capacity, and will be done in chronological order.

The first of these was the sudden and totally unexpected death of our former Manager, the late R. D. Purdy, which occurred at his home in Calgary at 5 a.m., on Sunday, March 29th last, following an extended holiday in the Hawaiian Islands, from which he had returned the previous evening.

Mr. Purdy first entered our employ as Acting Manager of Alberta Wheat Pool on January 1st, 1925, following the death in October, 1924, of the previous Manager, Mr. C. M. Elliott. On August 20th, 1925, Mr. Purdy was appointed Manager, and continued in that office until his death.

Following the incorporation of Alberta Pool Elevators, Limited, on February 2nd, 1926, Mr. Purdy was appointed as Manager of that Company and continued in that office until August 2nd of that year, at which time it was decided to operate that company under separate management. On the same date, Mr. C. M. Hall was appointed Manager of Alberta Pool Elevators, Limited. Mr. Purdy then devoted his undivided attention to the administration of Alberta Wheat Pool until April 1st, 1929, when, following the retirement (because of ill health) of Mr. Hall, on March 26th, 1929, from the managership of Alberta Pool Elevators,



Limited, he was re-appointed Manager of that Company, and from then until his death continued to serve in the dual capacity of Manager of both Companies.

In the report of our present Manager, Mr. Baker, which will be placed before you later, a warm tribute is paid to the contribution made by Mr. Purdy during the twenty-eight years and three months in which he gave of his best to the service of the sixty thousand farmers who comprise the membership of this Organization. The problems arising out of our overpayment in 1929, which plunged our Organization into debt in excess of five million, six hundred thousand dollars, were heavy and our recovery therefrom was slow and tedious. Through it all, his faith in the farmers' continued loyalty to our Organization never wavered and he lived to see that burden of debt completely liquidated and repayment made to our pioneer members of the capital they subscribed in the early (and hard) years of our pooling operations. For the part he played during his long years of service, for his devotion to duty and his unwavering faith in the ultimate triumph of co-operative endeavour, we know his memory is honoured in the homes of our farm people, and on their behalf we herein express our humble thanks.

On April 28th last, Mr. Cecil W. Birney, formerly of Whitla, and who, for the five year period, 1947 to 1951 inclusive, served as delegate for sub-district "A-9", was accidentally drowned on his farm at Cloverdale, B.C., whither he had moved after leaving Alberta.

On June 16th, 1953, Mr. Ian J. Keer of Cheadle, who served as delegate for sub-district "B-5" during the years 1949 and 1950, died at the early age of forty years.

Mr. George J. Purcell, Enchant, who for sixteen years, 1934 to 1949 inclusive, represented our members in sub-district "A-8" as delegate, died in the Lethbridge Hospital on July 22nd last.

On Saturday, August 29th last, Mr. Homer I. Montgomery died in the High River Hospital following a heart attack which occurred a week earlier. For twenty years he served as a Director and Chairman of the Board of the Nanton Co-operative Store. In 1923 he took an active part in organizing the Alberta Wheat Pool. As delegate for sub-district "B-4", he represented our members in that sub-district during the years 1930 to 1944 inclusive. When the district and sub-district boundary lines were altered in the year 1945, he was re-elected to represent the members in the then larger sub-district, the number of which was altered to "B-3". At our 1952 annual meeting he was elected Director for District "B" having served as delegate continuously for a period of twenty-three years. Gentle in his attitudes, yet forthright in expression, Homer was loved by all who knew him.

In the passing of these five men, the co-operative movement in Western Canada suffered a heavy loss.

## ELECTION OF DELEGATES

### ODD-NUMBERED SUB-DISTRICTS.

In the general election held last summer in odd-numbered sub-districts, the members in each of three sub-districts ("C-3", "F-1" and "G-3") refrained from submitting any nominations and each of the three delegates representing these Districts automatically continued in their respective offices.

In each of twenty-one odd-numbered sub-districts only one candidate was nominated, and in each case the candidate so nominated was elected by acclamation.

In each of the remaining eleven odd-numbered sub-districts more than one candidate was nominated and elections were held. Of the eleven delegates elected, seven had not previously served in that capacity.



## BY-ELECTIONS

### SUB-DISTRICT "A-8".

Following the appointment on May 27th last, of Mr. A. T. Baker as Manager of our Organization, and his subsequent resignation from our Board, the delegates of District "A" met in Lethbridge on June 29th and elected Mr. Nelson Malm of Vauxhall, then delegate representing sub-district "A-8", to fill the vacancy on our Board. This necessitated the holding of a by-election in that sub-district, and in the ensuing election Mr. Lucien Claeys became the new delegate for that sub-district.

### SUB-DISTRICT "B-7".

As previously mentioned in this report, Mr. H. I. Montgomery died suddenly on August 29th, and in order to fill the resulting vacancy on the Board, the delegates for District "B" met in our Board Room on the evening of September 15th and elected one of their number, Mr. R. C. Bell of Carstairs, as Director for that District.

This, in turn, caused a vacancy in the office of delegate for sub-district "B-7" (formerly represented by Mr. Bell) and on the following day, September 16th, your Board, then in session, passed a resolution calling a by-election to fill the vacancy. This resulted in the election by acclamation of Mr. Ray W. Wood of Carstairs, a son of the late Dr. H. W. Wood, to serve until the summer of 1955, at which time a general election will be held in all odd-numbered sub-districts.

### SUB-DISTRICT "F-10".

In the meantime, Mr. Maurice Tessier of St. Paul, delegate for sub-district "F-10", submitted his resignation from that office, and on September 15th, your Board accepted the resignation and passed a resolution calling a by-election to fill the vacancy. In the election which followed, Mr. Armand Lamothe of St. Paul was elected to serve for the unexpired portion of the period for which Mr. Tessier was elected, namely, until the summer of 1954.

## BOARD OF DIRECTORS

During the year under review three changes were made in the personnel of our Board of Directors.

At our 1952 annual meeting, Mr. G. G. Coote retired after sixteen years of service as Director for District "B", and Mr. Homer I. Montgomery was elected to succeed him in that office. Following Mr. Montgomery's sudden and untimely death on August 29th last, Mr. R. C. Bell of Carstairs, then delegate for sub-district "B-7", was elected by his fellow delegates, on September 15th last, as Director to serve in that capacity for the unexpired period for which Mr. Montgomery had been elected, namely, until our 1954 annual meeting.

Following the appointment of Mr. A. T. Baker as Manager, Mr. Nelson Malm of Vauxhall was elected to our Board to represent District "A", at a meeting of the delegates of that District held in Lethbridge on June 29th last.

Eleven regular meetings and four special meetings of your Board were held during the year. At a special meeting held immediately after the conclusion of our 1952 annual meeting, Mr. Plumer was elected as Chairman and Mr. Baker as Vice-Chairman of the Board. When, on June 15th, 1953, Mr. Baker assumed his duties as Manager, the position of Vice-Chairman was filled by the election, at the Board meeting next thereafter (on July 15th, 1953) of Mr. G. L. Harrold to that office.

As the Board of our subsidiary Company, Alberta Pool Elevators, Limited, your directors met eleven times in regular meeting and once in special meeting.

Our representatives on the respective Boards of Canadian Co-operative Wheat Producers, Limited, Canadian Pool Agencies, Limited, and Pool Insurance Com-

pany. were Messrs. Ben S. Plumer, W. J. Blair and A. T. Baker. Following Mr. Baker's retirement from our Board, Mr. Harrold was elected in his stead to the respective Boards of these three Companies.

### ALBERTA MASTER FARM FAMILIES

It is a matter of deep satisfaction to us to be able to again claim as members of our Organization each of the five farm families who were selected by the Government of this province to receive Master Farm Family awards this year. They were the Howard Hymas family of Rosebud, the L. B. Lohr family of Erskine, the Ernest Belzil family of St. Paul, the Earl Kvarnberg family of Buford and the Frank Jackson family of Keg River.

We feel sure you will join with us in extending congratulations to each of these fine families. It is a significant and gratifying fact that in each of the five years since 1949, when our Provincial Government inaugurated the policy of making these awards, the recipients thereof have all been members of the Alberta Wheat Pool.

### INTERPROVINCIAL AND INTERNATIONAL RELATIONS

Farmers throughout the world are now more closely linked together than at any time in modern history. Starting in our own province, our Organization, the Alberta Wheat Pool, links together in one cohesive group over 50,000 active farmers who own, and through their democratically elected delegates, control the largest self contained business in this province, and from which they derive all the benefits which democratic and economic control can give them. In co-operation with the members of other similarly controlled co-operatives in this province, they contribute to the cost of, and the benefits accruing from, the efforts of the Alberta Federation of Agriculture, the head office of which organization is now in Edmonton, having been moved from Calgary on March 15th last.

The Alberta Federation of Agriculture is the Alberta link in the across-Canada chain of agricultural organizations which comprise The Canadian Federation of Agriculture, which organization speaks for all our agricultural organizations in discussions with representatives of the various Departments of the Government of Canada, and in that capacity is giving yeoman service.

Among its other duties, The Canadian Federation of Agriculture represents the farmers of all of Canada in the councils of the International Federation of Agricultural Producers, a world-wide organization comprised of representatives of the farming industry in some twenty-eight Nations and which took an active part in negotiating the terms of the new International Wheat Agreement, which became effective on August 1st, 1953, and which will continue in force for a period of three years. Through this chain of organizations our farmers in even the most remote parts of this province can make their influence felt in world councils, and thus, at a time when most of the world is in political and economic confusion, can do their bit in promoting co-operation among the peoples of the world, which alone offers any hope of achieving and maintaining international peace and good will.

All of which is respectfully submitted,

BEN S. PLUMER,  
G. L. HARROLD,  
LEW HUTCHINSON,  
W. J. BLAIR,  
W. R. MUELLER,  
NELSON MALM,  
R. C. BELL.



# REPORT OF THE MANAGER

— to the —

## THIRTY-FIRST ANNUAL MEETING OF DELEGATES

November 24th, 1953

To the Chairman and Delegates,  
Alberta Wheat Pool.

Gentlemen:

When measured in terms of financial results and bushels handled, the year which ended July 31st, 1953, was the most successful in the history of this organization. Earnings of \$2,690,737.40 exceeded those of any previous year. Our country elevators established a new record in handling 79,789,409 bushels of grain. Our terminals at Vancouver and Port Arthur were again operated with satisfactory results. Our organization of employees has continued to render valuable and efficient service.

Despite this evidence of financial success and the quality of services rendered, our inability to handle all the grain delivered by members was a source of disappointment to your board and management. It was obvious at the beginning of the season that all available storage facilities would be needed in handling the tremendous volume of grain produced in 1952 along with the heavy carryover from the previous year. The strike of elevator employees at Vancouver and the congestion at Port Arthur and Fort William retarded the flow of grain to terminal points. The method employed in the distribution of railway cars further restricted shipments from our elevators. For a long period during the winter, the majority of our elevators were filled to capacity, with practically no outlet, and deliveries by producers were virtually cut off. In consequence, many of our members were compelled to hold back large quantities of grain on the farms and some had to turn elsewhere for the marketing of a part of their crop. As a result, the percentage of deliveries handled by our elevators suffered a slight decline.

A detailed explanation of operations for the year is provided in the following sections.

### Country Elevator Operations.

Receipts of grain through country elevators and over shipping platforms in the year 1952-53 totalled 79,789,409 bushels, a record for this organization. A breakdown of the grain receipts for the year follows:

	Elevator Receipts from Growers	Platform Shipments	Total All Receipts
Wheat .....	46,293,275	52,763	46,346,038
Oats .....	11,704,723	4,573	11,709,296
Barley .....	19,532,693	8,809	19,541,502
Flax .....	654,827	3,451	658,278
Rye .....	1,532,162	2,133	1,534,295
	<u>79,717,680</u>	<u>71,729</u>	<u>79,789,409</u>

Net receipts of all grains averaged 164,028 bushels per elevator. In the previous season, receipts of all grains through our elevators and over platforms totalled 76,927,178 bushels, with an average of 158,083 bushels per elevator.

The record handling of the season 1952-53 is accounted for mainly by the production and successful harvesting of the 1952 crop which was the greatest in total bushels ever produced in this province. Large stocks of grain in elevators at the beginning of the 1952-53 season prevented delivery of a greater volume by producers.



Despite heavy marketings throughout the year, the grain stored on farms at July 31st, 1953, in the province of Alberta was estimated at 64,000,000 bushels of which 23,000,000 bushels was wheat, 25,000,000 bushels oats, and 15,000,000 bushels barley. In the previous year the carryover on farms was estimated at approximately 30,000,000 bushels of all grains. The farm carryover on July 31st, 1953, while high, was well below previous records.

Our elevators handled 33 per cent of all grain delivered by Alberta producers in the 1952-53 crop year. This is down from 34.11 per cent the previous year but in view of the various factors preventing the producer from delivering to the elevator of his choice is considered a good showing.

At the commencement of the 1952 crop season we owned 485 country elevators and later purchased one at Ohaton, all of which were used for the handling of the 1952 crop. Owing to a small volume of deliveries in prospect at three points, the elevators were not opened for receiving grain from producers, but were used for storage purposes. Seven elevators were closed for a period of one month or more for various reasons.

Stocks of grain in country elevators and annexes on July 31st, 1953, amounted to 30,052,723 bushels, compared with 21,420,169 bushels on July 31st, 1952.

The volume of grain stored in our elevators over most of the season made it impossible to weigh-up more than 108 elevators between January 1st and July 31st, 1953; consequently, the results of weighing and grading over the whole system cannot be accurately stated. However, where weigh-ups were completed it was established, with a few exceptions, that the weighing of grain by our agents had been consistent with our policy of close weighing.

Grade gains and losses were not considered to be a serious factor in our operations during the past year. Close supervision was maintained over grading at all times. Inventories submitted by agents at the year end were carefully scrutinized by our superintendents. Known losses and gains have been taken into account, but because of heavy stocks carried at the end of the year, it is not possible to make an accurate statement of such gains and losses.

### **Terminal Operations.**

Terminal facilities owned by this organization consist of one terminal at Vancouver with a capacity of 5,150,000 bushels and one at Port Arthur of 2,000,000 bushels capacity.

Shipments from Alberta Pool Country Elevators to Vancouver terminals over the season totalled 30,500,000 bushels. Saskatchewan Pool Elevators shipped 11,250,000 bushels to Vancouver in our care. From these shipments the Pool terminal at Vancouver unloaded 38,436,739 bushels; the remainder was diverted to other Vancouver terminals under an agreement for payment to us of a diversion premium.

Saskatchewan Pool wheat was handled under an arrangement whereby we paid a diversion premium and received a service charge for the handling of documents in connection with deliveries to the Canadian Wheat Board covering shipments from Saskatchewan Pool Elevators.

The receipts of grain at the Vancouver terminal totalling 38,436,739 bushels consisted of 36,535,109 bushels of wheat and 1,901,630 bushels of coarse grains, and in addition the elevator handled 22,122 tons of screenings. The volume handled during the previous season was 42,996,237 bushels of wheat and coarse grains, and 19,718 tons of screenings.

The Alberta Pool Terminal at Port Arthur was again operated by the Manitoba Pool, along with their own terminals and a terminal leased from the Canadian National Railways, under a joint operating agreement by which the earnings were divided in proportion to the shipments of each Pool. In accordance with this agreement, shipments to Fort William and Port Arthur were directed to terminals controlled and operated by Manitoba Pool Elevators or in the alternative to mills or terminals of line companies with which an agreement existed for the payment of a diversion premium. In the past season 101,375,250 bushels of grain were

unloaded into the five terminals operated by the Manitoba Pool, of which Manitoba Pool Country Elevators shipped 45,868,335 bushels and Alberta Pool Country Elevators 23,413,791 bushels. Grain unloaded from other sources totalled 32,093,124 bushels.

Installation of the dust control system in the Vancouver terminal is now two-thirds completed and should be finished next year. This will provide our Vancouver plant with the best protection against dust which it is possible to obtain.

Due to a strike of elevator employees, our terminal along with others at Vancouver did not operate for a period of 79 days, from February 16th to May 6th. The details of negotiations carried on during that time will be reported upon separately.

Shipments to the Lakehead were restricted by an embargo on Canadian Pacific Railway lines February 11th to March 28th and on Canadian National Railway lines from January 9th to March 28th.

### **Operating Results.**

Net earnings of the 1952-53 season, amounting to \$2,690,737, were the highest of any year since Alberta Pool Elevators commenced operations. Gross revenue from all sources amounted to \$9,225,360. Operating expenses, including interest, were \$5,757,613 leaving operating earnings from our elevator system of \$3,467,747 from which allowance must be made for rental to Alberta Pool Elevators Limited consisting of depreciation on elevator property and equipment totalling \$765,010, as well as interest of \$12,000 paid to the bank in connection with the 1929 Pool overpayment loan.

During the year 1952-53 carrying charges paid to us by the Canadian Wheat Board were considerably higher than the previous year due to greater stocks of grain being carried in our country elevators for the Board. Other country elevator revenues were maintained at approximately the same level as the previous year. Earnings from the handling and conditioning of grain at terminals were somewhat lower, due in part to a smaller handling, but also to a lesser need for the use of drying facilities and a lower market for the sale of grain by-products.

Interest paid on borrowings during the year was much higher than 1951-52 due to the necessity of financing larger stocks of grain. Interest, of course, is recovered through carrying charges. Operating expenses were slightly higher in some cases because of a continued upward trend of salaries, wages, taxes, materials and services as well as some additional expenses incidental to carrying greater stocks of grain in country elevators.

The amount of \$765,010 taken for depreciation is the maximum allowed by income tax authorities.

### **Working Capital.**

Working capital at the end of the year, which represents the excess of current assets over current liabilities, was \$4,151,081 compared with \$3,953,088 at the end of the previous year. Capital expenditure during the year amounted to \$615,680.

### **Properties.**

Early last fall we purchased a 26,000 bushel elevator at Ohaton from Byers Flour Mills, and the number of elevators now owned is 486. Since the last Annual Meeting the elevator at Bennett was destroyed by fire and replaced by one of 60,000 bushels capacity.

Cribbed annexes were constructed at six points where it was considered desirable to increase storage capacity. Permanent balloon annexes were built at five points and two old annexes were moved to other sites. We also converted six flour sheds for grain storage use. As a result of these changes the total number of annexes as at July 31st, 1953 including flour sheds and steel tanks was 507.



The total licensed capacity of all owned country storage facilities to start the year 1953-54 was 34,414,850 bushels.

Eleven new dwellings were acquired during the year and three were sold.

Our properties at July 31st, 1953 exclusive of grain handling facilities consisted of 390 dwellings, 12 flour sheds, 31 coal sheds and the two Calgary warehouses.

The policy of installing electrical power in Pool country elevators as soon as it is available has been continued and we now have elevators which are operated by this means at 303 points.

Essential repairs and replacements to terminal and elevator properties have been made throughout the year, but because of the tremendous volume of grain handled and heavy stocks of grain in store throughout the season there is undoubtedly some carryover of necessary repair work to be done which will be completed whenever the opportunity occurs. During the year 44 elevators, 45 dwellings and 66 other buildings were painted. This work along with a continuous repair program has maintained our elevator properties in good condition.

### **Sales and Shipments.**

Offices at Calgary, Vancouver and Winnipeg handled documents representing shipments of 75,499,431 bushels of grain with respect to our 1952-53 operations as compared with 67,567,141 bushels in the 1951-52 season. The marketing of wheat, oats and barley is under control of the Canadian Wheat Board and our sales of these grains are restricted mainly to feeders and feed dealers. Sales to such buyers added to sales of flax and rye on an open market basis, amounted to 6,607,481 bushels compared with 6,918,552 bushels in the previous year.

Deliveries of grain to the Canadian Wheat Board at terminal points under our agreement covering the handling of wheat, oats and barley totalled 68,891,950 bushels in 1952-53 compared with 60,648,589 in 1951-52.

During the 1952-53 season, shipments eastward by our organization amounted to 26,837,000 bushels compared with 25,429,000 bushels in the previous season.

### **Reserve Purchases.**

Following approval of the delegates at the Annual Meeting in November, 1952, we completed the purchase of the remainder of the 1923-28 elevator and commercial reserves except for amounts of five dollars acquired as a requirement of membership under the provisions of Section 6 of the Alberta Wheat Pool Act. Purchase of reserves acquired by the issue of patronage dividends was also made from the estates of deceased members. The total of all reserves purchased during the year was \$1,657,811.36.

### **Disposition of 1951-52 Earnings.**

The payment of patronage dividends from the 1951-52 earnings was completed as authorized by the delegates at the 1952 Annual Meeting and resulted in a distribution to member patrons of \$569,255 in cash and \$1,650,868 in reserves, a total of \$2,220,123. After payment of \$95,241 in income taxes, the remaining \$97,809 was transferred to our surplus account.

### **Prospect for 1953-54.**

It is always difficult to forecast prospective earnings for the year because of the uncertainty of many variable and immeasurable factors beyond our control, entering into grain operations. The 1953 crop, while not the largest produced in the province, appears much better than average. As previously mentioned, substantial bushelage of the 1952 crop is still on the farms. However, it is doubtful if elevator handlings this crop year will approach last year's total, unless grain flows more freely to terminal points than can be foreseen at this time. It can be predicted, however, that a substantial volume of grain will move through our



facilities in the 1953-54 crop year and that storage earnings will be large with satisfactory financial results.

## Staff.

While my term as manager has been short, I am aware of the efficient manner in which employees of all departments have functioned throughout the year and the contribution they have made during the past season toward the satisfactory results reflected in the statement of operations now being presented for your consideration, and I wish to bring this to your attention and to express appreciation to them on behalf of the Board and Management.

The Board of Directors has continued to extend recognition to employees who have completed twenty-five years of service by the presentation of gold watches. Of the 131 persons who have received watches, 119 are still actively employed in our organization.

The death of R. D. Purdy on March 29th of this year was a shock to his many friends and a serious loss to the Alberta Wheat Pool. For over 28 years he was Manager of this organization. In that period he gave of his strength and ability to its development with a devotion that is rarely seen. Those who knew him intimately were impressed by his determination to make the Alberta Wheat Pool a successful and a growing organization; a means to the end of bettering the lot of farm people. In times of adversity he never despaired; in periods of prosperity he was cautious. His business acumen was invaluable in managing the financial affairs of the Alberta Wheat Pool. His honesty and the high standards of business ethics, on which he invariably insisted, gained for the Pool the respect and esteem of all with whom it had dealings. Above all, Mr. Purdy was a kindly, considerate gentleman, and his memory will be cherished not only among those associated with him in this undertaking, but also by the many Alberta farmers in whose interests he laboured. It was a source of great satisfaction to him that during his term of management the debt to the Alberta Government was cleared up and the reserves contributed by the original members, the men who made the Alberta Wheat Pool possible, were completely repurchased.

When the Board of Directors last June did me the honor of asking me to become Manager of the Alberta Wheat Pool, I was not looking for a job as my hands were already fully occupied. Moreover, with the knowledge of the business of the Pool gained first as Delegate and then as Director, I realized that the position of Manager of the Alberta Wheat Pool, with its 486 country elevators, its great terminals at Fort William and Vancouver and its other properties representing a total capital investment of nearly \$17,000,000 and its 900 or more employees, was an office involving a grave responsibility which one might naturally hesitate to undertake.

But, on the other hand, as one whose main business interest is the profitable production and marketing of grain, I believe in the Pool. I believe that the elevators that handle our grain should be owned and operated by us since they are part of the process of the profitable production and marketing of grain. When owned by us they are operated in our interests; when owned by others they are naturally operated in the interest of others.

I believe that when in 1923 the farmers realized the futility of complaining about the handling charges and practices of the elevator companies, and organized to be their own middlemen, their action was economically sound and wholly desirable in the general interest. I believe the Wheat Pools have been largely responsible for the reduction in handling charges, the elimination of the spread between track and street prices, and the introduction of other policies which have saved western farmers many millions of dollars. The Pools have continued the policy of returning surplus earnings to the owners. Their abiding faith in the pooling principle resulted in a continuous advocacy of the Wheat Board. I believe the existence of our present marketing system, so wholeheartedly endorsed by western farmers, is mainly due to their persistence. I believe the presence of a Pool elevator at any point means that fair standards of doing business are set which must be met by competitors, thus assuring a fair deal to all farmers.

Firmly convinced of these things, the offer of the Board presented itself as a challenge and a great opportunity. As such, and in humility, I have accepted it. I could not have done so had I not felt assured of the loyal support of the rank and file of the membership of the Pool, the helpful guidance of the Board of Directors and the ready co-operation of the staff, which have been the secret of the success attending our organization thus far. Now, after thirty years which included the early period of experiment and struggle, the crisis caused by the overpayment of 1929, the anxieties of the years of drastically low prices and the depression, the Alberta Wheat Pool stands strong and vigorous; an organization enjoying a respected place among the great enterprises that are giving Canada an increasing importance among the nations of the world; giving a new dignity to the farming industry, and to the farmer grounds for a heartening sense of achievement; a monument to the vision and foresight of those who brought it into being and have fostered its growth; and an inspiring example of what can be achieved through intelligent co-operation.

Although justly proud of what has been accomplished, we cannot rest on our laurels of the past. It is for us, now, so to carry on that the future may be worthy of the past. To this end I assure you my best endeavours will be devoted and I hope my efforts will justify the confidence placed in me, and prove worthy of the continuation of the loyal support and co-operation so richly deserved and so wholeheartedly given my predecessor.

Respectfully submitted,

A handwritten signature in dark ink, reading "A. I. Baker". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Manager.

**HARVEY, MORRISON & CO.**  
**CHARTERED ACCOUNTANTS**

K. J. MORRISON, O. B. E., F. C. A.  
W. H. NIELD, C. A.  
J. S. SIMPSON, F. C. A.  
G. H. JARMAN, C. A.

To the Members,  
Alberta Wheat Pool,  
Calgary, Alberta.

Lougheed Building,  
Calgary, Alberta,  
21st October, 1953.

Dear Sirs:

We have completed our examination of the books of account of your Association for the year ended 31st July, 1953 and submit herewith the undernoted statements which are in accordance therewith:

1. Balance Sheet as at 31st July, 1953.
2. Statement of Operations for the year ended 31st July, 1953.
3. Consolidated Comparative Balance Sheet of Alberta Wheat Pool and Alberta Pool Elevators Limited as at 31st July, 1953 and 31st July, 1952.

**OPERATIONS**

The operations for the year under review have resulted in net earnings of \$2,690,737.40 as summarized hereunder:

Total Operating Revenues .....	\$9,225,360.91
Total Operating Expenses .....	<u>5,757,613.75</u>

Earnings, before providing for Bond Interest  
and Rental equivalent to Depreciation ..... \$3,467,747.16

**Deduct**

Interest in respect of 1929	
Pool Overpayment .....	\$ 12,000.00
Rental equivalent to Depreciation on Buildings and Equipment .....	<u>765,009.76</u>
	<u>777,009.76</u>

**Net Operating Earnings .....** \$2,690,737.40

The rental of \$765,009.76 is equivalent to depreciation on the assets of Alberta Pool Elevators Limited and is in terms of an annual agreement between that company and your Association.

Details of the operating revenues and expenses are shown in the attached statement of operations.



## BALANCE SHEET

### **Inventories of Grain and Coal—\$38,286,724.66**

This amount represents the value of all grains and coal on hand as at 31st July, 1953. Details of the inventories are shown in the analysis of accounts which will be submitted to your delegates.

We are informed that due to large stocks of grain on hand throughout the year it was not possible to make an official weigh-over at the majority of your country elevators. For the same reason, it was not possible to hold an official government weigh-over at the Vancouver Terminal at the year end. Therefore, the majority of the inventories on hand have had to be accepted at book figures. The basis of valuation is consistent with the accepted practice of previous years.

### **Elevator and Commercial Reserves.**

The total of the Elevator and Commercial Reserves contributed during the years 1923 to 1928 and amounting to \$8,467,830.71 has been fully settled, either by purchase by the Pool or by assignment of the original holder.

The reserves now held by members are in effect the result of the payment of patronage dividends and at 31st July, 1953 the amount in the hands of the membership was \$7,478,788.26. The balance, amounting to \$989,042.45 is held by the Pool pending final disposition.

### **Income Taxes**

Estimated Income Tax liabilities up to 31st July, 1952 have been fully paid and final assessments have been received from the Minister of National Revenue up to 31st July, 1950.

The liability for the year under review will be determined after the delegates meet at the next annual meeting and decide on the distribution of earnings. Pending this decision, the net earnings for the year, \$2,690,737.40 less \$42,300.00 paid on account of Income Taxes, are shown on the balance sheet as a current liability.

### **Earned Surplus—\$2,218,299.01**

As at 31st July, 1952 the earned surplus amounted to \$2,119,868.39. The increase to the above figure is mainly represented by the balance of earnings for the season 1951-52 not distributed to Growers in the amount of approximately \$100,000.00.

### **Analysis.**

In accordance with previous practice an analysis, giving detailed explanations of the Assets and Liabilities at the close of the fiscal period, is supplied to the delegates.

Yours faithfully,

HARVEY, MORRISON & CO.,  
Chartered Accountants.

**ALBERTA WHEAT POOL**  
CALGARY, ALBERTA

**BALANCE SHEET AS AT 31st JULY, 1953**

**ASSETS**

**Current—**

Cash in Banks, on Hand and in Transit .....	\$ 550,294.41	
Bonds—Dominion of Canada Victory Bonds—Par Value		
\$2,250,000.00—Cost .....	2,351,250.00	
Stocks of Grain and Coal .....	38,286,724.66	
Advances on Grain .....	21,403.36	
Accounts Receivable .....	1,064,796.45	
Alberta Pool Elevators Limited .....	570,331.87	
Accrued Items Receivable .....	91,480.68	
		<u>\$42,936,281.43</u>

**Deferred Charges—**

Accounts Applicable to 1953-54 Season .....	345,201.85
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**Shares and Investments—**

Alberta Pool Elevators Limited (Fully Paid) .....	\$4,850,000.00	
Pool Insurance Company (Par Value \$75,000.00—Called Up 74%		
plus Premium of \$12.00 per share) .....	64,500.00	
Canadian Pool Agencies Limited (Fully Paid) .....	6,670.00	
Reserves Purchased in Excess of Patronage Dividends Allocations ....	989,042.45	
		<u>5,910,212.45</u>

**Fixed Assets—**

Grain Exchange Memberships .....	9,302.00
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\$49,200,997.73

CALGARY, Alberta, 21st October, 1953.

We have examined the balance sheet of Alberta Wheat Pool as at 31st July, 1953 and the statement of operations for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

**ALBERTA WHEAT POOL**  
CALGARY, ALBERTA

**BALANCE SHEET AS AT 31st JULY, 1953**

**LIABILITIES**

**Current—**

Outstanding Cheques, Cash Tickets and Orders .....	\$ 9,256,264.19	
Bank Loans .....	25,350,000.00	
Accounts Payable .....	441,657.72	
Accrued Items Payable .....	222,175.59	
Growers—Outstanding Payments .....	296,333.11	
Net Earnings, Season 1952-53 .....	\$2,690,737.40	
Less Prepaid Income Taxes .....	42,300.00	
	<u>2,648,437.40</u>	
		<u>\$38,214,868.01</u>

**Deferred—**

Bank of Montreal—First Mortgage Bonds deferred to June 1st, 1954 .....	300,000.00
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**Reserves and Surplus—**

Elevator and Commercial Reserves .....	\$8,467,830.71	
Earned Surplus .....	<u>2,218,299.01</u>	
		<u>10,686,129.72</u>

\$49,200,997.73

In our opinion, subject to our attached report, the above balance sheet and the accompanying statement of operations are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Pool as at 31st July, 1953, and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Pool.

**HARVEY, MORRISON & CO.,**  
Chartered Accountants.



**ALBERTA WHEAT POOL**  
CALGARY, ALBERTA

**STATEMENT OF OPERATIONS FOR THE YEAR ENDED**  
**31st JULY, 1953**

**EXPENSES**

**Elevator Operating Expenses—**

Salaries and Wages .....	\$1,462,504.58
Cost of Living Bonus .....	292,766.97
Helpers' Wages .....	186,732.96

**Repairs—**

**Country Elevators—**

By Maintenance Department .....	\$337,188.61
By Agents .....	11,342.97
	<hr/>
	\$348,531.58

**Dwellings—**

By Maintenance Department .....	\$ 86,373.23
By Agents .....	4,364.97
	<hr/>
	90,738.20

Elevator Grounds and Approaches ..... 9,601.80

Terminals ..... 122,239.09

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\$571,110.67

**Maintenance Department—Overhead—**

Salaries .....	\$59,129.16
Cost of Living Bonus .....	14,739.92
Travelling and Sustenance .....	15,197.13
Auto and Truck Expense .....	14,396.68
Warehouse Stocks Expense .....	4,274.80
Small Parts and Supplies .....	2,537.37
Holiday with Pay Stamps .....	1,820.19
Workmen's Compensation Board ....	1,057.45
Unemployment Insurance .....	973.41
Warehouse Expenses .....	891.22
Equipment and Maintenance .....	882.61
Auto and Truck Insurance .....	695.51
Freight, Express, Trucking .....	507.00
	<hr/>
	117,102.45

688,213.12

Taxes—Municipal and School ..... 325,083.43

**Insurance—**

Grain .....	\$144,264.00
Buildings .....	66,261.31
Fidelity Bonds .....	5,691.38
Public Liability .....	714.37
	<hr/>

216,931.06

Power—Electric and Natural Gas ..... 111,788.98

Tools, Supplies and Repair Parts ..... 66,201.98

Heat, Light and Water ..... 31,972.59

Telephone Rentals ..... \$18,171.04

Telephone Tolls ..... 6,737.81

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24,908.85

Carried Forward ..... \$3,407,104.52

**ALBERTA WHEAT POOL**  
**CALGARY, ALBERTA**

**STATEMENT OF OPERATIONS FOR THE YEAR ENDED**  
**31st JULY, 1953**

**REVENUE**

Gross Revenue from Trading and Grain Operations .....	\$3,569,977.08
Country Carrying Charges .....	3,675,629.68
Terminal Elevation Charges .....	828,840.14
Port Arthur Terminal Earnings .....	458,924.48
Diversion Premiums .....	196,548.58
Storage Charges .....	154,785.38
Cleaning and Separation Charges .....	92,277.50
Wharfage Charges .....	86,720.68
Rentals—Dwellings, etc. ....	82,834.50
Service Charges—Saskatchewan Pool .....	29,899.51
Drying Charges .....	14,006.79
Coal Operations .....	3,148.80
Rentals—Portable Cleaners .....	689.75
Sacked Grain Charges .....	174.31
Miscellaneous Revenue .....	30,903.73

Carried Forward ..... \$9,225,360.91

**ALBERTA WHEAT POOL**  
CALGARY, ALBERTA

**STATEMENT OF OPERATIONS FOR THE YEAR ENDED**  
**31st JULY, 1953 (Continued)**

**EXPENSES**

**Elevator Operating Expenses (Continued)—**

Brought Forward .....	\$3,407,104.52
Terminal Rentals .....	21,472.35
Workmen's Compensation Board .....	20,495.89
Gasoline and Engine Fuel .....	19,966.10
Unemployment Insurance .....	16,532.67
Travelling and Moving .....	15,426.49
Stationery .....	15,333.78
Postage and Box Rentals .....	14,156.97
Site Rentals .....	12,669.41
Railway Car Liners and Repairs .....	11,172.55
Boiler, Scales and Air Tank Inspections .....	6,410.95
Lubricating Oils and Greases .....	5,253.77
Freight, Express, Trucking .....	4,889.38
Receiving Grain Prices .....	4,628.56
Licenses and Bonds .....	4,274.36
Off-site Annex Rentals .....	3,995.00
Mail Allowances .....	3,136.50
Rural Electrification Line Installation Costs .....	3,246.00
Government Inspection and Weighing—Overtime .....	2,094.77
Agents' Meeting Expenses .....	1,768.29
Terminal Warehouse Receipts Registration Fees .....	1,407.10
Spring Coulee Storage .....	1,145.16
Fuel for Dryers .....	738.35
Portable Cleaner Parts and Repairs .....	165.08
Miscellaneous .....	2,558.67
	<hr/>
	\$3,600,042.67

**Office and General Expenses—**

Salaries and Wages .....	\$509,600.41
Cost of Living Bonus .....	109,816.81
Rentals .....	48,272.07
Printing, Stationery, Supplies .....	26,193.67
Telegraph and Telephone Tolls .....	\$15,244.91
Telephone Rentals .....	6,154.24
	<hr/>
	21,399.15
Business Taxes .....	13,858.35
Postage and Meter Rentals .....	13,717.87
Audit Fees and Expenses .....	12,113.55
Broadcasting Grain Prices .....	6,969.00
Repairs and Alterations .....	6,643.69
Insurance and Maintenance of Office Equipment .....	6,013.36
Workmen's Compensation Board .....	4,878.53
Unemployment Insurance .....	4,159.12
Travelling and Moving .....	3,851.30

Carried Forward .....	<hr/>	<hr/> \$787,486.88	<hr/> \$3,600,042.67
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ALBERTA WHEAT POOL  
CALGARY, ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR ENDED  
31st JULY, 1953 (Continued)

REVENUE

Brought Forward ..... \$9,225,360.91

Carried Forward ..... \$9,225,360.91

**ALBERTA WHEAT POOL**  
CALGARY, ALBERTA

**STATEMENT OF OPERATIONS FOR THE YEAR ENDED**  
**31st JULY, 1953 (Continued)**

EXPENSES

Brought Forward .....		\$3,600,042.67
<b>Office and General Expenses (Continued)—</b>		
Brought Forward .....	\$787,486.88	
Legal Fees and Expenses .....	3,047.90	
Light and Power .....	2,845.93	
Freight, Express, Trucking .....	2,107.55	
Automobile Expenses .....	1,749.10	
Membership Fees .....	1,491.00	
Licenses and Bonds .....	986.34	
Fidelity Bonds .....	442.51	
Miscellaneous .....	6,658.26	
		806,815.47
<b>Elevator Superintendence—</b>		
Salaries .....	\$ 91,155.68	
Cost of Living Bonus .....	13,962.08	
Travelling and Sustenance .....	14,437.85	
Automobile Expenses .....	14,921.54	
Automobile Insurance .....	1,431.05	
Workmen's Compensation Board .....	609.06	
Supplies .....	571.49	
Unemployment Insurance .....	505.44	
		137,594.19
<b>Publicity and Advertising—</b>		
Salaries .....	\$ 13,810.50	
Cost of Living Bonus .....	1,903.92	
Radio Broadcasts .....	37,818.05	
Advertising .....	10,562.98	
The Budget .....	6,687.62	
Pamphlets, Calendars, Circulars .....	3,476.78	
Travelling and Sustenance .....	623.04	
Printing, Plates and Photos .....	593.67	
Subscriptions and Library .....	454.56	
Postage .....	231.93	
Unemployment Insurance .....	53.04	
Miscellaneous .....	238.15	
		76,454.24
<b>Field Service—</b>		
Salaries .....	\$ 31,239.24	
Cost of Living Bonus .....	5,053.56	
Travelling and Sustenance .....	5,727.21	
Automobile Expenses .....	5,605.58	
Motion Pictures Expense .....	1,540.16	
Automobile Insurance .....	559.48	
Telephone Tolls .....	435.12	
Supplies and Postage .....	222.74	
Workmen's Compensation Board .....	207.30	
Unemployment Insurance .....	195.57	
		50,785.96
Carried Forward .....		\$4,671,692.53

ALBERTA WHEAT POOL  
CALGARY, ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR ENDED  
31st JULY, 1953 (Continued)

REVENUE

Brought Forward ..... \$9,225,360.91

Carried Forward ..... \$9,225,360.91



**STATEMENT OF OPERATIONS FOR THE YEAR ENDED  
31st JULY, 1953 (Continued)**

Brought Forward .....		\$4,671,692.53
<b>General Administration—</b>		
Employees' Pension Fund .....	\$ 58,333.35	
Employees' Supplementary Retirement Allowances .....	2,800.00	
Directors' Fees .....	18,078.67	
Directors' Expenses .....	12,556.46	
Annual Meeting of Delegates .....	16,591.71	
Alberta Federation of Agriculture .....	14,370.00	
Contributions—Educational and Charitable .....	13,763.00	
Legal Fees and Expenses .....	12,908.46	
<b>Junior Clubs—</b>		
Junior Farm Clubs .....	\$5,154.52	
Girls' Garden Clubs .....	2,170.64	
Farm Young Peoples' Week .....	1,055.91	
Junior Farm Camps .....	490.00	
		8,871.07
Proportion Central Expenses .....	8,557.95	
Membership Lists and Ballots .....	6,752.73	
Delegates' Country Expenses .....	4,202.55	
Country Meetings—Hall Rents, etc. ....	2,077.67	
Miscellaneous .....	10,359.22	
		190,222.84
<b>Interest, Exchange, Brokerage, etc.—</b>		
Interest—Current Operating .....	\$718,383.85	
Mortgage Interest re 1929 Overpayment .....	12,000.00	
Bank Exchange and Payors' Commissions .....	149,534.05	
Brokerage on Grain .....	13,304.15	
Excise Tax .....	11,732.91	
Postage, Insurance, etc. on Funds .....	2,743.42	
		907,698.38
<b>Rental—Equivalent to Depreciation—</b>		
Country Elevators, Annexes, Dwellings and Sheds— 10% and 20% .....	\$523,470.76	
<b>Terminals—</b>		
Vancouver—5% and 20% .....	147,025.29	
Port Arthur—5% and 20% .....	40,789.16	
Automobiles and Trucks—30% .....	20,805.17	
Office Equipment—20% .....	16,427.13	
Calgary Warehouse—10% .....	1,177.33	
Terminal Loose Equipment—20% .....	984.58	
Country Elevator Equipment—20% .....	14,330.34	
		765,009.76
<b>Net Operating Earnings .....</b>		2,690,737.44

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**ALBERTA WHEAT POOL**  
**CALGARY, ALBERTA**

**STATEMENT OF OPERATIONS FOR THE YEAR ENDED**  
**31st JULY, 1953 (Continued)**

**REVENUE**

Brought Forward ..... \$9,225,360.91

\$9,225,360.91

**ALBERTA WHEAT POOL AND ALBERTA POOL ELEVATORS  
LIMITED**  
CALGARY, ALBERTA

**CONSOLIDATED BALANCE SHEET AS AT 31st JULY, 1953, AND  
COMPARISON WITH 31st JULY, 1952**

<u>ASSETS</u>		
Current—	31st July, 1953	31st July, 1952
Cash in Banks, on Hand and in Transit .....	\$ 550,294.41	\$ 618,352.82
Bonds, Dominion of Canada—Cost .....	2,351,250.00	2,351,250.00
Stocks of Grain and Coal .....	38,286,724.66	26,888,923.49
Advances on Grain .....	21,403.36	32,371.68
Accounts Receivable .....	1,064,796.45	1,313,364.24
Accrued Items Receivable .....	91,480.68	93,211.82
	<u>\$42,365,949.56</u>	<u>\$31,297,474.05</u>
Deferred Charges .....	\$ 345,201.85	\$ 308,003.16
Fixed Assets—		
Buildings and Operating Machinery .....	\$16,526,680.02	\$15,952,997.52
Less Depreciation Reserves .....	11,044,086.46	10,353,586.58
	<u>\$ 5,482,593.56</u>	<u>\$ 5,599,410.94</u>
Elevator and Office Equipment, Autos, etc. ....	\$ 394,803.38	\$ 352,805.64
Less Depreciation Reserves .....	219,289.80	201,237.33
	<u>\$ 175,513.58</u>	<u>\$ 151,568.31</u>
Grain Exchange Memberships .....	\$ 9,302.00	\$ 9,302.00
Shares—Pool Insurance Co. ....	64,500.00	64,500.00
Canadian Pool Agencies Ltd. ....	6,670.00	6,670.00
	<u>\$ 80,472.00</u>	<u>\$ 80,472.00</u>
	<u>\$ 5,738,579.14</u>	<u>\$ 5,831,451.25</u>
	<u><u>\$48,449,730.55</u></u>	<u><u>\$37,436,928.46</u></u>



# ALBERTA WHEAT POOL AND ALBERTA POOL ELEVATORS LIMITED

CALGARY, ALBERTA

## CONSOLIDATED BALANCE SHEET AS AT 31st JULY, 1953, AND COMPARISON WITH 31st JULY, 1952

<u>LIABILITIES</u>		
Current—	31st July, 1953	31st July, 1952
Bank Loans .....	\$25,350,000.00	\$17,430,000.00
Outstanding Cheques, Cash Tickets and Orders .....	9,256,264.19	6,700,487.59
Accounts Payable .....	441,657.72	473,335.66
Accrued Items Payable .....	222,175.59	195,437.97
Growers—Outstanding Payments .....	296,333.11	171,550.96
Earnings for Current Period .....	2,648,437.40	2,373,573.02
	<u>\$38,214,868.01</u>	<u>\$27,344,385.20</u>
Deferred—		
Bank of Montreal—First Mortgage Bond .....	\$ 300,000.00	\$ 300,000.00
Reserves .....	<u>\$ 7,478,788.26</u>	<u>\$ 7,471,284.96</u>
Surplus—		
Retained from Earnings from prior years .....	\$ 2,218,299.01	\$ 2,119,869.39
Accrued from properties .....	237,775.27	201,388.91
	<u>\$ 2,456,074.28</u>	<u>\$ 2,321,258.30</u>
	<u>\$48,449,730.55</u>	<u>\$37,436,928.46</u>

CALGARY, Alberta, 21st October, 1953.

Certified to be a consolidation of the Balance Sheets of Alberta Wheat Pool and Alberta Pool Elevators Limited as at 31st July, 1953, showing a comparison with the position as at 31st July, 1952, subject to our Reports in connection therewith.

HARVEY, MORRISON & CO.,  
Chartered Accountants.

# HARVEY, MORRISON & CO.

CHARTERED ACCOUNTANTS

K. J. MORRISON, O. B. E., F. C. A.

W. H. NIELD, C. A.

J. S. SIMPSON, F. C. A.

G. H. JARMAN, C. A.

To the Shareholders,  
Alberta Pool Elevators Limited,  
CALGARY, Alberta.

Lougheed Building,  
Calgary, Alberta,  
15th September, 1953.

Dear Sirs:—

We have completed our audit of the books of account of your Company for the year ended 31st July, 1953 and submit herewith the Balance Sheet as at that date.

As in previous years, the elevator facilities of your Company were leased to the Alberta Wheat Pool and the rental of these facilities, measured by the Capital Cost Allowances or Depreciation on the assets has been provided in respect of the year under review at the following rates:—

Terminal—Structures .....	5%
Equipment .....	20%
Country Elevators and Annexes—	
Structures .....	10%
Equipment .....	20%
Dwellings, Coal and Flour Sheds and Warehouses ....	10%
Country and Terminal Elevator Equipment and	
Office Furniture and Equipment .....	20%
Automobiles and Trucks .....	30%

The application of the above rates to the undepreciated costs as at 31st July, 1953 has resulted in a total provision of \$765,009.76 as compared with the amount of \$786,717.80 for the previous year.

The total depreciation reserves as at 31st July, 1953, total \$11,263,376.26 as compared with the amount of \$10,554,823.91 as at 31st July, 1952.

Capital Surplus reflects a net increase for the year of \$36,386.36 which sum is in respect of sales of equipment, fire losses, etc.

Property changes during the year are summarized hereunder:—

	31st July, 1952	31st July, 1953
Elevators .....	485	486
Annexes .....	485	496
Dwellings .....	382	390
Coal Sheds .....	32	31
Flour Sheds .....	23	23
Warehouses .....	2	2

Details of these changes will be reported in the analysis submitted to the delegates.

Net Capital Expenditures during the year amounted to \$615,680.24.

### Audit Certificate

We have examined the balance sheet of Alberta Pool Elevators Limited as at 31st July, 1953 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at 31st July, 1953, according to the best of our information and the explanations given to us and as shown by the books of the Company.

HARVEY, MORRISON & CO.,

Chartered Accountants.



**ALBERTA POOL ELEVATORS LIMITED**  
**CALGARY, ALBERTA**

**BALANCE SHEET AS AT 31st JULY, 1953**

**ASSETS**

**PROPERTY—**

**Buildings and Operating Machinery (Cost)—**

Country Elevators (486) .....	\$ 7,949,731.94	
Country Annexes (496) .....	2,944,620.13	
	<u>\$10,894,352.07</u>	
Coal Sheds (31) .....	13,098.35	
Flour Sheds (23) .....	11,948.00	
Dwellings and Sites (390) .....	1,570,147.80	
	<u>\$12,489,546.22</u>	
Less Accumulated Allowances for Capital Cost .....	8,647,667.99	\$3,841,878.23
Vancouver Terminal .....	\$3,287,730.86	
Less Accumulated Allowances for Capital Cost .....	2,061,817.81	1,225,913.05
Port Arthur Terminal .....	\$ 712,412.05	
Less Accumulated Allowances for Capital Cost .....	326,396.68	386,015.37
Calgary Warehouses (2) .....	\$ 18,800.00	
Less Accumulated Allowances for Capital Cost .....	8,203.98	10,596.02
Equity in Wheat Pool Building, Winnipeg .....		18,190.89
		<u>\$5,482,593.56</u>

**EQUIPMENT (Cost)—**

Office Furniture and Equipment .....	\$ 195,918.59	
Less Accumulated Allowances for Capital Cost .....	130,210.11	\$ 65,708.48
Automobiles .....	\$ 114,301.66	
Less Accumulated Allowances for Capital Cost .....	65,756.26	48,545.40
Terminal Equipment .....	\$ 16,834.79	
Less Accumulated Allowances for Capital Cost .....	12,896.46	3,938.33
Portable Cleaners and Loaders .....	\$ 12,632.37	
Less Accumulated Allowances for Capital Cost .....	10,426.97	2,205.40
Elevator Maintenance and Sundry Equipment—Net Value .....		55,115.97
		<u>175,513.58</u>
		<u><u>\$5,658,107.14</u></u>

**ALBERTA POOL ELEVATORS LIMITED**  
CALGARY, ALBERTA

**BALANCE SHEET AS AT 31st JULY, 1953**

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**LIABILITIES**

**CURRENT—**

Alberta Wheat Pool ..... \$ 570,331.87

**CAPITAL AND SURPLUS—**

**Capital—**

Authorized—500,000 Shares of \$10.00 each ..... \$5,000,000.00

Issued—485,000 Shares—Fully Paid ..... \$4,850,000.00

Capital Surplus ..... 237,775.27  
5,087,775.27

**CONTINGENT LIABILITIES—**

Bank of Montreal—First Mortgage Debentures ..... \$ 300,000.00

Uncompleted Building Contracts ..... 22,812.44

\$ 322,812.44

Approved on behalf of the Board.

BEN S. PLUMER, Director.

LEW HUTCHINSON, Director.

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\$5,658,107.14

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CALGARY, Alberta, 15th September, 1953.

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

HARVEY, MORRISON & CO.,  
Chartered Accountants.

# ALBERTA WHEAT POOL

## Calgary, Alberta

### ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953

**EXPLANATORY NOTE:**—Your Organization, referred to as the Alberta Wheat Pool, is divided into two sections, namely Alberta Wheat Pool, which is incorporated under a private charter, and Alberta Pool Elevators Limited, which is incorporated under the Companies Act of the Province of Alberta. The elevator system, comprising the country and terminal elevators, together with the flour sheds, coal sheds, dwellings, etc., is owned by Alberta Pool Elevators Limited, and, under agreement, is leased to Alberta Wheat Pool, on the basis that the Pool keeps the system in repair, provides for all operating expenses, and by mutual arrangement, provides for rental of the facilities in an amount which is equivalent to depreciation on the assets of the Company. The active operations are carried on by Alberta Wheat Pool, and Alberta Pool Elevators Limited may be regarded, for the present, as merely a holding company.

The Balance Sheet which you are now considering is that of Alberta Wheat Pool, with a separate analysis being submitted for Alberta Pool Elevators Limited.

### ASSETS

**CURRENT** .....\$42,936,281.43

**CASH IN BANKS, ON HAND AND IN TRANSIT** ..... \$ 550,294.41

**In Banks** ..... \$ 498,779.95

**On Hand and in Transit** ..... 50,933.46

Consisting mainly of monies returned by agents and payors at the end of the season, together with certain amounts received from grain settlements and accounts receivable. Since the end of July this has all been deposited.

**Petty Cash and Appeal Funds** ..... 581.00

Representing the amounts on hand at Calgary and Edmonton for purposes of making sundry disbursements.

\$ 550,294.41

**BONDS—DOMINION OF CANADA—Cost** ..... 2,351,250.00

Investment in Sixth and Ninth Victory Loans.

**STOCKS OF GRAIN AND COAL** .....38,286,724.66

Representing grain and coal on hand in country and terminal elevators and in transit as at 31st July, 1953 as follows:—

Wheat	22,352,626 bus.	\$28,850,817.34
Oats	5,181,121 "	2,475,789.38
Barley	7,742,043 "	6,427,399.34
Flax	61,642 "	149,201.69
Rye	340,932 "	289,093.28
Mixed Grain	11,154 "	7,529.07
Mixed Feed Oats	76,470 "	45,882.00
Screenings	5,100 tons	32,550.00
Coal	463 "	5,187.30
Freight Paid on Grain in Transit		3,275.26

\$38,286,724.66

**ADVANCES ON GRAIN** ..... 21,403.36

Advances secured by grain in store.

**ACCOUNTS RECEIVABLE** ..... \$1,064,796.45

Representing accounts owing to the Pool as at 31st July, 1953, as follows:—



**ALBERTA WHEAT POOL**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953**

**ASSETS (Continued)**

**CURRENT (Continued)**

Manitoba Pool Elevators Limited .....	\$ 488,924.48	
Port Arthur Terminal earnings for the year ended 31st July, 1953, since collected.		
Sundry Accounts due from the Canadian Wheat Board, Grain Companies and Others .....	486,352.57	
Accounts incurred in the ordinary course of business, the majority of which have now been collected.		
Manifest Charges re Grain Shipments through Vancouver .....	33,746.58	
Growers' Accounts—Current .....	14,890.37	
Railway Charges on Vancouver Unloads for Account of Saskatchewan Wheat Pool .....	21,542.59	
Domestic Freight Collectible .....	11,191.53	
Freight recoverable in respect of feed grains sold in Vancouver.		
Great West Life Assurance Company .....	4,497.97	
Group Life premiums recoverable from employees.		
Bond and Insurance Claims .....	2,932.46	
Public Utility Deposits .....	477.40	
Deposit with Unemployment Insurance Commission, Vancouver .....	225.00	
Rentals Receivable .....	15.50	
	<u>\$1,064,796.45</u>	
<b>ALBERTA POOL ELEVATORS LIMITED</b> .....		570,331.87
Balance owing to Alberta Wheat Pool on current account.		
<b>ACCRUED ITEMS RECEIVABLE</b> .....		91,480.68
Representing amounts due as at 31st July, 1953, but not collectible until later, as follows:—		
<b>Country Elevator Department—</b>		
Interest on Victory Bonds, etc. ....	\$ 25,414.12	
Balance, 1952 Earnings, Pool Insurance Company .....	8,890.93	
Storage and Elevation Charges on Outstanding Storage Tickets .....	7,953.15	
Charges on Cars in Store but not delivered ....	3,722.93	
Charges on cars shipped .....	1,001.45	
<b>Terminal Department—</b>		
Elevation Charges .....	28,836.49	
Diversion Premiums .....	14,768.62	
Storage Charges .....	892.99	
	<u>\$ 91,480.68</u>	
<b>TOTAL CURRENT ASSETS</b> .....		<u><u>\$42,936,281.43</u></u>

**ALBERTA WHEAT POOL**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953**

**ASSETS (Continued)**

**DEFERRED CHARGES** ..... \$ 345,201.85

Representing expenditures chargeable to the operations of subsequent years, as follows:—

**Country Elevator Department—**

Proportion 1953 Taxes and Licenses .....	\$ 123,363.15
Engine Fuel and Lubricating Oils on Hand ....	1,819.93
Mutual Telephone Rentals Paid in Advance ....	417.85
Unexpired Insurance and Bond Premiums .....	26,203.72
Workmen's Compensation Board Assessments .....	7,500.00
Alberta Federation of Agriculture—Dues .....	1,727.50
Business Taxes and Licenses .....	1,645.76
	<hr/>
	\$ 162,677.91

**Terminal Department—**

City of Vancouver Taxes and Licenses .....	\$ 19,045.10
Water Lot Rentals .....	13,895.68
Workmen's Compensation Board Assessments .....	2,185.00
Railway Siding and Sundry Rentals .....	733.87
	<hr/>
	35,859.65

Repair Stocks .....	127,764.02
Stationery Stocks .....	10,950.98
Office Alterations .....	6,198.81
Postage Stamps .....	1,468.70
Payroll Stamps .....	281.78
	<hr/>
	\$ 345,201.85

**SHARES AND INVESTMENTS** ..... \$5,910,212.45

**Shares in Alberta Pool Elevators Limited** ..... \$4,850,000.00

For the years 1924 to 1928, a deduction of 2c per bushel was made by your Organization on all deliveries to the Pool. The amount of these accumulations at 31st July, 1940 was \$4,996,101.04. The delegates, at the 1940 annual meeting, instructed that the balance of the 1928 Final Payment, amounting to \$1,037,554.35, should be added to the Elevator Reserves, and regarded as being in the same category as previous deductions. This addition brings the Elevator Reserves at 31st July, 1953 to the amount of \$6,033,655.39. The purpose of these deductions was to obtain funds to build up the elevator system, and the money so obtained has been invested in shares of Alberta Pool Elevators Limited to the extent of \$4,850,000.00, which represents all of the issued shares of that company.

**Shares in Pool Insurance Company** ..... 64,500.00

Your Organization has subscribed for shares in this Company to a par value of \$75,000.00. As at 31st July, 1953, 74% of this amount has been called up, plus a premium of \$12.00 per share, thus bringing the amount paid in respect

**ALBERTA WHEAT POOL**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953**

**ASSETS (Continued)**

**SHARES AND INVESTMENTS—(Continued)**

**Shares in Pool Insurance Company (Continued)**

of these shares to the above-mentioned figure of \$64,500.00. Your Pool participates in the earnings of this Company on the basis of business contributed.

**Shares in Canadian Pool Agencies Limited** ..... 6,670.00

This Company is a subsidiary of the three Provincial Pools, and supervises insurance matters of your organization. In order to provide working capital, the above amount has been invested in shares of this company. Your Pool participates in the distribution of the earnings on the basis of business contributed.

**Reserves Purchased in Excess of Patronage Dividend Allocations** ..... 989,042.45

The total of the Elevator and Commercial Reserves contributed during the years 1923 to 1928 and amounting to \$8,467,830.71 has been fully settled, either by purchase by the Pool or by assignment of the original holder.

The reserves now held by members are in effect the result of the payment of patronage dividends and at 31st July, 1953, the amount in the hands of the membership was \$7,478,788.26. The balance, amounting to \$989,042.45 is held by the Pool pending final disposition.

\$5,910,212.45

**FIXED ASSETS** ..... \$ 9,302.00

Grain Exchange Memberships, as follows:—

Winnipeg Grain Exchange—Two seats ..... \$ 5,300.00

Winnipeg Grain and Produce Exchange Clearing House—  
Five shares ..... 3,500.00

Vancouver Merchants' Exchange—  
Two seats ..... 500.00

Two shares ..... 2.00

\$ 9,302.00

**TOTAL ASSETS OF ALBERTA WHEAT POOL** ..... \$49,200,997.73



# ALBERTA WHEAT POOL

Calgary, Alberta

## ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953

### LIABILITIES

**CURRENT** .....\$38,214,868.01

**OUTSTANDING CHEQUES, CASH TICKETS AND ORDERS** .....\$9,256,264.19

Representing cheques, cash tickets and orders issued prior to 31st July, 1953 but not presented for payment, as follows:—

Outstanding Cheques .....	\$1,257,906.14
Cash Tickets .....	7,982,741.45
Advance Orders .....	14,534.12
Wartime Salvage Ltd.—Vouchers .....	196.16
Pool Payments, Cheques and Money Orders .....	886.32
	<u>\$9,256,264.19</u>

**BANK LOANS** .....25,350,000.00

Secured by Grain .....	\$23,100,000.00
Secured by Dominion of Canada Bonds .....	2,250,000.00
	<u>\$25,350,000.00</u>

**ACCOUNTS PAYABLE** .....441,657.72

Receiver General of Canada—	
re Prairie Farm Assistance Act Levies .....	\$ 159,597.07
re Employees' Income Tax Deductions .....	49,190.90
re Employees' Pension Plan .....	28,882.49
re Terminal Weighing and Inspection Fees .....	16,750.21
re Unemployment Insurance Commission ....	1,497.16
Sundry Current Accounts .....	73,478.87
Freight and Terminal Charges on Grain in Store .....	46,098.35
Staff Savings Accounts .....	34,149.53
Canadian Wheat Board .....	30,717.68
Coal Commissions .....	852.46
Deposits pending acceptance of Membership Applications .....	395.00
Rentals Paid in Advance .....	48.00
	<u>\$ 441,657.72</u>

**ACCRUED ITEMS PAYABLE** .....222,175.59

Representing provision for expenses accrued at 31st July, 1953 and payable later, as follows:—

Country Elevator Department—	
Taxes on Property .....	\$ 144,188.37
Grain Insurance—July .....	17,970.91
Exchange on Cash Tickets .....	11,212.31
Power Accounts .....	7,000.00
Junior Farm Clubs Seed Accounts .....	3,304.78
Inter-provincial Expenses—July .....	901.56
Mutual Telephone Rentals .....	739.98
Winnipeg Office Expenses .....	390.24
Accrued Interest on Loans .....	10,680.54

**ALBERTA WHEAT POOL**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953**

**LIABILITIES (Continued)**

**CURRENT (Continued)**

**ACCRUED ITEMS PAYABLE—(Continued)**

Interior Terminal Charges on Grain in Store	13,994.66
Refund on Insurance .....	6.10
Reserve for Staff Sickness and Accidents .....	5,598.94
Salary Guarantee Fund .....	3,632.63
Terminal Department—	
Diversion Premiums .....	1,978.65
Registration and Cancellation Fees .....	377.03
Grain Insurance—July .....	109.57
Interest on Overdue Deposit Items .....	60.81
Storage on Grain in Other Terminals .....	28.51

\$222,175.59

**GROWERS' OUTSTANDING PAYMENTS** ..... \$ 296,333.11

For various reasons, it has not been possible to distribute the above sum to growers. Details are as follows:—

Reserves Purchases .....	\$ 294,350.71
Unclaimed Reserves Purchase and Patronage	
Dividend Cheques .....	1,982.40

\$ 296,333.11

**NET EARNINGS, SEASON 1952-53** ..... 2,648,437.40

Being the net earnings for the year ended, 31st July, 1953, less \$42,300.00 paid on account of Income Taxes. This amount is carried as a current liability pending decision of delegates as to distribution.

**TOTAL CURRENT LIABILITIES** ..... \$38,214,868.01

**DEFERRED** ..... \$ 300,000.00

Being the balance owing in respect of First Mortgage Bonds issued to the Bank of Montreal and payable in June, 1954. The money borrowed was used to pay off the Alberta Provincial Government 1929 Overpayment.

**RESERVES AND SURPLUS** ..... 10,686,129.72

It will be recalled that under the Pooling contracts with the Growers, certain deductions for Elevator and Commercial Reserves were authorized. These deductions were made in the years 1923 to 1928 inclusive and the total amount contributed in this way was ..... \$8,467,830.71

These original reserves have now been fully settled either by purchase by the Pool or by assignment of the original holder to another

**ALBERTA WHEAT POOL**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953**

**LIABILITIES (Continued)**

**RESERVES AND SURPLUS—(Continued)**

member. As authorized by the delegates at annual meetings, your Association has issued, out of the original reserves purchased, new reserves in satisfaction of patronage dividends. As at 31st July, 1953 these new reserves amounted to \$7,634,178.25 and by authority given by the delegates the sum of \$315,988.84 has been purchased out of such new reserves. This leaves as outstanding a total of \$7,318,189.41 of new reserves issued for patronage dividends and the amount of \$160,598.85 of original reserves which are now held by members in order to qualify for membership. The total reserves in the hands of members at 31st July, 1953 are therefore \$7,478,788.26.

Of the original reserves purchased, your organization holds in the Treasury the amount of \$989,042.45, which reserves are carried by the Pool pending final disposition.

**EARNED SURPLUS ..... \$2,218,299.01**

This balance represents the undistributed balance of earnings up to and including 31st July, 1953 as follows:—

Balance as at 31st July, 1952 ..... \$2,119,869.39

Add Balance of Earnings for the Year ended  
31st July, 1952, not distributed ..... 100,850.31

\$2,220,719.70

Less Sundry adjustments in respect of prior  
years ..... 2,420.69

\$2,218,299.01

\$10,686,129.72

TOTAL LIABILITIES OF ALBERTA WHEAT POOL ..... \$49,200,997.73

CALGARY, Alberta,  
27th October, 1953.

HARVEY, MORRISON & CO.,  
Chartered Accountants.



# MEMORANDA



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# ALBERTA POOL ELEVATORS LIMITED

Calgary, Alberta

## ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953

**EXPLANATORY NOTE:**—Your Organization, referred to as the Alberta Wheat Pool, is divided into two sections, namely Alberta Wheat Pool, which is incorporated under a private charter, and Alberta Pool Elevators Limited, which is incorporated under the Companies Act of the Province of Alberta. The elevator system, comprising the country and terminal elevators, together with the flour sheds, coal sheds, dwellings, etc., is owned by Alberta Pool Elevators Limited, and, under agreement, is leased to Alberta Wheat Pool, on the basis that the Pool keeps the system in repair, provides for all operating expenses, and by mutual arrangement, provides for rental of the facilities in the amount which is equivalent to the capital cost allowance or depreciation on the assets of the Company. The active operations are carried on by Alberta Wheat Pool, and Alberta Pool Elevators Limited may be regarded, for the present, as merely a holding company.

The Balance Sheet now under consideration is that of Alberta Pool Elevators Limited, a separate and distinct analysis being prepared for Alberta Wheat Pool.

### ASSETS

**PROPERTY** ..... \$5,482,593.56

Consisting of Country Elevator System and  
Terminal Elevators at Vancouver and Port  
Arthur:—

486 Country Elevators .....	\$ 7,949,731.94
496 Country Annexes .....	2,944,620.13
	<hr/>
	\$10,894,352.07
390 Dwellings and Sites .....	1,570,147.80
31 Coal Sheds .....	13,098.35
23 Flour Sheds .....	11,948.00

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\$12,489,546.22

Less Accumulated Allowances for Capital Cost 8,647,667.99

**Net Value of Country Property** ..... \$3,841,878.23

Vancouver Terminal ..... \$3,287,730.86

Less Accumulated Allowances for

Capital Cost ..... 2,061,817.81

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\$1,225,913.05

Port Arthur Terminal ..... \$ 712,412.05

Less Accumulated Allowances for

Capital Cost ..... 326,396.68

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386,015.37

**Net Value of Terminal Property** ..... 1,611,928.42

**Calgary Warehouses** ..... \$ 18,800.00

Less Accumulated Allowances for Capital Cost .. 8,203.98

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10,596.02

Equity in Wheat Pool Building, Winnipeg ..... 18,190.89

**Net Value of Property** ..... \$5,482,593.56

Property Changes during the year were as follows:

**Elevators (486)—**

Number, 31st July, 1952 ..... 485

# ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953

## ASSETS (Continued)

### PROPERTY—(Continued)

Add Ohaton No. 2 Purchased (Bennett burned and rebuilt) .....	1
Number, 31st July, 1953 .....	486
<b>Annexes—Cribbed (98)—</b>	
Number, 31st July, 1952 .....	92
Add Arrowwood No. 2, Blackie, Botha, Drumheller, Owlseye, Vulcan No. 2 .....	6
Number, 31st July, 1953 .....	98
<b>Annexes—Twin—No Change</b> .....	25
<b>Annexes—Permanent Balloon (55)—</b>	
Number, 31st July, 1952 .....	49
Add Acadia Valley No. 2, Donnelly, En- chant, Girouxville, Ohaton No. 2, Watts .....	6
Number, 31st July, 1953 .....	55
<b>Annexes—Temporary Balloon (236)—</b>	
Number, 31st July, 1952 .....	237
Deduct Acadia Valley No. 1 .....	(1)
Number, 31st July, 1953 .....	236
<b>Annexes—Loxtave (80)—</b>	
Number, 31st July, 1952 .....	80
Add Two Hills .....	1
Deduct Phillips .....	(1)
Number, 31st July, 1953 .....	80
<b>Annexes—Steel Tanks—No Change</b> .....	2
<b>Total Elevator Annexes, 31st July, 1953</b> .....	496
<b>Dwellings (390)—</b>	
Number, 31st July, 1952 .....	382
Add Blackfalds, Condor, Czar, Dunphy, Innisfree, McNab, Redland, Rum- sey, Sedgewick, Spirit River, Warner No. 1 .....	11
Deduct Blackfalds, Egremont, Sedgewick .....	(3)
Number, 31st July, 1953 .....	390
<b>Coal Sheds (31)—</b>	
Number, 31st July, 1952 .....	32
Deduct Pollockville .....	(1)
Number, 31st July, 1953 .....	31



# ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953

## ASSETS (Continued)

### PROPERTY—(Continued)

Flour Sheds—No Change .....	23
Calgary Warehouse—No Change .....	2

**EQUIPMENT** ..... \$ 175,513.58

Consisting of the following:—

Office Furniture and Equipment—Cost .....	\$ 195,918.59
28 Automobiles and 14 Trucks—Cost .....	114,301.66
Terminal Equipment—Cost .....	16,834.79
Portable Cleaners and Loaders—Cost .....	12,632.37
Elevator Maintenance and Sundry Equipment—	
Net Value .....	55,115.97
	<u>\$ 394,803.38</u>
Less Accumulated Allowances for Capital Cost—	
Office Furniture and Equipment .....	\$ 130,210.11
Automobiles and Trucks .....	65,756.26
Terminal Equipment .....	12,896.46
Portable Cleaners and Loaders .....	10,426.97
	<u>219,289.80</u>
Net Value of Equipment .....	<u>\$ 175,513.58</u>

### Office Furniture and Equipment—

This furniture and equipment is used by your Organization at the head office in Calgary and at the branch offices in Vancouver, Winnipeg, and Edmonton. The fact that the major portion of the equipment has been in use for several years accounts for the substantial accumulation of capital cost allowances or depreciation in respect thereof.

### Automobiles and Trucks—

During the year 14 cars were traded in and 14 new cars purchased. One additional truck was purchased during the season. As stated above there were 28 automobiles and 14 trucks on hand as at 31st July, 1953.

### Terminal Equipment—

Representing movable equipment in use at the terminals.

### Portable Cleaners and Loaders—

Represents portable cleaners and loaders situated at a number of elevators throughout the province.

### Elevator Maintenance and Sundry Equipment—

Consisting of loose tools which are easily mislaid or lost and maintenance equipment having a relatively short life, elevator telephone equipment, motion picture and radio equipment. The accounts are reduced each year by the annual allowance for capital cost.

# ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953

## ASSETS (Continued)

### EQUIPMENT—(Continued)

#### Financing of Property and Equipment Purchased—

The property and equipment as enumerated above has a total cost of \$16,921,483.40 and has been financed as follows:—

By Elevator Reserve Payments .....	\$ 4,850,000.00
By Monies belonging to the Capital Cost Allowance Fund .....	11,263,376.26
By Gain on Capital Realizations .....	237,775.27
By Borrowing from Alberta Wheat Pool .....	570,331.87
	<u>\$16,921,483.40</u>

TOTAL ASSETS OF ALBERTA POOL ELEVATORS LIMITED ..... \$5,658,107.14

**ALBERTA POOL ELEVATORS LIMITED**  
Calgary, Alberta

**ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953**

**LIABILITIES**

**CURRENT** ..... \$ 570,331.87

**Alberta Wheat Pool—**

Borrowings from Alberta Wheat Pool in respect of current expenditures on property and equipment.

**CAPITAL AND SURPLUS** ..... 5,087,775.27

**Capital** ..... \$4,850,000.00

The authorized capital of your company is 500,000 shares of \$10.00 each. There have been issued and fully paid 485,000 shares. The money to pay for these shares has been contributed by members of the Wheat Pool through Elevator Reserve deductions. All the issued shares are owned by Alberta Wheat Pool.

**Capital Surplus** ..... 237,775.27

Representing amounts in excess of book value received in respect of fire losses, sales, etc.

\$5,087,775.27

**TOTAL LIABILITIES OF ALBERTA POOL ELEVATORS LIMITED ..** \$5,658,107.14



ANALYSIS OF BALANCE SHEET AS AT 31st JULY, 1953

CONTINGENT LIABILITIES

The assets of your Company have been pledged as security for the First Mortgage Debentures issued by the Alberta Wheat Pool to the Bank of Montreal in the amount of \$300,000.00.

There were uncompleted building contracts as at the close of the fiscal year amounting to \$22,812.44. This amount will be payable when the contracts have been completed.

CALGARY, Alberta,  
24th September, 1953.

HARVEY, MORRISON & CO.,  
Chartered Accountants.

# MEMORANDA



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## CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

# DIRECTORS' REPORT

1952-1953

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

Gentlemen:

The crop year which ended on 31st July, 1953, was a year of big world harvests—with record output of grain in Canada. Western farmers in the spring of 1952 harvested an unprecedented volume of grain; and then, in the fall, took off the biggest crop in Canada's history. Another year of organized co-operative effort handled, transported and marketed greater quantities of Canadian grain than ever before; and left Western farmers facing problems of big carryover to be moved into use; and farm production costs climbing, persistently.

### CENTRAL BOARD

It is with deep regret that your Directors record the passing, during the year, of three outstanding leaders in our Pool movement. Mr. J. T. Hull, who was associated with the Pools from their inception; and from 1939 to 1949 was secretary of the Central organization, died on 19th October, 1952, following a long illness. Mr. A. F. Sproule, a representative of Saskatchewan Wheat Pool on our Central Board for many years, beginning in 1937, passed away on 15th January, 1953. On 29th March, 1953, Mr. R. D. Purdy died suddenly. He had been general manager of the Alberta Wheat Pool since January, 1925.

During the year under review your Central Board gave attention to a mass of problems affecting the members of our three Pools, all Western producers and our entire Canadian nation. Close contact was maintained with the Canadian Wheat Board, the Board of Grain Commissioners, the International Wheat Agreement, transportation needs and all matters affecting the production and marketing of Western farm output.

At a Board meeting on 9-10th October, 1952, the Directors emphasized the need for getting through to the Canadian public the facts about the persistent rise in farm production costs and the continued downward trend in returns from live-stock and grain. After reviewing proposals for radio broadcasts and co-operative motion pictures, it was decided that such vital information can be most effectively transmitted to the public through the Canadian Federation of Agriculture.

Through your Central Board, our three Pools maintained close liaison in the fight against ever-increasing freight rates; and exchanged information on how each Pool co-operates with other bodies concerned in the ceaseless effort to develop adequate transportation at equitable rates.

At a Central Board meeting on 28-29th April, 1953, discussion of negotiations between the operators of Pacific terminal elevators and unions representing their employees led to a declaration that such negotiations should be under the Dominion Department of Labor, with secret ballots on strike votes.

Supply and prices of fertilizers were the subject of study; and, when Inter-provincial Co-operatives undertook a survey of fertilizer needs and the feasibility of co-operative supply, our Pool elevator systems provided the machinery through which thousands of producers contributed basic information.

In respect to delivery quotas, your Central Board passed and publicized the following resolution:

RESOLVED that this Board views with deep concern reports of certain producer deliveries and falsified acreage declarations which contravene quota



regulations. We recommend that the Canadian Wheat Board keep clearly before all producers and grain handling agencies the fact that such practices, if they do exist, are offences punishable by law; are unfair to other producers; and endanger the equitable operation of the entire quota system. We pledge our continued co-operation in encouraging all members and employees of our Pool organizations to follow both the letter and the spirit of quota regulations, so that quota principles may operate effectively and with fairness to all producers.

## INTERPROVINCIAL POOL MEETINGS

The full, united boards of our three Pools assembled in Interprovincial meetings twice during the year under report—on 7-8th January, and again on 17-18th July, 1953.

These meetings of all Pool directors become increasingly important as the fundamental problems which challenge our farm people change in form; and demand for their solution greater unity of purpose, organization and action. To these Interprovincial meetings directors bring the thinking and decisions of the 200,000 farmers who make up our Pools, as expressed in many hundreds of local meetings.

The January Interprovincial meeting was unanimous that the Presidents of our three Pools, as advisors to the Canadian delegation attending the International Wheat Council, should work for a renewed International Wheat Agreement with a higher range of prices. It was agreed that the best arrangement would be to adjust I.W.A. prices on parity levels with the economies of both exporting and importing nations—when satisfactory indices are available upon which such adjustments can be fairly based.

The January meeting reaffirmed a resolution passed at the 1951 C.F.A. annual meeting as follows:

RESOLVED that we urge the Federal Government that all wheat sold for domestic consumption shall be supplied for a price that shall be adjusted from time to time in accordance with changes in our domestic economy, on the basis of \$2.00 per bushel at 1st January, 1951.

The Pool directors resolved that in the interests of both producer and consumer, we continue to support the principle of international commodity agreements for the orderly marketing of farm products. The combined Pool boards also reaffirmed support of the Canadian Wheat Board in the orderly marketing of all Western-grown grains; recommended elimination of speculation in the marketing of coarse grains; called for renewal of legislation authorizing the Canadian Wheat Board to act as the sole grain marketing agency; and urged that membership on the Advisory Committee of the Wheat Board should be limited to representatives of farm organizations.

The Interprovincial Pool meetings also recommended a national farm policy which shall provide for crop insurance; adequate floor prices; and national and provincial programs for fuller use of land and water to assure maximum production with satisfactory returns. A further resolution recommended that the Government of Canada confer with labor and management in creating a judicial court of final resort for the settlement of differences.

The united Pool directors urged establishment of a Board of Livestock Commissioners to administer the Livestock and Livestock Products Act; endorsed the principle of compulsory hog grading, subject to the producer's right to choose between live and rail grading; and urged the Government of Canada to develop additional markets, by negotiating long-term sales agreements with U.K. and other meat importing nations.

The Government was urged, further, to increase two-way trade with U.K., to keep the Canadian dollar at U.S. currency levels; to increase grain storage space at Churchill; and to expand trade through the Bay.

The united Pool directors recorded their determination to maintain the Crowsnest Agreement and to oppose any further freight rate increases. They urged investigation into the price and supply of cement; and called for full study

of the fertilizer situation. A resolution directed to the Minister of Trade and Commerce recommended that suitable appointments be made to increase the number of Wheat Board Commissioners from three to five. Suggested amendments to the Canada Grain Act were reviewed. The Interprovincial assembly recommended that the Pool central executive should carry on a full study of this Act and develop amendments which may be required to meet grain producers' needs. A committee was selected "to negotiate with the Board of Grain Commissioners for regulations . . . which shall allow producers to deliver grain to the elevator of their choice"—and, thus, restore to the Western producer a fundamental right for which he had won recognition through years of struggle; and of which he has been robbed in the unprecedented handling, transport and marketing problems of recent years.

## WESTERN AGRICULTURAL CONFERENCE

Delegates representing farm organizations of British Columbia, Alberta, Saskatchewan and Manitoba assembled in the Western Agricultural Conference at Victoria, B.C., on 22-23rd January, 1953. The Conference considered seventy-five resolutions from local and provincial units; and forwarded consolidated resolutions on grain and livestock marketing, poultry and dairy products, international trade and freight rates, to the Canadian Federation of Agriculture for action by the national body.

R. C. Marler was re-elected Chairman of the Conference; C. E. S. Walls (British Columbia); W. J. Ball (Saskatchewan) and J. D. Wilton (Manitoba) were elected Vice-Chairmen. Mrs. F. Harkness (Manitoba) was re-elected Western Women's Director on the C.F.A. board.

During the year, special meetings discussed basic problems of Western agriculture; and set up committees for action on the International Wheat Agreement, freight rates on grain and the sale of coarse grains by the Canadian Wheat Board.

## CANADIAN FEDERATION OF AGRICULTURE

The 1953 annual meeting of the Canadian Federation of Agriculture was held 26-30th January, in Victoria, B.C. Resolutions forwarded from the Eastern and Western Agricultural Conferences, dealing with problems which challenge farm people in every part of Canada, were considered in this national farmers' parliament. Debate on moving Western grains to Eastern feeders (in volume and at prices fair to both seller and buyer) emphasized the vital importance of a solution to this vexed problem which shall benefit all sections of our farm economy. This debate, further, demonstrated the determined unity of the C.F.A. membership.

The C.F.A. presented its annual brief to the Government of Canada on 5th March, 1953, when the Federation executive met the Cabinet. The brief summarized the decisions of Canada's farmers as expressed through their local, regional and national organizations. It urged that agriculture be established and maintained in balance with other industries—so that Canadian farm people can make their full and essential contribution to the defence program and to the expanding economy of our growing nation.

The brief emphasized that while farm costs had risen some 5%, farm income had fallen 12% from the previous year—with a decrease in the purchasing power of livestock returns of nearly 33%. Recommendations called for investigation into spreads between producer and consumer prices of livestock products; adequate floors for butter, eggs and hogs; renewal of the International Wheat Agreement, with necessary adjustments; marketing of all Western-grown grains by the Canadian Wheat Board—with feed supplies made available to Eastern feeders with less fluctuations in prices; legal machinery to settle labor disputes in the national interests; and health insurance. The brief supported the principle of international commodity agreements; and urged action to keep the Canadian dollar at parity with the U.S. dollar.

On 29-30th July, 1953, representatives of farm organizations from sea to sea assembled in the C.F.A. mid-year conference at Winnipeg. They decided that



if invited the C.F.A. should accept an invitation to participate in a conference in London during the fall of 1953, between the farm organizations of U.K., Australia, New Zealand and Canada—to discuss the marketing of meats. A proposal was approved, likewise, to negotiate a conference between the C.F.A. and the farm organizations of U.S. and Mexico to discuss trade; and to explore the benefits of forming a Committee of IFAP for North America, similar to that already established in Europe.

## INTERNATIONAL FEDERATION OF AGRICULTURAL PRODUCERS

More than 200 delegates, representing organized producers of grains, meats and other food and fibre products in 30 countries, assembled in the sixth general meeting of IFAP at Rome on 5-13th June, 1953.

The meeting elected Allan Kline (U.S.) president; appointed Roger Savary secretary-general; and urged:

1. Freer trade between nations, with commodity agreements to stabilize prices and increase production.
2. Building surpluses into world food reserves.
3. International financing, to make such reserves fully useful in meeting human needs.

The Committee on Agricultural Co-operation reported study activities sponsored by IFAP in France, Germany and Sweden during the past two years.

Western Canada's only representative attending this IFAP conference was W. J. Ball, of the Saskatchewan Wheat Pool.

## FOOD AND AGRICULTURE ORGANIZATION

The Food and Agriculture Organization of the United Nations now embraces 68 nations; but the Director-General reports that after seven years' work, "Governments so far have not made enough effort . . . to promote the common welfare by separate and collective action for raising levels of nutrition and . . . efficiency in the production and distribution of all food and agricultural products."

Since World War II mankind has increased food production by 9%; but has added 13% to its own numbers. "In the Far East population is rising at the rate of a million people per month. Food production is higher than it was before the war, yet there is less food per person . . . The only real solution for the world's basic problem of hunger is to produce more food . . . There are no shortcuts." Realistic programs to increase production and trade must include farm prices and credits; extension services; land tenure; and co-operative organization.

FAO is leading a global war in Europe, Latin America and the Near East against foot-and-mouth disease—which took heavy toll in our Canadian west; cost Europe \$600 million in 18 months; and again threatens U.S. from Mexico.

FAO technicians are fighting rinderpest, the "most serious of all livestock diseases", in the Near East, the Far East and Africa. Others are battling locusts in the Near East and Latin America; and the fall webworm in Europe. Still others are combatting deficiency diseases in Africa and Latin America.

Through FAO, the people of many lands are working for better seeds, better methods—and bigger grain crops. Programs are underway for wheat breeding in the Near East; hybrid corn in Europe; and pasture revival in Mediterranean lands. In the Far East, the International Rice Commission (sponsored and serviced by FAO) is working on rice breeding and fertilizing.

Work is underway in Europe "for promoting and co-ordinating agricultural research and for ascertaining the needs of agriculture." Basic information is being assembled for vital statistics in Latin America, the Near East and the Far East.

More than 600 FAO technicians are working in world-wide programs to stimulate, encourage and guide government agencies and individual communities. Sixty percent of these FAO workers are helping solve agricultural problems.



Others are bringing science to the development of fisheries in Latin America, Europe, the Far East and the Mediterranean countries. Forestry commissions are operating in Latin America, the Far East and the Near East. Forestry development is being planned in Europe. Nutrition is being studied in Caribbean lands, Africa and the Far East.

The work of satisfying the hungers of mankind goes beyond the application of science to the production and use of food. The sixth FAO conference declared that in many countries the uneconomic size of farms, fragmentation of holdings, maldistribution of land and water, excessive rents, inequitable taxes, precarious tenure and hopeless debt must be corrected. In the East and Latin America there is a deep stirring of interest in "modernizing" agriculture. Peoples who have won new independence want to make new starts; do big things on their own; and revive the arts and industries in which they led the world while the West was still barbaric. The last few years "has produced a great new movement of agrarian reform for human and agricultural betterment."

The work of FAO is being carried forward under severe handicaps. Sufficient funds are not yet made available to enlist and train workers to do the jobs which are vital to plenty and peace on earth.

### INTERNATIONAL WHEAT AGREEMENT

The crop year ending 31st July, 1953, was the fourth and final year of the first operative International Wheat Agreement. During this year, the 46 co-operating nations guaranteed to trade quantities of wheat totalling 580.9 million bushels. Of this, Canada guaranteed to supply 235 million bushels. In the first three months of 1952-53 42% of the total guaranteed quantities was traded; and Canada sold 50% of our quota. As the crop year closed, 97.6% of the total guaranteed quantities had been traded. Twenty-six importing nations had bought 100% of their quotas; another seven nations, 99%; and only three were substantially short of the quantities they had undertaken to buy. Nine nations (Venezuela, Philippines, Peru, Nicaragua, Ecuador, Liberia, Norway, Denmark and Egypt) each bought about one-half of their I.W.A. imports from Canada. Another seven nations (U.K.; Union of South Africa, Panama, Ireland, Switzerland, Bolivia and Belgium) bought most of their Agreement wheat from us.

The International Wheat Council met in Washington early in 1953 to discuss renewal of the Agreement. Canada's delegation was headed by Mitchell W. Sharp, of the Department of Trade and Commerce—with W. C. McNamara, Canadian Wheat Board, and Dr. C. F. Wilson as alternate delegates. In addition, Western farm organizations named J. E. Brownlee, Wesley Coates, W. J. Parker, Ben S. Plumer and J. H. Wesson as advisors to the delegation.

In April, 1953, the International Wheat Council recommended to the governments of member nations that the International Wheat Agreement be renewed for another three years—with the old price range of \$1.80-\$1.20 replaced by a range between \$2.05 maximum and \$1.55 minimum. U.K. (with a quota of 177 million bushels, about 30% of the total guaranteed under the old Agreement) declined to become a party to the new Agreement with the maximum price above \$2.00. In view of the fact that the price range provided for trades at prices as low as \$1.55, it would appear that the U.K. Government was guided by the advice of traders whose interest is primarily in disorganized marketing, which historically has given them cheap wheat.

The guaranteed quantities discussed under the new Agreement totalled 595.5 million bushels. The withdrawal of U.K. reduced this total to 418.4 million.

Subsequently, increases were approved in guaranteed purchases of eleven nations totalling 11.1 million bushels. Acceptance of four importing countries as new members further increased the total by 8.6 million bushels.

Under the original guaranteed quantities totalling 595.5 million bushels, Canada was tentatively assigned 250 million bushels. An adjusted schedule of quotas is to be reviewed and finalized at a meeting of the International Wheat Council called for October, 1953, in Madrid.

The Parliament of Canada approved the new Agreement 28th April, 1953; and the formal Instrument of Acceptance was deposited on 18th May. On 13th July, 1953, the new Agreement was approved by the U.S. Senate.

On 17th July the International Wheat Council reported that thirty importing and two exporting countries had deposited Instruments of Acceptance or had notified their intention of doing so by 1st August, 1953. These member nations represented a sufficient percentage of guaranteed purchases and sales to bring the new Agreement into force. Time was extended to allow ten importing countries and two exporting nations to complete constitutional procedures for acceptance.

### CANADIAN WHEAT BOARD

The Canadian Wheat Board, during the 1952-53 crop year, accepted delivery of more grain than in any previous crop year; moved into use great quantities of low grade and re-conditioned grain from the 1951-52 crop; and marketed the biggest total volume of grain for any year in Canadian history.

Big production, congested storage, overloaded transport and heavy exports combined to make delivery quotas increasingly important—and at the same time, increasingly difficult to administer—during this crop year.

Initial quotas were set at 5 bushels per seeded acre for wheat and rye; 4 bushels for oats and barley; and no quota for flaxseed. Quotas were adjusted progressively for the manifold purposes of bringing forward grain needed by the Board to meet sales; making best use of handling, storage and transport facilities; and giving each producer a fair opportunity to make his share of deliveries. On 23rd September, in a total of 2,078 delivery points, wheat quotas were still 5 bushels at 1,541 points; 8 bushels at 488 points; 10 bushels at 28 points; 12 bushels at 17 points; and open at 4 points. By Christmas, the 5 bushel quota persisted at 3 points, with 8 bushels at 478 points; 10 bushels at 781 points; 12 bushels at 223 points; and 15 bushels at 589 points.

Quotas were raised on 29th January, 1953, to 15 bushels on wheat, oats, barley and rye at all Alberta shipping points. In Saskatchewan, quotas were removed on rye on 3rd March; and wheat, oats and barley quotas raised to 15 bushels. On 1st May, 1953, supplementary quotas of 3 bushels were authorized; and on 15th May all delivery points were made alternative. After that date a producer might deliver up to 18 bushels per seeded acre at any point where he found space. By the close of the crop year quotas, for all practical purposes, had disappeared.

Initial payments for the 1952-53 crop year were announced on 8th April, 1952, as follows: wheat (basis No. 1 Northern in store Lakehead or Pacific terminals), \$1.40 per bushel; oats, 2 C.W., 65 cents per bushel; and barley, 3 C.W., 96 cents per bushel.

The Minister of Trade and Commerce stated on 15th November, 1952, that a sum of \$114.5 million would go to producers in final payments on their deliveries to the 1951-52 wheat pool. This pool comprised a total volume of 551.1 million bushels—including 95.3 million bushels carried forward from the 1950-51 pool. The average final payment on 1951-52 pool wheat was 25.2 cents per bushel—making the total payment to producers (basis No. 1 Northern in Lakehead or Pacific store) after deducting carrying charges, conditioning and administration costs, \$1.83569 per bushel. The 1951-52 pool was closed as of 24th October, 1952; and 103.2 million bushels of wheat remaining on that date were transferred to the 1952-53 pool.

Increases in initial payments on wheat delivered to the 1952-53 pool became effective on 2nd March, 1953. Durum was increased 25 cents and other wheat 20 cents per bushel. At the same time initial payments on barley were increased 15 cents per bushel.

Further interim payments of 12 cents per bushel on all grades of wheat were announced in mid-September. These payments, to begin on 1st October, 1953, would distribute some \$64 million to western producers on deliveries to the



1952-53 wheat pool. Following this interim payment on wheat, about \$36 million would go to producers in final payments on oats and barley delivered in 1952-53.

In April, 1953, the Parliament of Canada passed legislation to renew the Canadian Wheat Board Act, 1935. With the support of all political parties, the provisions under which the Board markets Western-grown wheat, oats and barley were extended from the original expiry date, 31st July, 1953, until 1st August, 1957. The new legislation provided, also, for using in the interests of all producers, cash balances which remain unclaimed after six years.

The record 1952-53 crop—following the vast volume of tough and damp deliveries in 1951-52—challenged Western producers and their Wheat Board with problems unparalleled in the history of grain marketing. On 31st July, 1951, the carryover of wheat, oats, barley, rye and flaxseed in commercial positions totalled 236 million bushels. In the succeeding 24 months, Western producers delivered another 1,564 million—to make supplies total 1,800 million bushels. By 31st July, 1953, the commercial carryover of these five grains had increased by 69%, to total 400 million bushels. In the intervening 24 months, 1,088 million bushels had been moved into export and 312 million to domestic users—to achieve record sales through organized marketing.

### PRAIRIE FARM ASSISTANCE

Levies, awards and payments to producers under P.F.A.A. for the 1952-53 crop year were as follows:

	<u>1% Levy</u>	<u>Number of Awards</u>	<u>Payments</u>
Manitoba .....	\$1,423,916.39	1,161	\$ 184,389.25
Saskatchewan .....	6,370,894.35	3,961	809,536.00
Alberta .....	3,370,384.50	3,997	531,665.75
British Columbia .....	5,116.75	465	42,076.50
Totals .....	<u>\$10,874,311.99</u>	<u>9,584</u>	<u>\$1,567,667.50</u>

Payments to producers during the crop year under report were the smallest for any year of P.F.A.A. operation, with the exception of 1942-43, when no payments were made. The peak year was 1949-50, when more than 85,000 Western farmers received over \$22 million in assistance under this legislation. For the 14 crop years since P.F.A.A. became operative in 1939, levies, awards and payments have been as follows:

	<u>1% Levy</u>	<u>Number of Awards</u>	<u>Payments</u>
Manitoba .....	\$11,903,857.84	28,682	\$ 3,399,390.27
Saskatchewan .....	41,603,013.10	451,836	103,892,694.33
Alberta .....	21,709,343.66	189,744	35,955,110.80
British Columbia .....	.....	2,124	290,317.25
Unallocated .....	14,586.10	.....	.....
Totals .....	<u>\$75,230,800.70</u>	<u>672,386</u>	<u>\$143,537,512.65</u>

### CANADIAN GRAIN PRODUCTION

Canadian grain production in the 1952-53 crop year was the greatest in the history of the nation, with the farmers of the West producing beyond all previous records.

Production of the principal field crops, as estimated by the Dominion Bureau of Statistics, for the nation and for the West, and compared with the preceding year, is set out in the following tabulation, in millions of bushels:



## PRODUCTION OF PRINCIPAL FIELD CROPS

	1951		1952	
	Canada	The West	Canada	The West
Wheat .....	552.6	529.0	687.9	664.0
Rye .....	17.6	16.0	24.5	22.9
Oats .....	488.2	340.0	466.8	346.0
Barley .....	245.2	234.0	291.4	281.0
Flaxseed .....	9.9	8.8	12.9	12.0
Totals .....	1,313.6	1,127.8	1,483.6	1,325.9

Successive estimates of the 1952 wheat outturn rose as the harvest progressed. The final estimate of nearly 688 million bushels was 21% above the previous record established in 1928; and 24% higher than the 553 million bushels produced in 1951. Average yields of 26.5 bushels per acre were an all-time high, exceeding by  $\frac{1}{2}$  bushel the record set 37 years earlier, in 1915.

The wheat harvest in Alberta, Saskatchewan and Manitoba totalled 664 million bushels, surpassing the 529 million taken off in 1951 by 25%; and topping the previous record of 545 million for 1928 by 22%. The outturn in Saskatchewan, estimated at 435 million bushels, was 34% above the previous record harvest from the "Wheat Province", in 1951.

Western harvesting conditions were better than in the previous fall; and the quality of the crop was high. The Board of Grain Commissioners reported that wheat inspected averaged 12.7% protein content, somewhat below the long-time average of 13.6%; with milling and baking qualities "satisfactory". Inspections for the 1952-53 crop year graded over 56% of the wheat No. 3 Northern or higher, compared with about 20% in 1951-52; and an average of about 65% from 1946 to 1950. Some 64% of the barley inspected graded No. 1 Feed or higher, compared with 38% in 1951-52; and the average of 45.1% for the previous five years. Oats graded 83.8% No. 1 Feed or higher, as against 50.6% the preceding year; and an average of 72% from 1946 to 1950. Rye graded 74% No. 3 C.W. or better, compared with 51.3% in 1951-52; and the five-year average of 79.2%. Flaxseed graded 91.8% No. 1 C.W. or 2 C.W. in 1952-53; 35% in 1951-52; and 78% in the preceding five years.

Disturbing reports of the spread of a new race of stem rust intensified concern and accelerated research for the development of new resistant varieties of grain. At an International Conference on Wheat Stem Rust, at Winnipeg, early in 1953, it was reported that race 15-B had expanded its range of distribution. Loss from rust in Manitoba alone was estimated to rob farmers of  $4\frac{1}{2}$  bushels per seeded acre.

A new variety of wheat (designated as CT 186) developed at the laboratory of Cereal Breeding in Winnipeg to combat damage from 15-B, was seeded on 150 acres in California; and, during the winter of 1952-53, yielded about 6,000 bushels. This was distributed to contract-growers throughout the Canadian West for seeding in the spring of 1953. If its good performance persists and it passes milling tests satisfactorily, CT 186 will be licensed for general use in 1954—as a stop-gap in the eternal battle against rust.

## WORLD GRAIN PRODUCTION

Since our basic purpose is to grow food for mankind, the members of our three Canadian Wheat Pools are essentially concerned in the overall world picture of production, trade and reserves of grain.

The farmers of the world produced big crops in 1952-53. World production of breadgrains was estimated by U.S. Department of Agriculture to total 264 million short tons. This is a record, being 6% higher than the previous record crop of 1938-39; 9% above the 1951-52 outturn; and 15% more than the average for the five years 1935-39. While wheat represents 80% of the breadgrain crop, rye is an important food for many people, particularly in northern and eastern Europe.

The 1952-53 world wheat crop totalled an estimated 7,320 million bushels. This is 13% above 1951; 10.7% more than the previous record crop of 1938-39; and 1,295 million bushels (21%) bigger than the prewar 1935-39 average. The record size of the 1952-53 wheat crop resulted from bumper production in Canada, U.S., Argentina, France, Turkey and North Africa.

The estimated world production of breadgrains is summarized in the following table, in millions of short tons:

	Average 1935-39	Average 1945-49	1950	1951	1952
North America .....	34.0	48.5	46.0	47.6	61.0
Europe .....	69.4	53.7	64.8	66.7	68.5
U.S.S.R. ....	61.9	51.5	58.8	62.7	61.4
Asia .....	45.3	46.1	46.6	49.0	49.3
Africa .....	4.3	4.0	5.0	4.9	5.2
South America .....	8.7	8.3	9.4	4.8	11.6
Oceania .....	5.3	5.5	5.7	4.9	5.1
World Total .....	229.2	217.7	236.4	240.6	262.3

In recent years, increasing quantities of our Western-grown grains have been used in the Far East, where the chief traditional cereal food is rice. The main rice exporting countries, Burma and Thailand, have maintained their method of selling two-thirds of their exports government-to-government, and the remainder through private traders. Some buyers hesitated to pay the high prices reached in 1952. Nevertheless, Burma has increased the government price to over 8 cents per pound. The U.S., now a heavy rice exporter, has a fixed support price of \$107 per metric ton; while the average price received by U.S. farmers has ranged from \$117 to \$154 per metric ton, or from 5 1/3 cents to 7 cents per pound.

During the 1952-53 crop year the world's farmers harvested the biggest rice crop in history. Asia harvested 92% of this big crop; but rice increased on all continents, under the stimulus of high prices and co-operation of world organizations and of governments. Principal gains were recorded in the heavy rice importing lands of Asia: India, Japan, Korea, Pakistan and the Philippines.

Information published by FAO is summarized in the following tabulation, showing production of wheat, rye, rice and corn in the world, exclusive of Russia:

#### WORLD PRODUCTION OF GRAIN (ex. Russia)

	Wheat	Rye	Rice	Corn	Barley	Oats
	(in million metric tons)					
1934-38 average ....	128.8	21.0	151.2	110.4	40.8	45.0
1950 .....	143.0	19.6	150.9	130.8	.....	.....
1951 .....	142.3	19.7	152.8	130.9	49.0	50.7
1952 .....	164.4	21.0	160.0	141.7	.....	.....

Statistics of production can be significant only when related to consumer needs. While the farmers of the world are increasing their production, mankind is still short of food. United Nations authorities estimate world population at between 2,300 million and 2,499 million humans. This is an increase of 50% in the past half century. With recent increases, food production per capita has barely regained prewar levels. The majority of humans are still underfed.

#### WORLD TRADE IN GRAINS

Canadian grain exports have formed an increasing share of total world trade in recent years. This is particularly true of wheat. World trade in wheat reached a record peak in 1948-49; and in 1951-52 surpassed that record. Preliminary estimates for 1952-53 are considerably lower. Data published by FAO and summarized in the following tabulation, show world exports of wheat (and wheat flour in terms of wheat) for recent years, compared with prewar. These statistics



would be more significant if adequate data were available covering trade within the Russian orbit, to complete the world picture.

### WORLD TRADE IN WHEAT (ex. Russia) (including wheat flour in terms of wheat)

	1934-35 1938-39 average	1948-49	1949-50	1950-51	1951-52	1952-53
Exporter	(in million bushels)					
Argentina .....	121.3	61.0	88.9	104.0	30.1	.....
Australia .....	104.4	121.3	112.8	128.2	100.3	.....
Canada .....	172.7	225.2	232.2	224.9	346.2	385.9
United States .....	66.1	507.1	317.8	376.6	481.7	317.0
Others .....	185.2	76.8	87.8	100.3	106.9	.....
Totals .....	649.6	991.3	839.6	934.0	1,065.2	702.9

The four main exporting nations supplied 70% of prewar trade in wheat. By 1951-52 they provided 90% of world exports. The all-time record exports of 1951-52 moved to continents as follows, in million bushels: Europe, 530.6; North and Central America, 83.8; South America, 84.5; Asia, 273.4; Africa, 72.7; Oceania, 11.8; and unspecified, 8.4.

Trends of world trade in various of the principal grains during recent years, compared with prewar, are tabulated below. Again it is regrettable that lack of statistics from Russia leaves the world picture incomplete.

### WORLD TRADE IN PRINCIPAL GRAINS (ex. Russia)

Year	Wheat (and flour in terms of wheat)	Rye	Rice	Corn
	(in million metric tons)			
1934-38 average .....	12.0	.....	7.9	.....
1948 .....	.....	1.3	.....	5.2
1949 .....	.....	1.6	.....	5.9
1950 .....	18.1	0.84	8.9	4.9
1951 .....	26.6	0.8	4.9	4.4
1952 .....	24.0	0.8	4.5	4.5

### CANADIAN GRAIN EXPORTS

With record harvests Canada set new high marks in grain exports for the 1952-53 crop year. In 1951-52 exports of wheat (including flour), oats (including oatmeal), barley, rye and flaxseed, reached a record peak of 506.1 million bushels. Export sales of these five grains in 1952-53 surpassed that record by more than 15%, to establish an all-time high of 583.2 million bushels.

Canadian wheat (including wheat flour in terms of wheat) was shipped to every corner of the earth. A total of 385.9 million bushels was exported to 85 countries, colonies and territories on the six continents. Twenty-three Commonwealth countries took 43.6% of the total; while 56.4% went to 62 foreign lands. These wheat exports were distributed as follows: to 15 countries in Africa, 5.6%; to 17 countries in Asia, 15.8%; to 19 countries in Europe, 63.3%; to 23 countries in North and Central America, 8.1%; to 10 countries in South America, 6.7%; and small amounts to two lands in Oceania.

The buyers of Canadian wheat (and wheat flour) were, as usual, led by the United Kingdom. It may be noted, however, that as Canadian exports have expanded, purchases by U.K. have become a smaller percentage of the growing total. U.K. took about 32% of 1952-53 exports, compared with 36% in 1951-52; 42% in 1950-51; and 58% in 1949-50. During the year under report eleven other countries each bought above 10 million bushels. The Federal Republic of Ger-



many was our second biggest customer, taking 24.3 million bushels. Shipments to the United States were 22.9 million bushels (including 5.7 million for milling in bond). Belgium took 20.9 million bushels; the Netherlands, 15.6 million; India, Pakistan and Japan, each, over 14 million; Brazil, 11.4 million; Switzerland, 10.5 million; and Yugoslavia, 10.2 million bushels.

Exports of wheat (including flour) in 1952 reached a value of \$737.4 million. This represented 17% of Canada's total export earnings for that calendar year; and provided the largest single item of export.

Export sales of coarse grains in 1952-53 were unparalleled. Barley exports in the preceding year had reached a peak of 70 million bushels, far beyond all previous records; but 1952-53 exports exceeded that peak by 70%, to total 119 million bushels. Exports of oats for 1952-53 totalled 64.9 million bushels, 7% below the 1951-52 record. United States took 59.5 million, and Belgium, 4.3 million bushels. Exports of rye reached 9 million bushels, 5.8 million going to U.S. and 1.9 million to Belgium. Flaxseed exports totalled 4 million bushels in 1952-53, with Belgium taking 2.8 million.

The following tabulation compares exports of wheat, barley and oats for the last three crop years with the average for the five years prewar, by continents; and emphasizes both the overall expansion of export sales and the development of markets in Africa, Asia and the Americas:

#### CANADIAN EXPORTS OF WHEAT (INCLUDING FLOUR) BARLEY AND OATS (INCLUDING OATMEAL AND ROLLED OATS)

	Africa	Asia	Europe	N. & C. America	S. America	Total
	(in million bushels)					
1934-38 average .....	1.4	4.9	164.4	28.2	0.8	200.0
1950-51 .....	9.9	35.6	169.5	72.9	10.4	298.6
1951-52 .....	12.5	66.3	280.9	119.4	17.2	496.5
1952-53 .....	21.8	86.7	309.1	115.1	23.1	569.8
Increase 1952-53 over						
1934-38 average ..	1457%	1670%	88%	309%	2466%	184%

#### CANADIAN CONSUMPTION OF GRAIN

The domestic disappearance of wheat, oats and barley in 1952-53 fell some 7% below the 1951-52 level. The consumption of wheat and barley was less, and of oats slightly more, than the average for the preceding ten years. The following tabulation gives the comparison, in millions of bushels:

	1952-53	1951-52	10 year average
Wheat .....	156.4	168.9	157.9
Oats .....	373.3	404.4	371.4
Barley .....	145.6	149.3	148.5
Totals .....	675.3	722.6	677.8

#### FREIGHT ASSISTANCE

Shipments under the freight assistance program from Alberta, Saskatchewan and Manitoba to British Columbia and Eastern Canada for the first 11 months of 1952-53 were slightly lower than for the same period of the preceding year, as tabulated below:

## FREIGHT ASSISTED SHIPMENTS

	1952-53	1951-52
Wheat, bus. ....	12,761,000	15,829,000
Oats, bus. ....	42,111,000	36,249,000
Barley, bus. ....	15,987,000	21,094,000
Rye, bus. ....	2,000	1,000
Screenings, tons ....	86,881	64,376
Millfeeds, tons ....	468,453	503,681

The 1952-53 movement (when records are completed) may approximate the 1951-52 total. Ontario and Quebec took 72% of the wheat, 83% of the oats, 84% of the barley, 86% of the screenings and 76% of the millfeeds moved during 1952-53 under this program.

## CANADIAN CARRYOVER

With Canadian production and exports at record levels and domestic disappearance slightly below average in 1952-53, carryover out of the crop year was substantially above average. Carryover in all North American positions as at 31st July, 1953, is compared with the previous year and the 10-year average in the following table, in million bushels:

	31st July, 1953	31st July, 1952	Average 1943-52
Wheat .....	362.7	217.2	206.8
Oats .....	136.5	108.4	86.0
Barley .....	106.4	79.5	41.7
Rye .....	16.4	8.1	5.5
Flaxseed .....	3.0	2.5	3.5
Totals .....	625.0	404.9	343.0

The total carryover of 625 million bushels of the five principal grains from the 1952-53 crop year compares with the peak carryover of 832 million bushels in 1943; and is some 82% above the average for the 10 years 1943-52. Farm held stocks were bigger than for the preceding year; but, with the exception of barley and flaxseed, were well below previous records; and represented 36% of the carryover. Country elevators held 34% of the total. The remaining 30% was in terminals and other forward positions, including 36.7 million bushels in transit.

## WORLD CARRYOVER

As the 1952-53 crop year drew to its close, world stocks of grain became sufficiently abundant to fill the demands of buyers possessing acceptable currency or the capacity to produce goods acceptable in trade.

About 1st January, 1953, estimated supplies of wheat available in the four main exporting nations totalled 1,522 million bushels. This total included the increased production in Argentina and Australia; and was nearly 50% higher than at the beginning of 1952.

On or about 1st August, 1953, these four countries held an estimated 1,584 million bushels—about 44% more than one year earlier. These estimates include stocks on farms and in commercial positions; and also the 1953 U.S. harvest of an estimated 1,203 million bushels. Wheat stocks held by these big four exporters about the beginning of the last two crop years are estimated as follows, in million bushels.

	1st August, 1953	1st August, 1952
Argentina .....	124.6	1.8
Australia .....	60.5	43.5
Canada .....	362.7	217.2
United States .....	1,036.2	838.0
Totals .....	1,584.0	1,100.5



## TRANSPORTATION

Moving crops from points of production to points of use (by either home or foreign consumers) is of major concern to the farmers of our Canadian West; and is a problem of vital interest to our entire Canadian nation. Handling and transport facilities, following the titanic tasks imposed by the two previous abnormal crop years, were called on to move forward bigger tonnages than ever in 1952-53.

During this crop year, Western producers delivered wheat, oats, barley, rye and flaxseed to a total of 811.4 million bushels. This surpassed by 10% the total delivered in 1951. The following tabulation compares the two years, in million bushels:

### MARKETING BY WESTERN CANADIAN PRODUCERS

	1952-53	1951-52
Wheat .....	516.5	455.3
Oats .....	112.0	133.3
Barley .....	159.0	130.2
Rye .....	15.7	11.7
Flaxseed .....	8.2	6.4
Total .....	811.4	736.9

Shipments of these five grains from Lakehead terminals by water, from opening of navigation to 20th August in 1953, reached 268.2 million bushels. This was 6% more than in the comparable period of 1952; second only to the record 276.8 million in 1945; and 66% above the average for the ten years 1943-52.

Rail shipments during 1952-53 totalled 54.1 million bushels, compared with 50.9 million in the year preceding. Some 53% of this big rail movement was achieved in two winter months: January and February, 1953.

Shipments of wheat set new records at all Canadian ocean outlets in the 1952-53 crop year. Despite stoppages resulting from strikes, Pacific terminals cleared 104.7 million bushels, to beat the record of 103.2 million, established in 1951-52. Atlantic ports shipped nearly 189 million bushels—24% more than the record set the preceding year. Shipments of wheat through Hudson's Bay have increased steadily, if slowly, for the past six years. In the 1952 navigation season, 26 vessels took cargoes totalling 8.6 million bushels from Churchill—topping the 1951 record by 1.3 million.

In the final three months of the crop year under report, 136.8 million bushels of Canadian wheat (including flour) moved into export.

The record 1952-53 movement of grain was made possible by the organized co-operation of producers, transport organizations, Canadian Wheat Board and the Transport authority—and resulting efficiency in the use of handling and storage facilities, rolling stock and lake and ocean tonnage.

Railway freight rates continued their upward trend. An increase, effective from 16th March, 1953, added another 7% to the general rate tariffs (with some exceptions, such as Crowsnest grain rates). Cumulative increases have raised the general freight rate level an estimated 98% above prewar.

Farmer organizations urge that the interests of the nation shall be best served by railway freight rates established at levels which are fair to all segments of the economy and all regions of the country. Some action has been taken in this direction. Equalization of Western and Eastern freight rates has begun, pursuant to amendments to the Railway Act.

While these various expedients result in a measure of benefit to agriculture in particular and the Canadian West in general, other developments promise to become even more fundamental factors in establishing expanding transport services at lower costs.

More than 692,000 trucks are now used for transportation in Canada. In 1952, trucks delivered more than 70% of all livestock to Canadian yards and



plants. One of our Pool publications reported in May, 1953, that thirty-five 20-ton trucks, freighting registered forage seed from Alberta to Eastern Canada, beat both time and costs by rail.

The Government of Canada announced in 1952 the decision that the St. Lawrence Seaway shall be built to carry ships of 27-foot draft from the Lakehead to the Atlantic; and on to the corners of the world. This project will take years to complete. In operation, it will have a catalytic impact on the economy of the prairies and the nation. Development of this Seaway and the Hudson's Bay route will release the Canadian West from its geographic shackles; and bring the manifold resources of its lands and waters into fuller usefulness—for Canada and for all mankind.

## FARM INCOME AND COSTS

During the 1952 calendar year, cash income of Canadian farmers from the sale of farm products was estimated to total \$2,778.3 million. This was slightly below the all-time high recorded in 1951. Marketings of grain were exceptionally heavy in the spring of 1952. A big volume of threshed grain was held over from the previous fall. In addition, fine weather allowed Western farmers to thresh, in good condition, an estimated 285 million bushels of wheat, oats and barley which had wintered in the fields. Increased returns from the sale of field crops, during the year, largely offset reduced returns from livestock. Average livestock prices suffered a general decline; and marketings were lower on all classes, excepting hogs.

Gross income of Canadian farmers was lower in 1952 than in 1951, due to somewhat lower cash returns from sales of farm products and reductions in the value of farm-held stocks at the end of the year.

Operating costs, except for feed and seed, climbed higher all along the line. Wage rates rose about 5% above 1951; and, with a smaller farm labor force, labor costs continued to increase. The farmers of the West paid out \$71.7 million for hired labor in 1950; and \$78.9 million in 1951. Their 1952 wage bill totalled \$88.9 million. This represents an increase of 24% in two years.

More mechanization on farms increased the outlay for operation and maintenance. Tractors, trucks, farm autos, combines and machinery repairs and shop charges cost the Western farmers \$162.7 million in 1950; \$172.0 million in 1951; and \$187.7 million in 1952—an increase in two years of 15.3%.

Higher expenditures for fertilizers, the Dominion Bureau of Statistics reports, reflect generally higher prices. The Western producers' bill for commercial fertilizers has risen from \$6.5 million in 1950 to \$8.3 million in 1951 and to \$9.3 million in 1952. Prices of petroleum products have increased inexplicably, despite heavier native production.

Net income of Canadian farmers from farm operations in 1952 was 11% below 1951. This decline resulted from a drop of 4% in gross farm income and a rise of 6% in operating costs.

The following tabulation shows gross farm income, operating costs and net farm income for Canada, and for the West, in the past three years, in million dollars.

	Canada	The West
1952—Gross farm income .....	\$3,454.8	\$1,806.4
Operating costs .....	1,504.9	700.9
Net farm income .....	\$1,949.9	\$1,105.4
1951—Gross farm income .....	3,610.3	1,786.4
Operating costs .....	1,421.7	650.6
Net farm income .....	\$2,188.6	\$1,135.8
1950—Gross farm income .....	2,741.2	1,209.3
Operating costs .....	1,293.1	579.2
Net farm income .....	\$1,448.1	\$ 630.1

Note: Gross farm income, in the foregoing tabulation, includes cash income, income in kind, value of inventory changes and P.F.A.A. payments. Operating costs include taxes, rent, hired labor, interest, feed and seed, tractors, trucks, farm autos, combines, repairs, supplies and depreciation on buildings and machinery.

## CO-OPERATION

The development of co-operative activities in Canada continues, steadily. In recent years, our big producer Co-operatives have expanded their facilities and services; and consumer Co-operatives have progressed at an even faster rate.

The Co-operative Union of Canada 44th annual meeting, held in Edmonton, in March, 1953, reported a membership of 822 buying, selling and service associations, embracing 825,000 individual members; and transacting business in 1952 totalling \$685 million.

Regional Co-operative Wholesales are appreciably increasing their volume of purchases through their own buying central: Interprovincial Co-operatives. Through Interprovincial, they reach into the field of processing and manufacture. In addition to the Co-op bag factory in Montreal, Interprovincial now operates a coffee and tea plant at Vancouver; a cannery in Beamsville; and a farm chemicals factory in Winnipeg—as well as branches in Toronto, Saskatoon and Vancouver and head office in Winnipeg. A step ahead in co-operation between Co-operatives is an arrangement between Interprovincial and Canadian Co-operative Implements Limited, whereby all Co-op tractors and combines are sparked by Co-op batteries. Western producers have made substantial progress, through C.C.I.L., toward getting better farm machinery at price levels more nearly representing cost.

For the crop year ended 31st July, 1952, 2,616 Canadian Co-operatives embracing 1,373,471 members, transacted business exceeding \$1,219 million. The number of associations and total members were somewhat below the preceding year; but the volume of business done was 17% above the previous record. While total assets of producer and consumer Co-operatives in Canada reached \$410 million, the amount of member-owned capital for each dollar provided by creditors fell to 91 cents; a drop of 25% since 1948.

The feature of co-operative development in Canada during 1952 has been the rapid growth of services associated with insurance, savings and finance. For many years, a number of companies have provided insurance to Canadians, using the mutual basis in varying degrees. More recently, companies have been launched for the purpose of putting co-operative principles fully to work in providing insurance services at cost. Co-operative Life, Co-operative Fire & Casualty and Co-operative Hail Insurance Companies are all building up their operations to serve more Canadians. The field is vast. Already, it may be noted, our Pool Insurance Company insures Pool properties and grain to a total of \$165 million; and, in volume of insurance in force, stands eighteenth among sixty-nine Canadian fire companies.

While bringing protection to increasing numbers of Canadians at cost the insurance Co-operatives can fulfill a vital role in providing capital for co-operative development. With similar purposes in view, a Co-operative Trust Company has been organized in Saskatchewan to supply long-term loans; and in May, 1953, a Canadian Co-operative Credit Society was incorporated.

The steady rate of co-operative development must be greatly accelerated if co-operation is to keep pace with the growth of our Canadian economy and realize its potential in the nation and throughout the world.

## CONCLUSION

An appreciation of the agricultural situation in our Canadian West, as an integral part of the world situation, faces our Co-operatives with their highest challenge.

Organized marketing, as the sole guarantee of stabilized prices, is under heavy attack. On the other hand, the costs of farm production push persistently



upward. Mechanization, transport, storage and many other items threaten to impose higher and higher costs for the future.

At the same time, other components of our Canadian economy are expanding more rapidly than agriculture. Industry, labor and commerce secure an increasing percentage of the national income; and exert power to achieve measures of protection unknown to agriculture. The "take home pay" of farmers represents a shrinking share of the nation's income. Canadians engaged in agriculture in 1952 represented 19% of Canada's labor force. But—farm families secured only 12% of the national income in 1951; and a bare 10% in 1952.

This situation challenges our Pools to build continuously, together with other Co-operatives, to provide fullest service at lowest cost to the biggest possible membership—in all their buying and selling; and, also, to provide the most effective instrument through which Western farm people shall speak with united voice in the councils of the nation, to secure and maintain for our farm families full parity with other essential components of our Canadian economy.

This challenge to our Co-operatives extends to the world situation. A big part of our basic product, wheat, must be sold beyond home markets.

World supplies are the biggest in history. Big imports, good production and quick harvests have made supplies available to some importing countries, ample for their immediate needs. Heavy production has filled the bins of exporting countries with more wheat than buyers have acceptable currency to pay for.

At the same time, the majority of mankind are underfed.

The Director-General of FAO, Norris E. Dodd, reports: "Compared with the human needs of the deficit countries, as distinct from what they can afford to buy, the food stocks now accumulating shrink into insignificance."

The best political and economic efforts have failed, so far, to devise ways and means to move available food reserves to people who need them. Fear that such ways and means will not be devised, except at the expense of producers, is leading to restriction in the production of food crops which are desperately needed.

Global propaganda tells the people of the deficit lands that food is available. They are urged to accept and use guns—ostensibly, to get the food they need; but, actually, as part of the campaign to disrupt our democracies.

Each member of our Pools can make his fullest contribution toward solving this complex of interwoven problems; meeting the needs of underfed peoples; securing for producers a fair share of the returns they earn; and building for peace—by working for a vast expansion of the application of co-operative principles; and for an organization of Co-operatives which shall reach from his home community to communities in other lands—uniting each co-operator, in common purpose and integrated action, with co-operators in every corner of the earth.

Respectfully submitted,

JOHN H. WESSON,	} Executive
W. J. PARKER,	
BEN S. PLUMER,	
THOS. G. BOBIER,	
WATSON CROSSLEY,	
GEO. N. McCONNELL,	
W. J. BALL,	
G. L. HARROLD,	
W. J. BLAIR.	



# MEMORANDA



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CANADIAN POOL AGENCIES LIMITED

**DIRECTORS' REPORT**

1952-1953

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

Gentlemen:—

We submit herewith for your approval, the Twenty-fifth Annual Report and Financial Statements of your Company for the fiscal year ended July 31st, 1953, resulting in a surplus of \$33,445.67. After setting up \$459.88 for income taxes, \$32,985.79 is available for dividends, as compared with \$40,335.26 last year.

Although it is important that the maximum commissions are secured, the value of your Agency is not measured entirely by the surpluses produced. The service provided does not show up in the financial statements. Where standard rates for insurance are not set the companies compete and bid for the business which results in securing of the lowest possible rates commensurate with security, and in addition it is our responsibility of keeping our insureds informed of the different kinds of protection available.

Fifteen types of insurance were handled during the year. The greatest income is derived from fire insurance, followed by fidelity bonds, then automobile and Use and Occupancy.

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

**BALANCE SHEET**

**Agency Assets and Liabilities:**

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

**Shareholders' and Patrons' Assets.**

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

**Loan Accounts:** Fifteen new loans were made during the year and eleven were repaid, leaving the total number now outstanding at twenty-three. Five loans were made to finance the purchase of automobiles, and the balance were made to employees of one of the Parent Organizations and are fully guaranteed. Interest is thus earned on a part of our surplus funds without tying them up for any lengthy period. The Agency secures insurance on automobiles and property financed thereby, and insurance once obtained in this manner is usually renewed.

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

**Investments:** The amount shown under this heading represents the cost price of purchases of \$35,000.00 of Dominion of Canada Bonds, 3¼% redeemable June, 1966. The market value of these bonds as at the date of the Balance Sheet represented an amount of \$33,468.75 which is less than the cost price of the bonds. While there may be some fluctuations in the value of these bonds, it is our belief that they offer the best medium of obtaining an earning without risk of loss. We

are in the satisfactory position of being able to invest considerably more than our capital and reserve the year round, and operate the Agency on current income.

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

**Furniture and Equipment:** We continue to carry this asset at the nominal sum of \$500.00 by adding to the depreciation reserve the sum of \$136.88 being the net cost of new purchases this year.

#### **Shareholders' Liabilities and Reserve:**

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

**Patronage Dividends:** The item of \$32,985.79 represents the excess of income over expenses for the year ended July 31st, 1953, after provision for income tax. This amount is available for payment as dividends. On the basis of patronage each Pool will receive the dividends as shown on Surplus Account, Exhibit "B".

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

#### **Capital Stock:**

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

	<u>No. of Shares</u>	<u>Values</u>
Alberta Wheat Pool .....	664	\$ 6,640.00
Manitoba Pool Elevators .....	663	6,630.00
Saskatchewan Co-operative Producers Limited .....	664	6,640.00
Directors Qualifying Shares .....	9	90.00
	<u>2,000</u>	<u>\$20,000.00</u>

### **INCOME AND EXPENDITURE STATEMENT**

**Income:** This statement sets out the 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, W. J. PARKER, BEN S. PLUMER, THOS. G. BOBIER, WATSON CROSSLEY, GEO. N. McCONNELL, W. J. BALL, G. L. HARROLD, W. J. BLAIR.	}	Executive
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## CANADIAN POOL AGENCIES LIMITED

Winnipeg, Manitoba

BALANCE SHEET  
As at 31st July, 1953ASSETS

<b>AGENCY ASSETS</b> .....		\$ 119,039.20
Cash in Agency Bank Accounts .....	\$ 20,560.60	
Accounts Receivable .....	98,478.60	
	<u>\$119,039.20</u>	
<b>SHAREHOLDERS' AND PATRONS' ASSETS</b> .....		73,809.26
<b>Cash</b> .....	\$ 5,158.81	
In General Bank Accounts .....	\$3,802.62	
On Hand .....	1,356.19	
	<u>\$5,158.81</u>	
<b>Accounts Receivable</b> .....		32,963.67
Commissions—per contra .....	\$ 1,358.33	
Loan Accounts Secured .....	23,789.45	
Pool Insurance Company .....	3,241.24	
Miscellaneous .....	4,574.65	
	<u>\$32,963.67</u>	
<b>Investments—at cost</b> .....		35,086.78
\$35,000 Dominion of Canada Bonds, 3¼% maturing June 1, 1966 .....	<u>\$35,086.78</u>	
(Quoted value 31st July, 1953, \$33,468.75)		
<b>Membership Deposit</b> .....		100.00
Insurance Agents' Association .....	<u>\$ 100.00</u>	
<b>Furniture and Fixtures</b> .....		500.00
Cost .....	\$8,004.17	
Less Depreciation Reserve .....	7,504.17	
	<u>\$ 500.00</u>	
	<u>\$ 73,809.26</u>	
		<u>\$192,848.46</u>

AUDITORS' REPORT—

We have audited the accounts of Canadian Pool Agencies Limited for the year ended 31st July, 1953, and have received all the information and explanations we have required. Bank balances have been confirmed by certificate direct from the Company's bankers. Accounts receivable and payable have been confirmed by circularization. Dominion of Canada bonds held for investment were produced for examination.

We certify that, in our opinion, the above Balance Sheet and related state-

# CANADIAN POOL AGENCIES LIMITED

Winnipeg, Manitoba

## BALANCE SHEET As at 31st July, 1953

### LIABILITIES

AGENCY LIABILITIES ..... \$ 119,039.20

Accounts Payable ..... \$117,680.87  
Commissions—per contra ..... 1,358.33

\$119,039.20

SHAREHOLDERS' LIABILITIES AND RESERVES ..... 53,809.26

Miscellaneous Accounts Payable ..... \$ 577.30  
Reserve for Income Tax Payable ..... 246.17  
Patronage Dividend Payable—Exhibit B ..... 32,985.79  
General Reserve Against Unearned Income and In-  
vestments ..... 20,000.00

Allocated as follows:

Alberta Wheat Pool ..... \$ 5,568.12  
Manitoba Pool Elevators ..... 3,146.82  
Saskatchewan Co-operative Pro-  
ducers Limited ..... 11,285.06

\$20,000.00

\$ 53,809.26

CAPITAL STOCK ..... 20,000.00

Authorized ..... \$20,000.00

Issued and Fully Paid ..... \$20,000.00

(2,000 shares of \$10.00 each)

Signed on behalf of the Board:

JOHN H. WESSON,  
W. J. PARKER,

} Directors.

\$192,848.46

ments 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, 1953, 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,  
17th September, 1953.

(Signed) MILLAR, MACDONALD & CO.,  
Chartered Accountants.

**CANADIAN POOL AGENCIES LIMITED**  
**Winnipeg, Manitoba**

Exhibit B.

**SUMMARY OF SURPLUS ACCOUNT**  
**For the Year Ended 31st July, 1953**

	<u>Debit</u>	<u>Credit</u>
Surplus for year ended 31st July, 1953—Exhibit C .....		\$33,445.67
Reserved for Income Tax .....	\$ 459.88	
Patronage Dividend for year 1952-53—Exhibit A .....	32,985.79	
Allocated as follows:		
Alberta Wheat Pool .....	\$ 8,223.35	
Manitoba Pool Elevators .....	8,740.16	
Saskatchewan Co-operative Producers Limited .....	16,022.28	
	<u>\$32,985.79</u>	
	<u>\$33,445.67</u>	<u>\$33,445.67</u>



CANADIAN POOL AGENCIES LIMITED  
Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE  
For the Year Ended 31st July, 1953

**INCOME—**

<b>Commissions</b> .....		\$52,848.01
Fire .....	\$22,576.43	
Bonds .....	19,359.70	
Lake Marine .....	460.13	
Ocean Marine .....	560.53	
Automobile .....	4,214.46	
Accident and Sickness .....	301.89	
Liability .....	1,178.42	
Use and Occupancy .....	1,446.40	
Robbery and Burglary .....	440.30	
Inland Marine .....	694.59	
Inland Transportation .....	185.44	
Sprinkler Leakage .....	1.02	
Steam Boiler .....	109.11	
Forgery and Alteration .....	27.00	
Hail .....	7.20	
Contingent .....	1,583.22	
	\$53,145.84	
Less Brokerage Paid .....	297.83	
	<u>\$52,848.01</u>	

**Other Income:**

Interest .....	2,154.04
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TOTAL INCOME FOR YEAR ..... \$55,002.05

**EXPENSES** ..... 21,556.38

Salaries .....	\$14,138.63
Directors' Fees and Expenses .....	367.71
Rent and Light .....	1,584.86
Telephone and Telegraph .....	285.56
Printing and Stationery .....	1,312.32
Postage and Excise .....	201.89
Taxes and Licenses .....	216.35
Travelling Expenses .....	170.38
Legal and Audit .....	651.57
Depreciation .....	136.88
Insurance .....	9.67
Annuities, Group and Unemployment Insurance .....	2,261.12
Miscellaneous .....	519.44
	\$21,856.38
Deduct Recovery from Interprovincial Pool .....	300.00
	<u>\$21,556.38</u>

Balance—Surplus for Year Ended 31st July, 1953, carried to Exhibit B \$33,445.67

# MEMORANDA



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POOL INSURANCE COMPANY

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**DIRECTORS' REPORT**

1952

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

Gentlemen:

Your Company has completed fourteen years of service to the parent organizations, and we have pleasure in submitting herewith for your approval the Annual Report and Financial Statements covering operations for the year ended 31st, December, 1952.

The results for the year show Excess of Income over Expenditure of \$392,361.86, as compared with \$301,928.23 last year. After transferring a further \$7,500.00 to Capital Surplus Account, setting up the usual Capital Stock Dividend as required by the Company's Charter and a reserve of \$2,200.00 for income tax, the balance of \$382,660.01 has been allocated to the policyholders on the basis of their contribution to the surplus.

The total premium income amounted to \$989,779.46, as compared with \$897,966.58 last year.

After placing reinsurance on all risks with the exception of dwellings, the net earned premium income was \$255,096.47, as compared with \$226,575.04 last year. The net losses and adjustment expenses of \$82,837.33 produced a loss ratio of 32.47% as compared with 39.04% last year.

Six total losses were reported and they occurred when substantial grain stocks were in store at most of the locations. The elevators were located as follows:

In Alberta—Owlseye (building only) and Bennett.

In Manitoba—Rosburn.

In Saskatchewan—Hatton, Duck Lake and Dunelm.

In addition to these total losses, thirty-nine small losses were sustained at elevators: twelve by fires and twenty-seven by windstorms. Four dwellings suffered partial damage.

The inspection of all Pool property insured by the Company for the purpose of detecting and removing fire hazards is, we consider, a most important feature of our operations, and we cannot overemphasize fire prevention. In this regard we have pleasure in expressing our appreciation of the co-operation of the agents, superintendents and managements in carrying out the recommendations and suggestions made by our inspectors. We do depend to a large extent on the year round alertness of the elevator agents, in detecting and removing fire hazards, and continued vigilance is essential if we are to improve the present loss experience. Extra precautions against fire hazards at the time of continued operation of the elevator is important, particularly in regard to checking of the machinery, and a close watch should be kept upon starting operations when the machinery has been idle for some time.

The property insured by your Company has reached an all time high and you may be interested in the figures which we list hereunder. Building values change from time to time and the values shown are as at 31st December, 1952. The value of the grain is the daily average for the year.

Country Elevators .....	\$ 58,590,144.00
Grain .....	99,631,725.00
Dwellings .....	5,069,809.00
Miscellaneous .....	2,217,016.67
	<hr/>
	<b>\$165,508,694.67</b>



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

The total revenue shown in the Statement of Income and Expenditure is made up of the earned premiums on our percentage of the risks, plus commission earned on the reinsurance, less losses and earned commission paid to Canadian Pool Agencies Limited.

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

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

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

### ASSETS

#### **Cash On Hand and In Bank—**

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

#### **Accounts Receivable—**

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

#### **Investments—**

You will notice the market value of the Company's investments is less than the ledger value by \$15,968.75. Our investment portfolio consists entirely of Government of Canada bonds. While there will be fluctuations over the years we expect to be able to hold all bonds until maturity when they will be redeemable at par value.

#### **Automobiles—**

Two new automobiles were purchased during the year, and after allowing depreciation on this account of \$2,265.95 at standard rates, the asset covering four automobiles is shown as \$5,287.24. These automobiles are used by our Fire Inspectors.

### LIABILITIES

#### **Current Liabilities—**

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

#### **Reserve for Unearned Income—**

These reserves are calculated on the basis of one hundred percent of the unearned premiums on our own retention and one hundred percent of the unearned portion of the reinsurance commissions as at 31st December, 1952.

#### **Capital Stock—**

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

	Shares	Subscribed	Paid Up	Premium Paid
Alberta Wheat Pool .....	750	\$ 75,000.00	\$ 55,500.00	\$ 9,000.00
Manitoba Pool Elevators .....	500	50,000.00	37,000.00	6,000.00
Saskatchewan Co-operative Producers Limited .....	1,250	125,000.00	92,500.00	15,000.00
	<u>2,500</u>	<u>\$250,000.00</u>	<u>\$185,000.00</u>	<u>\$30,000.00</u>

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

The \$30,000.00 premium on Capital Stock referred to above, was originally provided to create a surplus required by the 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. With the increase in volume of business over the past few years and the decline in the market value of our bonds it is necessary to build up our retained surplus, and a further \$7,500.00 of this year's net earnings has been transferred to the Capital Surplus Account.

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,

W. J. BALL,  
W. J. BLAIR.  
THOS. G. BOBIER,  
A. T. BAKER,  
WATSON CROSSLEY,  
G. N. McCONNELL,  
BEN S. PLUMER,  
W. J. PARKER,  
J. H. WESSON,

**POOL INSURANCE COMPANY**  
Winnipeg, Manitoba

**BALANCE SHEET**  
As at 31st December, 1952

**ASSETS**

<b>Cash in Bank</b> .....		\$ 562,476.38
In Bank of Montreal—Current Account .....	\$137,476.38	
Savings Account .....	425,000.00	
	<u>\$562,476.38</u>	
<b>Accounts Receivable</b> .....		123,082.35
Canadian Pool Agencies Limited .....	<u>\$123,082.35</u>	
<b>Investments—at Cost</b> .....		300,118.75
	<u>Par Value</u>	
Dominion of Canada Bonds—		
Sixth Victory Loan—3% due 1960 .....	\$107,500.00	
Eighth Victory Loan—3% due 1963 .....	137,500.00	
Ninth Victory Loan—3% due 1966 .....	55,000.00	
	<u>\$300,000.00</u>	
Market Value .....	<u>\$284,150.00</u>	
Interest Accrued Thereon .....		1,850.00
<b>Automobiles</b> .....		5,287.24

\$992,814.72

**AUDITORS' CERTIFICATE—**

In our opinion the above Balance Sheet and the related statements of Pool Insurance Company are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at 31st December, 1952, and the results of its operations for the year ended that date, according to the best of our



# POOL INSURANCE COMPANY

Winnipeg, Manitoba

## BALANCE SHEET

As at 31st December, 1952

### LIABILITIES

<b>Current Liabilities</b> .....		\$583,547.59
Miscellaneous Accounts Payable .....	\$ 600.00	
Reinsurance Accounts Payable .....	143,295.73	
Fire Losses in Process (net of reinsurance) .....	46,785.56	
Taxes Accrued .....	10,204.44	
Dividends Payable as per Exhibit B .....	382,661.86	
	<u>\$583,547.59</u>	
<b>Reserve for Unearned Income</b> .....		147,835.12
Unexpired Portion of Premium Income \$78,998.10		
Unexpired Portion of Reinsurance Com- missions .....	74,164.42	
	<u>\$153,162.52</u>	
Less Commissions Paid on Business not yet taken into income .....	5,327.40	
	<u>\$147,835.12</u>	
<b>Capital Stock</b> .....		185,000.00
Authorized—5,000 shares of \$100 .....	\$500,000.00	
Subscribed—2,500 shares at \$100 .....	<u>\$250,000.00</u>	
Paid up thereon .....	<u>\$185,000.00</u>	
<b>Capital Surplus</b> .....		76,432.01
Premium at 12% on Capital Stock .....	\$30,000.00	
Surplus realized on Investments Sold .....	8,932.01	
Transferred from Shareholders' and Patrons' Equity Account—1949-1952 .....	37,500.00	
	<u>\$76,432.01</u>	
		<u>\$992,814.72</u>

information and the explanations given to us and as shown by the books of the Company. All transactions coming within our notice were in our opinion, within the powers and objects of the Company.

Winnipeg, Manitoba,  
27th February, 1953.

(Signed) MILLAR, MACDONALD & CO.,  
Chartered Accountants,

**POOL INSURANCE COMPANY**  
Winnipeg, Manitoba

Exhibit B.

**SUMMARY OF SHAREHOLDERS' AND PATRONS' EQUITY ACCOUNT**  
For the Year Ended 31st December, 1952

	<u>Debit</u>	<u>Credit</u>
Balance at Credit 31st December, 1951 .....		\$287,689.91
<b>Distributed during 1952 .....</b>	<b>\$287,689.91</b>	
Shareholders' Dividend Year 1951:		
Alberta Wheat Pool .....	\$ .55	
Manitoba Pool Elevators .....	.37	
Saskatchewan Pool Elevators Limited .....	.93	
Patrons' Dividend 1951:		
Alberta Wheat Pool .....	40,144.91	
Alberta Pool Elevators Limited .....	32,424.98	
Alberta Wheat Pool and Alberta Pool Elevators Limited .....	314.89	
Manitoba Pool Elevators .....	44,987.64	
Saskatchewan Pool Elevators Limited .....	168,698.28	
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited .....	7.62	
Saskatchewan Co-operative Producers Limited .....	45.71	
Saskatchewan Co-operative Livestock Producers Limited .....	966.26	
Modern Press Limited .....	97.77	
	<u>\$287,689.91</u>	
	\$287,689.91	\$287,689.91
Surplus for Year 1952—Exhibit C .....		392,361.86
Transferred to Capital Surplus .....	7,500.00	
Reserve for Income Tax .....	2,200.00	
Balance Carried Down .....	382,661.86	
	<u>\$680,051.77</u>	<u>\$680,051.77</u>
Balance Brought Down .....		\$382,661.86
Allocated as follows:		
Shareholders' Dividend .....	\$ 1.85	
Alberta Wheat Pool .....	\$ .55	
Manitoba Pool Elevators .....	.37	
Saskatchewan Co-operative Producers Limited .....	.93	
	<u>\$ 1.85</u>	
Patrons' Dividend .....	382,660.01	
Alberta Wheat Pool .....	\$ 62,071.09	
Alberta Pool Elevators Limited .....	26,084.59	
Alberta Wheat Pool and Alberta Pool Elevators Limited .....	16,014.67	
Manitoba Pool Elevators .....	61,103.55	
Saskatchewan Pool Elevators Limited .....	150,889.81	
Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited .....	9.01	
Saskatchewan Co-operative Producers Limited .....	65,033.73	
Saskatchewan Co-operative Livestock Producers Limited .....	1,236.05	
Modern Press Limited .....	217.51	
	<u>\$382,660.01</u>	
	\$382,661.86	\$382,661.86

**POOL INSURANCE COMPANY**  
**Winnipeg, Manitoba**

**STATEMENT OF INCOME AND EXPENDITURE**  
**For the Year Ended 31st December, 1952**

Premiums on Business Written .....	\$989,779.46	
Less Ceded to Other Companies .....	732,129.08	
		\$257,650.38
Deduct Increase in Unearned Premium Reserve .....		2,553.91
		<hr/>
Premiums Earned in 1952 .....		255,096.47
Deduct Losses and Adjustment Expense .....	\$327,690.21	
Less Reinsurance Recoveries .....	244,852.88	
		82,837.33
		<hr/>
Net Underwriting Income .....		172,259.14
Add Commissions on Reinsurance placed with other Companies (earned portion only) .....		282,799.80
		<hr/>
Total Income Before Commissions Paid .....		455,058.94
Deduct Commissions Paid (on earned premiums only) .....		4,021.20
		<hr/>
Balance Available for Expenses and to Shareholders and Patrons .....		\$451,037.74
Deduct—Expenses—		
Taxes, Licenses and Association Dues .....	\$ 24,880.83	
Inspection Service—		
Salaries .....	\$14,418.58	
Board and Lodging .....	3,901.92	
Transportation .....	5,458.24	
Annuities, Group and Unemployment Insurance .....	954.33	
Pension .....	585.96	
Insurance .....	513.87	
Printing, Postage and Miscellaneous ..	461.26	
		26,294.16
Administration—		
Salaries .....	\$14,746.48	
Rent and Light .....	1,638.21	
Directors' Fees and Expenses .....	613.47	
Travelling Expense .....	420.27	
Printing, Postage and Stationery .....	382.15	
Telephone and Telegraph .....	309.77	
Legal and Audit .....	739.90	
Annuities, Group and Unemployment Insurance .....	367.98	
Miscellaneous .....	411.07	
		19,629.30
		<hr/>
		70,804.29
		<hr/>
		\$380,233.45
Add Interest Earned .....		9,528.41
Other Income .....		2,600.00
		<hr/>
Balance—Surplus for the Year 1952—carried to Exhibit B .....		\$392,361.86



# MEMORANDA



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