TWENTY-NINTH

Annual Report

1953

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED

REGINA, SASKATCHEWAN

Proposed Agenda of Business for Annual Meeting

1.—Appointment of Chairman.

2.—Notice of Annual Meeting.

3.—Resolution to Adopt Agenda.

4.—Minutes of Previous Meeting.

5.—Report of Resolutions Committee.

6.—Report of Board of Directors.

7.—Resolution to Receive Directors' Report.

8.—Discussion of Directors' Report.

9.—Financial Statements and Auditors' Report.

10.—Discussion of Financial Statements.

11.—Adoption of Directors' Report.

12.—Adoption of Financial Statements.

13.—Consideration of Resolutions set out in Notice of Meeting.

14.—Consideration of Amendments to Act of Incorporation.

15.—Consideration of Recommendations from the Board of Directors.

16.—Consideration of other matters that may properly come before the meeting, introduced by Delegates.

17.—Remuneration of Auditors.

18.—Appointment of Auditors.

19.—Fraternal Delegates.

20.—Adjournment.

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED

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Directors' Report

Regina, Saskatchewan,
3rd November 1953.

IN MEMORIAM

Since the last Annual Meeting of Delegates this organization has sustained a great loss in the death of the late Mr. A. F. Sproule who passed away in a Regina hospital on 15th January 1953.

As Director for District 2 the late Mr. Sproule had served as a member of the Board of Directors since the inception of the organization in 1924 and had filled the office of Vice-President since 1937.

Born on a farm in Cumberland County, Nova Scotia, it was in 1907 that Mr. Sproule came to the West and filed on a homestead in the LaFleche district of south-west Saskatchewan. He played an important part in all community activities. An active participant in early farm organization it was inevitable that he should be in the forefront during the organization of the Saskatchewan Wheat Pool. During the campaign to secure the necessary acreage in 1923 and 1924, Mr. Sproule drove thousands of miles organizing and addressing meetings. He was a friendly man, greatly interested in people, and friendships were formed in those early days which he prized highly and which endured to the end.

The co-operative movement in general and our organization in particular, will feel the loss of our late Vice-President, with his tremendous energy, his great capacity for friendship, his zest for living, and his keen sense of humour which characterized all of his work.

It is not too much to say that with his passing every delegate of this organization, past and present, suffered the loss of a personal and much loved friend. Avery Fenton Sproule was a great Canadian and the public life of Canada is the poorer for his passing. But for his friends everywhere it is of some comfort to remember that Western Canada is a better place in which to live because Fen Sproule passed this way.

Other men, former members of this Annual Meeting, who having served their day and generation have passed on since we last met, include:

Mr. William Schaefer of Meota, who served as a delegate from District 16 for a period of twenty-two years, from 1927 to 1949. Mr. Schaefer had reached the advanced age of 85 at the time of his death and had been a resident of the Meota district since 1903. A pioneer in the Pool movement, he was a leading community worker throughout his lifetime.

Mr. D. A. Ferguson of Meadow Lake, former delegate for District 16, Sub-district 11. The late Mr. Ferguson was first elected delegate in November 1945 and retired, due to ill health, in 1949. Although suffering very indifferent health for a number of years, he continued to be a stalwart worker for the organization right up to the time of his death.

Mr. Sam Molberg of Midale was one of the original Wheat Pool delegates elected in 1924 and held office until 1929. The late Mr. Molberg was one of the outstanding

citizens of the Midale area. He served as Secretary-Treasurer of his municipality for over thirty years and was interested in Church, school and all other worthwhile activities.

Mr. Charles W. King was also an original delegate, serving during 1924 and 1925. Mr. King was appointed a member of the field staff when that staff was first organized. When an office was opened in Saskatoon he was placed in charge and continued to act as Manager of the Saskatoon office until the time of his retirement some five years ago.

Mr. Olaf Fagerhaug of Lonesome Butte, served as a Wheat Pool delegate for District 2, Sub-district 5 for some fourteen years, from 1935 to 1949.

Mr. Ole Jacobson, formerly of Norquay, served as a delegate for District 8, Sub-district 9, for two periods, from 1931 to 1937 and from 1940 to 1944. The late Mr. Jacobson had retired some time ago and was living at Langley Prairie, B.C., at the time of his death.

Mr. William Johnson of Blaine Lake, served as a delegate from 1927 to 1929 in the north-western part of the Province.

Mr. Stewart Young of Glen Bain was delegate for District 5, Sub-district 2 from November 1935 to 1939.

Mr. A. E. Duffy acted as delegate for District 4, Sub-district 10, from November 1944 until the time of his death in September 1953. As Councillor and Reeve of his municipality, and active in all community activities, the late Mr. Duffy was a valuable member of the community in which he lived.

Of all of these men it can be said that their memorial is the expanding agricultural co-operative movement to which they devoted many of the best years of their lives and the thousands of Saskatchewan farm homes which have benefited directly or indirectly from their labours.

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As a result of the reorganization completed last year, all activities of the Saskatchewan Wheat Pool organization for the year ended 31st July 1953 have been carried on by the parent company. The operations of the various subsidiary companies have been limited to the leasing of their fixed assets to the parent company. This has occasioned certain changes in the form of this Twenty-ninth Annual Report from that submitted in former years. In place of the annual review of the various companies which have hitherto constituted the Pool organization, each of the Divisions of the Company will be dealt with separately.

As in former years there are also included reports of the Directors of Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited and Pool Insurance Company—the interprovincial organizations owned jointly with the Manitoba and Alberta Pools.

Consolidated Balance Sheet

A copy of the Consolidated Balance Sheet, Statement No. 1, is attached to this report. This statement sets out the combined financial position of Saskatchewan Co-operative Producers Limited and subsidiary companies as at 31st July 1953. The usual explanatory notes on the principal items of the Balance Sheet are also attached hereto for the information of delegates.

As at 31st July 1953, total current assets for the entire Pool organization amounted to $90,843,791.22. Total current liabilities amounted to $84,086,312.92. The

difference between these two items, namely $6,757,478.30, represents the current position of the organization as at the end of the last fiscal year.

It will be noted that provision has been made in the Consolidated Balance Sheet for an item of capital commitments in respect of buildings and work under construction, estimated at $2,382,000.00. After making provision for this item, the balance of $4,375,478.30 remains available for working capital for the Season 1953-1954. This compares with $4,610,202.00 at 31st July 1952 and $4,036,513.29 at 31st July 1951.

Fixed Assets

Statement No. 1A attached to this report, reviews in detail the cost, the depreciation reserve set up against each item and the net value of all Pool fixed assets as at 31st July 1953.

The total original cost of all fixed assets is shown as $46,891,157.19. Over the years depreciation has been provided to the extent of $26,332,241.54, leaving the net value of fixed assets of the Company at the end of the last fiscal year at $20,558,915.65. This compares with a net value of $19,034,333.61 at the end of the previous year, an increase of $1,524,582.04.

Consolidated Capital Statement

Statement No. 2 attached hereto sets out in detail the current financial position of the organization at 31st July 1953. After providing for the completion of the program of buildings and work under construction, amounting to $2,382,000.00, as already indicated, the surplus available for working capital for the season 1953-54 is $4,375,478.30. This compares with $4,610,202.00 for the previous year. The decrease of $234,723.70 is accounted for as follows:

DEDUCTIONS			
Capital Expenditures on Fixed Assets			$3,589,105.93
Deduct Capital Commitments at 31st July 1952		$ 961,000.00	
Gross Amount of Disposals	$ 536,507.63		
Less: Accumulated Depreciation	372,125.71		
		164,381.92	
			1,125,381.92
			$2,463,724.01
Capital Commitments at 31st July 1953			2,382,000.00
Net Capital Expenditures including Capital Commitments			$4,845,724.01
Increase in Deferred Accounts Receivable			133,805.19
Increase in Investments			9,411.38
Decrease in Mortgage Payable			106,250.00
			$5,095,190.58
ADDITIONS			
Surplus Earnings Transferred to Reserve:			
Saskatchewan Co-operative Livestock Producers Limited	$ 1,555.95		
Saskatchewan Co-operative Producers Limited	397,739.43		
		$ 399,295.38	
Increase in Elevator Deductions		1,612,502.77	
Increase in Commercial Reserve		868,919.71	
Capital Subscribed		642.00	
Liquidation of Capital:			
Depreciation	$1,900,141.97		
Decrease in Stocks of Repair Parts	21,495.12		
		1,921,637.09	
Increase in Reserve		57,469.93	
			4,860,466.88
Decrease in Working Capital			$ 234,723.70

All capital expenditures approved to 31st July 1953 are provided for in the above statement, including the program of country elevator and cottage construction and capital replacements, dust control equipment in Terminals No. 4 and No. 7, additional capital expenditures in connection with the reconstruction of Terminal No. 4A, the administration building and new elevator at Saskatoon, and sundry purchases of office equipment chargeable to capital.

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

This statement, No. 3, has been prepared for the purpose of showing in detail the composition of the surplus capital at 31st July 1953. The various items of this statement are largely self explanatory. It will be noted that the reserve account is in liquid form to the extent of $4,375,478.30, which is the full amount of the working capital. All other capital funds are non-liquid, having been invested in fixed assets and included in deferred accounts receivable and deferred charges.

As a result of the reorganization, capital funds have been reallocated which has resulted in the reserve account becoming liquid to the full extent of the working capital.

Statement of Financial Position and Growers' Equity as at 31st July 1953

As included in the Consolidated Balance Sheet, the financial position of the organization may be summarized as follows:

Total Current Assets		$90,843,791.22
Total Current Liabilities		84,086,312.92
Working Capital: Subject to Capital Commitments already referred to		$ 6,757,478.30
Other Assets		21,168,596.07
		$27,926,074.37
Less:		
Reserve for Unearned Subscriptions, The Western Producer	$ 10,000.00	
Mortgage Payable	637,500.00	
		647,500.00
Total Net Assets representing Members' Equity		$27,278,574.37
The Members' Equity is represented by:		
Capital (Membership Fees)		$ 139,678.00
Elevator Deductions		14,448,447.63
Commercial Reserve		7,785,892.68
		$22,374,018.31
Reserve		4,904,556.06
		$27,278,574.37

Distribution of Net Earnings

Statement No. 4 shows in detail the disposition of net earnings of Saskatchewan Co-operative Producers Limited and subsidiary companies for the period 1st August 1925 to 31st July 1953.

The statement as presented in previous years covered the earnings of Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited only. Combined operations of all companies for the period have now been consolidated in this statement and all inter-company payments from earnings eliminated.

Statement of Grain Handled

Statement No. 5 attached to this report shows the total volume of grain handled by Saskatchewan Co-operative Producers Limited and subsidiary companies during the period 1924 to 1953, inclusive.

Country Elevator Division

The Financial Statements and Auditors' Reports submitted separately to delegates, show in detail the results of operations for the year ended 31st July 1953.

Total gross earnings of this Division amounted to $18,884,044.24, with total expenses of $13,273,734.72. The difference between these two items, namely, $5,610,309.52 represents the surplus arising from the Country Elevator Division for the year under review.

Elevator Capacity

As has been pointed out in previous years, the end of the financial year comes at a time when the construction of additional facilities is at its peak. The following figures show the number of elevators, annexes, etc., and capacities, as at 31st July 1953.

	Capacity (Bushels)
1,141 Country Elevators	38,643,000
168 Cribbed Annexes	4,184,000
302 Permanent Frame Annexes	11,044,000
Total permanent capacity as at 31st July 1953	53,871,000
749 Temporary Bins	16,753,000
Total capacity, all country elevators & annexes as at 31st July 1953	70,624,000

It should be noted that when the present construction program has been completed in December, the total country elevator storage capacity, including all annexes, will be approximately 73,787,000 bushels.

Grain Handlings

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

	1952-1953 (Bushels)	1951-1952 (Bushels)
Grain handled through Country Elevators	214,128,972	179,285,737
Grain shipped over Platform	323,777	338,173
Total Handlings	214,452,749	179,623,910
Average Handled per Elevator	184,913	154,291
Percentage Handled of Total Deliveries in Saskatchewan	46.01%	45.41%

During most of the season from 500 to 800 Pool country elevators were badly congested and unable to receive all grain offered. In consequence the percentage of receipts remained below 50% of total marketings.

During the rush of deliveries in November 1952 the percentage dropped to 43%, but this improved from time to time to end the season at 46.01%, as indicated above.

The following preliminary figures provide a comparison of primary grain handlings in Saskatchewan for Season 1952-53, compared with those for Season 1951-52:

Total Primary Receipts at Country Elevators in Saskatchewan During Grain Years 1952-53 and 1951-52

	1952-1953 (Bushels)	1951-1952 (Bushels)
All Elevators		
Wheat	339,310,000	275,502,000
Coarse Grains	126,102,000	119,292,000
Total—All Elevators	465,412,000	394,794,000
Sask. Pool Elevators		
Wheat	159,172,000	127,095,000
Coarse Grains	54,957,000	52,189,000
Total—Sask. Pool Elevators	214,129,000	179,284,000
Percentage to Sask. Elevators	46.01%	45.41%

The following summary shows the deliveries of grain by months during the past season, to Pool country elevators:

Receipts by Months—Season 1952-1953

	For Month (Bushels)	Monthly % of Total	Cumulative Total (Bushels)	%
1952				
August	10,900,000	5.1	10,900,000	5.1
September	22,498,000	10.5	33,398,000	15.6
October	21,541,000	10.1	54,939,000	25.7
November	15,952,000	7.4	70,891,000	33.1
December	17,309,000	8.1	88,200,000	41.2
1953				
January	16,348,000	7.6	104,548,000	48.8
February	8,245,000	3.8	112,793,000	52.7
March	12,340,000	5.8	125,133,000	58.4
April	12,562,000	5.9	137,695,000	64.3
May	18,775,000	8.8	156,470,000	73.1
June	19,337,000	9.0	175,807,000	82.1
July	38,322,000	17.9	214,129,000	100.0
TOTAL	214,129,000	100 %		

The delivery to our facilities alone during June and July of 57,660,000 bushels, compared with 39,185,000 bushels in a similar period in the previous season, is a record. It resulted in congestion at over 800 Pool elevators. The condition has extended through to Lakehead and Eastern handling facilities.

Stocks of Grain in Country Elevators at 31st July 1953

There was in store in Pool country elevators at 31st July, 56,116,634 bushels of all grains, compared with 36,087,129 bushels at the close of the preceding season. From July 31st to commencement of harvesting and delivery of the 1953 crop, stocks in Pool elevators remained at or above 50,000,000 bushels.

Grading Statements

The grading record for the year under review, based on cut-off valuations, indicates a net deficit in grades amounting to $264,878.83. The harvesting of the 1952 crop was carried on under much more favourable weather conditions than prevailed the previous year. The records show that out of 272,825 cars of wheat inspected at all primary inspection points, 64% were contract grades, compared with 32% in the previous year. Only 16% inspected tough or damp, as compared with 47% in Season 1951-52.

Weigh- Ups

As a result of the unusually heavy stocks carried throughout the entire season, a complete weigh-up of stocks was completed at slightly less than 50% of our country elevators.

Insurance and Fire Losses

Insurance coverage on country elevator properties was maintained at 100% of replacement cost, less depreciation. The values used in over-all coverage are approximately 100% higher than those of 1940 and are believed to be adequate.

During the season three country elevators were destroyed by fire, while minor damage was sustained at four other points. Total claims for loss of buildings and grain amounted to $263,577.67, compared with $132,344.60 in the previous year. The over-all loss ratio on buildings and grain worked out at 43.74% of the premiums paid, as compared with a loss ratio of 26.25% in the previous season.

Shipping and Export Department

During the year under review, total sales of grain in all positions amounted to 10,474,861 bushels, compared with 13,450,404 bushels in the preceding year.

Quantities of each kind of grain sold, with comparative figures for the year 1951-52, are as follows:

	1952-1953 (Bushels)	1951-1952 (Bushels)
Wheat	4,752,299	7,837,557
Oats	3,667,583	3,785,363
Barley	1,734,290	1,827,484
Flax	6,904	—
Rye	313,785	—
Total	10,474,861	13,450,404
Screenings (Tons)	11,167	6,821
Mill Feeds (Tons)	60	—

Operations resulted in a loss amounting to $2,736.56, compared with an earning of $5,907.07 for the preceding year.

Shipments of coarse grains made to Eastern points were approximately the same as last year. It may be of interest to note that of 921 cars of oats and 454 cars of barley sold in the Eastern domestic market, 802 cars of oats and 376 cars of barley were sold to Eastern co-operatives.

Churchill

At the close of the 1952 shipping season stocks of wheat in store at Churchill amounted to 2,086,991 bushels. During the season there was shipped to the northern port an estimated total of 9,443,117 bushels. Of this amount the Pool Country Elevator Division shipped 3,925,584 bushels, representing 41.571% of the total shipments. Total stocks available for shipment during the 1953 season are estimated at 11,530,108 bushels as compared with a total of 10,633,019 bushels in the 1952 season. The total amount of wheat actually exported from Churchill during the 1953 season was 10,784,445 bushels. Of this amount the total allocated to the Pool Export Department was 552,554 bushels or 5.124% of the total.

Altogether 31 cargoes of wheat were shipped from Churchill in the 1953 season as compared with 26 cargoes the previous year. This is the largest number of grain vessels loaded at Churchill in the history of the port.

The balance of wheat left in store at the end of the shipping season is estimated at 745,663 bushels. The following statement shows the vessel clearances from Churchill for the 1953 shipping season:

Vessel	Date of Clearance 1953	Destination	(Bushels)
Irish Hazel	Aug. 3	Queenstown for orders	302,533
Clintonia	Aug. 5	Queenstown for orders	342,166
Warkworth	Aug. 6	Queenstown for orders	343,500
Irish Oak	Aug. 8	Queenstown for orders	250,021
Ioannis P. Goulandris	Aug. 10	Queenstown for orders	381,000
Nyon	Aug. 11	Queenstown for orders	330,000
Themisto	Aug. 14	Queenstown for orders	302,400
S. H. Arundo	Aug. 17	Queenstown for orders	370,000
North Anglia	Aug. 18	Queenstown for orders	352,800
Ranger	Aug. 21	Queenstown for orders	382,064
Marine Fortune	Aug. 24	Queenstown for orders	376,320
Berlin	Aug. 26	Queenstown for orders	338,500
Italvega	Aug. 28	Queenstown for orders	372,400
Cairnavon	Aug. 31	Queenstown for orders	313,600
Begonia	Sept. 1	Queenstown for orders	265,000
Italterra	Sept. 3	Queenstown for orders	369,040
San Giusto	Sept. 8	Queenstown for orders	379,500
Gladiator	Sept. 9	Queenstown for orders	377,800
Caspiana	Sept. 11	Queenstown for orders	373,333
Empire Nene	Sept. 12	Queenstown for orders	334,000
Nyon	Sept. 16	Queenstown for orders	333,500

Marine Fortune	Sept. 26	Queenstown for orders	372,666
Arundo	Sept. 27	Queenstown for orders	368,100
LaCumbre	Sept. 29	Queenstown for orders	380,933
Clintonia	Oct. 1	Queenstown for orders	342,800
Tricape	Oct. 2	Queenstown for orders	352,800
St. Nocolas	Oct. 2	Queenstown for orders	380,800
Warkworth	Oct. 4	Queenstown for orders	343,466
Italsole	Oct. 5	Queenstown for orders	359,000
Akron	Oct. 11	Queenstown for orders	362,133
Berlin	Oct. 12	Queenstown for orders	332,266
		Total	10,784,441

The last vessel cleared on 12th October 1953, four days later than the previous year and nine days later than the shipping season of 1951.

Seed Grain Distribution

Our arrangements with the Saskatchewan Seed Grain Co-operative Limited at Moose Jaw for filling orders for seed grain, was continued during the crop year 1952-1953. As orders were secured they were passed directly to the Seed Grain Co-operative, shipment being made directly from their stocks and invoiced to us.

The amount of the various seed grains handled for the year under review as compared with the previous season, was as follows:

Seed Grains

	1952-1953 (Bushels)	1951-1952 (Bushels)
Wheat	41,807	53,612
Oats	9,243	17,097
Barley	5,140	7,302
Flax	958	1,896
Total	57,148	79,907
Value of Sales	$141,742.02	$211,015.95

Construction Department

Activities of this Department for the Season 1953 included the following:

Elevator Repairs

A program of repairs and improvements to elevators and annexes (both permanent and temporary) was authorized early in the year in the amount of $1,064,372.00. This figure was adjusted upward at intervals during the season as supplementary repairs became necessary, bringing the total estimated cost of approved repairs to $1,094,825.00. Of this total about 56%, or $607,836.80, had been spent as at 31st July 1953. This sum was divided as follows:

Elevators and Permanent Annexes	$562,908.00
Repainting of Elevators and Annexes	15,064.80
Temporary Annex Repairs	29,864.00
	$607,836.80

Major replacements of machinery and equipment completed at 31st July 1953 included:

Scales Converted	6	Engines Transferred	19
Scales Tranferred	3	Electric Motor Installations	19
Beams Raised to 15 ton	11	Engine Houses Rebuilt	6
Boot Tanks Installed	10	Engine Houses Remodelled	10
Engines Installed	20		

Two hundred and nine elevators and thirty-five annexes were repainted.

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

Demolition and Reconstruction of Elevators

A total of twenty-four construction projects was authorized originally, of which twenty represented replacements or additions of elevators at existing sites and

four represented entirely new elevators at either new sites or at new points not previously served.

The twenty projects at existing points were as follows:

Bengough	Elevator rebuilt to 35,000 bushel capacity and a 45,000 bushel frame annex added, both electrically driven.
Daphne	Elevator rebuilt to 75,000 bushel capacity—electric drive.
Davidson "B"	Elevator rebuilt to 75,000 bushel capacity—electric drive.
Estevan	Elevator rebuilt to 75,000 bushel capacity, retaining 35,000 bushel frame annex—electric drives.
Govan "A"	Elevator rebuilt to 75,000 bushel capacity, also a new 50,000 bushel frame annex built—all electrically driven. (Govan "B" is to be demolished as soon as it is emptied, thus leaving only one elevator at this point.)
Horizon	Elevator rebuilt to 35,000 bushel capacity retaining 35,000 bushel frame annex—diesel angine drive.
Lancer	Elevator rebuilt to 35,000 bushel capacity—electric drive.
Lemsford	Elevator rebuilt to 35,000 bushel capacity—diesel engine drive. 40,000 bushel frame annex added.
MacDowall	Elevator rebuilt to 35,000 bushel capacity—diesel engine drive.
Marengo	Elevator rebuilt to 35,000 bushel capacity—diesel engine drive.
Waldron	Elevator rebuilt to 35,000 bushel capacity—diesel engine drive.
Wartime "A"	Elevator rebuilt to 35,000 bushel capacity—electric drive.
Woodrow	Elevator rebuilt to 35,000 bushel capacity, retaining 35,000 bushel frame annex—electric drives.
Cupar "B,'	A 35,000 bushel elevator was built adjacent to the existing elevator which now serves as an annex. We have also retained the 40,000 bushel frame annex. Electric drives.
Esk	A 35,000 bushel elevator was built adjacent to the existing elevator which now serves as an annex. Electric drives.
Kipling	A 75,000 bushel elevator was built adjacent to the existing elevator which now serves as an annex. Electric drives.
Marchwell	A 35,000 bushel elevator was built adjacent to the existing elevator which now serves as an annex. Diesel engine drive.
Swift Current	A 35,000 bushel elevator was built adjacent to the existing elevator which now serves as an annex. Electric drives.
Unity "A"	A 75,000 bushel elevator was built adjacent to the existing elevator which now serves as an annex. Electric drives.
Weldon	A 75,000 bushel elevator was built adjacent to the existing elevator which now serves as an annex. Electric drives. The 20,000 bushel crib annex was also retained.

The four new projects were located as follows:

Lake Lenore "B"	A 75,000 bushel elevator was built on a new site. Electrically equipped.
Meadow Lake "C"	A 75,000 bushel elevator, electrically driven, was built on a site located immediately east of our "B" elevator.
Regina	A 35,000 bushel elevator, electrically driven, was built on a site secured from the C.P.R. adjacent to Arcola Avenue, Regina.
Weyburn "B"	A 75,000 bushel elevator, electrically driven, was built on a new site secured from the C.N.R. adjacent to Souris Avenue, Weyburn.

In addition, authorization was granted to construct a 60,000 bushel elevator to serve the Vegetable Oil Plant at Saskatoon. Added features of this elevator include a car-unloading leg and power shovels, a special cleaner, concrete driveway floor and workfloor, and concrete cleaner floor.

Replacement of Burned Elevators

Complete losses of plant were suffered and replacement made as follows:

Duck Lake	A 75,000 bushel elevator, equipped with modern cleaner and driven by electric motors was built in December 1952.

Dunelm	Burned in October 1952—but not replaced.
Muenster	A 75,000 bushel elevator equipped with a modern cleaner was built, together with a 45,000 bushel frame annex—all electrically driven.

Cost of Elevators

Building costs are approximately 10% higher than one year ago for comparable works. However, a number of improvements and additions have been made in our design, such as dust collectors, steel tanks for hopper scales, special dust vents at trackside and in cupola. A 35,000 bushel elevator, without cleaner, electrically driven, costs approximately $40,000.00 (diesel driven $41,800.00), while a 75,000 bushel elevator, similarly equipped, costs $62,000.00 and $64,000.00 respectively. The 60,000 bushel elevator built in connection with the Vegetable Oil Plant at Saskatoon, will cost approximately $75,000, including track extension.

Expenditures on Expansion and Maintenance of Elevator System

During the year your Board approved expenditures totalling $3,886,429.00 for the expansion and maintenance of the Pool country elevator system as follows:

Elevators and Annexes	$2,591,604.00
Agents' Cottages	80,000.00
Total Capital Expenditure Authorized	2,671,604.00
Repairs and Maintenance (Including Cottages)	1,214,825.00
	$3,886,429.00

A portion of the above capital amount was spent and capitalized prior to 31st July 1953. The remainder will eventually find its way into capital account as elevators and annexes are completed.

New Annexes

During the year under review the Board approved a construction program of new annexes as follows:

October 1952	Fifty Annexes
February 1953	Thirty Annexes

As at 31st July 1953 a total of 24 units had been completed. The balance of 56 units should be completed by 15th December 1953. In addition to the foregoing, there have been moved into position 10 second elevators which now constitute permanent crib annexes.

It should be noted that we are now building only two classes of annexes—that is, crib and frame. Siding of about 200 of the frame annexes built in earlier seasons is proceeding. About 100 will be completed this year and the balance next season.

Annexes have been allocated to the following stations:

Permanent Crib	Bushels	Frame Annexes (Cont'd)	Bushels
Carragana	50,000	Hamton	35,000
Creelman	40,000	Hepburn	35,000
Hyas	50,000	Herbert	40,000
Meadow Lake "B"	60,000	Hoey	35,000
Raymore	50,000	Holdfast	35,000
Sturgis	50,000	Kuroki	35,000
Wishart	50,000	Leader	35,000
Lashburn	50,000	Lenvale	35,000
Frame Annexes		Leroy	35,000
Abbey "B"	40,000	Leslie	35,000
Admiral	35,000	Liberty	40,000
Assiniboia	35,000	McCord	35,000
Boharm	40,000	Madison	35,000
Bracken	35,000	Maple Creek	45,000
Bradwell	35,000	Mazenod "B"	40,000
Calder	35,000	Neudorf	40,000
Central Butte	35,000	Oxbow	40,000
Clavet	35,000	Pattee	35,000
Cloan	35,000	Phippen	35,000

Congress	35,000	Pitman	35,000
Cudworth	40,000	Plato	35,000
Cymric	40,000	Quinton	35,000
Debden	40,000	Renown	40,000
Dollard	40,000	Richlea	35,000
Dubuc	35,000	Sovereign	35,000
Eastend	35,000	Tadmore	35,000
Elrose	35,000	Thackeray	35,000
Ernfold	35,000	Tuxford	35,000
Esme	40,000	Valmarie	35,000
Ethelton	40,000	Valparaiso	35,000
Evesham	40,000	Wakaw	40,000
Glaslyn	35,000	Wapella	40,000
Grand Coulee	40,000	Welwyn	35,000
Gravelbourg "B"	35,000	Willowbrook	35,000
Hafford	40,000	Wimmer	35,000
		Wordsworth	35,000

It is anticipated that the average costs will be as follows:

Crib Annex	40,000 bus.	$17,500.00
Crib Annex	50,000 bus.	19,000.00
Frame Annex	35,000 bus.	11,000.00
Frame Annex	40,000 bus.	12,500.00

It is expected that all authorized construction work will be completed by 15th December 1953.

Repairs to Agents' Dwellings

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

(a) Additional rooms.
(b) Concrete basements, complete or partial.
(c) General repairs, including painting.

Expenditures in this connection amount to approximately $61,000.00 (appropriation was $120,000.00).

New Dwellings

Authorization was granted to build new dwellings at:

Ceepee	Four-room dwelling
Craven "B"	Four-room dwelling
Parry	Four-room dwelling
Torquay	Six-room dwelling
Yarbo	Four-room dwelling

Costs are expected to average $6,900.00 for a four-room dwelling and $7,700.00 for a six-room dwelling, including furnace and electric wiring.

General

Over-all costs of construction show an increase over those obtaining in 1952. The Dominion Bureau of Statistics shows approximately 4 percent rise between July 1952 and July 1953, but in the main we find that in our particular field the over-all increase would be approximately 10 percent.

Lumber has been fairly easy to obtain and in certain lower grades there has been a small easing of price. Cement has been difficult to secure from Canadian sources and despite large orders placed early in 1953, it was necessary to secure American and British supplies at considerably increased prices. Machinery prices have increased approximately 10 percent.

Labour wage rates were raised by agreement with the Employees' Association by amounts ranging from three to eighteen cents per hour for the various classifications. This resulted in an average increase of 10 percent.

The average number of hourly wage earners employed in all branches of repair and construction during the period 1st March to 20th September was 370.

Laboratory Service

During the year under review the Country Elevator Division continued to provide moisture and germination

tests for seed grain as an additional service to Pool members. The following figures show the number of tests made in the laboratory at Head Office in the past three years:

Year	Germination	Moisture
1952-1953	20,110	5,426
1951-1952	55,682	11,677
1950-1951	60,530	8,079

In addition to these tests the laboratory cleaned, weighed and graded 1,600 samples of grain for the Junior Co-operative Variety test plots.

Smut Tests

The service available to Pool members to have seed grain tested for smut by the Associated Laboratory Services at Saskatoon was continued during the past year. During the season 6,557 samples were submitted and tests made for Pool members. This compares with 9,803 samples submitted the previous year.

Terminal Elevator Division

The Statement of Earnings and Expenses of the Terminal Elevator Division for the year ended 31st July 1953 appears as Statement No. 2, Page No. 41 of the Auditors' Report.

Total earnings amounted to $5,448,703.68 and expenses to $4,195,411.18, leaving operating surplus of $1,253,292-.50. This compares with net earnings of $2,332,260.87 a year ago. Loss of use of Pool Terminal No. 4A, as a result of the explosion which occurred on 24th September 1952, seriously affected the operations of the Terminal Elevator Division this year.

Terminal Elevator Handlings

The total volume of grain handled through Pool terminals at Port Arthur for the season ended 31st July 1953 amounted to 114,304,101 bushels, as compared with 113,711,293 bushels in the preceding year. The following figures show a comparison of the volume handled by the Terminal Elevator Division for the year under review, as compared with the previous year:

	1952-1953 (Bushels)	1951-1952 (Bushels)
Terminals Nos. 4A and 4B	31,243,684	49,942,827
Terminal No. 5	17,347,335	12,840,524
Terminal No. 7	65,713,082	50,927,942
Total	114,304,101	113,711,293

The stocks in store in Pool terminal elevators as at 31st July 1953 amounted to 11,582,320 bushels, made up as follows:

Terminal No. 4	2,799,481 bushels
Terminal No. 5	1,803,902 bushels
Terminal No. 7	6,978,937 bushels
Total	11,582,320 bushels

Statistics issued by the Board of Grain Commissioners for Canada show that 282,959 cars of grain were shipped from Western Canada and unloaded at the Lakehead. during the 1952-53 crop season, as compared with 244,028 cars during the previous season.

During the year under review the Terminal Elevator Division unloaded 62,612 cars at Pool terminals, an increase of 950 cars over the number unloaded the previous year. 35,923 cars were unloaded at Pool Terminal No. 7, representing 12.71% of all the cars unloaded at the Lakehead during the season.

Shipments of grain from Pool terminals during the season amounted to 110,104,110 bushels of all grain, of

which 94,686,663 bushels went out by boat and 15,417,447 bushels by rail. Shipments from Pool terminals represented 21.32% of the total shipments from the Lakehead.

Stocks in Store

At 31st July 1953 there was in store in all terminals at the Lakehead 50,551,382 bushels of all grain, of which, as indicated 11,582,320 bushels or 22.91% was in store in Pool terminals. All terminal elevators were badly congested throughout the past season. This condition is likely to continue to exist into the grain year 1953-54 and probably through the following year.

Maintenance

As Pool delegates are aware, every effort is made to maintain the terminal plant and equipment in the best possible operating condition. Special efforts are made to carry out the maximum amount of maintenance work involving major repairs and replacements during the winter season.

Reference was made in our last report to the situation at Pool Terminal No. 5. The underpinning of units No. 1 and No. 2 of Terminal No. 5 was completed by the end of August and our consulting engineers have certified to the work having been completed in a satisfactory manner. In spite of the handicap under which this plant operated, it may be of interest to note that its handling of 17,347,000 bushels of grain constitutes one of the largest year's handlings in the history of that plant.

Grain Dust Explosion

Last year your Board reported the steps being taken to conduct independent scientific research and to map out a program of intensive study of ways and means of preventing the grain dust explosion hazard. Following a meeting held in Ottawa last December, attended by representatives of your organization and the National Research Council, it was decided that a more representative meeting should be held and arrangements were made for such a meeting in January 1953. In attendance at this meeting were members of the National Research Council, representatives of the Board of Grain Commissioners, the Ontario Department of Labour, the Ontario Hydro Electric Power Commission, the Canadian Insurance Underwriters Association, as well as representatives of different terminal elevator companies, elevator machinery companies and the Employees' Union at the Lakehead.

At that meeting a permanent committee was established. Meetings of this committee were held in April and arrangements made to set up three sub-committees—the Research Committee, under the chairmanship of Dr. Ballard of the National Research Council; an Operation and Design Committee under the chairmanship of Mr. Irwin of the Lakehead Terminal Elevator Superintendents' Association, and a Management Committee, whose chairman is also chairman of the Lakehead Terminal Elevators' Association. These various sub-committees have held a number of meetings and arrangements have been completed for a meeting of the main committee in October, when the reports of the various sub-committees will be reviewed and decisions made with respect to future activities of this body. All of the resources of your organization will be at the disposal of this committee to the end that all possible steps may be taken to prevent a recurrence of this disaster at the Lakehead.

Flour Mill Division

The Statement of operations of the Flour Mill Division appears as Statement No. 7, page No. 22 of the Auditors'

Report. It will be noted that the Flour Mill Division shows a surplus for the year amounting to $42,710.37. The following statement summarizes the operations of the Flour Mill for Season 1952-53, as compared with Season 1951-52:

	1952-1953	1951-1952	Increase
No. of days operated	324	267	56
Flour Production	583,427 bbls.	349,037 bbls.	234,390 bbls.
Average Daily Production	1,800 bbls.	1,307 bbls.	493 bbls.
Sales			
Total Domestic Sales	115,502 bbls.	87,032 bbls.	28,470 bbls.
Total Export Sales	476,078 bbls.	263,113 bbls.	212,965 bbls.
Total All Sales	591,580 bbls.	350,145 bbls.	241,435 bbls.

Flour Sales

As the above statement shows, there was a substantial increase in domestic flour sales during the year under review. A summary of domestic sales for the year ended 31st July 1953, as compared with the preceding season, is as follows:

	1952-1953 (Bbls.)	1951-1952 (Bbls.)
Red Label	50,141	48,265
Pool	23,598	18,180
Domestic Bakers	37,001	15,490
Whole Wheat & Graham	3,249	2,808
Wheatlets & Granules	1,095	927
Low Grade	418	1,362
Total	115,502	87,032

The export market for flour held firm throughout the year. Difficulties were experienced in one or two countries but these were more than made up by increased volume to other countries and also the establishment of agencies in countries where sales had not previously been made. Export contracts for the year totalled 477,000 bbls. as compared with 300,320 bbls. a year ago. The Philippines continues to be our best export market. In spite of unsettled trade conditions which developed from time to time, exports to this country showed an increase of 35,114 bbls. over the previous season. A summary of export sales of flour from the Mill for the year under review is as follows:

	Barrels
Belgian Congo	3,035 5/8
Bermuda	28
Bolivia	6,199
Colombia	8,622 3/8
Costa Rica	19,987
Cuba	1,784 5/8
Egypt	4,285 3/4
El Salvador	688 3/4
Guatemala	26,046 1/8
Hong Kong	24,820 7/8
Jamaica	510 1/4
Japan	15,988 5/8
Korea	5,612 1/8
Macau	510 1/8
Nicaragua	1,001 1/2
Philippines	180,457 7/8
Siam	383 5/8
Singapore	3,169 3/8
Trinidad	1,530 5/8
Venezuela	172,339 3/8
Total	477,001 5/8

Storage

Elevator operations at the Flour Mill for the crop year 1952-53 resulted in a substantial increase in the handling of both street and carlot receipts. The increase in carlot receipts can be attributed to the greater requirements of wheat in the Flour Mill when the capacity was increased from 1,200 to 2,000 bbls. per day. The total number of cars of wheat unloaded at the elevator during the year

was 962, as compared with 529 cars during the previous season, an increase of 433.

A comparison of street and carlot receipts of wheat for the crop years 1951-52 and 1952-53 is as follows:

	1952-1953 (Bushels)	1951-1952 (Bushels)
Wheat—carlot and trucked	2,120,194	947,368
Wheat—street	624,730	623,598
Total	2,744,924	1,597,966

Receipts of all other grains at the mill elevator included:

Flax	122,753 bushels
Oats	5,751 bushels
Barley	7,270 bushels
Rapeseed	223 tons

Vegetable Oil Division

Operating Statement of the Vegetable Oil Division for the year ended 31st July 1953 appears as Statement No. 8, page No. 24 of the Auditors' Report. While the operations of the Division continue to show a loss, there was a substantial improvement over a year ago.

During the season 1952-53 the plant operated 72 2/3 days on flax and 67 days on rapeseed, a total of 139 2/3 days operations, as compared with 78 in the previous year. The amount of flax processed last season was 8,015,850 lbs. as compared with 3,764,205 lbs. a year ago, an increase of 4,251,645 lbs.

In addition to the flax processed a total of 6,793,987 lbs. of rapeseed was also processed. This resulted in a recovery of 2,475,904 lbs. of rapeseed oil and 3,775,400 lbs. of rapeseed meal. This operation was on a customs basis.

Sales of linseed oil to the domestic market totalled 2,080,982 lbs. as compared with 1,443,562 lbs. in the previous year. Export sales also showed a considerable increase, with a total of 1,148,320 lbs. being sold for export as compared with 59,865 lbs. a year ago.

In order to facilitate the handling of oil-bearing seeds, your Board approved the construction of a 60,000 bushel standard country elevator at the Vegetable Oil Plant, to which reference is made in the Construction Department's Report.

Livestock Division

Statements No. 1 and 2, pages No. 45 and 46 of the Auditors' Report, show in some detail the results of the year's operations and the financial position of the Livestock Division at the end of the fiscal year. The year's operations resulted in a surplus of $78,964.23. This is an improvement of $69,762.95 compared to the surplus of $9,201.28 of a year ago.

Included in the earnings of the Livestock Division is a share of earnings of Canadian Livestock Co-operative (Western) Limited amounting to $34,055.82, and a surplus from the operations of the Transit Compensation fund amounting to $16,791.19.

Livestock Operations

On 18th August 1952 Canada was officially declared free of foot and mouth disease. Although the United States embargo remained in effect, all remaining restrictions on the movement of livestock in Canada were removed. Government support prices remained in effect on both cattle and hogs and in the early part of the year the Livestock Division continued to accept the responsibility for maintaining support prices on the grades of cattle

designated by the Government at various points in Saskatchewan. Your Board believes that the operations of the Government support price policy during a period of abnormal trade conditions will be regarded as having been satisfactory. These operations helped maintain Canadian livestock prices well in line and at times above United States levels.

As the only province-wide organization in the business of assembling and marketing livestock in Saskatchewan, the Pool Livestock Division was able to render substantial assistance in carrying out the support price program.

On 23rd February 1953, a week before the United States embargo was lifted, Government support prices on cattle were discontinued in Canada. During the period of the embargo, that is, from 25th February 1952 to 1st March 1953, cattle marketings in the United States had reached record proportions and serious declines had taken place in United States cattle prices. As a result, when the United States embargo was lifted, Canadian cattle prices declined $2.00 to $3.00 per cwt. almost immediately.

Although further price declines have taken place, price levels in both countries have not allowed sufficient differential to make it practical to export or import butcher or feeder cattle in volume, at least up until the date this report is prepared.

It is anticipated that during the heavy delivery period this fall, cattle prices in Canada will approximate those for corresponding grades in the United States, less the necessary shipping margin to cover duty, freight and handling costs.

Hog marketings in the late fall of 1952 were especially heavy, following the announcement by the Dominion Government that support prices on hogs would be lowered by $3.00 per cwt. on 1st January 1953. After the New Year hog marketings declined sharply and prices advanced, holding at levels well above the support prices then in effect of $21.00 basis Grade A at Saskatchewan markets. With the seasonal decline in hog marketings both in Canada and the United States, United States prices advanced to levels which allowed a margin sufficient to export live hogs to the United States West Coast. As a result of its preferred position the majority of export shipments of hogs on a live basis originated at Alberta markets.

While the total number of hogs exported to date has been comparatively small, the fact that it was possible to make these sales has been an important factor in holding Canadian hog prices in line with United States levels.

Statement No. 15 attached to this report, shows the handlings of livestock by divisions for the past two seasons. Total provincial cattle and calf marketings for the year under review were 394,101 head, as compared with 312,527 head for the same period a year ago, an increase of 26%. The number marketed co-operatively was 167,372 head, as compared with 139,690 head the previous year. 42.47% of the total provincial marketings of cattle and calves were marketed co-operatively as against 44.7% of the provincial marketings a year ago.

Total provincial hog marketings increased in this period from 419,704 head a year ago to 532,757 head for the year under review, an increase of 26.93% for the Province. Of the total marketings 175,156 or 32.87% were marketed through co-operative channels.

Sheep and lamb marketings for the province showed a slight increase during the past year with 47,421 head

reaching the market, as compared to 41,302 head a year ago. Of this number 14,908 representing 31.43% of the total were marketed co-operatively.

The total numbers of all classes of livestock marketed co-operatively were 356,818 head, representing a gross value of $29,737,000.00. Of our total handlings 34% were marketed through the four yards owned by the Pool organization at Regina, Yorkton, North Battleford and Swift Current; 27% through the three agencies operating on yards owned by stockyard companies at Moose Jaw, Saskatoon and Prince Albert; 21% were delivered by our Country Section Division to Canadian Livestock Co-operative (Western) Limited at St. Boniface, and the remaining 18% to Canadian Livestock Co-operative (Western) Limited by co-operative shippers and other individuals.

The following figures show the supply position of meat in Canada at 1st August 1953 as compared with the same figures a year ago:

Canadian Meat Supply Position

(Pounds)

Cured		Storage		Fresh	
Aug. 1/53	Aug. 1/52	Aug. 1/53	Aug. 1/52	Aug. 1/53	Aug. 1/52
Pork—					
12,007,000	16,540,000	19,176,000	32,489,000	2,777,000	4,885,000
Beef—					
470,000	552,000	21,780,000	10,628,000	9,304,000	7,910,000
Veal—					
—	—	3,491,000	2,755,000	1,225,000	807,000
Mutton & Lamb					
—	—	772,000	607,000	192,000	137,000
Unreported					
510,000	—	1,080,000	—	780,000	—
Fancy Meats					
Pork					
—	—	1,214,000	2,527,000	—	—
Beef					
—	—	2,390,000	3,313,000	—	—
Veal					
—	—	295,000	231,000	—	—
Lamb					
—	—	59,000	79,000	—	—
Total—					
12,987,000	17,092,000	50,257,000	52,629,000	14,278,000	13,739,000

Total All Meats

1st August 1952—83,460,000 Pounds

1st August 1953—77,522,000 Pounds

The following statement shows the exports of livestock and dressed meats to the United States during the past two seasons:

Exports to the United States

Live Animals

(Number of Head)

	1952-1953	1951-1952
Cattle		
For immediate slaughter and feeding purposes..	10,276	62,390
Dairy and Breeding Stock	24,413	25,734
	34,689	88,124
Calves	1,594	3,644
Sheep and Lambs	783	5,912
Hogs	14,516	—

Dressed Meats

(Pounds)

Beef and Veal (Fresh)	6,247,000	—
Pork (Fresh)	24,714,900	8,608,200
Mutton and Lamb	100	2,619,474

The statement below sets out the volume and percentage of provincial deliveries of livestock through co-operative channels for the past three seasons:

Statement of Provincial Deliveries Handled Co-operatively

	1950-1951	1951-1952	1952-1953
Cattle and Calves			
Provincial Deliveries	428,332	312,527	394,101
Handled Co-operatively	192,537	139,690	167,372
Percentage of Co-operative Handlings	44.95%	44.7%	42.47%
Hogs			
Provincial Deliveries	272,502	419,704	532,757
Handled Co-operatively	101,163	145,959	175,156
Percentage of Co-operative Handlings	37.12%	34.8%	32.87%
Sheep and Lambs			
Provincial Deliveries	47,282	41,302	47,421
Handled Co-operatively	16,206	14,854	14,908
Percentage of Co-operative Handlings	34.27%	36.0%	31.43%

To complete the livestock statistical position, the following statement issued by the Dominion Bureau of Statistics shows the livestock population on farms in the past three years:

	SASKATCHEWAN			CANADA		
	Cattle and Calves	Hogs	Sheep and Lambs	Cattle and Calves	Hogs	Sheep and Lambs
June 1/50	1,214,400	433,700	237,000	8,992,300	5,247,100	2,015,000
Dec. 1/50	1,092,000	441,000	149,000	8,292,100	5,419,300	1,268,000
June 1/51	1,237,000	607,000	236,200	9,333,300	5,875,000	1,968,100
Dec. 1/51	1,176,000	599,000	307,000	8,962,000	6,498,000	1,302,000
June 1/52	1,382,000	646,000	155,000	9,173,000	5,741,000	1,582,000
Dec. 1/52	1,271,000	560,000	103,000	8,906,000	5,237,000	1,105,000
June 1/53	1,435,000	469,000	170,000	9,713,600	4,447,000	1,721,300

Canadian Livestock Co-operative (Western) Limited

Financial Statements

The Balance Sheet of this organization, Statement No. 16 attached to this report, shows the financial position of the company as at 31st July 1953. Total operating revenue for the year under review amounted to $188,635.53, while operating expenses for the period totalled $128,586.14, leaving an operating surplus for the year, before providing for income tax, of $60,049.39. This compares with an operating surplus for the previous year of $38,246.46. After provision for income tax amounting to $335.82, there is a net surplus for the year amounting to $59,713.57. From this amount there has been deducted the sum of $3,218.46 representing the cost of the past services pension plan for employees applicable to the current year, leaving a net surplus to be allocated to members amounting to $56,495.11.

In accordance with a resolution passed at a meeting of the Directors of Canadian Livestock Co-operative (Western) Limited on 25th May 1953, the surplus has been allocated on the following basis:

(a) Retained as non-interest bearing loans			$32,179.36
Alberta Livestock Co-operative Limited	.037%	$ 11.91	
Manitoba Pool Elevators	39.682%	12,769.41	
Saskatchewan Co-operative Producers Limited–Livestock Division	60.281%	19,398.04	
	100.000%	$32,179.36	

(b) Available for distribution on the basis of revenue contributed to the Sales Agency during the period			24,315.75
Alberta Livestock Co-operative Limited	.037%	$ 8.99	
Manitoba Pool Elevators	39.682%	9,648.98	
Saskatchewan Co-operative Producers Limited–Livestock Division	60.281%	14,657.78	
	100.000%	$24,315.75	
			$56,495.11

During the year under review Canadian Livestock Co-operative (Western) Limited handled 5,734.3 cars of livestock as compared with 5,006 cars in the previous year. The following figures show the distribution of these cars as between provinces:

	No. of Cars	Percentage of Total
Alberta	1.8	.03%
Manitoba	2,197.6	38.32%
Saskatchewan	3,534.9	61.65%

On the basis of 5,734 cars of livestock handled for the period ending 1st August 1953 the net operating surplus per car amounted to $10.414. Comparative operating figures on a per car basis for the past three fiscal years are as follows:

	Number of cars	Operating Revenue	Operating Expenditures	Surplus for year
Year ended:				
28th July 1951	5,481	$30.061	$23.309	$6.752
2nd August 1952	5,007	32.687	25.116	7.571
1st August 1953	5,734	32.897	22.483	10.414

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

In the past fiscal year this company handled 82,389 cattle, 25,374 calves, 140,581 hogs and 13,657 sheep and lambs. The aggregate values amounted to $19,061,281.87.

Printing and Publishing Division

Details of the financial results of the operations of the Printing and Publishing Division for the year ended 31st July 1953 are set out in financial statements and Auditors' report submitted separately to the delegates.

The operations of this Division show a loss of $27,654.81 made up of a profit of $44,005.98 for the Commercial Printing Department and a loss of $71,660.79 for The Western Producer. This year's loss of $27,654.81 compares with a loss for the previous season of $101,082.16, an improvement during the year of approximately $75,000.00.

The following is a breakdown, by departments, of the current year's position:

	Commercial Printing Department	Western Producer Department	Total
Income	$504,997.65	$493,865.78	$ 998,863.43
Expenses	460,991.67	565,526.57	1,026,518.24
Position for year..Profit	$44,005.98	Loss ($71,660.79)	Loss ($27,654.81)

A comparison of the operations for the year with those of the previous season is shown below. (Bracketed figures in the first two columns denote losses, while figures in brackets in the last column denote decreases):

Commercial Printing Department	1951-1952	1952-1953	Increase (Decrease)
Income	$ 465,283.97	$504,997.65	$ 39,713.68
Expenses	447,449.90	460,991.67	13,541.77
Position for the year.....Profit	$ 17,834.07	$ 44,005.98	$ 26,171.91

Western Producer Department			
Income	$ 405,820.45	$493,865.78	$ 88,045.33
Expenses	524,736.68	565,526.57	40,789.89
Position for the year	Loss$ (118,916.23)	$ (71,660.79)	$ (47,255.44)

SUMMARY

Commercial Printing Department	Profit$ 17,834.07	Profit$ 44,005.98	$ 26,171.91
Western Producer Department	Loss$ (118,916.23)	Loss$ (71,660.79)	(47,255.44)
Position for the year	Loss$ (101,082.16)	Loss$ (27,654.81)	$ (73,427.35)

Commercial Printing Department

In the Commercial Printing Department the year under review can be regarded as most successful. New techniques were undertaken during the year and the prestige and reputation of the plant was improved in many fields. For practically the entire year the plant was operating at full capacity. Recent installations of new machinery and equipment have placed the plant in a favorable competitive position and your Board is of the opinion that the Commercial Printing plant may be expected to continue to operate successfully in the future.

The Western Producer Department

Circulation

Total net paid circulation at the end of this year was 154,762 copies. Distribution of circulation by provinces for the year under review, as compared with the previous year, is as follows:

	1952-1953	1951-1952	Gain or (Loss)
Saskatchewan	83,881	77,977	5,904
Alberta	36,137	34,818	1,319
Manitoba	20,692	20,017	675
British Columbia	11,561	10,914	647
Miscellaneous	2,461	2,382	109
	154,762	146,108	8,654

These figures show an increase in circulation of 8,654 over the 1951-52 figures.

At the beginning of the fiscal year the newsprint supply situation tended to be easier and it was decided to take all possible steps to increase circulation and recover some of the losses of the two previous years which had developed as a result of the shortage of newsprint. The subscription contest conducted by the Circulation Department was a complete success.

Advertising

Throughout the year advertising lineage was well maintained and compared favorably with volume in the previous year. The Western Producer carried 20,490 lines of display and 10,025 lines of classified advertising more than in the previous fiscal year. A comparison of advertising lineage of the year under review, with the previous year, is as follows:

	1952-1953	1951-1952
Classified Lineage	256,190	246,165
Display Lineage	402,015	381,525
TOTAL LINEAGE	658,205	627,690

Editorial

With an improvement in the newsprint situation it has been found possible to provide an extension of coverage and a degree of increased service to the readers of The

Western Producer. This expansion is not limited to basic news coverage or editorial expression, but applies rather to the smaller and yet useful services which a newspaper of the type of The Western Producer can provide. These services include radio programs, legal advice, home planning, gardening hints, interpretive political coverage, sports, etc. These have been increased during the year and further additions are planned for the future.

News Section

The most important addition to the news section was probably a page called "Behind the Speaker's Chair" carrying on-the-spot reports of the week's activities in the four Western legislative assemblies by four top legislative reporters. This feature appeared for the first time on 8th March. A start has also been made on a weekly news column covering the week's activities during the parliamentary sessions at Ottawa. This column was started in the May 7th issue and the writer has undertaken to continue it during the forthcoming sessions of Parliament.

Agricultural Department

New types of coverage have also been developed in the Agricultural Department of The Western Producer. An effort is being made to bring the coverage given to field crops into balance with that provided for livestock. The list of correspondents contributing agricultural news throughout Western Canada had been steadily growing and while not yet complete it shows promise of providing us with a good reporter in all the important agriculture areas of the West.

A new service to the readers was added to the agricultural section during the past year entitled "Farmers and the Law." In this column questions of subscribers are answered and to date it has enjoyed increasing popularity with Producer readers. The column first appeared on 5th March.

Magazine Section

During 1952-53 the magazine section appeared in each issue of The Western Producer. Continued efforts were made to publish material of general interest to the readers from many sources.

A number of important reports were published in the Magazine Section. In the 20th November issue the Rt. Hon. C. D. Howe's address on the importance of the Canadian Grain Industry was published in full. On 1st January Mr. Roy Milner's report on moving the 1951-52 wheat crop was published. The Wheat Board report (slightly shortened) was published in the issues of the 12th and 19th of February. On 28th May a special Coronation issue was published and on 11th June an issue almost solely devoted to Coronation photographs appeared.

In the course of the year the Magazine Section carried ten articles on agricultural subjects, seven on co-operation, fifteen on general subjects, seven on biography, twelve on history, six fiction, seven humour, five inspirational and ten articles on technical subjects as well as a number of smaller miscellaneous articles. The writings of about thirty-eight Canadian writers were published in the Magazine Section and one Canadian artist was commissioned to do a series of sketches on the Calgary stampede. Our own art department illustrated fifteen articles.

Women's Section

Throughout the year the Women's Section of The Western Producer has found its material determined largely by the patterns of our rural life. Many farm

women now find themselves shoppers in fields where they were once producers or manufacturers. So the section has carried a good deal of consumer information, facts about new materials and new equipment, and news about the work of the Canadian Association of Consumers. Much remodelling and building of new farm homes has been going on. This, with the desire of farm women to have better equipped homes has created a demand for information along these lines. Increasing rural electrification has brought calls for information varying from the purchase of a new iron to the preparation of food for a deep freeze or refrigerator desserts. Sometimes it seemed best to answer these queries by indicating reliable sources of information, sometimes articles have been run in the Women's Section, sometimes the questions have been answered in Mrs. Oddie's "I'd Like to Know" column.

There has been no slackening in the questions coming to Mrs. Emmie Oddie, home economist and farm housewife, and many letters of appreciation for her column have been received. In addition, the women's editor has sent personal replies to hundreds of queries.

During the year there has been an increasing interest in crafts, new ones being learned, old ones being revived. The Women's Department has covered a handicraft festival at Swift Current, a craft show at Melfort, and carried stories of handicraft development in Alberta. Readers have written of special craft work they have seen, of puppet shows, of drama nights, of community enterprises such as a community hall at Parkman,Saskatchewan; a community library at Wainwright, Alberta. An attempt has been made to keep in close touch with library developments on the prairie.

Activities of organized rural women's groups, the Homemakers and the Women's Institutes of three provinces, women in the Farm Unions, the Women's Co-operative Guild, and 4-H girls' clubs have been covered through stories and pictures. Coverage in this field is gradually extending into British Columbia.

Through these organizations and as individuals, rural women continue to take a keen interest in various aspects of social welfare. In consequence special attention has been paid to developments in the fields of mental health, the care of the cerebral palsied child, the rehabilitation of the disabled and the blind, the needs of old people, the formation of voluntary health organizations such as the Canadian Diabetic Organization.

Mrs. McNaughton's column "Jottings By the Way" has appeared almost every week and brought stories of human interest from such varying sources as the Hudson Bay excursion to Churchill, a city market in Victoria, a friendship club in Saskatoon, an Indian Association convention at Saddle Lake Reserve in Alberta.

Publicity for horticultural events and research work has been continued in the garden page. Gardeners, whose letters or articles telling of their garden methods and experiences have appeared in the page, tell of receiving much correspondence from readers interested in gardening across the prairie.

Youth Section

For twenty-five years the Young Co-op Club has encouraged the youth of the country, particularly the Prairie Provinces, in self-expression, as well as ever broadening horizons and interests. The highlight of the last year for the club was the printing in August of the special five-page 25th anniversary issue, which included letters from several of the first members, now scattered in

many parts of the continent. To see or hear of the success which many of the Young Co-ops have achieved is very gratifying.

Although no statistics are kept of the newcomer enrolment, it would seem that there is a steady rate of increase. This section is continually encouraged by the worthwhile articles and poems contributed by the juniors and seniors. Special attention is paid to holidays and anniversaries and stories, articles and poetry are chosen to suit each particular theme.

Encouraging, too, was the response shown to our Christmas coloring contest open to children twelve years and under. There were over 2,800 entries received, 149 of these were from five-year-olds or younger. Many good articles about the Royal family and English history were also received about the time of the Coronation.

This year, as in the past, great interest was shown in the "Across Borderlines" column and many requests for overseas correspondents were printed, as well as requests from overseas for Canadian pen pals. The Winnipeg chapter of the Young Co-ops has had the pleasure recently of entertaining a young woman from Australia who has been a faithful member of the Y.C. pages for many years.

Through their exchanges which are operated by Co-ops and through the columns of their Young Co-op pages, the members of the club are learning the importance of their motto "We Co-operate." The club is maintaining an important service in providing a medium of expression and a way of making friends for youth, particularly in the more sparsely settled districts of the country.

Reader Services

Orders received for patterns of various kinds and for needlework books totalled 63,587. This represents an increase of 4,392 over the 1951-52 total. This is the first increase shown for several years and the increase was in orders for various household arts' designs, crocheting, knitting, quilts, rugs and other handicraft.

The carpentry pattern service was continued and 1,812 patterns were ordered, compared with 2,772 the previous year.

The following statement shows the number of orders filled during 1952-53:

Household Arts	34,737
Dress	28,321
Needlework Books	529
Carpentry Patterns	1,812
	65,399

Statement of Combined Operations

Statement No. 3, page 14 of the Auditors' Report shows the financial result of the combined operations of all Divisions for the year ended 31st July 1953 as follows:

Operating Surplus	
Country Elevator Division	$5,610,309.52
Terminal Elevator Division	1,253,292.50
Flour Mill Division	42,710.37
Vegetable Oil Division	(52,994.88)
Livestock Division	78,964.23
Printing and Publishing Division	(27,654.81)
Total Operating Surplus as at 31st July 1953	$6,904,626.93

N.B.—bracketed figures denote loss.

Allocation of Surplus

Your Board recommends that the surplus for the year ended 31st July 1953 amounting to $6,904,626.93 be allocated as follows:

November 13th, 1953.

MEMO FOR WHEAT POOL DELEGATES:-

Allocation of Surplus

In accordance with the decision of the delegates, the surplus for the year ended 31st July 1953, amounting to $6,904,626.93, will be allocated as follows:-

Excess Charges Refund, Season 1952-53	.....	$ 6,101,100.00
Provision for Income Tax - estimated	.....	535,000.00
Transfer to Reserve Account	.....	268,526.93
		$ 6,904,626.93

The share of surplus earnings allocated to Excess Charges Refund, Season 1952-53, will be distributed as follows:-

(a) At the rate of 1¢ per bushel, to be paid in cash - dividend estimated ..... $ 2,033,700.00

purchase at face value of Elevator and Commercial Reserve Deductions of the Company from members in eligible categories as previously determined by the Directors, such Deductions to be credited to the persons entitled to the patronage dividend, provided that those members entitled to such dividend whose Elevator and Commercial Reserve Deductions have heretofore been purchased by the Company, shall be paid their share of such amount in cash - dividend estimated ..... $ 1,525,275.00

(c) At the rate of 1 1/4¢ per bushel to be retained as a loan from the shareholders of the Company in accordance with the Articles of Association, provided that those members entitled to such dividend whose Elevator and Commercial Reserve Deductions have heretofore been purchased by the Company, shall be paid their share of such amount in cash - dividend estimated ..... $ 2,542,125.00

TOTAL ..... $ 6,101,100.00

Will you please amend the figures in your copy of the Annual Report, at the top of Page 25, in line with the above.

G.W.R.

S.

Excess Charges Refund, Season 1952-1953	$5,846,887.50
Provision for Income Tax—estimated	660,000.00
Transfer to Reserve Account	397,739.43
TOTAL	$6,904,626.93

Your Board further recommends that the share of surplus for the year ended 31st July 1953, amounting to $5,846,887.50, allocated to Excess Charges Refund Season 1952-1953, be distributed as follows:

(*a*) At the rate of ½c per bushel, to be paid in cash—dividend estimated	$1,016,850.00
(*b*) At the rate of ¾c per bushel to be used for the purchase at face value of Elevator and Commercial Reserve Deductions of the Company from members in eligible categories as previously determined by the Directors, such Deductions to be credited to the persons entitled to the patronage dividend, provided that those members entitled to such dividend whose Elevator and Commercial Reserve Deductions have heretofore been purchased by the Company, shall be paid their share of such amount in cash—dividend estimated	$1,525,275.00
(*c*) At the rate of 1 5/8c per bushel to be retained as a loan from the shareholders of the Company in accordance with the Articles of Association, provided that those members entitled to such dividend whose Elevator and Commercial Reserve Deductions have heretofore been purchased by the Company, shall be paid their share of such amount in cash—dividend estimated	3,304,762.50
TOTAL	$5,846,887.50

Subsidiary Companies

Saskatchewan Pool Elevators Limited

Following reorganization, the operations of Saskatchewan Pool Elevators Limited during the year under review were confined to the leasing of its fixed assets to Saskatchewan Co-operative Producers Limited for the use of the Country Elevator Division, the Terminal Elevator Division, the Flour Mill Division and the Vegetable Oil Division.

The Balance Sheet for this subsidiary as at 31st July 1953, and the Statement of Income and Expenses for the year ended 31st July 1953, appear as Statements No. 1 and 2, pages Nos. 36 and 37 of the Auditors' Report.

Saskatchewan Pool Terminals Limited

As a result of reorganization, the operations of Saskatchewan Pool Terminals Limited were confined to the leasing of its fixed assets to Saskatchewan Co-operative Producers Limited for the use of the Terminal Elevator Division.

The Balance Sheet and Statement of Income and Expenses for the year ended 31st July 1953 for Saskatchewan Pool Terminals Limited appear as Statements No. 1 and 2, pages Nos. 40 and 41 of the Auditors' Report.

Saskatchewan Co-operative Livestock Producers Limited

The operations of Saskatchewan Co-operative Livestock Producers Limited during the year under review were confined to the leasing of its stock yards and other fixed assets to Saskatchewan Co-operative Producers Limited for the use of the Livestock Division.

The Balance Sheet and Statement of Income and Expenses for the year ended 31st July 1953 are shown as Statements Nos. 1 and 2, pages Nos. 45 and 46 of the Auditors' Report.

Modern Press Limited

Following the reorganization during the past year, operations of Modern Press Limited were confined to the

leasing of its fixed assets to Saskatchewan Co-operative Producers Limited for the use of the Printing and Publishing Division.

The Balance Sheet and Statement of Income and Expenses for the year ended 31st July 1953 are shown as Statements Nos. 1 and 2, pages Nos. 50 and 51 of the Auditors' Report.

Interprovincial Subsidiaries

Canadian Co-operative Wheat Producers Limited

As in former years, the Annual Report of Canadian Co-operative Wheat Producers Limited as presented to its shareholders, is included and forms part of this report. The central report presents a comprehensive survey of national and international developments in the field of agriculture during the past year.

Canadian Pool Agencies Limited

The Report of the Directors of Canadian Pool Agencies Limited to its Annual Meeting of Shareholders is also attached hereto for the information of delegates. The Balance Sheet for the year ended 31st July 1953 and the Statement of Patrons' Equity and Income and Expenses are also attached as Statements Nos. 9, 10 and 11 of this report.

Pool Insurance Company

As has been indicated on former occasions, the financial year of the Pool Insurance Company ends on 31st December. The report of the operations of this interprovincial organization for the year 1952, together with the Balance Sheet and Statement of Income and Expenses are also included in and form part of this report.

The Manager of Pool Insurance Company, who is also in charge of Canadian Pool Agencies Limited, will be in attendance at this meeting and will be in a position to discuss with delegates the progress being made in the current year.

Publicity

The work of the Publicity Department is directed toward keeping the membership of the Wheat Pool and the general public informed on the aims and objectives of the Organization, and the policies for which it stands.

Emphasis is always placed upon the democratic principles on which the Organization is based, and an effort is made to keep the membership fully informed as to its privileges, its duties and its responsibilities.

It has always been regarded as of major importance that the individual members should understand how Pool policy is formulated, and the manner in which the views of the individual Pool member, as expressed by resolution, are carried right through to the delegate body where policy is finally determined.

The functioning of local committees, the purpose and value of committee conventions, the provision for the dissemination of information and ideas emanating from such conventions are subject matter of radio and newspaper material released throughout the year.

The democratic functioning of election machinery that guarantees to every individual member his full voting privilege, if he wishes to avail himself of the opportunity, is also subject matter dealt with regularly each year by the Department.

The details of the work of the Department are set out below under major headings:

Radio

Radio, because of its ability to reach out to the public with the minimum of delay, has always been a valuable medium for keeping the membership and the public informed on items of current interest. During the year programmes included:

(*a*) Saskatchewan Senior Hockey Broadcasts over CKRM, Regina.
(*b*) Five-station network of livestock market news and general information.
(*c*) The Sunday news—CKCK, Regina.
(*d*) Spot broadcasts advertising district delegates' meetings over eight Saskatchewan stations.
(*e*) Spot broadcasts advertising flour, carried over five Saskatchewan stations.

Hockey broadcasting was carried on a limited schedule over one Regina station. The series made it possible to maintain the continuity of hockey broadcasts and to provide a medium for the Pool talks which have been a regular feature of Pool broadcasts for many years.

The five-station network was designed to supplement the hockey schedule, and was aimed at providing essential livestock marketing information from the various local markets, and at the same time provide a channel for the release of information of interest to Pool members concerning their own organization and general agricultural policy.

The Sunday news broadcast over CKCK, Regina, was continued throughout the year.

Spot broadcasts advertising district delegates' annual meetings were carried over eight Saskatchewan stations during November and December.

Spot broadcasts advertising "POOL" and "CO-OP" Flour were carried on five stations. These spots were carried on Class "C" time, and were beamed to the housewives.

Advertising

The Western Producer and the Saskatchewan weeklies were the principal newspaper media used for general Wheat Pool advertising.

Advertising in The Western Producer serves two purposes. It reaches out to a substantial block of circulation within the Province, and also reaches into some 60,000 farm homes outside the Province.

Because of its wide coverage, an effort is made to put emphasis in Western Producer advertising on the aims and objectives of the Pool and on the principles of co-operation.

The weekly papers are regarded as suitable media for Pool advertising because they reach into many homes, particularly in towns and villages that are not served by any other newspaper carrying Pool advertising.

Advertising is also placed in a selected group of non-English weeklies published in Saskatchewan, or with a substantial block of circulation in Saskatchewan. In this manner contact is maintained with all the major language groups.

Advertising and articles are also released in a selected list of publications all across Canada from the Atlantic to the Pacific.

Public Relations

In the field of public relations close association is maintained with numerous organizations both inside and outside the Province.

In maintaining these harmonious relations, our Organization has worked closely with the Canadian Weekly

Newspapers' Association (both the National and the Saskatchewan Branch); the Saskatchewan Association of Rural Municipalities; the Rural Municipal Secretary-Treasurers' Association; the Saskatchewan Postmasters' Association; the Canadian Broadcasting Corporation; the private radio stations; the various agricultural associations; the Class "A", "B" and "C" Fairs; the Extension Department and the Field Husbandry Department of the University of Saskatchewan; the National Research Council; the agricultural press both in and outside Saskatchewan; the Saskatchewan Farmers' Union; the Agricultural Institute of Canada; the Hudson Bay Route Association; the Saskatchewan Institute of Agrologists; the Canadian and Saskatchewan Federations of Agriculture; the Co-operative Union of Canada and other farm organizations across Canada.

Flour Advertising

Flour advertising has been carried in newspapers all across Canada from the Maritimes to British Columbia in all areas where Pool mill products are sold, or where there appear to be good possibilities of developing a market.

The policy initiated in 1950 of underwriting 50% of the cost of flour advertising placed by local co-operatives or regional wholesales applies all across Canada where "CO-OP" Flour is sold.

The same policy applies in Saskatchewan to "POOL" Flour advertising placed by private merchants who devote part of their advertising space to Pool mill products.

Flour salesmen operating in Saskatchewan carry flour advertising material with them, and are authorized to place advertising in local papers with the name of the merchants added. This device has made it possible to relate the release of advertising in an area to special efforts made by merchants to push the sale of our product in their territory. It also gives the flour salesman an extra argument with which to induce merchants to start handling our product in cases where they have not previously done so.

Calendars

Pool calendars are still in strong demand. Individually wrapped calendars are sent out to members of the Organization by direct mail. Bulk supplies are also sent to Pool elevator agents and to all the major offices of the Organization at Winnipeg, Port Arthur and Saskatoon. These in turn are distributed to schools, offices and business firms both in Saskatchewan and in other Provinces.

The calendars, because of their value for organizational purposes, are still in strong demand from companies operating in Saskatchewan—many of whom use the map and back index in the course of carrying on their business.

As was done the previous year, the calendar was printed by our own Printing and Publishing Division.

Exhibitions

Exhibits were shown at all the fairs on the Class "A" and Class "B" circuits in Saskatchewan; in addition, we participated in a number of Class "C" fairs. As usual, a supply of literature was kept on hand at all fairs at which the Pool was represented, and was made available to all persons interested.

Assistance was given to a number of local committees in placing floats in parades held in conjunction with fairs and sports days. In connection with the celebration of Regina's Golden Jubilee, the Saskatchewan Wheat Pool

sponsored the float for the "Wheat Queen," and was awarded first place in the "Queen-For-A-Day" float classification.

Research

Research work was continued in the Department throughout the year in connection with all the principal activities of the Organization, with particular reference to marketing, grain and livestock prices, crop insurance, the International Wheat Agreement and numerous other subjects related to the work of the Organization.

Library

For the year ended 31st July 1953, 5,777 books were mailed out from the library to regular borrowers. This figure is exclusive of books mailed to students and others not classified as regular borrowers. The figure does not include the large number of people who used the reference section of the library at Head Office.

The number of books mailed out during the year was down about 500 from the previous year. This is probably due in large measure to the mild winter which resulted in a marked drop in reading in the mid-winter months, compared with other years.

Attached to this report is a table covering operations of the library for the year under review—Statement No. 6.

Crop Reporting

The Saskatchewan Wheat Pool crop report has been able to hold its place as one of the most authentic reports on crop conditions in this Province.

Each week during the growing season the report is published in The Western Producer along with similar reports from Manitoba and Alberta. When the three reports are considered together, the summary represents the most complete crop information for Western Canada available anywhere.

A summary of the report is prepared each week and released to the daily papers, the Canadian Press, British United Press, private radio stations, as well as a large list of private firms and individuals.

Junior Activities

Variety Testing

Probably the most important phase of grain research in Saskatchewan is the constant development of new and improved varieties. Changes are taking place each year as new and better varieties replace older ones. The extent of this change is illustrated by the fact that of the eighteen varieties recommended by the Saskatchewan Cereal Variety Committee for use in 1938, only four were still recommended for 1953; of those eighteen recommended ten years ago, only six were still recommended.

For the past nineteen years, the Saskatchewan Wheat Pool has taken an active part in the important work of testing new varieties under field conditions throughout the Province. Each year more than 300 individual tests have been carried out. Because of the active representation of the Organization in all parts of the Province, it has been possible to distribute these tests over a wide area, and as a result the information obtained has been indicative of varietal performances under all conditions of climate and soil. Wheat Pool tests are distributed throughout many regions where there are no other experimental projects of this nature. This is a feature of great value, as it provides data which is not available from any other source.

During the 1953 season, a total of 307 Junior Co-operative Variety Tests were conducted. These included all Wheat Pool sub-districts, with the exception of eleven sub-districts in which no supervisors were appointed. The number of projects and the varieties used are shown below:

Project	No. of Tests	Varieties
Wheat.....	167	Thatcher, W-200, S-250, Rescue, Chinook, Lee, Nugget (1)
Barley.....	104	Vantage, Husky, Titan, Harlan, Balder, Hannchen (2)
Flax.....	36	Rocket, Marine, Redwood, Raja (3901-D), CI-1155

Only five of the seven wheat varieties listed were used in each test. Rescue and Chinook were used in the south, west and central parts of the Province, while Lee and Nugget were used in the east and northeastern part of the Province.

Vantage and Husky were used in all tests this year. Titan and Harlan were used in the south, western and central parts of the Province, while Balder and Hannchen were used in eastern and northeastern parts of the Province.

W-200—is a code name for CT-186—a new strain of wheat developed at Winnipeg. Because of its resistance to 15B rust, it has attracted widespread interest. In Wheat Pool tests in rust areas of the Province, it remained rust-free while all other wheat varieties showed varying amounts of infection. After milling and baking tests are conducted this winter, it is expected to be licensed for commercial distribution.

S-250—is a selection originated at Scott Experimental Farm. It is slightly later than Thatcher, and is expected to be of good quality and to yield well. It is not yet licensed.

Chinook—a sawfly-resistant variety was included in Wheat Pool tests for the second year. It is earlier than Rescue, and has better quality.

Nugget—is an early maturing, durum variety which is higher in macaroni quality than Pelissier. It probably will not yield as well as Pelissier or Stewart.

Husky (Nxl-11)—a new six-rowed feed barley variety has been included in the Wheat Pool tests for the past three years. It has recently been licensed, and has produced outstanding yields in tests to date.

Harlan—is a six-rowed feed barley, also being tested for the second year.

Balder—is a two-rowed Swedish variety of high quality, which has shown some promise in Canada. Tests during 1953 should determine whether it is more suitable than Hannchen, which at present is the best variety eligible for the top two-row grades.

All flax varieties used in Wheat Pool tests this year are highly resistant to rust, and have some resistance to wilt. Of the five, only Rocket has been tested fully so far, and it is recommended officially over most of the Province. The four other varieties are still in the testing stage, and experiments to date indicate the following: Raja (3901-D) has been the earliest variety of the five, but has been lower in yield, oil content and quality of oil. Marine, although early in maturity and high in oil quality, has been lower in yield and oil content.

Redwood has produced high yields and high oil content, but has been the latest maturing of the varieties under test.

The wheat tests were widely distributed, and every effort was made to have at least one project in each sub-district. Barley tests were included in all Wheat Pool districts, but in smaller numbers than the wheat projects.

Flax tests were confined to cereal variety zones in the eastern part of the Province.

Considerable assistance in planning the projects was received from Dr. J. B. Harrington of the University of Saskatchewan, and his co-workers in the Field Husbandry Department.

Variety test supervisors were young farm men and women selected for the work by the Wheat Pool delegate in each sub-district. These supervisors provided detailed progress reports and rainfall reports throughout the season. These reports, together with the delegates' inspection reports, are invaluable in assessing the results of each test.

Each supervisor was supplied with seed and equipment for the test, including a metal sign, a badge and a rain gauge. Sheaves from each test were shipped to Head Office where threshing, weighing and grading were carried out.

Growing conditions during the past season have been extremely variable in different parts of the Province. Although in general conditions were good, a few plots suffered from extreme drought, while others were flooded. The incidence of strain 15B rust focussed interest on the rust-resistant qualities of the different varieties. In the western and central parts of the Province, sawfly damage was more than usually severe, and in these zones the solid-stemmed varieties Chinook and Rescue demonstrated their value.

These annual variety testing projects serve three important functions. First—they provide the basic material for an annual Wheat Pool publication giving an up-to-date report on the performance of new varieties throughout Saskatchewan. This publication receives widespread distribution in Western Canada and the United States.

Secondly—they provide supplementary information for the Saskatchewan Cereal Variety Committee. This is a committee of plant breeders and other crop specialists which meets annually to review the results of all tests in the province, and recommends the best varieties for the guidance of farmers during the coming year. For the past three years a representative of the Saskatchewan Wheat Pool has been a member of this committee.

The third, and possibly the most important function of the variety testing projects, is the valuable training provided for the young farm men and women who supervise the tests. Through these tests, many of our future farmers gain a practical demonstration of varietal differences, and the importance of using varieties recommended for their districts.

The success of this work depends to a great extent upon the effort of the young people who supervise the tests. In most cases they undertake their work with a keen sense of responsibility and a high degree of enthusiasm. It is important that this enthusiasm be maintained, not only throughout the period of variety testing activity, but in all the associations these young co-operators have with the Wheat Pool organization. Wheat Pool delegates and local committees can do much to maintain the interest of the supervisors by arranging community gatherings and field days to inspect the tests during the summer, and by introducing them and encouraging them to submit reports at local Pool meetings during the winter months. Activities of this nature have been highly successful in the past, both in promoting qualities of leadership in the test supervisor, and in acquainting farm people with some of the research activities undertaken by the Organization.

4-H Clubs

As in former years, support of the 4-H Club movement, under the direction of the Extension Department of the University of Saskatchewan, continued to be an important project and received widespread support from Pool delegates and members of the staff in all parts of the Province. Close co-operation is maintained with the Extension Department of the University in the organization and operation of these clubs.

The grant of $10,000.00, approved at the last Annual Meeting of Delegates, was made to the University of Saskatchewan to assist in developing 4-H Club activities, and this assistance has been gratefully acknowledged by the University authorities.

As pointed out in our last report, it is largely as a result of this grant that the 4-H Club program is now the largest single extension activity being carried on by the University Department of Extension.

The following summary sets out in some detail the activities of 4-H Clubs in 1953, as compared with similar activities in 1952:

Summary of 4-H Club Projects

	Number of Clubs		Members		Produce (Approximate)
	1952	1953	1952	1953	1953
Grain	144	177	2,183	2,887	146,646 bushels
Beef	194	177	3,032	2,555	3,055 calves
Dairy	12	12	170	179	179 calves
Poultry	5	8	50	112	5,600 chickens
Swine	13	11	178	158	316 pigs
Tractor	8	12	92	221	—
Potato	9	6	121	92	1,725 bushels
Garden	—	10	—	194	—

4-H Seed Clubs

Variety Grown	No. of Clubs	No. of Members	No. of Acres	Approx. Yield (Bushels)
Wheat:				
Thatcher	147	2,432	4,864	—
Redman	2	25	50	—
Saunders	2	26	52	—
Chinook	3	41	82	—
Lee	1	17	34	—
Rescue	1	12	24	—
TOTAL	156	2,553	5,106	107,226
Oats				
Fortune	9	140	280	—
Victory	1	24	48	—
Exeter	7	116	232	—
TOTAL	17	280	560	22,400
Barley				
Vantage	8	131	262	—
Montcalm	6	102	204	—
Hannchen	1	9	18	—
TOTAL	15	242	484	16,940
Flax				
Redwing	1	9	18	180
Potatoes:				
Columbia Russet	2	40	—	—
Early Ohio	2	28	—	—
Warba	4	50	—	—
TOTAL	8	118	13	1,725
GRAND TOTAL	197	3,202	6,181	148,471

It will be noted that the total enrolment of the various 4-H Club projects shows a definite increase in 1953 as compared with the 1952 figures. There has been a steady

increase in the number of 4-H Clubs over the past several years, which gives some indication of the greater interest in this important work.

The sponsorship of 4-H Clubs by Wheat Pool Committees is most encouraging to University authorities. In 1953, 148 4-H Clubs were sponsored by Wheat Pool Committees—an increase of 11 over the previous year. A number of Pool country elevator agents also act as 4-H Club leaders, several of them having received Leadership Certificates for five or more years of active leadership.

An interesting development in this club program is that approximately 25% of the active club leaders were formerly members of clubs.

Saskatchewan 4-H Club teams made an excellent showing in the National 4-H Club Contests at the Royal Winter Fair in Toronto in 1952. The Saskatchewan representatives made one of the best records in the history of the competition. Lorne Loveridge and Gordon Amy of the Grenfell Grain Club won the national 4-H grain judging championship, and the Whitewood 4-H Beef Club team, composed of Lesley Bowman and Wilf Davis, won the championship in this section.

4-H Homecraft Clubs

Organization of these clubs as of 30th September 1953 shows as follows:

Projects	No. of Clubs	No. of Members
Clothing	60	549
Foods	10	72
Others	10	92
TOTALS	80	713

Several 4-H Homecraft projects have been revised, but clothing, foods, knitting and home nursing are still the most popular ones. Garden Clubs have now been transferred and are a project in the agricultural 4-H Clubs.

During the past fall six district 4-H Homecraft Conferences were held with a total attendance of 226 leaders and members. These are the fall training classes in leadership and project work. A total of forty-four clubs were visited, most of them at their Achievement Day in the spring.

The provincial Inter-Club Competitions for 4-H Homecraft Clubs were held at the University in September. The teams representing Saskatchewan at National Club Week this year will be from Conquest and Aylesbury.

In carrying out its projects to assist rural young women throughout Saskatchewan, Women's Services acknowledges with appreciation, not only the financial assistance of the Saskatchewan Wheat Pool, but also the interest and cheerful assistance of its field men and members.

A more detailed report of the Women's Services of the Extension Department of the University of Saskatchewan will be distributed separately to delegates.

Country Organization

Wheat Pool Committees

At 31st July 1953, there were 1,128 local Wheat Pool Committees functioning in the Province, which compares with 1,137 at the same date last year—a decrease of nine committees. Statement No. 7 of this year's report shows the total number of committees by Wheat Pool districts and sub-districts. Statement No. 8 indicates that 1,083 of these committees were elected at local shareholders' meetings during the period 1st August 1952 to 31st July

1953, leaving 45 that have not reported. This compares with 71 last year, and indicates a high percentage of active committees in all Wheat Pool districts.

It is of interest to note that 10,280 Wheat Pool shareholders are serving as members of local committees, an average of nine Pool members per committee.

Committee Conventions

Late seeding, wet weather, and almost impassible roads created many problems in organizing and carrying through the annual program of Committee Conventions. Notwithstanding these difficulties, the program was conducted in a most efficient and satisfactory manner.

The work of each committee, as reported by the secretary, and the discussion of committee work in the sub-district, led by the Wheat Pool delegate, were the key items on the agenda. Discussion groups and discussion panels were used to advantage, resulting in more active participation by those in attendance.

Each Convention gave some time to Junior Co-operative Activities—test plots, Women's Co-operative Guilds, Co-operative Schools, and other educational programs.

Agents of Saskatchewan Pool Elevators attended the Conventions in all cases where the business of the elevator permitted them to do so. They made a valuable contribution when handling problems were discussed. A total of 755 agents were in attendance.

Travelling superintendents led discussions, and answered many questions in connection with elevator business and grain marketing problems.

Co-operative livestock shippers gave information, and reported on the year's operation of the Livestock Division.

The Director, in his report to the Convention, dealt with the operating policy of the Organization in all departments. He outlined the position of the International Wheat Agreement and the operation of The Canadian Wheat Board. Both the International Wheat Agreement and the Wheat Board were strongly endorsed at all Conventions. The Director also reported in detail on the operation of all divisions including the Flour Mill, Vegetable Oil Plant, Livestock Markets and Modern Press. The policy of the Wheat Pool was approved.

During the year under review, 123 Committee Conventions were held as compared with 128 for the previous year. Of these, 83 were single sub-district conventions, 38 were joint meetings of two sub-districts, while 2 included committees from three sub-districts. Total attendance was 6,794, with an average of fifty-five. This compares with an attendance of 7,879 last year. Of the total attendance 4,219 were Wheat Pool committee members, 755 were elevator agents and 1,445 visitors. Five hundred and twenty-five of the visitors were ladies.

Committee Programs

Seven Wheat Pool Committee Programs were issued during the year by the Country Organization Department, and were mailed to the Chairman, Secretary and all members of each committee, to Wheat Pool delegates, Pool elevator agents, travelling superintendents, and other country workers who might be interested.

The following is the list of titles:

(1) Wheat Pool Elections
(2) Highlights of the 28th Annual Report
(3) Resolutions passed at the 28th Annual Meeting of Wheat Pool Delegates
(4) Change of Address
(5) Beyond the End Gate
(6) Highlights of the Wheat Board Report
(7) Highlights of the Committee Conventions—1953.

Visual Aids

During the past year, sound motion pictures have been shown at 877 meetings—an increase of 154 over the same period last year. During the year we purchased 114 films. Our film library now contains a fairly well-balanced range of films on co-operation, agriculture (including soil and water conservation), travelogues, news reels and comics. Our own film "The Farmers' Flour Mill" has been widely shown to an estimated total of about 80,000 people.

This year the National Film Board production "Western Wheat" has been used extensively by the fieldmen. This story of wheat production tells of the magnitude of the wheat industry in Western agriculture.

Picture show meetings are an effective means of securing better attendance. By using these visual aids, information on Pool activities is presented to thousands of people who would not attend an ordinary meeting.

Films which have served their purpose on our program, and have no re-sale value, have been presented to local film councils and to the Saskatchewan Film Board for use in school programs.

Hand Book No. 4

Delegates, committees and other Wheat Pool workers have asked on numerous occasions for information about the Wheat Pool Organization, compiled in concise and factual form which they could use in their work. Hand Book No. 4 was written and designed to provide this information. It was issued during the year under review, and copies were sent to all committee members, Wheat Pool delegates, Pool Elevator agents, travelling superintendents and others.

The Hand Book contains an outline of the Wheat Pool Organization under the following headings:

(1) Ownership and Control.
(2) Membership
(3) Duties and Responsibilities of Delegates and Directors
(4) Duties and Responsibilities of Wheat Pool Committees
(5) Management and Function of Operating Divisions
(6) Duties and Responsibilities of Fieldmen.

Meetings

During the year under review, Wheat Pool fieldmen attended 2,820 meetings of all types, with an estimated attendance of 138,528. Motion pictures were shown at 877 of these meetings. In all cases current information in connection with the Organization was given by the speaker, marketing problems were explained, and the policy of the Wheat Pool was outlined.

In addition to the foregoing, there were personal visits by fieldmen to 7,008 farmers—2,891 business men were interviewed, and there were 4,548 visits to Pool elevators.

Co-operative Education

The program of one-day Co-operative Schools, Citizenship Days and Rallies was continued during the year. Valuable assistance in this program was received from the University of Saskatchewan, the Department of Co-operation, Department of Education, Department of Agriculture and the Co-operative Union of Saskatchewan. Fifty of these events were held during the year, with an attendance of 2,422.

Six regional Co-operative Schools were operated during the week 6th to 11th July, with a combined attendance of 340 students. Of these, 189 were boys and 151 were girls. The average age was seventeen years, and the average education was Grade X.

These schools are developing a high degree of efficiency, and are the outstanding feature of the entire program of education carried on by the co-operative movement in Saskatchewan. Wheat Pool fieldmen continue to play a leading role in promoting and organizing these schools.

Flour

The department has continued its active work in promoting and introducing "POOL" and "CO-OP" Flour to Saskatchewan consumers. The Flour Mill film has been used extensively, and many local events were organized to promote the mill products during the year. Special mention should be made of the fine assistance received from Women's Co-operative Guilds.

Livestock

During the year the department has given assistance to Wheat Pool committees and livestock shippers in organizing and assembling shipments to all markets operated by the Livestock Division.

Co-ordination

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

General

In addition to the activities outlined above, fieldmen, working closely with Wheat Pool directors, delegates, committees and employees, carried on a general program of organization and education in all districts.

Local committees continue to be the strongest link in the Wheat Pool Organization. It is most important, therefore, that every effort should be made to see to it that the men and women who serve on these committees are kept up-to-date on all information affecting the Organization, and that they receive full support in the performance of their important duties.

Royal Commission

The Royal Commission on Agriculture and Rural Life asked the Country Organization Department of the Wheat Pool and the Agricultural Representative Service of the Department of Agriculture to assist in organizing and conducting a series of Community Forums.

A Workshop was held in January at Saskatoon to study the proposal, and to plan these forums. As a result, fieldmen and agricultural representatives working in teams organized Community Forums during the months of February, March and April.

Care was taken to see to it that all groups in the community were invited and encouraged to attend the forums—that everyone had an opportunity to advance their ideas and voice their opinions, and that no single individual or section of the community should dominate any forum.

Wheat Pool Committees were asked to attend the forums, and to function as part of the community. This action was taken deliberately to avoid the possibility of organized Wheat Pool opinion exercising too much influence at these Community Forums.

A committee was set up by each forum to prepare a brief outlining the problems of the community, and the solutions recommended. These briefs were reviewed at subsequent meetings, and finally presented to the Commission.

Mr. W. B. Baker, Chairman of the Commission, has voiced the opinion that these forums provided the Commission with valuable information which will assist materially in preparation of the report.

Co-operative Associations

During the year ending 31st July 1953, there was a net decrease of eight in the number of co-operative associations of all types carrying on business in Saskatchewan.

The number of co-operative associations operating at the date of this report was 1,332, made up as follows:

Under the Co-operative Associations Act	1,009
Under the Co-operative Marketing Associations Act	35
Under the Credit Union Act	266
Under other Saskatchewan Legislation	17
Under Dominion Legislation	5
TOTAL	1,332

Wheat Pool Bursaries

At the last Annual Meeting delegates approved a maximum of sixteen bursaries of the value of $150.00 for each year of the two-year course at the School of Agriculture, University of Saskatchewan. They further recommended that these bursaries should be available to all rural families, and should be awarded on the basis of need and merit.

After various conferences with University officials rules for the administration of this plan of assistance were approved. Briefly, these rules are as follows:

(1) That since "merit and need" would be considered in making these awards, they should be known as "Wheat Pool Bursaries."

(2) That only one bursary should be available in each of the sixteen Wheat Pool districts for first-year students.

(3) That applications for bursaries would be accepted only from prospective students who meet the minimum requirements for admission to the School of Agriculture, which are, "students must be at least 17 years of age on 1st November, physically strong, of good moral character, sufficiently familiar with the English language and sufficiently educated to enable them to profit by the instruction. Students must have Grade VIII standing, or better before entering, and at least one season's experience, from seed time to harvest, on a farm is a prerequisite to entrance."

(4) Within the limitations outlined above, a bursary may be awarded to a member of any rural family in Saskatchewan.

(5) That the final decision with respect to the awards is to be made by the Scholarship Committee of the School of Agriculture.

(6) That whenever information concerning need is required by the Committee, the Wheat Pool will accept responsibility for evaluating this factor.

(7) Applications for a bursary are made by the applicant on a special application form, the wording of which was approved by the Scholarship Committee of the School of Agriculture and also by the Wheat Pool. The application forms were supplied by the School.

(8) Application must be received by the School of Agriculture not later than 1st September of the academic year in which the bursary is to apply.

(9) That the Wheat Pool bursaries would be announced in the University calendar.

(10) That second year bursaries would be awarded in 1954; these to be awarded only to students who held a bursary in the first year—that is, there will be no transfer of unused bursaries to other students.

(11) Procedure for the payment of these bursaries was also approved.

On 25th June all daily newspapers in Saskatchewan carried a joint announcement by the University and the Saskatchewan Wheat Pool setting out the basis upon which these bursaries would be awarded, and inviting applications. Altogether, twenty-two young men asked for

application forms, but only eleven of these were completed and returned. The applications included three from Wheat Pool District 15, two from each of Districts 1 and 2, and one each from Districts 7, 8, 13 and 16.

The Scholarship Committee met on 15th October and considered the applications. The Committee agreed to award seven bursaries, as follows:

Wheat Pool District 1—Hubert Freitag, Alameda, Sask.
Wheat Pool District 2—Bruce Elder, Coronach, Sask.
Wheat Pool District 7—Robert J. Strachan, Peebles, Sask.
Wheat Pool District 8—Fred Hardybala, Willow Brook, Sask.
Wheat Pool District 13—James T. Dallow, Sonningdale, Sask.
Wheat Pool District 15—Albert Stubbs, Spruce Home, Sask.
Wheat Pool District 16—Donald Dyck, Borden, Sask.

Membership

For the year under review 6,612 applications for shares were received, as compared with 5,746 applications in the previous year. In addition, during July 1,644 applications for shares were received, as compared with 1,728 applications in July 1952.

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

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

Change of Name

In line with the decision of delegates at the last Annual Meeting, an amendment was secured to the Act of Incorporation to change the name of the organization from Saskatchewan Co-operative Producers Limited to Saskatchewan Wheat Pool. This amendment became effective on 1st August 1953 and the official name of the organization is now Saskatchewan Wheat Pool—the name by which it has been popularly known since its inception in 1923.

International Wheat Agreement

The fourth and final year's operations under the first International Wheat Agreement were completed on 31st July 1953. In the fourth year of its existence forty-two importing countries participated, with combined guaranteed quantities totalling 580,917,000 bushels. The countries participating in the Agreement, together with the guaranteed quantities, purchases and sales of each country, are set out in the following statement:

Importing Countries	Guaranteed Quantities (Bushels)	Purchases for Year Ended 31st July 1953 (Bushels)
Austria	11,023,000	10,495,000
Belgium	20,209,000	20,222,000
Bolivia	2,756,000	2,802,000
Brazil	13,228,000	13,228,000
Ceylon	6,614,000	6,614,000
Costa Rica	1,213,000	1,207,000
Cuba	7,422,000	7,396,000
Denmark	1,617,000	1,621,000
Dominican Republic	876,000	871,000
Ecuador	1,286,000	1,281,000
Egypt	14,697,000	14,844,000
El Salvador	404,000	401,000
Germany	66,139,000	66,336,000
Greece	15,726,000	13,541,000
Guatemala	919,000	920,000
Haiti	1,029,000	1,030,000
Honduras Republic	367,000	371,000
Iceland	404,000	338,000
India	55,116,000	55,086,000
Indonesia	3,674,000	3,540,000
Ireland	10,104,000	10,233,000
Israel	5,879,000	5,894,000
Italy	40,418,000	34,582,000
Japan	18,372,000	18,536,000
Lebanon	2,388,000	2,405,000
Liberia	37,000	34,000
Mexico	12,860,000	12,659,000
Netherlands	24,802,000	24,783,000
New Zealand	4,593,000	4,593,000
Nicaragua	331,000	327,000
Norway	7,716,000	7,756,000
Panama	625,000	647,000
Peru	5,512,000	5,622,000
Philippines	7,202,000	7,204,000
Portugal	5,626,000	5,608,000
Saudi Arabia	1,837,000	1,807,000
Spain	4,373,000	4,483,000
Sweden	2,756,000	2,751,000
Switzerland	6,430,000	6,470,000
Union of South Africa	11,023,000	10,619,000
United Kingdom	177,068,000	177,071,000
Venezuela	6,246,000	6,041,000
Total	580,917,000	572,269,000

Exporting Countries	Guaranteed Quantities (Bushels)	Sales for Year Ended 31st July 1953 (Bushels)
Canada	235,000,000	231,079,000
Australia	88,700,000	86,674,000
France	4,089,000	3,380,000
U.S.A.	253,128,000	251,136,000
Total	580,917,000	572,269,000

The result of the effort which was made to renew the International Wheat Agreement for a further period of four years is now history. An international conference was convened in Washington, D.C., towards the end of January 1953 for the purpose of bringing into being a new International Wheat Agreement to become effective on 1st August 1953, following the expiration of the first Agreement.

After long drawn out negotiations, in which all of the forty-two importing and four exporting countries, members of the first Agreement, took part, a new Agreement was completed, revising and renewing the old Agreement, for a period of three years, covering the crop years 1953-54 to 1955-56, inclusive. The new Agreement provided for guaranteed purchases by the forty-two participating importing countries totalling 595,542,052 bushels. This was divided between the exporting countries as follows:

Australia	75,000,000 bushels
Canada	250,000,000 bushels
France	367,437 bushels
U.S.A.	270,174,615 bushels
Total	595,542,052 bushels

The guaranteed purchases referred to above included the requirements of the United Kingdom totalling 177,067,939 bushels each year, for the life of the Agreement.

The principal difficulty encountered in the course of the negotiations was the fixing of the maximum price to be effective for the life of the Agreement. The prices which the proposed Agreement provided were a basic minimum of $1.55 per bushel and a basic maximum of $2.05 per bushel in Canadian currency at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as at 1st March 1949, for No. 1 Manitoba Northern wheat in bulk in store Fort William-Port Arthur. Equivalent maximum and minimum prices were also provided for Canadian wheat in store Vancouver or f.o.b. Port Churchill, as well as Australian, French and United States wheat.

At the conclusion of negotiations the British delegation intimated that the United Kingdom was not prepared to join in an Agreement containing a maximum price of $2.05. In view of the fact that the other forty-one participating importing countries were prepared to complete the Agreement on the basis of the maximum and minimum prices above referred to, arrangements were made to proceed with the Agreement without British participation.

The attitude taken by the United Kingdom was difficult to understand. As has been pointed out on previous occasions, under the Agreement importing countries are under no obligation to purchase any wheat unless required to do so at minimum prices. Conversely, exporting countries are under no obligation to sell any wheat under this Agreement, unless required to do so at maximum prices.

At the expiration of the period of time allowed for the ratification of the Agreement by the countries involved, the International Wheat Council met and after reviewing the whole position decided to proceed with the operation of a new Agreement without United Kingdom participation.

After deducting the guaranteed quantities of the United Kingdom, the total guaranteed quantities of importing countries under the new Agreement stand at 412,520,000 bushels. It may be noted that during the first year of its operations the total guaranteed purchases of the importers, under the first International Wheat Agreement, amounted to 436,283,000 bushels.

The revised Agreement covering a three-year period with maximum and minimum prices of $2.05 and $1.55 respectively, is now in effect. The revised guaranteed quantities for the forty-one importing countries are as follows:

Importing Countries	Guaranteed Quantities (Bushels)
Austria	9,186,000
Belgium	23,883,000
Bolivia	4,042,000
Brazil	13,228,000
Ceylon	10,288,000
Costa Rica	1,286,000
Cuba	7,422,000
Denmark	1,837,000
Dominican Republic	955,000
Ecuador	2,388,000
Egypt	14,697,000
El Salvador	735,000
Germany	55,116,000
Greece	12,860,000
Guatemala	1,286,000
Haiti	1,837,000
Honduras Republic	551,000
Iceland	404,000
India	36,744,000
Indonesia	6,246,000

Ireland	10,105,000
Israel	8,267,000
Italy	31,232,000
Japan	36,744,000
Lebanon	2,756,000
Liberia	73,000
Mexico	14,697,000
Netherlands	24,802,000
New Zealand	5,879,000
Nicaragua	367,000
Norway	8,451,000
Panama	735,000
Peru	7,349,000
Philippines	8,672,000
Portugal	7,349,000
Saudi Arabia	2,572,000
Spain	9,186,000
Sweden	919,000
Switzerland	7,900,000
Union of South Africa	13,228,000
Venezuela	6,246,000
Total	412,520,000

In view of the withdrawal of the United Kingdom from the Agreement it was necessary to adjust the guaranteed quantities of the exporting countries to meet the reduced requirements. This matter has been the subject of negotiation between the exporting countries and a meeting of the International Wheat Council is being held towards the end of October when a final decision will be made. It is possible that definite information in this regard may be available at the time of the Delegates' Meeting.

The decision of the United Kingdom Government to withdraw from membership in the International Wheat Agreement coincides with steps being taken in the United Kingdom to remove controls in the British grain trade (which have been effective since 1939), with a view to restoring freedom for trading in commodities. As a further step in this program of decontrol, the Liverpool Corn Trading Association has announced that trading in wheat futures will be resumed on the Liverpool grain market on 1st December 1953. The preliminary announcement has not made clear what the delivery months will be, but opinion in the grain trade generally is that trading in March futures will be the first step in opening the Liverpool Corn Exchange.

It is anticipated that Government held stocks will have been disposed of by that time and the grain trade returned to private companies. It is also expected that a futures trading market, particularly for coarse grains, is likely to be established in London in the near future. Coarse grains are scheduled to be added to the Liverpool futures trading at a later date.

In view of these British developments it can be anticipated that every effort will be made by private interests to bring pressure to bear on the Government of Canada with a view to reopening the Winnipeg market.

It will be recalled that wheat trading on the Winnipeg Grain Exchange was discontinued by order of the Federal Government on 28th September 1943, and the futures market for wheat has remained closed since that time.

International Wheat Agreement and Private Grain Trade

Most of the statements supporting the principle of the International Wheat Agreement published in Canada have stressed the value of the Agreement to exporting countries. In the course of the discussions of the International Wheat Council the value to the importing countries was frequently emphasized.

At the conclusion of the Conference the resolution recommending member governments to sign and accept the new Agreement was moved by the delegate of an importing country—Italy. Speaking to the motion the Italian delegate stated:

"We favour the International Wheat Agreement because almost four years of operations have fully confirmed the expectations born of many years of study and preparation. The international Wheat Agreement in fact has contributed clearly to achieve a degree of stability in wheat prices and an orderly behaviour in purchases and sales during a period when other commodities were subject to very wide and very sharp fluctuations and to purchasing and sale practices influenced by unco-ordinated policies.

"There are still those who oppose the whole concept of an International Wheat Agreement. It is comforting, however, to register the fact that they are smaller in number now than they were in 1949. It is even more comforting to note that none of the governments, members of this Council, has expressed any objection in principle against the renewal of the International Wheat Agreement; on the contrary, there has been an impressive unanimity in the desire to prolong the life of this effective instrument of international co-operation through improvements and necessary adjustments.

"The opponents argue that the International Wheat Agreement may interfere with the principle of free trade and with the practice of private trade. I wish to submit, Mr. Chairman, that the argument is totally invalid.

"What alternative would we face in the absence of an International Wheat Agreement? Most certainly not the rebirth of a completely free trade of wheat, such as was in existence before the world wars, but rather the loose and unco-ordinated resumption of unilateral actions taken by individual governments, having regard only to their own selfish national interests, or perhaps the practice of bilateral agreements again restricted to meet the interests of few, rather than all or many countries. That such an alternative would serve better the interests of a free trade than an International Wheat Agreement negotiated under the high spirit of co-operation that has characterized this and previous conferences is not only doubtful but I dare say impossible.

"So far as the practice of private trade is concerned, there is nothing in this Agreement which would prevent that system from operating smoothly and efficiently; moreover almost four years of international wheat trade under the Agreement have proven that private, semi-governmental and governmental procurement methods equally fit into the framework of the Agreement itself. If the doubt regards only the limit point of speculative private trade, that is, the prospect to speculate beyond the limits of the price range, within which the Agreement aims at containing the market, then the doubt is well justified; but then I should say the opposition and criticism can be safely accepted. In fact, it is in the interest of both consumers and producers that those limits should not be lightly trespassed . . . .

"Once the machinery of international co-operation is set in motion in the economic field there is no safe avenue for retreating. A failure of the International Wheat Agreement would have had serious implications much beyond the restricted field of wheat trade. It would have affected the whole approach towards commodity problems and the painful attempts which are being made at the moment in connection with other commodities vital to the world economy."

General

The incidence of three successive larger than normal wheat crops on the North American continent, with a resulting substantial increase in the world's carry-over, has caused widespread speculation as to the near term outlook for wheat. Statistics show there has been a steady increase in world wheat production in recent years, and also in world wheat trade.

The following table shows the development which has taken place in this connection:

(From I.F.A.P. Commodity Memoranda—"Wheat" by Leslie Wheeler)

	World Production (a)		*World Trade*		
Period	Million Bushels	Million Metric Tons	Million Bushels	Million Metric Tons	Percent Trade of Production
Average					
1909-13.....	3,800	103.4	676	18.4	17.7
1920-24.....	3,875	105.5	755	20.5	17.0
1925-29.....	4,525	123.2	791	21.5	17.2
1930-34.....	4,735	128.9	662	18.0	14.0
1935-39.....	5,275	143.6	582	15.8	11.0
1940-44.....	4,960	135.0	485	13.2	9.8
1945-49.....	4,965	135.1	873	23.8	17.6

Annual					
1950-51.....	5,545	150.9	917	25.0	16.3
1951-52.....	5,685	154.7	1,020 (*b*)	27.8	17.9
1952-53.....	6,350	172.8	900 (*c*)	24.5	14.2

(*a*) Excludes China.

(*b*) Includes about 45 million bushels of low quality wheat moving for animal feed.

(*c*) Estimate.

It will be noted from the above that the total volume of wheat entering world trade represents only a small percentage of total world wheat production. Nevertheless, it is the value placed on this percentage which largely determines the price realized for wheat in all parts of the world. If the price realized for the segment of the wheat production entering international trade can be maintained at reasonably stable levels, the value of the balance will be influenced accordingly.

Canada, of course, has contributed her share of the increased carry-over as at 1st August 1953, and this in spite of the fact that Canada's 1952-53 exports of wheat, and wheat flour in terms of wheat, amounted to 385.9 million bushels, second only to the record 407.6 million bushels exported in 1928-29 and some 8% above those of the preceding year.

In the light of recent developments, it is worthy of note that the United Kingdom continued as Canada's chief export market of wheat and flour, taking approximately 32% of the 1952-53 total.

As indicating the widespread nature of the market for Canadian grain, altogether forty-four countries and Crown Colonies purchased wheat as grain during the crop year 1952-53. In addition, exports of Canadian wheat flour during the same year were distributed amongst seventy-one countries, territories and Crown Colonies.

It should also be noted that there has been an increase in the Canadian carry-over at each year end during the past six years.

The following table shows the supply and disposition of Canadian wheat 1942-43 to 1952-53, and estimated supply 1953-54:

Supply and Disposition of Canadian Wheat 1942-43 *to* 1952-53 *and Estimated Supply* 1953-54

	SUPPLY			DISPOSITION		
Crop Year	Carry-over at Beginning	Production	Total Supply	Exports	Domestic Disappearance	Carry-over at Year End
			Million Bushels			
1942-43....	423.8	556.7	980.4	214.7	171.1	594.6
1943-44....	594.6	284.5	879.5	343.8	179.2	356.5
1944-45....	356.5	416.6	773.6	342.9	172.6	258.1
1945-46....	258.1	318.5	576.7	343.2	159.9	73.6
1946-47....	73.6	413.7	487.3	239.4	161.8	86.1
1947-48....	86.1	341.8	428.7	195.0	156.0	77.7
1948-49....	77.7	386.3	464.3	232.3	129.6	102.4
1949-50....	102.4	371.4	473.8	225.1	136.5	112.2
1950-51....	112.2	461.7	573.9	241.0	143.7	189.2
1951-52....	189.2	552.7	741.9	355.8	168.9	217.2
10-yr. av.	227.4	410.4	638.0	273.3	157.9	206.8
1952-53....	217.2	687.9	905.1	385.9	156.4	362.7
1953-54....	362.7	603.8	966.5			

The widespread publicity accorded the wheat situation in the Canadian press, combined with the changes in grain policy in the United Kingdom, has tended to create the impression that the movement and marketing of Canadian wheat has fallen to a mere trickle. The statistics do not bear out this opinion.

Shipments from country elevators during the current season to 7th October, in the Prairie Provinces, totalled 146.9 million bushels, of which 68.5 million bushels were wheat. Saskatchewan shipped 79.4 million bushels of all grains, of which 43.5 million bushels were wheat. On a comparable date in 1952 there had been shipped out of country elevators in the Prairie Provinces a total of 149 million bushels of all grains, of which 83.9 million bushels were wheat. Saskatchewan had shipped 76 million bushels of all grains, of which 50.6 million bushels were wheat.

Producers' deliveries to country elevators, up to 7th October 1953, in the Prairie Provinces, had amounted to 147.5 million bushels of all grains, of which 95.8 million bushels were wheat. The Saskatchewan share of these deliveries was 81.5 million bushels of all grains, of which 58.4 million bushels were wheat. On a comparable date in 1952, total deliveries in the Prairie Provinces, of all grains, were 192 million bushels, of which 122.1 million bushels were wheat. Of these total deliveries, Saskatchewan farmers had delivered 98.6 million bushels of all grains, including 73.8 million bushels of wheat.

Exports of Canadian wheat and wheat flour, oats and barley, while smaller than last year, compare favourably with exports of previous years. From the beginning of the current season to 7th October, exports are reported as follows: wheat and wheat flour 61 million bushels; oats 17 million bushels; barley 22.4 million bushels. For the comparable period a year ago, exports had totalled: wheat and wheat flour 70.7 million bushels; oats 11.2 million bushels; barley 26.9 million bushels.

To round out the picture, the commercial disappearance of Canadian grains to 7th October this year, compared with the same period last year are as follows:

	To October 7 1953	To October 7 1952
	(*million bushels*)	
Wheat	67.4	85.0
Oats	26.9	21.8
Barley	27.7	33.9
TOTAL	122.0	140.7

Another factor which will have an important bearing on the near term outlook for wheat will be the wheat policy followed by the United States. In pre-war days U.S. wheat crops ranged from 600 million bushels to about 900 million bushels annually. In 1944 the U.S. crop topped the 1 billion mark, and since that time the annual average production has been in the neighbourhood of 1 billion, 150 million bushels. During this period U.S. net exports have increased substantially. The following figures show the net exports and the domestic consumption over a period of years:

Season	Net Exports	Domestic Consumption
	(*million bushels*)	
1927-28	191	680
1932-33	28	725
1938-39	107	716
1946-47	397	771
1947-48	486	761
1948-49	502	682
1949-50	297	683
1950-51	354	694
1951-52	443	678
1952-53	295	692

As Pool delegates are aware, wheat prices have been supported in the United States through a Government loan program guaranteeing the producer a return equal to 90% of parity. The fact of an assured price, together with

reasonably high price levels and good crops, has resulted in increased wheat acreage and higher production.

As indicated above, in recent years the supply of wheat in the U.S. has been increasing annually until the present year, when the carry-over of 559 million bushels, plus a 1953 crop estimated at 1 billion, 203 million bushels, brought the total to 1 billion, 767 million bushels, or 53% above normal.

The law requires that when the supply of wheat rises more than 20% above a statistically calculated normal figure, marketing quotas and acreage reductions must come into effect for the following year, or the price is reduced from 90% to 50% of parity. During the present season a referendum was held amongst U.S. producers to determine whether they favoured reduced acreage or reduced price support. As a result of the referendum approval was given for a reduction in wheat acreage from 78 million 600 thousand acres in the present year, to 62 million acres for the coming crop season. Based on average yields over the past ten years, this reduced acreage could produce a crop of about 950 million bushels. As U.S. consumption remains reasonably constant at around 700 million bushels, this would leave an estimated 250 million bushels available for export and carry-over next year.

There has been much speculation in recent months as to the effect of the absence of the United Kingdom from membership in the International Wheat Agreement. The question arises—can the Wheat Agreement operate efficiently without U.K. participation? As is well known, the United Kingdom is the world's largest buyer of imported wheat. It is readily admitted that the Agreement would work better with British participation than without it. On the other hand, the members of the International Wheat Council have had ample opportunity to review the whole situation, and with all of the available information before them, they have decided that the Agreement has a good chance to succeed.

As pointed out elsewhere in this report, the amount of guaranteed quantities provided under the Agreement, and excluding the United Kingdom requirements, is only some 20 million bushels less than the amount involved when the first Agreement was launched in 1949.

Another question which arises involves the correctness of the opinion of the British traders now advising the United Kingdom Government that the weight of the wheat surplus in existence at the present time will automatically force prices down.

In this connection it must be remembered that a large part of the world's carry-over at 31st July 1953 is in very different hands than in the earlier years, when farmers in the surplus producing countries were forced to sell their wheat for sawdust prices, while at the same time importing countries were instituting policies of self-sufficiency, and restricting importation in order to protect their own producers from a flood of overseas cheap wheat.

Today Government Wheat Boards are the sole marketing agencies for wheat in Canada and Australia, while governmental agencies can prevent fire sales of wheat from the United States.

While admitting freely there is a substantial surplus of wheat at the present time, it is evident that the wheat is in strong hands, and is not subject to raids by speculative bears.

The very existence of this surplus shows the ability of the wheat growers of the world to meet the needs of hungry people. They have demonstrated their ability to increase

production, to keep pace with a steadily increasing world population. Your Board believes that there can be no true surplus of foodstuffs so long as people are going hungry, and that a reserve of foodstuffs should not be regarded as a curse, but rather as a blessing. An adequate supply of basic foodstuffs may well become a more potent factor in establishing peace on earth than all the mighty weapons of destruction now being forged.

In this critical juncture in the world's history, there is great need for increasing quantities of food and fibre. Farmers the world over have demonstrated their ability to meet that need. In the opinion of your Board, the times call for an improved and expanding system of distribution, rather than the reduction of production which many now advocate. The operation of an International Wheat Agreement is the first realistic step in this direction.

FUTURE POLICY

For the coming year your Board recommends that the policy of the organization should include the following:

(1) The maintenance of The Canadian Wheat Board as the sole marketing agency for all Western grown grains.

(2) Support of the International Wheat Agreement as a permanent feature of Canadian agricultural policy.

(3) The establishment of a domestic price for wheat which would be subject to adjustment from time to time in accordance with changes in the domestic economy.

(4) The elimination of the use of the speculative market by The Canadian Wheat Board in the marketing of coarse grains.

(5) A workable plan for the equitable distribution of cars between elevators and shipping points throughout the three Provinces on the basis of the amount of grain handled or to be handled during the season, to the end that growers may be able to deliver grain to the country elevator of their choice; at the same time preserving to the individual grower his right to order cars under the Car Order Book sections of the Canada Grain Act.

(This matter has been under consideration by your Board in conjunction with the other Pool organizations. An interprovincial committee has requested the Board of Grain Commissioners to pass the necessary regulations to make the above proposal effective. The Board of Grain Commissioners has taken the attitude that they have no authority to bring about the proposed change by regulation. At the request of the Pools, the Board has agreed to submit the matter to the Justice Department at Ottawa, with a request for a ruling which would clarify the question as to whether or not they possess the authority under the Grain Act, to pass such regulations. If the Justice Department upholds the Board in its opinion, it would be necessary to secure an amendment to the Act to give effect to the proposal.)

(6) In periods of heavy crop production uniform delivery quotas should be applied and maintained at all points in order to provide an equitable division of elevator space and give to all growers the opportunity to deliver some grain in heavy delivery periods.

(7) Increased use of the Agricultural Prices Support Act as a means of providing adequate floor prices for those farm commodities to which the Act applies.

(8) The establishment of floor prices on all livestock marketed through licensed stock yards.

(9) That the Government of Canada should accept the responsibility for marketing surplus livestock and livestock products at the national level; including the maintenance of support prices for livestock.

(10) The establishment of a Board of Livestock Commissioners to administer the Livestock and Livestock Products Act and to regulate trade practices where necessary.

(11) Establishing the principle of compulsory grading of hogs, subject to the right of the producer to choose between rail and live grading.

(12) The development of an adequate scheme of crop insurance, the cost to be borne jointly by the Federal and Provincial Governments and producers.

(13) To bring into effect a plan of interim farm financing which will enable farmers unable to deliver grain at country elevators, to secure cash advances against grain in store on the farm.

All of which is respectfully submitted:

A. G. Pederson
Clarence McKee
R. B. Fulton
James McCallum
T. G. Bobier
Warden Burgess
J. H. Harrison
W. J. Ball
A. Greenfield
W. F. McLeod
Chas. W. Gibbings
E. A. Boden
William Cummins
W. McK. Ross
A. W. Friesen
J. H. Wesson

GEORGE A. TOUCHE & CO.

Chartered Accountants

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356 Main Street
WINNIPEG

1st October 1953.

To the Shareholders,
Saskatchewan Co-operative Producers Limited,
Regina, Saskatchewan.

We have examined the balance sheets of Saskatchewan Co-operative Producers Limited, Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, Saskatchewan Co-operative Livestock Producers Limited and Modern Press Limited as at 31st July 1953 and have reported in statutory form thereon.

As of 1st August 1952 Saskatchewan Co-operative Producers Limited and its subsidiary companies were reorganized and the parent company became the sole operating company. To give effect to this the parent company took over all assets and liabilities of the subsidiary companies with the exception of fixed assets and the mortgage payable arising from the purchase of Terminal No. 5; the subsidiaries then rented their fixed assets to the parent company.

The rental paid by Saskatchewan Co-operative Producers Limited for such fixed assets was based upon the amount of depreciation provided for in the current year together with necessary adjustments generally arising where the amount allowed for income tax purposes differed from the provision made.

Under the plan of reorganization each operating division of the parent company received the use of fixed assets at no charge other than rental roughly equivalent to depreciation, and each division received an equitable share of current funds. This resulted in a fair distribution of the entire capital and reserves of the organization, but as might be expected the results of the operations of the divisions of Saskatchewan Co-operative Producers Limited for this year and the results of the subsidiary companies for last year are hardly comparable.

In former years head office expenses were offset partly by a charge to subsidiary companies for a proportion of such expenses and partly by interest received from those companies, any resulting deficit being covered by a share of earnings received from Saskatchewan Pool Elevators Limited. This year all head office expenses have been allocated to the operating divisions of the parent company in proportions considered reasonable by your officials.

Under the terms of the Retirement Annuity Plan as amended, there is a liability of undetermined amount in respect of employees engaged prior to 1st August 1939,

and in respect of all participant employees for the period prior to 1st August 1949 as a result of the increased benefits effective at that date; in the past year the ninth payment was made to the Government of Canada Annuities Branch in respect of the estimated total liability amortized over ten years.

We have obtained all the information and explanations we have required and, in our opinion, the accompanying Balance Sheet is properly drawn up so as to present in consolidated form a true and correct view of the state of the organization's affairs at 31st July 1953, according to the best of our information and the explanations given, and as shown by the books of the various companies; and, in our opinion, all the transactions of the companies that have come to our notice have been within the objects and powers of the companies.

GEORGE A. TOUCHE & CO.,

Chartered Accountants,

Auditors.

STATEMENT No. 1

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AT 31st JULY 1953

ASSETS		LIABILITIES AND CAPITAL	
Cash and Securities	$ 4,496,275.03	**Cheques, Orders and Certificate Outstanding**	$33,625,464.99
Accounts Receivable	3,399,638.20	Bank Loans	38,295,000.00
Stocks of Grain	81,687,414.87	The Great-West Life Assurance Company	132,591.14
Stock in Trade	848,474.48	Income Taxes Payable, Estimated, Less Prepayments	524,020.25
Manufacturing Supplies	159,681.28	Excess Charges Refund, Season 1952-1953	5,846,887.50
Prepaid Taxes, Insurance and other Expenses	252,307.36	Accounts Payable	5,662,349.04
Total Current Assets	$ 90,843,791.22	**Total Current Liabilities**	$84,086,312.92

Accounts Receivable Deferred		163,460.19
Investments and Memberships, at cost less Reserve (Including amount paid on Pool Insurance Company shares, on which there is an uncalled balance of $32,500.00)		208,730.64
Fixed Assets, at cost		
Sites, Buildings, Machinery and Equipment	$46,891,157.19	
Less accumulated allowances for depreciation	26,332,241.54	20,558,915.65
Deferred Charges		
Stocks of Repair Parts and Supplies		237,489.59
		$112,012,387.29

Mortgage Payable		
The Great-West Life Assurance Company re Terminal No. 5		637,500.00
Reserve for Unearned Subscriptions		10,000.00
Elevator Deductions		14,448,447.63
Commercial Reserve		7,785,892.68
Capital		
Authorized 200,000 shares of $1.00 each	$ 200,000.00	
Allotted and fully paid, 139,678 shares		139,678.00
Reserve		4,904,556.06
Capital Commitments		
In respect of buildings and work under construction, Estimated	$2,382,000.00	
		$112,012,387.29

Note: $3,000,000.00 First Mortgage Bonds are assigned to lending banks as additional security for grain loans made to Saskatchewan Co-operative Producers Limited

Approved on behalf of the Board:

JOHN H. WESSON, *Director*

W. J. BALL, *Director*

This is the Balance Sheet referred to in our report of 1st October 1953.
GEORGE A. TOUCHE & CO., Chartered Accountants, *Auditors.*

SCHEDULE 1A

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY 1953

	Cost	Accumulated Allowance for Depreciation	Net Value
SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED			
Building, Equipment and Alterations	$ 364,389.05	$ 202,462.38	$ 161,926.67
Furniture and Equipment	167,330.73	157,968.22	9,362.51
Automobiles	57,013.39	19,389.87	37,623.52
Motion Picture Equipment	21,457.70	19,498.32	1,959.38
Radio Equipment	983.52	323.45	660.07
Site—Regina	25,397.75	—	25,397.75
Total—Saskatchewan Co-operative Producers Limited	$ 636,572.14	$ 399,642.24	$ 236,929.90
SASKATCHEWAN POOL ELEVATORS LIMITED			
Country Elevators, Etc.			
Country Elevators and Coal Sheds	$21,909,439.60	$15,473,875.80	$ 6,435,563.80
Temporary Bins	110,646.40	24,139.71	86,506.59
Agents' Residences	1,820,077.44	978,333.42	841,744.02
Work Under Construction	1,590,647.99	—	1,590,647.99
Wheat Pool Building and Restaurant Equipment, Winnipeg—48%	224,876.39	48,060.23	176,816.16
Sites—Cottages, etc.	89,179.37	—	89,179.37
Warehouse—Regina	6,814.92	2,666.47	4,148.45
Furniture and Equipment	313,888.39	211,184.95	102,703.44
Automobiles and Trailers	253,834.59	111,505.39	142,329.20
Payors' Safes	16,374.85	14,221.84	2,153.01
	$26,335,779.94	$16,863,987.81	$ 9,471,792.13

Terminal Elevators

No. 4A—Building	$ 2,088,187.01	$ 1,327,362.27	$ 760,824.74
No. 4A—Machinery and Equipment	1,551,985.37	1,107,966.81	444,018.56
No. 4B—Building	1,622,696.33	311,818.88	1,310,877.45
No. 4B—Machinery and Equipment	2,029,392.71	1,224,348.77	805,043.94
No. 5 —Building	588,332.22	57,334.56	530,997.66
No. 5 —Machinery and Equipment	471,341.87	169,683.08	301,658.79
No. 7 —Building	2,458,705.41	1,501,372.37	957,333.04
No. 7 —Machinery and Equipment	2,043,940.59	1,610,465.48	433,475.11
No. 7 —Storage Annex Building	919,114.34	183,591.10	735,523.24
No. 7 —Storage Annex Machinery and Equipment	170,177.75	101,692.77	68,484.98
Feed Mill—Building	27,515.00	9,462.41	18,052.59
Feed Mill—Machinery and Equipment	44,288.65	26,148.01	18,140.64
Warehouse—Port Arthur and Fort William	35,177.51	14,247.00	20,930.51
Sites	242,502.76	—	242,502.76
Work Under Construction	592,997.05	—	592,997.05
	$14,886,354.57	$ 7,645,493.51	$ 7,240,861.06

Flour Mill

Mill Building	$ 869,182.05	$ 76,484.93	$ 792,697.12
Mill Machinery and Equipment	874,706.00	343,146.08	531,559.92
Grain Elevator Building	747,094.10	65,860.26	681,233.84
Grain Elevator Machinery and Equipment	423,104.48	186,687.87	236,416.61
Flour Sheds	3,126.16	314.23	2,811.93
Laboratory Equipment	5,491.56	2,470.11	3,021.45
Furniture and Equipment	16,149.92	4,832.91	11,317.01
Automobiles	17,190.94	7,726.43	9,464.51
Plant Tools and Equipment	10,932.50	4,136.00	6,796.50
	$ 2,966,977.71	$ 691,658.82	$ 2,275,318.89

SCHEDULE 1A (Continued)

CONSOLIDATED SCHEDULE OF FIXED ASSETS AT 31st JULY 1953

	Cost	Accumulated Allowance Depreciation	Net Value
Vegetable Oil Plant			
Building	$ 112,682.24	$ 14,789.68	$ 97,892.56
Machinery and Equipment	211,336.75	134,010.82	77,325.93
Refinery Building	32,357.72	2,804.32	29,553.40
Refinery Machinery and Equipment	90,966.24	39,327.48	51,638.76
Storage Tank Building	23,377.43	2,125.02	21,252.41
Storage Tank Machinery and Equipment	19,700.61	8,585.42	11,115.19
Laboratory Equipment	3,144.90	1,810.15	1,334.75
Furniture and Equipment	3,947.79	2,098.42	1,849.37
Automobile	2,861.33	858.40	2,002.93
Work Under Construction	33,914.11	—	33,914.11
	$ 534,289.12	$ 206,409.71	$ 327,879.41
Flour Mill and Vegetable Oil Plant—Power Equipment and Sundry			
Boiler House and Sub-station Building	$ 80,043.71	$ 7,245.92	$ 72,797.79
Boiler House Equipment	79,968.07	36,091.37	43,876.70
Sub-station Equipment	70,850.16	31,298.17	39,551.99
Spur Tracks—Saskatoon	34,369.25	6,833.77	27,535.48
Site—Saskatoon	4,305.00	—	4,305.00
	$ 269,536.19	$ 81,469.23	$ 188,066.96
TOTAL—Saskatchewan Pool Elevators Limited	$44,992,937.53	$25,489,019.08	$19,503,918.45

SASKATCHEWAN CO-OPERATIVE LIVESTOCK PRODUCERS LIMITED			
Stock Yards	$ 188,795.43	$ 74,249.27	$ 114,546.16
Assembly Yards	1,195.19	597.46	597.73
Country Scales and Sheds	6,650.56	4,835.38	1,815.18
Tattoo Equipment	7,593.81	6,805.75	788.06
Sundry Equipment	1,282.70	573.38	709.32
Furniture and Equipment	21,541.85	14,281.11	7,260.74
Automobile, Trucks and Tractors	50,095.97	22,493.26	27,602.71
Site—Yorkton	300.00	—	300.00
Total—Saskatchewan Co-operative Livestock Producers Limited	$ 277,455.51	$ 123,835.61	$ 153,619.90
MODERN PRESS LIMITED			
Building, Machinery and Equipment	$ 892,683.16	$ 273,784.86	$ 618,898.30
Furniture and Equipment	34,861.01	16,000.43	18,860.58
Site—Saskatoon	12,725.00	—	12,725.00
Total—Modern Press Limited	$ 940,269.17	$ 289,785.29	$ 650,483.88
SASKATCHEWAN POOL TERMINALS LIMITED			
Furniture and Equipment	$ 21,701.22	$ 17,048.98	$ 4,652.24
Automobiles	6,612.99	4,478.57	2,134.42
Miscellaneous Equipment	15,608.63	8,431.77	7,176.86
Total—Saskatchewan Pool Terminals Limited	$ 43,922.84	$ 29,959,32	$ 13,963.52
TOTAL—All Companies	$46,891,157.19	$26,332,241.54	$20,558,915.65

SCHEDULE 1B

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED
ACCOUNTS RECEIVABLE AT 31st JULY 1953

Current	
Accrued Handling Charges and Sundry Revenue	$ 188,989.40
Accrued Diversion Charges	224,098.26
Advances on Stored Grain and Livestock	97,546.94
Advances against Certificates to be Purchased	285,366.49
Employees' Accounts	15,228.54
Freight Paid on Farmers' Cars Held	27,594.87
Growers' and Sundry Accounts	38,381.22
Sundry Deposits	1,398.00
Suspense Account re Terminal Explosion—Building	748,872.44
S. F. Cross and Company re Terminal Explosion—Grain	591,933.14
Trade Accounts	1,185,821.86
	$3,405,231.16
Less Allowance for Doubtful Accounts	5,592.96
	$3,399,638.20
Deferred	
Alberta Co-operative Wholesale Association Limited	$ 82,509.84
Canadian Livestock Co-operative (Western) Limited	39,277.26
Co-operative Fire and Casualty Company	60,000.00
Local Co-operative Associations	20,335.38
Growers' Accounts	7,376.99
	$ 209,499.47
Less Allowance for Doubtful Accounts	46,039.28
	$ 163,460.19

SCHEDULE 1C

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED
ACCOUNTS PAYABLE AT 31st JULY 1953

Accrued Expenses	$1,001,363.93
Capital Subscription Suspense	3,491.00
Co-operative Mutual Benefit Association	77,076.23
Customers' Margin and Clearing Accounts	80,133.07
Interest on Deductions Held	18,308.08
Loan Accounts	3,808,331.28
Outstanding Settlements	4,699.53
Receiver General of Canada	39,703.62
Retirement Annuity Plan Trust Accounts	11,257.98
Saskatchewan Co-operative Credit Society Limited	501,458.90
Trade Accounts	116,525.42
	$5,662,349.04

SCHEDULE 1D

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED
INVESTMENTS AND MEMBERSHIPS AT 31st JULY 1953

Canadian Co-operative Wheat Producers Limited 500 shares of $100.00 each	$ 50,000.00
Canadian Pool Agencies Limited 667 shares of $10.00 each	6,670.00
Pool Insurance Company 1,250 shares (on which there is $26.00 per share uncalled)	107,500.00
Co-operative Trust Company Limited 1,000 shares of $10.00 each	10,000.00
Saskatchewan Co-operative Credit Society Limited 2,950 shares of $10.00 each	29,500.00
Canadian Livestock Co-operative (Western) Limited 8 memberships of $1.00 each	8.00
Saskatchewan Federated Co-operatives Limited—Share Capital	2,747.62
Local Co-operative Associations Sundry Shares	6,105.02
Winnipeg Grain and Produce Exchange Clearing Association Limited 10 shares	12,250.00
Lake Shippers' Clearance Association 1 membership	3,000.00
Winnipeg Grain Exchange 6 memberships	30,950.00
	$258,730.64
Less: Reserve	50,000.00
	$208,730.64

CONSOLIDATED BALANCE SHEET

Detailed information and explanations of the various items appearing on the balance sheet follow:

Cash and Securities—$4,496,275.03
This includes the following items:

Cash in Banks	$3,118,347.45
Cash Funds—Payors	1,352,927.58
Province of Saskatchewan Bonds, at Cost	25,000.00
	$4,496,275.03

Accounts Receivable—$3,399,638.20: This item is composed principally of accrued handling charges on grain in store in Country and Terminal Elevators, Trade Accounts, Sundry Loans, Advances, Sales of Grain, together with the sum of $1,340,805.58 receivable in connection with the explosion at Terminal No. 4A. This latter item represents the balance of $591,933.14 receivable on the grain loss and the sum of $748,872.44 covering the net expenditure for rebuilding to date.

Stocks of Grain—$81,687,414.87: This amount represents the value of grain on hand in various positions at 31st July 1953, less the liability for stored grain. With the exception of agency stocks of the Export Department, all Board grains have been valued at The Canadian Wheat Board prices, less freight where necessary. Agency stocks have been valued at cost.

Values of open market grains have been based upon Winnipeg Market Cash Closing Prices at July 31st, or upon open sale contracts where applicable, after allowing for freight and other charges where necessary.

Stock in Trade—$848,474.48: This item includes the value of Job Stock and Newsprint on hand and work in process at the Printing and Publishing Division at Saskatoon, stocks of Linseed Oil on hand at the Vegetable Oil Plant, and stocks of wheat, coarse grains, screenings, flour, feeds, etc., on hand at the Flour Mill at Saskatoon and on consignment as at 31st July 1953.

Manufacturing Supplies—$159,681.28: This amount represents the cost of stocks of zinc plates, offset films and chemicals, news ink and Mailing Strips on hand at the Printing and Publishing Division at Saskatoon; drums and containers, sacks, refining chemicals and sewing twine on hand at the Vegetable Oil Plant; bags and improvers on hand at the Flour Mill, Saskatoon, and bags on hand at the grinding mills at the Terminals, as at 31st July 1953.

Prepaid Taxes, Insurance and Other Expenses—$252,307.36: This amount represents prepayment of various items chargeable to the operations of the succeeding year.

ACCOUNTS RECEIVABLE DEFERRED—$163,460.19

This item is composed of the following accounts:

Alberta Co-operative Wholesale Society	$ 82,509.84
Canadian Livestock Co-operative (Western) Limited	39,277.26
Co-operative Fire and Casualty Company	60,000.00
Growers' Accounts	7,376.99
Local Co-operatives—Deferred Refunds	4,529.86
Saskatchewan Federated Co-operatives—Deferred Dividends	15,805.52
	$209,499.47
Less: Reserve	46,039.28
	$163,460.19

Alberta Co-operative Wholesale Society—$82,509.84: This amount is the balance owing on sales of flour, feeds, linseed oil and linseed meal made by the Flour Mill and the Vegetable Oil Plant to the Alberta Co-operative Wholesale Society in 1950 and 1951. An agreement has been completed between the Wholesale Society and its major creditors whereby the Society has agreed to certain definite terms of repayment of its indebtedness over the period of the next ten years. This agreement calls for annual payments of $9,144.00 to be made to Saskatchewan Co-operative Producers Limited on 31st December of each year. Interest at the rate of 4½% is being collected on this account.

Canadian Livestock Co-operative (Western) Limited—$39,277.26: This represents $21,816.21 of surplus earnings of Canadian Livestock Co-operative (Western) Limited owing to the Livestock Division of Saskatchewan Co-operative Producers Limited, which have been set aside in members' equity and loan accounts during seasons 1942-43 to 1952-53 inclusive, plus an additional sum of $17,461.05 which was retained from 1952-53 surplus earnings. This latter amount represents Saskatchewan Co-operative Producers Limited share of an interest free loan of $28,966.09 to Canadian Livestock Co-operative (Western) Limited by the three provincial member organizations. This amount was required to cover the balance of the cost of past services pensions in connection with the new superannuation plan for Canadian Livestock Co-operative (Western) Limited employees which became effective as from January 1st, 1953. One tenth of this loan is repayable each year.

Co-operative Fire and Casualty Company—$60,000.00: The agreement drawn up between the Co-operative Fire and Casualty Company and Saskatchewan Co-operative Producers Limited dated 31st October 1951, sets out that $30,000.00 of the above sum is contributed and $30,000.00 is paid under a guarantee. Both sums may be repaid out of accumulated surpluses at such times and in such instalments as the Directors of the Co-operative Fire and Casualty Company may from time to time determine and until so repaid the Directors may pay interest thereon at such a rate as the Directors may from time to time determine, but not exceeding three per cent per annum.

Growers' Accounts—$7,376.99: Items composing this amount are as follows:

Advances against Reserves	$ 849.26
Seed Grain Advances against Reserves	6,527.73
	$7,376.99

The other deferred accounts receivable are self-explanatory.

Investments and Memberships—$208,730.64: This amount represents investments in shares and memberships at cost, less a reserve of $50,000.00 which was set aside from surplus income of Saskatchewan Co-operative Producers Limited in season 1936-37 to provide against loss on the Company's investment in Canadian Co-operative Wheat Producers Limited. Details of these investments and memberships are as follows:

Canadian Co-operative Wheat Producers Limited 500 Shares of $100.00 each	$ 50,000.00
Canadian Pool Agencies Limited 667 Shares of $10.00 each	6,670.00
Pool Insurance Company 1,250 shares (on which there is $26.00 per share uncalled)	107,500.00
Co-operative Trust Company Limited 1,000 shares of $10.00 each	10,000.00
Saskatchewan Co-operative Credit Society Limited 2,950 shares of $10.00 each	29,500.00
Canadian Livestock Co-operative (Western) Limited 8 memberships of $1.00 each	8.00
Saskatchewan Federated Co-operatives Limited Share Capital	2,747.62
Local Co-operative Associations Sundry Shares	6,105.02
Winnipeg Grain & Produce Exchange Clearing Association Limited 10 shares	12,250.00
Lake Shippers' Clearance Association 1 membership	3,000.00
Winnipeg Grain Exchange 6 memberships	30,950.00
	$258,730.64
Less: Reserve	50,000.00
	$208,730.64

Fixed Assets, Net—$20,558,915.65: Schedule "1A" shows in detail the cost, accumulated allowance for depreciation, and net value of these fixed assets at 31st July 1953.

LIABILITIES AND CAPITAL

Cheques, Orders and Certificates Outstanding—$33,625,464.99: Details of these items are as follows:

Cheques and Money Orders	$17,311,207.17
Grain Drafts and Expense Vouchers	2,725,355.84
Cash Tickets	13,583,893.51
Growers' Certificates	5,008.47
	$33,625,464.99

Growers' Certificates—$5,008.47: This represents the amount owing on Growers' Certificates covering deliveries to the various seasons' wheat and coarse grains pools, which have not been presented to Head Office for payment.

ACCOUNTS PAYABLE CURRENT

Bank Loans—$38,295,000.00: This represents the amount of borrowings from the lending banks at 31st July 1953.

The Great-West Life Assurance Company—$132,591.14: This sum represents the amount of the principal payment of $106,250.00 due 1st October 1953, on the outstanding mortgage on Terminal No. 5, plus accrued interest to 31st July 1953 on the total outstanding indebtedness.

Income Taxes Payable—Estimated $524,020.25: This represents provision for income taxes for seasons 1949-1950 to 1952-1953 inclusive, less payments made to 31st July 1953.

Excess Charges Refund, Season 1952-1953—$5,846,887.50 This amount has been allocated from the past season's surplus earnings of Saskatchewan Co-operative Producers Limited in accordance with a resolution of the Board of Directors dated September 30th, 1953.

Sundry—$5,662,349.04: This amount consists principally of accrued expenses, trade accounts, loan accounts and payments owing to Receiver General of Canada re Employees' Income Taxes and Group Annuities.

MORTGAGE PAYABLE

The Great-West Life Assurance Company—$637,500.00: This sum represents the balance outstanding on the purchase price of Terminal No. 5 after making provision for the principal payment due and payable 1st October 1953. This outstanding balance is payable in six annual instalments due 1st October 1954 to 1959 inclusive, with interest at the rate of 4¼ per cent per annum, or can be paid in full at any time prior to maturity with interest to date of such payment, without notice or bonus.

Reserve for Unearned Subscriptions—$10,000.00: This item represents a partial provision for unexpired subscriptions to the Western Producer at 31st July 1953.

CAPITAL, RESERVES, ETC.

Elevator Deductions—$14,448,447.63: Commercial Reserve —$7,785,892.68: Elevator deductions to the amount of $12,835,950.00 are invested in the capital of Saskatchewan Pool Elevators Limited. The balance of $1,612,497.63, together with the Commercial Reserve funds, is invested in the remaining investments, loans, fixed assets, etc.

Capital—$139,678.00: This item represents the total subscribed capital as at 31st July 1953, and includes new capital subscribed during the year to the extent of $642.00

Reserve—$4,904,556.06: The following is a summary of this account:

Dividends Received	
Saskatchewan Pool Elevators Limited	$4,368,124.08
Saskatchewan Co-operate Livestock Producers Limited	134,520.10
Capital Gains on Disposals of Assets	106.45
Profit on Realization of Assets	4,066.00
Transferred from Surplus Earnings	397,739.43
	$4,904,556.06

STATEMENT No. 2

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED CAPITAL STATEMENT AT 31st JULY 1953

Capital Receipts

Capital	$ 139,678.00
Commercial Reserve	7,785,892.68
Elevator Deductions	14,448,447.63
Deferred Mortgage Outstanding	637,500.00
Reserve for Unearned Subscriptions	10,000.00
Reserve	4,904,556.06
	$27,926,074.37

Capital Expenditures

Fixed and Sundry Assets

Fixed Assets, *Less* Accumulated Allowance for Depreciation	$20,558,915.65	
Investments and Memberships, *Less* Reserve	208,730.64	

Deferred Accounts

Accounts Receivable Deferred	163,460.19	
Deferred Charges	237,489.59	

Approved Programme of Building and Work under Construction, Estimated

Country Elevators and Agents Dwellings	$2,974,614.99		
Furniture and Equipment	11,800.00		
Administrative Building–Saskatoon	90,033.00		
Wheat Pool Building–Winnipeg	20,000.00		
Flour Mill	11,900.00		
Vegetable Oil Plant	67,014.11		
Terminals	1,424,197.05		
	$4,599,559.15		
Less: Paid on Account	2,217,559.15		
		2,382,000.00	
Balance Available as Working Capital for Season 1953-1954		4,375,478.30	
		$27,926,074.37	$27,926,074.37

CURRENT POSITION PER CONSOLIDATED BALANCE SHEET AT 31st JULY 1953

Current Assets	$90,843,791.22
Current Liabilities	84,086,312.92
Current Position per Balance Sheet	$ 6,757,478.30
Less:	
Estimated Capital Expenditure to Complete Programme of Buildings and Work under Construction	2,382,000.00
Balance—Available as Working Capital for Season 1953-54	$ 4,375,478.30

STATEMENT No. 3

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED

AND SUBSIDIARY COMPANIES

SOURCE OF CAPITAL FUNDS, ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS, AND WORKING CAPITAL

At 31st July 1953

SOURCE OF CAPITAL FUNDS	Capital	Commercial Reserve	Elevator Deductions	Reserve Account	Reserve for Unearned Subscriptions	Mortgage Outstanding	Total
Stock Subscriptions	$139,678.00	$ —	$ —	$ —	$ —	$ —	$ 139,678.00
Deductions from Pool Payments	—	6,567,851.17	12,188,060.07	—	—	—	18,755,911.24
Retained by Way of Loan From Excess Charges Refund	—	1,218,041.51	2,260,387.56	—	—	—	3,478,429.07
Retained from Operations	—	—	—	4,904,556.06	10,000.00	—	4,914,556.06
The Great-West Life Assurance Company re Terminal No. 5	—	—	—	—	—	637,500.00	637,500.00
TOTAL CAPITAL RECEIPTS	$139,678.00	$7,785,892.68	$14,448,447.63	$4,904,556.06	$10,000.00	$637,500.00	$27,926,074.37

ANALYSIS OF EXPENDITURES OF CAPITAL FUNDS

Deferred Accounts Receivable	$ —	$ 163,460.19	$ —	$ —	$ —	$ —	$ 163,460.19
Investments	—	208,730.64	—	—	—	—	208,730.64
Fixed Assets: Net	139,678.00	5,323,290.02	14,448,447.63	—	10,000.00	637,500.00	20,558,915.65
Expenditures approved for Completion of Programme of Buildings and Work under Construction—Capital Commitments—Estimated	—	1,852,922.24	—	529,077.76	—	—	2,382,000.00
Deferred Charges Stocks of Repair Parts and Supplies	—	237,489.59	—	—	—	—	237,489.59
	$139,678.00	$7,785,892.68	$14,448,447.63	$ 529,077.76	$10,000.00	$637,500.00	$23,550,596.07
BALANCE—WORKING CAPITAL				$4,375,478.30			$ 4,375,478.30

TOTAL CURRENT ASSETS—per Consolidated Balance Sheet, Statement "1"	$90,843,791.22
TOTAL CURRENT LIABILITIES—per Consolidated Balance Sheet, Statement "1"	84,086,312.92
CURRENT POSITION	$ 6,757,478.30
Less: Estimated Capital Expenditures to Complete Programme of Buildings and Work under Construction	2,382,000.00
BALANCE—WORKING CAPITAL	$ 4,375,478.30

STATEMENT No. 4

STATEMENT OF NET EARNINGS OF SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED AND SUBSIDIARY COMPANIES

SHOWING AMOUNTS PAID AND CREDITED TO AND PAID ON BEHALF OF MEMBERS FOR PERIOD

1st August 1925 to 31st July 1953

	Total 1925-1952	Sundry Adjustments		Season 1952-1953	Total 1925-1953
Net Earnings after Adjusting for Income Taxes and All Company Losses	$60,093,124.22	$ 53,348.83	C	$ —	$60,146,473.05
Net Earnings for Season 1952-53—after Provision for Income Taxes:					
Saskatchewan Co-operative Producers Limited	—	—		6,244,626.93	6,244,626.93
Saskatchewan Co-operative Livestock Producers Limited	—	—		1,555.95	1,555.95
	$60,093,124.22	$ 53,348.83		$6,246,182.88	$66,392,655.93

DISTRIBUTION OF EARNINGS

Excess Charges Refund Paid to Growers in Cash on Grain Deliveries	$14,475,054.32	$1,815,345.69	B	$ —	
		420.93	A		$16,290,820.94
Excess Charges Refund Paid to Growers in Cash on Livestock Deliveries	46,909.26	—		—	46,909.26
Paid for Certificates Purchased in Settlement of Credits	10,124,121.32	1,248,471.63	B	—	11,372,592.95
Retained as a Loan and Credited to Members as Follows:					
Commercial Reserve	349,121.80	868,919.71	B	—	1,218,041.51
Elevator Deductions	647,884.79	1,612,502.77	B	—	2,260,387.56
Interest on Elevator Deductions	3,758,448.20	—		—	3,758,448.20
Interest on Commercial Reserve	742,976.43	—		—	742,976.43
Farm Storage Paid to Growers	306,456.74	—		—	306,456.74

Payments re 1929-1930 Pool Overpayment—Principal	11,247,532.70	—		—	11,247,532.70
—Interest and Sinking Fund Deficiency	8,397,046.08	—		—	8,397,046.08
Allocated for Distribution on Deliveries—Season 1950-1951	41,031.83	(41,031.83)	A	—	—
Allocated for Distribution on Deliveries—Season 1951-1952	5,508,750.00	(5,508,750.00)	B	—	—
Allocated for Distribution on Deliveries—Season 1952-1953				5,846,887.50	5,846,887.50
		40,610.90	A		
Reserve	4,447,790.75	(36,489.80)	B	397,739.43	
		53,348.83	C	1,555.95	4,904,556.06
	$60,093,124.22	$ 53,348.83		$6,246,182.88	$66,392,655.93

Net Earnings as above	$66,392,655.93
Accumulated Allowance for Depreciation at 31st July 1953	26,332,241.64
Interest on Mortgages, Paid to Province of Saskatchewan and Liquidator for Saskatchewan Co-operative Elevator Company from 1st August 1926 to 31st August 1933 in Respect of the Purchase of the Assets of the Latter Company	2,150,331.29
TOTAL NET EARNINGS—1st August 1925 to 31st July 1953	$94,875,228.76

Note: Sundry Adjustments shown in the Second Column comprise the Following:

(A) Transfer to Reserve Account of unexpended portion of Excess Charges Refund for Season 1950-1951 amounting to $41,031.83, less the sum of $420.93 paid to growers in cash covering Excess Charges Refund adjustments for Seasons 1946-47, 1948-49, 1949-50 and 1950-51.

(B) Distribution of 1951-1952 Excess Charges Refund which required $36,489.80 in addition to the amount allocated. The additional sum required was charged to Reserve Account.

(C) Transfer to Reserve Account of the following items: Capital Gains $48,394.20, Profit on Realization of Assets $4,172.45, Unclaimed Livestock Cheques $1,028.53, less the sum of $246.35 covering adjustments of prior years' income taxes.

STATEMENT No. 5

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED

STATEMENT OF GRAIN HANDLINGS

At 31st July 1953

	Bushels 1924-1952	Bushels 1952-1953	Bushels 1924-1953
TOTAL HANDLED—ALL GRAINS			
COUNTRY ELEVATOR DIVISION			
Elevators	2,563,884,599	214,128,972	2,778,013,571
Platform	59,010,151	323,777	59,333,928
Total	2,622,894,750	214,452,749	2,837,347,499
Nunber of Elevators Operated		1,158	
Average Handling per Elevator		184,913	
TERMINAL ELEVATOR DIVISION			
Terminal No. 4	561,401,611	31,243,684	592,645,295
Terminal No. 5 (Old)	117,258,782	—	117,258,782
Terminal No. 5 (New)	12,840,524	17,347,335	30,187,859
Terminal No. 6	446,839,261	—	446,839,261
Terminal No. 7	721,794,528	65,713,082	787,507,610
Terminal No. 8	28,240,761	—	28,240,761
Total	1,888,375,467	114,304,101	2,002,679,568

LIBRARY RECORD FOR 1952-53

	Books Mailed	Books Returned	Requests Books	Requests Catalogues	Postage
1952					
August	394	398	12	2	$ 36.97
September	364	397	27	13	26.15
October	401	419	30	20	32.20
November	369	376	42	45	40.32
December	454	437	61	69	57.28
1953					
January	625	566	100	32	69.81
February	699	664	125	55	54.58
March	680	635	87	29	53.80
April	598	625	37	23	65.25
May	439	490	23	5	51.67
June	391	453	16	2	34.19
July	363	367	9	1	29.86
Totals	5,777	5,827	569	296	$552.08

STATEMENT No. 7

WHEAT POOL COMMITTEES

1952-1953

TOTAL NUMBER OF COMMITTEES

Sub-district	1	2	3	4	5	6	7	8	9	10	11	*Total*
District 1.....	3	4	7	10	7	6	8	12	6	8		71
District 2.....	6	4	5	7	3	5	9	8	12	5		64
District 3.....	3	4	3	4	5	3	3	5	3	7		40
District 4.....	4	3	9	4	5	2	4	6	3	6		46
District 5.....	9	7	5	8	7	3	6	10	8	5		68
District 6.....	9	10	7	7	9	12	11	7	7	8		87
District 7.....	8	5	5	5	6	8	6	5	7	4	7	66
District 8.....	8	9	10	8	7	7	5	7	4	3	4	72
District 9.....	6	7	5	7	3	8	6	7	6	6		61
District 10.....	6	6	3	6	14	8	4	8	4	9		68
District 11.....	9	11	12	5	5	7	12	7	10	9		87
District 12.....	9	5	9	7	5	6	6	7	11	8		73
District 13.....	8	10	4	10	8	7	11	6	9	9	7	89
District 14.....	6	8	6	14	3	7	9	12	7	9	7	88
District 15.....	9	6	7	8	6	7	3	4	7	5	6	68
District 16.....	7	7	9	7	4	11	5	8	6	7	9	80
												1,128

STATEMENT No. 8

COMMITTEES REORGANIZED

Sub-district	1	2	3	4	5	6	7	8	9	10	11	*Total*
District 1.....	3	4	7	10	7	6	8	12	6	8		71
District 2.....	6	4	5	7	3	5	9	8	12	5		64
District 3.....	3	2	3	4	5	2	3	5	3	7		37
District 4.....	4	3	9	4	5	2	4	6	3	6		46
District 5.....	9	7	5	7	6	3	6	10	8	5		66
District 6.....	8	10	6	7	9	12	11	7	7	8		85
District 7.....	8	5	5	5	5	8	6	5	7	4	7	65
District 8.....	8	9	10	8	7	7	5	7	4	3	4	72
District 9.....	6	7	5	7	3	8	6	7	6	6		61
District 10.....	6	6	3	6	13	8	4	8	4	9		67
District 11.....	9	8	10	5	4	6	11	6	5	4		68
District 12.....	9	5	9	7	5	6	6	7	11	8		73
District 13.....	8	10	4	10	8	7	11	5	9	9	7	88
District 14.....	5	8	6	11	3	7	9	9	7	9	6	80
District 15.....	8	6	7	8	5	6	3	4	7	3	6	63
District 16.....	7	7	9	7	4	9	5	8	6	7	8	77
												1,083

Forty-five Committees not reorganized 31st July 1953.

Seventy-one Committees not reorganized 31st July 1952.

EXHIBIT A

STATEMENT No. 9

CANADIAN POOL AGENCIES LIMITED
Wheat Pool Building, Winnipeg, Manitoba

BALANCE SHEET
As at 31st JULY 1953

ASSETS

Agency Assets			$119,039.20
Cash in Agency Bank Accounts		$ 20,560.60	
Accounts Receivable		98,478.60	
		$119,039.20	
Shareholders' and Patrons' Assets			73,809.26
Cash		$ 5,158.81	
In General Bank Accounts	$ 3,802.62		
On Hand	1,356.19		
	$ 5,158.81		
Accounts Receivable		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		
	$32,963.67		

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 Investments		20,000.00	
Allocated as Follows:			
Alberta Wheat Pool	$ 5,568.12		
Manitoba Pool Elevators	3,146.82		
Saskatchewan Co-operative Producers Limited	11,285.06		
	$20,000.00		
		$ 53,809.26	

Investments at Cost		35,086.78	
$35,000.00 Dominion of Canada Bonds 3¼% Maturing June 1, 1966	$35,086.78		
(Quoted value 31st July 1953 $33,468.75)			
Membership Deposit		100.00	
Insurance Agents' Association	$ 100.00		
Furniture and Fixtures		500.00	
Cost	$ 8,004.17		
Less: Depreciation Reserve	7,504.17		
	$ 500.00		
		$ 73,809.26	
			$192,848.46

Capital Stock			20,000.00
Authorized	$20,000.00		
Issued and Fully Paid (2,000 Shares of $10.00 each)		$ 20,000.00	
			$192,848.46

Signed on Behalf of the Board:

JOHN H. WESSON, *Director*

W. J. PARKER, *Director*

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 statements are properly drawn up so as to exhibit, respectively, a true and correct view of the financial position of Canadian Pool Agencies Limited as at 31st July 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.*

EXHIBIT B **STATEMENT No. 10**

CANADIAN POOL AGENCIES LIMITED

Wheat Pool Building, Winnipeg, Manitoba

SUMMARY OF SURPLUS ACCOUNT

For the Year Ended 31st July 1953

		Debit	Credit
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		
	$32,985.79		
		$33,445.67	$33,445.67

EXHIBIT C **STATEMENT No. 11**

CANADIAN POOL AGENCIES LIMITED

Wheat Pool Building, Winnipeg, Manitoba

STATEMENT OF INCOME AND EXPENDITURE

For the Year Ended 31st July 1953

Income		
Commissions		$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	
	$52,848.01	
Other Income		
Interest		2,154.04
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	
	$21,556.38	
Balance—Surplus for Year Ended 31st July 1953, Carried to Exhibit B		$33,445.67

EXHIBIT A **STATEMENT No. 12**

POOL INSURANCE COMPANY

Wheat Pool Building, Winnipeg, Manitoba

BALANCE SHEET AS AT 31st DECEMBER 1952

ASSETS

Cash in Bank		$562,476.38
In Bank of Montreal: Current Account	$137,476.38	
Savings Account	425,000.00	
	$562,476.38	
Accounts Receivable		123,082.35
Canadian Pool Agencies Limited	$123,082.35	

LIABILITIES

Current Liabilities			$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	
		$583,547.59	
Reserve for Unearned Income			147,835.12
Unexpired Portion of Premiums Income	$ 78,998.10		
Unexpired Portion of Reinsurance Commissions	74,164.42		
		$153,162.52	
Less: Commissions Paid on Business not yet taken into Income		5,327.40	
		$147,835.12	

Investments–at Cost			300,118.75
Dominion of Canada Bonds:		*Par Value*	
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	
		$300,000.00	
Market Value	$284,150.00		
Interest Accrued Thereon			1,850.00
Automobiles			5,287.24
			$992,814.72

Capital Stock			185,000.00
Authorized: 5,000 Shares at $100.00	$500,000.00		
Subscribed: 2,500 Shares at $100.00	$250,000.00		
Paid up Thereon		$185,000.00	
Capital Surplus			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	
		$ 76,432.01	
			$992,814.72

Approved on Behalf of the Board:

JOHN H. WESSON, *Director*
W. J. PARKER, *Director*

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 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
Wheat Pool Building, Winnipeg, Manitoba

SUMMARY OF SHAREHOLDERS' AND PATRONS' EQUITY ACCOUNT

For the Year Ended 31st December 1952

		Debit	Credit
Balance at Credit 31st December 1951			$287,689.91
Distributed during 1952		$287,689.91	
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		
	$287,689.91		
		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	
		$680,051.77	$680,051.77
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		
	$ 1.85		
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		
	$382,660.01		
		$382,661.86	$382,661.86

EXHIBIT C **STATEMENT No. 14**

POOL INSURANCE COMPANY
Wheat Pool Building, 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
Premiums Earned in 1952			255,096.47
Deduct: Losses and Adjustment Expense		$327,690.21	
Less: Reinsurance Recoveries		244,852.88	
			82,837.33
Net Underwriting Income			172,259.14
Add: Commissions on Reinsurance Placed with other Companies (earned portion only)			282,799.80
Total Income before Commissions Paid			455,058.94
Deduct: Commissions Paid (on earned premiums only)			4,021.20
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	
			70,804.29
			380,233.45
Add: Interest Earned			9,528.41
Other Income			2,600.00
Balance—Surplus for the Year 1952 Carried to Exhibit B			$392,361.86

SASKATCHEWAN CO-OPERATIVE PRODUCERS LIMITED
Livestock Division

COMPARATIVE STATEMENT OF HANDLINGS

Seasons 1951-1952 and 1952-1953

	Season 1951-1952	*Season* 1952-1953	*Increase* (*Decrease*)
Moose Jaw Division:			
Cattle	9,526	11,006	1,480
Calves	1,369	1,029	(340)
Hogs	3,497	5,471	1,974
Sheep	1,216	871	(345)
North Battleford Division:			
Cattle	13,551	14,193	642
Calves	1,013	890	(123)
Hogs	12,245	15,092	2,847
Sheep	1,537	1,328	(209)
Prince Albert Division:			
Cattle	9,074	10,152	1,078
Calves	1,187	1,066	(121)
Hogs	19,038	20,728	1,690
Sheep	1,304	1,383	79
Regina Division:			
Cattle	12,184	19,473	7,289
Calves	1,385	1,521	136
Hogs	4,822	9,884	5,062
Sheep	966	1,049	83
Saskatoon Division:			
Cattle	16,191	19,261	3,070
Calves	2,149	2,586	437
Hogs	20,522	20,104	(418)
Sheep	1,139	1,057	(82)
St. Boniface Division:			
Cattle	15,111	19,117	4,006
Calves	6,575	9,461	2,886
Hogs	46,908	56,719	9,811
Sheep	2,987	3,453	466
Swift Current Division:			
Cattle	10,015	12,868	2,853
Calves	790	926	136
Hogs	5,329	10,090	4,761
Sheep	349	498	149
Yorkton Division:			
Cattle	9,656	9,191	(465)
Calves	3,139	3,712	573
Hogs	5,811	7,027	1,216
Sheep	1,220	1,050	(170)
Total Divisions:			
Cattle	95,308	115,261	19,953
Calves	17,607	21,191	3,584
Hogs	118,172	145,115	26,943
Sheep	10,718	10,689	(29)
Saskatchewan Handlings at Winnipeg (Other than Saskatchewan Co-operative Livestock Producers Limited)			
Cattle	22,255	26,709	4,454
Calves	4,520	4,211	(309)
Hogs	27,787	30,041	2,254
Sheep	4,136	3,601	(535)
Total Handlings:			
Cattle	117,563	141,970	24,407
Calves	22,127	25,402	3,275
Hogs	145,959	175,156	29,197
Sheep	14,854	14,290	(564)

Note: Brackets denote figures in red.

EXHIBIT A **STATEMENT No. 16**

CANADIAN LIVESTOCK CO-OPERATIVE (WESTERN) LIMITED
BALANCE SHEET
As at 1st August 1953

ASSETS

Current Assets			
Cash in The Royal Bank of Canada		$19,251.84	
Accounts Receivable: Schedule 1	$1,460.33		
Less: Allowance for Doubtful Accounts	810.93		
		649.40	
Government of Canada Bonds: at Cost		20,000.00	
(Market Value $18,950.00)			
Accrued Interest Receivable		719.10	
Due from Trust Account		29,286.87	
			$ 69,907.21
Trust Assets			
Cash in The Royal Bank of Canada		$29,330.16	
Sales Accounts Receivable		12,354.15	
Inventory of Feed: at Cost		982.10	
			42,666.41
Other Assets			
Winnipeg Live Stock Exchange Memberships (5)			200.00
Office Furniture and Equipment		$ 8,456.98	
Less: Accumulated Depreciation		7,073.16	
			1,383.82
Prepaid Operating Expenses			877.75
Portion of Past Service Pension Costs (Ratably Chargeable to Future Years)			28,966.09
			$144,001.28

LIABILITIES

Current Liabilites		
Accounts Payable	$10,090.67	
Accrued Salaries	12,852.77	
Surplus Payable	6,315.75	
Income Taxes Payable (Estimated)	322.52	
		$ 29,581.71
Trust Liabilities		
Due to Local Associations	$ 3,805.31	
Producers' Livestock Pooling Fund	2,681.39	
Transit Compensation Fund	6,136.28	
Exchange on Outstanding Cheques	756.56	
Due to General Account	29,286.87	
		42,666.41
General Reserve		4,238.13
Loans from Members		41,429.44
Members' Equity		26,061.59
Memberships Issued (24)		24.00
		$144,001.28

Approved on Behalf of the Board:
(*Signed*) W. CROSSLEY, *Director*
(*Signed*) A. GREENFIELD, *Director*

This is the Balance Sheet referred to in our report of this date attached hereto.
Winnipeg, Manitoba, (*Signed*) MILLAR, MacDONALD & CO.
21st August 1953. *Chartered Accountants*

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 9-10 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 livestock 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 28-29 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 Interprovincial 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 7-8 January, and again on 17-18 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 Crow's Nest 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 22-23 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 26-30 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 29-30 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 I.F.A.P. 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 I.F.A.P. at Rome on 5-13 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 I.F.A.P. in France, Germany and Sweden during the past two years.

Western Canada's only representative attending this I.F.A.P. 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.

F.A.O. 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.

F.A.O. 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 F.A.O. the people of many lands are working for better seeds, better methods and bigger grain crops. Programs are under way 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 F.A.O.) is working on rice breeding and fertilizing.

Work is under way 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 F.A.O. technicians are working in world-wide programs to stimulate, encourage and guide government agencies and individual communities. Sixty percent of these F.A.O. 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 Carribean 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 F.A.O. 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 F.A.O. 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 bushels 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; 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:

	1% Levy	Number of Awards	Payments
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	$10,874,311.99	9,584	$1,567,667.50

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:

	1% Levy	Number of Awards	Payments
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	$75,230,800.70	672,386	$143,537,512.65

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 ½ 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 4½ 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 F.A.O. 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 caput 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 F.A.O. 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 Russia orbit, to complete the world picture.

World Trade in Wheat (ex. Russia)
(including wheat flour in terms of wheat)

Exporter	1934–35 1938–39 average	1948–1949	1949–1950	1950–1951	1951–1952	1952–1953
	(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 Germany 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 of 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:

	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 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 Crow's Nest 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 farmer $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 fulfil 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 F.A.O., Norris E. Dodd, reports: "Compared with the real 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.

Respectively submitted,

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

Canadian Pool Agencies Limited

DIRECTORS' REPORT
1952-1953

9th October 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 31st July 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 31st July 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:

	Number of Shares	*Values*
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
	2,000	$20,000.00

INCOME AND EXPENDITURE STATEMENT

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

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

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

Respectfully submitted,

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

POOL INSURANCE COMPANY

DIRECTORS' REPORT
1952-1953

Winnipeg, Manitoba,
29th April 1953.

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, Rossburn.

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 over emphasize 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
	$165,508,694.67

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
	2,500	$250,000.00	$185,000.00	$30,000.00

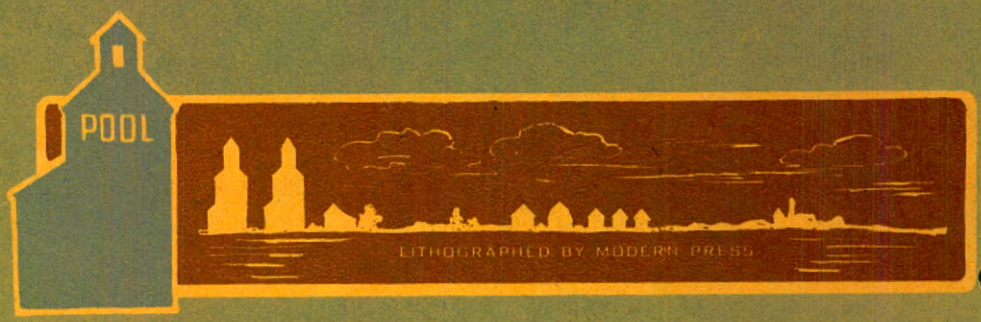
Out of the above shares three Directors of each organization hold twenty-five shares each, in trust.

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,

J. H. Wesson
W. J. Parker
G. N. McConnell
Watson Crossley
A. T. Baker
Ben S. Plumer
Thos. G. Bobier
W. J. Blair
W. J. Ball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