

*Saskatchewan
Co-operative Wheat Producers
Limited*

NINTH
ANNUAL
REPORT



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REGINA, SASKATCHEWAN
1933

McGILL UNIVERSITY

ANNUAL MEETINGS of growers will be held at all points in the Province in the next two months. It will be of value in arriving at a proper understanding of the present policies of your organization if you will take this Report with you when attending your annual meeting.

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 Statement and Auditors' Report.
10. Discussion of Financial Statement.
11. Adoption of Directors' Report.
12. Adoption of Financial Statement.
13. Remuneration of Auditors.
14. Appointment of Auditors.
15. Consideration of Amendments to Articles of Association.
16. Consideration of Resolutions set out in Notice of Meeting.
17. Consideration of questions involving the best interests of the Organization introduced by the delegates.
18. Adjournment.

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SASKATCHEWAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

Directors' Report

Regina, Saskatchewan,
7th November, 1933.

In presenting herewith the Ninth Annual Report of the Board of Directors to the Annual Meeting of Delegates your Board has endeavored to present a survey of the year's business with a view to placing before the meeting the maximum amount of information concerning the operations of the whole Wheat Pool Organization.

1932-33 Voluntary Pool *Deliveries*

During the crop year 1932-33 a total of 6,504,169-35 bushels of wheat was delivered to the three Pools operated during the season, as follows:

Pool No. 1.....	4,522,575-50 bushels
Pool No. 2.....	1,969,693-55 bushels
Pool No. 3.....	11,899-50 bushels
Total.....	<u>6,504,169-35 bushels</u>

Two cut-offs were declared during the marketing season. All grain delivered to the Pool from the beginning of the season until 27th October, 1932, was handled in Pool No. 1. There had been a steady decline in prices from the beginning of the season and, in view of the large amount of outstanding storage which might have been delivered to the Pool thus destroying any advantage which might have been built up to growers delivering earlier in the season, advantage was taken of the authority vested in the Board under the terms of the Grower's Contract and a cut-off was declared. All grain delivered thereafter, up to 3rd May, 1933, was handled in Pool No. 2. By this time prices had recovered from their low levels and the trend appeared to be upward. In view of the low price levels prevailing for a long period of the marketing year, prior to this time, it was impossible for any grower delivering grain to the Pool after the above date to secure anything like the prices prevailing from 3rd May to the end of the year. In consequence a second cut-off was declared and all grain delivered after this date was handled in Pool No. 3. In every case the price realized was the average price for the Pool operated. Sales of No. 1 Pool wheat were spread over the entire period of operation from 1st August to 25th July when the Pool was closed. No. 2 Pool sales extended from 1st November, 1932, to 25th July, 1933.

The following statements show the number of bushels of each grade of wheat delivered to the various Pools:

No. 1 Pool

Grade	(Bushels)	
	Receipts	Deliveries
1 Hard.....	607,547-15	607,547-15
1 Northern.....	3,072,050-20	3,072,050-20
2 Northern.....	699,574-45	699,574-45
3 Northern.....	48,791-20	48,791-20
4 Northern.....	661-10	661-10
Tf. 1 Hard.....	1,102-10	1,102-10
Tf. 1 Northern.....	33,692-30	33,692-30
Tf. 2 Northern.....	7,814-40	7,814-40
Tf. 3 Northern.....	2,450-20	2,450-20
Rej. 1 Northern.....	176	176
Rej. 2 Northern.....	1,356-20	1,356-20
Smutty 1 Northern.....	9,824-30	9,824-30
Rej. 2 Northern Sprouted.....	1,647-10	1,647-10
Rej. 3 Northern Sprouted.....	3,845-40	3,845-40
1 O. W. White Spring.....	69-55	69-55
2 O. W. White Spring.....	668	668
1 Amber Durum.....	21,060-35	21,060-35
2 Amber Durum.....	6,199-40	6,199-40
3 Amber Durum.....	4,043-30	4,043-30
Total.....	4,522,575-50	4,522,575-50

No. 2 Pool

Grade	(Bushels)	
	Receipts	Deliveries
1 Hard.....	267,173-25	267,173-25
1 Northern.....	1,380,935-35	1,380,935-35
2 Northern.....	279,936-25	279,936-25
3 Northern.....	13,155-10	13,155-10
4 Northern.....	158-50	158-50
Tf. 1 Northern.....	6,211-10	6,211-10
Tf. 2 Northern.....	5,342-40	5,342-40
Dried 2 Northern.....	2,554-20	2,554-20
Smutty 1 Northern.....	4,406-10	4,406-10
Rej. 2 Northern Sprouted.....	477-30	477-30
1 Amber Durum.....	6,483-10	6,483-10
2 Amber Durum.....	1,778-20	1,778-20
Smutty 2 Amber Durum.....	1,081-10	1,081-10
Total.....	1,969,693-55	1,969,693-55

No. 3 Pool

Grade	(Bushels)	
	Receipts	Deliveries
1 Hard.....	2,473-30	2,473-30
1 Northern.....	7,937-20	7,937-20
3 Northern.....	1,048-20	1,048-20
1 Amber Durum.....	196	196
2 Amber Durum.....	244-40	244-40
Total.....	11,899-50	11,899-50

Of the total deliveries of 6,504,169-35 bushels of wheat marketed under the pooling system last year, 89.869% was delivered through Saskatchewan Pool Elevators Limited, 6.137% loaded over the platform and 3.994% was delivered to the Pool through Line Elevator Companies.

Pool Payments

A copy of the Auditors' Report covering the Operating Account for the three Pools will be found attached to this Report as Statement No. 1, page 35.

Auditors' Report showing Statements of Receipts and Deliveries and Returns to Growers is attached hereto as Statement No. 2, page 38.

The initial payment on the 1932-33 Pool was established at 35 cents per bushel, basis One Northern, Fort William. A first interim payment of 5 cents per bushel was declared payable on 31st March, 1933, while the final payment was mailed to all growers on 31st July, 1933. The marketing of Pool grain was completed on 25th July, 1933, in order to enable the Pool to be wound up within the grain year.

Sales and Operating Expenses for the three Pools are as follows:

No. 1 Pool.....	.804 of a cent per bushel
No. 2 Pool.....	.777 of a cent per bushel
No. 3 Pool.....	.828 of a cent per bushel

Administration and Office Expenses, including Salaries, Sundry Office Supplies and an amount covering Rental, were charged to the three Pools on the basis of the total quantity of grain delivered to each Pool. All other charges shown on the Statements represent the actual costs incurred in the sale of grain delivered to the Pool, and in the distribution of the proceeds to the growers.

Monthly Receipts and Sales

The following statements show the volume of grain received each month, together with the quantity sold each month, during the past season:

No. 1 Pool	(Bushels)	
	Receipts	Sales
August.....	18,650	59,794-10
September.....	1,595,306-45	286,384-15
October.....	2,764,869-25	515,638-20
November.....	143,749-40	486,190-45
December.....	-	278,629-20
January.....	-	398,738-10
February.....	-	360,596-30
March.....	-	455,949-40
April.....	-	520,581-20
May.....	-	375,073-20
June.....	-	375,000-
July.....	-	410,000-
Total.....	<u>4,522,575-50</u>	<u>4,522,575-50</u>

No. 2 Pool	(Bushels)	
	Receipts	Sales
October.....	61,031-50	-
November.....	828,121-55	78,093-
December.....	857,881-15	296,317-30
January.....	158,794-30	285,359-05
February.....	22,064-10	241,351-10
March.....	26,349-45	280,725-40
April.....	15,450-30	239,359-05
May.....	-	199,540-25
June.....	-	156,948-
July.....	-	192,000-
Total.....	<u>1,969,693-55</u>	<u>1,969,693-55</u>

No. 3 Pool	(Bushels)	
	Receipts	Sales
May.....	4,651-20	2,531-40
June.....	5,606-10	6,393-
July.....	1,642-20	2,975-10
Total.....	<u>11,899-50</u>	<u>11,899-50</u>

While every effort is made to carry out a marketing programme which will return to the grower the average price over the marketing period, Pool delegates will realize that, under the plan on which we are operating at the present time, it is impossible to estimate with any degree of accuracy the volume of deliveries likely to be made to the Pool.

1933-34 Pool

In accordance with the decision made at the last meeting of delegates, arrangements were made to operate a Voluntary Pool for the current season. The initial payment for the current year's Pool has been established at 45 cents per bushel, basis One Northern, Fort William.

Consolidated Balance Sheet

A copy of the Consolidated Balance Sheet prepared by the Company's Auditors, showing the position of the entire Pool organization as at 31st July, 1933, together with Explanatory Notes on the principal items, will be found attached to this Report as Statement No. 3, page 40. This Balance Sheet has been compiled by the Auditors from their certified Balance Sheets of Saskatchewan Co-operative Wheat Producers Limited,

Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited and Modern Press Limited.

It will be noted from the Balance Sheet that the total current assets of the organization amount to \$11,877,666.60 with current liabilities of \$8,455,312.71. The difference between these two items, amounting to \$3,422,353.89, represents the current position of the organization at 31st July, 1933. After completing the approved programme of building and work under construction at the year end, estimated to cost \$31,500.00, there remained a balance of \$3,390,853.89 which is available as working capital for season 1933-34. This compares with a working capital of \$3,741,041.68 for the previous season.

The deferred capital commitments from the previous year due to the Government of Saskatchewan and the Liquidator of the Saskatchewan Co-operative Elevator Company Limited have been liquidated entirely, as well as all capital and interest commitments falling due during the past year.

Direct capital liabilities against the assets of the Company, liquidated from the year's earnings, are as follows:

Re: Purchase of Assets of Saskatchewan Co-operative Elevator Company Limited:			
<i>To Liquidator</i>			
Principal.....	\$1,372,277.79		
Interest for year.....	82,336.67		
			\$1,454,614.46
<i>To Government of Saskatchewan</i>			
Principal..	\$ 597,590.05		
Interest for year.....	32,860.47		
			630,450.52
Total.....			<u>\$2,085,064.98</u>

In addition to meeting the above commitments, payments of principal and interest due to the Government of Saskatchewan in connection with the 1929 Pool Overpayment were also provided for, the amount of the principal payment being \$448,086.48 and the interest payment \$680,502.95.

The fifteen country elevators and four cottages purchased from the United Grain Growers Limited, at a price of \$110,000.00, were also paid for in cash.

While it is the policy of the Board to build up the strongest possible liquid position, the Board is satisfied that, as a result of the payment of these commitments from the year's earnings, a much more satisfactory financial position has been established.

With these payments taken care of, the Elevator Company's commitments in subsequent years are limited to meeting the annual amount due in connection with the 1929 Pool Overpayment, the amount of which is approximately one-third of the past year's total commitments. Your Board is of the opinion, based on the past nine years' operations, that it is reasonable to assume that the operations of the Company in the next few years should provide funds to place the Company in a very strong liquid position.

Capital Statement

Attached hereto, as Statement No. 4, page 46, will be found a Consolidated Capital Statement showing the current financial position of the organization as at 31st July, 1933.

Saskatchewan Co-operative Wheat Producers Limited

Financial Statements

A complete copy of the Financial Statements of Saskatchewan Co-operative Wheat Producers Limited covering last year's business, together with report from the Company's Auditors, Messrs. Geo. A. Touche & Company, has been submitted separately to the delegates.

Income

The total Income of Saskatchewan Co-operative Wheat Producers Limited for the year ending 31st July, 1933, amounted to \$412,573.69, exclusive of the operations of the 1932-33 Pool which have been submitted separately. Details of Income will be found in Statement No. 2 of the Auditors' Report.

Operating Expenses

Total Operating Expense, exclusive of the 1932-33 Pool, amounted to \$348,566.08, leaving an excess of Income over Expense of \$64,007.61. Details of expenses for the year are set out in Statement No. 2 "A" of the Auditors' Report. The surplus of \$64,007.61 has been applied against the reduction of the Company's share of the 1929 Pool Overpayment.

Included in Operating Expense is an amount of \$34,194.47 representing one-fifth of the expense incurred in securing the 1928-32 Contract. Total expense in connection with the Contract campaign, amounting to \$170,972.31, was spread over a period of five years. This item represents the final write-off for these expenses. This amount will not appear in future years.

In addition to the above, there is also included in Operating Expense the sum of \$30,217.04, representing the operating deficit of Modern Press Limited for the year ending 31st July, 1933.

Provision has also been made for depreciation on Fixed Assets at the usual rate, and for the writing off of \$10,798.81 Alterations.

Saskatchewan Pool Elevators Limited

Saskatchewan Pool Elevators Limited operates at the present time a total of 1067 country elevators in all parts of the Province. The maximum number of elevators actually in operation during the past season was 1065.

Receipts and Deliveries

A total of 87,381,764 bushels of all grain was handled through the country elevators for the year ending 31st July, 1933, as compared with a total of 54,672,705 bushels of grain handled in the previous year. Comparative figures for the last three years' handlings are as follows:

	1932-33 <i>Bushels</i>	1931-32 <i>Bushels</i>	1930-31 <i>Bushels</i>
Wheat.....	78,921,324	46,884,148	73,131,107
Oats.....	5,040,911	5,439,528	5,940,895
Barley.....	1,651,401	1,125,100	1,563,889
Flax.....	838,835	772,304	1,573,424
Rye.....	929,293	451,625	2,259,101
Total.....	<u>87,381,764</u>	<u>54,672,705</u>	<u>84,468,416</u>

In addition to the above deliveries at country elevators, Pool elevators handled a total of 3,988,281 bushels of grain loaded over the platform, as compared with a total of 1,999,163 bushels the previous year. This makes a total handling of all grain by the Pool

Elevator System, for the year ending 31st July, 1933, of 91,370,045 bushels, as compared with a total of 56,671,868 handled the previous year.

The average volume of grain handled per elevator during the season under review, based on 1065 elevators actually operated, amounted to 82,049 bushels of all grain, as compared with 61,155 bushels per elevator the previous year.

During the past season Saskatchewan Pool Elevators Limited handled 43.25% of all wheat delivered to country elevators in the Province. This compares with 40.56% the previous year. Of all grains delivered to country elevators in Saskatchewan 43.02% was handled by the Pool Elevator System, as compared with 40.22% in the previous season.

The percentage of platform shipments handled by Pool elevators increased from 40.3% during the 1931-32 crop year to 58% in the past season, an increase of 17.7%.

Attached to this Report as Statement No. 5, page 48, will be found a statement showing all grain handled by the Company each year since the inception of the organization.

Grading Statement

The Company's Grading Statements at the end of the year showed net losses in grades amounting to \$167,962.05, as compared with a grade gain last season of \$17,742.45.

It is the general policy of the Company that Pool elevator agents should grade all grain to its proper grade, and every effort is made to carry out this policy.

Last year's grain crop was of high grade and was threshed under very favorable weather conditions and, with the exception of competitive conditions, no great difficulties in grading were presented.

Overages and Shortages

The following statement shows Overages and Shortages on all grain handled through Pool elevators for the past season:

	<i>Overages Bushels</i>	<i>Shortages Bushels</i>	<i>Percentage of total handled</i>
Wheat.....	261,843	....	.332%
Oats.....	133,431	....	2.646%
Barley.....	16,831	....	1.019%
Rye.....	4,746	....	.511%
Flax.....	....	16,953	2.021%

The Overages in oats and barley are accounted for, to a considerable extent, as a result of wild oats cleaned out of wheat.

Inspection Department

The following statement shows the monetary value of grades raised on re-inspection at unload for the year ending 31st July, 1933:

<i>Cars Inspected</i>		
Winnipeg	Street and Consigned.....	\$46,791.18
	Platform.....	3,016.84
Moose Jaw	Street and Consigned.....	3,311.67
	Platform.....	26.16
Saskatoon	Street and Consigned.....	2,100.64
	Platform.....	97.72
Churchill	Street and Consigned.....	150.29
Total.....		<u>\$55,494.50</u>

Claims Department

The following statement shows Claims issued and paid up to the end of the year:

	<i>No. of Claims</i>	<i>Value</i>
Claims outstanding 31st July, 1932.....	649	\$ 4,045.12
Claims filed during season.....	2,697	35,234.15
Total.....	3,346	\$39,279.27
Claims paid during the season.....	1,383	\$27,421.27
Claims withdrawn, etc.....	574	3,730.83
Claims outstanding 31st July, 1933.....	1,389	8,127.17
Total.....	3,346	\$39,279.27

Insurance

Fire Losses—Two elevators were destroyed by fire during the past season compared with three last year. Insurance claims on buildings and contents, including claims for minor outbreaks, amounted to \$26,994.59, which were paid by the Insurance Company. The loss ratio figured out at 16.46% of the premium paid, which is very favorable.

Fire Insurance—For the current year, arrangements have been made to carry a substantial proportion of the Company's Fire Insurance on grain and elevators with Lloyd's Underwriters of London, England.

Excess Bonds—The Company's experience in carrying its own risk in connection with agents' and buyers' Excess Bonds was all that could be desired, no losses having been charged against the amount reserved for this purpose. The same arrangement is being continued for the current year.

Building Programme

During the year ending 31st July, 1933, one new elevator was purchased at Aylesham and two new elevators were built at Cactus Lake and Meath Park. The Pool elevators at Humboldt and Meacham, which were destroyed by fire during the season, have been replaced with new up-to-date houses.

In addition to the above, fifteen of the elevators operated under lease by Saskatchewan Pool Elevators Limited during the past six years were acquired by purchase from the United Grain Growers Limited

Financial Statements

The Auditors' Report, together with accounts covering the year's operations, is included in the Financial Report submitted separately to the delegates.

Earnings

For the year ending 31st July, 1933, total revenue for Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited combined amounted to \$9,085,557.92 with Operating Expenses of \$6,288,170.83, leaving combined Operating Earnings of \$2,797,387.09, as compared with Operating Earnings for the previous year of \$1,803,874.98, before providing for depreciation and interest on mortgages. The following statement shows the disposition of these amounts:

Operating Earnings for year ending 31st July, 1933	\$2,797,387.09
Less Depreciation.....	\$1,247,981.31
Interest on Mortgages.....	115,197.14
	<u>1,363,178.45</u>
Net Earnings after Depreciation and Interest.....	\$1,434,208.64
Less Loss on Realization of Assets....\$	389.95
Proportion Pool Expenses.....	51,804.00
Interest on 1929 Pool Over-payment accrued to 31st July, 1933.....	567,984.50
	<u>620,178.45</u>
Balance representing Net Profit.....	<u>\$ 814,030.19</u>

Country Elevator Earnings

The Pool Country Elevator System shows total Operating Revenue of \$5,822,352.42 with Operating Expenses of \$3,734,789.80, leaving Operating Earnings of \$2,087,562.62. After providing for depreciation on country elevators amounting to \$744,740.04, and interest on mortgages amounting to \$115,197.14 Net Earnings are shown at \$1,227,625.44

The Net Earnings of the Elevator Company, including interest on investments, and after providing for depreciation and interest on mortgages, represent an average earning per elevator of \$1,133.98, based on 1065 elevators operated. This compares with an average earning per elevator of \$623.44 in the previous year

On the same basis as indicated above, the Net Earning per bushel handled amounted to 1.382 cents per bushel, as compared with .811 of a cent per bushel the previous year.

Terminal Earnings

The Port Arthur terminal elevators showed a net profit of \$280,793.70 after providing for depreciation for the year amounting to \$414,917.13.

The Pool Terminal elevator at Buffalo, N.Y., showed operating earnings of \$14,113.64. After providing for depreciation amounting to \$88,324.14, there is a loss from this terminal of \$74,210.50. The position of the Buffalo elevator is dealt with later in the Report.

Attached to this Report, as Statement No. 6, page 49, will be found statement of Earnings covering the period 1st August, 1925, to 31st July, 1933, together with details of the distribution of these Earnings.

Distribution of Earnings

As indicated above, the combined operations of the Country Elevator and Terminal Departments for the past year showed a net profit, after depreciation, interest on mortgages, etc., of \$814,030.19. From this amount the sum of \$100,000.00 has been set up in reserve for Sinking Fund in connection with the Company's share of the 1929 Pool Overpayment. The balance of \$714,030.19 has been transferred to Undivided Profits Account.

Current Year's Financing

During the past two years the Bank Credits of Saskatchewan Pool Elevators Limited were guaranteed by the Dominion Government. This is no longer needed and there are no Government guarantees in force in connection with this year's Credits.

Saskatchewan Co-operative Elevator Company Purchase

During the past few years it has been customary in the Annual Report to refer to the position of the Company in connection with the purchase of the assets of the Saskatchewan Co-operative Elevator Company Limited.

As already indicated, it has been found possible to meet the full amount of the payment due under the Purchase Agreement, which was deferred last year, and also the final payment due this year.

As a final reference to this transaction, there will be found attached to this Report a Statement, No. 7, page 50, showing the details of payments made since the Agreement to Purchase was ratified in 1926. At the time this

transaction was entered into, involving the payment of over \$11,000,000.00, doubts as to the wisdom of the course followed by your Company were freely expressed. Your Board is satisfied, and we believe it will be conceded generally, that the results achieved since 1926 have fully justified the action taken at that time. In spite of the very difficult period through which we have passed during the past three years, payments have been completed within the period provided by the Agreement to Purchase. Only one deviation from the terms of the original Agreement was found necessary. With the friendly co-operation of the Liquidator and Inspectors of the Saskatchewan Co-operative Elevator Company Limited, one-half of the payment due last year was deferred. The fact that this large business transaction was carried to completion during this period of unprecedented depression may be regarded as a tribute to the financial stability of this farmer-owned organization. It is a practical demonstration of the value of co-operation among the grain producers of this Province.

Growers' Equity

Attached to this Report as Statement No. 8, page 52, will be found a Statement of Assets, Direct Liabilities and Growers' Equity as at 31st July, 1933.

Coarse Grains Department

Domestic Sales

Total local sales in the Saskatchewan domestic market for the 1932-33 season, including carlots sold by our Sales Department as well as local sales by elevator agents, were as follows:

Wheat.....	798,055 bushels
Oats.....	2,102,470 "
Barley.....	275,734 "
Flax.....	6,330 "
Rye.....	73,312 "
Total.....	3,255,901 bushels

Carlot sales, representing a total of approximately 1,052,000 bushels, made by the Coarse Grains Sales Department were as follows:

Barley.....	3 cars
Fall Rye.....	16 cars
Feed Oats.....	505 cars

A large proportion of these sales was for account of the Saskatchewan Relief Commission. In addition to these feed sales, 404 cars of seed oats, representing a total of approximately 808,000 bushels, were handled by our organization for account of seed growers and the Saskatchewan Relief Commission. It is estimated that during the 1932-33 season the Saskatchewan Relief Commission purchased approximately 1,150,000 bushels of feed oats and 1,180,000 bushels of seed oats, as well as approximately 475,000 bushels of feed wheat. Approximately 10% of the purchases made by the Commission was secured on local transfers from resident growers. These figures indicate that a large part of this Relief Commission business was undertaken by your Company.

Season 1933-34

A considerable volume of both seed and feed grain will be required in Saskatchewan this year. It would appear at the present time that all coarse grains marketed in the Province will be required to meet local demand. The Saskatchewan Relief Commission will again purchase all feed and seed required for relief purposes.

During the current year approximately 700,000

bushels of feed grains have been shipped into the drought area.

Port of Churchill

Your Company is again in a position to report that it has been able to give substantial support to the development of the port of Churchill.

Toward the end of September, the last ship to leave Churchill carried as its principal cargo 306,000 bushels of wheat shipped by Saskatchewan Pool Elevators Limited. This shipment was made as the result of an agreement with the Federal Government under which your Company has taken two million bushels storage space at Churchill, thus guaranteeing that at least this amount of grain will leave the port next season. The agreement provides further that the Company will pay regular tariff charges for cleaning and handling, and one cent per bushel for storage, from 16th October, 1933, to 31st August, 1934. Your Company has also agreed to do everything possible, consistent with good economy, to provide shipments via Churchill for next year and future years.

By undertaking to charter this vessel, it was also possible to make a pioneer shipment of livestock through Churchill, some 200 head of cattle being carried to the British market. The Saskatchewan Livestock Pool, through its Prince Albert Branch, played a prominent part in assembling this shipment. The Livestock Pool secured 160 spaces out of the 200 spaces allotted for cattle on this ship. We understand the cattle were shipped on consignment by the individual owners, most of whom were members of the Saskatchewan Livestock Pool.

This ship also carried a pioneer shipment of Saskatchewan honey, and western lumber, for the British market.

Insurance rates on cargo out of Churchill are substantially lower than last season. Credit for this should go to the Government of Saskatchewan for negotiations carried on in the early part of the year. No accidents were reported during the shipping season just closed, so that the lower insurance rates in force this year should be maintained, or even reduced, in the coming year.

Your Board is satisfied that, with the return of normal conditions, the port of Churchill will play an important part in the economic life of this Province.

Buffalo Terminal Elevator

The shipment of Canadian grain in bond through Buffalo, N.Y., received a severe check when it was established, as a result of the Ottawa agreement, that such shipments could not secure the six cent preference in the British market. The net result has been that the volume of Canadian grain passing through this port has been reduced materially during the present crop season.

The Buffalo terminal played an important part in the movement of Pool grain to the seaboard during the period when the Pool's Selling Agency was actively engaged in the export business. (It will be remembered that the elevator was operated by the Selling Agency.) After the Selling Agency left the export field, Saskatchewan Pool Elevators Limited continued to operate the elevator, handling shipments for various Canadian shippers.

It was reported to the delegates at the last Annual Meeting that an appraisal of the elevator had been secured and that the Board had approved offering the

plant for sale at the appraised value. No satisfactory offer was received during the year.

Early in the last season a contract had been entered into between your Company and the Cargill Grain Company of Minneapolis, under which a substantial handling of grain was assured. This contract expired on 15th April, 1933, and, in view of the very uncertain position regarding the trans-shipment of Canadian grain in bond through Buffalo, combined with the elimination of the milling-in-bond privileges for the British market, the Board deemed it advisable to approve leasing the entire elevator to the Cargill Grain Company of Minneapolis for a period of one year from 15th April, 1933. We understand that a large proportion of the Cargill business passing through the elevator is grain of U.S. origin, a portion of which is distributed as feed in the New England States.

Saskatchewan Pool Terminals Limited

Handlings

For the crop year 1st August, 1932, to 31st July, 1933, Pool terminal elevators handled 74,114,619 bushels of grain, as compared with a total handling of 48,800,852 bushels the previous year, an increase for the year of 25,313,767 bushels.

The following statement shows the total volume of grain handled by Pool terminals during the past season, as compared with the previous year:

	1932-33 Bushels	1931-32 Bushels
Terminal No. 4.....	17,378,862	11,375,572
Terminal No. 5.....	6,368,534	1,697,318
Terminal No. 6.....	20,216,112	15,796,825
Terminal No. 7.....	23,765,314	17,745,688
Terminal No. 8.....	6,385,797	2,185,449
Total.....	<u>74,114,619</u>	<u>48,800,852</u>

As at 31st July, 1933, there was in store in all Saskatchewan Pool terminals at the Head of the Lakes a total of 18,497,010 bushels of grain, as compared with 14,485,124 bushels a year ago. During the last crop season a total of 146,000 cars of all grain was unloaded at the Head of the Lakes, as compared with 121,300 cars the previous year at all elevators. Of this total, Pool terminals unloaded 49,600 cars, or over 34%, as compared with 34,500 cars, or approximately 28½% handled the previous year.

During the season 420,836 bushels of grain shipped by the Alberta Pool were unloaded in Saskatchewan Pool Terminals, while 53,372 bushels were unloaded from the Manitoba Pool.

The following statement shows screenings shipped from the terminal elevators during the past season:

Refuse Screenings.....	19,659 tons
Standard Recleaned Screenings.....	5,489 tons
Oat Scalpings.....	1,008,285 bushels

In spite of the above substantial shipment of screenings, the demand was fairly light, and it was found economical to use some 4,800 tons of refuse screenings for fuel in the boilers at the terminal elevators.

Pool Terminal No. 8

At the end of the fiscal year the lease on Pool Terminal No. 8, from the Canadian Pacific Railway Company, expired, and was not renewed.

Financial Statements

Complete information showing the final result of the year's operations of Saskatchewan Pool Terminals Limited has been submitted separately to the delegates

and will be considered along with the Financial Statements of Saskatchewan Pool Elevators Limited.

Saskatchewan Wheat Pool Construction Company Limited

Repairs and Reconstruction

The repair programme was slightly increased over that of the previous year. Additions to machinery and plant were as follows:

Air Dumps installed.....	9
Old Air Dump transferred.....	1
New engines installed.....	8
Old engine transferred (from Kelvington to new elevator at Burgis Sask.).....	1
New Cleaners installed.....	12
Old Cleaners transferred.....	6

A total of 223 elevators and 14 annexes was painted by our four crews. The average cost, including truck operating expenses, paint and labour, is \$80.00 per elevator.

New Construction

For the year ending 31st July, 1933, two new elevators were constructed; at Cactus Lake and Meath Park. Pool elevators, at Humboldt and Meacham, destroyed by fire during the season, were also rebuilt by our own crews. Since the beginning of the present year, elevators at Burgis and Golburn, destroyed by fire, have also been rebuilt and are now in operation. Preparations are also under way to rebuild at Blaine Lake and Lashburn with new up-to-date 45,000 bushel elevators. These elevators will be in operation in the near future.

In connection with construction costs, there has been a definite upward trend in the price of lumber. With this exception, however, prices are much the same as last year.

Modern Press Limited

Job Printing Department

During the past year revenue and total volume of sales in the Job Printing Department were maintained at about the same level as the previous year. For the year ending 31st July, 1933, total sales amounted to \$63,052.33, as compared with \$60,935.98 the previous year.

Competition in the printing field was even keener than in the previous year, and the fact that Modern Press was able to make even a moderate increase in the volume of printing business may be regarded as satisfactory, particularly when it is noted that the volume of job printing for the Pool organization was approximately \$1,400.00 less than in the previous year.

Western Producer

Circulation

At the end of the fiscal year The Western Producer showed a paid up subscription list of 52,926, which compares with approximately 48,000 copies a year ago. The following figures show the present distribution of Western Producer circulation:

Saskatchewan.....	44,492
Alberta.....	6,886
Manitoba.....	810
Ontario.....	247
British Columbia.....	206
Nova Scotia.....	23
New Brunswick.....	13
Quebec.....	5
Prince Edward Island.....	4
U.S.A.....	162
British Countries.....	56
Foreign.....	22
	<hr/>
	52,926

The circulation of the paper in the Province of Alberta has increased by over 5,000 copies during the past year.

Advertising

Advertising space sold in the Western Producer for the year ending 31st July, 1933, as compared with the previous year, was as follows:

Total Lineage 1932-33.....	216,321
Total Lineage 1931-32.....	190,303

While there has been an increase in lineage in the past year, it is evident that advertisers are continuing to maintain their appropriations at very low levels. We are satisfied that any improvement in general economic conditions will be quickly reflected in Western Producer advertising, as active solicitation has been carried on and contacts maintained both in the provincial and national fields.

Editorial Policy

Your Board will welcome full discussion by the delegates on the editorial policy of the Western Producer. It will be readily understood, in view of existing economic conditions and with the approach of provincial and federal elections, that the editorial policy of the paper will be subjected to keen scrutiny. While Modern Press Limited is owned by the Pool, the editorial policy of the Western Producer has been under the control of an Editorial Board, representative of the farmers' organizations in the Province. The Pool has only one representative on this Board.

The original editorial policy of the paper was laid down in 1924 in an agreement arrived at between the Pool and the original owners of the paper. Briefly, it was agreed that so far as editorial policy was concerned, while the paper should be free to discuss political questions and to criticise or commend public activities as it saw fit, it should maintain an independent stand in partisan political matters. Further, it should avoid any course which might tend to identify it in the public mind as being the organ of any political party, either federal or provincial. This attitude has also been endorsed by the Editorial Board since the paper passed under Pool ownership.

In recent months the editorial policy of the paper has been the target for criticism on the grounds of political bias. The fact that such criticism in varying degree has been received from all political parties now in the field leads the Board to believe with some confidence that the attitude of political independence is being maintained.

Financial Statements

Full particulars of the operations of the Company for the year ending 31st July, 1933, are found in the Financial Statements and Auditors' Report covering the operations of the entire Wheat Pool organization, submitted separately to the delegates. After providing for depreciation on Fixed Assets amounting to \$5,509.95, and after making provision for doubtful accounts to the extent of \$2,000.00, the operations of the Company for the past year show a loss of \$30,217.04. This is made up of a loss of \$34,115.23 on the publication of the Western Producer, less a profit of \$3,898.19 in the Job Printing Department. This result compares with a net loss of \$33,023.57 last year. The net deficit for the year has again been charged to Saskatchewan Co-operative Wheat Producers Limited.

Pool Publicity Department

Activities of the Pool Publicity Department have been continued on a restricted scale as compared with previous years.

Western Producer

As a result of the change in the set-up of the Western Producer, the Pool Page was discontinued at the end of December last. Since that time, information prepared regarding the organization, the Co-operative Movement generally, important market developments and statistical data, has appeared in the general news columns of the paper. Weekly articles on the world wheat situation are also prepared and are now a regular feature in the Producer.

The Department again co-operated with the Western Producer in providing special reports on the 1933 session of the Saskatchewan Legislature, and also supplied the paper with full reports of the open sessions of the World Grain Exhibition and Conference held at Regina in July and August last.

Country Weekly Newspapers

The value of the country newspapers as an advertising medium, and as a source of friendly support to the agricultural co-operative movement, has always been recognized by your organization. During the past year a greater amount of advertising was placed with the weekly newspapers than in 1931-32, particularly during the season of heavy grain deliveries. With a smaller sum available for the purpose during the current year, some reduction is necessary, but again particular attention will be given to advertising during the fall months. Brief news items in the form of Pool Notes have been supplied as in former years for the use of these newspapers, many of which have continued publishing the information.

Pool Library

Following the decision of the delegates at the last Annual Meeting, the Library policy was changed to provide that the organization and library borrowers each pay postage on books one way. Although this new policy was effective for little more than eight months of the period ending 31st July, 1933, altogether 2,416 books were mailed from the library as compared with 788 during the preceding year, while 5,272 books were mailed in 1930-31 when postage was paid both ways by the organization. A number of books and pamphlets of an educational character have been added to the library from time to time during the past year, and the total number of books now available to borrowers stands at approximately 1,400 volumes.

Pool Calendar

The Wheat Pool Calendar, distribution of which was resumed last year after a lapse of one year, has maintained its popularity in the country. This popularity was so apparent that when the Board authorized the calendar for the past year the number printed was substantially increased. The new calendar was mailed in September of the present year to all Wheat Pool members on the regular mailing list, and additional quantities have been supplied for general distribution, the total number of calendars distributed being approximately 127,000.

Special Advertising

With the beginning of grain deliveries in the Fall of 1932, full-page advertisements in the Western

Producer became a regular weekly feature. These advertisements, on behalf of Saskatchewan Pool Elevators Limited, were continued throughout 1932-33 and are still appearing each week on the back page of the Producer. A special series of advertisements of an educational nature, dealing with operations at a Pool terminal elevator, were included in the above. Other special advertising included the World Grain Show issues of certain daily and weekly newspapers.

Country Organization Department

The Country Organization Department has continued during the year in its efforts to develop and extend a greater understanding of co-operative ideals in Saskatchewan, to work out methods of supplying the membership with more complete information regarding the operations of the Company, and to bring about a more efficient co-ordination between the various educational and operating sections of the organization. Progress is being made in the accomplishment of these objectives.

An opportunity was given to review the results achieved in connection with the re-organization of Wheat Pool Committees on a regular meeting basis at the sub-district Committee Conventions held during the summer. Success was not as complete as might have been possible under normal conditions, but it is apparent that an increasing number of committees are realizing the value of methodical work, and the budget of information sent them in the monthly programme.

One of the important results of the year has been the development of closer working relations between the superintendents and agents of Saskatchewan Pool Elevators, the delegates, the Wheat Pool committees and the Staff of the Country Organization Department, arising out of the requirements of the educational programme. Through the difficulties of the past year, the Wheat Pool organization has improved its position, and there is every prospect that it will continue to do so, if the educational programme is given the fullest support by all Departments.

In carrying out the programme of co-operative education and co-ordination, as outlined to the delegates at the last Annual Meeting, the work of this Department has of necessity increased. Amalgamation of the Field organization with this Department has permitted a co-ordination of effort throughout the whole Wheat Pool organization that has already proven beneficial.

All general meetings of growers are organized through this Department, and in a majority of cases, notices of meeting sent out to the growers are also sent to the delegates and divisional and travelling superintendents, thus eliminating all duplication of effort and permitting of the dealing with all local problems at the same meeting.

Regular meetings of Wheat Pool Committees are recorded and indexed and a notice of reminder sent out in good time before each meeting to the secretary of the committee, the Pool elevator agent, the delegate, the travelling and divisional superintendents. Regular meetings of committees are arranged as far as possible, so that the delegate, superintendent or district representative may be able to attend.

An important duty of the Country Organization Department is to co-operate with the Elevator Department to maintain and increase deliveries of grain to Pool elevators. A station analysis of handlings at

every shipping point is being compiled by the elevator agents, showing the names of growers delivering all their grain to Pool elevators, those who deliver all grain to Line elevators and those who deliver part of their grain to each. This analysis is of considerable assistance in the work of systematizing our efforts to increase deliveries to Pool elevators.

For the past two years the Country Organization Department has been responsible for maintaining and increasing the circulation of the Western Producer. During the past year much of the time of the district representatives has been taken up with the organization and handling of socials, picture shows, etc., in connection with this work. At the present time efforts are being made to place responsibility for this work more directly with the Circulation Department of the Western Producer itself, and the Wheat Pool Committees at each point, thus releasing the district representatives for more important work.

Efforts have also been made to co-ordinate educational effort among all the Co-operative Associations in the Province. At points where other co-operative associations are represented arrangements have been made for joint meetings, either of committees or members, and assistance is also being given in organizing co-operative rallies.

Closer working relations have also been developed with the Saskatchewan Livestock Pool. During the early summer some organization and educational work was done to assist the Livestock Pool in its re-organization campaign. Wheat Pool district representatives are in possession of all records of local organizations of the Livestock Pool and the Management of the Livestock Pool is supplied with similar information regarding the Wheat Pool.

Reference is made elsewhere to the educational work being carried on in the schools of the Province in connection with the physical handling of grain at country points. It may be noted that in many cases Pool representatives have been invited to return to the schools at a later date to assist further with an address on Co-operation. One of the developments of this work is the province-wide Essay Contest conducted last summer, which is also referred to in the report of the Co-operative Education Committee.

In order to carry on its work most efficiently, the Department has been engaged in building up progressive records of each individual point in the Province covering local co-operative enterprise of the Wheat Pool Committees, deliveries of grain to Pool elevators over a period of years, and other comparative data in order that the progress of the organization as a whole may be recorded on a permanent basis.

Wheat Pool Committees

The number of Wheat Pool Committees on record as at 31st July, 1933, was 1181, as compared with 1178 a year ago, and 1180 in 1931. During the year 17 new committees were organized and 14 ceased to function, their activities being transferred to new railway points. The usual schedule showing the number of committees by district and sub-district is attached hereto as Statement No. 9, page 53.

Of the total number of Wheat Pool Committees recorded, 812 reported re-organization. Last year the number reporting was 713. The usual statement showing the distribution of Committees re-organized is attached hereto as Statement No. 10, page 53.

The improvement in reported re-organizations is due to the programme of educational work carried on during the past year, and it is to be expected that better results still will be shown next year as our work develops. The measure of co-operative life and activity in any community is reflected in the life and activity of the Wheat Pool Committee. Your Board would therefore suggest that the assistance of the delegates in building up and maintaining active committees at all points in their sub-district is of vital importance.

Co-operative Distribution of Bulk Commodities

At the last Annual Meeting a recommendation to the Board was approved, that a special effort should be made to bring about closer co-operation between the Pool organization and the Saskatchewan Co-operative Wholesale Society, with a view to bringing about a greater appreciation of the possibilities of consumer and producer co-operation.

The Co-operative Education Committee of your Board met with the directors of the Saskatchewan Co-operative Wholesale Society early in the year, and arrived at an arrangement by which Wheat Pool Committees would be encouraged to assist in the distribution of twine on behalf of the Saskatchewan Co-operative Wholesale Society. It was hoped, as a result of this experience, that those Wheat Pool Committees which participated in the distribution of twine would be in a better position to arrive at a decision in connection with the organization of a local consumer co-operative for the handling of bulk commodities. The plan operated successfully at some points, but the results secured were not as satisfactory as anticipated.

The question of the distribution of bulk commodities by the Pool organization has been under consideration by your Board at different times during the past year. At the October meeting of your Board it was decided to recommend to the delegates that, for the time being, the Pool organization should continue to co-operate with the Saskatchewan Co-operative Wholesale Society in the distribution and sale of bulk commodities on a basis which would be satisfactory to the Pool Board, and looking forward to a wider development in the future.

Co-operative Education Committee

In addition to the negotiations with the Saskatchewan Co-operative Wholesale Society already referred to, the Co-operative Education Committee of your Board has initiated various educational efforts, looking toward a wider appreciation of the value of co-operation.

Following a recommendation of the Education Committee, a supply of specimen tickets covering every form of ticket used in the physical handling of grain at a country elevator was distributed among the schools in the Province. A large number of school children were taken through Pool country elevators and were given practical demonstrations of the handling of grain. In connection with these demonstrations, addresses were given in the schools by some of our district representatives, travelling superintendents and agents. A list of questions regarding the physical handling of grain was issued to be used in connection with these demonstrations.

A province-wide essay contest was also initiated by the Committee. The interest in this contest was widespread, and some 20,000 applications for information and rules of the contest were dealt with. During

the first week of the World Grain Exhibition and Conference the 160 Contest Winners were brought to Regina as guests of the organization for three days. Particular mention should be made of the keen interest and assistance given by members of our staff, without whose assistance it would have been extremely difficult to carry out the programme of entertainment with the success which was admittedly achieved. The Committee is considering plans which, it is hoped, will carry on the interest developed among the school children of the Province in the development of the Co-operative Movement.

Arrangements are also being made to continue Junior Co-operative Work next season, and the reorganization of this work is receiving attention at the present time.

Debt Adjustment

Early in the present year, Pool delegates were advised of the various steps taken by the Board to secure enactment of legislation dealing with Debt Adjustment. The proposals drawn up by the Board were submitted to a Conference of the province-wide Co-operatives in January, and were generally approved. A small committee representing the Co-operative Conference was appointed to present the views of the various organizations to the Government.

It will be remembered that the question of Debt Adjustment received widespread attention at the last session of the Saskatchewan Legislature. A new Debt Adjustment Act was passed, which incorporated a number of the proposals submitted on behalf of the Co-operative Conference. A copy of the new Act was forwarded to all delegates, together with additional explanatory material.

Details of the Debt Adjustment Board Plan, dealing with the 1933 crop, were forwarded to all delegates and Wheat Pool committees in the June monthly programme for committees. Your Board is of the opinion that this plan operates in the interests of those growers needing this protection. At the present time your Board is endeavouring to secure first hand information on the workings of the Debt Adjustment Act during the past year, and it is probable that further recommendations will be submitted to the Legislature at its next session. It was the opinion of your Board that the Exemptions Act, which has been in force in this Province for a number of years, should be revised, and it is probable that this question also will be taken up prior to the next sitting of the Legislature.

Your Board will welcome a discussion on the Debt situation in the Province at the present time, and also suggestions as to how this position can be best met.

Enrollment of New Members

At the last Annual Meeting a resolution was passed recommending to the Board of Directors that provision be made to enroll new members after the expiration of the 1928-32 Contract.

All members of Saskatchewan Co-operative Wheat Producers Limited are members by virtue of their each having been allotted one share of stock, application for which was made when the Contract was signed. With no Contract now in operation, a separate application form has been drawn up and distributed for signature, by which new members may apply for one share of the capital stock of Saskatchewan Co-operative Wheat Producers Limited of the par value of \$1.00.

If this proposal is satisfactory to the delegates, the

necessary amendments to the Articles of Association have been prepared which will enable your Board to accept all such applications. These amendments will be submitted to the meeting.

1924-27 Contract Signers

A substantial number of growers signed the first Contract covering the period 1924-27, but did not sign the second Contract. With the expiration of the 1928-32 Contract, your Board was of the opinion that all shareholders of the Company should be on the same basis, and rescinded the resolution which deprived those shareholders who had failed to renew their Contracts of their right to vote. This automatically placed these growers on the voter's list and they will participate as voters in this year's elections. The Articles of Association, however, prevent these shareholders from acting as delegates of the organization, and the necessary amendments to the Articles to remove these restrictions are also being presented to the meeting.

Transfer of Reserves to 1924-1927 Shareholders

At the present time, transfer of elevator and commercial reserve deduction certificates can only be made to growers who signed the 1928-32 Contract.

Your Board is of the opinion that, under present conditions, all Contract Signers of the organization should be in the same position, and recommends to the delegates that the growers who signed the 1924-27 Contract, but who did not renew their Contract in the second Pool period, should be placed in a position to secure transfer of elevator deduction and commercial reserve certificates on exactly the same basis as growers who signed the 1928-32 Contract.

Method of Handling 1929-30 Pool Overpayment

A resolution was passed at the last Annual Meeting of delegates endorsing the principle of treating the 1929 Overpayment on an individual basis, but by a more simplified method than formerly approved. This resolution also re-affirmed adherence to the principle of patronage dividends and recommended to the Board that a detailed plan maintaining these principles be submitted to the next general meeting of delegates. A further recommendation was made to the Board that the following be taken into consideration in considering the method to be followed in connection with adjustment of the 1929 Overpayment:

1. That all available earnings of the Company be used to repay the indebtedness to the Government.
2. That interest payable to the Government be charged against the operations of the Company, this to be a first charge against net profits.
3. That, during the period required to pay the Government in full, a record be kept of deliveries made to Pool Elevators by all growers entitled to participate in the available earnings of the Company.
4. That, at the end of the Overpayment period, the amount of earnings available for distribution as credits to growers be ascertained and divided by the total number of bushels entitled to participate in order to establish the average per bushel earning.
5. That earnings, based on individual deliveries, be set up as a credit to the growers concerned, to be applied against their Overpayment at the average rate established as above.
6. That, in the case of growers whose credit (as outlined in No. 5 above) is not sufficient to cover the amount of their Overpayment, such reserves as are held in their names, up to the amount remaining unpaid, as shown by their individual Overpayment Accounts, be cancelled.
7. That new certificates be issued to growers, whose accounts show a credit, up to the total amount of such credits.

8. That, in the event of the total reserves cancelled against the Overpayment being less than the new reserves issued to cover credits, the difference be charged to Company Loss Account, to be written off in subsequent years, if no prior provision has been made by Sinking Fund or other method.

The above recommendation has been accepted by your Board and the suggestions outlined have been incorporated and now form the approved plan of repayment and adjustment of the 1929 Pool Overpayment.

Payments of principal and interest to the Province of Saskatchewan have been made from earnings, in accordance with Sections 1 and 2 of the plan.

The record of growers' deliveries referred to in Section 3, is being maintained. Deliveries for the seasons 1929-30 and 1930-31 are available from the Forms 42. The records for 1931-32 and 1932-33 are in course of completion and work is to be commenced at an early date on the records for the present season.

During the year a decision was made by your Board that the surplus earnings of the Company for seasons 1929-30 and 1930-31 be treated on an annual earning rate, and that the earnings for subsequent years be treated in accordance with the method outlined in Section 4.

As the initial step in the building up of a Sinking Fund Reserve for the purpose outlined in Section 8, an amount of \$100,000.00 was set aside from last season's earnings of the Elevator Company. It is impossible at this date to estimate the amount which will be required ultimately to provide for the contingency referred to. A survey of the accounts, however, indicates that Overpayments to the extent of \$3,946,420.12 have been charged to individual growers in excess of the elevator deductions and commercial reserves held by these growers and at present unsecured by reserves. The proportion of the above will depend on the volume of deliveries made by these growers during the period of repayment.

The other provisions of the plan remain to be carried out after completion of repayment of the indebtedness to the Government.

McPhail Memorial

At the last Annual Meeting the delegates recommended that a committee of the Board be appointed to make plans for the establishment of a memorial to the late A. J. McPhail, first President of the Saskatchewan Wheat Pool organization and Canadian Co-operative Wheat Producers Limited.

A McPhail Memorial Committee was appointed early in the year. This Committee has received and considered a large number of suggestions and has investigated various Memorials now in existence.

The Committee recommends that the Memorial should take the form of an Educational Foundation. In a general way, the objective of the Foundation would be, by means of an educational programme, to perpetuate the memory of an outstanding Canadian who devoted the best years of his life to the improvement of agricultural conditions in Western Canada. This educational programme would be designed to secure:

1. The development of a fuller appreciation of the principles of co-operative effort.
2. A higher standard of living for the farm homes of Western Canada, with a greater share in the comforts of civilization and an opportunity to live a fuller, freer and happier life

3. The building up of a wider recognition of the finest quality of citizenship as between rural and urban dwellers, to the end that equality of opportunity may be forthcoming to all classes of citizens.

The Committee is of the opinion that the terms of the Foundation should be neither too rigid nor too limited, and that the scope of the Foundation should be wide enough to include the organization of inquiries, the publication of reports on education and other subjects, and the establishment of lectureships and scholarships in appropriate fields. It is important in setting up such a Foundation that the trustees should not find themselves handicapped in carrying out the spirit as well as the letter of the Foundation due to changing conditions. The Committee is of the opinion, in order to secure permanence for such a Foundation, that a number of the trustees should hold office by virtue of their position, in addition to one or two individuals who, because of their close relationship to our late President, might be in a position to render particularly valuable service.

Speaking generally, your Committee believes that the educational activities of the Foundation could establish contact with:

1. Children who do not attend High School.
2. Pupils in attendance at High Schools.
3. Western Canadian Universities.
4. Adults outside the regular channels of ordinary educational facilities.

The methods to be used could include the following:

- (a) Essay Contests in Public and High Schools.
- (b) Promotion of study groups among the agricultural population of the Province.
- (c) The award of scholarships and lectureships in Western Canadian Universities.
- (d) The placing of suitable reading material in Public School Libraries of Western Canada.
- (e) Junior and senior experimental and research work in agriculture.
- (f) Nation-wide radio lectures by economists of national and international standing under the auspices of the Foundation, and the publication of such lectures for popular distribution.
- (g) The publication and wide distribution of material having a direct bearing on the objective of the Foundation.

In addition to educational work of the above class, the Committee is of the opinion that the Foundation might also be empowered to establish recreation facilities in various parts of the Province, where men and women interested in the development of the Co-operative Movement may be able to meet together over a period of days for the study of questions of common interest to western agriculture and, at the same time, to secure much needed change and recreation.

The Committee is of the opinion that the services rendered by the late Mr. McPhail were not limited to the Province of Saskatchewan, but were of value to the whole of Western Canada. The Committee believes that the objective of the Foundation should be wide enough to embrace activities which would reach the farm homes in all of the Western Provinces. This matter has already been discussed with the other Provincial Pools, who have indicated that they are prepared to co-operate in the establishment of the Foundation.

From the above outline, it will be apparent that the scope of the proposed Memorial would be limited only by the amount of funds available for this work. The Committee has given passing consideration to the question of securing funds. Under present economic con-

ditions it would be difficult to secure adequate contributions from thousands of the farmers of this Province whose sympathies would be with the proposal, and who would be glad to contribute under happier circumstances.

In the event of the above general outline being approved by the delegates, it is suggested that steps should be taken to secure contributions to a fund to be known as the McPhail Memorial Foundation. The revenue from this Foundation would be used for some of the purposes outlined above and would be administered by a permanent Board of Trustees. It is also suggested that it would not be advisable to initiate the work of the Foundation until the fund had reached a minimum amount satisfactory to the Board of Directors of the Saskatchewan Wheat Pool.

Co-operative Activity

Co-operative Union of Canada

Membership in the Co-operative Union of Canada was maintained during the past year. The Annual Congress of the Co-operative Union was held in Regina during the week of the World's Grain Exhibition and Conference, and was attended by representatives of your Board.

In view of the continued difficult period through which we are passing, your Board approved an extra grant of \$100.00 to the work of the Union, in addition to the regular annual membership fee of \$200.00. Your Board is satisfied that, in the interests of the Co-operative Movement, a national organization, representing both branches of Co-operation, must be maintained.

British Co-operatives

Representatives of the Scottish Co-operative Wholesale Society, and the Co-operative Wholesale Society of England, were also in attendance at the Canadian Co-operative Congress, and advantage was taken of their presence in the City to discuss various matters of mutual interest, including the possibilities of exchanging wheat for manufactured goods from the British Co-operative factories. The British Co-operatives showed a keen desire to continue to do business as far as possible with your organization, and reiterated to your Board that it was their policy to trade with other co-operative organizations wherever possible.

Saskatchewan Co-operative Conference

During the year a number of meetings of the Saskatchewan Co-operative Conference were held, all of which were attended by a representative of your Board. These Conferences are representative of all of the larger co-operative organizations, the Farmers' Educational Organization, Association of Rural Municipalities, the Municipal Hail Association and a Farmers' Mutual Insurance Company, and provide a common meeting ground at which matters of interest to agriculture can be discussed and decisions arrived at.

The question of the International Wheat Agreement was under discussion at the last meeting of this Conference held in September, and a unanimous understanding was arrived at.

Canadian Co-operative Wheat Producers Limited

A copy of the Report of the Directors of Canadian Co-operative Wheat Producers Limited to the shareholders is appended hereto, together with a copy of

a Report submitted by Mr. John I. McFarland, General Manager, to the Annual Meeting of shareholders.

While Canadian Co-operative Wheat Producers Limited no longer acts as a sales agency for the three provincial Pools, your organization has a vital interest in its operations in connection with the 1930-31 Pool.

As in past years, Canadian Co-operative Wheat Producers Limited, has been the organization through which the stabilization policy of the Federal Government has been carried out. Meetings of the Board of Directors are held every two months, and the President maintains a close contact with the operations of the Company between Board meetings. These bi-monthly meetings of the representatives of the three Provincial Pools also perform a very useful purpose as a co-ordinating influence on the activities of the three Provincial organizations.

As the stabilization activities of the Federal Government, originally undertaken in 1930, still continue, it is not yet possible to submit any statement to this meeting in connection with the position of the 1930 Pool. Officials of the Central Selling Agency, however, will be in attendance at this meeting and the position of the 1930 Pool will then be under discussion.

Canadian Pool Agencies Limited

Attached to this Report will be found the Report of the Directors of Canadian Pool Agencies Limited to the Annual Meeting of its shareholders. The Balance Sheet for the year ending 31st August, 1933, and Statement of Income and Expenses of this Company are also appended hereto as Statements No. 11 and 12 respectively, pages 54 and 55.

The year's operations show a profit of \$38,860.43 as compared with \$38,243.39 a year ago. While the financial results will be regarded as satisfactory, it may be pointed out that the greatest value of the Agency lies in its ability to control and secure reductions for the benefit of the insured. This service is rendered continually by Canadian Pool Agencies without regard to the amount of profit available to the Company.

The capital stock of Canadian Pool Agencies is held by the three Provincial Wheat Pools, whose insurance business constitutes the business of the Agencies. After providing for interest at the rate of 6% on the capital stock of the Company, the surplus is distributed, as a dividend on a patronage basis, to the shareholders. Last year patronage dividends amounting to \$37,168.39 were distributed as follows:

Canadian Co-operative Wheat Producers Limited.....	\$ 1,278.44	
Alberta Pool.....	11,887.94	
Saskatchewan Pool.....	20,063.51	
Manitoba Pool.....	3,938.50	
		<u>\$37,168.39</u>

National Marketing Agency

Following out the decision of the delegates at the last Annual Meeting, to submit a request for a National Marketing Agency with complete control over the marketing of the entire crop, every effort was made, in co-operation with the Provincial Wheat Pools of Manitoba and Alberta, to secure action by the Federal Government. As evidence of the support in this Province in favor of the establishment of such a marketing agency, a petition was circulated early in the present

year. In spite of severe weather conditions which made it impossible to undertake an active canvass, over 107,000 names were secured to the petition which was forwarded to the Minister of Trade and Commerce, at Ottawa. A delegation representing the three Pools also met with the Prime Minister and other members of the Cabinet in support of this matter.

As delegates have already been advised, it was found impossible at that time to secure the approval of the Federal Government to enact the necessary legislation.

Marketing Legislation *Producers' Conference*

A two-day Conference of representatives of Producers' Marketing Organizations from all over the Dominion was held in Regina at the time of the World Grain Exhibition and Conference. At the conclusion of the Conference, the following resolution was unanimously approved:

"WHEREAS after many years' experience in the marketing of farm products under the various systems hitherto used, it has been amply demonstrated that anything short of complete producer control is inadequate for the establishment of orderly marketing on a permanent basis; and

WHEREAS attempts at bringing about complete producer control by voluntary agreement seems incapable of accomplishment; and

WHEREAS in such isolated instances as producer control induced by legislative authority has been tried, such enactments have been declared *ultra vires* of the power of the legislatures enacting them; and

WHEREAS grave doubt has been cast upon the power of provincial legislatures under the B.N.A. Act to enact adequate marketing legislation, without first obtaining the necessary federal enactments;

BE IT RESOLVED that this body of producers, representative of the major agricultural activities of Western Canada, request the Honourable, the Federal Minister of Agriculture, to forthwith proceed with the preparation of a farm products marketing measure which will be available to and adequate for the needs of producers of all agricultural products in any part of Canada; that such proposed measure be submitted to a committee to be appointed from this meeting for review at the earliest possible date; and that upon the said proposed measure receiving the approval of the said committee to be submitted for final consideration to a further conference of producers which shall be national in scope to be convened at some central point in sufficient time to provide the necessary support to ensure the passage of the measure at the next sitting of the federal Parliament."

A permanent committee was appointed to implement the above resolution, the Chairman of which is Mr. A. H. Mercer, General Manager of the Frazer Valley Milk Producers' Association. Mr. R. H. Milliken, K.C., is acting as Secretary of the Committee, and Mr. P. Roblin, President of the Saskatchewan Livestock Pool, is the Saskatchewan representative. The Committee has been active in endeavouring to secure the support of Western federal members in favour of the proposed marketing legislation, and it is probable that a further conference will be held in Toronto later in the present month, to consolidate the support of Eastern farmer organizations.

Advantage was taken by the Committee of the recent visit of the Prime Minister to Western Canada to discuss this matter, and a memorandum was presented to him, together with a copy of the above resolution. It is our understanding that the question of federal jurisdiction is being submitted to the Justice Department in order to ascertain exactly the powers available to the Dominion Government. The Committee has also interviewed the Minister of Agriculture who

has given a good deal of consideration to proposals for marketing legislation. It is probable that a representative of the Marketing Committee will proceed to Ottawa in the near future to discuss this matter further.

International Wheat Agreement

Almost since the inception of this organization it has been realized that there must be the greatest possible measure of international co-operation if the full advantages of the Co-operative Movement are to be secured. A year ago it was reported that your Board was of the opinion that a conference of the countries primarily interested in wheat should be convened with a view to establishing such measures of international co-ordination as might be deemed necessary or advisable in the best interests of the participating countries.

International co-operation as a practical method of dealing with the wheat situation has been brought much closer to realization than could have been anticipated a year ago, as a result of the International Wheat Agreement completed in London in August last. A complete copy of this Agreement was forwarded to Pool delegates some time ago, and the position is fully dealt with in the Report of the Board of Directors of Canadian Co-operative Wheat Producers Limited appended hereto.

A memorandum outlining the views of the Central Board with respect to the International Wheat Agreement will be distributed separately to the delegates.

Already steps have been taken by two of the European importing countries to implement their part of the Agreement. Following a meeting of the Advisory Committee held in London towards the end of September, an official announcement was made which indicated that although two successive large crops had resulted in a considerable exportable surplus, the French government would be able to reduce exports to a minimum figure which would have no appreciable effect upon world price. Arrangements have been made in France to increase the use of wheat for animal feeding and also to decrease the quantity of flour extracted from wheat. The same statement indicated that the government of Germany was adopting policies the effect of which would be to reduce the area seeded to wheat and rye. The statement indicated that recent exports of wheat from Germany would be offset by imports during the present cereal year, and that exports of rye would be offset by subsequent imports of maize and barley. The German government also indicated that it could materially increase the consumption of wheat in Germany by reducing unemployment.

In view of the important place which Canada holds in the international wheat trade, your Board is of the opinion that the necessary steps to implement this Agreement on behalf of Canada should be initiated at the earliest possible date. For the crop years 1933-34 and 1934-35 the volume of Canada's export wheat trade will be regulated by the delivery quota allotted to this country under the terms of this Agreement. Our export quota for wheat and flour has been set at 200 million bushels for the current year. In order to secure the best possible results for the producer, your Board is satisfied that the marketing of Canada's export quota of wheat should be placed on a basis free from the influence of speculation and manipulation. In the past the argument has been advanced that a large number of sellers offering the Canadian crop were

likely to be of assistance in moving the surplus. While this organization has never agreed with this theory, it is obvious that, under the terms of the International Agreement by which our quota has been established at a fixed amount, there are now no grounds in support of this argument.

During recent weeks conferences have been held between representatives of the three Pools and the Prime Minister, and also with representatives of the three Western Governments, when this whole question of the operation of the Wheat Agreement was under consideration.

At the last Board meeting a committee of the Board was appointed to study the various questions involved in the marketing of the Canadian crop under a quota plan in consultation with the other Provinces, and such other provincial organizations as might be interested. It is anticipated that similar committees will function in the other two Provinces.

Your Board further welcomes this Agreement as indicating a new departure in the development of international economic co-operation. It represents the first definite agreement dealing with an agricultural commodity to receive the support of those exporting and importing countries which constitute practically the entire international wheat trade.

Under existing conditions, it is apparent that production should keep within measurable distance of consumption, otherwise, under our present system, the increased growth of productive power ceases to render service and becomes actually harmful.

The pressure of economic conditions is steadily forcing the world to revise many of its methods, and your Board is definitely of the opinion that future economic disasters can only be avoided by increasing international co-operation in working out definite economic proposals. A planned marketing programme may well provide the foundation for a greater degree of planning in our agricultural production than has hitherto been possible.

Future Policy

In view of the possibilities for progress inherent in the International Wheat Agreement, your Board is of the opinion that this organization can best serve the interests of its members by concentrating on a satisfactory working out of the terms of the International Agreement, rather than to undertake the development of a separate programme.

As has already been indicated, the International Wheat Agreement will be in force for a period of two crop years. In the event of no substantial economic improvement being evident at the time of the expiration of the Agreement, it may be found necessary for the participating countries to agree to a renewal for a further period. In the meantime, your Board recommends for the consideration of the delegates:

1. That the present situation can best be met in the interests of producers by placing the marketing of the Canadian wheat crop under the control of a National Marketing Agency.
2. That in order to establish equity between producers, the principle of the delivery quota should be carried back to the individual grower.
3. That there should be a majority of producer representatives on any marketing agency established.
4. That the Government of Canada should be asked to consider at an early date the establishment of a fixed price for wheat used for domestic consumption, and that the difference between the actual market price paid by the domestic miller and the fixed price thus established be used to bonus the entire volume of wheat marketed.

Since the principle of the International Wheat Agreement is to secure an increase in the price level of wheat, and since one of the important sections of the Agreement does not become operative until prices have averaged a specified figure for a period of four months, it is further recommended for the consideration of delegates:

5. That the Government of Canada should suggest to the Advisory Committee set up under the terms of the Agreement that the Committee should initiate discussion looking toward an immediate international effort to increase the price levels of wheat.
6. That all possible support should be accorded to the movement (which has now reached national proportions) to secure Federal and Provincial legislation looking toward the establishment of marketing organizations for farm commodities under producer control.

While it is too early to anticipate the conditions which may prevail at the time of the expiration of the International Agreement, your Board is definitely of the opinion that a system of co-operative marketing, under the direct control of the producers, is immeasurably superior either to direct governmental control or any other system which has yet been devised.

In the event of its being found impossible to secure changes in the grain marketing system during the coming year, your Board is of the opinion that we should continue to operate for the crop year 1934-35 on the same basis as the present year, that is, the operation of a Voluntary Pool for those growers wishing to secure the average selling price of grain throughout the year, and the purchase of grain by Saskatchewan Pool Elevators Limited from growers who desire this method of settlement.

Employees' Pension Scheme

During the past year consideration has been given at different times to the possibility of developing a superannuation scheme for the employees of the organization, to which both the employee and the Company would contribute. Your Board will welcome discussion on this question, and also a decision as to whether the delegates are prepared to recommend the principle of participation by the Company in a superannuation plan which would involve contributions on the part of both employees and the Company.

Staff

Your Board takes this opportunity of expressing its appreciation of the continued loyal and efficient service of the Staff as a whole, both in the Head Office and subsidiary offices, and in the country.

Conclusion

The world is realizing more fully today than at any time in the past that there can be no prosperity in any country without a prosperous and stable agriculture. Governments everywhere are turning to co-operation to provide a foundation upon which a stable agricultural industry may be built.

The outlook for the extension of agricultural co-operation is probably brighter today than at any time in the history of the movement. As a result of the loyal support accorded to this organization by its membership during the very difficult period through which we are passing, your Board is satisfied that this organ-

ization will be in a position to play an important part in the wider field now opening up for co-operative development.

All of which is respectfully submitted,

L. C. BROUILLETTE
J. H. WESSON
BROOKS CATTON
A. F. SPROULE
L. WIDDUP
MARSH ADAMS
OLAF NYLUND
JAS. WOODBURN
C. W. COATES
R. A. ROBINSON
FRANK WOTHERSPOON
ADAM ALEXANDER
L. W. ELLIOTT
R. J. MOFFAT
J. P. JENKINS
W. A. URTON

SASKATCHEWAN CO-OPERATIVE WHEAT PRODUCERS LIMITED
1932-1933 POOL ACCOUNTS
OPERATING ACCOUNT
VOLUNTARY POOL No. 1

To Cost of Sales			By Sales Price Realized.....	\$2,275,879.78
Commission on Grain sold.....	\$44,951.63			
Less Service Charges Received.....	31,087.19			
		\$ 13,864.44		
Brokerage.....		20,867.50		
Carrying Charges.....		3,842.52		
Terminal Storage.....		1,013.63		
		\$ 39,588.09		
35 Operating Expenses				
Administrative and Office Expenses.....	\$12,192.07			
Exchange and Excise.....	1,453.55			
Telegrams.....	497.24			
Printing.....	142.83			
Postage.....	260.00			
		\$ 14,545.69		
		\$ 54,133.78		
Less Interest Received.....		17,778.73		
		\$ 36,355.05		
Paid to Growers				
Initial Payment.....	\$1,553,002.62			
Interim Payment.....	226,128.80			
Final Payment.....	460,393.31			
		2,239,524.73		
		<u>\$2,275,879.78</u>		
				<u>\$2,275,879.78</u>

VOLUNTARY POOL No. 2

By Sales Price Realized.....\$1,026,469.83

Commission on Grain Sold.....	\$19,102.16
<i>Less</i> Service Charges Received.....	12,684.46

Less Service Charges Received.....	12,684.46	\$	6,417.70
Brokerage.....			6,090.00
Carrying Charges.....			3,032.87
Terminal Storage.....			406.52

\$ 15,947.09

Administrative and Office Expenses.....	\$ 5,310.06
Exchange and Excise.....	831.49
Telegrams.....	216.67
Printing.....	78.05
Postage.....	160.00

6,596..27

\$ 22,543.36
7,243.46

\$ 15.299.90

Initial Payment.....	\$ 678,435.18
Interim Payment.....	98,484.70
Final Payment.....	234,250.05

1,011,169.93

\$1,026,469.83

\$1,026,469.83

VOLUNTARY POOL No. 3

To Cost of Sales		By Sales Price Realized.....		\$8,191.13
Commission on Grain Sold.....	\$119.01			
Less Service Charges Received.....	67.42			
		\$	51.59	
Carrying Charges.....			13.80	
Terminal Storage.....			.75	
		\$	66.14	
Operating Expenses				
Administrative and Office Expenses.....	\$ 32.15			
Exchange and Excise.....	19.80			
Printing.....	2.50			
Postage.....	2.50			
			56.95	
			123.09	
37 Less Interest Received.....			24.53	
		\$	98.56	
Paid to Growers				
Initial Payment.....	\$4,071.30			
Interim Payment.....	595.00			
Final Payment.....	3,426.27			
			8,092.57	
			<u>\$8,191.13</u>	<u>\$8,191.13</u>

AUDITORS' REPORT

To the Members, Saskatchewan Co-operative Wheat Producers Limited, Regina, Sask.

We report that, in our opinion, the above statement is properly drawn up so as to exhibit a true and correct view of the operations of the 1932-1933 Voluntary Pool Accounts for the year ended 31st July, 1933, according to the best of our information and the explanations given to us and as shown by the books.

WINNIPEG, 14th September, 1933.

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

SASKATCHEWAN CO-OPERATIVE WHEAT PRODUCERS LIMITED
1932-1933 POOL ACCOUNTS
STATEMENT OF RECEIPTS AND DELIVERIES AND RETURNS TO GROWERS

STATEMENT No. 2

VOLUNTARY POOL No. 1

Grade	Receipts and Deliveries (Bushels)	Gross Sale Price	Sales and Operating Expenses	Net Sales Price	Initial and Interim Payments	Final Payment
1 Hard.....	607,547.15	52.011	.804	51.207	40	11.207
1 Northern.....	3,072,050.20	50.511	.804	49.707	40	9.707
2 Northern.....	699,574.45	48.511	.804	47.707	37	10.707
3 Northern.....	48,791.20	46.886	.804	46.082	32	14.082
4 Northern.....	661.10	45.011	.804	44.207	28	16.207
38 Tough 1 Hard.....	1,102.10	49.636	.804	48.832	35	13.832
Tough 1 Northern.....	33,692.30	48.136	.804	47.332	35	12.332
Tough 2 Northern.....	7,814.40	46.136	.804	45.332	32	13.332
Tough 3 Northern.....	2,450.20	44.636	.804	43.832	27	16.832
Smutty 1 Northern.....	9,824.30	46.511	.804	45.707	33	12.707
Rejected 1 Northern.....	176.00	44.761	.804	43.957	33	10.957
Rejected 2 Northern.....	1,356.20	42.636	.804	41.832	30	11.832
Rejected 2 Northern Sprouted.....	1,647.10	42.636	.804	41.832	30	11.832
Rejected 3 Northern Sprouted.....	3,845.40	40.886	.804	40.082	25	15.082
1 C.W. White Spring.....	69.55	47.511	.804	46.707	35	11.707
2 C.W. White Spring.....	668.00	45.511	.804	44.707	32	12.707
1 C.W. Amber Durum.....	21,060.35	53.511	.804	52.707	40	12.707
2 C.W. Amber Durum.....	6,199.40	50.511	.804	49.707	36	13.707
3 C.W. Amber Durum.....	4,043.30	46.511	.804	45.707	31	14.707
	<u>4,522,575.50</u>					

VOLUNTARY POOL No. 2

1 Hard.....	267,173.25	53.833	.777	53.056	40	13.056
1 Northern.....	1,380,935.35	52.208	.777	51.431	40	11.431
2 Northern.....	279,936.25	50.333	.777	49.556	37	12.556
3 Northern.....	13,155.10	48.583	.777	47.806	32	15.806
4 Northern.....	158.50	46.708	.777	45.931	28	17.931
Tough 1 Northern.....	6,211.10	50.083	.777	49.306	35	14.306
Tough 2 Northern.....	5,342.40	48.333	.777	47.556	32	15.556
Smutty 1 Northern.....	4,406.10	48.208	.777	47.431	33	14.431
Dried 2 Northern.....	2,554.20	47.583	.777	46.806	32	14.806
Rejected 2 Northern Sprouted.....	477.30	45.083	.777	44.306	30	14.306
1 C.W. Amber Durum.....	6,483.10	55.708	.777	54.931	40	14.931
2 C.W. Amber Durum.....	1,778.20	52.958	.777	52.181	36	16.181
Smutty 2 C.W. Amber Durum.....	1,081.10	47.958	.777	47.181	29	18.181
	<u>1,969,693.55</u>					

VOLUNTARY POOL No. 3

1 Hard.....	2,473.30	70.688	.828	69.860	40	29.860
1 Northern.....	7,937.20	68.813	.828	67.985	40	27.985
3 Northern.....	1,048.20	65.063	.828	64.235	32	32.235
1 C.W. Amber Durum.....	196.00	69.563	.828	68.735	40	28.735
2 C.W. Amber Durum.....	244.40	66.313	.828	65.485	36	29.485
	<u>11,899.50</u>					

SASKATCHEWAN CO-OPERATIVE WHEAT PRODUCERS LIMITED, MODERN PRESS LIMITED STATEMENT No. 3
SASKATCHEWAN POOL ELEVATORS LIMITED, and SASKATCHEWAN POOL TERMINALS LIMITED
CONSOLIDATED BALANCE SHEET AT 31st JULY, 1933

ASSETS

Cash and Securities

Cash in Banks.....	\$ 632,598.56
Cash Funds—Payors, etc.....	61,022.78
Province of Saskatchewan 4½% Debentures 1951.....	100,000.00

\$ 793,621.34

Accounts Receivable, Current

Sundry.....	956,721.33
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Stocks of Grain—less Stored Grain

(as certified by responsible officials).....	10,123,961.90
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Stock in Trade—Modern Press Limited

(as certified by responsible officials).....	3,362.03
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Total Current Assets..... \$11,877,666.60

Accounts Receivable Deferred

Canadian Co-operative Wheat Producers Ltd.....	\$ 1,428,748.29
Manitoba Pool Elevators Ltd.....	214,473.47
Growers' Overpayments, 1929-1930 Pool.....	12,903,707.37
Operating Expenses, 1930-1931 Pool.....	403,182.91
Province of Saskatchewan, Surplus Interest.....	45,588.07
Growers' Accounts.....	91,613.78
	15,087,313.89

Investments and Memberships

Canadian Co-operative Wheat Producers Ltd....	\$ 50,000.00
Canadian Pool Agencies Ltd.....	6,670.00
Winnipeg Grain Exchange.....	23,650.00
Winnipeg Grain & Produce Exchange Clearing Association Ltd.....	7,000.00
Rural Telephone Companies.....	1,282.00
	88,602.00

LIABILITIES AND CAPITAL

Cheques, Vouchers, etc., Outstanding

Pool Payment Cheques.....	\$ 695,777.79
Grain Drafts, Cash Tickets, etc.....	405,463.59
General Cheques.....	744,267.89

\$ 1,845,509.27

Outstanding Certificates.....

19,148.87

Accounts Payable, Current

Grain Loans.....	\$ 3,513,000.00
Saskatchewan Co-operative Elevator Co. Ltd.....	1,454,614.46
Province of Saskatchewan.....	1,334,438.51
Sundry.....	288,601.60
	6,590,654.57

Total Current Liabilities..... \$ 8,455,312.71

Deferred Liabilities

Province of Saskatchewan re 1929-1930 Pool Overpayment.....	\$13,236,028.52
Manufacturers Life Insurance Company.....	9,500.00
Deferred Interest on 1928-1929 Deductions.....	281,110.83
	\$13,526,639.35

Fixed Assets (Less Reserves for Depreciation)

Country Elevators and Coal Sheds.....	\$10,017,240.41	
Terminal Elevators.....	6,972,845.76	
Land, Buildings and Machinery—		
Regina and Saskatoon.....	237,328.61	
Agents' Residences.....	357,022.91	
Work under Construction.....	12,500.04	
Sites—Terminal Elevators, etc.....	360,361.66	
Office Furniture and Fixtures.....	55,552.38	
Automobile and Sundry Equipment.....	47,242.63	
		18,060,094.40

Deferred Charges

Overpayment 1929-1930 Pool, Company's		
Share.....	\$ 874,504.23	
Sundry.....	132,364.82	
		1,006,869.05
		<u>\$46,120,545.94</u>

Elevator Deductions	12,188,060.07
Commercial Reserve	6,567,851.17
Membership Subscriptions—1924-1928 Pool ...	18,929.00
Capital	84,929.00
Reserve	3,136,917.57
Reserve for Sinking Fund re 1929-1930 Pool	
Overpayment.....	100,000.00
Insurance Reserve	19,343.73
Undivided Profits	2,022,563.34
Contingent Liabilities	
In respect of buildings and work un- der construction (estimated).....	\$31,500.00
Guarantee given to Banks in 1930 in connection with Canadian Co-operative Wheat Producers Limited; the position of these is under discussion, but they are believed to have expired	

\$46,120,545.94

CONSOLIDATED BALANCE SHEET

The following explanations may be of value in considering the Consolidated Balance Sheet:

ASSETS

CASH AND SECURITIES:

Province of Saskatchewan 4½% Debentures 1951—\$100,000.00. This represents a purchase of \$125,000.00, par value, Province of Saskatchewan 4½% Debentures, 1951, at a price of \$80.00. The Debentures are of the issue given by the Province in settlement of the 1929-1930 Pool Overpayment.

Subsequent to the date of Balance Sheet, the above Debentures were sold, at the purchase price, to the Trustees, Province of Saskatchewan 4½% Debentures 1951, Sinking Fund.

ACCOUNTS RECEIVABLE:

Sundry—\$956,721.33. In addition to an amount of \$449,124.11 covering sales of grain to the Saskatchewan Relief Commission, on which a payment of \$225,000.00 has since been received, the above item is principally composed of advances and freight charges on stored grain, and handling charges earned on grain in store in country elevators and terminals, collectable when the grain is sold.

Stocks of Grain—Less Stored Grain \$10,123,961.90. The above amount represents the value of grain in store in country elevators and terminals at 31st July, 1933, less the liability for stored grain, based upon Winnipeg cash closing prices at that date, less freight where necessary.

Stock in Trade—\$3,362.03. Includes the value of Job Stock, Work in Progress and Newsprint on hand, at Modern Press, Limited, Saskatoon, at the date of the Balance Sheet.

ACCOUNTS RECEIVABLE—DEFERRED:

Canadian Co-operative Wheat Producers Limited—\$1,428,748.29. This amount represents a loan to the above mentioned Company.

Manitoba Pool Elevators Limited—\$214,473.47. This amount represents the balance owing in respect of the Company's interest in the proceeds of the sale of the Davidson-Smith Terminal to the above named Company. During the year under review we received payments of principal amounting to \$53,618.36 with accrued interest to 31st July, 1933. The balance is payable in eight equal annual instalments commencing 1st August, 1934.

Growers' Overpayments 1929-1930 Pool—\$12,903,707.37. This represents the balance due by Growers in respect of excess initial payments on deliveries to the 1929-1930 Pools, after writing down the maximum overpayments on any grade of grain to 18c per bushel and applying credits from the final payment on the 1928-1929 crop.

In accordance with a resolution of the Delegates at the annual meeting of November, 1932, interest charged to the above account in season 1931-1932 has been reversed, and no interest has been charged for the year ended 31st July, 1933.

Operating Expenses 1930-1931 Pool—\$403,182.91. This amount consists of the total operating expenses of the 1930-1931 Pool and will constitute a reduction of any further proceeds of the 1930-1931 crop.

Province of Saskatchewan—Surplus Interest Account \$45,588.07. This represents the interest paid to the Province of Saskatchewan, in excess of the amount required to meet payment of interest on the 4½% Debentures 1951 which were issued by the Province in settlement of the 1929-1930 Pool overpayment, less charges for exchange, bankers' commission, and other expenses incurred in respect of the guarantee. The amount is at present held by the Government and will be accounted for to the Company after completing repayment of the liability referred to above.

Growers' Accounts—\$91,613.78. Items comprising this amount are as follows:

Growers' Accounts Receivable.....	\$13,414.94
Liquidated Damages Receivable.....	6,991.42
Advances against Reserves.....	2,903.33
Seed Grain Advances Against Reserves....	45,056.58
Contract Notes 1928-1933 Pool.....	23,247.51
	<hr/>
	\$91,613.78

FIXED ASSETS:

Country Elevators, etc.—\$10,017,240.41. Included in this amount are the following items:

	Plant Value	Depreciation	Net
Country Elev's.....	\$14,093,551.63	\$4,081,001.52	\$10,012,550.11
Coal Sheds.....	6,219.75	1,529.45	4,690.30
	<u>\$14,099,771.38</u>	<u>\$4,082,530.97</u>	<u>\$10,017,240.41</u>

Terminal Elevators—\$6,972,845.76. The following are the details of the amount shown in respect of this asset.

	Plant Value	Depreciation	Net
Terminal No. 4.....	\$ 3,050,174.73	\$1,058,941.93	\$1,991,232.80
Terminal No. 5.....	1,194,545.69	406,589.39	787,956.30
Terminal No. 6.....	74,986.34	25,027.83	49,958.51
Terminal No. 7.....	3,932,908.65	941,401.32	2,991,507.33
Terminal No. 8.....	10,023.40	2,505.85	7,517.55
Buffalo.....	1,758,423.27	613,750.00	1,144,673.27
	<u>\$10,021,062.08</u>	<u>\$3,048,216.32</u>	<u>\$6,972,845.76</u>

The above values are exclusive of sites which are shown under the heading of "Sites—Terminal Elevators, etc.", details of which appear below. Terminals Nos. 6 and 8 are leased houses and the figures shown above are for equipment only.

Land, Buildings and Machinery, Regina and Saskatoon—\$237,328.61. This includes the following items:

	Plant Value	Depreciation	Net
Regina			
Head Office Building....	\$180,000.00	\$ 56,250.00	\$123,750.00
Site.....	25,397.75	.....	25,397.75
Fixtures and Equipment	3,954.57	2,496.53	1,458.04
Saskatoon			
Modern Press Building..	22,795.00	2,249.75	20,545.25
Site.....	9,200.00	.....	9,200.00
Machinery and Equip- ment.....	63,308.18	6,330.61	56,977.57
	<u>\$304,655.50</u>	<u>\$ 67,326.89</u>	<u>\$237,328.61</u>

Agents' Residences—\$357,022.91. Included in this asset are 296 Agents' Residences, valued at \$479,562.77, against which there is a Reserve for Depreciation amounting to \$122,539.86.

Work under Construction—\$12,500.04. This represents sundry construction work in progress at various points at the year end.

Sites—Terminal Elevators, etc.—\$360,361.66. The following is a summary showing the sites comprising this amount:

Terminal No. 4.....	\$ 91,000.00
Terminal No. 5.....	34,500.00
Terminal No. 7.....	80,678.30
Buffalo Terminal.....	123,603.94
Elevator Sites.....	826.25
Cottage Sites.....	29,753.17
	<u>\$360,361.66</u>

DEFERRED CHARGES:

Overpayment 1929-1930 Pool—Company's Share, \$874,504.23. This amount includes all overpayments of the 1929-1930 Pool in excess of 18c per bushel on any grain or grade of grain, and in addition includes the discount on bonds issued by the Province of Saskatchewan in reimbursing the lending banks. Details of these charges and of various items applied in reduction of the account will be found in the following summary:

Cost of writing down Overpayment to maximum of 18c per bushel.....	\$ 949,443.01
Discount on Bonds issued by Pro- vince of Saskatchewan.....	275,040.00
	<u>\$1,224,483.01</u>

Deductions

Saskatchewan Pool Elevators Limit- ed 1929-1930 Adjustment Account	\$197,656.30
Credit received in respect of excess Interest paid Province of Saskat- chewan.....	194.98
Balance of excess interest paid Pro- vince of Saskatchewan as at 31st July, 1933.....	45,588.07
Surplus income Season 1931-1932.....	42,531.82
Surplus income Season 1932-1933.....	64,007.61
	<u>349,978.78</u>
	<u>\$ 874,504.23</u>

Excess interest, shown above, arises through the fact that interest paid to the Province on the 1929-1930 Pool Overpayment Account is based upon a rate in excess of that of the Provincial Bond issue.

It will be noted that last year interest paid to the Province in excess of the interest charged to Growers' accounts was debited to this account, but in view of all interest charges on the Overpayment Account being subsequently absorbed by Saskatchewan Pool Elevators Limited, this item has been reversed.

Sundry—\$132,364.82. This item represents expenditures made which are chargeable to future seasons and includes the following:

Head Office Building Alterations.....	\$ 4,241.44
Repair Parts and Supplies on Hand.....	39,866.45
Prepaid Insurance and Taxes.....	58,259.12
Sundry Prepaid Expenses.....	29,997.81
	<u>\$132,364.82</u>

LIABILITIES

CHEQUES, VOUCHERS, ETC. OUTSTANDING:

Pool Payment Cheques—\$695,777.79. Consists principally of cheques covering the final payments on the 1932-1933 Pools mailed to Growers on 31st July, 1933.

Outstanding Certificates—\$19,148.87. This represents Growers' Certificates covering deliveries to various seasons' Wheat and Coarse Grains Pools, which have not yet been presented to Head Office for payment.

ACCOUNTS PAYABLE—CURRENT:

Saskatchewan Co-operative Elevator Company Limited—\$1,454,614.46. The above amount represents the final payment of principal and interest in respect of the purchase of the Assets of the above Company. Payment of the amount stated was made to the Liquidator on 1st August, 1933.

Province of Saskatchewan—\$1,334,438.51. This amount is composed of the following items:

Re: Saskatchewan Co-operative Elevator Mortgages

Principal due 31st August, 1933....	\$ 597,590.05
Accrued Interest to 31st July, 1933	30,075.97
	<u>\$ 627,666.02</u>

Re: 1929-1930 Pool Overpayment

Principal due 15th September, 1933.....	\$448,086.48
Accrued Interest to 31st July, 1933	258,686.01
	<u>706,772.49</u>
	<u>\$1,334,438.51</u>

Payment of principal, with accrued interest to 31st August 1933, was made on the due date in respect of the first mentioned item. In accordance with an arrangement made with the Provincial Treasurer, an amount of \$225,000.00, representing a balance owing to Saskatchewan Pool Elevators Limited, by Saskatchewan Relief Commission, was withheld from the payment of principal and accrued interest made to the Province, on 15th September, 1933, in respect of the 1929-1930 Pool Overpayment Account.

Sundry Accounts Payable—\$288,601.60. This item consists principally of Customers' Margin Accounts and accrued expenses.

DEFERRED LIABILITIES:

Province of Saskatchewan re 1929-1930 Pool Overpayment \$13,236,028.52. This amount represents the balance due to the above in respect of the 1929-1930 Pool Overpayment after providing for the payment of principal due on 15th September, 1933. The amount is repayable in eighteen annual amortized payments of principal and interest, commencing 15th September, 1934.

Manufacturers' Life Insurance Company—\$9,500.00. This represents a mortgage payable on the Modern Press Building, Saskatoon.

Deferred Interest on 1928-1929 Deductions—\$281,110.83. This amount is made up as follows:

Elevator Deductions, 6% from 1st September, 1929 to 31st August, 1930.....	\$199,195.04
Commercial Reserve, 5% from 1st September, 1929, to 31st August, 1930.....	81,915.79
	<u>\$281,110.83</u>

Elevator Deductions—\$12,188,060.07. Commercial Reserve—\$6,567,851.17. Funds in respect of Elevator Deductions are invested in Saskatchewan Pool Elevators Limited, and in respect of Commercial Reserve in the remaining investments, fixed assets, loans to Saskatchewan Pool Elevators Limited, and Canadian Co-operative Wheat Producers Limited.

Membership Subscriptions 1924-1928 Pool—\$18,929.00. This item represents subscriptions for Capital Stock in the 1924-1928 Pool, from growers who are not members of the 1928-1933 Pool.

Capital Stock—\$84,929.00. This amount represents the Capital Stock subscribed by members of the 1928-1933 Pool.

Reserve Account—\$3,136,917.57. Details of this account are shown below:

Balance at 1st August, 1932.....	\$3,059,420.35
Adjustment 1930-1931 Terminal Screenings.....	3,100.40
Adjustment 1931-1932 Terminal Overages.....	1,476.18
Canadian Pool Agencies Ltd., Share of Profits 1931-1932.....	20,063.51
Transferred from Undivided Profits....	\$731,712.00
Less Interest paid on 1929-1930 Pool Overpayment for year ended 30th September, 1932.....	678,854.87
	<u>52,857.13</u>
	<u><u>\$3,136,917.57</u></u>

As the Net Earnings of the Company for season 1931-1932 were not sufficient to provide for the interest on the 1929-1930 Pool Overpayment, the above amount was transferred from "Undivided Profits" to provide for same.

Reserve for Sinking Fund re 1929-1930 Pool Overpayment—\$100,000.00. This amount was set aside from this season's earnings to provide a Reserve for such amounts, due by Growers in connection with the 1929-1930 Pool Overpayment, as may ultimately be found to be uncollectable, and is in accordance with the plan of repayment of the Growers' Overpayments as approved by the Delegates.

Insurance Reserve—\$19,343.73. This Reserve was established to provide for any losses which may be incurred in excess of the amounts for which Agents and Payors are bonded, and replaces the usual excess coverage which has been discontinued. The amount is equal to the total premiums paid for the year on the primary bonds.

Undivided Profits—\$2,022,563.34. In addition to an amount of \$714,030.19 transferred from this season's earnings, this amount includes earnings of Saskatchewan Pool Elevators Limited, set aside during seasons 1929-1930 and 1930-1931, distribution of which has been deferred. During the year under review an amount of \$731,712.00 was transferred from this account to "Reserve Account", reference to which is made in the explanation covering the latter account.

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

CONSOLIDATED CAPITAL STATEMENT AS AT 31st JULY, 1933

	Dr.	Cr.			
Elevator Deductions.....		\$12,188,060.07	Brought Forward	\$16,094,182.94	
Commercial Reserve.....		6,567,851.17			
Membership Subscriptions 1924-1928 Pool.....		18,929.00	Less Deferred Liabilities.....	13,526,639.35	
Capital.....		84,929.00			2,567,543.59
Reserve.....		3,136,917.57			
Insurance Reserve.....		19,343.73			\$20,716,239.99
Undivided Profits.....		2,022,563.34			\$24,138,593.88
Reserve for Sinking Fund <i>re</i> 1929-30 Pool Over- payment.....		100,000.00			
Fixed and Sundry Assets			Approved Programme of Work under Construction (Estimat- ed Expenditures)		
Fixed Assets (<i>Less</i> Reserve for Depreciation)....	\$18,060,094.40		1 Country elevator (Fire Loss Replacement).....\$	10,000.00	
Investments and Memberships.....	88,602.00		10 Cleaners.....	20,000.00	
	\$18,148,696.40		1 Agent's Residence.....	1,500.00	
Deferred Accounts					31,500.00
Accounts Receivable—			Balance—Surplus available as Working Capital for Season 1933-1934.....		3,390,853.89
Deferred.....	\$15,087,313.89				
Deferred Charges.....	1,006,869.05				\$24,138,593.88
	\$16,094,182.94				\$24,138,593.88

CURRENT POSITION AS PER CONSOLIDATED BALANCE SHEET 31st JULY, 1933

Current Assets.....	\$11,877,666.60
Current Liabilities.....	8,455,312.71
Current Position as per Balance Sheet.....	\$ 3,422,353.89
<i>Less:</i>	
Estimated Capital Expenditures in respect of buildings and work under construction.....	31,500.00
Balance—Surplus available as Working Capital for Season 1933-1934.....	<u><u>\$ 3,390,853.89</u></u>

STATEMENT No. 5

STATEMENT OF GRAIN HANDLINGS
SASKATCHEWAN POOL ELEVATORS LIMITED and SASKATCHEWAN POOL TERMINALS LIMITED
SEASONS 1924-1925 to 1932-1933

TOTAL HANDLED (ALL GRAINS).....										TOTAL
1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1924-1933	
Saskatchewan Pool Elevators Limited.....	—	15,878,715	80,110,048	100,210,581	138,714,883	80,434,256	84,468,416	54,672,705	87,381,764	641,870,368
No. of Elevators Operated.....	—	89	586	727	970	1,046	1,060	894	1,065	—
Average Handling per Elevator.....	—	178,401	136,707	137,841	143,005	76,896	79,687	61,155	82,049	—
Total Handled over Platform.....	5,703,987	12,716,212	9,488,988	6,163,926	7,224,133	1,439,248	1,498,239	1,999,163	3,988,281	50,222,177
Total Handled Terminal No. 4.....	—	—	29,863,431	29,140,749	34,284,711	12,677,665	15,466,917	11,375,572	17,378,862	150,187,907
Total Handled Terminal No. 5.....	—	—	16,339,006	16,000,386	15,538,486	7,354,096	6,309,382	1,697,318	6,368,534	69,607,208
Total Handled Terminal No. 6.....	—	—	29,588,638	27,599,454	32,327,807	14,972,119	18,898,851	15,796,825	20,216,112	159,399,806
Total Handled Terminal No. 7.....	—	—	—	—	18,571,535	22,762,101	23,615,230	17,745,688	23,765,314	106,459,868
Total Handled Terminal No. 8.....	—	—	—	—	12,388,728	3,811,585	3,469,202	2,185,449	6,385,797	28,240,761
TOTAL.....	—	—	75,791,075	72,740,589	113,111,267	61,577,566	67,759,582	48,800,852	74,114,619	513,895,550
Total Handled Buffalo Terminal.....	—	—	27,981,088	22,566,272	24,252,619	9,764,105	19,100,322	12,443,932	15,822,437	131,930,775

SASKATCHEWAN POOL ELEVATORS LIMITED

STATEMENT OF EARNINGS

1st August, 1925, to 31st July, 1933

	1925-1932	1932-1933	TOTAL
NET EARNINGS (After Allowance for Income Tax).....	\$12,073,566.11	\$ 1,433,818.69	\$13,507,384.80
DISTRIBUTION OF EARNINGS			
Farm Storage.....	\$ 306,456.74	\$	\$ 306,456.74
Share of Pool Expenses.....	471,489.16	51,804.00	523,293.16
Dividends to Pool.....	1,915,273.80	.....	1,915,273.80
Excess Charges Refund.....	4,256,040.82	.....	4,256,040.82
Interest Paid on 1929-1930 Pool Overpayment.....	678,854.87	567,984.50	1,246,839.37
67 Transferred to Reserve Account.....	3,136,917.57	.....	3,136,917.57
68 Transferred to Sinking Fund Reserve re 1929-1930 Pool Overpayment.....	.....	100,000.00	100,000.00
Transferred to Undivided Profits.....	1,308,533.15	714,030.19	2,022,563.34
NET EARNINGS (After Allowance for Income Tax).....	\$12,073,566.11	\$ 1,433,818.69	\$13,507,384.80
Net Earnings (As Above).....			\$13,507,384.80
Depreciation Reserve as at 31st July, 1933.....			7,375,151.69
Interest on Mortgages (Paid to Province of Saskatchewan and Liquidator, Saskatchewan Co-operative Elevator Company Limited, from 1st August, 1926, to 31st July, 1933, in respect of the purchase of the Assets of the latter Company).....			2,147,539.81
TOTAL OPERATING EARNINGS—1st AUGUST, 1925, to 31st JULY, 1933.....			\$23,030,076.30
CAPITAL—AS AT 31st JULY, 1933.....			\$12,195,200.00

NOTE: The figures shown for the period 1925-1932 have been adjusted to include additional Earnings, applicable to that period, but which were not determined in time to be included in the figures previously submitted. Adjustments to previous figures have also been made for the purpose of including, in the Distribution of Earnings, the interest paid on the 1929-1930 Pool Overpayment.

SASKATCHEWAN POOL ELEVATORS LIMITED

STATEMENT OF PRINCIPAL AND INTEREST PAID ON PURCHASE OF ASSETS OF
SASKATCHEWAN CO-OPERATIVE ELEVATOR COMPANY LIMITED

Award Value of Assets Purchased.....	\$11,059,310.47
Additions.....	1,958.18

TOTAL PURCHASE PRICE.....	\$11,061,268.65
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Payable to:

Province of Saskatchewan.....	\$ 2,091,565.05
Liquidator, Saskatchewan Co-operative Elevator Company Limited.....	8,969,703.60

TOTAL.....	\$11,061,268.65
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STATEMENT OF PAYMENTS MADE

Date	Sask. Co-operative Elevator Co. Ltd.		Province of Saskatchewan		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest
April 8, 1926.....	\$ 500,000.00	—	—	—	\$ 500,000.00	—
August 2, 1926.....	1,500,000.00	—	—	—	1,500,000.00	—
August 31, 1926.....	—	—	—	\$ 9,887.25	—	\$ 9,887.25
August 1, 1927.....	1,000,000.00	\$ 418,182.18	—	—	1,000,000.00	418,182.18

August 31, 1927.....	—	—	\$ 298,795.00	115,036.08	298,795.00	115,036.08
October 12, 1927.....	1,958.18	23.50	—	—	1,958.18	23.50
August 1, 1928.....	1,000,000.00	358,064.73	—	—	1,000,000.00	358,064.73
August 31, 1928.....	—	—	298,795.00	98,602.35	298,795.00	98,602.35
August 1, 1929.....	1,150,000.00	298,064.73	—	—	1,150,000.00	298,064.73
August 31, 1929.....	—	—	298,795.00	82,168.63	298,795.00	82,168.63
August 1, 1930.....	1,000,000.00	229,064.73	—	—	1,000,000.00	229,064.73
August 31, 1930.....	—	—	298,795.00	65,734.90	298,795.00	65,734.90
August 1, 1931.....	1,000,000.00	169,064.73	—	—	1,000,000.00	169,064.73
August 31, 1931.....	—	—	298,795.00	49,301.18	298,795.00	49,301.18
August 1, 1932.....	445,467.63	109,064.73	—	—	445,467.63	109,064.73
August 31, 1932.....	—	—	—	32,867.45	—	32,867.45
August 1, 1933.....	1,372,277.79	82,336.67	—	—	1,372,277.79	82,336.67
Balance Payable August 31, 1933.....	—	—	597,590.05	32,867.45	597,590.05	32,867.45
TOTALS.....	\$8,969,703.60	\$1,663,866.00	\$2,091,565.05	\$486,465.29	\$11,061,268.65	\$2,150,331.29

PRINCIPAL PAID..... \$11,061,268.65
INTEREST PAID..... 2,150,331.29
TOTAL..... \$13,211,599.94

STATEMENT No. 8

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

**STATEMENT OF ASSETS, DIRECT LIABILITIES AND
GROWERS' EQUITY AS AT 31st JULY, 1933**

ASSETS

Fixed Assets.....	\$18,060,094.40	
Investments and Memberships.....	88,602.00	
Other Assets (Deferred Accounts Receivable)		
Manitoba Pool Elevators Limited.....	\$214,473.47	
Province of Saskatchewan, Surplus Interest Account.....	45,588.07	
		260,061.54
Surplus Capital (After Providing for expenditures to complete Building and Reconstruction Programme)....	3,390,853.89	
Building and Reconstruction Programme provided for.....	31,500.00	
		<u>31,500.00</u>
Total Net Assets (Exclusive of Elevator Supplies, etc., and amounts due by Canadian Co-operative Wheat Producers Limited, and by Growers).....	<u>\$21,831,111.83</u>	

LIABILITIES (EXCLUSIVE OF LIABILITIES TO SHAREHOLDERS)

		Equity
Province of Saskatchewan re 1929-1930 Pool Overpayment.....	\$13,236,028.52	60.629%
Manufacturers Life Insurance Company.....	9,500.00	.044%
Total Direct Liabilities	<u>\$13,245,528.52</u>	

BALANCE OF ASSETS OVER LIABILITIES

(Growers' Equity).....	8,585,583.31	39.327%
	<u>\$21,831,111.83</u>	<u>100.00%</u>

The above statement shows an increase in the Balance of Assets over Liabilities from \$7,662,057.85 as at September 30th, 1932, to \$8,585,583.31 at July 31st, 1933, thus increasing the Growers' Equity by \$923,525.46.

In percentages the Growers' Equity now stands at 39.327% of the value of the Company's assets as compared with 32.847% last year—an increase of 6.480%.

STATEMENT No. 9

TOTAL NUMBER OF COMMITTEES 1932-1933 Sub Districts 1-10

	1	2	3	4	5	6	7	8	9	10	T'tl.
District 1.....	3	5	8	10	7	8	8	11	6	9	75
District 2.....	7	4	6	8	7	8	11	8	13	7	79
District 3.....	3	4	3	6	6	6	3	4	3	6	44
District 4.....	3	8	9	4	5	3	4	5	3	6	50
District 5.....	10	4	6	8	7	5	7	10	8	5	70
District 6.....	8	10	5	9	10	12	13	7	7	9	90
District 7.....	8	5	6	4	7	10	6	5	11	6	68
District 8.....	9	10	11	7	7	8	5	6	4	3	70
District 9.....	4	7	3	9	4	9	7	5	6	6	60
District 10.....	6	7	5	7	14	8	2	8	6	10	73
District 11.....	8	11	12	6	6	7	13	8	12	9	92
District 12.....	11	8	10	7	7	7	7	9	10	9	85
District 13.....	10	12	4	13	8	12	6	8	6	10	89
District 14.....	6	8	7	8	10	15	13	9	10	7	93
District 15.....	9	9	5	8	6	5	7	6	7	10	72
District 16.....	7	7	7	7	5	11	6	8	7	6	71
Total in Province.....											<u>1181</u>

STATEMENT No. 10

COMMITTEES REORGANIZED 1932-1933

Sub-Districts 1-10

	1	2	3	4	5	6	7	8	9	10	T'tl.
District 1.....	3	2	4	10	5	6	4	7	4	4	49
District 2.....	5	3	1	8	4	4	8	7	12	7	59
District 3.....	-	3	3	5	3	4	2	3	1	4	28
District 4.....	2	7	6	3	5	4	4	5	2	5	43
District 5.....	7	3	5	4	5	2	4	9	5	5	49
District 6.....	5	7	4	5	8	7	3	7	6	5	57
District 7.....	3	3	6	4	7	6	4	5	8	4	50
District 8.....	7	6	7	3	5	6	5	4	3	1	47
District 9.....	4	6	3	7	4	9	5	4	5	6	53
District 10.....	6	5	3	4	12	7	2	5	4	7	55
District 11.....	6	6	8	4	3	2	6	2	4	8	49
District 12.....	4	6	8	5	4	6	4	6	10	7	60
District 13.....	7	9	4	5	2	10	5	5	2	8	57
District 14.....	4	7	5	7	7	4	9	6	8	8	65
District 15.....	5	5	3	6	4	4	6	4	5	3	45
District 16.....	4	6	3	5	4	3	5	6	6	4	46
Total in Province.....											<u>812</u>

CANADIAN POOL AGENCIES LIMITED—BALANCE SHEET AS AT 31st AUGUST, 1933

STATEMENT No. 11

Agency Assets

ASSETS

Cash in Bank..... \$ 51,154.41
Insurance Accounts Receivable..... 50,506.70

Total Agency Assets..... \$101,661.11

Shareholders' Assets

Cash in Banks and on Hand..... \$ 9,412.61

Demand Loans

Alberta Pool Elevators, Limited.....\$28,057.50
Saskatchewan Pool Elevators, Limited... 25,022.31

53,079.81

Accrued Commissions..... 3,640.46

Accounts Receivable—Sundry..... 1,346.70

Investments and Memberships..... \$67,479.58

Dominion of Canada—National Service

Loan 5% Bonds (Par Value \$10,000.00)..\$ 9,768.75

Membership Deposit (Western Canada Insurance Underwriters' Association)..... 200.00

9,968.75

Furniture and Equipment.....\$ 5,746.80

Less Reserve for Depreciation..... 3,109.43

2,637.37

80,085.70

\$181,746.81

Agency Liabilities

LIABILITIES

Due to Insurance Companies..... \$ 98,020.65
Accrued Commissions..... 3,640.46

Total Agency Liabilities..... \$101,661.11

Shareholders' Liabilities

Accounts Payable

Canadian Co-operative Wheat Producers Limited.. \$ 5,965.57
Saskatchewan Inspection Service..... 1,402.29
Sundry..... 857.41

\$ 8,225.27

Reserves for Cancellations and Unearned Commissions 13,000.00

Capital Stock—Authorized \$20,000.00

Issued and Fully Paid—2,000 shares of \$10.00 each. 20,000.00

Surplus..... 38,860.43

80,085.70

Approved on behalf of the Board

L. C. BROUILLETTE, Director.

LEW HUTCHINSON, Director.

R. C. FINDLAY, Treasurer.

\$181,746.81

Auditors' Report to the Shareholders:

We have examined the books and accounts of Canadian Pool Agencies, Limited, for the fiscal year ending August 31, 1933, and have obtained all the information and explanations which we have required. The securities covering the investments in Government bonds and Membership deposit have been produced for our inspection or verified by certificates from the depositaries, and cash in banks has been confirmed by certificates obtained direct from the company's bankers.

We report that, in our opinion, the above balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of Canadian Pool Agencies, Limited, as at August 31, 1933, according to the best of our information and the explanations given to us and as shown by the books of the company.

WINNIPEG, October 7, 1933.

(Sgd.) PRICE, WATERHOUSE & CO., Auditors.

STATEMENT No. 12

CANADIAN POOL AGENCIES LIMITED

STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDED 31st AUGUST, 1933

Income

Commissions Earned.....	\$51,694.78
Interest.....	4,240.11
Interest on Investments.....	500.00
	<u>\$56,434.89</u>

Administrative and General Expenses

Salaries.....	\$ 9,950.00
Administrative Expenses.....	4,500.00
Rent and Light.....	3,198.19
Office Supplies and Expenses.....	181.38
Telegraph and Telephone.....	346.56
Depreciation.....	718.35
Audit Expense.....	300.00
Taxes and Licenses.....	279.94
Printing and Stationery.....	233.67
Postage and Excise Stamps.....	138.15
Travelling Expenses.....	152.30
Brokerage.....	75.92
	<u>\$20,074.46</u>

Less

Allowance from Saskatchewan Inspection Service.....	<u>2,500.00</u>
	17,574.46

Net Income Transferred to Surplus..... \$38,860.43

Canadian Co-operative Wheat

Producers Limited

DIRECTORS' REPORT

1932-1933

To the Shareholders,

Canadian Co-operative Wheat Producers Limited,
Winnipeg, Manitoba.

Gentlemen:

Although from a grain handling standpoint the business results of the three Provincial Pools during the past twelve months have been beyond expectations, with increased percentages of deliveries showing not only the loyalty of Pool members but also increased patronage from non-Pool farmers, and with the closest possible co-operation and harmony between the three Pool organizations; the period under review has been one of increasing distress and anxiety for all the wheat producers of Western Canada.

World trade in wheat has been declining even at the ruinously low prices prevailing in exporting countries. Wheat prices reached an all-time record low on the Winnipeg market when on December 16th, 1932, No. 1 Northern, Fort William, sold for 38 cents a bushel. World wheat imports for the twelve months, which had averaged close to 800 million bushels for the six-year period 1926-27 to 1931-32, inclusive, fell to 615 million bushels, the smallest total since 1929-30, and a further shrinkage in volume was estimated for 1933-34. Although Canada exported 264 million bushels of wheat (including flour), being 42 per cent. of world trade for the crop year 1932-33, the total carryover of Canadian wheat reached the record high figure of 219 million bushels, July 31st, 1933. After a wet, late spring, the promise of fair crops in Western Canada for the crop year 1933-34 vanished before the most disastrous failure, through drought and grasshopper damage, which Western Canada has experienced.

World Wheat Situation

During the World War there was a drastic reduction in wheat acreage and production in European exporting and importing countries, with corresponding increase in wheat acreage in Canada, the United States, Argentina, and Australia. Russia, which before the War had been the principal exporter of wheat, disappeared entirely from world markets, and was not an important factor again until 1930. Europe is now not only back to pre-War wheat acreage, but by improved methods of tillage, the greater use of fertilizers, and also being greatly favored by unusually good climatic conditions, the average yield has been approximately one bushel per acre above the pre-War yield.

The following figures compiled by the United States Department of Agriculture, show the great increase in European wheat production since 1922:

	<i>Bushels</i>
1922 European Wheat Production.....	1,045,000,000
1931.....	1,433,000,000
1932.....	1,487,000,000
1933.....	1,569,000,000

High tariffs, in some cases completely prohibitive, and milling restrictions which in some countries have

seriously restricted imports, have compelled millers in importing countries to lower the quality of their flour with consequent decline in the consumption of bread.

The following statistics, given by the United States Department of Agriculture, show the recent decline of wheat imports into France, Germany and Italy:

		<i>Bushels</i>
1922	Total Imports.....	208,000,000
1931-32.....		136,000,000
1932-33.....		40,000,000

Through the system of benefit payments to wheat farmers the United Kingdom has stimulated wheat production, and while this is still the world's most important wheat market, imports declined from a total of 221 million bushels in 1930-31 to 179 million bushels in 1932-33, and sowings in the United Kingdom for the 1933 crop increased 17 per cent. over the previous year.

Although in the past season the United States harvested a record low crop of only slightly over 515 million bushels, the abnormally high carryover of wheat on the North American continent, the large reserve stocks in Europe, and a considerable surplus in France and Spain, have depressed wheat prices in all the principal exporting countries below the cost of production. Until the world surplus is down to more normal proportions there does not appear to be any possibility of wheat prices being stabilized at living levels for the people who grow it. The "self-sufficiency" policies of European countries, partly due to the unsettled state of Europe, but largely due to the determination of European governments to protect their farmers from being ruined by floods of cheap wheat from exporting countries, make it impossible to get rid of this surplus of wheat even by lowering the price below present unprofitable levels, as the immediate result would be the raising of tariffs still higher and imposing more drastic milling and quota restrictions in importing countries. There is a fluctuating demand for wheat in the Orient, but there is no immediate probability of Oriental trade absorbing more than a small percentage of the present excessive world surplus.

International Wheat Agreement

For the past three years the Boards of the three Provincial Pools and the Central Board have been greatly concerned at the increasing difficulties of our members due to the decline in price, not only of wheat and other cereals, but of all agricultural products below production costs; shortages of feed and seed over large areas due to drought and insect pests; accumulating burdens of debt impossible to discharge or reduce at present price levels; and steadily increasing world surpluses of all agricultural commodities, particularly wheat, with prices at record low figures even with the abnormally light crops harvested in North America this year.

After representatives of the three Boards had on different occasions discussed with representatives of the Federal Government and Governments of the three prairie provinces the critical situation existing in Western Canada, a meeting of representatives of the governments of Manitoba, Saskatchewan and Alberta, and the three Wheat Pool organizations, was held in Winnipeg on October 11th, 1932, and the following resolution was adopted unanimously and sent to the Right Hon. R. B. Bennett, Prime Minister of Canada:

"Whereas for the past two years the prices for our principal agricultural product—wheat—have continued

at levels disastrous to the ability of agriculture to carry on, and equally disastrous to the industrial and commercial interests which depend upon the purchasing power of agriculture:

And whereas we believe that an improvement in commodity prices is essential to economic recovery, and further that wheat is the chief commodity to be considered in the matter of price;

And whereas we believe much can be accomplished by a Conference of the Governments and Producers of the chief wheat exporting countries;

Now therefore we request the government of Canada to convene such a Conference with a view to establishing such measures of international co-ordination as may be deemed necessary or advisable in the best interests of these countries."

Although the proposed conference of producers and governments was not called at the preparatory session for the World Economic Conference, the representative of the Argentine government pressed hard for special treatment of the wheat problem at the London Conference, and the same suggestion was made to the Canadian Prime Minister by the Wheat Problems Committee, composed of the three provincial premiers, with whom were associated Dr. H. C. Grant for Manitoba; Dr. W. Allen for Saskatchewan, and Mr. C. W. Peterson for Alberta.

On May 10th, 1933, representatives of the four principal wheat exporting countries, Canada, Australia, Argentina and the United States, held a preliminary conference under the auspices of the League of Nations at Geneva. Further sessions were held during, but outside, the Monetary and Economic Conference at London, and sufficient progress made that, at the request of the four countries mentioned, the Secretary-General of the League of Nations summoned a Wheat Conference of thirty countries which met in London on August 21st, under the presidency of the Canadian Prime Minister, and a Wheat Agreement was signed on August 25th by representatives of twenty-two importing and exporting countries.

In the preamble the object of the Agreement is declared to be: "To adjust the supply of wheat to effective world demand and eliminate the abnormal surpluses which have been depressing the wheat market, and to bring about a rise and stabilization of prices at a level remunerative to the farmers and fair to the consumers of bread-stuffs."

The overseas exporting countries, Argentina, Australia, Canada and the United States, agree that their several exports of wheat during the crop year August 1st, 1933 to July 31st, 1934, shall be adjusted on a quota basis, taking into consideration the exports of other countries, on the assumption by the world's leading authorities that import demands during this period will not exceed 560 million bushels. Canada's quota was set at 200 million bushels; Argentina, 110 million; Australia, 105 million; the Balkan countries, 50 million. Russia agreed to limit her exports, but has not yet come to an agreement as to the amount that country will export for the present crop year.

During the succeeding crop year, August 1st, 1934 to July 31st, 1935, the overseas exporting countries agree to limit their exports to a figure 15 per cent. less in the case of each country than the average output on the average acreage sown during the period 1931-1933 inclusive, after deducting normal domestic requirements. The difference between the effective world demand for wheat in the crop year 1934-35 and the quantity of new wheat from the 1934 crop available

for export will be shared between Canada and the United States as a supplementary allocation, with a view to the proportionate reduction of their respective carryovers of wheat.

In Europe, Bulgaria, Hungary, Roumania and Yugoslavia, agree that their combined exports during the next crop year shall not exceed 50 million bushels, with the possibility of its increase to 54 million if this is necessary to move the exportable surplus of the 1933 crop. They agree to the same figure for the crop year 1934-35 and recognize that this means that they cannot extend the acreage sown to wheat at present.

The importing countries have undertaken not to encourage any extension of the area sown to wheat nor their domestic production, and to introduce measures to increase the consumption of wheat and progressively remove measures tending to lower the quality of bread-stuffs, and thereby decrease human consumption of wheat. They agree to lower their tariffs on wheat when world wheat prices reach and maintain for 16 weeks 63.02 gold cents a bushel, and also to modify the general, and at the same time lower the quantitative, restriction of wheat imports. This price will be based on the average price of all grades of wheat sold during each week in all the ports of Great Britain.

The importing countries declare in the Agreement that they will not take advantage of a voluntary reduction of exports on the part of exporting countries to develop their domestic policies in such a way as to frustrate the efforts which exporting countries are making to restore the price of wheat to a remunerative level.

A Wheat Advisory Committee has been set up to supervise the working and application of the Agreement. Robert W. Bingham, United States Ambassador to Great Britain, is Chairman of the Committee, and Andrew Cairns, formerly Statistician for the Canadian Wheat Pools and for the past two years in charge of the Grain Research Department of the Empire Marketing Board, is Secretary. The latter appointment we feel sure will be regarded with a great deal of satisfaction by Canadian wheat growers.

The Wheat Agreement specifies only the quantity which each country may export, leaving the method of adjusting production to export demand to each country concerned. In a memorandum drawn up by your Board on January 24th, 1933, the view was expressed that a bushelage basis would be a fundamental factor in any plan for an International Wheat Agreement, and it was suggested that the quota policy, if adopted for exporting countries, should be carried back to the farm, rather than a policy of straight acreage reduction, either voluntary or compulsory. It was also suggested that so far as Canada is concerned, and this might apply to other countries, the establishment of a National Marketing Board, with complete control over the marketing of wheat, would greatly facilitate the successful carrying out of any plan submitted by the proposed World Wheat Conference.

World Grain Exhibition and Conference

A joint exhibit including a large map displaying the elevator systems of the three Pools, with large photographs of the terminals owned by the Pools; a working model of Saskatchewan Wheat Pool Terminal No. 4; the automatic sampler which the Pools were

first to install, and views of Pool country elevators and terminals in the three provinces—together with the awards for the junior grain judging team—was the contribution of the Pools to the World's Grain Exhibition and Conference at Regina, July 24th to August 5th, inclusive. In addition an Essay Competition on the Co-operative Marketing of Grain was staged by the Saskatchewan Wheat Pool for all the schools in the province. The reward for the best essays in each district was a free trip to the Fair, and a hundred and sixty boys and girls from all parts of the province spent a very busy and profitable time at the Exhibition and the Pool building. From their own observation and the talks they listened to they got a clear idea of the magnitude and efficiency of the co-operative grain marketing machinery established and operated by prairie farmers. While the Pool booth lacked the lavish display of some of the other exhibits, the attendance at the "co-operative" corner of the huge World's Grain Building was all that could have been desired, and Pool directors and officials were kept busy from the opening of the Exhibition to its close supplying information to interested visitors.

Although only a brief space was allotted to co-operative marketing on the programme of the World's Wheat Conference, held in connection with the Exhibition, with only two speakers for the Pools as compared with fourteen representatives of the private trade in Canada, the United States and Great Britain, delegates and visitors to the Conference were given a clear picture of the strength of the co-operative movement in Western Canada, the vitality of the Pool organizations, and attacks upon the Pools by various speakers were vigorously and effectively answered. On one point, representatives of the Pools were very emphatic; that speculation in wheat between the producer and consumer must ultimately be eliminated.

Your President, Mr. L. C. Brouillette, gave a brief review of co-operative development in grain marketing, outlining the extremely unsatisfactory condition prevailing when the private trade had a monopoly of the handling and marketing of grain, and the steps taken by Western grain growers to put into practice their inherent right to market their own grain. He pointed out how each step taken by the organized farmers in their marketing activities was towards a definite goal: "the elimination of excessive profits on wheat while on its way to the consumer."

The co-operative principle on which the Pools were established, Mr. Brouillette said, was and is "service at cost", and just how many millions have been saved not only to Pool members but to all Western grain growers since the inception of farmer-owned, farmer-operated elevator systems, it was impossible to estimate, but he was satisfied it would exceed the entire cost of these elevators several times over. The service that the Canadian Wheat Pools and other farmers' marketing organizations have rendered the Western farmers, he stated, cannot be measured merely by the bushels handled or marketed, as the presence of a farmer-owned elevator at every important grain shipping point might be compared to a farm sentinel guarding the interests of the producer.

He referred to the collapse of the hedging market when the Pools were no longer keeping the pressure of half the Canadian crop from depressing the market, and the subsequent appeals from the private trade to

the Federal Government to "put muscle into" and "a crutch under" a system which was no longer able to stand alone, and the failure of which made necessary the utilization by the Federal Government of the Central Selling Agency of the Canadian Wheat Pools so that wheat could be moved into consumptive channels, although prices remained at ruinously low levels to the producer.

Your Vice-President, Mr. Lew Hutchinson, outlined "The Place of Co-operatives in Grain Marketing."

Mr. Hutchinson said that a grain producers' co-operative simply meant the farmer attending to an exceedingly important branch of his business. The co-operative sought to secure for its members, on the basis of an average price for the whole year, a fair share of the consumers' dollar, the farmers themselves carrying their own risk.

The system of futures on which the exchange marketing system is founded, he said, was based on the theory that whenever there was wheat to sell there would always be a purchaser for it; either a miller to grind it into flour, or a speculator seeking to make money out of the handling of it. While this system had worked in a fairly satisfactory manner in the early days of wheat production in Western Canada, although the farmer was often disappointed in the price he received, conditions have changed to such a degree that the system is not only inadequate, but is positively detrimental to the interests of the farmer. Under the co-operative system of marketing the tremendous pressure which occurs during the heavy delivery period, and which would have caused absolute disaster during the last two years except for artificial relief, is eliminated.

"The producer cannot expect outside interests to be as concerned about the returns to the farmer as the farmer himself, and while a producers' co-operative must see that the actual handling of the grain is as efficient and economical as it is possible to make the service, it must be primarily interested in the returns to the farmer for his crop, rather than in the earnings of the farmers' own handling system, essential as it is that this system should be on a sound financial basis. A producers' co-operative marketing association is not merely another grain firm: The member is the co-operative and the co-operative is the member.

"A producers' co-operative, therefore, cannot rest satisfied with large earnings if the farmers whose wheat it is they are handling are being driven into bankruptcy through prices below the cost of production. This is why the producers' co-operatives in Western Canada are not satisfied to accept a laissez faire policy of waiting for the ruin of many thousands of hard-working farmers to bring about a return of good prices, if there is any possibility that co-operative effort, linked up with international action and intelligent co-operation of importing and exporting countries, will bring wheat values more in line with the commodities the farmer needs."

Royal Commission on Banking and Finance

The following Memorandum was submitted to The Royal Commission on Banking and Finance on behalf of Manitoba Pool Elevators Limited; Saskatchewan Co-operative Wheat Producers Limited, and the Alberta Wheat Pool:

"The Wheat Pools of Manitoba, Saskatchewan and Alberta are co-operative marketing associations, also

operating elevator facilities, representing an investment of over thirty million dollars contributed by over a hundred and forty thousand members.

It is not the intention of our organizations to make any representation to your Commission on the technical aspects of the inquiry you are pursuing. The scope of your inquiry has been broad enough, however, to include evidence dealing with the general condition of agriculture in the Dominion, and we wish to submit a few facts about the serious situation of our members and Western farmers generally, engaged in the production of grain and other farm products.

While unprecedented crop failures, due to drouth and insect pests, extending over wide areas have added materially to the distress of our agricultural community, the disastrously low prices of farm products have been the major factor in creating a crushing burden of debt, swelled by high interest charges, which is the outstanding feature of the depression affecting the lives of our members and their families.

Decline in Agricultural Revenue

The estimated gross annual agricultural revenue of the three prairie provinces for the three years 1926, 1927 and 1928, as given in the Canada Year Book, averaged \$818,589,667 per year. In 1930, as compared with the average of the three previous years, the value of agricultural production had fallen to four hundred and forty eight million dollars. In 1931 there was a further fall to less than three hundred million dollars, and in 1932 to slightly over two hundred and seventy million dollars. In these three years, 1930, 1931 and 1932, there was a shrinkage in the gross revenue of prairie farmers as compared with the three years 1926-27-28, amounting to over a billion, four hundred and thirty-nine million dollars.

Contrary to general opinion, returns from other branches of agriculture were fully as unsatisfactory as returns from their grain, and producers made a desperate attempt to offset in some measure the shrinkage in revenue through low prices by increased production of grain. The acreage in field crops in the prairie provinces increased from thirty-six million acres, which had yielded gross returns of over six hundred and twenty million dollars in 1926, to over forty-two million acres in 1932. The gross returns in 1932 were slightly over one hundred and ninety-two million dollars. The increase in acreage amounted to 16.3 per cent. The decline in revenue amounted to 69.1 per cent.

This appalling loss in revenue, without any corresponding reduction in the fixed charges which the farmer has to meet or the prices of the goods he has to buy, has reduced tens of thousands of our most efficient and hard-working farmers to insolvency, although special legislation by our provincial governments and relief extended by federal and provincial authorities has enabled them to stay on their farms, in which they have little or no equity. While much valuable evidence has been submitted to your Commission by farmer organizations and by others who have made a careful survey of actual conditions on our prairies, we regret that there was a dearth of testimony by individual farmers, due to their reluctance to disclose their financial conditions, and diffidence in airing their troubles before a public tribunal. We believe, however, that the general stagnation of trade in all classes of business depending on returns from the Canadian West is sufficient proof of the deplorable state in which Western agriculture finds itself.

Raising Price Levels

We suggest to your Commission as a self-evident fact that there must be a substantial advance in the level of prices received for agricultural products and a scaling down of debts, before there can be any hope of returning prosperity to the prairies or any substantial improvement in Canadian industry.

Intermediate Credits

The efforts of banking institutions to provide facilities for agricultural operations on the same basis as commercial transactions by a system of short term credits have shown an inherent weakness in our financial institutions from the standpoint of agriculture. We believe that this defect in our financial system has been at least partly responsible for the too free extension of credit during periods of fair returns for farm products, followed by a drastic contraction of credit during periods of low prices.

Banks throughout Western Canada make practically all advances to farmers on a promise to repay within three months, notwithstanding that in many cases the banker and the farmer know at the time the loan is made that there is little, if any, possibility of its being repaid within the

period stated. Although in actual practice these loans may be renewed, the instability of operation forced on the producer by uncertainty as to the time of repayment and possible enforced realization is not conducive to sound farming practices; while in periods of credit contraction, enforced realization of these short-term credits, if at all widespread, not only depreciates the value of the security to the lender and the borrower but may disrupt the market for the whole commodity involved. We are confident that your Commission has given these facts due consideration and recognizes the need of an intermediate credit system other than that provided by private mortgage companies, to meet the financial requirements of Canadian agriculture.

Excessive Interest Rates

We do not consider it necessary to stress to your Commission, in view of the evidence submitted in Western Canada, the burden placed upon Western agriculture by high interest rates, and the practice followed by the banks of compounding interest every three months. While the Bank Act specifies the maximum rate of interest that may be charged, it does not provide any penalty for breach of this provision and we suggest for your consideration that adequate penalties should be provided for any breach of the maximum rate of interest provided by the Act.

Encouraging Farm Storage

Canada's wheat crop reaches the world market normally over a period of twelve months following its production, but seventy-five per cent. of the grain marketed is delivered from the farm into interior and terminal storage within a period of three months from the time it is harvested. Owing to the demands of creditors the majority of farmers are obliged to deliver their crops as soon as possible after harvest, a smaller percentage delivering all or the bulk of their grain into storage and borrowing money against it, very little grain outside of seed and feed requirements being stored on the farm. There are other factors besides the necessity of turning the grain into cash which are partly responsible for the rapid movement of grain from the farm; greater economy in handling the grain direct from the threshing machine or the combine to the elevator; difficulties of hauling grain in winter months often over rough roads or through deep snow, and cost of granaries on the farm, etc. If there were unlimited markets for Canadian wheat and farmers could be assured, after sowing their grain in the spring, of harvesting a crop in the fall, the speediest possible delivery of their grain after threshing might be the most satisfactory method to follow. The situation now existing in the Canadian West, however, brings out the necessity for adjustment to present conditions. There has been an over-expansion of elevator facilities and the acquisition of otherwise unnecessary additional railway facilities to take care of a peak load condition, and there are in terminal, interior and country elevators in Canada today approximately two hundred million bushels of wheat on which carrying charges must be paid, while thousands of the men who grew the grain have empty granaries on their farms and little or no crop from their year's operations. We believe that reserves of grain should be built up on the farms and suggest that your Commission should consider whether the present powers of the Banks to lend on the security of threshed grain are adequate, and if so what can be done to encourage an orderly flow of grain out of the practically free storage in the farmers' granary into the more costly storage of interior and terminal elevators.

Central Bank

The establishment of a Central Bank in Canada involves technical questions which our organizations do not consider themselves competent to judge, but it would appear from the evidence submitted to your Commission that a Central Bank, free of domination by the commercial banks, would be of considerable benefit to our own and the other industries of the Dominion.

Critics of our banking system declare that it is not in the best interests of Canada that ten large banks should be practically the sole arbiters of whether credit shall be free or restricted; that is, whether prices within Canada shall rise or fall. Ten private institutions interested primarily in earning profits for shareholders must, from time to time, find the private interests of their respective institutions in conflict with the welfare of the country as a whole; occasions when it may be in the interests of the banks to restrict credit, although at the same time the welfare of the country requires not a restriction but an expansion of credit; and vice versa.

In all questions requiring international action, including stabilization of foreign exchange, it would appear that

one central authority should and would provide more adequate and satisfactory co-operation with the central banking authorities of other countries than can possibly be provided by ten separately owned and operated institutions. We, therefore, endorse for our organizations recommendations submitted to your Commission favoring the establishment of a Central Bank for Canada."

Canada Shipping Act Amendment

A resolution opposing the proposed amendment to the Canada Shipping Act, which would prevent trans-shipment of Canadian grain through Buffalo or other American Lake Ports, except in Canadian vessels, and would result in restriction of trade, and have the effect of creating a virtual monopoly on freights to Montreal which might seriously react against the movement of Canadian wheat to world markets, was passed by the Central Board on March 18th, 1933. Mr. Paul F. Bredt appeared before the Senate Committee on Banking and Commerce on April 4th, 1933, presented the resolution passed by the Board and outlined the reasons why Western farmers feared the proposed amendment would almost inevitably result in increased rates, regardless of any assurance that may be given to the contrary. Any increase in rates would have to be deducted from the price paid to the producer, and under the present circumstances no one would suggest that the Western producer should be asked to pay a cent or a fraction of a cent per bushel more for the carriage of his grain, as the returns he receives now are the most meagre, the most beggarly, he ever got.

While Western producers are willing to support Canadian shipping interests, all things being equal, they could not be expected to favor diverting grain away from channels which form natural and legitimate advantages. Mr. Bredt was keenly questioned by various Senators, giving him an opportunity to bring out clearly the objections to the amendment.

While the amendment to the Shipping Act was passed later on in the session the legislation has not yet been made effective by government proclamation, although Canadian vessel owners are now strongly urging the government to issue the proclamation.

General

As the stabilizing policy which the Federal Government undertook in 1930 still continues, it is not possible at this time to furnish any statement with respect to the balance of the 1930 crop.

Attached to this Report will be found a copy of a Report submitted by Mr. John I. McFarland, General Manager, to the annual meeting of Shareholders of Canadian Co-operative Wheat Producers Limited.

It is with deep regret that we record the death of one of our former directors, Mr. Stuart Gellie, who died at his home, Harmsworth, Manitoba, April 26th, 1933, after a lingering illness. He was a member of the Manitoba Wheat Pool Board and the Central Board since first organized, until ill-health compelled him to retire. His genial nature endeared him to all who knew him, and his thoughtful temperament and sound judgment made him a valued member of our Board. We acknowledge his contribution to the farmers' cause and the Co-operative Movement.

In conclusion we again wish to express our appreciation of the steadfast loyalty of our members during these difficult times to the co-operative organization they have established and maintained.

While fully realizing the difficulties involved in carrying out to a successful issue the International Wheat Agreement, we see more than a gleam of hope in the fact that world statesmen are impressed with the necessity of stabilizing wheat prices at a level that will be fair to both producers and consumers, and that twenty-two nations, representing importing and exporting countries, have accepted the principle of international co-operation as the only way by which this international problem can be satisfactorily solved. In this connection we would like to quote the closing paragraph of a radio address by the Right Hon. J. Ramsay MacDonald, upon the adjournment of the World Economic Conference:

"At the moment, it seems to me, we can limit production by the bankruptcy of the producer, or by reason: and I confess that I prefer to try the latter. What you and I have to assume is, that as the world gets smaller and man's power gets more gigantic as he harnesses natural forces to his service, uncontrolled freedom in these things and uncoordinated individualism means death, not life: misery, not comfort."

Respectfully submitted,

L. C. BROUILLETTE, President	} <i>Executive</i>
LEW HUTCHINSON, Vice-President	
P. F. BREDT	
BEN S. PLUMER	
GEO. BENNETT	
J. H. WESSON	
BROOKS CATTON	
C. H. BURNELL	
W. G. A. GOURLAY	

REPORT OF MR. JOHN I. McFARLAND

General Manager

It is now almost three years since you appointed me General Manager of your Company. It is needless to remark that they have been very trying years for all of us, and yet I am encouraged by the belief that some progress has recently been achieved, leading to an improvement in the world wheat situation.

You will recall a statement which I made at the time of my appointment, and which I have since, on many occasions, repeated, namely; that the only possible permanent solution of the world wheat situation must be a reduction of acreage by all producing countries, but not until the conclusion of the recent London Conference has there been any encouragement in that direction. However, it is significant that twenty-two nations confirmed an Agreement to co-operate in a plan to regulate export quantities, and reduce production, which in due course will have the effect of adjusting supply to demand.

The method to be employed in the attainment of the reduction in acreage may not meet with the full approval of all citizens of this Dominion, but I submit to you that our Prime Minister was amply justified, having regard to the desperate conditions prevailing in the wheat industry, to adopt any reasonable method that could be agreed to by a large number of nations interested in the problem, and the fact that that Agreement gives to Canada 35.7% of the estimated total world's international trade in wheat for the year 1933-34, amply indicates that this country has secured its fair share of world demand, because of the fact that

Canada's share in the world's trade in wheat over the period from 1920 until 1930, which was a period of progress and prosperity, this country secured an average of 35.6%, so that the London Agreement gives us just slightly more of the present reduced world's trade than we received in competition with all other countries during the above mentioned ten years. Of course, the fact that importing countries now require upwards of 200,000,000 bushels less imports than they did in the past decade is to be regretted, but we can scarcely compel them to take more than they require.

We read and hear of criticisms to the effect that Canada should sell her wheat for whatever price can be secured for it, but those who make such statements fail to inform us to whom it can be sold. If we survey the world's situation, we find that the importing countries of Western Europe have, throughout all modern times, been the only great importers of wheat in the world, and that portion of the Continent of Europe has taken from 80 to 85% of all the surplus wheat exported by all the surplus producing countries. The other 15 to 20% has been taken in varying quantities by all other deficiency countries throughout the world who may have use for it. Therefore, if we find that Western Europe is not using less wheat but rather that they are using more wheat than they did in our years of prosperity, we can probably arrive at some conclusion as to what has happened that we are unable to dispose of our production off our largely increased acreage.

Now the facts are that in the six year period from 1924 until 1929, inclusive, those importing countries of Western Europe consumed an annual average of 1,622,000,000 bushels. These consumption figures are arrived at by taking the combined total of the home-production of those countries and adding to it their total imports for each of the cereal years. Now the above figure represents what those countries were using in the years when we considered there was no maldistribution or shortage of food, and, mark you, those were years when prices were high. On the other hand, in the years 1930 to 1932, inclusive, the consumption of those same countries in Europe averaged 1,645,000,000 bushels, and these were years when people in exporting countries claimed there was maldistribution, underfed peoples, and prices ruinously low.

Now the point I wish to make is that if that great importing portion of the world had enough food in the prosperous years, and it is evident they did have, then surely they had enough in the last three years of low prices, in view of the fact that they consumed an average of 21 million bushels more per year than they did in the years of high prices, and, mark you, the last three years have been years when prices in exporting countries were the lowest recorded in hundreds of years. It should not be forgotten that the effects of the War had greatly reduced the production of foodstuffs on that Continent and it was not until 1927 or 1928 when the production of wheat had again attained pre-war quantities.

Then again, if we take the year just closed, namely, 1932-33, we find the imports, plus the home-grown crops, in those same European countries, amounted to 1,714,000,000 bushels, or 69 million bushels more than was consumed annually in the previous three year period; so it is evident they had lots of wheat in Western Europe this last year, and, in fact, statisticians tell

us that the European carryover is considerably increased, fully indicating that they have not consumed the full supplies which they had on hand, and it is possible that their excess carryover as compared with previous years is upwards of 50 to 60 million bushels, all of which reduces their possible import requirements of this season, and accounts for their estimated requirements being reduced by 63,000,000 bushels, as compared with the past year. Now, as already stated, the rest of the world, or non-Europe, has been taking anywhere from 15 to 20% of the total world's shipments, and if there are to be any increased markets discovered, it is obvious that we must discover them in those countries which have been taking only a small percentage in the past, which would appear to be rather a difficult problem, inasmuch as we find that during the six years of prosperity, from 1924 until 1929, these non-European importers bought an average of 146 million bushels per year, while during the last four years of low prices we find they took only 165 millions per year, or an increase of 19 million bushels per annum. The great bulk of this non-European export business goes to the Orient and we have been told by many writers that the Orient would buy almost unlimited quantities of wheat if it were cheap enough. It is evident, however, that such ruinous prices as we have experienced in the last three years have not been cheap enough to encourage large purchases by non-European countries.

Now, I have endeavored to place before you a picture of the world's situation in as few words as possible, being anxious to demonstrate at this time that a reduction in acreage is absolutely essential if this western country is ever going to return to a semblance of prosperity. There is no maldistribution of wheat or flour. The world is eating more wheat products during these years of depression than they consumed in the years of prosperity, and the world is also producing more, and in spite of the fact that record quantities have been fed to animals, particularly in North America, being estimated in excess of 300 million bushels, yet the carryover at the end of July had not been reduced.

Immediately before the war, the total international trade in wheat had increased to about 667 million bushels per year, and Canada secured 14% only. From 1920 until 1930 the world's trade averaged 762 million bushels per year and Canada secured 35.6% of it. The world's trade is now estimated to have shrunk to 560 million bushels for the coming year, and the London Agreement gives us 200 million bushels, or 35.7% of it. I feel that we can expect no more than the above percentage, and if the importing countries now require to import 200 million bushels less than heretofore what power have we to compel them to buy a commodity in excess of what they require?

In 1932 the Canadian crop proved to be upwards of 455 million bushels. Our home-consumption for all purposes was about 117 million bushels, which left 338 millions for export. The total world requirements were 615 million bushels so that it will be observed, if Canada could have disposed of the surplus which she produced last year, it would have been necessary to have secured 55% of the total world's market, which, I submit to you, is an unwarranted percentage for us to expect of the world's trade in a product which is so universally grown, and of which our proportion during

the period of 1920 until 1930, only averaged 35.6%, and only 14% prior to the war.

The world's international trade in wheat has shrunk upwards of 200 million bushels per year, owing to increased production in importing countries of Western Europe, and I would further point out to you that the greatest increase in production in Western Europe has occurred during the past three years of low prices, which rather contradicts statements which have been made to the effect that Europe increased her production because of the high prices in 1929 and prior thereto.

And now we come to a review of our operations and it may be interesting for you to observe that since the fall of 1930, the farmers in Western Canada have marketed at country elevators up to this date, considerably in excess of one billion bushels of wheat, and it is interesting to conjecture as to what price benefit has been derived by farmers through stabilization operations carried on in the name of this Company, and with the support of Government Guarantees. It is true that there have been occasions when prices have been very low, but many clever market students are of the opinion that prices would have been very much lower had it not been for these supporting operations. It is certain the farmers and thus the country have benefitted to the extent of many many millions of dollars. It must not be thought for a moment that our operations alone have been responsible for a higher level of prices than would have otherwise obtained, because it must be admitted that the greatest stabilizing factor throughout practically all of the entire three year period has been the fact that the huge United States surplus has been held off the world's markets. Had it not been for this, our operations would have been futile and would have been unwarranted. Of the official world's carryover, amounting to about 665 million bushels this last year, there was located within the United States over 50% of that total, and this has been true for at least three years or more. Therefore, the fact that that huge quantity of American wheat was not competing on world's markets made it possible for this country, in no small degree, to improve the average world's price of wheat. It must be admitted, however, that had the American surplus been offering at competitive prices in the world's markets, during the last three years, the price of wheat would have been very much lower, and the economic condition of the farmer much worse than has so far been experienced. However, I must also make the statement that unless Canada and other wheat producing countries enforce the terms of the London Agreement, and reduce their acreage accordingly, then on a basis of the law of averages, our wheat production is going to be so much in excess of requirements as to render it practically unsaleable, and I feel it is our duty to lend our support in every way possible, through your organizations in these Western Provinces, to bring about a reduced production in compliance with the Agreement.

Canadian Pool Agencies Limited

DIRECTORS' REPORT

1932-1933

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

Gentlemen:

Appended hereto is the Balance Sheet of the Company as at 31st August, 1933, together with a statement of the Income and Expenditures for the year ended as at the same date. The result of our operations for the year as shown in Statement 11 is a profit of \$38,860.43, as compared with \$38,243.39 last year. Since the Pools are now out of the Eastern export business we have not handled any Outturn Insurance for the past year, and the management fee which we obtained last year of \$2,500.00 was, of course, lost to us. Under the circumstances we feel that the profit reflected should be considered as very satisfactory.

This Agency has continued to function in a very satisfactory manner for the purpose for which it was created, and during the past season it has been successful in obtaining substantially reduced rates in practically all lines of insurance which are carried for the Pool organizations. This will effect considerable savings in the original cost of insurance to the Pools, but naturally will reflect adversely in the earnings of your Agency. We do not feel, however, that the value of this Company to the Pool organizations should, or can, be considered merely in terms of profits, no matter how satisfactory these may be considered. Its greatest value in our opinion lies in its ability to control and secure reductions in rates for the benefit of the Insured, and this service has been considered without regard to the Company's own profits. We feel a distinct service has been rendered in this respect.

The following comments with respect to the Balance Sheet and Operating Statements may be of value in order to further understand their composition.

Balance Sheet

Agency Assets and Liabilities

The total of the Agency Assets represents funds collected and to be collected, and which are offset by amounts due to the Insurance Companies for insurance written, and to the Canadian Pool Agencies Limited for commissions

Shareholders' Assets

Demand Loans: These amounts represent loans made to the three Provincial organizations who contribute their business to us, and are subject to recall for the purpose of financing the Agency during the coming year.

Accrued Commissions: This represents the accrued commissions previously referred to as being due from the Agency Trust Funds, and have been paid to us subsequent to the date of the Balance Sheet.

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

Shareholders' Liabilities

Canadian Co-operative Wheat Producers Limited: This amount is composed principally of administrative

charges due to them, and has been paid since the date of the Balance Sheet.

Reserves for Cancellations and Unearned Commissions: This amount is composed of \$8,000.00 reserve for unearned commissions and \$5,000.00 for cancellations. Inasmuch as the major proportion of our business is due for renewal immediately prior to the end of our financial year, it is necessary to have substantial reserves in respect of these items, as the expenses in connection with the handling of this insurance are incurred during the ensuing year.

Capital Stock: The ownership of the Capital Stock of the Company is held by the three Provincial organizations who contribute their business to us, Alberta and Saskatchewan owning 667 shares each, while Manitoba holds 666 shares.

Surplus: The following is a summary of the operations of this account for the year:

Surplus as at 1st September, 1932.....	\$38,243.39
Additional Income.....	125.00
Deduct	38,368.39
Dividend, 6% on Capital	
Stock.....	\$1,200.00
Patronage Dividend.....	<u>37,168.39</u>
	<u>38,368.39</u>
Add	
Profits for the year 1932-1933 as per Statement 11.	<u>\$38,860.43</u>

Due to the new ownership of this Company it was considered necessary to pay a cash dividend since the shares are held equally by the three Pools, while the business contributed varies tremendously. The details of the patronage dividend are as follows:

Central.....	\$ 1,278.44
Alberta.....	11,887.94
Saskatchewan.....	20,063.51
Manitoba.....	<u>3,938.50</u>
	<u>\$37,168.39</u>

It is of interest to note that the contribution to the Central Selling Agency in these profits represents a percentage of approximately 3.44 as compared with over 80% over the previous years. This indicates the tremendous loss in the volume of business handled by this Company when Central discontinued exporting grain, and gives some idea of the handicap under which we have been operating.

Profit and Loss Account

Our earnings have again been affected by the very low grain prices, particularly in the earlier part of the season.

Included in the expenses is an item of \$4,500.00 representing administrative expenses, being the allowance made to the Central Selling Agency in respect of overhead and administrative charges for the year, and the deduction from the total expenses of \$2,500.00 represents the management fee paid by the Saskatchewan Inspection Service for the supervision and administration of their operations.

Respectfully submitted,

L. C. BROUILLETTE, President	} <i>Executive</i>
LEW HUTCHINSON, Vice-President	
P. F. BREDT	
B. S. PLUMER	
GEO. BENNETT	
J. H. WESSON	
BROOKS CATTON	
C. H. BURNELL	
W. G. A. GOURLAY	

At

Your Service....

The logical Company to handle your grain is the farmers' own organization, Pool Elevators.

Pool Elevators has established a reputation for that courteous, efficient and intelligent service which every grower has a right to expect. It is a type of service not to be surpassed anywhere.

The Agents of the Company are always at the service of the grower in all matters pertaining to the handling and marketing of grain, whether the grain is delivered to a Pool country elevator or loaded over the platform to Pool Terminals at the Head of the Lakes. And likewise at the grower's constant service are the various departments of the Company which look after consigned shipments, checking grades, etc.

The Pool Elevators System belongs to Saskatchewan farmers.

*Market Your Grain Through
Pool Elevators.*

Saskatchewan Pool Elevators Limited

*A Saskatchewan Farmer-Owned
Concern Operated by and in the
Interests of Saskatchewan Farmers*

Some Services Rendered Agriculture By Saskatchewan Wheat Pool

EFFORTS made by the Saskatchewan Wheat Pool, in conjunction with its sister organizations in Manitoba and Alberta, resulted in several important amendments to the Canada Grain Act with direct benefit to all Western Canadian grain growers. These include:

- Curtallment of terminal elevator mixing.
- Raising of outturn standard grades to approximate quality of primary inspection grades.
- Re-classification of all grades of grain.
- Right of a shipper to designate the terminal to which he desires his grain shipped.

* * *

Automatic samplers were first introduced in Saskatchewan Pool Terminals as a result of experiments aimed to find some improvement over the old probe method of sampling cars. This investigation by the Pool resulted in Government regulations being put in force making the automatic sampler part of standard equipment in all public terminals in Canada.

* * *

The farmers' co-operative organization also led in the installation of oat hullers in its terminals, for the hulling of wild oats.

* * *

Saskatchewan Pool Elevators Limited maintains its own grade checking department in Winnipeg, where every sample of wheat handled by the Company is checked over after it has been graded by the Government Inspection Department. Re-inspection or appeals are called for wherever it is in the grower's interest to do so. A checking department at Fort William also re-checks all automatic samples taken at unload.

* * *

The Saskatchewan Wheat Pool has worked closely in harmony with the Canadian Seed Growers' Association; the aim of both organizations being to encourage the development and wide use of high quality seed. The Pool also maintains a service at its Regina office for making germination tests of seed from samples sent in by growers.

* * *

Largely as a result of the competition engendered by the operation of Pool country elevators at approximately 1000 points throughout Saskatchewan, direct benefits have accrued to Pool and non-Pool growers alike. The narrowing of spreads between street and spot grain might be cited as an instance. The organization has also been responsible for improvement in methods of handling special bin grain.

* * *

Recognizing the value of research work in agricultural problems, the Pool has given hearty support to the work of the National Research Council.

* * *

Practical assistance has been lent by the Saskatchewan Wheat Pool organization to the development of the Hudson Bay route as an outlet for Western grain, by the provision of cargoes for the original test shipments in 1931, and later, of wheat for commercial shipments.

* * *

The Pool has co-operated in securing provincial legislation tending to make more equitable the relationship between debtor and creditor. In recent years, for example, it has recommended many important features embodied in successive Debt Adjustment Acts and kindred legislation.

* * *

Information regarding the Pool organization, the Co-operative Movement generally, grain marketing, national and international grain statistics, is disseminated through publications and at meetings of growers. The tendency has been for growers to become more fully conversant with grain handling and marketing methods, and with the trends of modern industry.

* * *

By the establishment of a library of carefully selected books, the Saskatchewan Wheat Pool has given its members an opportunity to obtain a broader knowledge of co-operation, economics, sociology, trade and commerce, natural science, and other subjects of importance to themselves as farmers and as citizens.