Such a kindly autumn, so mercifully dealing
With the golds of summer, I never yet have seen.
— Bryant
ALBERTA WHEAT POOL

Board of Directors
G. L. Harbord Lamont — President
Nelson Mali, Calgary — 1st Vice-President
A. J. Macpherson, Delta — 2nd Vice-President
Keith Rosenweig, Balzac
G. W. Brathwaite, Red Deer
Frank White, Spirit River
Anne Johnson, Cambridge
O. J. Bridgman — Secretary to the Board

Solicitors
Allen, MacKimmie, Matthews, Wood, Phillips & Smith

Auditors
Clayton, Gordon & Co.

Head Office
Alberta Wheat Pool Building, Calgary

SEASON 1963 - 1964

Officers
A. T. Baker, General Manager
C. L. Nowlin, Country Operations Manager
J. S. Harbourn, Sales and Traffic Manager
J. M. Gardner, Treasurer
S. M. Victerwood, Chief Accountant
G. M. Chandler, Office Manager
F. D. Paterson, Vancouver Manager
C. F. Usher, Victoria Manager
H. K. Moen, Winnipeg Manager
M. G. Wood, Edmonton Manager
R. A. Finlay, Seed Division Manager

Bankers
Bank of Montreal
The Bank of Nova Scotia
The Royal Bank of Canada
The world’s teeming millions,
With nourishment are blessed,
A stream of nurture flowing,
From wheatfields of the west!
— Elsie Hergerson

**ALBERTA WHEAT POOL**

**LIST OF DELEGATES**

**LETHBRIDGE — District One**

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>Gogolewski, B.</td>
<td>Orion</td>
</tr>
<tr>
<td>102</td>
<td>Norris, Fred A.</td>
<td>Warner</td>
</tr>
<tr>
<td>103</td>
<td>Oliver, W. A.</td>
<td>Warner</td>
</tr>
<tr>
<td>104</td>
<td>Lee, Lester W.</td>
<td>Cardston</td>
</tr>
<tr>
<td>105</td>
<td>Pitching, Harry R.</td>
<td>Lethbridge</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>106</td>
<td>Hillworth, Fred W.</td>
<td>Taber</td>
</tr>
<tr>
<td>107</td>
<td>Kunyncehsbi, Everett J.</td>
<td>Nobleford</td>
</tr>
<tr>
<td>108</td>
<td>Goughnour, Marvis J.</td>
<td>Enchant</td>
</tr>
<tr>
<td>109</td>
<td>Thornton, Clarence F.</td>
<td>Bow Island</td>
</tr>
<tr>
<td>110</td>
<td>Bayer, Robert</td>
<td>Schuler</td>
</tr>
</tbody>
</table>

**CALGARY — District Two**

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>Dyke, Nick</td>
<td>Pincher Creek</td>
</tr>
<tr>
<td>202</td>
<td>O'Neill, James Jesse</td>
<td>Claresholm</td>
</tr>
<tr>
<td>203</td>
<td>Coote, Donald H.</td>
<td>Claresholm</td>
</tr>
<tr>
<td>204</td>
<td>Versluyss, C. J.</td>
<td>Champion</td>
</tr>
<tr>
<td>205</td>
<td>Magnussen, Melvin O.</td>
<td>Lomond</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>206</td>
<td>Christofferson, Karl B.</td>
<td>Brant</td>
</tr>
<tr>
<td>207</td>
<td>Bricker, Arthur G.</td>
<td>Calgary</td>
</tr>
<tr>
<td>208</td>
<td>Dunlop, Donald H.</td>
<td>Calgary</td>
</tr>
<tr>
<td>209</td>
<td>Clayton, Clifford S.</td>
<td>Airdrie</td>
</tr>
<tr>
<td>210</td>
<td>Richards, Ralph E.</td>
<td>Olds</td>
</tr>
</tbody>
</table>

**DRUMHILLER — District Three**

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>301</td>
<td>Muir, John E.</td>
<td>Empress</td>
</tr>
<tr>
<td>302</td>
<td>Curry, Lyle A.</td>
<td>Sunnybowl</td>
</tr>
<tr>
<td>303</td>
<td>Schindler, Albert P.</td>
<td>Brooks</td>
</tr>
<tr>
<td>304</td>
<td>Armin, Arthur W.</td>
<td>Bassano</td>
</tr>
<tr>
<td>305</td>
<td>Bower, G. W.</td>
<td>Gleich</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>306</td>
<td>Cammaert, Emile</td>
<td>Rockyford</td>
</tr>
<tr>
<td>307</td>
<td>Lang, N. S.</td>
<td>Westlock</td>
</tr>
<tr>
<td>308</td>
<td>Hoppings, Frank J.</td>
<td>Huxley</td>
</tr>
<tr>
<td>309</td>
<td>Arnes, John D.</td>
<td>Drumheller</td>
</tr>
<tr>
<td>310</td>
<td>Nelson, Norman E.</td>
<td>Creighton</td>
</tr>
</tbody>
</table>

**RED DEER — District Four**

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>401</td>
<td>Warvic, Ernest</td>
<td>Oyen</td>
</tr>
<tr>
<td>402</td>
<td>Smith, George F.</td>
<td>Provost</td>
</tr>
<tr>
<td>403</td>
<td>Cochrane, G. H.</td>
<td>Coronation</td>
</tr>
<tr>
<td>404</td>
<td>Turner, H. H.</td>
<td>Alliance</td>
</tr>
<tr>
<td>405</td>
<td>McCormick, J. E.</td>
<td>Bytown</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>406</td>
<td>Tippin, Joe H.</td>
<td>Stettler</td>
</tr>
<tr>
<td>407</td>
<td>Stone, John J.</td>
<td>Didsbury</td>
</tr>
<tr>
<td>408</td>
<td>Johnson, R. K.</td>
<td>Red Deer</td>
</tr>
<tr>
<td>409</td>
<td>Phillips, J. D.</td>
<td>Eckville</td>
</tr>
<tr>
<td>410</td>
<td>Wheeler, S. M. R.</td>
<td>Pomona</td>
</tr>
</tbody>
</table>

**CABOOSE — District Five**

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>501</td>
<td>Redmond, D. R.</td>
<td>Edgemont</td>
</tr>
<tr>
<td>502</td>
<td>Dobson, Parke</td>
<td>Paradise Valley</td>
</tr>
<tr>
<td>503</td>
<td>Jackson, James</td>
<td>Irma</td>
</tr>
<tr>
<td>504</td>
<td>Haatz, Horace Alfred</td>
<td>Hardisty</td>
</tr>
<tr>
<td>505</td>
<td>Lefland, Harold</td>
<td>Viking</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>506</td>
<td>Henry, Charles P.</td>
<td>Stony</td>
</tr>
<tr>
<td>507</td>
<td>Drummond, Alexander</td>
<td>New Norway</td>
</tr>
<tr>
<td>508</td>
<td>Pepper, Clifford G.</td>
<td>Okotoks</td>
</tr>
<tr>
<td>509</td>
<td>Ness, Ingvald</td>
<td>Kleskun</td>
</tr>
<tr>
<td>510</td>
<td>Ramussen, Clarence H.</td>
<td>Gwynne</td>
</tr>
</tbody>
</table>

**VEGREVILLE — District Six**

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>601</td>
<td>Gollanthy, Robert C.</td>
<td>Streamtown</td>
</tr>
<tr>
<td>602</td>
<td>Mend, George B.</td>
<td>Vermilion</td>
</tr>
<tr>
<td>603</td>
<td>Ziegler, George</td>
<td>Vegreville</td>
</tr>
<tr>
<td>604</td>
<td>Repehan, Mike</td>
<td>Willingdon</td>
</tr>
<tr>
<td>605</td>
<td>Gludowsky, Kenneth D.</td>
<td>Fort Saskatchewan</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>606</td>
<td>Ziegler, Alex</td>
<td>Winterbourn</td>
</tr>
<tr>
<td>607</td>
<td>Neufeldt, Paul</td>
<td>Legal</td>
</tr>
<tr>
<td>608</td>
<td>Vekela, John A.</td>
<td>Vina</td>
</tr>
<tr>
<td>609</td>
<td>Linsith, Armand</td>
<td>St. Paul</td>
</tr>
<tr>
<td>610</td>
<td>Parris, Raymond R.</td>
<td>Boyle</td>
</tr>
</tbody>
</table>

**PEACE RIVER — District Seven**

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>701</td>
<td>Parent, Fred J.</td>
<td>Clyde</td>
</tr>
<tr>
<td>702</td>
<td>Anderson, Hubert N.</td>
<td>Freedom</td>
</tr>
<tr>
<td>703</td>
<td>Hallows, Arthur W.</td>
<td>Sangudo</td>
</tr>
<tr>
<td>704</td>
<td>Gummer, Howard F.</td>
<td>Buffalo Lake</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>705</td>
<td>McNab, James A.</td>
<td>Beaverlodge</td>
</tr>
<tr>
<td>706</td>
<td>Vandergrift, Lloyd F.</td>
<td>Dawson Creek</td>
</tr>
<tr>
<td>707</td>
<td>Dunford, Gerard M.</td>
<td>Spirit River</td>
</tr>
<tr>
<td>708</td>
<td>Balmer, Asos</td>
<td>Brewyn</td>
</tr>
<tr>
<td>709</td>
<td>Proctor, C. M.</td>
<td>Fairview</td>
</tr>
</tbody>
</table>
1963-1964 THE YEAR IN REVIEW

| Net Earnings | $4,896,435 |
| Grain and Oil Seed Handlings — in bushels | 87,053,830 |
| Forage Seed Handlings — in pounds | 12,414,054 |
| Percentage of Alberta Grain Deliveries Handled | 44.15% |
| Gross Value of Board Deliveries and Other Sales | $120,977,037 |
| Capital Expenditures | $1,394,227 |
| Total Invested in and Provided for Capital Assets | $34,014,518 |
| Working Capital | $8,840,814 |
| Patronage Dividends Distributed (out of previous year's earnings) | $2,920,969 |
| Percentage of Member Business in Previous Year | 97.2% |
| Cumulative Total of Patronage Dividends Distributed | $36,407,424 |
| Cumulative Total of Reserves Purchased from Members | $16,142,663 |
| New Members | 2,418 |
| Total Membership | 50,837 |
| Number of Elevators — Country | 543 |
| Terminal | 3 |
| Elevator Capacities in Bushels — Country | 42,875,909 |
| Terminals | 10,340,000 |
| Number of Employees | 1,074 |

COMPARATIVE SUMMARY

<table>
<thead>
<tr>
<th>1964</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handlings — Grain in bushels</td>
<td>85,918,382</td>
</tr>
<tr>
<td>Oil seed in bushels</td>
<td>1,135,448</td>
</tr>
<tr>
<td>Forage seed in pounds</td>
<td>12,414,054</td>
</tr>
<tr>
<td>Cereal seed in bushels</td>
<td>315,318</td>
</tr>
<tr>
<td>Gross Value of Deliveries to Canadian Wheat Board and Other Sales</td>
<td>$120,977,037</td>
</tr>
<tr>
<td>Earnings Before Capital Cost Allowances</td>
<td>$5,924,060</td>
</tr>
<tr>
<td>Net Earnings</td>
<td>$4,896,435</td>
</tr>
<tr>
<td>Available for Patronage Dividends</td>
<td>$4,785,345</td>
</tr>
<tr>
<td>Current Assets</td>
<td>$44,210,540</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>$35,369,756</td>
</tr>
<tr>
<td>Working Capital</td>
<td>$8,840,814</td>
</tr>
<tr>
<td>Capital Expenditures on Properties and Equipment</td>
<td>$1,394,227</td>
</tr>
</tbody>
</table>
Report of Board of Directors
ALBERTA WHEAT POOL
TO FORTY-SECOND ANNUAL MEETING OF DELEGATES

Gentlemen:

The year 1963-64 enabled the greatest use of your Association's facilities since its inception in 1923. Grain shipments exceeded by 10% the previous high record of 1952-53, and also represented an increased percentage of deliveries by Alberta farmers. The properties and facilities of your Association were maintained in good condition, and plans were made for an extended building and equipment program in the forthcoming year. Services to the membership were continued similar to previous years and, as in the past, several matters arose of interest and concern to our membership and to the agricultural industry, in which we undertook active representation.

SUMMARY OF OPERATIONS

Grain shipments through country elevators totaled 87,053,830 bushels, 16,267,605 bushels higher than the previous year. This represented about 44.15% of Alberta shipments. Terminal shipments of grain at Vancouver of 62,781,186 bushels were also an all-time record and exceeded those of the previous year by 12,257,238 bushels. Shipments at Victoria also increased to 7,790,408 bushels, being 1,605,540 bushels higher than the previous year.

Forage seed shipments increased sharply during the year, amounting to 12,414,054 lbs., nearly 30% greater than the previous year.

Rejection was once again handled during the year on both a pooling and outright basis, while mustard was accepted on an outright purchase basis only.

Available for distribution from the year's operations are net earnings of $4,896,435 before provision for income tax. This figure exceeds the previous record earnings of the 1958-59 crop year by $1,587,841.

GRAIN MARKETING

Canadian wheat exports in the form of wheat and flour set an all-time record during the 1963-64 crop year in a total of 594,1 million bushels. This was not only a record in itself but exceeded the previous record of 407,6 million bushels set in 1928-29 by the substantial margin of 46%. Preliminary figures issued by the Board of Grain Commissioners indicate exports of all grains totaling 614.9 million bushels. This is a new record, being some 90 million bushels above the previous high of 525.8 million bushels recorded in the year 1952-53. Wheat flour exports totaling 54.8 million bushels were the highest in the past ten years, but below the record 1946-47 of 79.3 million bushels. When included, Canada's grain and flour exports during the year totalled 699.4 million bushels. While wheat exports were most favorable, exports of other grains were moderate.

The record exports of wheat arose from Canada having adequate stocks of grain on hand through carry-over, an excellent crop in 1963, and an unprecedented market during the year in the Soviet Union. Shipments for that country alone totalled 234.0 million bushels of wheat and its equivalent in flour, representing 40% of Canada's exports for the year. Canada's other largest wheat customers were, in order, Britain, Japan, People's Republic of China, the Federal Republic of Germany, Poland, Belgium, and Luxembourg. Wheat exports to European Common Market nations during the year comprised 46.5% of Canadian shipments, while Commonwealth nations took 16.5% and countries of the European Common Market absorbed a total of 12% of our wheat exports.

WHEAT POOL REPRESENTATION

Railroad Rationalization

During the year our Association jointly with the two other wheat pools resisted our position to members of the Federal Cabinet in respect to any rationalization of the Prairie section of Canada's railways. Briefly, we suggested that a railway rationalization board be established to design a long-term program for streamlining freight and passenger operations into a more efficient and lower-cost railway service. On September 14, 1966, the Government introduced a bill to extend the Railway Act and purported to carry out some of the recommendations of the Report of the MacPherson Royal Commission on Transportation. This bill as introduced contained some proposals which we considered very unfavorable and, accordingly, we have sought and obtained assurance from the Minister of Transport and the Minister of Agriculture that an opportunity would be given for representations on behalf of our

Their faith's reward grew greater by year; Across the plains Pool elevators rise; Their terminals the largest at the pier. Their wheatfields stretch toward the distant skies!

— Elmo Helgason
At the time of this report the bill has not yet come before the House for second reading, nor consideration by the railway Commission of the provision made in the Act granting the "At and East" Freight Rates on Export Grain.

As reported to you in each of the last three years, your Association, along with the other two, has referred this matter to the Canadian Wheat Board, the entity responsible for the administration of the Board of Transport Commissioners for a substantial increase in the rail rates on bulk grain moving from the Georgian Bay and related parts to the Atlantic water ports. Through Orders in Council, the effective dates of these increases have been repeatedly postponed until December 31, 1964. These rates, amongst other matters, are expected to be dealt with in an impending legislation.

LEGISLATION

The Temporary Wheat Reserves Act remained in effect during the year, and under its provisions the Federal Treasury provided funds for carrying charges on the volume of wheat held by the Canadian Wheat Board on August 1, 1963, in excess of 178 million bushels. Under the provisions of this Act, the Canadian Wheat Board received $44,933,537 during the 1963-64 crop year, which has been allocated as follows:

1962-63 Pool Account — $18,139,144
1963-64 Pool Account — $26,797,393
For a total of $44,933,537

Prairie Grain Advance Payments Act

The Prairie Grain Advance Payments Act was again in force during the crop year. This Act provides for an advance to grain producers on the basis of 50% of the price of wheat, 50% of the price of oats, and 75% of the price of barley, on a quota of 6 bushels per specified acre. The maximum advance to any one producer will be $3,000. The funds for advances made under this Act were provided by the Prairie Provinces. Of the amount paid to producers under the Prairie Provinces, $6,820,361 was advanced to the Canadian Wheat Board on the same terms as in the past. The amount advanced was $3,000 per producer in those provinces.

Crop Insurance Act

During 1964 Parliament amended the Crop Insurance Act to permit the provincial and federal government to establish a Crop Insurance Fund. The Farm Credit Act was amended to permit the payment of proceeds from the sale of grain to be used for the purchase of farm machinery. The new legislation is expected to increase the availability of funds for the purchase of farm machinery.

Feed Grain Freight Assistance

The temporary rate of freight assistance regulations were announced to the House of Commons on August 27, 1964, by the Minister of Industry, the principal features of which were to effectively introduce the competition of truck rates into feed shipments in Eastern Canada. In announcing the new policy, the Minister stressed that it was an interim policy only, and the matter of feed grain price differential would be referred to the House of Commons Committee on Agriculture in June for formulation of a permanent policy, which will be announced in the next few years.

In the last two or three years some Eastern representatives, in the Canadian Federation of Agriculture, have proposed a feed grains policy designed to operate in the interest of Eastern purchasing farmers and consumers of feed grains. An Organization will follow any developments in this regard closely in the belief that provisions for such an agency or objective should not affect the operations of the Canadian Wheat Board as a producers' marketing agency.

PROVINCIAL

The Alberta Crop Improvement Act was amended in 1964, and under the amended act the principal amount of guaranteed loans (that may be made under its provisions and increasing from $7,500 to $15,000) will be reduced to a maximum amount available to an individual borrower.

Farm Machinery Syndicates Act

The Farm Machinery Syndicates Act was passed by Parliament in October 1964, and under its provisions three or more farmers in partnership may borrow up to $15,000 from the proceeds of an insurance policy. Farmers wishing to receive an insurance policy on a machinery policy will have to meet the following criteria:

1. The machinery must be new.
2. The machinery must be for the exclusive use of the farmer.
3. The insurance policy must be issued under the Farm Machinery Syndicates Act.

INTERNATIONAL WHEAT AGREEMENT

In the spring of 1964 the International Wheat Council decided to recommend to member governments that the 1963 International Wheat Agreement, which expires on July 31, 1965, be extended in its present form without amendment for a period not exceeding two years. This matter was considered by the Directors of the three wheat pools in July, following which we rejected the Governor of the Bank of Canada on behalf of the International Wheat Agreement to become effective in 1965, and should this not be found advisable, an extension of the present Agreement for a period of one year only.
ALBERTA WHEAT POOL SEED DIVISION

The seventh year of your Association's seed operation had been terminated during 1963-64 with forage seed holdings approximately 56% from the previous year. While these holdings reflected increased demand, varieties of seed available were generally favourable. Cereal seed handled improved considerably during the year with a market for wheat in the United States. Forage seeds were handled on both a pooling and an outright purchase basis during the year. Generally, final payments on pooled seed resulted in equal and sometimes higher prices than on outright purchases. Fertilizer sales exceeded 16,000 tons, up more than 70% from the previous year.

Net earnings of $192,993 resulted from the year's operations of this division.

INTERIOR FEEDS LIMITED

Interior Feeds Limited, a British Columbia incorporated company entirely owned by our Association, operated its fourth year in the domestic feed grain business in the coast province. A little over 116 million bushels of feed grain were handled by the Company during the year, mainly through the four elevator locations in the coast province. Through a good demand for feed grains in the southern interior and a lower volume of grain offered by producers, favourable selling margins were maintained throughout the year resulting in a net surplus of $162,434 after provision for income tax. Elevation and storage charges were reduced by our Association on this volume of business in addition to reimbursement for all necessary services rendered.

VICTORIA ELEVATOR LIMITED

The Victoria Elevator Limited property in Victoria, British Columbia, wholly owned by your Association, enjoyed a successful year during 1963-64, its fourth as a part of Alberta Wheat Pool. The use of this terminal was again entirely devoted to wheat, totalling 7,790,408 bushels. Net earnings of these facilities amounted to $30,748 after provision for income tax resulted from the year's operations. The properties were kept in good repair and all capital cost allowances were taken in arriving at our net position.

Full details of the operations of this Company and of Interior Feeds Limited will be later presented to the Meeting.

MEMBERS' ACCIDENT INSURANCE PLAN

The experience of the sixth year of operation of the Members' Accident Insurance Plan was similar to that of 1962-63. Reports of 742 accidents involving members and their dependents and sponsored farm workers, representing members were received during 1963-64. Claims on 316 of the accidents have been paid or are in the process of settlement. Claims on 262 were closed as ineligible for benefits. No claims have yet been received for the remaining 144 incidents. Fatal accidents claimed four lives — thirty one adults and thirteen children. There were twenty cases of dismemberment and/or loss of essential function.

Fertilizer

Fertilizer sales exceed $16,000 tons, up more than 70% from the previous year.

PUBLICITY AND PROMOTIONAL ACTIVITIES

During the year programs were maintained to keep the members informed and interested in the affairs and operations of the Association. Through the "Budget" news releases, radio and television programs and the Field Service Department, a good deal of information on the agricultural industry and on farm and co-operative organizations was presented to our membership and to the public in general.

FERTILIZER

Following the last Annual Meeting and further investigations, plans were finalized early in the new year for the establishment of fertilizer manufacturing facilities jointly with Saskatchewan Wheat Pool and Federated Co-Operatives Limited. Early in May a contract for the design and construction at Calgary of a fully integrated plant with an annual capacity of 225,000 tons was awarded. Construction commenced in June with a view to production in the late summer of 1965. Approximate cost of these facilities will be $21 million.

Plans are now being developed in respect to organization and distribution facilities within Alberta Wheat Pool for fertilizer which will be available from the co-operative fertilizer plant commencing 1965.

MEMBERSHIP

The membership of your Association continued to increase during the year to 2,419 new members were accepted. Cancellations resulting from retirement from farming numbered 1,485 and 660 memberships were terminated by death. As a result, the total membership at August 1, 1964 stood at 50,877, a net gain of 523 over the previous year. This is a continuation of the upward trend which has prevailed for several years, and as a result it also represents an increased percentage of the commercial farmers of this province.

ELECTION OF DELEGATES

Following the election of Mr. Arnie Jutson of Canmore to the Board of Directors for District 5 in December 1963, a by-election was held in Sub-district 505. This resulted in the election of Mr. Clifford G. Pepper of Okotoks. During the summer of 1964 elections were held in the odd-numbered sub-districts for delegates whose terms had expired and three new delegates were elected by acclamation. An election was held
in Sub-district 603 resulting in the re-election of Mr. George Ziegler of Veggville. A by-election in Sub-district 303 was necessary as no nomination for Delegate was received within the prescribed time. This resulted in the election of Mr. Albert P. Schindler of Brooks.

A by-election in Sub-district 704 became necessary due to the resignation on September 10, 1964 for personal reasons of Mr. Paul Houde of Grande Prairie. The results were not yet known at the time of printing this report. On October 22, 1964 Mr. Allan D. Matherson of Balzac, Delegate for Sub-district 208 tendered his resignation due to other commitments, and a by-election to fill the vacancy was initiated on that date.

IN MEMORIAM

We regret to record the passing since our last Annual Meeting of six former Delegates of our Association.

On December 31, 1963 the death at Vancouver, British Columbia occurred of Mr. Neil Golley, formerly of Delta, who had served as Delegate for Sub-district 137 from 1941 to 1955.


On May 19, 1964, a death occurred of Mr. A. W. Green of Byersmore, who served as a member of our delegate body from the years 1946 to 1955.

Mr. William N. Basset, formerly of Smoky Lake who served as a Delegate from 1956 to 1961, lost his life in an accident on June 13, 1964.

Mr. Guy Vosley of Vulcan, Delegate from 1935 to 1948, passed away June 25, 1964.

The death of Mr. Herman S. Peterson, formerly of Viking, Delegate for Sub-districts 76 and 144 from 1942 to 1952, occurred on July 12, 1964 in Vancouver, where he was living in retirement.

We wish to record our sincere appreciation for the service and support these men extended to our Association.

STAFF

The competent manner in which the year's volume of work was handled is evidence of the efficiency of our personnel. It is a pleasure to extend our appreciation to the staff for the faithful and valuable service rendered during the past year.

BOARD OF DIRECTORS

At the first Meeting of the Board of Directors of Alberta Wheat Pool held after the 1963 Annual Meeting, the following officials were elected:

President: G. L. Harrold

First Vice-President: N. M. Mallin

Second Vice-President: A. J. Macpherson

The same three Directors were elected to the Board of the three co-operative organizations — Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited and Pool Insurance Company. Messrs. Harrold and Mallin were also elected to represent our Association on the Board of Northern Canadian Seed Sales Limited.

Committees of the Board were established to deal with internal matters concerning office elevators, field service, publicity, legislation and liaison with the Farmers' Union of Alberta.

Regular meetings were held each month during the year, and the Board met with Directors of Saskatchewan and Manitoba Wheat Pools on two occasions. Your Directors accompanied the Delegates' Committee to Vancouver and Victoria to inspect our terminals in those cities, and most of them were able to attend the annual meetings of the Alberta Federation of Agriculture, Canadian Federation of Agriculture and the Western Agricultural Conference.

In addition to many routine and recurring duties, representations were made on several other matters during the year, including a proposal for the licensing of off-track elevators, agriculture's viewpoint respecting changes in the General Agreement on Tariffs and Trade; proposals for improved hog marketing practices, and changes in the Federal Government's feed grain freight assistance program. In the matter of box car allocation at country elevators, your Association has put forward a good deal of effort by way of representation to the Canadian Wheat Board, the Cabinet Minister to whom the Board reports, and to the railways in the past few years. As a result of our unflagging experience in June and July of 1963, strenuous efforts were again made last year. We believe this has resulted in more equitable provisions for the relief of congested elevators, and we are hopeful that its application in the future will permit greater use of your Association's facilities by the membership.

The Directors were also called upon to spend considerable time on behalf of the Association on various external committees. In January of 1964 Mr. Mallin was elected President of the Alberta Federation of Agriculture, subsequently to the Board of Directors and Executive Committee of the Canadian Federation of Agriculture. He also was elected a Director of the newly formed Co-operative Insurance Services Limited in March. Messrs. Harrold and Macpherson were appointed to the Board of Directors of the newly-formed Western Co-operative Fertilizers Limited early in 1964.

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

Canadian Co-operative Wheat Producers Limited continued during the year in its role as a liaison and co-ordinating organization of the three prairie wheat pools. It dealt in various ways with a number of matters of common concern, all of which will be included in its Annual Report to be submitted to you later in this Meeting.

GENERAL

The fortunate coincidence of record crops and wheat exports in 1963-64 serves as a timely reminder of agriculture's importance to the overall economy. For the first time in the history of the Pool, wheat sales were one of the dominant export forces contributing to record strong advances in business activity. Canada's Gross National Product rose more than 6 per cent in 1963 and even greater gains are expected in 1964. High levels of consumer and business spending have resulted in an upsurge in industrial growth. In particular, additional purchases of new farm machinery and equipment were a sizable part of this trend.

Another important tangible contribution was made toward improvement of Canada's balance of international payments. At the end of 1963 exports had risen to a $494,900,000 surplus in merchandise trade. Increases in wheat sales alone accounted for more than $200,000,000 of the gain in exports. Although sales of goods and services to other countries continued to decline in 1964, there was a greater export surplus which tended to offset this part of the improvement. Nevertheless, the recent large wheat port of exports were of increased importance to the Canadian economy from the point of view of both internal prosperity and international trade.

In the past, agriculture's position relative to other industries in Canada has often been obscured by rapid and dramatic industrial growth. It is true that many problems, including the cost price squeeze and declining farm population, continue to beset agriculture, but it still remains as the basic factor of employment in other industries and, as such, contributes much more than its apparent share to national income. Because of this, agriculture remains one of the most important industries in Canada.

THE ROAD AHEAD

The year ended July 31, 1964 was one of the most spectacular in the history of the grain industry of Western Canada. The year began on a note of uncertainty with large world stocks of wheat on hand, and in Canada the prospects of a crop exceeding all previous records. While world markets for grain were expanding at a very rapid rate, the benefits of modern technology, state incentives for increased production in some parts of the world, protective policies in others and the usual balance of payments and reciprocal trade problems all exerted an influence. Conventional sales were also a factor. Early in the year, however, the huge and unexpected Russian order for wheat turned the situation to one of buoyancy. Our traditional customers made early arrangements to ensure themselves of supplies of grain and the greatest problem facing the Canadian Wheat Board and the wheat industry became one of shipping up shipments to meet our...
sales commitments and opportunities. The record of
that year is a tribute to all concerned. The
programming of the Canadian Wheat Board, the
efforts of the railroads, the operation of the
terminals and country elevators, all in combination
enabled us to achieve record exports with resulting
benefits to the prairie and the national economy.

For some years it has been felt by our Asso-
ciation that additional benefits might accrue from a
closer co-ordination of the various facilities and
services involved in our grain marketing system.
In the past, several institutions and practices have
been used which tend to a more orderly and effi-
cient system. Those begin with the Wheat Board
system itself, its procedure for the sale of grain
and one of its developments where the farmer is
directly concerned, the quota system of delivery
opportunity. In respect to country and terminal
facilities, no major changes have occurred in re-
cent years, but these facilities have shown them-
sele flexible and competent under a variety of
circumstances. In the field of transportation
some desired advantages have occurred
through densification and the railways facilities
for the operation and dispatch of its crews and
trains. Additional use can be made of these re-
spective advances, we believe, for the common
good.

Our Association is keenly interested in the
development of greater efficiency in the move-
ment of grain, beginning at the country shipping
point. To the extent that we strive towards goals
of more efficiency, benefits we believe will accrue
to all concerned, and any proposals for aban-
donment of railroad lines may be much less justified.

All of which is respectfully submitted.

G. L. Harrold
Nelson Milne
Allan J. MacPherson
O. Keith Rosenberger
George W. Braithwaite
Frank White
Anne Johnson

Report of the General Manager
ON THE 1963-64 CROP YEAR

To: The President and Directors,
Alberta Wheat Pool,
Calgary, Alberta.

Gentlemen:
The story of the production and marketing of the
1963 crop is one of the most exciting in the annals of grain produc-
tion on the prairies. After an uncertain start, near ideal growing
conditions prevailed. Good weather at harvest time except in
northern areas, made it possible to gather, in excellent condition, a
crop of 223 million bushels of wheat, the largest in our history. When
the magnitude of the harvest was realized farmers were
expressed a burdensome surplus. Then, with dramatic suddenness the
demand for world wheat trade changed. Large sales were made to
countries which had not previously bought much from us and regular
customers took their usual quantities. Faced with the task of exporting
huge amounts, the Wheat Board incurred unprecedented re-
operation and effort from all engaged in the handling and transpor-
tation of grain. By July 31st, 1964 Canadian exports of wheat and flour
were 69.4 million bushels, exceeding the previous record of
49.7 million. Canada had met and surpassed her commitments. This
year's largest wheat crop disappeared in the crop year in which
it was harvested. Indeed the carry-over at July 31st, 1964 was actually
less than a year earlier.

Good increases in barley exports were also experienced, but clearances of
wheat declined slightly. There were no great changes in the
market for all seeds and other coarse grains.

In spite of droughts in the south eastern part, Alberta had a yield of
19.1 bushels per acre, which was nearly the same as the long-time average
and produced 146 million bushels. The previous high was 180 million in
1950. Coarse grain yields were good with barley production of
119 million bushels, being the second highest on record. While
No. 2 Northern was the predominant grade of wheat in southern Alberta,
grades in the north were lower as a result of wet weather at harvest
time. A significant amount of Easter and July
grain was delivered in the Peace River region.

A quota of 8 bushels per specified acre for
Board grain was in effect at all Alberta delivery
points at the end of the crop year. In addition,
a supplementary quota of 10 bushels per seeded
acre was allowed in two separate 5 bushel
amounts later in the season in order to obtain a
large enough volume of wheat to meet sales com-
miments. Flat rate and reserve were on open
quotas. The resulting large grain movement, com-
bined with excellent crops, made a substantial con-
tribution to an expanding Canadian economy during
the year.

Country Operations
The year started with our country elevator
space practically all utilized and 133 elevators
completely congested. Competitors, on the
other hand, had a considerable amount of avail-
able space. In August a large accumulation of
loaded cars, combined with full terminals, caused
the railways to place embargoes against country
loadings. A further complication was the threat
of a longshoremen's strike which contributed to
a small measure to a shortage of ships. Even
after settlement of the longshoremen's dispute the
railways had to maintain tight control of car load-
ing for Vancouver because ships had been dis-
verted to traffic other than grain and were ex-
tremely slow in returning to grain service. There
were periods at this time when over 2,000 cars
were under load for the West Coast and additional
country loadings could not be justified until ship
arrivals were assured. During the initial months,
bacars were not distributed in a manner which
recognized the needs of congested elevators. The
result of these factors was that the Pool's percent-
age of the Alberta loadings declined seriously
during August, September and October.
In late November the effects of the Russian sale began to hit the market and the volume of shipments picked up. Therefore a generous supply of shipping orders had to be issued in the hands of agents and from the end of December a good supply of bounties, distributed according to new instructions, issued to the trade and the railways by the Wheat Board. Limits on the circumstances which prevailed for the balance of the year gave the Pool adequate space; at nearly all stations, to take the grain and customers wished to deliver.

The total handling for the year was 87,953,820 bushels, which represented 40.15 per cent of all grain delivered in the province, compared to last year's percentage of 41.84. The year commenced with 58 million bushels of grain in store and ended with 33,560,000, reflecting shipments of over 151 million bushels, in 42,041 boxcars. This was a remarkable achievement considering the slow movement in the early months and a tribute to all who participated.

Receipts averaged 162,414 bbls for each of our 53 elevators doing business, an increase of better than twenty per cent from the previous year's figure of 130,785. The elevator at Fort St. John, with a handling of 466,900 bbls, established the all-time high for a single Pool elevator.

Terminal Operations

West Coast ports enjoyed a good proportion of the unprecedented grain export, with Vancouver and New Westminster terminals shipping 267,409,594 bushels, some twenty per cent higher than the previous year.

Your terminal handled 62,781,186 bushels as against 49,523,908 last year and the previous high of 51,268,744. There were always enough cars available to keep all Vancouver terminals operating but, unfortunately, the situation in the country, referred to above, resulted in too small a percentage of these being Pool cars. For much of the time less than twenty per cent of cars under load were consigned to the Pool. Consequently, for the first five months of the year we kept running out of Pool grain and diversions from other terminals were not easy to obtain. After navigation closed on the Great Lakes the railways were able to concentrate on the westward movement and, with a more equitable distribution of available boxcars in the Pool, the percentage of Pool cars in transit became more realistic.

From January on, the railways did an outstanding job; we were never short of cars and our terminal enjoyed an efficient operation on Pool loads only. But from an irregular arrival of ships, which seems to be inherent in the export movement, even more grain could have been put through our terminal.

The movement was also slowed down to some extent by the necessity of servicing slow loading tankers and by the heavy dockage content which required a greater than usual amount of cleaning. As an indication of this, refuse screenings totalled 124,376,000 pounds, compared to 127,690,000 last year.

Your terminals at Vancouver and Victoria have demonstrated that they have ample capacity to handle any amounts of grain which will be shipped after the crop is out in the foreseeable future. Extra cleaning capacity has been installed to handle even larger volumes more effectively and without undue delay. Nevertheless, additional dock facilities will become increasingly desirable to serve the larger ships and additional storage space will provide some protection against the results of irregular ship arrivals. The construction of a new terminal by the Saskatchewan Wheat Pool at Vancouver will, however, assure the Port of Vancouver adequate grain handling capacity for many years.

Subsidary Companies

Both operating subsidiaries of the Alberta Wheat Pool reported successful years.

Victoria Elevators Ltd., operating a grain terminal in Victoria, B.C., had the largest handling in the twelve-year history of the company. Receipts of grain consisted of wheat only and amounted to 7,790,468 bushels, compared with 6,818,486 in the previous year. Terminal revenues increased with the larger handling but operating expenses also went up with the result that net earnings were about the same as a year ago. Payments of $236,726 were made to the parent organization for diversion premiums, allowances for freights, management fees and interest. No capital additions were made to the plant throughout the year. Payments of $30,748 after provision for income taxes of $30,554.

Intercolma Feeds Ltd. is a grain marketing organization, operating entirely within the province of British Columbia. The grain marketed comes principally from the Pool area with the remainder, in very limited quantities, from Creston. Conditions for the marketing offeed grains were favourable and the company had an
excellent year. Purchases from growers amounted to 1,621,223 bushels of wheat, oats and barley, compared to 2,371,266 of the same grains a year ago. Reduced volume led to an active market, with better prices and more rapid movement of the grain. These conditions made possible operating earnings of $52,488, the best showing yet for this company. Payments to the Alberta Wheat Pool for elevator handling charges, storage, interest and other services amounted to $78,685.

Operating Results

This is a consolidated report on the operations of the Alberta Wheat Pool, Victoria Elevator Limited and Interior Foods Limited. Net earnings before income taxes were $4,904,453 and making provision for normal capital cost allowances of $1,062,560 and special capital cost allowances of $25,919.

The year was exceptional in many respects and simply demonstrated the extent of large volumes. Operating results reflected the exceptional handling and shipments and the high degree of utilization of storage capacity. Terminal revenues also followed the same pattern. The seed division and the subsidiary companies enjoyed a favorable year. On the other hand, expenses did not increase proportionately. The cost of the various expense items continued to rise but with the larger volume of grain, expense per bushel was actually considerably less than the year before. The net earning is the largest in our history.

As in previous years the policy of revolving members' reserves was continued and with this practice the ownership of the Pool organization is kept in the hands of active farmers. When members, through disposal of their lands and retirement from farming, have no further use for elevator services or reach designated age categories, their reserves are purchased by the Pool in redemption of its liability to them. These purchases this year amounted to $82,000. Reserves, amounting to $1,060,568, were issued to member patrons of the previous year. As a result of these purchases and issues, the liability of the Pool to its members increased to $15,683,000. The redemption of all or any part of this liability is subject to policies laid down from time to time by the directors. In addition to increased amounts in the Organization, portions of the 1962-63 season received $1,121,000 in cash patronage dividends making a total distribution from the earnings of that year of $2,921,000.

Capital expenditures during the year were $1,218,111 for buildings, properties and operating machinery. $176,116 was spent for new equipment making a total for capital purposes of $1,394,227. For the first time in several years capital expenditures exceeded the combined total of depreciation taken and the proceeds of disposal of capital assets.

Properties

During the year 8 elevators were dismantled or sold, 3 were converted to high-rise storage and the Fuller #2 elevator was destroyed by fire. Six elevators were built by Pool crews and three more were under construction at the end of the year, none of them at new shipping points. No elevators were affected by railway line abandonment throughout the year, but five shipping points were abandoned where the patronage did not justify continuation of elevator services and where alternate delivery points were available. Total country capacity was increased by 529,560 bushels. At the end of the year the country elevator system consisted of 543 elevators, with 700 antennas and storage sheds having a combined capacity of 42,875,600 bushels or 33.5 per cent of the licensed country elevator space in Alberta and British Columbia. Pool crews also built 9 agents' annexes and 23 storage sheds for fertilizer. Suppho properties were sold for a total of $42,525. These changes, together with a steady programme of maintenance and renovations, have kept the properties in excellent shape.

In addition to the country elevators and annexes, the Pool owned at the year end 388 employees' dwellings, 3 seed cleaning plants, 86 seed and fertilizer warehouses and sheds, 18 flour sheds and 12 coal sheds not otherwise used, 2 warehouses for construction purposes, 3 terminal elevators, an office building and parking lot.

Public Relations

When the Pool originated a large proportion of the population lived on farms. Many of those who lived in the towns and cities had strong ties with the land and had a good understanding of the problems of the farmer and the industry of agriculture. This was evidenced by their active help and support during the formative years. Now the picture has greatly changed. With the technological revolution in agriculture the farmer's productivity increased spectacularly. Fewer and fewer people are required to produce food and this has forced a large proportion of the farm population to move to towns and cities and seek other employment. The cumulative effect of many years of this gradual process is a dangerous gaply toward the problems of the farmer. At the same time his political significance declined as his numbers decreased.

The efforts of your Public Relations department will continue to be directed toward informing members about the Pool and emphasizing to all farmers the great importance of strongly supporting their organization. Increasing attention will also be given to the rural communities in an effort to restore the same measure of sympathetic understanding and support which farm people once enjoyed.

Staff

Staff 'bring in' benefits are continually becoming a larger part of the employees' reward for satisfactory service and now represent a very heavy expense to the employer. The Pool recognizes an obligation to provide good working conditions and remuneration fair to all concerned. The comprehensive revision of the Retirement Pension Plan, which now provides for pensions comparing very favourably with others available in Canada, is ample demonstration of this. In return each employee is expected to discharge fully his responsibilities to do the best job he is capable of.

Awards, recognizing 25 years of service, were made to 21 employees. Two hundred and sixty-five employees have now received such awards and of this number 123 are still with us. Two employees this year completed 40 years of service with the Pool and one more will do so in the coming year.

The important contribution made by the staff to the successful progress of the Pool was recognized by the payment of a generous year-end bonus. However, appreciation for a job well done cannot be fully conveyed in monetary terms alone. I take this opportunity to express my personal thanks for the accomplishments of the staff during the past year.

Respectfully submitted,

[Signature]

General Manager.
AUDITORS' REPORT

To the Members of
ALBERTA WHEAT POOL

We have examined the consolidated balance sheet of Alberta Wheat Pool and subsidiary companies as at July 31, 1964 and the statements of consolidated earnings, consolidated earnings retained from prior years and factors affecting working capital for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us, and as shown by the books of the organizations, the statements mentioned above are properly drawn up so as to exhibit a true and correct view of the state of the affairs of Alberta Wheat Pool and subsidiary companies at July 31, 1964, the results of their operations for the year then ended and the factors affecting working capital during the year, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Calgary, Alberta.
October 20, 1964.

CLARKSON, GORDON & CO.
Chartered Accountants.
# ALBERTA WHEAT POOL and Subsidiary Companies

## CONSOLIDATED BALANCE SHEET

AS AT JULY 31, 1964 compared with July 31, 1963

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>1964</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in bank, on hand and in transit</td>
<td>$351,114</td>
<td>$387,619</td>
</tr>
<tr>
<td>Stocks of grain (Note 2)</td>
<td>41,107,750</td>
<td>40,037,439</td>
</tr>
<tr>
<td>Advance on grain</td>
<td>766,328</td>
<td>710,156</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>2,322,906</td>
<td>1,202,386</td>
</tr>
<tr>
<td>Accrued items receivable</td>
<td>136,312</td>
<td>102,346</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>473,587</td>
<td>485,098</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>44,210,540</td>
<td>42,949,570</td>
</tr>
<tr>
<td><strong>Fixed — at cost:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings, sites and operating machinery</td>
<td>32,775,956</td>
<td>34,050,404</td>
</tr>
<tr>
<td>Less accumulated capital cost allowances</td>
<td>22,452,269</td>
<td>22,637,322</td>
</tr>
<tr>
<td>Uncompleted construction (see contra)</td>
<td>9,324,549</td>
<td>9,159,282</td>
</tr>
<tr>
<td>Elevator and office equipment, autos, trucks and miscellaneous equipment</td>
<td>970,986</td>
<td>198,083</td>
</tr>
<tr>
<td>Less accumulated capital cost allowances</td>
<td>665,614</td>
<td>658,327</td>
</tr>
<tr>
<td><strong>Net fixed assets</strong></td>
<td>10,158,167</td>
<td>9,650,659</td>
</tr>
<tr>
<td><strong>Investments — at cost:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares in affiliated companies</td>
<td>246,830</td>
<td>118,670</td>
</tr>
<tr>
<td>Grain Exchange memberships and Trade associations</td>
<td>11,152</td>
<td>10,152</td>
</tr>
<tr>
<td>Co-operative associations</td>
<td>1,053</td>
<td>926</td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred accounts receivable</td>
<td>30,468</td>
<td>141,892</td>
</tr>
<tr>
<td>Claims</td>
<td>313,783</td>
<td>313,783</td>
</tr>
<tr>
<td>Excess of cost of investment in subsidiary company over book value at date of purchase</td>
<td>155,420</td>
<td>155,420</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>72,945,405</td>
<td>67,442,003</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>1964</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding cheques, cash tickets and orders</td>
<td>$7,899,946</td>
<td>$6,121,959</td>
</tr>
<tr>
<td>Bank loans (secured)</td>
<td>6,680,000</td>
<td>9,680,000</td>
</tr>
<tr>
<td>Call and short term loans</td>
<td>3,812,695</td>
<td>5,988,437</td>
</tr>
<tr>
<td>Loans from members</td>
<td>9,053,226</td>
<td>6,627,465</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>1,678,231</td>
<td>1,433,171</td>
</tr>
<tr>
<td>Construction commitments (see contra)</td>
<td>570,996</td>
<td>198,083</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>44,246</td>
<td>30,258</td>
</tr>
<tr>
<td>Mortgage debenture installment due February 1</td>
<td>416,667</td>
<td>416,666</td>
</tr>
<tr>
<td>Accrued items payable</td>
<td>352,472</td>
<td>322,343</td>
</tr>
<tr>
<td>Growers’ outstanding payments</td>
<td>125,858</td>
<td>133,658</td>
</tr>
<tr>
<td>Net earnings — current year (Note 4)</td>
<td>4,899,435</td>
<td>2,190,941</td>
</tr>
<tr>
<td>Less estimated minimum income tax (Note 5)</td>
<td>(131,090)</td>
<td>(74,844)</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>35,369,726</td>
<td>34,268,120</td>
</tr>
</tbody>
</table>

### Deferred:

4½% mortgage debentures | 416,667

### Reserves and Surplus:

<table>
<thead>
<tr>
<th></th>
<th>1964</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves (Note 6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized</td>
<td>$20,000,000</td>
<td></td>
</tr>
<tr>
<td>Issued to members —</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members’ investments</td>
<td>15,683,365</td>
<td>14,712,152</td>
</tr>
<tr>
<td>Surplus —</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained from earnings of prior years</td>
<td>3,594,787</td>
<td>3,362,269</td>
</tr>
<tr>
<td>A.Rising from disposals of properties</td>
<td>636,535</td>
<td>601,774</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>19,824,687</td>
<td>18,876,195</td>
</tr>
</tbody>
</table>

### Contingencies and Commitments (Notes 9 & 10)

<table>
<thead>
<tr>
<th></th>
<th>1964</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$55,194,413</td>
<td>$53,340,982</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
### STATEMENT OF CONSOLIDATED EARNINGS

<table>
<thead>
<tr>
<th></th>
<th>Year ended July 31</th>
<th>1964</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues (Note 7)</td>
<td>$17,147,426</td>
<td></td>
<td>$13,220,241</td>
</tr>
<tr>
<td>Deduct:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elevator and used plant operating expenses</td>
<td>4,528,304</td>
<td>4,154,963</td>
<td></td>
</tr>
<tr>
<td>Office, administration and supervisory expenses</td>
<td>2,407,413</td>
<td>2,253,711</td>
<td></td>
</tr>
<tr>
<td>Terminal elevator operating expenses</td>
<td>1,790,769</td>
<td>1,558,196</td>
<td></td>
</tr>
<tr>
<td>Contribution to employees’ pension plan — re past services</td>
<td>1,277,589</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest charges</td>
<td>1,219,321</td>
<td>1,052,770</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>11,223,426</th>
<th>9,019,640</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings before capital cost allowances</td>
<td>5,924,000</td>
<td>4,200,601</td>
</tr>
<tr>
<td>Capital cost allowances</td>
<td>1,027,565</td>
<td>1,009,660</td>
</tr>
<tr>
<td>Net earnings for the year before income tax</td>
<td>$ 4,896,435</td>
<td>$ 3,190,941</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.

### STATEMENT OF CONSOLIDATED SURPLUS RETAINED FROM EARNINGS OF PREVIOUS YEARS

<table>
<thead>
<tr>
<th></th>
<th>Year ended July 31</th>
<th>1964</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>$3,362,269</td>
<td>3,248,590</td>
<td></td>
</tr>
<tr>
<td>Less sundry adjustments</td>
<td>259</td>
<td>447</td>
<td></td>
</tr>
</tbody>
</table>

|                          | 3,362,010          | 3,248,143 |

| Add:                      |                    |      |      |
| Earnings from the previous year | 3,190,941       | 2,787,769 |
| Less patronage dividends:  |                    |      |      |
| In cash                    | 1,121,085          | 1,480,338 |
| In members’ investments redeemed | 828,811      | 929,736 |
| In members’ investments increased | 971,075      | 189,620 |

|                          | 265,972            | 262,875 |
| Less income taxes paid    | 127,195            | 88,749  |

|                          | 142,777            | 114,126 |
| Balance at end of year    | $3,504,787         | 3,362,269 |

See accompanying notes to consolidated financial statements.
1963-1964 FACTORS AFFECTING WORKING CAPITAL

Working Capital, July 31, 1963 ................................................. $ 8,701,450
1962-63 Earnings (Note 8) .................................................. 3,190,941
Operating Earnings, 1963-64, before capital cost allowances ......... 5,924,000
Proceeds of Disposals —
   Buildings and Operating Machinery .................................. 138,704
   Equipment ........................................................................ 92,665
   Capital Gains ..................................................................... 34,261
Return re Winnipeg Office Investment ..................................... 667
Decrease in Deferred Accounts ................................................ 91,334
$18,174,522

1963-64 Net Earnings held Pending Disposition ......................... $4,785,345
New Buildings and Operating Machinery ................................. 1,218,111
New Equipment ...................................................................... 176,116
Patronage Dividends Paid in Cash ........................................... 1,121,083
Members’ Investment Reserves Purchased ................................. 828,811
Payment on Debentures .......................................................... 416,666
Funds Provided for Completion of Construction Program .......... 372,882
Income Taxes Paid or Provided for —
   1963 — Dominion of Canada ............................................. 127,022
   1964 — Dominion of Canada ............................................. 111,090
   1963 — Province of Ontario ............................................. 173
Increase in Investments .......................................................... 176,287
Sundry Adjustments ................................................................ 122 $ 9,333,708
Working Capital, July 31, 1964 ............................................... $ 8,840,814

1963-1964 NOTES TO FINANCIAL STATEMENTS

July 31, 1964

NOTE 1 The consolidated financial statements include the accounts of the Alberta Wheat Pool and its wholly-owned subsidiary companies, Alberta Pool Elevators Limited, Victoria Elevator Limited and Interior Feeds Limited.

NOTE 2 Stocks of wheat, oats and barley have been valued at Canadian Wheat Board delivery prices and stocks of other grains at market or open sales contract prices where applicable. Allowance has been made for handling and other charges.

NOTE 3 Stocks of forage and cereal seeds and other supplies have been valued at lower of cost or market, or where applicable, at open sales contract prices less cost of handling.

NOTE 4 Current year’s net earnings, less estimated minimum income tax, are shown in a current liability pending action by the delegates at the annual meeting regarding patronage dividends.

NOTE 5 Income tax has been provided on the current year’s earnings at the estimated minimum amount under the provisions of the Income Tax Act.

NOTE 6 Ownership in Alberta Wheat Pool is by investment in the reserves of the organization. Funds to make this investment have been provided from patronage dividends.

Effective March 26, 1964 the authorized reserves were increased from $15,000,000 to $20,000,000 by amendment of the Alberta Wheat Pool Act, 1929.

NOTE 7 Revenues accruing from grain and seed handling, terminal operations and diversions, premiums, carrying charges, storage and interest, rentals from office building and agents’ dwellings, etc.

NOTE 8 Earnings of the previous year, after provision for income tax, were made available for distribution in the current year giving effect to action taken at the last annual meeting. See also Note 4.

NOTE 9 The Alberta Wheat Pool is contingently liable in respect of notes discounted by Western Co-operative Fertilizers Limited to a maximum of $1,666,666, and in addition has undertaken to purchase bonds of that company to a maximum of $7,800,000.

NOTE 10 Based on an actuarial evaluation of the Employees’ Pension Plan as at January 1, 1964 the Alberta Wheat Pool has an unrecorded liability of approximately $1,000,000 at July 31, 1964 in respect of past service benefits.
1923-1964  SOURCE AND APPLICATION OF FUNDS

SOURCE

Depreciation and Capital Cost Allowances $23,856,351
Members' Investment Reserves 15,683,365
Earned Surpluses Retained 3,504,787
Capital Surpluses from Properties 634,525

$43,681,038

APPLICATION

Elevators, Terminals, Cleaning Plants and other Properties $33,348,904
Elevator and Office Equipment, Automobiles and Trucks, Miscellaneous Equipment 665,614

Excess of Cost of Investment in Subsidiary Company

ever Book Value at Date of Purchase 155,420
Investments in Affiliated Companies and Miscellaneous Memberships 306,035
Deferred Accounts 364,231
Working Capital 8,840,814

$43,681,038

RECORD OF PROGRESS

Income Statistics

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Barrels Handled</th>
<th>Operating Earnings</th>
<th>Operating Expenses</th>
<th>Capital Cost Allowances</th>
<th>Patronage</th>
<th>Dividends</th>
<th>Earnings Retained</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>87,053,840</td>
<td>$17,147,426</td>
<td>$11,223,426</td>
<td>$1,027,565</td>
<td></td>
<td></td>
<td>$142,777</td>
</tr>
<tr>
<td>1963</td>
<td>76,765,924</td>
<td>12,220,241</td>
<td>9,019,640</td>
<td>1,009,660</td>
<td>2,920,969</td>
<td></td>
<td>$114,126</td>
</tr>
<tr>
<td>1962</td>
<td>60,104,981</td>
<td>12,913,333</td>
<td>9,018,268</td>
<td>1,307,996</td>
<td>2,384,894</td>
<td></td>
<td>114,126</td>
</tr>
<tr>
<td>1961</td>
<td>59,802,637</td>
<td>13,929,055</td>
<td>9,830,341</td>
<td>1,238,306</td>
<td>2,526,905</td>
<td></td>
<td>177,518</td>
</tr>
<tr>
<td>1960</td>
<td>59,549,309</td>
<td>12,724,923</td>
<td>9,068,946</td>
<td>1,299,486</td>
<td>2,192,499</td>
<td></td>
<td>124,074</td>
</tr>
<tr>
<td>1959</td>
<td>61,280,762</td>
<td>12,708,152</td>
<td>8,254,234</td>
<td>1,146,324</td>
<td>3,083,089</td>
<td></td>
<td>100,523</td>
</tr>
<tr>
<td>1958</td>
<td>56,888,650</td>
<td>11,553,430</td>
<td>7,894,335</td>
<td>1,383,490</td>
<td>2,185,165</td>
<td></td>
<td>82,168</td>
</tr>
<tr>
<td>1957</td>
<td>61,457,090</td>
<td>10,588,430</td>
<td>7,272,755</td>
<td>2,602,860</td>
<td>1,033,444</td>
<td></td>
<td>142,208</td>
</tr>
<tr>
<td>1956</td>
<td>54,220,106</td>
<td>9,304,240</td>
<td>6,516,206</td>
<td>1,745,227</td>
<td>746,925</td>
<td></td>
<td>162,018</td>
</tr>
</tbody>
</table>

Balance Sheet Statistics

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>No. of Hrs.</th>
<th>Capital Investment</th>
<th>Current Assets</th>
<th>Current Liabilities</th>
<th>Working Capital</th>
<th>Retained Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>543</td>
<td>$34,014,518</td>
<td>$44,210,540</td>
<td>$55,369,726</td>
<td>$8,840,814</td>
<td>$3,504,787</td>
</tr>
<tr>
<td>1963</td>
<td>548</td>
<td>22,682,814</td>
<td>42,949,570</td>
<td>34,234,120</td>
<td>8,701,450</td>
<td>3,362,269</td>
</tr>
<tr>
<td>1962</td>
<td>559</td>
<td>32,131,549</td>
<td>31,124,651</td>
<td>22,494,865</td>
<td>8,629,783</td>
<td>3,248,390</td>
</tr>
<tr>
<td>1961</td>
<td>567</td>
<td>31,227,253</td>
<td>43,424,884</td>
<td>35,247,611</td>
<td>8,177,273</td>
<td>3,071,203</td>
</tr>
<tr>
<td>1960</td>
<td>567</td>
<td>29,921,931</td>
<td>48,680,149</td>
<td>40,615,283</td>
<td>8,064,866</td>
<td>2,697,844</td>
</tr>
<tr>
<td>1959</td>
<td>533</td>
<td>27,470,298</td>
<td>44,521,860</td>
<td>37,189,985</td>
<td>7,331,873</td>
<td>2,847,628</td>
</tr>
<tr>
<td>1958</td>
<td>533</td>
<td>25,218,934</td>
<td>41,333,292</td>
<td>33,959,572</td>
<td>7,373,720</td>
<td>2,765,591</td>
</tr>
<tr>
<td>1957</td>
<td>533</td>
<td>24,105,592</td>
<td>40,373,295</td>
<td>31,409,903</td>
<td>8,998,392</td>
<td>2,623,331</td>
</tr>
<tr>
<td>1956</td>
<td>526</td>
<td>22,849,802</td>
<td>42,601,104</td>
<td>34,628,447</td>
<td>7,972,657</td>
<td>2,453,403</td>
</tr>
<tr>
<td>1955</td>
<td>523</td>
<td>19,829,873</td>
<td>39,238,425</td>
<td>32,374,102</td>
<td>6,864,323</td>
<td>2,351,200</td>
</tr>
</tbody>
</table>
Yellow, mellow, ripened days,  
Sheltered in a golden coating.  

Over the dreamy, misty haze,  
White and dainty cloudslets floating.  

Winking at the blushing trees,  
And the somber, fanned fellow.  

Smiling at the airy breeze,  
Of the southward flying swallow.  

Sweet and smiling are thy ways,  
Brilliant, golden Autumn days.  

— Will Carleton

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED  
DIRECTORS’ REPORT  
1963-1964  

To the Shareholders  

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED  
Winnipeg, Manitoba  

October 1, 1964

Gentlemen:

This report, covering the crop year 1963-64, is the fourth annual report submitted by the directors of Canadian Co-operative Wheat Producers Limited. The report in the main deals with grain production and marketing in the crop year 1963-64. It covers also the activities of the board of directors, the Wheat Pool and affiliated organizations since the last report.

The supplies of wheat for the 1963-64 crop year reached an all-time high of 1,210.7 million bushels. Production and exports of wheat reached a record. Farm deliveries in western Canada of the five principal grades amounted to 780.4 million bushels; a near record, resulting in an increase in the carryover of Canadian grain by 37 million bushels. Wheat producers were unable to deliver all the grain produced and wheat stocks on farms at the end of the year were 56 million bushels above those of the year previous. A basic quota of eight bushels per specified acre was provided for by the Canadian Wheat Board; in addition, on June 22, 1964, a supplementary quota of ten bushels per seeded acre for wheat (other than Durum) was authorized at points in western Canada when the quota at a deliverable point reached eight bushels.

Income from farming operations reached $3,219.1 million, a new all-time high, while farm net income amounted to $1,717 million, slightly more than two per cent above the 1962 level and thirty per cent above the average for the five-year period 1958 to 1962. The net income reflects the value of inventory changes of $366 million. The increase in inventory changes includes $323 million in Saskatchewan, $95 million in Alberta, and $2 million in British Columbia, largely accounted for by the higher stocks of grain held on farms.

Trading in future contracts in rapeseed was provided for by the Winnipeg Grain Exchange, commencing September 16, 1963.

Canada’s Gross National Product rose about six per cent between 1962 and 1963 and total output in real terms by more than four per cent. At market prices the volume reaches $43,007 million. The record grain crop contributed greatly to this advance.

Canada’s trade with all countries in 1963 reached a record total of $13,547 million. The large wheat sales helped Canada to reduce its unfavorable international current account balance from $848 million to $521 million. The value of wheat exported by Canada exceeded that of any other commodity.

Officially it is recognized that grain output may be lower in 1964 than in 1963 but the additional spending power generated in 1963 by record production and exports will act as a stimulus to the over-all economy for some time.

CENTRAL BOARD

The board of directors of Canadian Co-operative Wheat Producers Limited is frequently referred to as the Central Board. This term has been in use since 1923, when the organization acted as sales agency for the three Wheat Pools. The organization provides that the three executive officers of each of the Wheat Pools constitute the board of directors. There were no changes on the directorate during the year, the executive officers continued in office. The board, following the usual practice, met twice during the year, in this way acting as a liaison organization for the three Wheat Pools and a clearing house for matters of concern to each of the Wheat Pool organizations.

In this report we can only report briefly on a number of activities which received the attention of your board. In April, 1963, we authorized a study in the field of food utilization to developing countries. Since that time we have reported on the progress of the study. The study, conducted by Dr. Walton J. Anderson, has been completed and widely distributed in pamphlet form under the title “Canadian Wheat in Relation to the World’s Food Production and Distribution.” We have expressed appreciation to Dr. Anderson and his associates. In releasing this publication our President issued the following statement:

Our concern was that a serious study of some of the questions involved in wheat production and marketing might best help our membership to better understand some of the important and related questions and at the same time provide a basis on which our farmer delegates could improve policies relating to the grain industry.
This report has been prepared by Dr. Wal-
tom J. Anderson after more than two years of study by himself and others. We publish it in the expectation that it will stimulate an interest in Canadian wheat production and distribution and related problems. The views expressed are those of the author. We do not necessarily support all of his conclusions. Some of them do in fact concern matters about which we have traditionally held sharply differing views. However, we believe our careful study by our own mem-
bers and by all others interested in the future of the Canadian grain industry and in the
welfare of Prairie farmers will benefit both Canada and all Canadians.

The submission made by our organization to the Royal Commission on Taxation, which was
part of the joint effort headed by the Co-operative Union of Canada, has been released in booklet
form. We believe that the submission contains information which will be of value not only to
members and employees of the Wheat Pools but to other students of Canada’s grain industry.

We have sponsored, in association with the
Co-operative Promotion Board of Manitoba and Federated Co-operatives Limited, fundamental
research on co-operation at the University of
Manitoba. This research is being conducted by
the Economics Division of the Faculty of Agri-
culture at the University of Manitoba. We have
undertaken to support this program on a three-
year basis.

Your board of directors studied many phases of
the transportation problem which may be created by the Pool offers as proposed by the
railway companies. It has been impossible for the Pools to determine a plan of adjustment
without knowing what and when certain lines will be discarded.

We submitted a brief on October 23, 1963,
to the St. Lawrence Seaway Authority in which
opposition to Seaway tolls was voiced.

INTERPROVINCIAL POOL MEETINGS

Frequent contacts were made during the year
by the executive officers of the three Wheat Pools, the purpose being the maintenance of harmony
and consideration of policy matters. This worthy
objective is furthered by the attendance of the full
boards of directors of the three Wheat Pools at
Interprovincial Pool Meetings.

During the year two meetings were held 
on January 14-15 and July 23-24, attended by
directors and executive officers. These meetings
are devoted to the consideration of Wheat Pool
policy, to legislation affecting the agricultural in-
dustry, to marketing and trade policy, and to
related problems. The meetings dealt with a variety of matters which are important to Pool members as
primary producers.

The meetings urged that the government’s
freight assistance policy on feed grain moving from the Prairies to eastern Canada and British
Columbia be continued. Support was given to
the Great Lakes Waterways Development Associa-
tion in its opposition to tolls on the St. Law-
rence-Seaway and the Welland Canal. The Pool
directors, in these meetings, urged the Govern-
ment of Canada to give leadership in the reduc-
tion of tariff and other trade barriers between
nations; requested the Government of Canada to
initiate a conference leading to a new Interna-
tional Wheat Agreement; commended the Govern-
ment and the Canadian Wheat Board for their
aggressive grain sales policy during the past year
and urged the extension of credit arrangements
and concessional sales. They asked the Govern-
ment of Canada to cease legislation which would
provide for the grading of forage crop seeds under
the Board of Grain Commissioners.

WESTERN AGRICULTURAL CONFERENCE

The Western Agricultural Conference was
held in Winnipeg, January 10-17, 1964. The
Conference was composed of representatives of
the Federations of Agriculture in the three
provinces, the Wheat Pools and United Grain
Growers Limited.

The Conference adopted an amended con-
stitution. The amendments set out clearly the
objectives of the Western Agricultural Conference
and the methods by which it is conducted.

The Conference serves the very useful pur-
pose of clarifying resolutions dealing with farm
policy which emanate from farm organizations
affiliated with the Federations. Following this
process the resolutions adopted were placed on
the agenda for the annual meeting of the Cana-
dian Federation of Agriculture which was to fel-
low. In all, 45 resolutions were considered: these
dealt with various matters affecting life on Prairie
farms, including grain marketing and sales policy,
the International Wheat Agreement, freight assis-
tance, world trade, price support, transportation,
farmer credit and taxation.

A lengthy report, prepared by Mrs. Con-
naughton on behalf of rural women of the Prairies,
was read by Mrs. Hughes.

D. A. McNabb, of Manitoba, was elected
president of the Western Agricultural Conference,
and two of our directors — L. A. Boileau, Presi-
dent of the Saskatchewan Federation of Agri-
culture, and N. Malin President of the Alberta
Federation of Agriculture, were elected vice-
premier. Five directors of the Wheat Pools attended
as delegates while others attended as observers.

CANADIAN FEDERATION OF
AGRICULTURE

The Wheat Pools and the Canadian Federa-
tion of Agriculture have been closely associated
during the life of the Canadian Federation of
Agriculture. This close association has been
deliberately cultivated in support of the CFA by
the three Wheat Pools has been given in various
ways. We value the Canadian Federation of
Agriculture. It is in this organization that the
Wheat Pools come into close contact with other seg-
ments of the agricultural industry. Its essential
service enables the grain producer to give support
to and is supported by the livestock, dairy and
poultry producer in making farm policy and secur-
ing its implementation.

The 25th annual meeting of the Canadian
Federation of Agriculture was held in Charlottetown,
the delegates attending seven were directors of one
or other of the Wheat Pools. L. A. Boileau and
Neil McNabb, our two directors, were elected to
the board of directors of the CFA; as was G. E.
Franklin, a director of Manitoba Pool Elevators.
Other directors of the Wheat Pools attended the
meeting as observers.

In all, 78 resolutions passed the annual
meeting; many of them having found their way
through the Western Agricultural Conference. Wheat Pool policy found general support in the
CFA meeting. Delegates debated at length the
matter of trade policy. While grain producers
generally support a free trade policy under which
purchasing countries may have access to the
Canadian market, other producers who look
mainly to the domestic market sought a measure of
protection, an argument which was faulted in the
resolution which we cite:

RESOLVED that the Canadian Federation of
Agriculture continue actively pursue its established policy of urging the govern-
ment to take aggressive leadership in work-
ing for freer and expanding world trade in
industrial products and expansion of agricul-
tural trade based on realistic understanding
of the nature of the agricultural problem of
this world and the snificance of an accelerated
progress through detailed examination of
problems, and consultation and agreement
among nations.

FURTHER RESOLVED that among the
beats of the solutions to agricultural trade
problems is more effective utilization of food
producing capacity in a World Food Pro-
gram to meet the nutritional and develop-
mental requirements of the poorer nations of
the world.

J. M. Bernley gave his first presidential ad-
dress. He said he had been heartened and en-
couraged by many expressions of support and
goodwill. He emphasized that the sale of 300
million dollars of wheat to the USSR had been
a big stimulus not only to the agricultural com-
unity but to every part of the Canadian econ-
omy. He said that labor, manufacturing, ship-
ning, transportation and business generally had
been greatly stimulated by this infusion of extra
buying power.

On February 26, a delegation of three rep-
resentatives met the Prime Minister and ten
members of the Cabinet for the purpose of making
the annual presentation to the government in which
the views of the CFA are submitted. The Prime
Minister termed the annual policy submission, “A
very impressive document enunciated in realistic
terms.” The CFA reminded the Prime Minister of
what it considers to be the role of agriculture
in Canada. The CFA said:

As an industry, agriculture has been and re-
mains, in spite of whatever necessary meas-
ures that have been taken to improve its
position, the most vulnerable, unstable, rela-
tively unprotected industrial sector in the
country.

As a group, farmers have shared less in
the post-war period in the rising levels of wealth
and incomes than any other major group in the
country.

The problems of agriculture are the most
intractable that the nation has faced.

Most expenditure in agriculture is reflected,
in not too long a time, in increasing quality and
abundance of food, and lower prices for it.
The amount of money spent on agricultural assistance has, while reaching significant levels at particular periods, been overall quite modest, often nearly non-existent, and always seemingly justified in relation to the nature and persistence of the problems farmers face.

The agricultural sector is a vital one to the health of the economy and most measures are designed to improve and stabilize agricultural income have contributed to not been in conflict with the public interest.

Among advanced nations Canada spends a relatively small proportion of the national budget on agriculture. On December 9, 1963, the Canadian Federation of Agriculture made a submission to the Royal Commission on Taxation. In a sense this presentation supplemented what the Co-operative Union of Canada and Canadian Co-operative Wheat Producers had submitted in their brief. The Canadian Federation of Agriculture dealt with the taxable position of the farmer and generally with principles and criteria which should be followed when arriving at taxation policy. In dealing particularly with this phase of taxation the CFA said:

On the whole the tax treatment of farmers is not unfair or discriminatory except in the case of property taxes. Neither do tax provisions create unfavorable favor the who has, with the exception noted, been treated fairly but not with special favor.

An excessively high overall level of taxation is not one of Canada's major national problems. We do not see evidence that the reduction of taxation should be a major objective in our policy or that tax policy should be formulated on this explicit or implicit assumption.

Trade and economic policy considerations should govern tariff policy. Tariffs should not be retained for the purpose of collecting revenue. There is in fact a basic case for gradual and continuing reduction of trade barriers.

The planning of taxation and expenditures to international objectives is an important part of the policy which precedes the budget in any given year or years must not be regarded as a necessary objective of fiscal policy which overrides the use of fiscal policy in national economic planning.

It should be accepted as a principle that the burden of taxes should fall as little as possible, directly or indirectly, on food. In the short run at least the incidence of sales and other taxes on food or on farm costs will tend strongly to be on the farmer rather than on the consumer.

Tax policy involves considerations of resource allocation, society, equality, and investment that must all be recognized and taken into account. Partly economic objectives need not always govern over other considerations in decisions regarding tax policy.

There should be no capital gains tax on the property of farmers. To do so would certainly result in inequality and unreasonable discrimination of farm enterprises. In the field of estate taxes our primary concern is to prevent destruction and difficulties in the family transfer of farming enterprises, and specifically:

a. There is a strong case for the lowering of exemptions.

b. There should be recognition of the contribution of the farm wife to the farm property.

c. There should be provision for installment payments of estate taxes on farm property.

In the income tax law, farmers have over the years achieved equitable treatment. There are no “concessions” to farmers of which we are aware, but there are necessary provisions for the protection of farmers from taxable income related to the problems and characteristics of the farm business. These should be retained.

On December 17, 1963, the Canadian Federation of Agriculture submitted a formal statement to the Federal-Provincial Agricultural Conference. The statement suggested that farm policy in Canada is generally acceptable and pointed out that the need is mainly to improve the policy rather than to initiate major new fields. We support the Federation of Agriculture in the submission it presented to the Conference, a submission which dealt with farm credit, ARDA, marketing legislation, crop insurance, feed grains.

A separate submission was made to the House of Commons Committee on Agriculture and Colonization on December 10, 1963, on feed grain prices and related matters. A submission was made by the CFA to the Minister of Agriculture dealing with farm credit.

An important feature of the CFA program was the Canadian Hog Improvement Conference called by the Federation of Agriculture and held in Montreal, April 28-29, 1964. This Conference was a producers' one and was open only to invited personnel.

Submissions were made by the CFA to the Special Committee of the Senate on Agnc, on June 25, 1964, and to the Special Joint Committee of the Senate and the House of Commons on Consumer Credit, on July 7, 1964.

The semi-annual meeting of the board of directors of the Canadian Federation of Agriculture was held in Winnipeg on July 28, 29 and 30, 1964. The meeting endorsed the main proposals contained in a report prepared by the Royal Commission on Health Services. The meeting agreed that Canadians would be able to finance the nation-wide comprehensive health services which the Commission recommends.

The meeting dealt with current international trade negotiations and asked the government to discuss emerging problems of agricultural trade policy with representatives of the CFA.

INTERNATIONAL FEDERATION OF AGRICULTURAL PRODUCERS

At a special conference of the International Federation of Agricultural Producers held in Rome in January 1964, Herman D. Neusen, President of the National Grange, was elected the new president of the IFAP. He had held this position since August 13. When President B. W. Batsheue resigned.

The general conferences of the IFAP are held at 18-month intervals. A year ago we reported fully on the last conference. The next general conference will be held in New Zealand from November 23 to December 3. Our President, Dr. W. C. Gibson, and Director B. A. Jorden, will attend as members of the Canadian delegation.

The European and North American members of the IFAP met in joint meeting in Washington in May 1964. A digest of the IFAP policy statement which is of particular interest to grain producers is cited as follows:

The basis for IFAP’s recommendations is that fundamental differences exist between the situations of the various countries and that, to reconcile these differences, interna-
habilitation and Development Act and the Maritime Rehabilitation Act were transferred to the Minister of Forestry. The same Order-in-Council also transferred to the Minister of Forestry the administration of the programs respecting freight assistance and grain storage costs on western feed grain.

On May 15, 1964, the Prime Minister said the government intended to establish the Department of Forestry and Rural Development. Again on June 23, he said, "It is hoped that we shall be able shortly to bring in legislation which will provide for the appointment of a Minister of Forestry and Rural Development but not for a special minister of eastern agriculture."

Transportation

The diverse problems relating to railway transportation have been of long standing for the grain producers of the Prairies. These problems were highlighted by the efforts of the railways in seeking amendments to the Crown's Nest Pass rates on export grain. In previous reports we have made reference to salient features of the problems which for grain producers centered on the Crown's Nest Pass Agreement and railway line abandonment. We also reported on the actions of the Wheat Pool in pressing out the interest that the grain producers on the Prairies had in transportation problems and that this interest must be safeguarded. We have previously referred, in summary, to government action to meet these situations.

On May 13, 1959, the Prime Minister announced in the House of Commons that a Royal Commission had been appointed to inquire into the problems relating to railway transportation and the approach of railways to the freight rate structure. The Commission was empowered to inquire into and report upon the problems related to railway transportation in Canada and it was charged with the task of formulating solutions therefor. Public hearings held by the Royal Commission were concluded in January 1961. The report of the Commission was released in March 1961 and placed before the House of Commons on April 14, 1961. The Saskatchewan Wheat Pool appeared before the Commission in September 1960, when it presented a comprehensive brief in which it analyzed the problems of railway policy and development and the importance of wheat in the nation's economy was submitted. The Alberta Wheat Pool, Manitoba Pool Elevators, Saskatchewan Wheat Pool and the United Grain Growers Limited jointly submitted a brief. These organizations were represented by a transportation consultant.

When the 25th Parliament opened on Sept. 27, 1962, the Prime Minister said Parliament would be asked to approve measures to give effect to recommendations of the Royal Commission on Transportation which had completed its comprehensive analysis of the Canadian railway problem. On the opening of the 26th session of Parliament on May 16, 1963, the speech from the throne said that Parliament would be asked to continue the existing payments to the railways, pending the approval of long-term measures concerning transportation.

On May 15, 1964, the Prime Minister said it was proposed to amend the Railways Act. The Prime Minister is quoted as saying:

"This last Railways Act amendment is too complex a measure for us to expect to complete it before the autumn but we would at least hope to have it, like the pension bill, ready for the committee stage before then. We also hope to proceed with two other railway matters: the C.N.R. financing bill, which is an annual one, and a measure on the continuation of the privately owned railways.

Pending the adoption of the proposed legislation the position had been stabilized for the time being by Order-in-Council No. 364 of 1964, which raised the rates.

His Excellency the Governor General in Council, pursuant to subsection (1) of section 58 of the Railways Act, is pleased hereby to further extend until November 31, 1964, the suspension of paragraph 2 of Order No. 102680 of the Board of Transport Commissioners for Canada dated February 23, 1961, and to direct the Board of Transport Commissioners for Canada to continue to suspend tariff amendments filed pursuant to the said Order, and to require the railways to continue in force the rates that were in effect on November 30, 1960.

The Government of Canada on September 14, 1964, introduced legislation clarifying its transportation policy when the Minister of Transport presented a bill amending the Railway Act, the Transport Act and the Canadian National Railways Act, repealing the Canadian National and Canadian Pacific Act.

This legislation had been anticipated by a group of directors who recognize that the problem of harmonizing the many interests affected is difficult and involves.

Grain producers on the Prairies will be interested in certain provisions of the legislation now before Parliament, particularly those sections which deal with branch line abandonment, passenger service losses and freight rates. The bill proposes that subsidies amounting to $500 million over the next 15 years would enable the railways to rationalize their systems.

In introducing the bill, the Minister of Transport pointed out a number of features of the amending legislation which will call for study by farm organizations. He said that the legislation would eliminate freight rate ceilings and substitute minimum rates set by the Board of Transport Commissioners; would establish a branch line rationalization authority to deal with uneconomic lines and a special fund for the next 15 years into which $14 million annually would be diverted; would provide for a five year period to allow the railways to eliminate losses on passenger service; would maintain the Crown's Nest Pass rates and provide for the extension of the principle of the Crown's Nest Pass Agreement to grain shipments to the Atlantic Maritimes ports, and a $16.3 million yearly subsidy on western grain exports will be provided while the rates are frozen, and those to the Maritime ports will continue to be frozen and the railways compensated.

The previous Minister of Transport had acknowledged our request that when the proposed legislation is before the Railway Committee of the House of Commons the Wheat Pools be allowed to appear and state their views. The executive officers of the three Wheat Pools will welcome this opportunity.

Feed Grain Policy

The Minister of Forestry on July 24, 1964, said the government was waiting for the report of the House Committee on Agriculture and the result of certain discussions on establishing a permanent feed grain policy, but the government had authorized a number of loan policies for grains. Western grain moved by trucks within eastern Canada will be eligible for freight assistance and the government had decided on a flat rate on this basis for the payment of freight assistance. The changes now made should therefore permit the most economical transportation of the grain to their destination. More effective competition will lower a number of rates. He said that a permanent feed grain policy must be coherently integrated with overall legislation aimed at the agricultural revolution of eastern Canada.

On August 28 the Minister announced that the amendments would go into effect on September 14, instead of August 31 as previously announced.

Farm Credit Act

The Farm Credit Act was amended by the House of Commons when amending legislation was passed on June 12, 1964. By this amendment the capital of the Farm Credit Corporation was increased from $76 million to $24 million. This increase will permit the Corporation to borrow up to $60 million from the Consolidated Revenue Fund. At the present time the limit of such borrowing is $40 million. The maximum for supervised loans to farmers was increased from the present level of $20,000 to $50,000, and for standard loans from $20,000 to $40,000.

Farm Improvement Loans Act

The Farm Improvement Loans Act was amended by Parliament on September 15, 1964. The purpose of the amendment was to increase from $7,500 to $15,000 the maximum amount of any loan that may be made under the Act to a borrower together with any amount owing in respect of other guaranteed farm improvement loans. Other purposes of the amendment were to increase from $400 to $500 million the aggregate principal amount of guaranteed loans that may be made in the three year loan period ending June 30, 1968, to provide for a further three year loan period ending June 30, 1970, and to provide that the aggregate principal amount of guaranteed loans that may be made in that period shall not exceed $700 million.

Agricultural Rehabilitation and Development Act

An announcement was made in the House of Commons on July 6, 1964, by the Minister of Forestry, on the number of Agricultural Rehabilitation and Development Act projects in the five western provinces. It was stated that the government had received the approval of the federal government. Projects must be initiated and proposed by the provinces before action is authorized by the federal government. The position of the time of the announcement was as follows:

<table>
<thead>
<tr>
<th>Province</th>
<th>Projects Proposed</th>
<th>Projects Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontario</td>
<td>32</td>
<td>27</td>
</tr>
<tr>
<td>Manitoba</td>
<td>27</td>
<td>17</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>150</td>
<td>49</td>
</tr>
<tr>
<td>Alberta</td>
<td>99</td>
<td>24</td>
</tr>
<tr>
<td>British Columbia</td>
<td>42</td>
<td>16</td>
</tr>
</tbody>
</table>

Your board recognizes that a great deal of research is required before any project can be undertaken. We are hopeful that tangible evidence of the benefits to be derived from ARDA will soon be apparent.
Royal Commission on Banking and Finance

The report of the Royal Commission on Banking and Finance was tabled in the House of Commons on April 24, 1964. The recommendations made by the Commission are, we think, generally acceptable and will have little impact on the banking procedures of the Wheat Pool in its function of merchandising grain. Neither, we believe, will the banking services offered to farmers be extended.

Royal Commission on Taxation

We reported at length a year ago that Canadian Co-operative Wheat Producers Limited, in association with the Co-operative Union of Canada, had made a submission to the Royal Commission on Taxation. Believing that our submission would have permanent value describing as it does the historical development of the grain trade in western Canada, we have made a supply available in booklet form.

The Commission continued its public hearings until late in January 1964. At this time, a year after making our submission, it would be folly for us to predict what the findings of the Commission may be.

Export Credits Insurance Act

The Export Credits Insurance Act was amended on June 29, 1964. It was originally approved in 1944 and has been amended from time to time to enable the Export Credits Insurance Corporation to provide facilities in line with current demands.

The present amendment exempts the Corporation from paying income tax. The amendment also increased the amount of liability of the Corporation under contracts of insurance from $400 million to $600 million. This legislation has been used to facilitate wheat exports on long-term terms of sale.

St. Lawrence Seaway Tolls

On June 30, 1964, the Acting Minister of Transport announced in the House of Commons that the governments of Canada and the United States had exchanged notes approving a supplementary agreement between the St. Lawrence Seaway Development Corporation and the St. Lawrence Seaway tolls of tolls. The supplementary agreement provides that:

Canada — U.K. Cereals Agreement

The Minister of Trade and Commerce on April 16, 1965, informed the House of Commons that the Canadian High Commissioner in London had signed an exchange of letters constituting an agreement between the Canadian government and the United Kingdom concerning Britain’s new production and import policies with respect to cereals. He filed with the House an explanatory memorandum regarding this agreement. It is agreed that the world market for cereals should be improved through the establishment of a better and more economic balance between world supplies and commercial demand. The new British cereals arrangements were introduced on July 2, and cover wheat, flour, and the major feed grains. Under this arrangement the British will seek to discourage the growth of domestic cereal production above a level consistent with their stated objective. In addition a system of minimum export prices is to be arranged designed to prevent prices in the United Kingdom from falling to very low levels. The minimum export prices for Canadian wheat are well below current market prices.

Sir Harold Woolley, President of the National Farmers Union of Great Britain, has stated that as a “result of the new minimum export price there is now a fairer basis on which exported cereals cannot enter the U.K. market.” He warned growers that, if they sold cereals below the levels prescribed in the agreement, “they are liable to lose the benefits of the arrangement.” He pointed out that, “A price policy would be of little if any use if it is below the standard quantity and the average price for the current year are below £20 per ton for wheat or £19 for barley.” He went on to say, “Much work has gone into the new arrangements. We think they will make sense. It is now up to all of us as individual farmers to conduct our business in an intelligent manner.”

International Wheat Agreement

The Minister of Trade and Commerce informed the House of Commons that the International Wheat Council had made a statement on June 25, about negotiations which are under way leading to a continuation of the International Wheat Agreement. The statement in part reads as follows:

The Council unanimously decided to recommend to member governments that the 1962 International Wheat Agreement, which expires on the 31st July, 1965, should be extended in its present form without amendment. The duration of the extension will be disclosed by the Council at its November session but will not exceed two years.

This matter was considered in some detail by the directors of the Wheat Pool in their Interprovincial Meeting held on July 24. Your directors recognize that the world wheat situation can change rapidly and the International Wheat Agreement today may be very unsatisfactory in two years. The pattern of production is unpredictable. The following resolution was adopted by the meeting:

BE IT RESOLVED that the Government of Canada be requested to initiate a conference which will be called to negotiate a new International Wheat Agreement which will become effective on August 1, 1965, and

BE IT FURTHER resolved that if the calling of such a conference be deemed inadvisable at this time resulting new arrangements which may be made under the General Agreement on Tariffs and Trade, the Alberta Wheat Pool, the Saskatchewan Wheat Pool and Manitoba Pool Elevators will support the Government of Canada in arranging for an extension of the present International Wheat Agreement for a period of one year only.

INTERNATIONAL WHEAT AGREEMENT

The International Wheat Council reports that total sales of 685,542,000 bushels of wheat were recorded by eight exporting countries for the crop year 1963-64. Canada’s sales reported were 948,392,000 bushels, which represents 36.81 per cent of total sales. Of the eight exporting countries, the United States of America was the only one increasing its percentage of the total sales. The U.S.A. reported sales of 215,930,000 bushels, Australia 87,125,000, Argentina 58,265,000, and France 42,157,000. The year under review is the second year of the Agreement now in operation.

CREDIT SALES OF GRAIN

It was stated in our last report that agreements for the sale of approximately 430 million bushels of wheat had been concluded between Canada and China, Russia and Yugoslavia, and at that time we considered the Canadian Wheat Board and the Canadian Government for exercising these agreements. Now, a year later, we are able to report that terms of the agreements have been met in full. All elements in the Canadian grain trade are to be congratulated for making such an achievement possible. The export of approximately 700 million bushels of all grains. We said it is difficult to assess the effect that these credit sales of approximately 400 million bushels of wheat will make in Canada's business circles. Our optimism has been more than justified.
During the year under review arrangements for depository quantities of wheat were completed with four other Soviet satellite countries.

On October 8, 1963, the Minister of Trade and Commerce announced the signing of a three-year trade agreement with the People's Republic of Bulgaria under which Bulgaria would purchase a minimum of 100,000 metric tons of wheat in each of the three years of the agreement.

On October 29, 1963, the signing of a wheat agreement between Canada and Czechoslovakia was announced. The agreement is for a period of five years during which Czechoslovakia will purchase from Canada about 44 million bushels of wheat.

The Minister of Trade and Commerce announced on November 5, 1963, that he had signed a long-term wheat agreement with the government of Poland. The agreement was of three years duration, during which time Poland will purchase about 44 million bushels of wheat. The credit arrangements were made under the Export Credits Insurance Act.

A long-term agreement with East Germany was announced by the Minister of Trade and Commerce on March 6, 1964. He told the House of Commons that the Canadian Wheat Board had concluded an agreement with East Germany. The sale of approximately 27.6 million bushels of wheat with shipments over a three-year period from August 1, 1964, to July 31, 1967, were included in the terms of the agreement.

WORLD FOOD PROGRAM

For a number of years we have devoted a section of this report to surplus disposal programs, to the World Food Program, and to schemes designed to make surplus food available to hungry people. It is right and proper that we should include in our annual report a concise summary of efforts being made to raise nutritional standards in many developing countries. The great need that exists has prompted numerous endeavors in seeking a remedy. Your board has expressed the opinion that while there is great promise in a charitable approach, this solution to such a difficult problem as feeding the hungry millions in the world may be found when all the people of a nation share the responsibilities in providing adequate measures to relieve famine and hunger in areas of need and for such a period as would enable a country to bring some stability to its own government and economy.

The Wheat Pool has voiced their support to the World Food Program. This program began operations in January 1963, with pledges of $91 million in food, services and cash volunteered by over 60 nations. The present three-year phase of the World Food Program will expire by the end of 1965. We are informed that before that time the General Assembly of the United Nations will review, early next year, the projects in operation and the United Nations and the Food and Agriculture Organization conference will later determine whether or not the Program will be continued beyond the time limit originally planned.

We believe that Wheat Pool members are not alien to their humanitarian attitude to the world's needy and that similar support comes from the big majority of Canadians. We further believe that our government would receive overwhelming commendation if it offered continued and expanding assistance to the World Food Program.

Our imagination is stirred by the writings of G. B. Masfield, an Oxford University lecturer, in his book: "Famine - Its Prevention and Relief." Of the World Food Program, he says it is "in its early stages, nowadays experimental and it is still too soon for critical appraisal." In brief he discloses the FAO Freedom from Hunger Campaign, he states: "The conscience of the world has been awakened as never before to the problem of famine." Mr. Masfield obviously believes that present efforts are steps in the right direction, but he says in his concluding paragraph that, "The age-old threat of famine cannot be conquered until organized humanity has the courage to embark on more adventurous solutions than in the past."

Canadian External Aid

While we have suggested that greater assistance might be provided by Canada to the World Food Program we do not forget that Canada is contributing substantially to the development of the United Nations and its specialized agencies. The Department of External Affairs reports that by the end of 1963 Canada's expenditure on economic aid programs and contributions to certain special aid programs amounted to $519.36 million and that Canada has contributed a further sum of $65.18 million to international development agencies in the form of loans and advances. Each of the 111 members of the United Nations is required to pay an assessment which represents a share of the organization's expenses. Canada's share in 1963 was $2.3 million or 3.12 per cent of the regular United Nations assessment of $72.6 million. Canada's contribution to the United Nations and its special programs for the fiscal years 1945-46 to 1963-64 amounted to $5,317,000.

The Colombo Plan

The Colombo Plan, established in February 1950, for co-operative economic development in South and Southeast Asia, has been supported consistently by Canada. Up to the end of March 1964, Canada appropriated $446.7 million in non-repayable grants and loans, equipment and technical assistance which were available in Canada. Canada's shipments of agricultural products under the Colombo Plan amounted to over $55 million for the period 1951-52 to 1959-60. All of Canada's assistance under the Colombo Plan has been in the form of grants requiring no repayment although loans have been made to some countries in the area. The general forms of assistance are capital projects, industrial commodities, Foodstuffs, and technical assistance. The emphasis has shifted from foodstuffs to capital assistance as the plan operates.

The sum of $41.5 million was included in the government estimates for the Colombo Plan in 1963-64. The 1964-65 program is set out in the following release by the External Affairs Office:

"Economic assistance to countries of the Colombo Plan, which is increasing in 1964-65 under the terms of the expanded Colombo Plan, is an area of major emphasis for Canada, and is an area that we intend to maintain as part of our policy in support of the development of the free world. The objective is to ensure that the primary incomes of all people will continue to be mounted.

"The "Colombo Plan," which was established in 1950 by the United Nations, is an association of 7 countries in Asia, including Indonesia, Malaysia, Pakistan, the Philippines, Sri Lanka, Thailand, and the U.S.S.R.

"Canada's contribution to the Colombo Plan amounted to $41.5 million in 1963-64, and will be increased to $46 million in 1964-65."
Grain Production 1964
(Dominion Bureau of Statistics
Preliminary Estimate)

- in millions -

<table>
<thead>
<tr>
<th>Grain</th>
<th>Canada</th>
<th>Prairie Provinces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>297</td>
<td>596</td>
</tr>
<tr>
<td>Oats</td>
<td>83</td>
<td>356.8</td>
</tr>
<tr>
<td>Barley</td>
<td>53</td>
<td>196.7</td>
</tr>
<tr>
<td>Rye</td>
<td>68</td>
<td>128.2</td>
</tr>
<tr>
<td>Flaxseed</td>
<td>1.6</td>
<td>19.7</td>
</tr>
<tr>
<td>Total</td>
<td>408.8</td>
<td>1,124.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>42.02</td>
</tr>
<tr>
<td></td>
<td></td>
<td>967.8</td>
</tr>
</tbody>
</table>

Producers' Marketing
at Country, Interior Private and Mill Elevators,
Interior Semi-Public Terminals and
Platform Loadings

- in millions -

<table>
<thead>
<tr>
<th>Grain</th>
<th>1964</th>
<th>1965</th>
<th>1966</th>
<th>1967</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>568.8</td>
<td>603.6</td>
<td>566.2</td>
<td>566.2</td>
</tr>
<tr>
<td>Oats</td>
<td>49.2</td>
<td>50.5</td>
<td>52.8</td>
<td>52.8</td>
</tr>
<tr>
<td>Barley</td>
<td>91.8</td>
<td>90.5</td>
<td>92.3</td>
<td>92.3</td>
</tr>
<tr>
<td>Rye</td>
<td>7.6</td>
<td>9.4</td>
<td>9.4</td>
<td>9.4</td>
</tr>
<tr>
<td>Flaxseed</td>
<td>17.3</td>
<td>15.5</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Total</td>
<td>735.4</td>
<td>762.4</td>
<td>756.0</td>
<td>756.0</td>
</tr>
</tbody>
</table>

The Canadian Wheat Board states that approximately 12.7 million bushels of wheat, oats and barley were delivered under their regulations.

CANADIAN GRAIN EXPORTS
The Board of Grain Commissioners, in its preliminary review covering the 1964-65 crop season, estimated that 669.2 million bushels of the five principal grains, including flour, were exported. The volume of shipments for the previous high of 582.5 million bushels recorded in 1952-53 by some 90 million bushels.

Total Grain and Milled Products Exported

- in millions -

<table>
<thead>
<tr>
<th>Grain</th>
<th>1952-53</th>
<th>1963-64</th>
<th>1964-65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>591.8</td>
<td>623.7</td>
<td>621.2</td>
</tr>
<tr>
<td>Oats</td>
<td>47.5</td>
<td>20.6</td>
<td>24.8</td>
</tr>
<tr>
<td>Barley</td>
<td>41.5</td>
<td>10.5</td>
<td>35.2</td>
</tr>
<tr>
<td>Rye</td>
<td>8.2</td>
<td>7.5</td>
<td>6.6</td>
</tr>
<tr>
<td>Flaxseed</td>
<td>13.6</td>
<td>12.0</td>
<td>5.5</td>
</tr>
<tr>
<td>Total</td>
<td>669.2</td>
<td>687.8</td>
<td>702.3</td>
</tr>
</tbody>
</table>

Total volume of wheat exported in bulk in the crop year 1964-65 reached 536.7 million bushels, far exceeding the old record of 354.4 million bushels which has stood since 1929-30. Wheat flour exports in the amount of 54.4 million bushels was the highest in the past ten years. The record of 97.5 million bushels of wheat flour was set in 1944-47.

The Union of Soviet Socialist Republics established itself as Canada's largest export market, with purchases of 212.2 million bushels of bulk wheat and 21.8 million bushels of wheat flour. Britain, with imports of 106.4 million bushels of the five principal grains and wheat flour, placed that country in second place among the buyers of Canadian grain. Japan remained in third position among Canadian grain importers. Her combined imports of wheat, wheat flour, barley and flaxseed amounted to 57.3 million bushels.

Leading Buyers of Canadian Grain

- in millions -

<table>
<thead>
<tr>
<th>Grain</th>
<th>1964</th>
<th>1965</th>
<th>1966</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>278.9</td>
<td>281.2</td>
<td>281.6</td>
</tr>
<tr>
<td>Oats</td>
<td>108.9</td>
<td>112.1</td>
<td>112.1</td>
</tr>
<tr>
<td>Barley</td>
<td>56.0</td>
<td>56.0</td>
<td>56.0</td>
</tr>
<tr>
<td>Rye</td>
<td>9.1</td>
<td>9.1</td>
<td>9.1</td>
</tr>
<tr>
<td>Flaxseed</td>
<td>12.5</td>
<td>12.5</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>365</td>
<td>365</td>
<td>365</td>
</tr>
</tbody>
</table>

CARRYOVER OF CANADIAN GRAIN

The carryover of the five major Canadian grains in all North American positions at July 31, 1965, have been estimated by the Dominion Bureau of Statistics at 772.2 million bushels, slightly changed in total from one year ago. The ten-year average, 1954-63, is placed at 854.5 million bushels.

Canadian Carryover as at July 31

- in millions -

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>461.5</td>
<td>487.2</td>
<td>391.1</td>
<td>579.1</td>
<td>474.5</td>
<td>524.6</td>
<td>467.8</td>
<td>412.5</td>
<td>456.9</td>
<td>492.3</td>
<td>496.7</td>
<td>501.0</td>
</tr>
<tr>
<td>Oats</td>
<td>179.4</td>
<td>190.3</td>
<td>127.2</td>
<td>109.2</td>
<td>127.2</td>
<td>127.2</td>
<td>127.2</td>
<td>127.2</td>
<td>127.2</td>
<td>127.2</td>
<td>127.2</td>
<td>127.2</td>
</tr>
<tr>
<td>Barley</td>
<td>175.1</td>
<td>80.2</td>
<td>127.9</td>
<td>127.9</td>
<td>127.9</td>
<td>127.9</td>
<td>127.9</td>
<td>127.9</td>
<td>127.9</td>
<td>127.9</td>
<td>127.9</td>
<td>127.9</td>
</tr>
<tr>
<td>Rye</td>
<td>7.1</td>
<td>4.2</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Flaxseed</td>
<td>6.6</td>
<td>4.0</td>
<td>5.3</td>
<td>5.3</td>
<td>5.3</td>
<td>5.3</td>
<td>5.3</td>
<td>5.3</td>
<td>5.3</td>
<td>5.3</td>
<td>5.3</td>
<td>5.3</td>
</tr>
<tr>
<td>Total</td>
<td>772.0</td>
<td>734.9</td>
<td>537.0</td>
<td>835.4</td>
<td>712.0</td>
<td>742.5</td>
<td>657.2</td>
<td>607.1</td>
<td>652.2</td>
<td>684.1</td>
<td>697.5</td>
<td>701.9</td>
</tr>
</tbody>
</table>

While the stocks in commercial position are lower by approximately 85 million bushels, the stocks held on farms are 125 million bushels greater than a year ago.

Form Carryover in Canada

- in millions -

<table>
<thead>
<tr>
<th>Grain</th>
<th>1964</th>
<th>1965</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>228.1</td>
<td>281.2</td>
</tr>
<tr>
<td>Oats</td>
<td>128.9</td>
<td>132.1</td>
</tr>
<tr>
<td>Barley</td>
<td>64.0</td>
<td>29.0</td>
</tr>
<tr>
<td>Rye</td>
<td>1.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Flaxseed</td>
<td>6.7</td>
<td>5.7</td>
</tr>
<tr>
<td>Total</td>
<td>312.4</td>
<td>187.5</td>
</tr>
</tbody>
</table>

Form Carryover in the Prairie Provinces

The statistics showing the volume of grain held on Canadian farms point up the fact that practically all the grain was held on farms in the prairies, with Saskatchewan holding over 100 million bushels more grain on its farms than a year ago.

Leading Buyers of Canadian Grain

- in millions -

<table>
<thead>
<tr>
<th>Grain</th>
<th>1964</th>
<th>1965</th>
<th>1966</th>
<th>1967</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>278.9</td>
<td>281.2</td>
<td>281.6</td>
<td>281.6</td>
</tr>
<tr>
<td>Oats</td>
<td>108.9</td>
<td>112.1</td>
<td>112.1</td>
<td>112.1</td>
</tr>
<tr>
<td>Barley</td>
<td>56.0</td>
<td>56.0</td>
<td>56.0</td>
<td>56.0</td>
</tr>
<tr>
<td>Rye</td>
<td>9.1</td>
<td>9.1</td>
<td>9.1</td>
<td>9.1</td>
</tr>
<tr>
<td>Flaxseed</td>
<td>12.5</td>
<td>12.5</td>
<td>12.5</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>365</td>
<td>365</td>
<td>365</td>
<td>365</td>
</tr>
</tbody>
</table>
FARM INCOME

The Dominion Bureau of Statistics sets out the income position of farmers in its bulletin released on June 1, when it stated that realized net income of farmers from farming operations in 1963 amounted to $1,210.2 million, down $5.4% from the 1962 total of $1,266.7 million. But up 3.7% from the five-year (1958-62) average of $1,230.5 million. Although farm cash income from farming operations remained a recent record high of $1,319.1 million in 1963, and income in kind advanced, they were more than offset by a continued rise in farm operating expenses and depreciation charges and a sharp drop in supplementary payments.

PRELIMINARY ESTIMATE OF FARM CASH INCOME IN THE THREE PRAIRIE PROVINCES

— Dominion Bureau of Statistics —

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Cash Income</th>
<th>Total Cash Income</th>
<th>Total Cash Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>1,319.1 million</td>
<td>1,319.1 million</td>
<td>1,319.1 million</td>
</tr>
<tr>
<td>1963</td>
<td>1,326.7 million</td>
<td>1,326.7 million</td>
<td>1,326.7 million</td>
</tr>
</tbody>
</table>

The total of farm operating expenses and depreciation charges in 1963 amounted to $1,190.2 million, nearly 5% below the previous record high of $1,279.6 million established earlier.

PRAIRIE FARM ASSISTANCE ACT

The year 1963-64 was one in which the levies paid under the Prairie Farm Assistance Act exceeded the payments by approximately $1 million. Total awards made amounted to $38,179, the lowest in eight years. It is a matter of interest that the total payments made under the Prairie Farm Assistance Act exceeded the levy collected by two dollars to one dollar.

1963-64 Crop Year

The total of farm operating expenses and depreciation charges in 1963 amounted to $1,190.2 million, nearly 5% below the previous record high of $1,279.6 million established earlier.

CONCLUSION

In our next report we shall refer to a number of factors which will make the crop year 1963-64 a remarkable one for the farmers of the Wheat Pool. A number of records were broken. The crop harvested and sales of wheat were the highest in history, while the volume of deliveries of all grains has been exceeded in two previous crop years. It was a year in which great expansion was made by the Wheat Pools in providing essential services to the farmers.

The improved financial position of the grain grower contributed greatly to the prosperity which Canada now enjoys, demonstrating that the health of primary industry is basic to the nation's economy.