

United Grain Growers Annual Meeting

THE annual meeting of the United Grain Growers Limited was held in Calgary on December 18 and 19. There were 274 delegates in attendance representing the shareholders in Manitoba, Saskatchewan and Alberta. It was the most representative meeting of the company that has ever been held, due to the system of selecting delegates from each local group. Hon. T. A. Crerar, president of the company, came from Ottawa especially to attend and preside at the sessions. It was remarked by many delegates who had attended company meetings for years past, that this was the most harmonious meeting in the history of the company. It was also marked by an exceptionally high order of business ability. There was a genuine and outspoken feeling of pride in the accomplishments of the farmers' own company and confidence was expressed in the future. The confidence was shown very clearly by the fact that every member of the old board of directors was re-elected for office.

In his opening address, Mr. Crerar reviewed the business operations of the company during the past year, showing the profit or loss on the various departments of the business. The balance sheet and profit and loss account was presented in full and a detailed explanation was given by C. Rice-Jones, first vice-president and acting general manager. After a very full discussion of the representatives, they were unanimously adopted and the board of directors was authorized to continue the progressive policy which has been followed in the past.

The by-laws passed by the directors during the year were all confirmed by the shareholders. A large number of resolutions sent in from local groups were seriously considered by the meeting and treated on their merits. The democratic organization of the company provides that every shareholder in attendance and every local group constituting the company have the utmost freedom in placing their views before the annual meeting.

President's Annual Address

The report submitted by the President, Hon. T. A. Crerar, on behalf of the directors, pointed out that the annual meeting was rather a unique occasion as it marked the first milestone in the growth of United Grain Growers Ltd.

The Grain Growers' Grain Co., the first of the farmers' business organizations formed in Western Canada to succeed in a large way in a business sense, had been in existence 12 years, while the other partner in the union, The Alberta Farmers' Co-operative Elevator Co., came into being five years ago.

The almost entirely unanimity of opinion among the shareholders as to the wisdom of this step was a happy augury for the success of the future, and clearly indicates the strong conviction on the part of the individual shareholders of the value of the solidarity and of standing together. The experience of the past year had more than justified the wisdom of the step taken.

The farmers' organizations and the business of the company, had gone far beyond the kindergarten stage. The former were now recognized as great forces for moulding public opinion in the community while the latter was recognized as one of the great business concerns of Canada. The position of influence and strength attained by both has brought great responsibilities, that of power and influence possessed by them shall be widely used not alone from the point of view of satisfying the material wants of the farmers, but in the larger sense of making a happier and better Canada.

The report drew attention to the outstanding features of the past year affecting the business as a whole. Former methods of selling grain abroad, through exporters, had for the past two years been completely eliminated, and as a result of the necessities of war, our Allies in Europe—Great Britain, Belgium, France and Italy—had taken the purchase of foodstuffs out of the hands of private traders. All the cereals and flour on the North American continent required by the Allies, had been purchased through the Wheat Export Co., an Allied corporation created for that purpose. In addition, some 18 months ago, the Canadian government appointed a board of grain supervisors with very wide powers over the handling of Canadian grain.

Substantial Progress Made During Another War Year—Financial Statement Satisfactory—Officers Re-elected

This board fixed the price of wheat in Canada for last year's and this year's crops, as well as the margins for buying grain in country elevators. It was not possible to say how long these conditions would remain, but it was reasonable to expect that it will be for some time to come.

An Adverse Season

Attention was drawn to crop conditions, both in 1917 and 1918, showing that the present year produced results which, from the farmers' standpoint, were serious and at the same time disappointing, particularly after the fine efforts that had been put forth, often under serious handicaps, to produce as much grain as possible when it was so badly needed.

Dealing with the business of the company, the report shows that the total number of country elevators operated by the company is 343; of these 232 are owned by the company and the balance are leased from the Manitoba government. The company also owned and operated a large number of flour warehouses and owned 181 coal sheds in the three Western provinces; all of which were being operated by the company. The total amount of grain handled by the company during the year was 29,879,672 bushels, and the total amount handled since the company was first organized in 1906 reaches a total of 307,125,523 bushels of farmers' grain.

The increased cost of operation, caused by increased wages for elevator operators and staff, extra price of gasoline and oils, and everything else required in the operation of elevators, was pointed out, together with the difficulties which were encountered through lack of efficient help and other causes of that kind. In spite of the many obstacles which had to be overcome, the company has handled a large volume of grain during the past year, and it is shown that the shareholders and customers of the company are generally well satisfied with the service rendered. In the commission department one of the difficulties which had to be faced was the fixing of prices; this no doubt decided many farmers to sell their grain direct to the elevator, instead of adopting their usual practice of special binning and then shipping on consignment.

The company was operating a large terminal elevator at Fort William and private elevators at Port Arthur. The work of these departments was fully explained to the delegates.

Co-operative Livestock Marketing

Dealing with the livestock department, it was shown that this business had increased by leaps and bounds. Offices were now established at the stockyards at Winnipeg, Calgary and Edmonton and the total number of cars handled during the year was 4,402. The farmers were realizing the advantages of shipping livestock on the carlot plan, as against selling to the itinerant drover, and the business was bound to increase.

A great deal remained to be done on the marketing of Canadian livestock. The large surplus over Canadian requirements must be marketed outside of Canada, so the price in Liverpool or Chicago really determined, in the main, the prices Canadian stock raisers obtain. Progress in the future lay largely in the way of improvements in marketing facilities. Livestock transportation to market must be made as good as possible. Our Canadian meats must be prepared in the best manner and a reputation for quality in the markets of the world secured and held. Along with this we must see that our stuff reaches its market in the most direct and economical manner possible. Canada should become a great livestock country, and we should steadily bend our efforts towards helping in this direction.

Dealing with the co-operative supply department, the report showed that the expansion has been very rapid. In Winnipeg the company now owned two warehouses, one on Market Street, where its showrooms were, and the other in Elmwood. The latter was a large storage house of reinforced concrete located upon a site of about eleven acres, with good facilities for loading and unloading cars. The company also owned a large reinforced concrete warehouse in Calgary with a site of about three and a half acres, while in addition warehouses had been leased in Regina and Saskatoon.

The total sales in the co-operative department amounted to \$5,925,791.

Balance Sheet Shows Strong Position

A consideration of the balance sheet of the company, at the end of its first year as a united company, showed it to be in a very strong position. The subscribed capital had increased from \$2,782,000 to \$2,891,000 while the paid up capital had increased from \$1,825,300.32 to \$2,159,763.16.

The shareholders capital and surplus amounted to \$4,058,245.75 as compared with \$3,484,656.21 a year ago, making an increase during the year of \$573,589.54. The shareholders surplus was divided between current surplus of \$2,032,979.12 and capital surplus of \$2,025,275.63. Attention was also drawn to the fact that the earnings of the company for the year amounted to \$3,047,395.66. These covered all the departments under review. A study of the statements published last year with those then under consideration readily showed that the company has made splendid progress during this period. The auditors for United Grain Growers Ltd., are Messrs. John Scott & Co., chartered accountants of Winnipeg. In the certificate attached to the balance sheet, they stated that the balance sheet was properly drawn up so as to exhibit a true and correct view of the company's affairs as at August 31, 1918, also that the quantities and values of the stocks of grain, machinery, etc., were in accordance with the inventories and valuations prepared and certified to by the company's officials, while the securities covering the investments in bonds, stocks and shares have been produced for inspection and all their requirements as auditors have been complied with.

Profit and Loss Account

The profit and loss accounts are shown by the table on this page. The interesting feature in connection with the balance sheet, was that while the shareholders had paid in approximately \$2,160,000 on capital stock accounts, the surplus, consisting of reserves and balance carried forward to profit and loss account is approximately \$1,900,000 showing that the directors had been watching the interests of the company and building up a good reserve fund in the interests of the shareholders.

Directors and Officers Elected

Under the new by-laws of the company one third of the directors are elected for three years, one third for two years and the balance for one year. The election of directors was held after the other business of the company was completed. The following were elected: Hon. T. A. Crerar, John Kennedy, R. McKenzie and C. Rice-Jones, for the three-year term; F. J. Collyer, John F. Reid, M.P., John Morrison, and P.S. Austin, for the two-year term; Robt. Shannon, J. J. McLellan, H. C. Wingate and R. A. Parker, for the one-year term. The only new director on the board is Robt. Shannon, of Grandora, Saskatchewan. There are three directors from Manitoba, four from Saskatchewan and five from Alberta, these numbers representing the proportion of shareholders in each of the three provinces.

At the organization meeting of the board of directors held on Friday morning, the officers of the company were all re-elected as follows:—

Hon. T. A. Crerar, president and Chairman of the Board of Directors; C. Rice-Jones, 1st vice-president and general manager; John Kennedy, second vice-president; executive directors, J. F. Reid, M.P. and R. A. Parker; secretary, E. J. Fream; assistant secretary, J. A. Hand; treasurer, J. M. Black.

Public Addresses at Evening Meetings

A diversion from the general program of the annual meeting was made by having public addresses at the evening meetings. At the first evening meeting addresses were delivered to the delegates by Wm. Irvine, representing the non-partisan League and Trades and Labor Council. He dealt with the policy of reconstruction. H. W. Wood, president of the United Farmers of Alberta, spoke on some of the problems of the organized farmers and the necessity of strengthening and mobilizing their forces for the struggle of the future. G. F. Chipman, editor of The Guide, spoke on the protective tariff and farmers' platform.

At the second evening meeting, Premier Stewart of Alberta, outlined some of the policies of the provincial government on land settlement, re-establishment of re-

PROFIT AND LOSS ACCOUNT OF THE UNITED GRAIN GROWERS LTD.

For the Year Ending August 31, 1918

	Revenue	Disbursements
By grain and merchandise accounts	\$3,047,395.66	
To expenses operating line and terminal elevators, also general and administrative expenses		\$2,317,779.91
To rents of Manitoba and terminal elevators		131,891.43
To depreciation on elevator buildings, machinery and warehouses		136,020.61
Total		2,585,691.95
To balance carried down		461,703.71
Grand Total		\$3,047,395.66
The profits for the year are therefore shown to be		461,703.71
But sundry charges has to be deducted therefrom, amounting to		19,942.75
Leaving net profits carried to the balance sheet of		\$441,760.96
The balance sheet shows the total assets of the company to be		\$3,359,176.13
Made up of funds in bank and on hand	311,443.09	
Dominion of Canada war bonds	319,620.00	
Advances on bills of lading, etc.	530,521.08	
Stocks of grain, machinery, supplies, etc.	2,472,337.22	
Miscellaneous supplies, etc.	124,756.13	
Stocks, shares, membership seats, etc.	1,353,460.03	
Total current assets	5,112,137.55	
To these must be added the capital assets amounting to \$3,247,538.58 and consisting of elevator buildings and machinery, less depreciation	2,797,393.86	
Real estate	387,195.37	
Office furniture and equipment	62,539.35	
Total assets	\$3,359,176.13	
The liabilities are divided into three classes, being current liabilities of \$3,079,167.43, capital liabilities of \$1,221,762.95, and shareholders' capital and surplus of \$4,058,245.75, the details being:		
Current Liabilities:		1,988,029.49
Loans, etc.		226,333.92
Outstanding orders, cash tickets, etc.		658,080.53
Accounts and bills payable, etc.		206,723.49
Shareholders' dividends, payable September 1, 1918		3,079,167.43
Total current liabilities		62,549.57
Capital Liabilities:		1,159,213.38
Debentures		1,221,762.95
Mortgages		
Total current liabilities		2,159,763.16
Shareholders' Capital and Surplus:		1,500,000.00
Capital stock, paid up		100,000.00
General reserve		298,482.50
Special contingency reserve		
Balance at credit of profit and loss account		4,058,245.75
Total shareholders' capital and surplus		\$3,359,176.13
Making the total liabilities balance with the assets of		