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**LA COOPÉRATIVE  
FÉDÉRÉE  
DE QUÉBEC**

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# 1955

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SECRETARY  
ROMÉO MARTIN

Only farmers, directors of member co-ops, are eligible to act as directors.

Gentlemen,

IT IS WITH DEEP SATISFACTION that I present to you the thirty-fourth Annual Report of the Coopérative Fédérée de Québec.

During its last financial year ending October 31st, 1955, the Fédérée showed an increase of 23.5% in total business transacted as compared with the previous year. This is the most important advance in all its history, specially when we take into account that, in 1955, prices of agricultural products have been somewhat lower while the volume of the production has not varied very much.

Even though this increase might at first seem surprising, it is not sensational from the co-operators point of view. It is the fruit of a better and greater collaboration. It proves also that with appropriate means, the co-operative enterprise can do much and has nothing to yield to any other enterprise.

This result of cooperative endeavour arrives in due time. In fact, agriculture, in the wake of the evolution of our economy, has undergone profound changes. High industrial activity draws more and more on the available labor and forces agriculture to resort to more mechanisation. Furthermore, the cost of services and the price of non-agricultural products remain high and, in many cases, continue to climb, whereas prices of agricultural products on the whole are still declining.

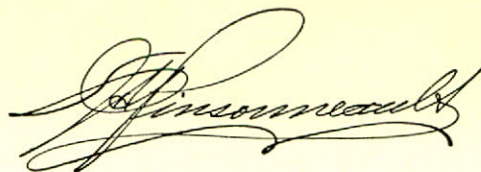
In such an event, it is evident that our agriculture needs protection, which does not exempt the farmer from producing better and cheaper, from saving on services and from seeking more favourable prices. It is undoubtedly through cooperatives, essential tools to sane competition and to the establishment of orderly marketing, that the farmer can make his action really effective and permanent.

We have faith in the co-operative formula, which respects sound liberty and tends to humanize an economy sometimes too materialistic. In the past, we have needed our cooperatives; in the future, they will be more and more necessary.

Better collaboration and the improvement of our cooperatives should be our aims for 1956.

To all our members and employees, my thanks as well as those of my colleagues of the Board of Directors. I hope that, favoured by adequate agricultural policies, the cooperators will progress again, in 1956, for their own benefit and the benefit of all the farmers of the Province of Quebec.

May God bless us in the pursuit of our objectives !



Chairman of the Board of Directors.

Res. - Principal's Office - Feb 13 '56

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Gentlemen,

It may seem paradoxical to uninformed persons that at a time when our country has enjoyed one of the most prosperous years in its history, it should be necessary to fear inflation and introduce more caution in business during 1956.

During a period of high prosperity, it is imperative to watch the trend of the purchasing power of the consumer who is often tempted to abuse of credit. Shortages may occur not only in the farm commodities and the finished goods, but also in labour supply. These are susceptible of unduly raising price level.

Inflation would undoubtedly produce undesirable effects in large sectors of our population, but they would be still more disastrous for the farmers whose revenue has started to deteriorate a few years ago and has continued to decline during the past year.

Therefore, it is not surprising that our governments recognize more and more the warranted concern of the farmers and are lending an unusual ear to farm problems.

It is altogether significant and encouraging to note that the efforts made by the co-operators — provided they continue to receive adequate support from farm policies respecting their liberty — have succeeded not only in overcoming the obstacles which were born from extremely variable conditions of production, markets and prices, but also made headway in 1955.

Thus, their Central, the Coopérative Fédérée, has ended its last financial year, as at October 31st, with sales that constitute a peak

never before attained. This result is largely due to the policy which has been decided by its members, two years ago, and which has begun to bear fruits during the past year. It is, in fact, in the items of livestock and meats that the Fédérée has recorded its highest increase.

As I have already mentioned, a more vigorous action in this field together with a considerable evolution of the dairy industry within an important group of our member co-operatives has largely favored our integration to marketing problems. These accomplishments necessitated considerable investments, but they reach the heart of the most pressing and most vital needs of our agriculture.

In close collaboration with each of our member co-operatives, we want to carry through this work of consolidation and integration, the only one which will permit us to reach a position in the high spheres of the agricultural economy of our Province.

It is evident that, in this plan, our progress and success will always depend on the spirit of solidarity and loyalty, more necessary than ever, when transactions are rapid and of great value, competition tight, and the margins of profit ever and ever smaller. It is our common responsibility to lay down policies based on the interests which must remain at the foundation of our association and which will bring our enterprises closer to the immediate goal which they have set: our own prosperity as well as that of our fellow citizens.

Let us not forget however that our co-operatives are primarily enterprises of service

and not of profit. On this subject, I would like to point out that nothing shows it better than the amount of our patronage savings. Although they have reached a peak never attained before, they will appear to those who are not conversant with co-operative business relatively small as compared to the total amount transacted. No doubt we would gladly see them still more spectacular. But it is not in the search for profit, but rather in the gift of the most complete and the best possible service, — that is to say endeavouring to serve always more and more usefully the greatest number of farmers — that we find the most fruitful accomplishment of the co-operative movement.

Also, must we constantly keep in mind the true perspective of co-operative ideal which is first to have prosperous enterprises but also, at the same time, to render service to the greatest number.

The fact that the Coopérative Fédérée maintains, since several years, different departments which operate almost at cost — as is the case for the majority of the co-operatives — constitutes the best tests that it remains true to this ideal.

We have nothing to regret as to what we have done. On the contrary, it is a sure thing that this is the principal motive of the confidence shown by the farmers in their co-operatives and in their Central. We do not exaggerate in saying that a high proportion of our business enters

in the category of services carried out at cost, and some times even below cost, simply for the protection not only of co-operators but also of all farmers.

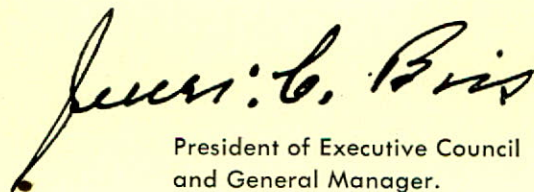
We are proud of it. In critical circumstances and in the measure which rules of prudence and of administrative foresight allow, your Administrators do not hesitate to take positions which would be ignored in other spheres.

This humanitarian realism is characteristic of the enlightened practice of the Co-operative Movement, which is essentially based upon the choice and the voluntary acceptance of disciplines and decisions which take into account the general welfare.

In any case, it is surely one of the reasons why the Coopérative Fédérée and the agricultural co-operatives, in helping directly or indirectly all the farmers, are considered as a protection against the always menacing selfish interests.

Before closing these remarks, I would like to say to our Administrators, to my colleagues of the Executive Council, to our members and to our employees, how their collaboration, their loyalty and their devotion to their work have been precious to me in the fulfilment of my duties.

Together, we have had a good year. Together, let us try for a still better one, for the benefit of Co-operation and agriculture !



Jean: C. Bris

President of Executive Council  
and General Manager.

# COOPÉRATIVE FÉD

FINANCIAL POSITION A

## — ASSETS —

### Current assets

#### **Investments :**

Cash on hand and in Bank .....	\$ 434,644	
Prepayment on goods in transit .....	42,973	
Accounts and notes receivable (after deduction of doubtful accounts : \$158,590) .....	3,915,296	
Merchandise and products .....	3,584,614	
Operating supplies .....	234,843	
		\$ 8,212,370

#### **Investments :**

Shares and notes valued at cost		
Legrade Inc.		
Interprovincial Co-operatives Ltd.		
National Cooperatives Inc.		
United Co-operatives of Ontario, etc.	1,650,662	
Mortgage loans and deposits .....	72,392	
		1,723,054

#### **Fixed assets :**

Land, buildings, machinery, equipment, rolling stock, etc.; initial cost .....	3,847,951	
Less : Amortization allocated to operations of 1955 and previous years .....	1,788,481	
		2,059,470

#### **Deferred expenses :**

Insurance, maintenance materials, taxes, stationery, etc.; cost allocable to future operations .....	148,549	
Discount on bonds payable; balance allocable to future operations .....	43,275	
		191,824
		<u>\$12,186,718</u>

# É R É E   D E   Q U É B E C

AT OCTOBER 31st 1955

## — LIABILITIES —

### **Current liabilities:**

Bank credits on merchandise and other assets .....	\$ 3,008,189	
Other bank credits .....	575,000	
Accounts payable .....	1,198,749	
Accrued interest payable .....	72,624	
Accrued expenses .....	17,000	
Other current liabilities .....	8,747	
	<hr/>	
		\$ 4,880,309

### **Long term debt:**

Bonds,			
3½% to 4½%, maturing from 1956 to 1966 .....	1,937,800		
Patronage refunds,			
3% to 4% maturing from 1956 to 1965 .....	1,247,373		
Notes,			
3½% to 4½%, maturing from 1955 to 1963 .....	941,030		
	<hr/>		
		4,126,203	
			\$ 9,006,512

## CAPITAL AND SURPLUS

### **Capital stock:**

Paid up :			
Common shares — \$10 .....	\$ 25,190		
Common shares — Class B .....	343,550		
Common shares — Affiliation .....	519,921		
	<hr/>		
		888,661	

### **Surplus:**

Reserves	1,686,936		
Net earnings — year 1954-1955 (before patronage refunds and income tax) .....	604,609		
	<hr/>		
		2,291,545	
			3,180,206
			<u>\$12,186,718</u>

# SURPLUS AS AT OCTOBER 31st 1955

<b>Balance as at November 1st, 1954</b>		<b>\$ 2,120,380</b>
Deduct :		
Income tax for year 1954 .....	\$ 39,615	
Patronage refunds on operations of 1954 .....	<u>398,131</u>	
		<u>437,746</u>
		<b>1,682,634</b>
Add :		
Profit on disposal of fixed assets .....		<u>4,302</u>
		<b>1,686,936</b>
<b>NET EARNINGS for year 1954-1955</b>		
(before patronage refunds and income tax) .....		<u>604,609</u>
		<b>\$ 2,291,545</b>

## AUDITOR'S REPORT

To the President and  
Shareholders of  
La Coopérative Fédérée de Québec.

We have examined the consolidated Balance Sheet of La Coopérative Fédérée de Québec and two of its wholly owned subsidiaries (Dominion Elevator Limited and Canadian Livestock Co-operative of Quebec Limited) as at October 31st 1955, and the Statement of Earnings and Surplus for the year ended on that date.

La Coopérative Fédérée de Québec also holds the whole of the capital stock of Legrade Inc. This capital stock is shown at cost under the heading of Investments.

We have obtained all the required information and explanations.

We have not made a detailed audit of all the transactions but we have verified, by means of such tests as we considered necessary in the circumstances, the accounting procedure and records.

In our opinion, the attached consolidated Balance Sheet of La Coopérative Fédérée de Québec, as at October 31st 1955, is drawn up so as to exhibit a true and correct view of the state of the affairs of the Society, according to the explanations and information submitted and as shown by the books of La Coopérative Fédérée de Québec on that date.

PELLETIER, GRAVEL, DESLIERRES,  
Chartered Accountants.

Montreal, January 20th, 1956.



# AN IRREPLACEABLE TOOL...

... Such is co-operation.

The best that man has ever accomplished has happened under the sign of co-operation which, by definition, respects the principle of his liberty.

To co-operate is to work together. Co-operation does not raise men against one another. It associates them in responsibility, incites them to personal effort and returns the fruits of their endeavour to each one according to his participation.

The idea of co-operation is as old as the world itself. Great discoveries in the economical, political or social order usually proceed from co-operation.

In economics, co-operation, such as we still conceive it today, dates back to a little more than a century. It is found essentially the same in all countries, governed by laws which frame the action of man in his daily life. It was from dire necessity, as a reaction against the menace of oppression. When danger is real or imminent, the differences of opinion fade out to make way to common and voluntary action, the only one truly capable of effective and lasting results.

To co-operate, one must first see reality. To see is the beginning of understanding. Knowledge normally determines the will to act. To co-operate is, in fact, to act and act together, towards a definite goal which can be expressed in two words: prosperity and improvement.

In fact, the co-operative, which is the concrete expression of the idea of co-operation, works for the prosperity of its members, the co-operators, and for the prosperity of all, for prosperity can only be true when shared by the greatest number.

The co-operative not only tends to, but also requires, the betterment of a man; for true prosperity does not come ahazardly to any that desires it. A prosperous co-operative is the result of effective action which requires from its supporters qualities of responsible, well-informed men, conscious of realities, capable of appreciating them as well as of orienting themselves towards the pursuit of general welfare.

The application of the co-operative formula gives rise sometimes to strange reactions. Certain people pretend to adhere to the idea of co-operation so as to hide questionable ideas of their own. Others believe in co-operation only

as long as it remains a small affair; but if it takes proportions somewhat considerable and shows rather important results, they start asking themselves if those who practice co-operation are not utopists, or perhaps even somewhat dangerous individuals.

These reactions are found not only among those who are disturbed by the progress of co-operation, but sometimes, which is more surprising, among certain so-called co-operators.

When someone has succeeded alone, he believes that he can dispense with others.

To do without others is to ignore them; it is, in a way, to work to our own destruction. It is already serious for the individual, but far more for co-operatives, specially prosperous ones.

The prosperity which the agricultural co-operative seeks unceasingly requires from the producer that he be a complete man in the full sense of the term.

Whoever wants to restrict the role of the agricultural co-operatives to that of more or less useful intermediates ignores the A B C of co-operation. The agricultural co-operative has no need for a sectioned agriculture. It conceives and directs its activities having in mind first the producer, as owner or manager of an enterprise, the farm, from which depend his life, that of his family, the education and settlement of his children. The non-co-operative enterprise considers him rather as a supplier capable of producing to yield the best return on the invested capital. This is not always in accord with the true interests of the man who is trying to earn his living and that of his family with the idea of creating for himself and his own as well as for the community, greater prosperity.

In agriculture, co-operation has become an irreplaceable tool. In fact, it is the only formula which suits the greatest number, the only one, also, which has proven that it will free the people from economical slavery. Those who use this tool must neglect nothing that can endow it with the maximum of efficiency. Co-operatives have already proven their superiority over non-co-operative enterprises from the economical, social and moral points of view.

It is up to each co-operator to do his share to reinforce the co-operative bond!

## OUR SALES FOR THE LAST 20 YEARS

<u>Year</u>	<u>Farm Supplies</u>		<u>Livestock and Meats</u>		<u>Dairy Products and other Farm Products</u>		<u>TOTAL SALES</u>
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	
1936	\$ 3,400,000	36%	\$ 2,000,000	21%	\$ 4,100,000	43%	\$ 9,500,000
1937	4,700,000	41%	2,800,000	24%	4,000,000	35%	11,500,000
1938	4,200,000	36%	2,500,000	21%	5,000,000	43%	11,700,000
1939	4,000,000	34%	3,200,000	27%	4,700,000	39%	11,900,000
1940	4,800,000	34%	4,000,000	28%	5,200,000	38%	14,000,000
1941	5,100,000	29%	4,700,000	26%	7,900,000	45%	17,700,000
1942	5,700,000	27%	4,900,000	22%	11,300,000	51%	21,900,000
1943	10,100,000	33%	6,300,000	21%	14,000,000	46%	30,400,000
1944	12,500,000	32%	9,300,000	24%	16,700,000	44%	38,500,000
1945	12,400,000	31%	8,400,000	22%	18,300,000	47%	39,100,000
1946	12,100,000	33%	9,300,000	25%	15,600,000	42%	37,000,000
1947	12,900,000	31%	11,400,000	27%	17,500,000	42%	41,800,000
1948	14,000,000	30%	15,100,000	32%	18,300,000	38%	47,400,000
1949	16,000,000	31%	15,200,000	29%	20,600,000	40%	51,800,000
1950	17,500,000	33%	19,000,000	36%	16,800,000	31%	53,300,000
1951	19,600,000	32%	22,500,000	37%	18,300,000	31%	60,400,000
1952	19,100,000	33%	18,800,000	33%	19,500,000	34%	57,400,000
* 1953	15,900,000	34%	12,500,000	28%	17,700,000	38%	46,100,000
1954	21,100,000	35%	15,400,000	26%	23,600,000	39%	60,100,000
** 1955	24,200,000	32%	26,200,000	36%	23,800,000	32%	74,200,000

\* Ten months of operation only.

\*\* Including Legrade Inc.

## CAPITAL, SURPLUS, NET EARNINGS AND PATRONAGE REFUNDS FOR THE LAST 20 YEARS

Financial Year	Capital	Surplus	Capital and Surplus	Net earnings before Patronage refunds and Income Tax	Patronage refunds to affiliated co-ops
1936	\$249,702	\$ 128,682	\$ 378,384	\$243,308	*
1937	255,132	204,157	459,289	111,478	\$ 26,894
1938	254,583	255,244	509,827	89,540	33,608
1939	256,970	339,503	596,473	129,806	48,010
1940	229,239	395,622	624,861	115,787	60,403
1941	229,946	447,169	677,115	121,416	78,913
1942	238,883	474,531	713,414	115,293	97,841
1943	255,906	748,759	1,004,665	373,437	272,121
1944	279,499	801,641	1,081,140	369,766	282,342
1945	183,860	889,376	1,073,236	348,667	287,309
1946	202,409	876,549	1,078,952	271,198	205,830
1947	223,927	1,196,715	1,420,642	495,030	393,743
1948	248,053	832,296	1,080,349	88,227	46,761
1949	258,962	1,101,936	1,360,898	242,008	204,306
1950	276,863	1,319,961	1,596,824	230,612	180,687
1951	307,815	1,667,341	1,975,156	468,538	382,171
1952	437,940	1,726,254	2,164,194	481,808	393,808
** 1953	570,227	1,731,944	2,302,171	322,484	246,342
1954	646,888	2,120,380	2,767,268	496,978	398,131
1955	888,661	2,291,545	3,180,206	*** 713,265	****

\* Discounts instead of patronage refunds.

\*\* Ten months of operation.

\*\*\* Including Legrade Inc.

\*\*\*\* Patronage refunds will be determined at the occasion of the Annual Meeting.



*Fédération*

HEAD OFFICE :

105 ST. PAUL EAST,

MONTREAL