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**TWENTY-SECOND ANNUAL
FINANCIAL STATEMENT**

Coopérative Fédérée de Québec

●

ESTABLISHED	-	-	-	-	1922
REORGANIZED	-	-	-	-	1930

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Patronage Dividends
Board of Directors and Executive
Address by the President
Remarks by the General Manager
Assets and Liabilities
Operating Account
Surplus Account
Statistics
Organization

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GENERAL ANNUAL MEETING OF THE MEMBERS
QUEEN'S HOTEL, MONTREAL
FEBRUARY 10TH AND 11TH, 1944.

At their meeting of February 9, 1944, the Board of Directors decided to grant to the Affiliated Cooperative Societies and Syndicates the following patronage dividends:

Butter	3/16c per pound
Cheese	3/16c per pound
Grain (whole or ground).....	4%
Balanced rations	5%
Chemical fertilizers	5%
Insecticides, tile drains, metal roofing, fruit packing materials, binder twine.....	5%
Hogs received at our Princeville abat- toir	20c per head
Eggs	1c per dozen
Table potatoes received on consignment	2c per bag of 75 lbs
Flax	1%

Board of Directors



J.-A. PINSONNEAULT

President
Sherrington, Napierville

GIRARD MASSUE

Vice-President
Varenes, Verchères

SAMUEL AUDETTE

Landrienne, Abitibi

PHILADELPHIE FERLAND

Normandin, Roberval

W.-H. LATOUR

Notre-Dame-de-la-Salette, Papineau

ALBERT LAFRAMBOISE

Ste-Scholastique, Deux-Montagnes

HONORE AUMAIS

St-Polycarpe, Soulanges

PHILIAS BUREAU

Compton, Compton

J.-N. PARENT

St-Sylvère, Nicolet

THEODE FORTIER

Plessisville, Mégantic

PIERRE TURGEON

St-Anselme, Dorchester

THOMAS RIOUX

Trois-Pistoles, Rivière-du-Loup

L.-P. RIOUX

Sayabec, Matapédia

ADRIEN LAMARCHE

St-Esprit, Montcalm

ADÉLARD BELLEMARE

Yamachiche, St-Maurice

J.-A. MARION

St-Edwidge, Compton

LEOPOLD PAQUIN

Ste-Monique, Nicolet

CHARLES CASTONGUAY

Causapscal, Matapédia

Secretary: ROMÉO MARTIN

Treasurer: J. T. NOËL

Executive Committee

J.-F. DESMARAIS, president

J.-A. PINSONNEAULT

GIRARD MASSUE

ADRIEN LAMARCHE

J.-A. MARION

HENRI-C. BOIS, secretary

Address by the President, Mr. J. A. Pinsonneault

Gentlemen,

I have the honor and the pleasure of extending to all the members of the Cooperative Federee de Quebec a most cordial welcome and to open the sessions of our twenty-second annual meeting.

In 1943, our Society has again made a step forward. Business transactions have reached over \$30,000,000., an increase of nearly \$7 million over 1942 and \$13 million over 1941. During the last year, 29 cooperatives have affiliated, bringing the total up to 309. There would have been 313, but 4 of them have disappeared through amalgamations.

The number of affiliated cooperatives and syndicates is actually six times larger than ten years ago, and business transactions have increased in the same proportion. This expansion is mainly due to two factors: 1. The growing faith in cooperation. 2. The efficiency of Rochdale type of organizations to serve the farming group.

Our present success, however, indicates only one stage of the road to be followed. In order to continue with the maximum of security, we will be called upon to submit ourselves every day to a necessary discipline and also carry out the necessary tasks. Everyone must then develop, in his own home and around him, the reality of personal and collective responsibility. This is one way to learn the real significance of true loyalty.

The contribution of farmer cooperatives to the war effort is very imposing. It shows our determination to win the war. But there will also be a peace to be won and we must not allow ourselves to forget that post-war readjustments have always been very costly for the farmers. The efficiency of our participation to the settlement of the numerous problems which will then arise will depend upon the accuracy and strength of our convictions. Since we must rely primarily upon ourselves, this settlement will also depend upon the power of the means which we will have acquired.

It appears to me, Gentlemen, that our immediate efforts must be directed towards greater unification of our organization, strengthening the cooperative link, consolidating the financial position of our organizations, improving our business methods and developing safely our spirit of initiative. You will thus contribute to the reign of order, justice and Christian charity in economic and social relations. In all our enterprises, we must inject a great sentiment of humanity and generosity. Acts must conform to facts and follow the most scientific teachings. In this way, we will conquer positions still more solid and anchor ourselves definitely to the soil which we possess.

In the management of its continuously increasing business, the Federee must reach the maximum of precision towards the most suited policy due to its character of a Central organization. In the course of its existence, the Federee was forced to a certain extent to accept properties, charges and responsibilities which normally were belonging to local cooperatives. In the liquidation of such properties, the preference has always been given to organized groups. Certain criticism however has been heard regarding decisions adopted by the Board of Directors during the last year. Let it be known, Gentlemen, that we have acted with full knowledge of our responsibilities and in the best interests of cooperation.

I would be pleased to feel that every member is at home. This is your own meeting. The Executive Committee, the Board of Directors, the General Manager, who will shortly give you the statement of operations for the year 1943, and also the Chiefs of departments, are at your service. They are at your disposal to answer every question you may ask. The business of the Federee is your business and the Federee is your organization.

New policies will be submitted to your study and you will be called to let us know your opinion. You will certainly know what should be done and what should not be done.

You will notice that the patronage dividends are considerably higher than last year. Your Executive, supported in this view by the Board of Directors, wishes to propose that you leave a certain proportion of such dividends to your credit in the books of the Society. It will be up to you to decide. The amounts thus credited will bear interest at the rate of 2½% per annum. This suggestion is only for the purpose of bringing the farmers' cooperative movement in Quebec to a point where it is self-financing.

Before I take my seat, I must thank the cooperators for the confidence and the support which they have given us, and my thanks equally extend to the administrators and employees who have so well carried out their duties.

Remarks by the General Manager, Mr. H. C. Bois

Mr. Chairman,

Gentlemen:

The Board of Directors of the Cooperative Federee, at their meeting of February 9th., have decided:

- a) To pay the regular dividend to holders of preferred shares;
- b) To grant to the affiliated cooperative societies and syndicates the patronage dividends indicated on the inside cover of this financial statement;
- c) To offer to unaffiliated cooperative societies and syndicates 50% of the patronage dividends on their purchases or sales through us in 1943, provided these organizations join the Cooperative Federee before May 1st. 1944.

As you have just learned from your Chairman, Mr. J. A. Pinsonneault, our turnover shows a considerable increase of \$6,977,639.60. After deducting the amounts set aside for reserves, we close our books with net savings to the total of \$373,437.44. From this, must be deducted the necessary amounts for the payment of interests on preferred shares and also for the payment of patronage dividends. The balance shall be carried to the Surplus account.

The General Balance sheet, the Balance sheet of each department and the Operating Account have been submitted to your Board of Directors, after having been prepared by our Auditor up to December 31st., 1943.

During the past year, difficulties due to the war have increased, especially in supplies, in the sales of feed grains and rations and in the sale of livestock. We have made the utmost to overcome them to the best of our ability, without however forgetting the laws of prudence and foresight. We have endeavoured to satisfy the needs of all our affiliated organizations, without risking the positions we already had secured in other fields, because we consider these positions necessary to the expansion of our Society's affairs after the war when trade relations will be normal again.

The Cooperative Federee must be devoted to agriculture and at the same time take the necessary means to become strong enough in either field, commercial and financial, in order to be in a position to assure maximum services.

The statement I am presenting to you is the result of the cooperation of farmers, of educational institutions, of professional associations and of all those who are working for the progress of the cooperative idea. It is also, to a large extent, due to the intelligent work and devotion of the employees of the Cooperative Federee to whom I feel it my duty to express our appreciation.

In the course of the past year, we have lost the services of two of our prominent collaborators. Mr. M. H. Hudon, who was connected with dairy and flax industries, has left us and is now connected with an industry in close relation with agriculture. Mr. J. Theo. Roy, of our Feed Department, was forced, on account of bad health, to resign. These two persons have rendered valuable services and have in no small way contributed to the progress of the Cooperative Federee. It is with regret that we have witnessed their departure and we express to them our best wishes of success and good health.

CONSOLIDATED BALANCE SHEET

As at 31 December, 1943

ASSETS

CURRENT:

Cash on hand and in Bank	\$	21,330.19
Accounts Receivable ..	\$	1,532,594.23
Less: Reserve for doubtful accounts		74,658.07
		1,457,936.16

INVENTORIES:

Merchandise	1,800,041.05
Operating Supplies	42,735.21
	1,842,776.26

INVESTMENTS:

Bonds "Dominion of Canada"	100,000.00	
Mortgages	34,984.03	
Sundry investments and deposits	11,847.00	
	146,831.03	\$ 3,322,042.61

FIXED:

Equipment, machinery, motor trucks	365,980.17
Less: Reserve for Depreciation	205,922.43
	160,057.74

Real Estate:	679,425.65
Less: Reserve for Depreciation	208,589.36
	470,836.29

DEFERRED EXPENSES chargeable to 1944

630,894.03

52,713.45

\$ 4,152,481.12

LIABILITIES

ACCOUNTS PAYABLE: \$ 546,388.38

LOANS:

Banque Canadienne Nationale	\$ 1,408,148.20
Cooperative Wholesale Society, Limited	486,666.67
Sundry	227,011.75
	2,121,826.62

BONDS:

Issued	350,000.00
Less: Paid at maturity	151,000.00
	199,000.00
Redeemed	59,800.00
	139,200.00

ACCRUED INTEREST on bonds and loans

8,725.19

RESERVES:

For Contingencies	101,676.40
For Pension and Educational Fund	30,000.00
General Reserve	200,000.00
	331,676.40

CAPITAL STOCK:

Preferred	146,550.00
Common	109,355.78
	255,905.78

SURPLUS:

748,758.75

\$ 4,152,481.12

We have audited the books of the Cooperative Federee for the period ended December 31st, 1943, and we have obtained all the information which we have requested.

The assets and liabilities of the subsidiary companies, capital stock of which is owned in full by the Cooperative, are included in the present statement.

In our opinion the above Balance Sheet represents the financial situation of the Cooperative as at December 31 1943, according to the books and explanations we have obtained.

PELLETIER, GRAVEL
C.P.A.
Auditors

February 9th, 1944.

OPERATING ACCOUNT

YEAR 1943

Sales		\$30,390,904.08
Cost of merchandise sold		28,260,813.97
		2,130,090.11
DIRECT CHARGES:		
Delivery and weighing	\$124,724.00	
Insurance	15,737.68	
Maintenance of equipment	46,344.26	
Power, Refrigeration	56,291.31	
Rents	22,382.54	
Selling expenses	6,091.85	
Storage and warehousing	51,181.16	
Wages	512,603.35	
Wrapping and containers	63,400.34	
Sundries	6,128.60	
	904,885.09	
<i>Less:</i> Storage and Rentals	20,895.86	
		883,989.23
		1,246,100.88
<i>Add:</i> Miscellaneous revenues		8,444.40
		1,254,545.28
GENERAL EXPENSES:		
Advertising	6,450.40	
Bad debts and reserve for doubtful accounts	40,686.09	
Bank charges on cheques and drafts	1,325.15	
Contributions	6,338.74	
Cooperative Education and Services	33,729.40	
Documentation	1,440.34	
Donations	1,981.37	
Insurances — General	22,162.13	
Insurance — Unemployment	6,121.04	
Legal fees	1,647.94	
Light, Water, Fuel	11,571.28	
Maintenance of buildings	25,105.99	
Maintenance of equipment	9,204.25	
Messenger service	2,044.04	
Rent	3,998.58	
Salaries	258,434.14	
Stamps — postage and excise	17,979.60	
Stationery	16,528.46	
Taxes and licenses	31,761.31	
Telephone and telegraph	14,262.60	
Travelling and meeting expenses	19,833.80	
Sundries	8,972.23	
		541,578.88
		\$ 712,966.40

General Expenses (cont'd)		\$ 712,966.40
INTEREST:		
On bonds	8,483.26	
On loans	83,351.04	
		<u>91,834.30</u>
		621,132.10
DEPRECIATION:		
On equipment	42,036.00	
On buildings	38,442.00	
		<u>80,478.00</u>
		540,654.10
APPROPRIATIONS:		
Reserve on Grain and Feeds in stock	65,000.00	
General Reserve	72,216.66	
Pension and Educational Fund	30,000.00	
		<u>167,216.66</u>
NET SAVINGS:		\$ 373,437.44
NOTE— Proposed disposal of net savings:		
Interest on preferred stock	8,793.00	
Patronage dividend —approximately	275,000.00	
To be carried to Surplus Account— "	89,644.44	

SURPLUS ACCOUNT

Year 1943

BALANCE as at 31 December, 1942		\$ 474,531.41
<i>Deduct:</i>		
Dividends — 1942	8,920.80	
Patronage Dividends to affiliated cooperatives—1942	97,840.74	
		<u>106,761.54</u>
BALANCE as at 31 December, 1942 (adjusted)		\$ 367,769.87
<i>Add:</i>		
Net proceeds of sales of our branches at Henryville and Lennoxville and of the insurance settlement of our Ste-Rosalie branch, destroyed by fire (in 1943)		7,551.44
NET SAVINGS for 1943		<u>373,437.44</u>
BALANCE as at 31 December, 1943		
(Before providing for the payment of patronage dividends and interest on preferred stock)		\$ 748,758.75

STATISTICS

COMPARISON OF SALES

1933	\$ 4,600,000.00
1934	5,450,000.00
1935	7,300,000.00
1936	9,500,000.00
1937	11,500,000.00
1938	11,700,000.00
1939	11,925,000.00
1940	14,050,000.00
1941	17,750,000.00
1942	23,400,000.00
1943	30,400,000.00

COMPARISON OF PATRONAGE DIVIDENDS PAID

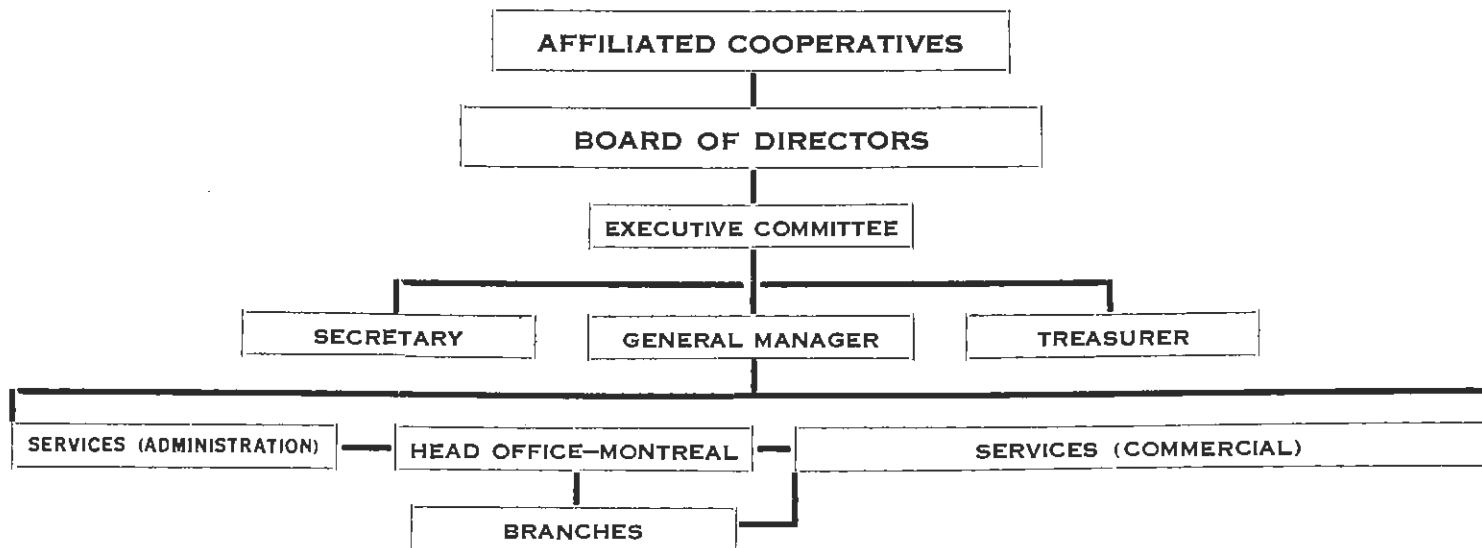
1937	\$26,894.15
1938	33,607.91
1939	48,009.60
1940	60,402.58
1941	78,913.47
1942	97,840.74

COMPARISON OF THE NUMBER OF AFFILIATED SOCIETIES

(organized under the Act of 1930, and after deducting those that have ceased operations or cancelled their affiliation)

1931	49	1937	123
1932	57	1938	150
1933	58	1939	168
1934	74	1940	189
1935	95	1941	244
1936	106	1942	284
		1943	309

**GENERAL ORGANIZATION
COOPERATIVE FEDEREE DE QUEBEC**



FINANCE
EDUCATION
ACCOUNTING
 REMITTANCES
 CREDIT
 TRAFFIC AND CUSTOMS
 AUDIT FOR MEMBER COOPERATIVES
CONTROL OF BRANCHES
INSURANCE

MONTREAL
 CANADIAN LIVESTOCK COOPERATIVE OF
 QUEBEC. LIMITED
 MONTREAL MILK & CREAM COOPERA-
 TIVE. REGD.
 POINTE ST. CHARLES
 ST. HENRI
AMOS
 LA SARRÉ
 LEVIS
 PRINCEVILLE
 VICTORIAVILLE
QUEBEC:
 38-40 MARCHÉ CHAMPLAIN
 150 ST. PIERRE
RIMOUSKI
WATERLOO

FARM PRODUCTS
 FRUITS AND VEGETABLES (APPLES, PO-
 TATOES, GASPÉ PEAS, ETC.)
SEEDS
 EGGS AND POULTRY
 BUTTER AND CHEESE
 DRESSEO MEATS (LAMBS, BEEF, PORK,
 VEAL, ETC.)
 LIVESTOCK
 FLAX PRODUCTS
 SUNDRIES (HONEY, MAPLE SYRUP AND
 SUGAR, WOOL, HIDES, ETC.)

FARM SUPPLIES
 FEEDS (GRAINS AND BALANCED
 RATIONS)
 CHEMICAL FERTILIZERS
 INSECTICIDES AND FUNGICIDES
 SEEDS
 SUNDRIES (PACKING MATERIAL, BINDER
 TWINE, FENCING, CORRUGATED
 IRON, ETC.)
 BUTTER AND CHEESE BOXES
 DAIRY MACHINERY AND TOOLS
 MISCELLANEOUS

Quebec
Rural Cooperators

Follow the Path
set forth
by the
Rochdale Pioneers
a Hundred Years ago

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1844-1944