

Mr. BOURASSA: Should there not be a slight change made in the last line of the same subclause, making it read:

To farmers and through such societies—
Or something to that effect?

Mr. ROBB: Yes. I would suggest:

Such local coöperative or recognized colonization societies.

The CHAIRMAN: The clause as amended would read:

Subject to the approval of the board whether loans shall be made directly to farmers or through local coöperative societies or recognized colonization societies, or directly to farmers and through local coöperative societies or recognized colonization societies, as the province may desire.

Mr. GARDINER: The minister might explain just what these colonization societies will include, and if they will have to secure their funds through the provincial board subject to its jurisdiction to the same extent as coöperative societies or individual farmers would be subject.

Mr. ROBB: We are placing these recognized colonization societies on exactly the same basis as the coöperative societies. There are, in some of the provinces—I know there are in Quebec—recognized colonization societies which have charters from the provincial government.

Mr. SPENCER: These colonization societies have nothing to do with bringing immigrants into western Canada? This is simply a way of carrying on certain community work in Quebec?

Mr. ROBB: They are called colonization societies, but they are doing the same work as these local coöperative societies.

Mr. GARDINER: I take it that they will be subject to all the rules and regulations of the local board, and that the property will have to be properly appraised the same as any other property whether it is that of an individual farmer or a local coöperative organization working under this legislation.

Mr. ROBB: It is all dependent upon provincial legislation.

Mr. EVANS: I do not think we need open the door there to colonization societies as I understand them. After this scheme is properly organized the local farmers will form themselves into coöperative societies for the purposes of this legislation. I do not see why we should want to open the whole thing up to colonization societies, as the valuations will be made on improvements and the balance of the farm as the farmers organize themselves.

Mr. ROBB: That may be true in the province from which my hon. friend comes, but in some other provinces we have colonization societies that are doing exactly the same work as coöperative societies. They are all subject to provincial legislation.

Mr. EVANS: In those provinces can they not have farmers' organizations under this legislation through the provincial government?

Mr. ROBB: I do not doubt that they can, but if they prefer to do the work in this way, why should we close the door on them?

Amendment agreed to.

Section as amended agreed to.

On section 9—reserve fund.

Mr. WARD: As I understand this legislation, it is purely coöperative or national in its purpose and application. Why should we provide for payment of dividends?

Mr. ROBB: The dividend is paid back to the borrower. This is on exactly the same basis, I suppose, as the Grain Growers' Grain Company and other coöperative grain companies of the west. If there is a profit, I imagine it will go into a reduction of the debt.

Mr. WARD: Will that be returned in the form of lessened charges, or in what form will it be returned to the borrower?

Mr. ROBB: I might direct the attention of my hon. friend to sub-clause 4 of this clause:

All dividends paid upon stock held by any borrower shall remain in possession of the board and shall be allowed to accumulate at the rate of 5 per cent per annum compounded annually until such time as the said stock with accumulated dividends is sufficient to provide for the payment of all indebtedness under the loan when the amount of the said stock and the accumulated dividends shall be credited to the borrower as a final payment.

It goes back to the borrower.

Section agreed to.

Sections 10 to 15 inclusive agreed to.

On section 16—Regulations.

Mr. GARLAND (Bow River): I draw the minister's attention to subsection (e) of this section, which reads:

The board may, subject to the approval of the Governor in Council, make regulations . . . to provide for:

The manner of nomination and appointment of representatives of the borrowers on the provincial board in any province.