

Q. I am not asking you that, I want to understand your point. What I want to know is you say this Bill gives these people special privileges, and I am asking you what are the special privileges that this Bill will offer them?—A. If they want to do this business they can take out a charter in the regular way, that they have a right to do. Now this Bill gives them the right to form societies without taking out a charter.

Q. Without taking out a charter?—A. Without taking a charter.

Q. This Bill itself provides for incorporation of societies. How can they become societies unless they come under the authority of the Act?—A. We are objecting to the Act.

Q. Yes, I know, but I would like to get your reasons why.—A. I am going to give you the reasons why. In the next place, we say that the Bill is one that deals with trade and commerce and that the words 'Minister of Labour' should not be there, but it should be the Minister of Trade and Commerce. It is a matter of trade and commerce, not a matter of labour at all, and it should come under the Department of Trade and Commerce if the Bill is brought into effect. Then, you are limiting the shares of these companies to corporations.

'No member, other than a joint stock company, an agricultural association existing under the laws of Canada, or some province thereof, or a municipal body shall have, or claim any interest in the shares of the society to an amount exceeding \$500.' You are giving a municipality the right to put in any of its money into these societies and that money is largely taken from the merchants, who pay the largest portion of the capital of the cities and towns.

By the Chairman:

Q. What is that?—A. This is clause (a) of section 3. We will just take up these clauses. In the first clause, I object to the name, and I say that instead of the Minister of Labour it should be the Minister of Trade and Commerce. In the next clause I object that municipalities are allowed to invest their money in these societies.

Q. Cannot you state more definitely what are the grounds for the objection which your association entertains against this measure? I do not wish to interrupt you. You started by stating some objections?—A. I was starting to take up the Bill and discuss the few clauses that we think are objectionable, and I was going to give the reasons why we thought so. I will give you our reasons in a few words. It is a scheme for the purpose of getting people to come in, for the purpose of forming these associations, and then giving the dividends back to the buying public and the dividends are the bait. It is a trap laid for the uneducated people, who know nothing about trade and commerce, and that is the reason why you are offering them a dividend.

By Mr. Smith (Nanaimo):

Q. Who is offering?—A. Whoever goes into the company. Who is offering? I will read you something I have got right now. (Reads.) 'Midland Branch of the Canadian Co-operative Concern, Limited. Head Office, Hamilton, Canada.'

By the Chairman:

Q. They do not operate under this Bill?—A. This is a limited company, you understand, Mr. Chairman?

Q. Yes?—A. This thing has been in operation in Scotland for a number of years, and I have here evidence right from Scotland showing that the scheme, the co-operative scheme, has destroyed the retail business, has destroyed the wholesale business, and the manner in which they have done it is by offering dividends to the public to buy in these stores, and it has congested trade, centralized trade in these municipalities. The *Weekly Scotsman* opened its columns for a discussion of both sides of the subject, allowing its pages to be opened to those in favour of co-operative stores and those against co-operative stores. The report that I have from it, and there are any number of other