

my hon. friend's suggestion of half loan and half subsidy, or, if he likes, all loan. But I question very much whether the Minister of Finance would care to take up the loaning proposition, and I do not want to run counter to his views on an important matter like this that devolves so largely on his shoulders. For the present I prefer the subsidy. Government loaning of money, even in the provincial arena, has never appealed strongly to me. I believe that people can get into debt easily enough through the ordinary channels without becoming obligated to their respective governments, with all the objections that are implied in such relationships. And there are a whole lot of objections to governments loaning money to people.

Mr. SUTHERLAND: I desire to refer to a remark made by the hon. member for Cape Breton (Mr. Carroll). In 1914 an order in council was passed safeguarding to a certain extent the rights of the general public. I believe it was the original intention of those who drafted the act to afford the public every access to the cold storage plants that were receiving bonuses from the government; and an order in council to that effect provides that owners of cold storage warehouses with whom contracts have been entered into for the payment of subsidies shall give refrigerator space to the public when such space is available. The minister said he doubted whether control could be exercised over these cold storage warehouses after the subsidy had been earned. But this order in council goes so far as to provide a penalty of \$50 in any case where the public are denied cold storage space when spare space is available. So that I think the rights of the general public can be safeguarded. As to "co-operative associations," I think the word "co-operative" is very misleading as applied to many organizations to-day. As a matter of fact, the great majority of the organizations known as co-operative associations are in effect joint stock companies. I know of some that are nothing else than joint stock companies; and no doubt when the bill is under consideration in committee we shall have a clearer definition of just what co-operative companies are. I merely want to point out, however, that control has been exercised in the past over the plants that have received a bonus from the government, and evidently the amendment passed in 1919 was intended to make it clear beyond doubt that it was the general public who were being taken care of rather than the joint stock companies, the co-operative associations, or any other organization of that kind.

Mr. THOMPSON: The minister might explain what a properly constituted co-operative society is. In the past, and particularly during the last two years, we have had some experience with co-operative societies in Ontario. I have in my hand the Trade Bulletin of February 2nd, and I shall quote briefly from it. In this journal, which is described as "a national business newspaper", there appears the following:

Insufficient business was given as one of the reasons for failure by 200 farmers' buying and selling associations out of a total of 243 organizations which have ceased to function since 1913, a survey by the United States Department of Agriculture shows. Some of the other reasons given were, inefficient management by 148 organizations, insufficient capital by 73, over extension of credit by 35, dishonest management by 29 and concentrated control of the organization in the hands of a few members by 12.

The organizations included creameries and cheese factories, co-operative stores, fruit and vegetable associations, grain elevators, cotton organizations, tobacco organizations and miscellaneous co-operative associations. Of 219 organizations, 70 were creameries and cheese factories having an average life of 7.69 years; 20 were cotton associations with an average of 5.23 years; 37 were co-operative stores with an average life of 4.73 years; 38 were grain elevators with an average life of 4.39 years; 4 were tobacco associations with an average life of 4.25 years; 46 were fruit and vegetable associations with an average life of 3.07 years, and 4 were miscellaneous co-operative associations with an average life of 1.54 years. Of the organizations which failed, 170 were incorporated. Of the associations, 168 had capital stock and 53 organizations had no capital stock.

Until these co-operative societies are on a more stable basis the government I think would do well to be very careful in the spending of money along this line. Speaking for myself, I am opposed to the subsidizing of cold storage companies. The hon. minister stated that the reason for the change in the act of 1919 was the fact that it had ceased to function, that municipalities were not taking advantage of the act. The hon. minister has also stated that there has been no demand from co-operative societies. The government, it seems to me, is too anxious to spend money. We heard a lot yesterday about economy and I think they would be well advised to practise economy. For my part, I am opposed to expenditure along these lines. I am opposed to discriminating against the municipalities in favour of the co-operative societies.

Resolution reported, read the second time and concurred in. Mr. Motherwell thereupon moved for leave to introduce Bill No. 9 to amend the Cold Storage Act, 1907.

Motion agreed to and bill read the first time.