

formed the Saskatchewan Grain Growers' Association. Some time later on Mr. E. A. Partridge and three or four others formed the organization to fight the elevator combine. Why, it looked preposterous to attempt such a fight, but they stuck at it year after year, they started a journal of their own, they established locals here and there, until they had developed a spirit of co-operation and loyalty. Then a little later on in Saskatchewan there grew up another big institution under the support of the Saskatchewan government. That was in 1909 or 1910, and we do not hear to-day, Mr. Speaker, anything about a combine there. That teaches us not to despise the day of small things. These organizations at their inception were much smaller than the despised ten ships of the Petersen fleet and our own merchant marine. What surprised us the other day was when we had before us Mr. Maharg, a former member of this House and later a member of the Saskatchewan government, who expressed far more suspicion with respect to this matter than the hon. member for Red Deer (Mr. Speakman) expressed this evening. Mr. Maharg enunciated the somewhat heretical doctrine preached by my hon. friend from Vancouver Centre: You are to be judged guilty until you prove yourself innocent. That coming from a gentleman whose company was subsidized from its inception, and rightly so, for it would never have opened its doors if it had not been so assisted, rather surprised us. The Saskatchewan Co-operative Elevator Company was started with a \$6,000 organization grant. I was a member of the Saskatchewan government at the time, and know the facts. I believed it was a good policy then, and I believe so still. Eighty-five per cent of the total capital expenditure necessary to build a line of 400 elevators—\$4,000,000—was loaned by the Saskatchewan government to this company, of which Mr. Maharg is the president. They got that money at an average rate of $5\frac{1}{2}$ per cent,— $2\frac{1}{2}$ per cent less than the current rate of interest at that time, representing a saving of \$750,000. That is the gentleman who objects to subsidies!

Mr. CAMPBELL: Does not the minister draw a distinction between a subsidy and a loan which has to be repaid?

Mr. MOTHERWELL: I thought I had touched on that, but I will touch on it further. It was a loan at $2\frac{1}{2}$ per cent less than they could get it anywhere else. Therefore the \$750,000 saved was a subsidy, a grant, or

[Mr. Motherwell.]

whatever you like to call it. It was straight aid.

Mr. EVANS: I would like to ask the minister—

Mr. MOTHERWELL: Now, just a minute. I know that some of my hon. friends do not like to hear this, but the same men from Saskatchewan know it is true and they do not object to having it recited. They know that Mr. Maharg was inconsistent. They got a straight subsidy in the form of an interest saving of \$750,000, and in addition to that their trading account was guaranteed 100 per cent by the government, and that ran into tens of thousands each year. In this way they were assisted in getting their loans through at the bank. Now, you may not want to call that a subsidy, but I do not care what you call it; it is money, it is assistance.

Mr. EVANS: Will the minister say that $5\frac{1}{2}$ per cent was less than it cost the government?

Mr. MOTHERWELL: No, I do not say that. I said it was the average price. I suppose the government could get it at that price or perhaps at a little less, but that is not the point. The point is what the elevator company would have had to pay if they had borrowed in the ordinary course of business and if the government had not taken the action it did. That is the point—and the difference is the subsidy. You cannot wiggle away from that. You cannot take the ground that a subsidy is all right for me but all wrong for the other fellow. You cannot say: "Do not do as I do, but as I tell you."

Mr. EVANS: There was no subsidy given; it was only an organization grant.

Mr. MOTHERWELL: Will the hon. gentleman tell me where he could get the money at $5\frac{1}{2}$ per cent?

Mr. EVANS: From the government.

Mr. MOTHERWELL: I say there was a saving in interest of \$750,000 by actual computation. I do not know how much the saving on the trading account would be, but it must have run up just as high as the other because they had the government behind them and therefore the banks would make loans at a more favourable rate, knowing that they were taking no chances. The benefit in respect to the trading account ceased only two or three years ago. Now, I was jointly responsible for that, and we thought it was good business. The purpose of this payment is identically the same, that of breaking a combine, and of assisting not only the farmers