

please God, it will be the biggest thing in this country.

Mr. Job I might ask Mr. Newell to give us some information as to what government support the co-operative movement is getting. Some people think it is getting too much and some people think it is not getting enough.

Mr. Newell I did not intend to have anything to say on this. As far as I know, the co-operative is a good thing. It has not only the strong endorsement but the flattering OK of the Fisheries Committee. I was prepared to leave it at that. I am not entirely in a position to speak for the government or the Co-operative Division. I have never worked for the Co-operative Division of the government. I think, though, I am doing the same kind of work as their field workers are. As far as I know, there is no co-operative society in this country today receiving financial assistance from the government. When the idea of co-operatives was first mooted by the government — it was mooted long before that by Sir Wilfred Grenfell, the first co-operative was organised by him 35 to 40 years ago — but when the idea was first mooted by the government they brought over an expert from England. He was an expert on co-operatives but not an expert on Newfoundland, because he recommended, I understand, that the only way we could get a start here would be by government loans. I believe considerable sums were loaned to three co-operative societies. One of these was known to exist years afterwards and the people took it over and built a good strong society. Whether the other two or three ever paid off their loans, I am not in a position to say. That first experiment on the basis of loans was written off as a failure generally. The past did sow in the minds of the people the idea of co-operatives. As far as I know, not one cent of government money was invested in this society which was taken over by the people.

Mr. Keough There are one or two in land settlements.

Mr. Newell I did not know that. I believe they were not organised; I think the money was invested in them in the land settlement stage.

Mr. Keough Yes.

Mr. Newell There is an amount spent on co-operative education. I do not know how much.

Mr. Cashin \$50,000.

Mr. Newell That covers the salaries of some

eight or ten field workers plus their travelling expenses.

Mr. Cashin 22 workers; \$31,000.

Mr. Newell They are not up to their full staff. It is not as many as 22. There are a number of vacancies. Anyway, that \$50,000 grant is spent on co-operative education, that is to say they send out adult teachers to organise study groups to assist people in the organisation of study groups. They are not permitted, as far as I know, to participate in the business management of such societies, so that any money that is expended is expended as an educational vote.

Mr. Job Are they taxed?

Mr. Newell There is taxation on co-operatives. At the present time I am not too sure about the details. I cannot speak on them. I am not much concerned with the business end of it; it is merely from a layman's point of view. I understand they are taxed on any profits. Strictly speaking, if they were co-operatives they would not make profits, but some of them do make profits. By that I mean they sell goods to people who are not members of the societies and thereby make profits. They are taxed on the basis of these and also on any amount they pay as dividends on share capital invested by their share holders....

Mr. Northcott I must agree with Mr. Keough on the question of lobsters....

Mr. Job In reply to Mr. Hollett I would like to say there is no disagreement in the Committee. We thought it fair to present both sides of the case. Mr. Keough thought so too.

Mr. Hollett I did not say you had a fight — I merely said there was a disagreement. I am not a co-operative man as far as the co-operative movement is concerned, I am not connected with it. That table on page 56 is interesting. I find that in 1946 at least, the co-operatives have persuaded the trade to come up to their price.

Mr. Job I do not think you noticed the note at the top of page 57: "...cold storage operations were not conducted in the area in 1942-1943-1944." Cold storage — that refers to salmon.

Mr. Newell In order to keep the record straight, there is another point you have to consider which does not appear in this report. During the years 1942-43, 1944-45, these particular co-operatives were the only producing co-operatives. As far as salmon was concerned they shipped a high quality product and received the best prices. In