

is contended by the hon. member for Hastings-Peterborough that the government should have taken these properties over. Supposing we had done that; what would we have had to pay for them? We could not take them over for nothing. At any rate I can assure my hon. friend that this government, with all the sins that may rest upon its head—

Mr. FRASER (Peterborough West): And they are plenty.

Mr. CRERAR: I dispute that. I do not think the hon. member for Hastings-Peterborough would contend that the government should take these properties away without compensating the owners. If we could not agree on a price we would have to resort to the exchequer court and have it assess the value of the property. The next step would be to buy the property, and then we would have it on our hands and would have to operate it as a government enterprise. That is the contention of the hon. member for Hastings-Peterborough. But if we had done that, one of our first critics, and I would have sympathy with him, would have been the hon. member for Davenport.

Mr. MacNICOL: I am wholly opposed to government operation of industry.

Mr. CRERAR: Let us get down to essentials. The fluorspar was urgently, almost desperately needed. We entered into arrangements with people who had the properties. They did not know what they would get out of it. If the war lasted only a year or two they would lose money if they went ahead on their own. But they did not have the capital. Even if they had had the capital, they would not want to risk it under those circumstances. Therefore, on the advice of the technical officers of the department we made the arrangement that we should be paid so much per ton on the fluorspar mined. I do not think it would be reasonable to say that the people who own these properties should not get something. The deposit might be depleted before the loan was returned. They entered into this arrangement at the request of the government. They cooperated in that respect, not only these people who own the fluorspar properties but many other firms throughout the country engaged in other lines of business, to which the Minister of Munitions and Supply can testify.

Mr. KNOWLES: He has taken a lot of them over.

Mr. CRERAR: If the war goes on for another year or two and the fluorspar deposit lasts we shall be repaid. In the meantime we

have security on all the tangible assets, and that is a proposition that I am not afraid to defend in this house or anywhere else.

Mr. WHITE: It will be interesting to learn, when the minister's war estimates are before the committee next year, how much was lost through this deal, which the minister thinks is very fine.

Mr. CRERAR: We may lose some money; I do not deny that.

Mr. WHITE: I have one or two questions to ask in regard to the various contracts made with these companies. Are the terms the same in each contract as to the amount of repayment on the basis of \$3 a ton, or is there one contract which provides that all proceeds from the sale of fluorspar are to be applied on account of the loan after the payment of operating expenses?

Mr. CRERAR: I am advised that the contracts were all identical, except the one with the Reliance company. They got an advance in the first instance and the basis of repayment was the same as in the other contracts. Later on they came back for an additional advance, and a higher rate of repayment was agreed upon.

Mr. WHITE: Can the minister tell me the amount of what he calls the higher repayment, and further, does the Reliance company have to pay back, in addition to a stated amount per ton, the profits on the sale of fluorspar over and above the amount of operating expenses, or does the department just get a certain amount per ton?

Mr. CRERAR: I am advised that, after the second advance, repayment was to be at the rate of \$5 per ton of the fluorspar mined.

Mr. WHITE: Is that all that the Reliance has to pay as far as the second advance is concerned?

Mr. CRERAR: I am advised that it is.

Mr. DIEFENBAKER: There are some questions pertaining to the country as a whole which I should like to ask in connection with this item. According to the report of the department for the year ended March 31, 1943, \$325,000 was expended in the preceding year in the form of loans to mine operators, contracts for exploratory work under dominion or provincial government supervision, purchase of mining equipment, and so on. How much was expended under this vote during the past year?

Mr. CRERAR: Under the vote of \$500,000?

Mr. DIEFENBAKER: Yes.