

Mr. CLANCY. Can the hon. gentleman tell whether Mr. Macpherson or the farmers own the factories?

Mr. SCHELL. Mr. Macpherson owns them.

Mr. CLANCY. That explains it.

Mr. SCHELL. There are dozens of these factories that do not belong to Mr. Macpherson, though he happens to own a great many of them. Take Mr. Macleod, for instance; or the Lorne factories—I could mention them by the dozens, and every one of them coming under this bonus, if they applied for it under the Act. I only desired to point out that the hon. gentleman wanted to take a fling at Mr. Macpherson, instead of giving credit to the government for trying to assist the farmers.

To promote dairying interests by advances for milk and cream, and for making butter and cheese, to be recouped out of the proceeds of sales of such butter and cheese, to be placed to the credit of the consolidated revenue fund, \$60,000.

The MINISTER OF AGRICULTURE. I suppose the committee understands that this item is for advances which were made to the farmers on their creamery accounts until the butter is actually sold, and the advances are then recouped out of the proceeds of the sales. The creameries in the North-west have been managed by the department now for four years. I think I may say the industry in the North-west is now on a pretty thoroughly established basis so far as the successful manufacture of butter is concerned. Unfortunately a good many of these creameries required a considerable investment in which the government took a share at the time they were started, and they have not altogether paid off this investment, although some of them have made substantial progress in that direction. I have here a full statement of the accounts of each creamery, but I do not suppose the committee requires all the details. I may say that altogether there were about \$48,900 paid out by the government in the shape of loans to these twenty creameries, although some fifteen or sixteen of these creameries have skimming stations attached to them. There was nothing advanced in 1900. The money has been advanced to the patrons to pay them for their milk supplied to the creameries, and is to be recouped when the butter is sold.

Mr. CLANCY. But the management was not to extend until doomsday, it was to end in three years. Is the hon. gentleman still carrying them on?

The MINISTER OF AGRICULTURE. Yes.

Mr. CLANCY. All of them?

The MINISTER OF AGRICULTURE. I think so.

Mr. SCHELL.

Mr. CLANCY. That is not keeping good faith with the country.

The MINISTER OF AGRICULTURE. The hon. gentleman is quite right. When we took up this work it was hoped these creameries would be put on a firm basis and be able to carry on the work themselves in three years, but the department as a matter of fact has been obliged to go further. I grant the hon. gentleman that the expectation was that they would have repaid this money more rapidly than they did. Some of them have done all that was expected of them; in other cases the creameries have not had as much patronage as was hoped and they are still in debt. In some places the people have begged the department to carry on the management of the work a little longer, and in the interest of the development of the country, and in order to ensure the success of these creameries, the department has thought wise to carry it on still further. I may point out that out of the \$46,000 advanced, some \$23,000 has been repaid up to the present time. Some of them have practically paid the whole. I may mention a few. The creamery at Calgary received \$3,300 and it is owing only \$105. Another at Cardston owes \$27; another at Grenville, which received \$2,450, now owes \$273. One at Churchbridge was advanced \$2,200 and still owes \$1,000. The amount of butter made this last year was 637,000 pounds.

Mr. CLANCY. When the hon. gentleman asked for a vote to help these creameries there was no exception taken; but it was pointed out just what would happen, namely, the position in which the hon. gentleman finds himself now. At the same rate it will take ten years more to get these advances recouped. He gave a statement to the House last year. Calgary was in the same position that it is now. Churchbridge, which received an advance of \$2,236, has only paid \$613. At this stage it may be well to have some explanation regarding a note for \$600 that was given and discounted by the department. I see in the Auditor General's Report, D-75, this is what the Auditor General says in regard to it:

Audit Office, Ottawa, May 11, 1900.

Sir,—Referring to your letter of January 29, relative to a payment of \$600 to the Churchbridge Creamery Association as a loan on the security of a note of the directors payable sixteen months after June 21, 1898, which note was discounted by your department at the end of the fiscal year, and the proceeds (\$592.10) deposited as a refund to the vote from which the payment was made, with the statement in your letter of the date referred to, that the Churchbridge Creamery Association had been asked to refund the amount of the discount, \$7.90, I notice that the note in question was taken up by your department by a payment out of this year's vote, cheque No. 19,496, for \$600. Please explain why the makers of the note did not meet their obligation, and