

Mr. CLANCY. There was a large sum expended in fitting up and rebuilding certain factories. After spending large sums of money on the factories, does the government pay rent for them?

The MINISTER OF AGRICULTURE. We do not take over the factories. We rent them from the owners and advance certain sums which we spend in improvements, so as to put them in proper running order. Any one who takes a factory and runs it has to pay rent.

Mr. CLANCY. Is the department keeping up the system of making these advances?

The MINISTER OF AGRICULTURE. No, we have not made any for several years. I do not think we have made any since 1900.

Mr. BLAIN. Who has charge of the sale of butter for those creameries?

The MINISTER OF AGRICULTURE. Primarily the head office here. Mr. Marker is inspector in charge of the creameries in the North-west Territories, at Calgary, under direction from here and he manages the sales.

Mr. BLAIN. What was the output last year as compared with the year before?

The MINISTER OF AGRICULTURE. In 1902 the output was 532,000 pounds and in 1901, it was 672,000 pounds.

Mr. BLAIN. How do you explain the decrease?

The MINISTER OF AGRICULTURE. I am informed that it is due largely to the floods and bad roads in the spring which prevented the farmers bringing in their milk. Also in the district of Assiniboia, the large wheat crop kept the farmers too busy to attend to the creamery.

Mr. BLAIN. Where is the butter sold?

The MINISTER OF AGRICULTURE. In British Columbia and the Yukon and a portion in China and Japan.

Mr. SMITH (Wentworth). What do you charge the farmers for making butter?

The MINISTER OF AGRICULTURE. Four cents a pound.

Mr. SMITH (Wentworth). That might account for the falling off. In the Ontario creameries it does not cost more than two cents per pound.

Mr. WRIGHT. We always charge three and a half.

Mr. SMITH (Wentworth). Yes, but it does not cost more than two. I happen to be a director of one of them.

Mr. WRIGHT. I am a director also, and I know the cost is more than that.

The MINISTER OF AGRICULTURE. The expenses are very much higher than in the North-west and the output is very small, so that you have to charge higher prices than if you were running on a very large scale.

Mr. SMITH (Wentworth). You must make a good profit because butter can be made in quite a small factory at not over two cents a pound in the east. The government is supposed only to charge the actual cost.

Mr. WRIGHT. Four cents per pound is charged in the United States and in some places three and a half cents. But three and a half to four cents is the price.

The MINISTER OF AGRICULTURE. We charge four cents, and if the actual disbursements do not come up to four cents, the difference is credited to the dairy on the advance paid by the government.

Mr. SMITH (Wentworth). Then it costs four cents?

The MINISTER OF AGRICULTURE. In some cases it costs about two and a half. We charge four cents, and when there is a surplus we credit it.

Mr. BLAIN. How many factories have been assisted by the government, and how many are now operated?

The MINISTER OF AGRICULTURE. The creameries at Indian Head, Wolseley and Maple Creek have ceased to operate because these places are in the wheat belt and the farmers had all their time taken up with their wheat.

Mr. BLAIN. Has the government any control over those which have repaid the money advanced?

The MINISTER OF AGRICULTURE. We are still operating them, but the time is near when we will cease to do so.

Mr. CLANCY. The understanding on which the hon. gentleman got his first vote was that at the end of three years the experiment would cease.

The MINISTER OF AGRICULTURE. Yes, but the people have been urging us to go on, and as they owe the government we thought it best to do so. Now that some have paid off their indebtedness, it is about time we should cease to operate those factories.

Mr. SMITH (Wentworth). How many had paid off their indebtedness?

The MINISTER OF AGRICULTURE. Ten.

Mr. CLANCY. Are there any which have given up operations entirely? Some twenty were assisted in the first instance with skimming stations outside, which were as a sort of subsidiary stations for the collecting of cream. There were originally, I believe,