

own money in order to equip this mine and get it ready for the production of fluorspar, or was all the money supplied by the department?

Mr. CRERAR: My advice is that the department supplied the money to get the mine into operation, and then the working capital necessary in the initial stages was provided by the owner, in this case by Miller.

Mr. WHITE: The minister probably knows that his department had a competent and capable engineer in charge of these operations and that no money could be expended without the approval of that engineer. He must know that audits were held and a careful and proper check kept on all expenditures. How much did it cost Mr. Miller to bring this mine into production?

Mr. CRERAR: I shall be glad to give the information if we have it.

Mr. WHITE: I am sure the minister must have it because I know exactly the way it was done. There was a careful check made and no money could be advanced—this is all covered by the contract—without the consent of the departmental engineer.

Mr. CRERAR: I have not that information here, but if it can be found in the records of the department it will be brought forward. I can either give it to the committee to-morrow if we do not finish to-night or give it to my hon. friend privately, whichever he wishes.

Mr. WHITE: Has the minister any knowledge of any part of this \$35,000 being used by Mr. Miller after the mine was brought into operation?

Mr. CRERAR: I am advised that we have no knowledge of that.

Mr. WHITE: I do not think that is satisfactory, because no one could have kept a more accurate check than the engineer supplied by the minister's own department. Complete records were kept of everything and audits have been made. The minister should have this information.

Mr. CRERAR: I should have said that I have no record here to-night. It may be in some of the reports that the department has in connection with this operation. That would be a public document and I would have no objection to giving it to my hon. friend, but I have not it with me to-night.

Mr. WHITE: The minister has just stated that the money advanced under these contracts was to be paid back on a royalty basis

[Mr. White.]

of \$3 a ton. The question I asked was answered by sessional paper 169. Question No. 9 was:

Is the operator permitted to make a profit before repayment has been made in full of all moneys advanced by the government?

The answer was:

Under the terms of the agreement, the operators are permitted to use balances of revenues after payments to government for the purpose of carrying on mining operations. It is doubtful that these balances of revenues are more than sufficient to continue necessary mining operations.

The return shows that Miller produced some 2,377 tons and paid back \$7,229.95. Has the minister any knowledge as to what profit Miller made out of those 2,377 tons of fluorspar he produced and sold?

Mr. CRERAR: We have no information on that point. As I explained, when these contracts were made they were made on a more or less arbitrary basis of a certain repayment per ton of product mined. In the case of Miller those repayments have been made. Whether Miller had some money left after paying his other expenses, I cannot say. It may be that my hon. friend is on fair ground in criticizing the government for making that sort of arrangement, but the repayment of these advances was estimated on a basis which the officers of the department thought was fair and reasonable. I have no apology whatever to make for accepting their advice. Miller may have run into a little richer deposit, or may have had some other advantage in operation that I know nothing about. Whether he made a profit or not, I cannot say. All I know is that we gave him a certain advance; that he was to pay it at so much per ton of the product mined. Up to the present time he has paid about \$7,000; and the government holds a lien on all the tangible assets provided out of this grant, until the full loan is repaid.

Mr. WHITE: The minister admits that he does not know whether Miller made a profit. But I would point out again that when the fluorspar ore was sold to the various steel companies those sales were all made with the approval of the engineer from the Department of Mines and Resources. They had copies of all the way bills, and everything else. They knew when the cheque came back, and they would know exactly how much profit, if any, Mr. Miller made.

I understand that during the very short time that this property was operated by Mr. Miller, who was a full-time civil servant at Ottawa, and who was unable to finance the mine in any way with his own money, but who was granted over \$34,000 of public funds,