

Supply—Agriculture

provinces, due allowances being made, have obtained as many loans, if not more, than the western provinces.

As far as the province of Quebec is concerned, we find that it is in a special position, being the only province with a farm credit organization of its own.

The hon. member for Lapointe has been unfair, I would even go so far as to say dishonest in respect of the federal Farm Credit Corporation, which does not practice discrimination in any province of the country, and I want to pay tribute to its devoted staff for performing excellent work in the interest of the farmers.

[Text]

Mr. Rapp: Mr. Chairman, I think that the Farm Credit Corporation is still under the jurisdiction of the Minister of Agriculture. I note that there is a loss of \$1,377,000 brought about by the difference between the interest rate of 5 per cent charged to the farmers on the money they have borrowed and the rate of more than 5 per cent at which the government has to borrow money. What is the minister's personal opinion? Would he say that the rate of 5 per cent should be changed to balance out the loss, or would he be of the opinion that the rate to farmers should remain at 5 per cent as it is now?

Mr. Hays: Mr. Chairman, the government is unanimous in anything it does, of course, and as this is a matter of policy anything that the government does will be announced at the proper time.

Mr. Rapp: As the minister is from the west I should like to suggest to him that the rate should not be changed from 5 per cent to a higher figure.

Mr. Baldwin: Reduce it to 4½.

Mr. Ricard: I should like to ask the minister a question. Has he at hand the figure showing the number of farmers who did not meet their obligations in regard to loans they have made from the government? If he has, can he give a breakdown showing how many there are in each province who have not met their obligations?

Mr. Hays: I am sorry I do not have that information. I know the number is very small, almost negligible. I also know that the United States lends a great deal more money to farmers under their plan, and the number there who do not meet their obligations is also almost negligible.

Mr. Peiers: Mr. Chairman, I want to make only one or two comments. This is a large item and having regard to the way it is listed anybody looking at it might well think that

the farmers are not repaying the money they have borrowed, and that as a result there is a loss of more than \$1 million. The minister mentioned that this amount included legal fees, and this reminds me of something I have wanted to say for a long time. In my part of Ontario politics are being played so far as the Farm Credit Corporation is concerned. It was only a matter of a few days after the government changed when the lawyers in charge of these loan transactions were also changed. I think this is a disgraceful situation. I have no interest at all in these people.

An hon. Member: They were the right ones in the first place.

Mr. Peters: My friend can say that maybe they were the right ones in the first place, if he likes. I am not going to say whether or not these lawyers are competent, but I am finding that there is just about as much trouble in getting things done by the Liberal lawyers as there was with the Conservative lawyers.

Much of the delay taking place with regard to farm credit loans is the responsibility of the legal people involved in searching titles and arranging for sales. I believe that the changing of lawyers on a political basis is not advantageous to the farmers. The Farm Credit Corporation must be a non-political organization if it is going to function satisfactorily, and it must retain the services of the best lawyers available, whether they be Liberal, Conservative, N.D.P. or Social Credit in their political philosophy. What we are interested in is their legal capabilities, not their politics.

Anyone can check in my riding and he will find that what I am saying is true. This disgraceful action took place with the sanction of all the lawyers. I met several of them and they were laughing about the fact that the lawyers had been changed. The result was that transfers already in progress were held up for many months because new lawyers had been appointed on a political patronage basis to handle them.

I suggest this is one thing that the minister should investigate because it does not lead to satisfactory operations. In my opinion it makes the government look rather silly when it plays around with political patronage in a professional field. It adds insult to injury to those who expect legal people to act in an impartial way. How can they be considered impartial, how can farmers be expected to trust them if they know that they are only political hacks who are getting a few beans from the government by way of legal fees?

I hope this matter is given some consideration and that the responsible senior civil