

Mr. DuTREMBLAY: I understand the minister to say that the application for a loan is submitted to the agent who decides whether it should be granted or refused. The Government is responsible for the whole thing through its agent but there is no control over the agent. Does it not seem that the matter is absolutely in the hands of the agent? I should think there ought to be some control over the agents, some of whom are over-zealous while others are not sufficiently so, in dealing with applications, their interest probably depending entirely on the political complexion of the man who makes the application. I think something ought to be added to the clause to provide for some control over the agent, and to provide on broad lines the qualifications that should entitle any one to get his loan from the bank. As it stands too much power is left in the hands of the agent.

Mr. MEIGHEN: The agent of course is necessarily the main intermediary between the department and the farmer, because he is locally informed. He is on the ground as the trusted officer of the department. Within his responsibility every day are delegated duties just as far-reaching and wide as this, carrying with them just as much risk to the department. Any farmer who feels he has not been properly treated can appeal to the inspector or to the Commissioner of Dominion Lands. These appeals are submitted to the deputy and finally to myself.

Mr. TOBIN: Where is his right of appeal in law?

Mr. MEIGHEN: That is the right of any free subject of this country. If he is not properly treated by an officer of the department he can appeal to the head of the department. He does not need to have that right specified here because he has it already. Furthermore, there is this restraint: The bank is not going to be over anxious to lend money unless the man needs it and is likely to have a crop which can represent security. The bank will make nothing out of it. If it does not collect it, it will lose money on it. There is that further protection to the Government. As a matter of fact, in all the years that have gone by, the very same system has been adopted of getting the grain to the farmer. It was our officers every time that decided it. That has been the case for twenty years—yes, for fifty years. There is no change in that respect. This is simply another method of financing it.

[Mr. Meighen.]

Mr. DuTREMBLAY: Has the Government lost money under this system before? I understand it has.

Mr. MEIGHEN: No, I think there has been no loss on loans on unpatented land. There would be some loans outstanding from the year 1915. But we hold the land for it and I am told that there has been no loss at all in respect of unpatented lands because we hold the title. I promised to give the House further details as to the 1915 outlay. I estimated, on the occasion of the last discussion of the resolution, that of the \$12,000,000 which we advanced that year for the relief of seed grain we had collected between \$8,000,000 and \$8,500,000. The actual figures are these. The total amount actually loaned by way of relief in seed grain was \$12,309,607.36, of which \$7,560,760 was for seed grain and \$4,748,846 was for relief. The committee will remember that that was both in respect of unpatented and patented lands, because that year, owing to the tremendous and widespread hardships, we were compelled to extend our operations and we went into patented lands and we loaned all the money that year that we had to loan to take care of the seed situation. Of the \$12,309,000 there has been collected to date, including interest, \$9,095,753.13. That is up to the 28th February last, a month ago. Exclusive of interest, we have collected \$8,415,226.83. The balance to be collected is \$3,894,380, and of that balance \$2,007,998 is for relief and not for seed grain at all. Of the whole \$7,500,000 that was advanced for seed grain all has been repaid except \$1,386,382. We expect the great body of that to be paid this fall.

On section 5—orders and regulations:

Mr. BUREAU: I must confess that I have not had time to study this Bill very much but I read here that:

The Governor in Council may, from time to time, make such orders and regulations as are considered necessary to give the provisions of this Act full effect.

What are the provisions of the Act? The Act, aside from the interpretation clause, provides that the minister may make an agreement with the bank whereby the bank may advance money to the farmer or entrant, provided, however, that the rate of interest to be paid by the entrant to the bank shall not exceed seven per cent. Then, the minister will have power to guarantee the loan provided the Government do not pay over five per cent. The second clause says that the bank will be allowed