

*Adjournment Debate*

the corporation will provide them with the best possible service.

I hope the government is prepared to extend the terms of the motion under Standing Order 43 which I sought to move today, and in respect to which unanimous consent was refused. It would have referred this report to the Standing Committee on Agriculture and given the minister an opportunity to indicate whether he was prepared to accept his responsibility to restore control and direction to the corporation.

**Mr. Walter Smith (Parliamentary Secretary to Postmaster General):** Mr. Speaker, I am pleased to have this opportunity to clarify some of the comments which have been made about the Farm Credit Corporation and the studies carried out by the Manitoba Institute of Management Incorporated and the Sibbald Group. Unfortunately I cannot reply to all of the allegations which the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) has made in recent days. Therefore I shall respond briefly to those which seem to have been uppermost in his mind when the questions were being asked.

I should first caution the hon. member about the manner in which this report was prepared. A number of FCC employees from all levels of the organization conducted interviews with fellow employees and clients of the Farm Credit Corporation. From these interviews the report was written, without allegations and charges having been pursued in detail to verify their validity. Therefore much of the report is hearsay and in several instances most misleading. As the report was only intended as an internal document to assist management, this approach was quite reasonable.

Insofar as moonlighting is concerned, I am advised the corporation does have strict guidelines against such a practice and that any instances brought to its attention will be dealt with accordingly. There would, however, appear to be some confusion insofar as this allegation is concerned. In 1969 the Farm Credit Corporation reached an agreement with the Department of Finance that FCC employees would value rural

properties for banks considering loans to farmers under the Farm Improvement Loans Act. As it is the corporation which is reimbursed for this activity, it is normal procedure that such appraisals should be conducted as part of the employees' duties.

The Farm Credit Corporation does not send people on French language courses when its clients do not indicate a need for service in the second official language. However, it is the policy of the corporation to serve its clients in the language of their choice wherever possible. The confusion in this instance may have been caused by an occasion when an individual occupying a bilingual position was sent on French language training. Upon his return to the field he applied for, and was successful in winning, a competition in a unilingual area. It is not the policy of the corporation to restrict the advancement of its employees because of additional language abilities.

The comments about lack of credibility arose primarily because of the financial restrictions placed on the corporation when the anti-inflation program was commenced by the government. Unfortunately, at the same time, increased farm incomes were resulting in a very significant increase in the demand for farm loans. The combination of these two factors resulted in certain loans that had been approved in one fiscal year not being made until the following fiscal year.

The allegations concerning lack of leadership result primarily from the new system of management introduced by the present chairman. Under this system decision making became a participatory process with input being welcomed from several sources. In addition to this group decision making, authority was decentralized from the head office to the branches.

**The Acting Speaker (Mr. Ethier):** Order, please. I regret to interrupt the hon. gentleman but his allotted time has expired.

**Mr. Beatty:** With unanimous consent, Mr. Speaker, might he continue?

**The Acting Speaker (Mr. Ethier):** Order, please.

Motion agreed to and the House adjourned at 11.57 p.m.