

### *Indian Economic Development Fund*

non-Indian people including a number of projects that have been in manufacturing, wood products, the whole range of them in which the people who were managing them simply did not have the experience.

That, Sir, was a spurious attempt to deflect the blame from the real villain, the minister and the Department of Indian Affairs and Northern Development. Although the assistant deputy minister attempted to blame joint-venture projects involving non-Indians, it should be pointed out the Woods, Gordon study blamed the department for getting involved in the grandiose projects which always involved non-Indian personnel.

In conclusion, let me simply state the Government of Canada has not provided economic leadership to Canada's Indians, and it has failed to develop a cohesive and articulate policy on the IEDF. As I tried to stress earlier, it is the Indian community which has suffered because of the interference by the government in administering this fund. I should like to recommend that the Auditor General do an in-depth study and review of this particular program. In addition, it would be available for the Royal Commission on Financial Management and Accountability to assess this particular program and can make recommendations so that the committee system can be far more effective in the future.

**Some hon. Members:** Hear, hear!

**Hon. Judd Buchanan (Minister of Public Works):** Mr. Speaker, the essence of the motion placed before the House consists of two charges: one, that the government has failed to provide the Indian community with economic development leadership, and second, that we have failed to enunciate a cohesive and articulate policy on the Indian Economic Development Fund. I reject both charges, and I think the evidence will establish that if there is any criticism to be made in this area, it is not on those points.

Let me review the recent history of Indian economic development. I think it will be recognized that a landmark was the establishment of the Indian Economic Development Fund eight years ago. It formed a financial base for a major departmental mandate to assist Indian people in creating employment and income-producing opportunities. An important feature from the outset was that Indian people be involved in the design and delivery of economic programs. A source of capital was provided to Indian businessmen and businesses, which were helped and encouraged through the provision of access to basic management skills and technical expertise.

After a period of initial hesitation there was a quickening of interest during the early 1970's on the part of the Indian people, and substantial commitments began to be made. This process has continued with a growing recognition by Indian people of the major role that economic development can play in meeting the serious problems which exist on the reserves.

The currently approved ceilings are \$70 million for direct loans and \$30 million for guaranteed loans. In addition, the main estimates for the current fiscal year have authorized approximately \$15 million in grants and contributions. The establishment of this fund, its operation, the review which was

[Mr. Holmes.]

undertaken after six years, and equally important, the broader socio-economic study now being done in co-operation with the National Indian Brotherhood, clearly represent government leadership in this field.

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In the first six years of operation of the fund, we have estimated that employment arising from fund support represented approximately 8,400 man-years. The financing has gone into enterprises in agriculture, forestry, fishing, and trapping, construction, real estate, manufacturing, transportation, and wholesale and retail trades. The employment content has been concentrated in forestry, agriculture and manufacturing, followed by transportation-communication and wholesale-retail.

Indian people in every region have benefited. Let me mention a few outstanding examples. In British Columbia's Okanagan Valley the Osoyoos Indian Band operates one of the most successful vineyards in Canada. The total grape crop goes to the Andres Wine Company of Lytton, B.C.

In Saskatchewan a \$29 million program managed by a board of directors composed of Indian, government and business representatives, aims to raise average gross earnings of Indian farmers as well as train 500 Indian persons for jobs in the agricultural industry. Similar programs are under way in Alberta and Manitoba.

In Quebec the fish processing plant of P.M. Packers of Mingan created 92 new jobs, 80 per cent of them held by Indian people. The plant is processing millions of pounds of raw fish annually.

In northwestern Ontario the people of the Whitefish River Band leased 360 acres of their land to Canada Cement Lafarge for erection of a cement storage and distribution plant at a substantial rental income for the well-being of the band.

Those are some of the noteworthy examples. But as I have already stated, and as the hon. member for Lambton-Kent (Mr. Holmes) indicated, our examination of the record shows soft spots.

It is important to realize that what was embarked upon eight years ago was very much a new venture. There was little data available and equally little experience in this field. Assessments differed as to the potential for successful ventures being launched. It is fine to look back now with hindsight and with the cold analytical eye of an accountant at the report used by the hon. member, and I heartily concur in these reports being done. In fact, as the hon. member indicated, this review was initiated during the period when I was minister of this department because I had some concern about these projects. I had some concern about their viability. This is particularly true of the larger projects.

I think that, by and large, the smaller projects support the thesis of our friend Schumacher—this is not Stánley—that "Small is Beautiful". Part of the problem we got into is that too many of the programs, as the hon. member indicated, were