

Farm Credit Act

five farmers can combine together as a corporate entity. If they do, I understand they will be allowed to borrow \$100,000. Could each member of this group of five decide to go outside the corporation and borrow \$40,000 on a separate parcel of land?

Mr. Olson: No.

Mr. Harding: The minister says no. The position, and I think it is a legal position, is that the band is a corporate entity, and if the band secures a loan of \$100,000 how can any of the individual members of that group go outside the band and get a \$40,000 loan?

Mr. Olson: Well, Mr. Chairman, the hon. member has hit the point. He says an Indian band is a corporate entity. We are not convinced that an Indian band is, legally, a corporate entity and that is the precise reason subsection 4 is in there. It is the only reason.

Mr. Horner: I have one quick question concerning the interpretation of subsection 4 as it now stands. Would the minister agree that it would encourage Indians within a band to form separate co-ops or individual co-ops so as to take greater advantage of this measure?

Mr. Olson: We would hope the passage of this part of the bill would have the effect of encouraging the Indians to follow what they in their own judgment believe to be the best way of making their farm operations more efficient, whether that would be as individuals, small groups or indeed as larger groups. What should be drawn to the attention of hon. members is that this bill does give a substantial advantage in many ways to farmers who are Indians because in most cases there is no requirement to purchase land and all the money can be used for improvements. It is not for the corporation to set up, in my view, arrangements which would make the Indian less capable of obtaining funds to farm by himself if he chooses, to farm in partnership with two or three others if he so chooses. They have a right to make exactly the same choice as other people. The question was asked, what do Indians want? Indians want to be treated the same as everybody else in the country and that is exactly what we are trying to write into this bill.

Mr. Horner: The minister is quite right, that is what we are trying to write into this bill. This is exactly what we are attempting to do. I posed a question to the minister and he answered in a roundabout way but I

understood his meaning. I want to present to him the problem confronting the Indian band in my constituency. They have a huge amount of farm land. They are now renting that land to white men and the Indians get a share of the crop. The present chief has explained this problem to me. If a group of Indians were to decide to farm one section of that land, they have to turn over to the band council the same share as the white men are turning over from the land they are farming. This has a very detrimental effect on the initiative of the Indians to go into farming on any large scale. The amount paid to the band council is divided amongst those other Indians who do not have the initiative or do not feel they should get out there and be quite as industrious as others. If the whole band could borrow enough money to become farmers themselves, then this one-sixth share would not have to be returned to the band council.

It is for this reason that I point out to the minister that placing a limit of \$100,000 on a band will force Indians to start farming in smaller co-ops and will not solve the real problem because it perpetuates the tendency to reward the least industrious Indians on the reservation and penalize the industrious. If the minister is resolute in his opinion that only he can suggest amendments which should be approved in this house, that is his privilege. He has the majority over there. It is really the duty of members on this side to warn the minister exactly what he is doing. I think we have done this. If the minister is so firm, so hidebound in his attitude toward the amendment which I moved and the sub-amendment moved by the hon. member for Regina East, then I suggest we cannot get blood out of a stone. We can only vote on the amendment.

I must say the minister is making a mistake. He has suggested a limit of \$100,000 be placed on the band as a legal entity. This clause, as it now stands, does that. We are saying, do not put a limit on the amount that can be borrowed at the moment but go through the process of consultation with the bands concerned and with the department of Indian affairs. This does not sound too difficult, particularly when the department of Indian affairs has to be consulted in any case. I will not belabour the point. As I say, you cannot get blood out of a stone. I am sure the minister will realize in the not too distant future that he has made a mistake.