

*Indian Economic Development Fund*

the annual report and listened to presentations made by the minister and various officials. They talked in glowing terms of this program.

The then minister of Indian affairs and northern development, now the Minister of Public Works (Mr. Buchanan), appeared before the committee when it considered the estimates in 1975-76. As recorded on page 11, issue No. 18 of the committee's proceedings of March 13, 1975, he said:

Another area, an area which I regard as highly significant, is the area of economic development . . .

Here again the results are obvious, whether one looks at the indigenous Crane Cove Oyster operations in Nova Scotia or the suburb developments on the Secheit Reserve in British Columbia. All across the country one finds budding Indian and Inuit enterprises, such as a ski resort at Thunder Bay, Inuit hunting and fishing camps in northern Quebec, a furniture factory at Samson, a motel at Sawridge, a cattle ranch at Beardy's, a bee-keeping operation at Roseau River, and a shopping centre at The Pas.

The hon. member for Churchill (Mr. Smith) will have something to say later about the shopping centre at The Pas.

The minister went on to say:

They are eloquent testimony that Indian businessmen, given the opportunity of advice and resources, can thrive in this country.

Today the minister spoke about plans and history, still in glowing terms. Of course he is no longer the minister responsible. But he spoke of job opportunities. Mr. Speaker, if one examines the figures and charts given to us in the committee when we considered the miscellaneous estimates earlier this year, one will note that there are at present some 2,577 projects outstanding but that the number of native peoples employed on these projects totals only 4,722. In other words there are fewer than two jobs per project.

Mr. Smith (Churchill): Disgraceful!

Mr. Neil: It came as a real surprise to me earlier this year to learn, after members of the official opposition had done some prodding in committee, that the Indian Economic Development Fund was in a terrible, in fact in an absolutely shocking state. I can say in fairness that the officials who appeared before us were relatively frank about the over-all financial condition of the fund, but it was difficult to dig out certain details concerning the fund and details concerning projects.

If one consults the minutes of the committee meeting of March 24, 1977, one learns that since the introduction of the fund in 1970 some \$140 million was advanced. At the time of the hearing \$105 million was outstanding. That was made up of grants and contributions of \$19.9 million, direct loans of \$57 million, and guarantees of \$28.3 million. In addition to this funding of \$105 million, there has been other funding of various projects, by DREE, provincial industrial development agencies, the Department of Manpower, and so on. In the committee meetings I asked some questions about the extra financing figures and was told those figures were unavailable. Why they are not available I do not know. After all, the department supposedly is administering these various projects and loans.

[Mr. Neil]

Mr. Knox, the director of the program was asked questions about the additional financing. After I had asked him such a question about additional financing he said, as recorded at page 10 of the committee report, "The statistics on this are not very good as you can see." That was the beginning of the revelation at the committee hearings. Let me refer to issue 28-A of the minutes of the Standing Committee on Indian Affairs and Northern Development. It is the record of the meeting of March 24, 1977. As one will see if one examines pages 21 and 22 of the report, I asked questions. I suggested that although the balance outstanding on that date was \$105 million, in order to salvage the program or the \$105 million the Government of Canada or the taxpayers of this country will need to put in between \$40 million and \$50 million by way of grants and contributions. I raised this point as recorded at page 21. On page 22 Mr. Mackie, the assistant deputy minister, replied as follows:

If I may, Mr. Chairman, the grants and contributions portion of it, of course, is going, for the most part, to viable ongoing projects. In other words, it is a continuing and additional investment in something that is going to continue to earn and be a viable project.

I then went on to say:

I appreciate that. I mean, you are not throwing it into something which is bankrupt. But what I am trying to determine is how much money has been thrown in to try and salvage. You look here and there is \$105,274,000 outstanding, and you are putting in \$40,000,000 to protect that.

Mr. Ford replied as follows:

Yes, that is the cost of the stabilization process, as we have called it. The total cost would be in the area of forty to fifty million dollars.

That extra amount represents almost 50 per cent of the amount outstanding. I then said I was just trying to assess the program. I said:

. . . it seems to me that it is going to cost an awful lot of money to salvage what we have. Would it be a fair assessment to say that the program really has not worked out too well over the years?

Mr. Kroeger, the deputy minister, replied:

The program has certainly had its problems. What you have had tonight is an outline of the first truly comprehensive review that has been undertaken of the program's operations since the department got into the Indian economic development business in a substantial way in the early 1970's.

I point out that although the program started in the early 1970's, a comprehensive review of the fund was undertaken only after several years of operation. Mr. Kroeger went on to say:

There have certainly been problems. It is a difficult environment to operate in. We ourselves as a department, have had to go through a learning process.

The deputy minister's response was the understatement of the year.

The government had set up a good program in 1970, a program which would help the Indian people to begin viable business enterprises. As a result of ineptitude, lack of training and experience, red tape, lack of supervision, which the hon. member for Lambton-Kent (Mr. Holmes) mentioned, and lack of follow-up, the program is a disaster. Unfortunately the failure of this program has placed many Indian people and Indian Bands in a bad light with their non-native neighbours.