

Farm Machinery Syndicates Credit Act

something for people in an area where nothing has been done previously. How well it will be done will depend on the people who administer it, and the people who receive it. Advancing credit to Indians as individuals and groups through the Farm Syndicates Act can be done well or badly.

Of all the various credit acts, the Farm Syndicate Credits Act will fit the need of the reserves best. These people are in the habit of working together to a greater extent than other farmers. At the hearings of the standing committee, I requested that the officials of the Indian Affairs branch appear before the committee. They did so for a full session, answering questions and giving information as to how they thought this credit should be used and the circumstances under which it would be used.

According to the information supplied this is quite an undertaking. They stated that there were about 2 million acres of potential arable acreage on the Indian reserves, which would cost approximately \$202 million to develop. They states \$80 million could come from farm credit corporations, \$40 million from ARDA and grants to the extent of something like \$82 million.

● (9:40 p.m.)

When these representatives, Mr. Churchman and Mr. Bergevin, talked to us it seemed to me that they expressed a real wish and desire to move in this direction and make the program work. If I were to express any misgivings, they would be that in the initial stages of preparation for this legislation there had not been enough consultation with the people on the reserves who were going to use it. Our reports indicate that there was a fair amount of consultation between the credit corporation and the Department of Indian Affairs. There was some understanding of the problem and how it might be solved. There had been discussions on the amount of supervision required, and the type of personnel available for setting up this program on the reserves. I would judge that there is a fair understanding by the departments concerned of how they will tackle the problem.

My information is that out of a total male Indian population of 15,548 in the province of Saskatchewan only 407 make their living from farming. To anyone who lives in that province and knows the amount of land occupied by Indians, this indicates that so far as farming is concerned we have barely scratched the surface. From my own limited

personal observation I believe the potential for development is there. Having visited reserves, I know there are a number of people who are trying to get going and who have the will to move forward. Under these amendments, if there is co-operation between the two departments concerned, without too much bureaucracy, we may achieve a breakthrough so far as the Canadian government and the Indian people are concerned.

When people on reserves start using credit, essentially they are in the same position as any other Canadian farmers using credit. Their operation must be a viable one. The relationship between their prices and costs has to be such that the operation will pay its way, that a living can be made, that the interest can be paid and the capital retired. This is the area we need to be most concerned about, because with farming in its present state the margin of return and income is so low that if large amounts of capital are injected the operation simply will not carry the load.

With the agricultural task force proposing that 30 per cent of our land be taken out of wheat production, it is a pretty tough outlook for those who are going to borrow money to get into farming. This is the situation with which we are faced, but I do not take as grim a view of it as the James Richardson and Sons newsletter of March 27 which said:

A meeting of the major exporting countries will be held in Washington early next month to consider recent developments and discuss possible revisions in the agreement—

That is the International Grains Agreement.

—which, in our opinion, is as dead as yesterday's newspaper, but hope springs eternal and we would be the first to applaud any constructive suggestions.

I do not think we as Canadians should accept that the I.G.A. is as dead as yesterday's newspaper. We have every right to expect that those who co-signed it along with us give it the full support it deserves. We have every right to expect that the United States government, which was the nation in particular that wanted us to enter into the GATT negotiations, would give full support to the I.G.A. But these are the circumstances under which we are operating. These are the circumstances under which the Farm Credit Corporation will be lending funds through the Farm Syndicates Act and other statutes.

We are faced with a possible switch in agricultural production, and in this area we need to be particularly attentive with respect to the Farm Syndicates Act. We should be