

to a most important portfolio. I saluted him when this bill was presented, because it seems to me that, in a way, legality is catching up with actuality and reality and there is much, in fact, to do in this particular area of our national concern.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): That is certainly Jacobian.

Senator Macquarrie: My biblical interpreter here is identifying the tone of my remarks.

Senator Murray: Perhaps we should hear a few words of Esau.

Senator Macquarrie: The fact of the matter is that we had a request for an investigation into allegations of mismanagement of settlement funds by the Inuvialuit Regional Corporation and Canada's legal and moral obligations with respect to Canadian reindeer. Those are the two matters with which I will deal.

Yesterday I summoned the most up-to-date information and I received it not long ago. First of all, allegations of mismanagement of settlement funds by the Inuvialuit Regional Corporation have been raised from time to time as the agreement has been implemented. The government has given very serious consideration to these concerns, all the while keeping the intent and significance of this landmark agreement in mind.

● (1410)

One of the main objectives of the Inuvialuit Final Agreement was to give the Inuvialuit the right to manage their own affairs and a practical framework in which to get on with the job. That meant setting aside the paternalistic regime which had for too long ruled the relationship between the aboriginal people and the government.

Under the settlement, the government agreed to provide financial compensation to the Inuvialuit as part of the benefits package which was negotiated in exchange for the release of their claim to certain lands and rights. The agreement also made provisions for privately owned corporate structures to manage these funds for the beneficiaries—the Inuvialuit people themselves.

The IRC was established as the umbrella organization—the owner and controller of development, investment and land corporations for all Inuvialuit. The IRC and other corporations that were set up under the agreement are private corporations. Therefore, the government has no more authority over their affairs than it has over the affairs of any non-native private corporation. I think, honourable senators, we can all imagine the uproar that would greet any government intrusion in the latter case and wonder why native-owned corporations should be treated with any less respect.

The Inuvialuit investment strategy appears to be one of building a strong economic base through long-term investments in the renewable and non-renewable resource sectors. The people now own interests in Aklak Air, Northern Transportation Company Limited, various food services, tourism

[Senator Macquarrie.]

outlets, such as Guided Arctic Expeditions, and oil and gas investments.

The board and councillors of the IRC have also made other investments less directly related to the western Arctic, presumably in the interests of building a broadly-based portfolio for their owners. Such decisions are, quite properly, theirs to make. The value of those investments is also theirs to assess. The government has no grounds on which to question the decisions of the duly chosen officers of a private corporation.

The IRC is concerned about misunderstandings of its activities by the people it serves and about the possibility that it does not have the information it needs to clear up such misunderstandings. The corporation has already addressed that problem—a terrible expression!—by conducting an audit of its operation in order to improve communications with its members. Thus, honourable senators, in keeping with the constructive spirit of the final agreement, the representatives of the Inuvialuit are dealing independently with the concerns of their people.

Honourable senators, the second issue relates to Canadian Reindeer Limited. This matter was dealt with at some length by the minister, Mr. McKnight, during the second reading of the bill in the other place. I will simply summarize the main points here.

The dispute between the IRC and Canadian Reindeer Limited—a successful private company owned by an Inuvialuit, Mr. William Nasogaluak, who bought its assets from the Government of Canada in 1978—began in 1984. At that time half the grazing reserve that previously supported the herd was transferred to the Inuvialuit as part of the Inuvialuit Final Agreement. Mr. Nasogaluak, as a private Inuvialuit businessman, and the IRC, as a private corporation owned by all Inuvialuit, have since been unable to reach agreement on the use of these grazing lands by the herds.

The Justice Department advises that this is a dispute between two private parties and that Canada has no legal responsibility to settle the matter. Nevertheless, the government has put considerable effort into attempts to bring the two parties together over the past four years. The Government of Canada would like to see this unique Canadian enterprise preserved and has offered to set up binding, independent arbitration of the dispute. That offer has been refused.

Court actions have now been initiated and the government cannot impose a solution unless both parties agree to such government involvement. The government can, however, give meaningful support to the essential objective and the honourable intent of the Inuvialuit Final Agreement. The commemorative scroll presented in celebration of the settlement expressed confidence that the Inuvialuit Final Agreement will lead to a challenging future built on the traditions of the past. That is a significant challenge, honourable senators, and it is up to us to do what we can to support the Inuvialuit in every appropriate way as they grow to meet it.

After the useful discussions on Bill C-102 in this chamber, I urge the adoption of this bill at its final stage.