

The minister may, with the approval of the band concerned, enter into a special agreement with any person for a reduction, increase, or a variation in the basis of calculation of royalties payable under subsection (1).

The addition of the words "increase, or a variation in the basis of calculation of royalties payable under subsection (1)" emphasized the fact that the minister must have the approval of the band affected in all matters concerning the establishment of royalty structures. We feel it is essential that the Indian bands be consulted on every aspect of royalty rates, not just on the reduction of the same. Indeed, in the broader context, we think this context is fine, and we feel it is vital that Indian bands be consulted on all decision-making matters that affect them.

The addition of subclause 2 to clause 6 constitutes the third amendment to the bill. This addition again serves to ensure that the producing bands concerned be consulted, not only regarding establishment of the royalty structure and changes therein but for the purpose of the administration of this law.

The final amendment is the renumbering of clause 7 of the original bill as clause 8 of the amended version, and the inclusion of a new clause 7 which reads as follows:

Notwithstanding anything herein contained, nothing in this Act shall be deemed to abrogate the rights of Indian people or preclude them from negotiating for oil and gas benefits in those areas in which land claims have not been settled.

The purpose of this clause is to ensure that the Indian or native people may negotiate for oil and gas claims in those areas of land that have not yet been settled. This serves to allay the fear of the native people that this legislation might prejudice treaty and aboriginal rights.

We are extremely pleased that our amendments have been accepted, and once again may I congratulate the minister and the committee for the excellent work that has been done, and for the committee's co-operation and understanding of these particular aspects. This bill as it now reads is quite acceptable to us, and we also believe that it serves to guarantee further the rights and claims of our producing Indian bands.

There is one area of grave concern that we still have with respect to this legislation. A change was introduced in the royalty rate structure for petroleum in Alberta in January of last year, and again in April of this year. The changes raised the royalty rate structure of the province generally above those of reserve land. The Indian Act prohibited the producing bands from raising their royalties along with the provinces. It is our hope that with this new piece of legislation they may do so, but our concern lies with the past, and is focussed on the amount that the bands would have received had the provincial royalty structures applied to their lands from January, 1973, to date.

It is true that the royalty rates for oil produced on Indian lands changed as of April 1, 1974, and it was stated by Mr. Ed Moore, supervisor of Indian minerals, Calgary, that these are now somewhat higher than those of the province. But we must still concern ourselves with the rates from January, 1973, to April, 1974—a period of some 16 months. The moneys lost in that period should be repaid to the Indian bands.

Indian Affairs

Two specific references were made to this fact in the committee meeting, and I would like to refer to those, if I may. I would like to quote from page 18 of the proceedings of the Standing Committee on Indian Affairs and North-western Development held on October 29, as follows:

MR. LESAUX: However, there is provision in the bill to enable a regulation to be effected and that regulation, I trust, will reflect part of the catch-up to which you refer, Miss MacDonald.

MISS MACDONALD (KINGSTON AND THE ISLANDS): Is it the intent of the bill to make the regulations that the bill says will be within the discretion of the Governor in Council retroactive to January 1, 1973?

MR. BUCHANAN: No, it is not; though it is my understanding that there was some sort of a lump sum payment involved, a sort of catch-up provision that was included in these regulations.

My understanding is that it is effective April 1, but that there is a catch-up provision. I think there was a lump sum payment as well.

MISS MACDONALD (KINGSTON AND THE ISLANDS): Will that catch-up provision apply only between the regulations promulgated on January 28, 1974 and those of April 1, 1974, or will they be retroactive to the change in the provincial royalty structures?

MR. LESAUX: I am sorry, Miss MacDonald, I cannot give you a definite time-frame. All I can say is that this has been discussed with the major oil company concerned, has been acknowledged as being a commitment of that company, and that the sum involved is a matter of negotiation between the band and the company, with our acting as intermediary or being of assistance to the band.

MISS MACDONALD (KINGSTON AND THE ISLANDS): Can the minister or the department provide us with figures which show the number of wells on these reserves and the barrel production since the time that the royalty structures were changed in the province of Alberta?

● (1510)

MR. LESAUX: Mr. Chairman, I would like first to apprise the bands of your request; then I believe it would be quite in order to table such information.

I wish to point out at this time that the figures to which the hon. member for Kingston and the Islands (Miss MacDonald) referred, and which Mr. Lesaux stated could be tabled, have not in fact been forthcoming. It is true that the dollar figures for royalties on production of oil and gas on 20 Indian reserves were tabled, but not the barrel production figures per reserve. I know that the hon. member for Wetaskiwin (Mr. Schellenberger) has been concerned about this matter and has made numerous inquiries about these figures. I would suggest to the minister that it is most important that the figures be tabled at an early date.

Returning to the question of loss of funds experienced by the Indian bands I should like to quote again from the minutes of the committee meeting of October 29. The first question was asked by the hon. member for Moose Jaw (Mr. Neil):

MR. NEIL: Mr. Chairman, maybe this is a matter of policy and perhaps I should be asking the minister—of course he was not around at the time—but I am wondering when Alberta, for example, changed its regulations and increased its royalties, why the federal government, if they felt their regulations were defective, why did not the federal government then immediately bring in a bill of this nature? It seems to me that the Indian people, as a result of the failure of the government to move, have lost probably millions of dollars.

MR. LESAUX: I would prefer you to pose your first question to the minister.

MR. NEIL: I appreciate that.

MR. LESAUX: On your second question, I can assure you that there will not be a loss, as you describe it, of millions of dollars, that there will be catch-up provision, which I suggest has already been discussed with the major producers.