

Government Orders

At that ceremony the Prime Minister, Premier Romanow of Saskatchewan, Chief Roland Crowe and several hundred witnesses and representatives of the entitlement bands participated in the signing ceremony upon which this legislation and this agreement is based.

I should indicate that Bill C-104 encompasses a second specific agreement entered into with the Nekaneet First Nation which preceded in its negotiation the framework agreement which was signed and concluded one day after the framework signing.

Included in these agreements are undertakings by the Government of Canada and Saskatchewan to provide close to \$500 million over the next 12 years to resolve the treaty land entitlement issue.

The agreements allow First Nations to acquire land as soon as possible. The federal government has agreed to accelerate its payments to add additional amounts or value to the payments in the first two years in order to allow early purchase of lands which the entitlement bands will select.

As well the agreement provides for some \$50 million to be paid in the form of funding, a revolving fund to rural municipalities and school divisions to compensate them for the loss of tax revenue as a result of treaty land entitlement settlements. This means that when new lands are added to reserves and services are provided by the First Nations within that expanded land base there will be less requirement to draw services from local school districts or local rural municipalities for road maintenance, hospital, library, the provision of schooling and other kinds of services. As those services are withdrawn it would represent a capital cost to municipalities and school districts that is being offset by a special compensation fund contained in this agreement.

• (1105)

In order for the federal government to satisfy a number of undertakings it made in the treaty land entitlement agreements certain legislative authorities and clarifications are needed. That is the purpose of Bill C-104. I want to outline some of those authorities and clarifications today.

Over the next few years hundreds of real estate transactions are expected to occur in Saskatchewan as a direct result of these two agreements. In due course the lands purchased by entitlement bands will be transferred to the federal Crown as those parcels are purchased, to

be held in trust pending the creation of new reserves or extensions to existing reserves. The bands will have the complete freedom to select land either from existing Crown reserves or through the private purchase of lands to expand their reserves in this way.

While entitlement land is held by the Crown revenues accruing to the band as a result of leases, royalty agreements or other contracts will be collected by the federal government on behalf of each band. For example, there may be oil or gas leases, potash, uranium and other minerals being extracted, or timber rights. Any third party interests or activities which produce revenue will result in a payment of royalties or revenues that will be collected by the federal government on behalf of each band.

Bill C-104 authorizes the Government of Canada to transfer these revenues to the entitlement bands, something that is not provided for under the Indian Act as it presently exists. The earnings of these funds can be transferred through a special means set out within the Consolidated Revenue Fund so that these funds will be managed in trust by the federal government but paid to the respective bands.

Bill C-104 will authorize the federal government as well to collect and transfer to Saskatchewan mineral revenue payments for certain entitlement lands where the province has an interest in the mineral rights. The government has undertaken to do this so that bands will not have to repay mineral revenues to the province in the form of royalties in order to obtain all subsurface rights to land before it can be transferred to the Crown.

Bill C-104 will also permit a surrender to take place before entitlement lands are transferred to reserve status. Generally entitlement lands must be free and clear of all existing third party interests before they will be accepted by the government for reserve creation. However, if there are third party interests, for example small parcels owned by private parties, and if the entitlement band in each case agreed with the Minister of Indian Affairs and Northern Development that established third party interests should prevail and be protected, they could agree to protect those third party interests through a lawful surrender by the First Nation of interest in that third party right within the area of the entitlement lands. This legislation provides means of securing that surrender in a way other than that provided within the Indian Act.