

the chronological order of involvement of the Indians and the federal government; the provincial involvement, the Indian Association involvement, and interrelated developments.

First, by way of an introduction, let us look briefly at the tax itself, and then see how the Indians themselves are involved. I would like to present the general picture before examining the question in detail. During 1973 the price of oil rose rapidly, with an increase of 25 cents a barrel in May and a further increase of 40 cents in August. The price of oil thus rose to about \$3.85 a barrel. In September the Middle East oil producing countries imposed a partial export embargo, and followed this by a series of price increases affecting the international price of oil. At that time the government placed a price freeze on oil in Canada and effective October 1, 1973, initiated an oil export tax. This was intended to prevent companies exporting oil from Canada from reaping windfall profits. During the first six months, the tax rose from 40 cents to \$6.40 for each barrel of oil exported.

To understand how the Indian people became involved, it is necessary to be aware that both oil and natural gas are being produced from a number of reserves in Alberta and Saskatchewan. All revenues derived, including bonuses from the sale of exploration rights, rentals from mineral and surface rights, and royalties from production, go to the band for which the particular reserve was set aside. Somebody will ask: how much production and how much revenue? We take pride in the fact that revenues during the current fiscal year from development of oil and gas will amount to about \$80 million, most of which comes from royalties from oil and natural gas production.

I realize this will immediately raise the question of why we should be considering a claim for return of oil export tax revenues to bands which are already "wealthy", if I may use quotation marks. I intend to cover this point at greater length later. For the moment, I would raise the following points: first, not all the bands concerned are wealthy; second, we are discussing a depleting, non-renewable resource; finally, the Canadian taxpayer also reaps benefits in a number of different ways.

It is necessary to examine the oil export tax in some detail to appreciate fully the mathematics involved in the claim as presented by the Indian people. I might say that the mathematical and statistical figures put forward have been checked by our Indian minerals division, oil and gas specialists. These figures were, in turn, checked and verified by the provincial authority in Alberta since that province is also involved in the claim.

Before reading into the record the extent of the claim put forward by each of the various bands, I feel it is necessary for me to describe what is meant by the provincial and federal share of the tax. For the moment it is sufficient to say that, as a result of one or more provincial-federal conferences, it was arranged that half of the revenues received from the oil export tax during the first six months would be returned to the producing provinces in proportion to the oil production of the province. This is popularly known as the provincial share. Of the remaining half, which is known as the federal share, the

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federal government agreed to invest the tax collected during the first four months in energy-related development in the producing province, again in proportion to production. The federal government later decided that its investment in Syncrude satisfied its commitment to Alberta.

The Indian people questioned why tax on oil produced from Indian reserves was returned to the province. They further questioned whether investment in Syncrude will bring any direct benefit to the Indian people.

We are debating the return to the Indian people of the oil export tax collected from the production of oil from Indian reserves. I suppose one might take the attitude that since the federal government returned half of the revenue to the provinces, rightly or wrongly, it should be responsible to the Indian people for the total amount of the tax. Actually the Indian people have made a simultaneous claim to the province for the return of the provincial share and to the federal government for the return of the federal share. In a sense, this has been outlined by the hon. member.

Now, for the record, let me list the claims by the various reserves concerned. These figures give the calculated dollar value of the export tax on the exported portion of production from October, 1973, through March, 1974, on crude oil production:

The two columns list Indian reserves in Alberta and the tax figures which apply:

Amber River No. 211	\$ 7,319.67
Ermineskin No. 138	184.27
Hay Lake No. 209	14,275.46
Pigeon Lake No. 138A	7,190,768.45
Samson No. 137	4,632.04
Sawridge No. 150G	278,170.16
Stony Plain No. 135	1,031,457.91
Sturgeon Lake No. 154	24,593.46
Utikoomak No. 155A	72,635.60
	Total \$ 8,624,031.02

These figures relate to crude oil production. In addition, of course, there are condensate sales upon which tax is levied, as follows:

Alexander No. 134	\$ 1,340.67
Blood Timber Limit No. 148A	300,819.00
Buck Lake No. 133C	27,535.14
Pigeon Lake No. 138A	160,478.67
Sarcee No. 145	34,620.39
Sawridge No. 150G	2,660.25
Stony No. 142B	60,059.88
Stony No. 142, 143, 144	112,008.15
	Total \$ 699,523.15

The Alberta total thus becomes \$9,323,554.17. To this must be added the tax on condensate sales in Saskatchewan, White Bear No. 70, \$7,279.48, for a grand total, Alberta and Saskatchewan, of \$9,330,833.65.

These figures represent the total tax on crude oil and condensate from Indian reserves deemed to have been exported during the first six month period. In order to arrive at the calculated percentage of oil produced from reserves which was