

*Government Orders*

Fifth, section 87 of the Indian Act which provides for a tax exemption for Indians will cease to apply to all Yukon First Nations and Yukon Indian people three years after the legislation comes into force. The First Nations will have the legislative power to enact laws. Yukon self-government legislation grants law making power in four main areas. These include laws relating to internal management and the administration of certain rights and benefits received under the land claims agreement.

• (1615)

They also include laws of a local or private nature which apply on settlement lands, laws relating primarily to the provision of programs and services to First Nation citizens, and laws relating to the First Nation power to tax interest and settlement land and other methods of direct taxation of First Nation citizens on settlement land.

By agreement these taxation powers will not be exercised for at least three years unless the First Nation and government agree otherwise. The First Nation power to tax does not limit the federal government power to tax. What this means is that the First Nation as a government will negotiate with the governments of Canada and Yukon to ensure co-ordination of First Nation tax laws within the existing system.

In the long run this taxation power will enable First Nation governments to use taxation of its citizens and of use of their settlement lands as a revenue source for providing local programs and services which the First Nation governments deem necessary for its citizens.

While federal law of general application will continue to remain paramount unless inconsistent with the bill, the land claims bill, and the related agreements the law making powers granted to the First Nations will further strengthen control over their own affairs.

Each First Nation will have a constitution. These constitutions will provide for a number of things, including recognition and protection of the rights and freedoms of First Nation citizens.

The constitutions will also spell out how the validity of First Nation laws may be challenged, how financial accountability to the people will be assured, and how First Nation governing bodies will be established. These constitutions will provide the basic guarantees that the First Nations will be governed democratically and responsibly.

The First Nations shall also have law making powers with respect to the administration of justice. However, the legislation suspends this power until the year 2000 unless an agreement is reached between the Yukon and federal governments and First Nations on how the First Nation may exercise its power to make laws in relationship to the administration of justice.

All parties are legally obliged to enter negotiations toward this goal. In the meantime, First Nations will not exercise this power. I am hopeful an agreement can be reached long before the year 2000.

In the interim First Nations will have a limited power to establish penalties for violation of First Nation laws. Offences under the Yukon First Nation law will be prosecuted in Yukon courts and will be treated as an offence under the Territorial Summary Convictions Act.

The administration of justice is an area that has in the past caused much friction between aboriginal Canadians and society at large. Hopefully Yukon self-government agreements will lead to a regime in which the maximum responsibility possible will be handled by each First Nation within the framework of Canada's constitution.

The self-government agreements call for the transfer of many programs and services now being provided by the federal or territorial governments directly to the First Nations. First Nations will advise the government in each year of their priorities and plans for such transfers.

Government policy will neither be to rush this process nor to retard it but to respond promptly to the wishes of First Nations. The pace must be set by the First Nations in accordance with their perception of their capabilities, their priorities, and their aspirations.

In this regard I foresee a substantial downsizing of my department in Yukon over the next several years as all 14 First Nations implement self-government. The downsizing will be in the order of 75 per cent of the staff with the remaining 25 per cent kept in place to fulfil federal responsibilities and obligations set out in the self-government agreements.

• (1620)

Finally, the agreement and the legislation propose a new and much improved set of financial arrangements than those we have had in the past with First Nations. These will be modelled on the current and successful five-year financial transfer agreements that now exist between the federal and territorial governments.

The financial transfer agreements will be the primary funding instrument between Canada and the Yukon First Nations and will be the mechanism for flowing current levels of band funding toward the cost of operating self-government, funding for current government programs that are taken over by the First Nations and funding related to the land claim implementation.

The new financial regime will allow First Nations to engage in longer range planning with a greater degree of certainty and to establish their own priorities against a certain fiscal stability.

Since taking on this portfolio last year I have met with many Yukoners and received many more letters from all sectors of Yukon society; aboriginal leaders, business leaders, religious leaders and politicians from all parties. All are urging the speedy introduction and passage of this bill, as well as Bill C-33. I have been particularly impressed by the emerging