

*Oil Tax*

On September 8 and 9 the Hobbema Four Bands convened a meeting of all producing bands at Hobbema. A committee was formed and it was decided that all producing bands should be canvassed with a view to making a united claim and co-ordinating their points of view. A proposed band council resolution was drafted for circulation. This resolution requested return of the tax collected during the first six month period. It further requested that the rebate totals previously presented to the minister in this discussion should be used. The other major point related to the fact that the bands requested that the money be placed in their capital accounts, and agreed that all money would be used for the betterment of the band community.

I am advised that all except one band signed the resolution. The one remaining band was late in meeting the deadline set by the committee and as a result made a separate submission through their own lawyer. The figures for this band, the Soney Indian Band, are included in the totals presented here today.

During the latter part of 1973 and 1974 there were a large number of meetings involving Indian oil and gas matters. At that time, we were discussing with Indian people the establishment of a new royalty rate, new Indian oil and gas regulations and the need for an act of parliament to permit changes to royalty rates applying to existing leases. These discussions gave rise to changes to the land and gas royalty scales and to passage of the Indian Oil and Gas Act. Discussions at the various meetings invariably included the oil export tax situation.

I briefly mentioned that the Indians of Alberta, largely through the work of the Hobbema Four Bands and the Enoch Band, presented a claim to the Alberta government for a return of the "provincial share". A formal meeting was held in Edmonton in the legislative building on February 12, 1975. The figures presented to the Alberta government at that meeting are the same as quoted by me earlier today. Representing Alberta were Mr. Dickie, the minister of mines and minerals, and Mr. Adair, minister without portfolio.

The Alberta government at that time indicated in writing that they were sympathetic to the claim and that they would follow the federal lead. Informal conversations since that time would indicate that the province would probably still be agreeable to returning the money if, indeed, the federal government returned its share.

As I mentioned earlier, no representation has been made to the Saskatchewan government as a result of the small size of the claim. The band council of the only band concerned has been consulted, and the chief has attended some of the meetings wherein the tax was discussed. If rebates are received from the federal government and Alberta, we would then bring the matter to the attention of Saskatchewan, and treat the matter there the same as in the resolution for Alberta.

The Indian Association of Alberta under Mr. Cardinal, the president of the association at that time, and the producing bands did not see eye to eye in the claim, and this probably resulted in a lack of mutual support. The association president

[Mr. Milne.]

felt that half of the tax rebate should be dedicated to producing bands and half to a general economic development fund to be used for all Alberta bands. The producing bands argued that since oil and gas are depleting, non-renewable resources, the bands should make the best use of them while available. After all, other bands do not share their assets.

Mr. Joe Dion, the current president of the Indian Association of Alberta, has given his total and unqualified support for return of the tax money directly to the bands concerned. He and his legal advisers are actively working for the early settlement of the problem on the federal and provincial levels. As a matter of fact, Mr. Speaker, it was only days after the appointment of the present minister and the present parliamentary secretary that Mr. Dion came to Ottawa to meet with us and to talk about a number of concerns, the first and foremost of which was this whole question.

The present Indian affairs minister, as well as his three immediate predecessors, have all given moral support to the claim. They have all taken the view that there is no legal claim to the tax as it exists today. On the other hand, they have seen some justification for a moral claim on the basis that the tax moneys should not have been returned to the provinces. In view of the large number of reserves involved, it would be difficult to attempt to invest the federal share in energy related projects in each of the reserves to the amount of the claim by each band. The only practical solution would be to return the money.

This, finally, leaves me to deal with the contention of some people that the Indians already receive favourable tax concessions and that the tax rebate is inequitable in that it would be made to "wealthy" bands. To these people I would offer the following comments. First, we are dealing here with non-renewable resources and some of the bands concerned will have their oil and gas pools depleted in the near future. Second, when bands receive large revenues from any source, the department exercises considerable discretion in responding to requests for grants, loans, etc. Third, bands use their capital moneys, such as bonuses and royalties, for capital development on the reserve—the cost of which otherwise would be paid out of general public funds. Fourth, bands use revenue moneys such as rents for general purposes that also offset funds normally received from public funds. Fifth, when bands decide to distribute some of the capital moneys on a per capita basis, the welfare authorities apply rigid "means test" principles in welfare applications. Finally, the provinces and Canadians as a whole benefit from the infrastructure and spin-off effects of oil and gas developments on reserves.

**Mr. Deputy Speaker:** Order, please. It being six o'clock, the hour provided for the consideration of private members' business has now expired. I do now leave the Chair until eight o'clock, at which time, if I may remind hon. members, there will be consideration of the ways and means motion by the Minister of Finance (Mr. Chrétien).

At six o'clock the House took recess.