

*Indian Affairs*

MR. NEIL: You say catch-up provision. Will this be based on the rates that existed in Alberta?

MR. LESAUX: Yes, sir.

MR. NEIL: And your catch-up provision will be a case of getting moneys from the oil companies to make up the difference between the 1966 rates and the prevailing rates in Alberta when they change their regulations?

MR. LESAUX: Well, the 1966 rates, I . . .

MR. NEIL: This is the rate you have been working on.

MR. LESAUX: Yes, but if you are suggesting, Mr. Neil, that we go back to 1966 with a catch-up . . .

MR. NEIL: No, no. I am only suggesting that you go back to the date when Alberta upped its royalties.

The two references to the loss of money and a future catch-up provision indicate in a rather nebulous fashion that the Indians will receive the funds which they were unable to obtain from the time when the provincial royalty structure changed.

We fully expect the government to ensure that this commitment is honoured with regard to the royalties on petroleum. I say petroleum only, because I have some indication that the producing bands have already been compensated for the loss of natural gas royalties. However, I do request further clarification on this point, and should the compensation not have been made to this point in time, the government should make certain that the loss of money in this area will be made up in the future.

This money is extremely important to the Indian bands—I cannot over-emphasize this fact—for the general improvement of living conditions on their reserves. I might point out that a conclusion has been drawn that, because the oil companies were able to take oil from the reserves without paying the maximum royalty, they substantially increased production on Indian lands. I would like to quote again from the proceedings of the Standing Committee on Indian Affairs and Northern Development of November 5. At that time the hon. member for Wetaskiwin asked the following question:

MR. SCHELLENBERGER: This will be my last question. Because the oil companies have good legal advice and they realize the inadequacy of the legislation under the Indian Act—and I suppose this question again should go to the minister, but I wonder if you have any comments—have the oil companies increased production on Indian lands because they were able to take that oil without paying the maximum royalty, and by increasing production on these Indian lands have depleted their resources substantially in the last year?

MR. SEYMOUR: Yes, I believe that has happened because, even though we do not have the exact figures on it, the royalty has not increased substantially and yet the royalty amount, according to the minister will be increased substantially. I can only conclude that production has caused the increase.

The Minister himself in his speech on October 21 said that the Pigeon Lake Indian Reserve had oil estimated in 1969 to be good for 30 years' production at the then prevailing rate, but now, only five years later, it is thought that these reserves will decline drastically in the next three years due to increased production. The Indian people must be compensated for situations such as this—when the reserve is depleted there will be no more royalty income. They must benefit from their resources today in order to prepare for the future.

This leads me to the question of the export tax. I find it necessary to bring this up again because I wish to ascertain what has happened to the money that has been col-

[Mr. Holmes.]

lected since October of last year as export tax on oil produced on Indian lands. Can the minister indicate when a statement will be made concerning these funds? Where is the money presently? What is being done with it? How much money is owing to the producing bands? When will it be returned to them? Will they receive interest thereon?

These are fundamental questions that have been raised on numerous occasions in this House, particularly by the hon. member for Wetaskiwin. We are anxious to discover the true facts surrounding these funds. The Indian people could well use the money for building homes, buying machinery and farm equipment, and for generally raising their standard of living. The hon. member for Wetaskiwin recently gave an example of the Samson band who want to increase the size of their furniture factory and tried to borrow from the Indian Economic Development Fund. They found it impossible to do this. These people want to do something constructive, something that will improve conditions and employment for their own people, but their efforts are hampered by financial pressures, I may say financial pressures that exist unnecessarily. They had sufficient money right here in Ottawa but they cannot benefit from it at the present time. Surely this and similar situations could be quickly remedied by giving the Indian people the money that is rightfully theirs. Hopefully in his reply the minister can give us some assurance that immediate action will be taken to restore the money owing to these Indian bands.

MR. DEPUTY SPEAKER: Order, please. I notice that the minister is standing to be recognized and wishes to speak. I must draw to the attention of the House that as the minister moved the motion, although he has not said a word, it is considered that he has made a speech. And because on third reading of a bill the right of reply does not apply, because third reading is not by precedent considered as a substantive motion, as is a motion to move second reading, the only way that the minister would be able to speak at this time would be with the unanimous consent of the House.

MR. KNOWLES (Winnipeg North Centre): Mr. Speaker, it is Friday afternoon and I think we would be glad to hear from the minister.

MR. DEPUTY SPEAKER: Is it agreed that the minister be heard, by consent, at this time?

Some hon. Members: Agreed.

HON. JUDD BUCHANAN (Minister of Indian Affairs and Northern Development): Thank you, Mr. Speaker, and I wish to thank my colleagues in the House for their Friday afternoon generosity. First of all I am happy to be in a position, as was the preceding speaker, to tell the House that in my opinion also the Standing Committee has improved the bill. The amendments are of a nature which I welcome and endorse.

Some hon. Members: Hear, hear!

● (1520)

MR. BUCHANAN: Before speaking on the amendments I should like to refer to the export tax, to which the hon. member for Lambton-Kent (Mr. Holmes) referred, and