



## **Squamish Nation News Conference**

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**Speaking Remarks: Tom Flanagan**

***CHECK AGAINST DELIVERY***

Aboriginal people are the least prosperous demographic group in Canada. And yet, ironically, First Nations are potentially wealthy landlords. As Canadian cities continue their expansion, more and more reserves are finding their location makes them valuable.

There is a huge gap between the potential wealth that First Nations possess in terms of land and the actual income they receive from that land. First Nations' lands represent an enormous economic asset that could and should make a major contribution to raising their standard of living while at the same time reducing their dependence on government transfers. At the request of the Squamish Nation, I have written a report entitled *Unlocking the Value: The Squamish Nation's Land Development Plans*, which makes this very case as it applies specifically to their situation and outlines the governmental steps required to remediate it.

First Nations are handicapped by an inadequate framework of property rights. Essentially, Indian Reserves, as enclaves of federal jurisdiction within provincial boundaries, have been excluded from the regulatory regimes that enhance the value of real property. Off reserve, government makes land more valuable by creating systems of survey and title and by providing necessary infrastructure for residential and commercial use. First Nation governments, however, have had neither the jurisdiction nor the revenue to fulfill these functions.

The intent behind FNCIDA when originally passed in 2005 was clearly to create a friendly climate for on-reserve investors by allowing them to operate under the same rules under which they do business in the province at large. While still in the early stages of application, it is important for the government as it moves forward to get this right.

While these amendments introduced today fill some of the regulatory gaps currently impeding development of reserve land, as Chief Gibby Jacob said, they do not go far enough towards creating a truly level playing field for the Squamish Nation to compete in arguably the hottest real estate market in Canada.

While this legislation addresses jurisdictional issues such as the system of property rights, including the Torrens Land Title System, that enhance the value of real property, it does not allow the Squamish Nation access to the resources that would support this regulatory regime off reserve. Squamish requires a steady, reliable stream of revenue in order to service borrowing for infrastructure, to give comfort to partners and investors, and generally to engage in long-term planning.

This can be accomplished by making British Columbia's property transfer tax applicable on reserves, to generate the revenue required to fulfill new regulatory responsibilities. A harmonized tax regime would eliminate arguments about tax competition and provide the Squamish Nation with an essential stream of revenue to support an on-reserve regulatory regime.

The federal government should use its power under FNCIDA to make British Columbia land title, strata property, environmental legislation and, equally important, property transfer tax, applicable on the Squamish reserves.

The Squamish Nation has an opportunity now to capitalize on its assets and put some of its lands to work supplying residential housing in a market where demand, as measured by willingness to pay, is the highest in all of Canada. But they need a modern regulatory regime to make this happen. Allowing a First Nation to levy the PTT in a province which already has the same tax is a logical step in this progression towards giving First Nations the ability to raise governmental revenues for themselves, thereby becoming less dependent on transfers from the federal government. This will be an historic step toward the achievement of public policy goals that are widely shared by Canadians— reducing First Nations' reliance on federal transfers, improving self-determination, enhancing participation in the Canadian market economy, and facilitating prosperity through work and investment.