

If the House will bear with me I will restate the government's native people's policy, as given in the Speech from the Throne:

Expanding native opportunities and training women for new occupations will receive strong emphasis.

That was the limit in the area of native policy as laid down in the throne speech. I am sure that our native chiefs, whose people face a suicide rate which is about three times the national average, were reassured by this comprehensive new policy. They have been waiting since 1968 for the "just society", so I suppose they will be equally patient in waiting for these "expanding native opportunities" which are receiving such "strong emphasis".

I would like to suggest to the government, if it is not too presumptuous of me, some methods as to how native opportunities can be expanded. We could begin by reviewing the government's policy on trust funds set up for native bands. These trust funds have apparently been used more as a source of cheap revenue to finance government spending than to help the native people. Recently native chiefs estimated that they are losing in the order of \$10 million a year through the mismanagement of funds held in trust for them by the Government of Canada. How could this happen in a just society?

The answer is much simpler than one would expect. The Minister of Indian Affairs and Northern Development (Mr. Munro) is in a conflict of interest situation. He is the legal trustee for all native trust funds and as such, he is expected to ensure to the best of his ability that these funds are used in such a way as to maximize the benefits to the bands. On the other hand, he suffers under the mantle of a minister of the Crown and as such it is his first duty to act in the best interests of the Government of Canada. He fulfils his mandate as a minister of the Crown by depositing the trust fund moneys into the Consolidated Revenue Fund. The money in the Consolidated Revenue Fund is then used to finance the deficit which has made this government a legend in its own time.

Unfortunately, the Indian bands do not get a fair return on their trust funds. At the recent all-chiefs conference held in Ottawa the minister made a commitment to undertake a comparison between the interest rates paid by chartered banks and the government rate paid on the trust funds. This the minister promised to do within two months of the time the conference was held. That deadline has now passed by some three weeks. Pending the tabling of this now overdue report we are left to depend upon the statements of departmental officials. At a recent meeting of the Standing Committee on Indian Affairs and Northern Development we were informed that the government rate was "significantly lower than the rate of interest you would get from commercial banks". Two days later the same committee was told that the two rates were competitive in the long term. I would tend to put my faith in the former statement because, in the words of John Maynard Keynes, "in the long term we are all dead".

However, there is an additional aspect to the conflict of interest situation I have described. The hon. member for Cowichan-Malahat-The Islands (Mr. Manly) pointed out last

#### *The Address—Mr. Greenaway*

Tuesday night that the audit of the government's handling of these funds unanimously ordered by this House last November has not been forthcoming. As the hon. member indicated, we have been told that difficulties exist.

The difficulties are twofold. First, the government, the trustee, has lost documents relating to the trust funds. These documents have apparently been devoured by the Public Archives of Canada, never to be regurgitated again. This has left a gap in the trust fund records. I find this action on behalf of a trustee to be irresponsible at best. Imagine, if you will, that you have set up a trust fund with your lawyer, Mr. Speaker. This trust fund would be for the purpose of ensuring the financial security of your children. In ten years you ask your lawyer for a status report on the fund and your lawyer replies: "I am sorry, but I cannot do that; I filed your financial records and in the interim they were lost". Your first action would be to fire the lawyer, your second action would be to sue him for his gross incompetence, and you would probably wish to have him disbarred as well to ensure that he never did it again.

• (1430)

The Indian bands, unfortunately, do not have this recourse. They cannot fire the minister as a trustee. Their position is similar to that of a minor in this respect. They cannot sue the government, and they cannot depose the government for its incompetence.

The second facet of this problem is the complexity of the accounts themselves. There are some 1,100 accounts which must be audited. Combined with the gaps in documentation, the result is an auditor's nightmare. How could a responsible trustee allow this situation to develop? The trustee's conflicting interest with his role as minister of the Crown not only allowed this to develop but might even have precipitated its development. If we are to return to that nirvana, the just society, then the government must eliminate this conflict of interest. This would go far toward expanding native opportunities.

I would now like to open a specific area where there is considerable scope for the expansion of native opportunities in British Columbia. In British Columbia in the early part of this century a provincial commission was set up to "review conditions of Indian affairs in British Columbia". This body, known as the McKenna-McBride commission, was essentially established to modify the size of British Columbia Indian reserves, in full consultation with the Indian people. This was agreed to by the federal government because of the conflict over the size and legal ownership of reservations which had existed with the province for over 40 years.

Even in these early times a conflict of interest existed with the department of Indian affairs and its role as trustee. Here was the federal government agreeing in many instances to reduce the size of its trust. However, the federal government did include the proviso that, and I quote: