

Government Orders

I would respond in that way and indicate to the hon. member that when specific matters arise in the province of Saskatchewan or elsewhere which I can deal with, and which are often brought to my attention, I try to move forward as quickly as I can.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 3 agreed to.

On clause 4—*Account to be established*

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development) moved:

That clause 4 of Bill C-104 be amended by striking out lines 4 to 14 on page 3 and substituting the following:

"(a) credited to the Treaty Land Entitlement (Saskatchewan) Fund the balance remaining of all amounts that were paid into the Consolidated Revenue Fund, prior to the coming into force of this act, as contributions by Her Majesty in right of Saskatchewan pursuant to section 3.07 of the Framework Agreement, together with any interest credited to those amounts by Her Majesty in right of Canada pursuant to subsection 3.07(c) of that agreement;

(b) paid into the Consolidated Revenue Fund and credited to the Treaty Land Entitlement (Saskatchewan) Fund all amounts that are contributed, after the coming into the force of this act, by Her Majesty in right of Saskatchewan pursuant to section 3.07 of the Framework Agreement; and

(c) credited to the Treaty Land Entitle—"

He said: Madam Chair, this is a technical amendment to allow for the correct establishment of a sub-fund, the Treaty Land Entitlement Fund, within the Consolidated Revenue Fund. It is something that Treasury Board has requested and that has been discussed and agreed to by the other parties, the FSIN and the Government of Saskatchewan. It is purely technical so I trust that members will support it.

Ms. Ethel Blondin-Andrew (Western Arctic): Madam Chairman, I would not want to miss the opportunity to once again bring up the issue of treaty exemption. Maybe I can ask the minister why there was no consideration given to looking at some kind of mechanism for recognizing treaty land entitlement obligations and I quote: "moneys appropriated by Parliament pursuant to an agreement to fulfil outstanding treaty land entitlement obligations and are, therefore, deemed to be personal property of First Nations on reserve, pursuant to the

Indian Act". This would have ensured that moneys would not have been subject to taxation. Why was an appropriate additional amendment not sought in this area or this particular amendment not further fortified to give maximum economic or financial leverage to FSIN and other First Nations of Saskatchewan involved in this TLE so they could benefit from it?

• (1235)

I support the amendment but I wish we could have found a way to do that.

Mr. Siddon: I am told, Madam Chair, that the first amendment to clause 2, which the FSIN requested, which was to clearly tie this agreement to our treaty obligations, was the comfort it needed to accept the language of this agreement insofar as the handling and treatment of funds deposited to the special treaty land entitlement fund were concerned.

I indicated in an earlier response that the bill is purposely neutral on a question which has much larger implications. I stand corrected. It is not the Department of Finance but Revenue Canada which is engaged in a major national discussion which will lead to a decision about the tax treatment of trust accounts and their earnings. It was not felt necessary to pre-empt that or create a precedent for a decision in this agreement by the First Nations of Saskatchewan. They understand this is a difficult issue which will be resolved in due course.

Ms. Blondin-Andrew: Perhaps it should be considered by First Nations that Revenue Canada, with its policy move to change the *status quo* of tax exemption for First Nations, is essentially putting a stranglehold and a very limiting factor on land questions that are to be resolved in terms of what happens to the money First Nations receive in full payment from consolidated revenue. Perhaps it is more a comment than a question. Perhaps that should be in the minds of all people who go for a specific or comprehensive land claim. They should note that Revenue Canada is essentially putting a restriction on exactly what the maximization of these funds would be by not allowing for the exemption to be maintained.

Amendment agreed to.

Clause, as amended, agreed to.