

OUR LAND IS OUR FUTURE

UNION OF BRITISH COLUMBIA INDIAN CHIEFS

FOUNDING HEAD OFFICE
209 - 345 Yellowhead Highway
Kamloops, B.C. V2H 1H1
Tel: 250-828-9746
Fax: 250-828-0319



VANCOUVER OFFICE
5th Floor, 342 Water Street
Vancouver, B.C. V6B 1B6
Tel: 604-684-0231
Fax: 604-684-5726
1-800-793-9701
Email: ubcic@ubcic.bc.ca
Web: www.ubcic.bc.ca

May 12, 2010

Honourable Jim Flaherty
Minister of Finance, Canada
140 O'Connor Street
Ottawa, Ontario, K1A 0G5

Honourable Colin Hansen
Minister of Finance and Deputy Premier, B.C.
PO Box 9048, STN PROV GOVT
Victoria, BC, V8W 9E2

RE: Harmonized Sales Tax- Objection to Government Failure to Consult and Respond

Ministers,

We are writing further to our letter dated December 16, 2009, addressed to Hon. Hansen, and cc-ed to Hon. Flaherty and in response to Hon. Flaherty's letter dated January 22, 2010, regarding implementation of the proposed Harmonized Sales Tax (HST) and implications for First Nations in BC.

Once again, we demand appropriate consultation and accommodation regarding implementation of the proposed HST in British Columbia.

We strongly disagree with the stated federal position as outlined in Hon. Flaherty's letter which states that the *Indian Act* tax exemption and the tax authority provided under the FNST and FNGST do not constitute Aboriginal or treaty rights.

We are extremely concerned that the HST stands to greatly increase the poverty of First Nations living in BC. The majority of First Nations live off reserve and pay full taxes, and those on reserve are forced to buy most of their goods off reserve fully taxed. Our collective poverty is of unique relevance to the proposed HST, as it is the result of historic, institutionalized injustice and seizure of our land and ability to exercise our culture and governance. Any imposition of further legislation that will increase our poverty is a direct assault on the reconciliation that both of your governments profess to desire.

The proposed HST does not contain any clauses that will legislatively ensure a "trickle down effect" of economic savings to individual consumers based on the savings that businesses will enjoy- we are not prepared to place our faith in government assurances that businesses will freely choose to lower their costs to consumers based on their own savings. Therefore, while consumers face increased costs, businesses will benefit greatly from increased savings.

The BC Liberals' "we know what's best for you" attitude regarding Bill 9 recently debated in the provincial legislature, is condescending, and fails to listen to constituents. The grandiose provincial agenda being forced on residents includes Olympic games which cost taxpayers more than half a billion dollars; Campbell's rapid approval of the controversial Site C dam; multi-million dollar casino projects and retractable roofs; and now, stubbornly pushing through the HST despite 82% of the province's opposition.

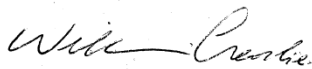
Hon. Hansen, you publicly stated that responses to unanswered letters from First Nations are "in the works-" accordingly, we look forward to a much-delayed response to our letter from December 16, 2009.

Again, given the urgency of this issue, we expect a timely reply and look forward to meeting with you.

On behalf of the UNION OF BC INDIAN CHIEFS,



Grand Chief Stewart Phillip
President



Chief William Charlie
Vice-President



Chief Robert Chamberlin
Secretary-Treasurer

CC: Hon. Gordon Campbell, Premier B.C.
Hon. Stephen Harper, Prime Minister, Canada
Carole James, leader of NDP
Doug Donaldson, MLA
Bob Simpson, MLA
National Chief Shawn Atleo Assembly of First Nations
Regional Chief Raybould, BC Assembly of First Nations
First Nations Summit Task Group