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# **Standing Committee on Aboriginal Affairs and Northern Development**

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**Chair**

**Ms. Nancy Karetak-Lindell**

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## Standing Committee on Aboriginal Affairs and Northern Development

Thursday, October 28, 2004

• (0905)

[English]

**The Chair (Ms. Nancy Karetak-Lindell (Nunavut, Lib.)):** Good morning. I'd like to start this meeting so we can get as much time as we can.

I'd like to call to order our meeting number four on Thursday, October 28, pursuant to Standing Order 81(4), to work on the main estimates for 2004 and 2005, votes 1, 5, 10, 15, L20, L25, and 30 under Indian Affairs and Northern Development, referred to the committee on Friday, October 8, 2004.

Appearing before us is the Honourable Andy Scott, Minister of Indian Affairs and Northern Development. He has with him witnesses from the Department of Indian Affairs and Northern Development.

We can begin consideration of vote 1.

Minister, if you like, you may address the committee, please.

**Hon. Andy Scott (Minister of Indian Affairs and Northern Development):** Thank you very much, Madam Chair. To all members of the committee, it's a pleasure to be here as you begin the review of the main estimates for Indian and Northern Affairs Canada.

Let me say it's a real honour and admittedly a tremendous challenge to be entrusted with this important portfolio. But I will say that I do look forward to working with members of the standing committee on a busy and productive agenda.

As those who've been around for a while will know, I've spent a lot of time in these rooms and have seen an awful lot of very important work done. I hope to bring that same sentiment to this work. As I've mentioned to the New Democratic representative on the committee, please have me here as often as you think is appropriate, because I really do think that this is where a lot of the work needs to be done.

[Translation]

Before I begin, I'd like to introduce my deputy, Mr. Michael Horgan—he hasn't arrived yet, but I'm told he's on his way—and Ms. Caroline Davis, both of whom are from the Department of Indian and Northern Affairs.

[English]

At INAC, our actions and attitude will reflect the leadership shown by the Prime Minister in strengthening the relationship with first nations, Inuit, Métis and northerners. This April's Canada-

aboriginal peoples round table marked the beginning of a renewed dialogue.

[Translation]

At this historic meeting, more than 80 aboriginal leaders from across Canada met with the Prime Minister and federal Cabinet ministers—with some forty parliamentarians in all—and agreed to work together to improve the lives of Canada's aboriginal peoples.

[English]

In my previous capacity I was proud to participate in the round table with my cabinet colleagues to help forge that new relationship, and now I feel honoured to be entrusted with this particular aspect of it.

This new partnership is geared toward making real and immediate impacts as we work toward long-term change. We're focusing investments in key priority areas that include economic development, education, health, and housing. The most important challenge we face is closing the gap in life opportunities that exists between first nations, Inuit, Métis, northerners, and other Canadians. We recognize that progress in many areas has been too slow. We're committed to working with our partners to find the tools that will allow us to reach our highest goals and overcome the toughest challenges. We're equally committed to ensuring that our investments yield results. We know that all the problems won't be overcome right away, but we're determined to begin making progress right away.

Much progress has been made in closing the gap in the quality of life between aboriginal peoples and other Canadians in the last 20 years. We make progress when we invest in the right areas. Our research tools, developed by the department and based on census data, measure the well-being of first nations communities and individuals. Most notably, a new tool called the community well-being index promises to assist us in new ways of helping first nations communities improve life in a number of areas, based on four key indicators.

These tools show us that we can make a direct link between investment and progress. They show us that improvements in areas like education work to narrow the gap in quality of life, and they show us that the gap between first nations and other Canadians is closing. Obviously that's good news, but much more needs to be done. First nations have been unable to catch up with other Canadians since the mid 1990s. The gap in well-being has remained too wide. It has narrowed a little, but not enough. We need to get things moving again to deal with that gap.

Our actions must make a difference for the current generation of aboriginal people, children, and families. As in everything we do, our emphasis will be on enabling first nations and northern communities to put in practice their best ideas to tackle the priorities that they themselves have identified.

I'd like to take a moment to provide an example of how we're applying our results-based approach to one of our most important and most challenging priorities, first nations education. Our goal is to ensure that a child in a first nations classroom receives the same quality of education as other Canadian children. It's an issue of fairness—and I welcome Mr. Horgan, who I introduced earlier—and it's essential to our nation's future success. We know we're not always meeting that standard. We need to do a better job of establishing clear accountability and transparency in our programs, and we need to ensure that our infrastructure and tools are up to that challenge. The future of a generation of first nations children depends on it.

Some of the actions we're taking in education include helping first nations schools recruit and retain high-quality teaching staff; supporting programs that aim to increase parental and community involvement in education; making significant investments to ensure first nations educators can provide special education students with the attention they need and deserve; and enhancing capacity, decision-making, and control of education by supporting the development of new and existing regional first nations education systems. We know we're making significant progress on many fronts, but at the same time we're aware there's much left to do.

Today aboriginal Canadians are establishing new business ventures at a rate ten times that of non-aboriginals. Since 1996, the number of aboriginal entrepreneurs has increased by over 30%. Today there are more than 20,000 registered aboriginal businesses across Canada. This is the kind of progress that is changing lives, benefiting all Canadians, and serving as models of success.

To maintain this positive momentum and ensure that all first nations share in this success, INAC is assisting communities to strengthen infrastructure like roads, sewage systems, and adequate housing. These are assets that most communities in Canada take for granted. Housing in particular is an area where we will strive for immediate progress. A safe and secure home is the foundation for strong families, and strong families where children succeed in school and parents find hope are the foundation for community success.

● (0910)

To achieve these results, we will implement joint INAC-CMHC housing action plans. We will promote innovative alternatives to finance and manage community physical infrastructure in first nations communities. We're committed to moving beyond simply managing activity. We're managing for real, measurable, sustainable results and the best possible return on investment. As well, we will provide the information to stakeholders, to Parliament, and to Canadians so that the people we serve can see our progress.

In this year's report on plans and priorities, INAC's activities for the first time have been grouped into five strategic outcomes. We will be managing our results according to these five: the government, the people, the land, the economy, and the operations. In your view of this document, I would ask you to consider the priorities we've

identified. As we work together in this Parliament, I look forward to receiving your views on whether we have it right, or if this committee thinks we should adjust those priorities.

I don't think anyone would disagree with me when I say that the status quo is no longer acceptable. We must dedicate ourselves to achieving positive, lasting, meaningful change. We must get better results from the money in our next budget.

Shortly after being sworn in as Minister of Indian and Northern Affairs, I went to the Assembly of First Nations annual general assembly and met with aboriginal leaders. I made a commitment to work in good faith with them and with other partners in the shared goal of realizing positive and lasting change in the lives of first nations people across Canada.

Before closing, I want to make the same commitment today to the members of this standing committee. I've been a few months in my portfolio, and I want to add that I've seen that same commitment within the public servants at INAC. Our government's focus on results is tapping their creativity and innovation. Our commitment to forging partnerships is made stronger by their drive for transparency and accountability. Their sincere dedication to excellence in public service is contributing to a sustained movement toward an improved quality of life and greater self-reliance for first nations, Inuit, and northerners.

I know that we can rely on the members of this committee for your careful assessment and your passionate advocacy of those issues that you believe are important. I look forward to working with you in that spirit as we move forward.

On a personal note, as I said earlier, I've spent a great deal of time in these committee rooms on a variety of different committees. I do think that one of the benefits of this new Parliament and its mathematical configuration is that we actually can get down to work and deal with the problems that face the country. We all have certain political responsibilities, and that's understood, but at the same time, I think everyone here is determined to do good things for Canadians. I don't think any Canadians need more good work done than those who are represented by this department.

With that, I welcome your questions and comments. It's a genuine pleasure to be here.

● (0915)

**The Chair:** Thank you very much, Minister.

I want to acknowledge some of our guests. I see some people from Northwest Territories here. I welcome them to our committee meeting.

I would just remind everyone that our first round will be nine minutes for the official opposition and seven minutes for the other parties thereafter. Our second round will be five minutes each, going back and forth between opposition and government. I'm going to try very hard to stick to the schedule so that we can get as many questions in as we can.

Mr. Prentice, you have nine minutes.

**Mr. Jim Prentice (Calgary Centre-North, CPC):** As I understand the process, Madam Chair, that would be nine minutes to proceed to ask the minister questions.

**The Chair:** That includes the answers of the minister.

**Mr. Jim Prentice:** Right.

Minister, thank you for joining us today. We appreciate your time.

The document I have in hand here is extracted from the main estimates document, correct?

**Hon. Andy Scott:** I'd have to see it, but I assume so.

**Mr. Jim Prentice:** It's the one that I think was handed around.

I'm looking at page 15-2 of the main estimates. Perhaps you could help us understand, as we start the day here, the overall scope of the budgetary expenditures. As I understand it, the department's budget is essentially the \$5.760 billion together with some smaller amounts that are added to that as loans, leaving aside the Canadian Polar Commission. Is that right?

**Hon. Andy Scott:** As it's presented here, yes.

**Mr. Jim Prentice:** Following that through, on the next page we have transfer payments that total \$1.041 billion. Is that right?

**Hon. Andy Scott:** I think we may be looking at different documents. I apologize.

**Mr. Jim Prentice:** I'm on pages 15-4 and 15-5 at this point.

**Hon. Andy Scott:** Okay.

Yes, that's correct.

**Mr. Jim Prentice:** Perhaps we could first deal with the grants, which total \$1.041 billion. Could you explain to us why in some cases these are denoted as payments to, and in other cases they are denoted as grants? What's the difference?

**Hon. Andy Scott:** I'm going to refer to the department here on the accounting aspects of this.

**Ms. Caroline Davis (Assistant Deputy Minister, Corporate Services, Department of Indian Affairs and Northern Development):** The grants to aboriginal organizations, for instance, listed in the fourth figure down in that table, are grants to aboriginal organizations that receive claim settlement payments, so pursuant to land claim agreements. They are statutory because they are reflected in legislation that was passed by the House when the claims were approved.

The ones that are payments would be more related to different and specific things that are agreed to between the government and the first nation that's receiving the funding. It's really a technicality in the way the money would flow.

• (0920)

**Mr. Jim Prentice:** All right. I appreciate that.

Some of the smaller sums there...and they're still large. We're all wrestling with the extra zeroes here. Some of the smaller ones denote the specific first nations that are involved, but there are some large sums. For example, under grants to Indian bands to settle specific claims, it's about \$341 million; under grants to beneficiaries under comprehensive land claims, it's \$140 million; and under grants to aboriginal organizations designated to receive claim settlements pursuant to comprehensive land claim settlement acts, it's \$148 million. That's the bulk of the expenditures there.

Could we be provided with a list of who the beneficiaries are under each of those expenditures so that we have the specific amounts?

**Ms. Caroline Davis:** We could get that for you, yes.

**Mr. Jim Prentice:** And do I understand that in the case of grants to Indian bands to settle specific claims, specific claims have been settled, and these are now the payments being made pursuant to the settlements?

**Ms. Caroline Davis:** It would be a mix of them. These estimates were put together just about a year ago now. Then they go through the process of approval. So some of the information reflects our best estimates at the time of what would happen. Sometimes we're right, but sometimes things do not happen as quickly as we had hoped.

For instance, on specific claims, I know that on some of those we have not managed to reach an agreement. We would be trying to reflect some of that money in subsequent estimates. None of these amounts are paid until there is a signed agreement that's finalized between the government and the beneficiary.

**Mr. Jim Prentice:** Okay, I appreciate that. Perhaps you could provide the committee with the specifics on those three larger sums that I've identified.

Similarly, on the following page, 15-5, the grants to Indian bands, their district councils, and Inuit settlements to support their administration are listed as \$202 million. Again, perhaps the committee could be provided with the specifics of who those payments are being made to.

**Ms. Caroline Davis:** Yes. That will be a very long list. It's essentially all the bands that are supported.

**Mr. Jim Prentice:** Okay. I'm slowly becoming accustomed to long lists here. If you could provide that, I'd appreciate it.

I have a follow-up question with relation to the settlement of specific claims. What is the department's budget for this year for the settlement of specific claims? I'm not interested in what has been committed from prior years, settlements reached and commitments made. I'm interested in the budget the department has for this year to settle specific claims.

**Hon. Andy Scott:** Caroline will give the specific answer, but I'd just make the point for everybody's benefit that this is not an exact science. Ultimately, we are responsible, and to be called upon, to give our best estimate as to what the outcome of negotiations may be. That's what this reflects. The point that Caroline is making is the fact that the process that puts us here today would have commenced a year ago. Consequently, we now know things that we didn't know then. I would just make that point.

Go ahead.

**Ms. Caroline Davis:** What I'm trying to get at is, sometimes the claims are settled and there is a two- or three-year payout period. I guess what you're trying to find out is specifically about claims we're settling or reaching agreement on this year.

**Mr. Jim Prentice:** I know from past experience that when it comes time to settle specific claims, one of the considerations claimant first nations run into is that the department doesn't have the money because they've expended all the money in the budget for that year, and sometimes for the next year, that's available for a specific claim. What I'd like to know is what exactly is the sum that's available for this fiscal year.

• (0925)

**Hon. Andy Scott:** What is the amount?

**Ms. Caroline Davis:** Off the top, I hesitate to give a figure.

**Mr. Jim Prentice:** If we could be provided with that, I would appreciate it.

Carrying on to page 15-5, we then have a separate category of contributions, as opposed to grants. Would you be good enough to explain what the contributions are and why they're broken out in that sense?

**Hon. Andy Scott:** Again I'm going to refer to Caroline, because it's sort of an accounting function.

Caroline.

**Ms. Caroline Davis:** The basic difference between grants and contributions is that grants are payments that are made unconditionally: once the government establishes that the recipient is entitled to receive the grant, the cash flows.

With contributions, there is the determination of whether they are eligible or not, and once the cash payment is made there are certain terms and conditions the recipient must follow. In some cases they are required to report back to the government on the way the expenditures were actually made by them. In other cases they would be required to reconfirm the eligibility.

The main ones you see in the first part of the chart on page 15-5 under contributions are related to claims. They go down to the one that talks about "Contributions to First Nations in the B.C. treaty process". The ones at the lower end of the chart are more to do with the traditional Indian Act operations and the way we fund first nations to conduct their own business.

On the next page you would see, for instance, that some of the bigger ones are related to the social programs we have: economic development, education, and so on.

**Mr. Jim Prentice:** I have five seconds left. Could you explain to us, maybe through one of the other questioners, just where we would find the accounting of all the funds the Government of Canada holds for first nations—first nations' own funds that are held? Where is the accounting? I don't see that in these estimates. Where would I find it?

**Ms. Caroline Davis:** It's in the Public Accounts. The moneys that are held by the government on behalf of first nations—Indian moneys, they're called—would be in the Public Accounts. The revenue and expenditures first nations manage themselves from their own sources would not flow through these estimates.

**The Chair:** Thank you very much.

Mr. Cleary, you have seven minutes for your intervention.

[Translation]

**Mr. Bernard Cleary (Louis-Saint-Laurent, BQ):** Madam Chair, Minister, I want to start by saying that of all the budget-related topics broached, I'm most interested in learning how the government is spending its money. Basically, there is no reason for us to believe that the budget is set to double, or even to increase substantially. However, we can try to find ways of using these budget funds to maximize results. The more optimum uses we find for these funds, the more benefits aboriginals stand to reap from the process.

As everyone knows, some issues that I would now like to touch on are extremely important. With respect to housing, it's a fact that there is a housing shortage on reserves. The number of families living under the same roof is totally unacceptable. This situation is responsible for the vast majority of social problems noted on our reserves.

Health Canada has responsibility for health issues. Reserves are plagued by a range of problems such as drug use which are slowly destroying our children. To my mind, the department isn't doing anything to rectify the problem, aside from holding seminars. Communities have already discussed these matters enough. The words never translate into actions.

I had the opportunity to visit the attikamek community of Manawan. No doubt you're familiar with it. The young members of this community actually signed a suicide pact. Young persons on reserves start sniffing gasoline to get high at ten years of age. The situation has become very grave indeed. If a major is not made to correct this problem—and the trustee has a duty to act—, we stand to lose a generation of young people. Education is another problem area. Earlier, you emphasized the importance of providing aboriginal youth with a comparable quality education. You are quite right in that regard.

I've also talked to many young people during my visits to these communities. From my perspective, the problems they experience, particularly after high school, are primarily due to the fact that they don't have a very good command of the language, be it English, or, in Quebec, French, which means that they don't understand very well what is going on. The majority of cases of young persons dropping out are linked to this phenomenon. A tremendous effort it therefore needed to resolve this problem.

As my time is running out, I'll leave you to answer my questions. I'm especially interested in hearing how budget funds are allocated.

• (0930)

[English]

**Hon. Andy Scott:** Thank you very much.

I wrote down in my notes here “more money well spent”. I think sometimes demonstrating the money is well spent is critical to being able to access more money.

On that note, we've been working very hard within the department to establish some ways to measure progress generally. I'm speaking generally; it's a general question first.

We took the human development index. It demonstrated that using the human development index from 1981 until now... I wouldn't want to celebrate the amount of change, but the reality is it's headed in the right direction; there has been an improvement.

I would like to come before the committee on that specific piece, if you're interested, to talk about it, because I think you're right: one of the things we need to do is convince the broader community, ourselves, and so on that we're making a difference with these expenditures, as a part of moving forward.

The problem with the HDI is that it doesn't necessarily pick up the smallest communities, so we also established a community wellness measure that would pick up small communities.

All of this is to say that we've identified that education makes the A, that the gap between the rest of Canada and first nations is shrinking, although not enough; however, the community wellness measure has shown us that within first nations themselves the gap is getting wider. So we've seen some improvement that's causing there to be a general improvement, but we now have another more micro-challenge inside it.

In housing we have shortages. We can quantify them. We need to deal with that. I'm anxious to do it with my colleague, the minister for CMHC. It happens that before having this job I had that job. Consequently, after the round table in April I had begun the process, while there, to come up with some strategies to deal with this. They will involve more resources. They will involve, let's say, more creativity in financing, using models that already exist in many first nations. It's not as if we're breaking entirely new ground; it's just that they're not available across the country.

On health, I agree completely. The round table identified health as a priority. The meetings had begun in preparation for sectoral meetings on the question of health. That had the unexpected benefit of the contribution that was made by the five national organizations at the first ministers' meeting on health, which resulted in \$700 million. It was agreed at that time that \$700 million of new money would be available for health through the Minister of Health: \$400 million for just the issues you mentioned—preventative initiatives on diabetes; drug interdiction; and suicide was mentioned. Those were the various health-related issues that were designed to be dealt with by that fund. There was \$200 million to integrate the systems better, because obviously in many cases first nations have to work with provincial health systems. Then \$100 million was set aside to attract more first nations students to health sciences. They're increasing the amount of enrolment, but it's not heading in the direction of health sciences—doctors and nurses and so on.

On the question of drugs specifically, I'm meeting with a number of experts in that area. I feel very strongly about this. I have two first nations in my own constituency. It's an interest that predates my getting this job. It's an important issue. We're going to have to make sure we have informed responses, and I've taken that on myself.

On the question of education, there are two particular challenges. One is to put systems in place. We have a number of independent schools. We don't necessarily have the same level of organization around those schools as would exist outside of first nations. I think that gets in the way of such things as professional development and sharing best practices and having an integrated, seamless process throughout the entire education system.

We also have made a significant investment in special needs. I think you would know that's a particular challenge. First nations will say we need to invest more money—and I'd say the general school system needs to, and we're back on disability. My sense is that's a huge challenge to the entire school system in Canada, and particularly to first nations.

• (0935)

On the question of retention—I think you mentioned keeping kids in school—I agree with you that it is a priority, and one I would acknowledge and one we have to attend to.

**The Chair:** Thank you very much.

Let us try, if we can, very hard to keep within the time limits. I was a little lenient.

Mr. Martin, it's your turn for seven minutes.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Thank you, Madam Chair, and thank you, Minister, for being here.

Minister, I don't envy you being the Minister of Indian Affairs and Northern Development, frankly. I used to think you had the toughest job in Canada, except I now realize the toughest job in Canada is being a chief or a councillor in a first nations community trying to meet the basic needs of their people with woefully inadequate funding. That, I think, is the toughest thing: trying to rob Peter to pay Paul every day just to meet the basic needs of your people.

We expect you, with the fiduciary obligation to look after the best interests of first nations people, to be the champion of first nations people, especially around your cabinet table; to be the champion who goes in and aggressively fights for more resources, so that we can clean up some of this social tragedy that exists in first nations communities.

I'm surprised you'd come to us today and ask us to approve estimates that contain a 6% cut. In fact, virtually every budget line in your proposal is a cutback except for your own departmental operations and management administration.

I'll go further, and then I'll give you a chance to answer. Not only is it a 6% cut across the board—\$322.4 million—but you're failing to take into consideration the fact that the aboriginal population is growing by 3% a year. Some 15,000 people per year are being added to the list of those who have to share this finite pie, and inflation is 1.9% a year. It's a total of an 11% cut when you factor in those two considerations.

So in the face of a \$9.1 billion surplus and of all kinds of flowery language from the Prime Minister—and from yourself in this document that says that things are going to be different and we're finally going to take the bull by the horns and deal with this international embarrassment of the social tragedy that exists among aboriginal people—you're asking us to cut the budget by 11%. It's staggering to me.

And we are not to cut the bloated administrative costs? I say this with all due respect for the civil servants involved, but that's the only budget line that's sacrosanct. It's sacred, it seems.

You made reference to education in your reaction to my colleague here. There are 15,000 new children per year. It's going to require 684 classrooms to be built per year—new construction, new bricks and mortar. Are we going to see that? Are you going to squeeze this out of a shrinking education budget?

I'm incredibly disappointed that not only are we not seeing the dawn of some new enlightened era in dealing with this most urgent social problem in Canada; I can't believe we have a champion at the cabinet table today. How aggressively did you fight at the cabinet table for an increase?

Everybody says, without question, that absolutely the military has to have \$2 billion. That's for 50,000 people. You get \$6 billion for a million people. That's like \$5,000 or \$6,000 per person to deal with all of their needs. We spend more than that per student in Manitoba for high school alone—\$7,000 per student. You have \$5,000 or \$6,000 per person for health, education, infrastructure, every aspect of their lives.

Where do you get off bringing to us a budget that's actually lower than last year? That's my question.

• (0940)

**Hon. Andy Scott:** I think a lot of the numbers that are reflected in this represent the movement of our financial contributions in this area between a number of government departments. That isn't always the explanation. If we move our economic development from our department to programs that are at Industry Canada, sometimes those changes would reflect increases there and decreases here.

But frankly, I don't want to defend what I consider to be an underresourcing for the department or for our initiatives, because I don't feel comfortable doing that. I don't disagree. I wouldn't maybe share the language so much, but I don't disagree.

**Mr. Pat Martin:** You do agree that you don't have enough money to meet the basic needs of aboriginal people. Do you agree with me that you don't have the dough?

**Hon. Andy Scott:** I believe we need more resources to deal with the problems, and I don't think I'm saying anything new, frankly.

**Mr. Pat Martin:** But we have the resources. We have a \$9.1 billion surplus. What happens around the cabinet table? What is the thought process that says, oh, we have \$9.1 billion. We just finished saying that the most pressing urgent need in the country is the well-being of our first nations, Inuit, and Métis people. What happened there? Where was the disconnect between the Minister of Finance, the Prime Minister, and you who have this enormous, enormous task?

**Hon. Andy Scott:** I have great plans for that surplus, quite frankly. The reality is that's a relatively new piece of information.

**Mr. Pat Martin:** No, every year for the last seven years.

**Hon. Andy Scott:** Well, you spoke specifically of a number and—

**Mr. Pat Martin:** I'm sorry. Every year for the last seven years there has been a surplus.

**Hon. Andy Scott:** Correct. So I believe that if we can make the right initiatives, speaking to the question from the previous questioner—

**Mr. Pat Martin:** No.

**Hon. Andy Scott:** No, I think it's critically important that we establish—

**Mr. Pat Martin:** But not now.

**Hon. Andy Scott:** It is now. We're sitting down right now as a result of the round tables with the community, with experts to make sure—

• (0945)

**Mr. Pat Martin:** The round tables are extra-parliamentary. I resent your round tables. I'm not invited to them. This is the House of Commons Standing Committee on Aboriginal Affairs. I don't know what you do at your round tables or how much money is being hived out of this budget to put over there, without scrutiny, without parliamentary oversight. I'd be interested in knowing that in some future line of questioning.

**Hon. Andy Scott:** No, it's all here. That's where the money...the operation of the department... A lot of it has to do with the consultative nature of our relationship with first nation organizations. If one believes in the idea that ultimately these decisions have to be taken by the communities in their own best interests, which I do and I believe you do—I shouldn't speak for you but I think that's the case—then ultimately that means we spend an enormous amount of time engaged in that kind of respectful consultation, so that we can speak to questions such as what's the best way to deal with economic development, what's the best way to deal with some education or other challenges. We do a great deal of that.

But to go back to the question of whether we use more resources, the answer is yes.

**Mr. Pat Martin:** Why didn't you cut your own administration budget line prior to cutting other budgets?

**The Chair:** Mr. Martin, you've used up your seven minutes.



**Hon. Andy Scott:** But to answer the question, the reality is a part of this has to do with the resources that are necessary to equip the community to engage with us in terms of reaching those solutions that are necessary. This is real. This isn't just talk. It is real. It means that we have to make money available to the community organizations so that they can engage in an informed way, and it also means that we have to be prepared to engage.

That's what the manifestation of the idea of self-government is—that level of engagement. So I think that would explain much of it.

**The Chair:** Thank you very much, and just a reminder that time allotted includes the question and the answer.

Mr. Smith, seven minutes.

[Translation]

**Mr. David Smith (Pontiac, Lib.):** Thank you very much, Madam Chair.

Minister, I decided to enter politics because I wanted to help the members of my community. Therefore, I'm deeply concerned about the conditions in which our aboriginal peoples live.

As you have repeatedly stated, some measures have been taken in the past, but they may not necessarily have been implemented properly. I agree with those who say that we must face reality. Facts are facts. Today, we must endeavour to find ways to do better.

As a politician, I'm greatly encouraged to see the roundtables that have been struck. One reserve in my riding is facing serious hardships and residents are lacking in all of the basic necessities. However, another reserve in my riding is faring better. Reserves all have extremely diverse needs. Mention was made of housing and education which are critically important to all communities. However, basic requirements are different for everyone.

The roundtables are composed of groups representing the communities. Clearly, public consultation is a very important process. However, as Members of Parliament, what can we do to contribute to this consultation process? We represent Parliament, and we also represent Canadians.

You're consulting with communities, and that's an excellent initiative, but we must also participate in this process. Is there some way that we could take part in these roundtables and discussions so as to gain a better understanding of the process and make it an even more positive experience, with a view to effecting real change?

[English]

**Hon. Andy Scott:** It needs to be understood that Parliament is the supreme entity in the context of this broad debate because it is Parliament, these estimates, the legislation we would pass.... But I don't think Parliament has an exclusive right to the public discourse on these subjects. There are people meeting and discussing these things, and I'm happy for that. We support it. We make money available for people to identify best practices, to exchange information. The government does it. It's a large part of what we do.

The round tables were born of a gathering that the Prime Minister chaired with 75 aboriginal organizations in Canada. I think there were 22 ministers and members of Parliament. I believe there were members of other political parties there. I can't say that for certain,

but I think there were. There should have been if there weren't. I was there. I was the minister of housing and infrastructure.

It was a very important occasion in the country. I felt, as a minister there, that we were making great progress. Certainly the communities that were there—and we're talking about 75 different organizations—were very happy with that. It did create the momentum that saw five national organizations participate in the first ministers' meeting on health. Part of the reason they were there was because the momentum was created by the round table. I think it is very important.

This isn't in any way to deny the role of members of Parliament in this discourse. In fact, as I said earlier, I'd be pleased to come here to discuss any of these issues at any time. This has been my history. This is where good work has been done, and in fact it is part of our parliamentary plan. The parliamentary secretary and I are talking about whether it would be appropriate to have the committee look at the issues that are covered by the round table. I've had that conversation with those whom we've had the opportunity to discuss future plans with already. That's a very appropriate activity.

You're the master of your own place and you'll decide what you want to do with your time. But certainly if you were to decide that you wanted to look at lifelong learning or negotiations or health as subjects that are being discussed by experts in very technical terms right now.... That happens all the time. It's received a lot of attention because of the importance of the round table in the first instance. It happens all the time that these kinds of technical discussions take place. We've just given it some focus and direction. I'd very much like to see that discussion take place here too.

•(0950)

[Translation]

**Mr. David Smith:** This process is extremely important, in my view. Once we have, as a group, identified and listened to the specific needs and concerns of aboriginals, we'll be able to work more effectively toward investing in certain areas. Your department has a fairly substantial operating budget and efficient use of budget resources is crucial for the government and for the people seated here at this table.

Therefore, is there any chance at all of reallocating existing budget funds, further to these consultations?

[English]

**Hon. Andy Scott:** That would be the intent, clearly. I don't think you're going to have a discussion in a round table on housing without identifying the fact that there's a need for additional resources directed toward housing.

I should say the resources available to the department this year—I was caught off guard by Mr. Martin's question—in fact have increased 9%. When he was talking about specific lines, I knew that some of the moneys he was referring to are moving around from department to department, but the record needs to show this. I can't leave it unsaid. I accept the fact that I do this in his absence, and I apologize, but I also recognize that the demographics suggest that what would be absolute increases don't necessarily represent increases because of how fast the communities are growing relative to the expenditures. This is a point that needs to be made. I don't want to be defensive about spending so much because I don't disagree that we need to invest more, but I can't let it go unsaid that we did have a 9% increase.

**The Chair:** Thank you, Mr. Smith.

We are going to our second round now of five minutes, between the opposition and the government.

Mr. Harrison.

**Mr. Jeremy Harrison (Desnethé—Missinippi—Churchill River, CPC):** Thank you very much, Madam Chair.

First of all, I'd like to point out that I noticed a certain disconnect between the minister's words in the opening speech and the reality on the ground. In my riding I have over 30 first nations and 108 reserves, and the minister's flowery words regarding housing and infrastructure.... I'll tell you, Minister, with all due respect, the situation on the ground in northern Saskatchewan...there are things happening that you couldn't imagine could take place in this country. It's unbelievable.

The first question I'd like to get into...and I appreciate the minister admitting that the budget of the department is underresourced. I'm looking at vote 15, and I noticed the Minister of Indian Affairs and Northern Development's salary and motor car allowance increased by \$3,000. It was \$67,000 and it went up to \$70,000, if I'm reading it correctly.

I'm wondering, with these terrible problems—and as Mr. Martin pointed out, there are line item cuts in the budget—if the minister thinks this sends the right message.

• (0955)

**Hon. Andy Scott:** Whether it's believable or not, it came as a surprise to me too.

Again, this is something that was a year ago; consequently, when I got my job I think I was already there. I think the members of Parliament receive incremental increases in their pay. I think ministers do as well. It's a broader public policy issue as to whether or not members of Parliament or ministers should get increases in pay. We've made a public policy decision to attach that to, I think, some other outside indexes, and personally I think that's the way to do this.

**Mr. Jeremy Harrison:** My understanding, Minister, is that this is an expenditure of the department itself. This isn't MPs salaries, where it goes through Parliament. This is a decision of the department.

Again, I just ask, is this the right message as we see cuts?

**Hon. Andy Scott:** It came as a surprise to me, so I'm going to have to refer to the department to find out how....

**Ms. Caroline Davis:** There is an (S) beside this amount. It reflects our calculations of the effects of previous legislation passed by the House to indicate what the allowances should be.

If you need further information on how they're calculated, we can get that to you.

**Mr. Jeremy Harrison:** I'd appreciate that.

Secondly, I'd like to go into something I hear about every day from people in my riding, and that is the issue of accountability in the management of moneys transferred to individual bands. This is an issue I'm very concerned about. I always say I don't care about accountability from chiefs and councils to bureaucrats in Ottawa. I want to see accountability from chiefs and councils to the people they are representing on the reserve.

I'm very concerned that the degree of openness and transparency that should exist does not exist, and I would like to ask the minister whether there will be any changes, whether it be to the Indian Act or new legislation, that will reflect this.

**Hon. Andy Scott:** First of all, I think we should establish that, generally speaking, the governance within over 600 first nations in Canada operates well. Part of the reason that explains the problems that have been identified by Mr. Martin about the resourcing of our department goes to the fact that when there are errors, when there are problems of accountability—and they exist, it's not a perfect system—those get lots of attention. As a result, it creates the impression that in fact the situation is much worse than it really is and it makes it difficult to make the case that we would get more money for housing, for instance.

I just make that point. In regard to your opening comments about the state of the situation in first nations in Saskatchewan, and it can be said of other places as well, a lot of that is due to the fact that there's a wrong impression that the investments we make won't help. That's why we're trying to design measurement tools to make the case that they do.

Finally, there's the question of accountability to Ottawa on behalf of the chiefs, Madam Chair. I think the member said he didn't care about that. He's breaking very new ground for his party if that's the case.

• (1000)

**The Chair:** Thank you very much, Minister, and Mr. Harrison.

Mr. Harrison, you've gone over five minutes. I've been a little lenient.

I have on the speaking list Ms. Barnes, Mr. Bellavance, Mr. Valley, and Ms. Skelton.

**Hon. Sue Barnes (London West, Lib.):** I think Mr. Valley is going before me.

**Mr. Roger Valley (Kenora, Lib.):** Thank you.

Mr. Minister, I think it's clear, especially in my riding, that in the last few months we do have the confidence of the aboriginal people and first nations. I think that's very clear from my travels in the riding and everything else.

I'd like to go back to your opening comments and use some of your words. You mentioned focusing investments in key priority areas. The one I'd like to focus on is health. In my riding we have 21 reserves in the far north that don't have access. Everything has to be flown in over the ice roads in the winter. One of the things that has been successful up there but has not been applied to a big enough degree is long distance medicine, tele-health, all those aspects. I'm wondering what your thoughts are on that.

**Hon. Andy Scott:** I think the recognition of the government's commitment in terms of health was demonstrated at the first ministers meeting where \$700 million was identified very specifically for the kinds of issues that we all know require that kind of attention. In addition, activities taking place in other departments, which perhaps fall out of the responsibility of this department in terms of connectedness and so on, make available opportunities to engage in the provision of services, health, distance education, and other kinds of activities that would be unheard of without that technology. I think we have to be creative.

The reality is that I don't know that there's ever going to be a Minister of Indian and Northern Affairs who's going to be able to appear before this committee and say, I feel well-resourced. It just isn't going to happen. Consequently, we have to make sure that in every objective we have, whether it be health, education, or simply an exchange of information about best practices and governance, we be creative and seek the support of other federal departments, which we do, because we're going to be piggybacking on some of their activities, and certainly accessing the technology to deliver services is one of those things.

**Mr. Roger Valley:** The technology is especially the concern. With the technology out there we can keep people in their communities much longer. I'm speaking specifically of some of the cameras they use nowadays. But in the end the bottom line is, is there enough money in the budget for the communities to use the connectivity you're talking about? Will we be able to place the medical professionals on the ground? Do you see all that as part of the \$700 million? Will it be resourced properly?

**Hon. Andy Scott:** For the medical professionals on the ground, if you look, there's a \$100 million piece of that \$700 million that specifically speaks to attracting more first nation students to the health sciences. The level of participation in post-secondary education isn't as high as it should be, but a more alarming or larger gap exists in terms of the choices that are being made, and in this case, the choice of health sciences isn't. Consequently, in order to get more people on the ground, it's our strategy to make sure that more first nations students are taking courses that would offer health sciences...nurses, doctors, other health professionals. Clearly it would be more likely that people who were born there would be there more than others, and that's why we would want those people to be making those choices.

**Mr. Roger Valley:** Thank you. You did mention education. We do have in our riding one of the very successful Internet high schools, which goes to the fact that if we can keep the students in their

community, they're going to do a lot better. To remove them from the community brings up a whole host of social issues.

You did mention before that we're looking at finding things in the communities that are working, best practices, opportunities that are there, so we don't have to reinvent the wheel. So I'll ask you whether you have any thoughts on how much involvement in the Internet high school has been going on, and is it something we're going to pursue?

**Hon. Andy Scott:** I think it clearly demonstrates the need to deal with education, as schools...and ways that we can improve access to the various things the Internet would give us.

But it also speaks to the need for systems. I think it may very well be that after special needs, the development of the relationships between schools to develop the kinds of systems that exist in the school systems generally may be the thing that comes as our next priority. The reality is that education now requires enormous support in terms of the sharing of information and the sharing of professional development, as I mentioned earlier. I think this may be one of the big gaps that exists within the school systems that we're responsible for.

• (1005)

**The Chair:** Thank you. Mr. Valley, you're going to win the prize for staying within the time limit.

We have Mr. Bellavance, Ms. Barnes, and then Ms. Skelton.

[Translation]

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Thank you, Madam Chair. Thank you for being here today, Minister.

There seem to be some concerns about the budget which totals nearly \$6 billion for the next fiscal year. Spending on social development programs is down by \$33 million. We're all wondering where the Minister will be making cuts.

Recently, I perused a report released by Amnesty International. A global campaign has been launched to combat violence against women and Canada's record in this area is poor, just like Kosovo, Darfour, Turkey and Rwanda. I never imagined that Canada would make this list, but as I was saying, on October 4, Amnesty International tabled a report highlighting the abuse suffered by aboriginal women. Compared to the average Canadian woman, aboriginal women are five times more likely to die a violent death. This is completely unacceptable.

I have a few questions for the minister. First of all, does he intend to respond to the heartfelt pleas of the Assembly of First Nations? As National Chief Phil Fontaine and the Co-Chair of the AFN's Native Women's Council have pointed out, resources are needed to support efforts to alleviate the isolation and poverty experienced by aboriginal women.

This is one subject that is often ignored and that's why I wanted to raise it with you today. To quote Amnesty International, do you intend to "provide adequate sustained funding to culturally appropriate services such as shelters and counselling for indigenous women and girls, needed to prevent violence against indigenous women"?

[English]

**Hon. Andy Scott:** I'm grateful for the question because it allows me to elaborate on something. I've had meetings...in fact, I've had a couple of questions in question period on the subject of the amnesty report, and there is a serious international problem having to do with, frankly, the disappearance of women. It's particularly significant within the indigenous women's community, and I think the number they used—it's not a number I received from the department but the number I saw—was 250 a year.

I've had meetings with the Native Women's Association of Canada. Their president, Terri Brown, has been very visible on this subject. I think I met her in Charlottetown at the AFN meeting when I went within two days of my appointment. This is the issue that she has made their priority. As you said, the national chief has brought it up as well. I feel very strongly about this. I'm a little constrained this morning because it really doesn't come under our department's responsibility specifically.

I think I've mentioned this to the critic from the Conservatives, and I know the question came from the Bloc, from the critic for women's issues. I have been talking to my colleague, Minister Frulla, on the subject. I know the Native Women's Association of Canada is meeting this weekend at their annual meeting in Winnipeg and it will come up again, and I do think that we as a government and as a country should take a lead on this.

[Translation]

**Mr. André Bellavance:** Minister, your department is responsible for addressing this very pressing problem. However, because other departments are also involved, the problem never gets resolved. And that is a problem in itself. Would you not agree? To whom should we turn under the circumstances? As Minister, you're supposed to be in charge of correcting this situation.

[English]

**Hon. Andy Scott:** In collaboration with the minister responsible for women's issues, I am engaged in that, as I tried to say.

On the more fundamental issue, in terms of the social condition, the life opportunities that would create the kind of displacement that is created by virtue of the social conditions, that speaks to the question of resources. It speaks to the question of making sure that when we invest in the communities, we're doing it in ways that make a difference.

That's why we're doing the necessary research to put the data together so that we can make the case that it does make a difference. That's why it's important we not overstate the problems that exist in a situation in terms of accountability and so on, because that gets in the way of convincing people we can make a difference.

That's why we're dealing with the communities themselves in terms of questions of governance. I met with the head of the governance institute, putting the proposals yesterday, with an effort

to move that forward so we can deal with some of those issues so there could be more confidence.

Again, I think the system is working better than is probably the popular opinion, but we need to do research even to prove that.

● (1010)

**The Chair:** Thank you very much.

We are now going to the government side. Ms. Barnes.

**Hon. Sue Barnes:** Thank you very much, Madam Chair.

Welcome, Minister. It's unfortunate this committee doesn't have the power to increase your resources, but that's not allowed in our purview.

About a year ago I was sitting on a finance committee, and we certainly didn't have any surpluses when these numbers were put together for your department's budget projections, but we have heard this morning in questioning about an increase in the administrative costs. I would like to clarify some of those costs.

For example, as you know, the department does have a large volume of litigation. Even though it's Justice lawyers who actually go out, without choice, and respond to any litigation or partake in any litigation, as part of the administrative costs of the department, is the litigation charged to the justice department or is it charged to your department?

**Hon. Andy Scott:** Thank you for the question.

I should point out for the edification of the committee that of the \$5.8 billion budget of the department, 6% is in fact in what is referred to as overhead. It would include finance, accounting, human resources, communications, legal services, information management and technology, and policy and strategic direction. That accounts for 6% of the budget.

So the changes that have occurred can be attributed in fact to additional moneys in the area of litigation; to increased information technology systems costs, as always; to collective bargaining adjustments; and to requirements in terms of our relationship with the various regional offices. Physically we have a very large organization, and the costs associated with the size of the country and the department would reflect in that as well.

**Hon. Sue Barnes:** We all know we have human resource costs at the department. Is there a collective bargaining increase in that area also?

**Hon. Andy Scott:** Well, \$4.2 million is part of the increase that would be identified in the overhead cost to the administration. The \$4 million of that is increases as a result of collective bargaining.

**Hon. Sue Barnes:** One of the things many of us are concerned about in first nations communities across the country is that it seems that when we have situations with water problems, such as near my location in southwestern Ontario...I know the department has a first nations water management strategy, but there are issues going on where people live today where it's very crucial that that activity moves forward. There are boil-water situations happening in this country today. How are we coping with that? How are we dealing with it? What resources are you prepared to put there?

**Hon. Andy Scott:** Well, as a matter of fact, the first nations water management strategy is \$1.3 billion between 2003 and 2008. In fact, the \$484 million is the annual budget for that strategy. So it is a significant challenge to us. It's recognized as a challenge, and we have received new moneys.

• (1015)

**Hon. Sue Barnes:** Out of some of the litigation there will be further engagement and consultations, specifically with Métis people, for instance. That's a new area. This was the first time your department had that interlocutory move over. So how is that going to affect what we will be doing?

**Hon. Andy Scott:** I'm glad you brought it up. It isn't reflected in these estimates. They're in the Privy Council estimates, I assume. But the decision has been taken that the Minister of Indian and Northern Affairs would also take the position of the Métis interlocutor. I think there's a necessary recognition of the difference in terms of our relationship, but at the same time, I think the fact that the two positions are combined recognizes a lot of common interests as well. Witness the involvement in the round table and all of the round tables going forward; witness the involvement in health care at the first ministers' meetings, and so on. So there are common interests, common challenges and problems.

But I restate—and I think it's very important to do so—that there's a need for us to be very clear that the relationship the Minister of Indian and Northern Affairs has with first nations communities is different from the one that he has, or that I have, with the Métis Nation and other organizations.

**The Chair:** Thank you very much.

Ms. Skelton.

**Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC):** Thank you.

Mr. Minister, thank you for being here today. You talked about movement between government departments. You said you were having to be creative. You also told my colleague that you would table documents. I have some requests for you, because I really see a lot of problems in our social issues, our social development. Ms. Barnes brought up water quality.

I want a more basic breakdown of what's been going on and where the money's been going. I'm going to be very brief about this, but it's going to be a long list. I would like you to table all your documents on child care programs and expenditures, public health programs, day care programs, disease prevention programs, diabetes programs, substance abuse programs, women's programs, water quality programs, and housing improvement programs. You talked about special needs students. I want to see those documents, and I want to

see your community wellness program documents too, please, Mr. Minister.

I'd also like to know how many employees you have in the Canadian Polar Commission.

**Mr. Micheal Horgan (Deputy Minister, Department of Indian Affairs and Northern Development):** We'll get the exact numbers and give them to you.

**Mrs. Carol Skelton:** I'd just like to have those numbers. Basically—

**Hon. Andy Scott:** Could I respond? We're going to run out of time.

If the committee is interested, because we've talked about this before, and had the timing been different, this would probably have been a more efficient way to do this, but the estimates were here and we felt the need to do this.... Because there is so much of the activity that affects the constituency for which I believe Indian Affairs and Northern Development is an advocate, to speak to Mr. Martin's point, and because so many of those activities fall outside of INAC, I think it's important for us to take the time to walk through all of that over a two-hour period, bring in all of the information you have requested, and actually go through the vision of the government. The problem with articulating the vision, specifically in this venue and dealing with these estimates, is that I'm only here as the Minister of Indian and Northern Affairs.

Since the new government in December—maybe since the round table, but I think it was before that—there was a cabinet committee on aboriginal affairs established. As the vice-chair of that committee, I would like to appear before this committee and speak on behalf of the government about all of those things.

I know more about what happens in the department that I'm responsible for than I do about Mr. Dryden's responsibilities in terms of child care, or Mr. Volpe's responsibilities in other departments, or about the responsibilities of the Minister of Health. But I think it's critically important for everybody to see how it all fits together. The system we have here doesn't always lend itself to having that big picture.

• (1020)

**Mrs. Carol Skelton:** I know, and that's why I'm asking for these documents to be tabled.

**Hon. Andy Scott:** Okay, good. I look forward to it, and I look forward to coming back.

**Mrs. Carol Skelton:** Thank you.

**Hon. Sue Barnes:** Could I clarify that point of information? You're asking for them under the purview of his department only? I just ask because a lot of the programs—

**Mrs. Carol Skelton:** I understand that. I'm asking for those under your department. I want those papers tabled.

**Hon. Sue Barnes:** Okay, thank you.

**The Chair:** Thank you.

Do we have anyone from the government side?

Mr. Bains.

**Mr. Pat Martin:** Madam Chair, on a point of clarification—

**The Chair:** Yes, Mr. Martin.

**Mr. Pat Martin:** —I'd like to know just how long we'll actually be interviewing the minister and if we intend to make time in this meeting to actually vote on the estimates.

**The Chair:** I have a list of speakers wishing to ask questions of the minister.

**Mr. Pat Martin:** Well, I would like to know from the committee how long we'll be asking questions of the minister and how long we will be dedicating within this meeting to vote on these estimates, as to whether to recommend these estimates.

**The Chair:** As I said, I have a list of speakers wishing to ask questions. That would be up to the committee.

**Mr. Pat Martin:** Could I get some direction from the committee? I would like to know if we are going to be voting on these estimates today. I would recommend that we do. I'm not trying to interrupt anybody's speaking time here, but I would like to recommend that we perhaps stop at 10:45 and deal with the votes.

**The Chair:** To be fair to the other people who have asked to speak, we'll try to stick with that schedule, but as I said, I have a bit of a speaking list here, and this is the minister's first visit. I know it's on the estimates, but....

**Mr. Pat Martin:** It's the whole purpose for us being here.

**The Chair:** You can ask the minister to come back for another meeting on the estimates, and I think in the interventions from the minister he has proposed to come back, several times now, on three different topics, I believe. So you always have the ability as a committee to ask the minister to come again on subsequent visits.

**Hon. Andy Scott:** Madam Chair, while you have this conversation, could I excuse myself for a second?

**The Chair:** I have Mr. Prentice and Mr. Cleary asking to speak. Is this directly on the intervention Mr. Martin is making? I also have someone waiting to speak.

[*Translation*]

**Mr. Bernard Cleary:** Further to Mr. Martin's comments, I would like to raise a question of privilege. In my opinion, it's ridiculous to even think that we might be able to resolve this problem in 30 minutes. Certainly we will need to hold additional meetings in order to take a serious look at the budget. It's not just a matter of looking at the numbers, but also of looking at where the money is spent. There is no possible way for us to review such a sizeable budget in just two hours.

I'd also like us to have time to make some general findings, so that the Minister can take away something from this meeting. Then, if and when he makes a return appearance, he can provide answers to all of the questions raised today. We merely touched on the high points, but as I see it, that's all we have time for today.

[*English*]

**The Chair:** Thank you, Mr. Cleary.

Mr. Prentice, on this issue.

**Mr. Jim Prentice:** I agree entirely with what Mr. Cleary just said.

• (1025)

**The Chair:** Okay.

I have Mr. Bains, and then Mr. Martin.

Mr. Bains.

**Mr. Navdeep Bains (Mississauga—Brampton South, Lib.):** First of all, thank you, Minister, for taking time this morning to come out and speak to us.

I do want to acknowledge that I'm glad you've clarified that the budget did increase by 9%, year over year. I think that's a point worth noting, but I do agree with Mr. Martin and you that it's still not adequate funding, that we still need to provide more.

When we look at expenditures, the question I have, Minister, the question people ask is—and I think it's a fair question—is money being well spent? Is the money that we have in our expenditures being well spent?

I know you've talked about the round table discussions. I just want to know the structure of the expenditures. Do they reflect areas of high priority or areas of concern? Do you take into account the round table discussions and the points made in those and other areas where you get an opportunity? Do they get included in the process, and do they reflect the appropriate expenditures?

**Hon. Andy Scott:** For those who would be unfamiliar with it, the round table last April was a meeting of I don't know how many people. I know there were 75 organizations and 22 ministers and members of the committee. I participated in that all day. We had workshops and so on.

Ultimately, out of that they identified six areas. Of those six areas, housing is one, lifelong learning another—we have responsibility for that—dealing with the negotiations process so that it can be improved a third, and there are others. Four different ministers are responsible for areas that would be appropriate to them—housing for Mr. Fontana, health for Mr. Dosanjh.

The meetings are scheduled. I know the first meeting is very soon on health. I know the second is lifelong learning in Winnipeg on November 13 and 14 because our department is the lead in that round table. This wasn't done in the absence of the Government of Canada—and I say Government of Canada advisedly because there were so many different ministries represented—but it wasn't done in the absence of the community either. It was a mutual agreement as to what the priorities were and a mutual agreement as to how to deal with them, how to move forward.

The piece that I felt at the time was perhaps less represented—it wasn't deliberate, and it was no one's fault. Because of the nature of some of these issues, we're going to have to engage the provinces considerably. But this first round was, generally speaking, between the Government of Canada and the community.

What happened, again perhaps coincidentally—perhaps it was good management, but I'm guessing it was probably coincidence—was that when the first ministers' meeting on health caused the meeting with the aboriginal community first nations and the other organizations in September, because the premiers were speaking to the question having to do with the situation of various communities in Canada, both first nations communities and otherwise, a lot of strong statements were made. I think that generated considerable interest and momentum on the part of the provinces. When premiers would speak to these issues—which doesn't happen routinely, because of the nature of the way the jurisdictions fall.... Because they were there gathered to speak to that issue, each of the premiers spoke. I was there, and I think this generated considerable interest in the round tables going forward—in fact, so much so that I think they're having a hard time containing the numbers of people who are participating.

Now we have the community, the federal government, the provincial government, and experts gathering together to deal with questions such as how we deliver better education, how we deliver better health, how we deliver a better system for negotiation. I think that's a significant improvement. It's inclusive, it's collaborative, it's respectful, and it's comprehensive.

**The Chair:** Thank you very much.

We have had a few questions asking about the order of questioners. I think we need to clarify exactly what we agreed to in the routine motion.

The clerk and I have looked over the minutes of the meeting where we decided how the speaking order would be done. All it said for the second round was that we would do five minutes each, alternating between the government and the opposition. There was no clarification on the order of the speakers. That's the direction we're following, because that's what we've checked in the minutes.

Ms. Barnes.

• (1030)

**Hon. Sue Barnes:** I'm sorry, I was out of the room. Is this a ruling you're giving or...?

**The Chair:** I'm just clarifying.

**Hon. Sue Barnes:** There was a clarification on this notice that I went to the clerk with earlier when we were talking about the speaking order, where I specifically posed the question of whether we are cutting Mr. Pat Martin out. I specifically asked that question. It will be in the committee Hansard.

I know I asked that question, because I was very concerned about it going back and forth and that we not cut him out on the round. That will be in the committee Hansard, and I think people will recall it. I clarified it because I was very concerned about not cutting out a party's time.

**The Chair:** Mr. Prentice.

**Mr. Jim Prentice:** Madam Chair, Ms. Barnes is right. The motion was very clear, and as I recall, I seconded it. It was in response to Ms. Barnes' concern about whether Mr. Martin would be cut out. The very clear discussion we had as a committee was that in the second round we would rotate again and that Mr. Martin would not be left out. To now go to a different process, where you would have to have

put your hand up half an hour ago, is not what we agreed to. And you're hearing that from both the official opposition and the government representatives here.

I don't want to prolong the discussion. We have the minister here and that's valuable time we shouldn't waste.

**The Chair:** We've tried looking through the minutes to get that clarification, and we're not finding it. I'll take some time with our clerk to make sure that we have exactly what people have agreed to, and we'll send it out.

**Hon. Sue Barnes:** It wasn't an in camera meeting, so it would be in the committee Hansard, not in the minutes.

I know I said that.

**The Chair:** All right.

Because part of it was left to the discretion of the chair, in this round I'll try to stick to three minutes. I have quite a few people on my list. If you agree, we could do a three-minute round the same way we did the first round, just to get everyone back into the right order.

We'll do this round as we did the first round, but three minutes. I have Mr. Martin on the list, and I know he's been waiting. Perhaps Mr. Cleary would agree that we go by party, and then the government for three minutes after Mr. Martin has done his round; he's been waiting patiently. Agreed?

**Some hon. members:** Agreed.

**The Chair:** Mr. Martin, I'll give you the five minutes, and then we'll start the three-minute round.

**Mr. Pat Martin:** Thank you very much to everyone for that generosity shown in terms of sharing our time here.

Mr. Minister, I'd like to carry on in essentially the same vein. It just seems to me that if social justice for aboriginal people is very, very, very important, as our Prime Minister is fond of saying, in times of a budgetary surplus you just have to ask yourself this: if not now, then when are we going to actually get around to it?

I mean no disrespect, and I'm not trying to be smart—I know you're coming to this job with the most sincere intentions—but you're being called not the Minister of Indian Affairs but the Minister of Managing Poverty. That's what people call your office, the Minister of Managing Poverty.

One of the reasons or justifications given for not reducing the administration and operating costs budget line but cutting every other budget line is that the court challenges and things have to be paid for. One of the reasons I think you're being forced into court across the country, and it's an expensive process, is your unwillingness...or not you personally, but the unwillingness to negotiate.

You have cut the budget line for the specific claims office—that's a reduction, there can be no question—to the point where you can't even appoint negotiators to settle the specific claims that everybody agrees are outstanding, lawful obligations. These are not some wish list. This is not a comprehensive claim where a first nation is claiming a traditional territory and there's some doubt about it; these are specific legal obligations. We don't even have the negotiators to resolve those claims. So I'll ask that question, about what the rationale is there.

As well, why are we asked to cough up for, out of your scant, inadequate budget, the residential schools issue when it's clearly the Privy Council? Why should we deduct \$93 million from the money that should go to reduce the social tragedy that is life on reserves to pay for an historic debt by some other government agency and department? I hope when we get to this budget line we will reject assuming responsibility from your department.

Those are my two questions: what is the logic and rationale behind slashing the specific claims office budget, and why should we have to come up with \$93 million to pay for the residential schools fiasco?

• (1035)

**Hon. Andy Scott:** There's some dispute here, talking with my officials, about the suggestion that we've slashed specific claims. I haven't gotten the answer yet, but I don't think we have residential schools.

**Mr. Pat Martin:** We're being asked to vote on the estimates to give you more money to settle more residential schools claims, vote 40. Why is it before our committee?

**Hon. Sue Barnes:** It's been allocated, but it's not his—

**Mr. Pat Martin:** Sorry, I'm reading the sheet that says vote 40 is being dealt with today. Then I won't waste any more time on that. Thank you.

Let's talk about the rationale behind forcing more and more cases into court by failure to negotiate. Lake St. Martin in Manitoba is an example. You give Warren Kinsella hundreds of thousands of dollars to negotiate on Lake St. Martin, and they've never met. So the negotiator's burning up dollars without any negotiations taking place. Nobody will even talk to the people in Lake St. Martin. They can't get through on this issue. And yet Warren Kinsella is punching the old time clock, cranking up expenses as a negotiator. I'm not too crazy about that idea.

I'd have to question the whole strategy surrounding a sincere interest in settling claims if you can't even hire negotiators through the specific claims office.

**Hon. Andy Scott:** I have met with the claims committee of the AFN a number of times. We're working on ways in which we can make the system work better. As you will recall, and certainly as the Conservative critic will recall, a joint task force of some kind was established to identify a way to proceed that would cause there to be less backlog in terms of the specific claims commission itself. That work was undertaken. Bill C-6 went through Parliament. We are still trying, with the interested parties—

**Mr. Pat Martin:** We're hoping it never sees the light of day in terms of royal proclamation. I hope that's shared among the people around this table.

**Hon. Andy Scott:** Certainly those discussions continue.

**The Chair:** Thank you very much.

We're going to try to do the three-minute round, starting with the official opposition, the Bloc, the NDP, and then to the government side.

Mr. Prentice, three minutes.

**Mr. Jim Prentice:** Minister, you've indicated a willingness to come back and talk about the total picture, if you will, about all of the Government of Canada's expenditures relative to aboriginal people. I think that's a good suggestion. Part of the problem in all of this is that we don't have the total picture of how much money is being spent. I think that leads to a lot of misunderstanding everywhere, among both aboriginal people and non-aboriginal people, about how much money is really being spent. So that's a good thing.

The question I have, though, relates to education, social development, and so on. Why is the government not putting forward legislation to deal with, for example, education for aboriginal children? Any other Canadian child is governed by a school act. If that school act is being violated, they have rights under the Charter of Rights and Freedoms, rights through the court system, to sue somebody to make sure that their child is receiving what they're entitled to as a Canadian citizen.

The only place where it works in the way that, by royal fiat or royal prerogative, we have a single person who supposedly has the wisdom of Solomon—and you are in that uncomfortable position at the moment—who is responsible for administering \$3.6 billion in terms of social services, education, and the like...with no legislation that defines the standards people are entitled to receive, and how, when, or what they can do if they're not. It doesn't make any sense.

• (1040)

**Hon. Andy Scott:** I don't think anyone is more aware of the inadequacy of the legislative framework that governs a lot of this than the Minister of Indian and Northern Affairs. No one wants to be put in the position you've described, and I will acknowledge certain deficiencies when compared to Solomon.

I think what's happened is that over time a number of comprehensive efforts, legislatively and otherwise, have been attempted without success. As a result, the possible strategy of more narrowly defining those particular areas of responsibility has been set aside in the pursuit of something more comprehensive. I think that would track the history of the way these issues were dealt with. So we still, in 2004, have the Indian Act.



So it's an interesting proposition and one that needs to be considered. I'm sure I'll get all kinds of advice, and it's probably been considered many times before, though I don't know that for certain. But what we're really attempting to do is modernize the relationship the Government of Canada has with first nations, specifically speaking to the question of first nations education and other services we administer. How we do that is the subject of considerable discussion. It will be discussed in the round tables. I'm certain it'll be discussed in the accountability round table, it will be discussed in the lifelong learning round table, and it will be discussed in the health round table. What's happened, I think, in the past is that everybody has decided we have to come up with a comprehensive response. Maybe that's true, maybe it needs to be something more narrow, and I think these round tables will speak to that.

I think there's interest in the critic and in other members who've approached me from the critic's party in the governance centre and how we can structure the relationship, not only globally but more specifically around particular delivery. I think we need to do that, because I think we need to convince people we're spending the money well before they'll let us spend more.

**Mr. Jim Prentice:** May I just say in closing—

**The Chair:** I'm sorry, Mr. Prentice. It's a three-minute round. I'm being very lenient, because I know the answers the minister is giving are of interest to everyone, but I have to be fair to the other people who are asking to speak.

I have Mr. Valley. Mr. Cleary is asking to speak also.

**Hon. Andy Scott:** Madam Chair, as a former chair, I would understand it if you began banging your gavel.

**The Chair:** I was going like this, trying to be polite.

**Hon. Andy Scott:** Well, go to it. These are interesting subjects, and I know the committee is interested. So please let me know, because I don't want to cut off people who would be at the end of that list

**Mr. Roger Valley:** I will be very quick. I'll make an assumption first and then pose a question.

As a parliament or a government, we're talking about a national child care program. Minister Dryden is working on that. Clearly, if something comes in that affects first nations or aboriginal children, there will be an envelope of money—I'm assuming that. The question is, as a department, are we working with Mr. Dryden and his ministry to see what we can do to make sure the first nations are inside the child care program in a proper way?

**Hon. Andy Scott:** The efforts that are being made by the minister and his department have not found their way through the system yet. I can say we're working together, and I can suggest to the committee that it wouldn't be an inappropriate use of your time—again, I don't want to load anything on you, you decide your work—but a good idea, perhaps, to look at the question of early childhood development, given the fact that it's been a stated objective of the government to develop this. I feel strongly about whatever happens to respond to the needs we deal with at this department, but any help that can be given to that process would be well appreciated and have, I think, significant benefits.

**The Chair:** Thank you.

Mr. Cleary.

[*Translation*]

**Mr. Bernard Cleary:** I'll try to limit myself to three minutes.

First of all, cuts of any kind to the budget of Aboriginal Affairs and Northern Development are totally unacceptable, in my opinion, particularly since the Royal Commission on Aboriginal Peoples, a serious player in this whole issue, recommended that considerably more be spent to restore some semblance of balance to the situation. The Commission also argued that the government was indebted to aboriginals, a finding that Ms. Stewart supported.

Moreover, the government has racked up a very substantial surplus. I can understand the government wanting to pay down the national debt, but I think it should start by paying off its debt to those who are most in need, namely aboriginals.

With respect to the roundtable initiative, over the past 40 years, I've seen the department find ways of wriggling out of situations and of delegating some of its responsibilities to other departments. I'm thinking here about economic development, for instance. The outcome has always been a total fiasco. Therefore, in my opinion, this formula is not a panacea. Unless very specific parameters are set, this initiative will suffer the very same fate.

Finally, we want AAND to understand once and for all that as trustee, it has responsibilities where governance is concerned. Governance is not an issue left to band councils. AAND has a stewardship role to play and that role needs to be clarified. It's too easy to have the band councils shoulder the entire burden. Yet, AAND does not object to anything that the band councils do.

● (1045)

[*English*]

**Hon. Andy Scott:** It has been repeated that there has been a reduction, so let me go directly to the numbers, so it can be fair and on the record. The main estimates for this department have increased by \$495 million, from \$5.3 billion to \$5.8 billion, an increase of 9.3%. That increase, if I can articulate this within the three minutes, has \$226 million for the settlement of specific and comprehensive claims; \$84 million for meeting increased demand for programs, education, child and family services, and so on; \$80 million for the first nations water management strategy; \$65 million for special education—as I mentioned before, it is critically important; \$26 million for a capital rust-out program; and an increase of \$12 million in northern air stage parcel service, which is food mail. So there has been an increase.

As for the debt, it has been recognized by the government. As you said, Ms. Stewart said that, and certainly I have.

In the matter of governance, as I said, I hold out great hope for the governance centre as being one way to deal with this. We're looking to the round tables for those discussions as to how we would deal with that as a governance issue regarding the relationship between the organizations and their members and that between those first nations and us.

**The Chair:** Thank you very much.

I have several people on the speaking list, Mr. Smith, Mr. Martin, and Mr. Harrison.

**Mr. David Smith:** Mr. Minister, you and the Prime Minister have spoken about the round tables, and I come back to that issue. I believe it is one of the tools that will permit us to better understand the needs. The experts will be in discussions trying to find solutions.

Is there a date, for example, when such a group is going to give us a preliminary report or an action plan, so we can get to the real situation and make some changes?

**Hon. Andy Scott:** Thank you very much for the question.

The meetings are all scheduled. The first one is on health, I believe. It's November 4 and 5, here in Ottawa. I can provide the list. I don't need to take your time on that. There's a long list of dates.

• (1050)

**Mr. David Smith:** Please.

**Hon. Andy Scott:** The way the round table process is going to work is that once that is done, the cabinet committee will be dealing with the recommendations. There'll be a retreat that involves the cabinet committee and the community, as part of the commitment that was made when the process started last April. Then, I would suggest, that will probably feed into the first ministers meeting on these issues that the government committed itself to at the first ministers' meeting on health.

So I can see a very ambitious, very comprehensive approach to these issues. Because the Conservative critic is right, part of the problem here is that there are so many different ways and so many different departments dealing with these issues that it's a challenge to bring everybody together. Once you have everybody in the federal government together, then you have to recognize that a lot of the services are shared with the provinces, and layered on top of all that, you have a self-government policy from the Government of Canada that would wish to allow the communities themselves to make decisions about how these things would be done. That makes for a very complicated public policy process, and the complication, unfortunately, has weighed heavily on the communities themselves. We have to recognize that as the starting place, we have to recognize that there's a deficiency in resources available, but at the same time as recognizing the need to invest more, we also have to recognize that we need to ensure that we're getting maximum return for those investments.

**The Chair:** Thank you very much.

We're at two minutes and 20 seconds. If you don't have another question, I shall go to Mr. Martin.

**Mr. Pat Martin:** Very briefly, Mr. Minister, the figures you've circulated to us in your budget documents had planned spending for 2004-2005 at \$5.249 million, planned spending for 2005-2006 at \$4.27 million, for a net reduction of \$321.4 million. In economic development you've reduced the spending by \$40 million. In social development you reduced the spending by \$33 million. It adds up to a total of \$321 million. This is why we come to you saying that overall, you not only took into consideration the demographic growth, which is exponential, with 15,000 new children per year needing 684 classrooms—if you divide that by 20—and with the 1.9% inflation, by our calculation, that's an 11% cut. McCallum and

the Treasury Board told every government minister to find 5% cuts across the board and you have 11%.

I will move that this committee reject the approval of the \$89.61 million in vote 1, which was intended for DIAND operating costs, and that this money be applied to make up for some of the \$321.4 million cut from programs that were intended to reduce poverty and to improve social conditions. That would be the recommendation from—

**Mr. Roger Valley:** Madam Chair, are we not discussing the estimates with the minister? Is that the order of business we're doing right now? I thought we were going to finish with the minister before we started anything else.

**Mr. Pat Martin:** I'm serving notice of motion, for the minister's information. At this committee I intend to have a motion on the table that would reject vote 1 in your estimates, which is asking for permission to spend another \$89 million in operating and management administration costs, the only budget line you didn't cut and hack and slash—well, I don't want to overstate things. It's one of the few budget lines that didn't suffer. You can view it any way you want, but in our view, this money should be reallocated to make up for some of the cuts in other social spending.

If you want examples, how about economic development? The former Prime Minister was saying we've wasted enough time on rights and redress, we want to talk only about economic development now. If that was the direction government was going, the facts don't bear that out. Economic development is suffering. Also, the main estimates show a decrease in spending for social development initiatives from \$1.175 billion to \$1.142 billion, a net decrease of \$33 million. So throughout the estimates we're asked to see, we don't see evidence that you're addressing the social crisis that exists in communities. It's just not adequate.

• (1055)

**The Chair:** Excuse me, you've used up your three minutes, and we do have another committee coming in at 11. I think I will have to leave it for the minister to answer some other time. I want to give you an opportunity for a few closing remarks.

Again, I thank the committee for its indulgence, this being our first one with witnesses. Minister, closing remarks please, very briefly.

**Hon. Andy Scott:** Thank you very much, Madam Chair. I think there is difference of opinion as to what the numbers say. I can't attest to every piece of paper Mr. Martin may have, but with the numbers that have been used, there's a difference of opinion.

I'll use economic development as an example. Because we've reached agreements, some money that was coming through the economic development program to go to certain communities is now flowing to those communities through a land claim, rather than through our department. So it's a project that was approved as an economic development project with expenditure over a certain period of time, and now the claim has been dealt with, that money flows through the claim. It's not quite as simple as that, and I would repeat, there is an increase of 9% in the department. I said in the beginning and I'll say it again, I'm not here to defend the level of resources that are received by this department, because it speaks against my advocacy function. I think we need more resources.

I'm pleased to come back for any number of reasons, which I've outlined today. I would very much like to bring the big picture, because I think it explains a lot of the confusion on numbers. Health is provided in one place, economic development is provided in another place, and even within our own department, it's provided in a number of places.

I make a commitment to Mr. Martin that I will.... We're trying to make sure our numbers and your numbers are the same. I don't know how we can have an informed discussion otherwise.

Caroline wanted to answer on the social development.

**The Chair:** Ten seconds, because I see the other committee waiting to come into this room.

**Ms. Caroline Davis:** There is a graph that concerns social development, this year for the first time, and that \$60 million has to be added into the figures for social matters. It's the second line down on page 15-5 of the estimates. So that accounts for part of the apparent decrease you see in social development. I think the good news with social development is that there is less welfare being paid. The upside on social development is of course that child and family services are increasing as well.

**The Chair:** Thank you very much.

Just to clarify, the minister did agree to give us a schedule of the round table meetings, which the clerk will distribute to you.

Ms. Barnes.

**Hon. Sue Barnes:** We have a consensus, I know, about the speaking order, based on our intentions from the last meeting, and because the other committee is out there, perhaps we can deal with it as the first thing in our business meeting, which I think is Tuesday.

**The Chair:** I have taken the mandate to double-check and make sure you have all the information we have.

**Hon. Sue Barnes:** I understand what was intended in this room.

**The Chair:** We are adjourned until November 2. Thank you.

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