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

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**EVIDENCE**

**Wednesday, March 5, 2008**

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**Chair**

**Mr. Barry Devolin**

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## Standing Committee on Aboriginal Affairs and Northern Development

Wednesday, March 5, 2008

• (1535)

[English]

**The Chair (Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC)):** Good afternoon, everybody. Welcome to this meeting of the House Standing Committee on Aboriginal Affairs and Northern Development.

Today our guest is Minister Strahl to talk about the supplemental estimates.

Before I go to the minister, I just want to do a little bit of housekeeping. The bells will ring at 5:15 today, about 15 minutes before the end of our normal meeting. In terms of the agenda, it's now 3:30, and the minister will be here until 4:30, when he must leave. His officials will remain after him. We also need to deal with the subcommittee report. The subcommittee met yesterday to talk about further witnesses for Bill C-30.

So my suggestion to the committee is that we continue with the departmental officials from 4:30 until 5 o'clock, and stop that process at 5 o'clock, and spend the last 15 minutes dealing with our subcommittee report, and then we will head to the House at 5:15.

With that, I'd like to welcome Minister Strahl and his officials today. If you could give us a statement, we would appreciate it.

**Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development):** Thank you, Mr. Chairman.

I am pleased to be here, although I must admit I'm a little nervous today, given that I'm the only person at the table with a nameplate scratched on a piece of paper in ink. I'm a little nervous about what that might mean, but we're just going to plow ahead and hope for the best. I don't know if there's any significance to it.

Perhaps, for the sake of time, I'll let my officials introduce themselves in their round, if you will, and this way we'll get on with this quickly.

I am pleased, obviously, to be back and to appear before this committee to discuss part B of the 2007-2008 supplementary estimates. I want to talk about the place of the estimates and the other resources in the supply cycle in this government's larger plan to improve quality of life for aboriginal people and northerners, and to move towards a new relationship based on partnership and mutual respect.

It's always been my opinion—our government's opinion—that aboriginal people and communities need pragmatic, doable projects that can improve their quality of life, and not simply empty promises. That's why we're moving ahead the way we are. The

government is working with leaders and making real strides and delivering results for first nations, Inuit, and Métis.

With the amounts included in supplementary estimates (B), my department's appropriations for fiscal year 2007-2008 total \$7.4 billion.

[Translation]

Our government is committed to working with all stakeholders—provincial and territorial governments and First Nations groups—to bring true and lasting change to aboriginal and northern peoples and communities. The funds committed in the supplementary estimates will allow us to embark on this course.

[English]

An outstanding example of this is the agreement reached between the James Bay Cree and the Government of Canada, which I recently had the honour of signing and which represents the largest investment in the estimates now before you: \$1.1 billion is now allotted.

This is a vitally important agreement. It will empower the Cree to continue developing the local economy; it will enable them to provide important social services; and it will open the door to formal discussions with the federal government and the Province of Quebec on self-government.

But most of all, Mr. Chairman, it is an agreement that establishes a new relationship between the Cree and the Government of Canada and looks forward to a hopeful and promising future. It was a pleasure and an honour to be there for that ceremony.

The supplementary estimates will also provide funding to other critical areas, assistance with fuel and health and safety pressures, and investments for the communities of Pikangikum and Kashechewan.

The main estimates, the first stage of the supply cycle for 2008-2009, were tabled in the House last Thursday, and although there is a small reduction in the main estimates for next fiscal year, it's important to remember that these do not include resources that will be acquired through the supplementary estimates later in the fiscal cycle.

In addition to our department's funding through the main and supplementary estimates, Budget 2008, tabled in the House last Tuesday, contains vital resources that will enable other departments across government to continue the impressive progress that has already been made under the leadership of the Conservative government.

I thank the honourable members for their support of that budget.

A significant element of this budget concerns Canada's north. Our government's northern strategy is focused on strengthening Canada's sovereignty, promoting economic and social development, protecting our environmental heritage, and improving and devolving governance so that northerners have greater control over their destinies.

By statute, as well as by virtue of the mandate given to me by the Prime Minister to coordinate the government-wide northern strategy, I'm pleased to report that with Budget 2008 we are implementing important new measures that will protect Canada's sovereignty and create more economic opportunities in the north.

For instance, the budget provides \$720 million for a new icebreaker to replace the aging *Louis S. St-Laurent*, which will be decommissioned in about nine years' time.

There are also resources for important geological mapping to help unlock the natural resource potential of the north; for important mapping of the seabed under the Arctic and Atlantic Oceans, so that Canada can continue to claim title to the lands and waters that are rightfully ours; and for the construction and management of a commercial fisheries harbour in Pangnirtung, Nunavut, which will create new jobs and support the growth of the commercial fishery along eastern Baffin Island.

Budget 2008 measures don't stop there. We are increasing the maximum daily residency deduction to further assist in drawing skilled labour to northern and isolated communities; we are extending the mineral exploration tax credit until the end of March 2009; and we are dedicating \$80 million per year to Canada's three university granting councils for research in support of industrial innovation, health priorities, and social and economic development in the north.

[Translation]

The 2008 budget also commits resources that will have direct positive effects on the lives of aboriginal people living both north and south of the 60<sup>th</sup> parallel. For example, the budget sets aside \$147 million over two years for the improvement of First Nations and Inuit health.

[English]

Furthermore, we announced an investment of \$330 million over two years to improve access to safe drinking water in first nations communities. We've already made significant progress in this area and we're determined to do even more. We've lowered the number of high-risk drinking water systems in first nations communities from what we inherited when we took office, which was 193 communities that were high risk, to 85 at this time, and we're pushing forward to finish the task.

In January, I was in Nipissing First Nation near North Bay, Ontario, to announce our latest progress report on water. I was very pleased to note that in 2006, 21 communities were identified as priorities with both a high-risk system and a drinking water advisory, and now, thanks to our government's working closely with first nations, only six communities remain on that list.

Budget 2008 also delivers resources for the promotion of prevention-based models for child and family services on-reserve,

and \$70 million over two years to improve first nations education outcomes through enhanced accountability and by encouraging integration with provincial systems. We know that only through strong, stable families and quality education can the future of first nations children be truly secure.

Yesterday I was pleased to be involved in two important announcements that promote that kind of stability and security. First, Bill C-47, an act respecting family homes situated on first nation reserves and matrimonial interests or rights in or to structures and lands situated on those reserves, was introduced in the House. In 2008, it is unacceptable that couples living on-reserve don't have access to the same laws as other Canadians to guide them in determining how they will divide their matrimonial real property. With Bill C-47, this government is advancing a real, practical solution to this intolerable situation.

Second, we announced that five new shelters will be built to help address violence against first nations women and their families. We also recognize the importance of economic development to building strong families and a better quality of life. Here again, Budget 2008 provides the resources to help increase aboriginal participation in the Canadian economy, and \$70 million will be dedicated over the next two years to a new aboriginal economic development framework. This will include measures that will assist aboriginal individuals and communities to participate more fully in the economy in all parts of Canada, including the north.

Settled land claims are another important means of spurring economic development. I particularly want to note that I am looking forward to the passage of Bill C-30, an act to establish the Specific Claims Tribunal and to make consequential amendments to other acts, now being considered by this committee. Implementing this important legislation will enable us to make significant progress on the resolution of specific claims and allow first nations to reap the benefits of these agreements and the economic opportunity that will follow.

● (1540)

[Translation]

The Government of Canada has worked in concert with the Assembly of First Nations. Together, we have spared no effort to develop the bill that was announced at the end of last year. This unique cooperation was gratifying for both parties.

[English]

Finally, I would also like to take a moment to provide you with an update on the implementation of the historic Indian residential schools settlement agreement. Although this is an aside, I'm sure you'll agree that it's an important one. I'm pleased to report that the government has received more than 88,000 applications for the common experience payment and has processed more than 73,000 of those, totalling a payout of \$1.14 billion so far. At the same time, the important work of the independent assessment process has begun.

In addition to compensation, another very important element is the truth and reconciliation commission, which will soon be established and I believe is the cornerstone of the settlement agreement. This commission is crucial to moving forward in partnership with aboriginal and non-aboriginal communities across Canada toward reconciliation.

I also wish to remind the committee of the government's commitment to make a statement of apology to former Indian residential school students. This government is delivering on its commitment to a fair and lasting resolution to the legacy of Indian residential schools.

This brings me to the point I would like to leave you with this afternoon. There is a great deal at stake as we move forward on aboriginal and northern issues. The fact is, as we're all aware, Canada is facing a labour shortage as the baby boom generation retires. Mr. Chairman, the solution to this shortage is right here before us. The aboriginal population is young, growing, and eager to play an important role in the labour market in the Canadian economy.

[Translation]

We must do everything in our power to ensure this participation. Working with our partners, we must use all the tools at our disposal: innovative partnerships, programs and services, and, of course, financial resources.

[English]

Mr. Chairman, we know that Canadians want their valuable tax dollars properly managed. That's why our government puts a priority on strong fiscal management and accountability to those we serve. We want to ensure that our programs provide value for money and achieve concrete results. For example, effective July 1, 2008, we will be adding an audit clause to funding agreements with first nations. This will allow the conduct of audits to ensure that first nations have appropriate management, financial, and administrative controls in place, and to encourage the sharing of best practices.

Mr. Chairman, this is not a new idea—it's already in place in several government departments—but I believe it's an important move because it shows that not only are we as a government accountable to all Canadians, but also that first nations and tribal councils will be able to show their members that they too are accountable for the funds they receive from the federal government.

It is essential that we have the resources afforded by Budget 2008, and the main and supplementary estimates, to work with our partners to continue to improve quality of life and to ensure that aboriginal young people have access to the educational and skills development

opportunities they need to secure a prosperous future for themselves, for their communities, and for all Canadians.

• (1545)

[Translation]

Thank you. I will now be glad to answer questions from the members of the committee.

[English]

Thank you.

**The Chair:** Thank you, Minister Strahl.

We will begin questions. The first round is for seven minutes each, followed by a five-minute round. As I've done in the past, I'm going to be tight on the time at seven minutes and will announce when you have one minute left.

Ms. Neville.

**Hon. Anita Neville (Winnipeg South Centre, Lib.):** Thank you, Mr. Chair.

Minister, I thank you and your officials very much for coming here today.

I have so many questions and so little time.

Let me put on the record—only because you mentioned it here—the conversation we had prior to the meeting. We want to look at the bill on matrimonial real property. We cannot put the bill through at all of its stages without having reviewed that 52-page document. We want to look at it, we want to consider it, and we look forward to working with you on it. But to fast-track it that way, I would say, is an insult to us and certainly to those it affects.

There are many questions, Minister, and if I have time I'm going to share it with one of my colleagues, but I want to talk about the supplementary estimates. They show an internal reallocation of resources of roughly \$20 million from capital expenditures to grants and contributions.

When you came before this committee last November, you indicated to us that education for first nations was a priority for this government. You stated this in the House on January 31: “We would all like to have more and newer schools, but we continue to invest in schools across the country. It is a priority for the government.”

I guess what I'm doing, Minister, is questioning the priority of it. As I indicated, we're showing a reallocation of capital to operating dollars, and we know that much of it is affecting the schools. You cited the water initiatives. We appreciate those, but not at the expense of education. You and I both know, as do all members of the committee, that the aboriginal population is the youngest and fastest-growing. We've heard from communities all around the country about the cutbacks and the school projects that have not moved forward.

I guess I'm questioning the issues around several schools: Peguis; Ebb and Flow; Sioux Valley; North Spirit Lake; Wabaseemoong; the First Nations Technical Institute, which you've addressed in the House and you want to pass over to the province; and most particularly, Pelican Narrows School in Saskatchewan, which has a carbon dioxide health issue; and Deschambault, where the school burned down, and we now know the alternative is overcrowded by over 200 pupils.

My concern is with the reallocation of capital dollars intended for schools and with funding commitments being made to schools but not happening. We talk about education. You ended your presentation very eloquently on children being the future and on the importance of education and skills development, but it's not going to happen if they don't have the facilities.

**Hon. Chuck Strahl:** Thank you. You raise a good question, of course, because often, in any budget cycle, it's about setting priorities. There are always lots of requests for funding from our sources, and we try to prioritize the spending and try to get the money to where it can do the most good. But it's always difficult, because there are not only emergencies that crop up, but also simply a matter of setting priorities.

For example, concerning our national investment priorities, I can give you those. Our first priority is protecting and maintaining the life cycle of existing assets, with an emphasis on health and safety. The second one is mitigating health and safety risks through existing and new assets. Third, we have also addressed the backlog regarding water and sewer systems under capital and facility maintenance activities. And fourth, we invest in other priorities, including sustainable communities, and that might include things like electrification, and so on.

• (1550)

**Hon. Anita Neville:** Mr. Minister, we know that in these education facilities there's carbon dioxide and there's mould. There are instances when classes are taking place in teachers' homes because the facilities are not sufficient. So you're reallocating the capital and putting it into operating, and I don't understand how you mesh that with the words about education and skill training being such a priority.

**Hon. Chuck Strahl:** Again, I don't dispute that there are problems. With that priority list that I'm talking about, the number one priority is protecting and maintaining things in a healthy environment. So if there is a mould issue that comes up, as you mentioned, that takes priority.

You can set your budget out and say this is how it's all going to roll out this year, and it all looks tickety-boo, but the trouble is, as soon as you're made aware of a health issue, including something

like mould, you have to look after it. You have to allocate funds for it, and you have to make it a priority. You can't just say it wasn't in the budget, so it doesn't matter. It becomes the priority at that time.

**Hon. Anita Neville:** I understand that. Pelican Lake, though, has a school with carbon dioxide in it. It's a health hazard. I've spoken to community members. How does that get addressed? How do you prioritize that?

I read you a list of eight or nine schools. I have more, where they're overcrowded—

**Mr. Rod Bruinooge (Winnipeg South, CPC):** On a point of order, Mr. Chair, could we somehow bring this back to the supplementary estimates? I know the member wants to go to specific examples that she has, but if she could tie it back to supplementary estimates—

**The Chair:** Mr. Bruinooge, that's not a point of order. Ms. Neville is asking a question about the estimates, and I'm going to give some latitude here.

**Hon. Anita Neville:** I am. It relates to the reallocation of dollars designated for the building of schools. I don't understand it when you say that education is a priority.

**Hon. Chuck Strahl:** We will spend \$240 million on schools this year. As to the particular examples you raise—you raised several examples of schools—because I have the estimates information in front of me, I don't have those particular examples. I can get you answers as to where they are on the cycle of our plans to deal with those.

Again, there is \$240 million on the books to spend on schools, but when and if a health problem crops up, that takes priority over whatever other plans you may have. So we address them based on a priority list and a protocol that's well established. When there's a health and safety issue, it goes to the top of the list.

There's really no other way to do it, because the best laid plans here, of mice and men, go astray if a crisis occurs. I'm interested in the carbon dioxide problem that you talked about in terms of this particular school. If it's a health crisis, it needs to be addressed. I don't dispute that. It's just that I don't know the particular example.

Certainly when something like that happens, or if a school burns down, as one did in Pikangikum last summer.... We got a new school up and running six months later, because it became a priority.

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

Monsieur Lemay, you have seven minutes.

[Translation]

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** As I understand it, Mr. Chair, we will have the opportunity to see the minister again when we discuss the 2008-2009 main estimates. I assume that he will have the answer to the question from my colleague Ms. Neville. So I will stick to the supplementary estimates.

Mr. Minister, Bill 125, An Act to amend the Youth Protection Act has been passed in Quebec. The act, which has been in force since last September, will have a considerable impact on First Nations. I imagine that someone must have explained it to you or that someone somewhere in the department will be aware of it. The aim is to get children out of problematic, difficult or violent situations as quickly as possible.

In my riding of Abitibi-Témiscamingue, for example, there are five Algonquin communities, of which four are experiencing difficulties. Children are taken out of First Nations communities and, because preparatory work has not been properly done, there are no foster families to take them, there is nothing. I called your department's attention to this problem in June last year. I told you that an act was going to be passed and put into effect. But nothing in the supplementary estimates indicates that First Nations are going to receive additional resources to prepare foster families in aboriginal communities.

• (1555)

[English]

**Hon. Chuck Strahl:** Generally, the government is intent on continuing to work with the provinces as partners in child and family service agreements that accomplish our mutual goals. That is why we signed off the agreement in Alberta, which is one of note. The objective is to try to intervene early enough in this stage so you don't have to apprehend the children. You're trying to help the families so you don't get to the apprehension stage.

There is money in the budget allocated for partnerships with provinces for child and family service types of arrangements. It may well be—and it's my hope—that as we move ahead, whether it's with Quebec or other provinces, those arrangements will become mutual, whether it's an Alberta-type model like we already signed or something else to put children first.

The objective is to make sure we intervene at an early enough stage that we help the families and whatever their crises might be so we don't have to apprehend the children. There are times when they are in dangerous situations, as you say, but the objective is to try to strengthen the family and keep the children at home.

[Translation]

**Mr. Marc Lemay:** I agree with you, Mr. Minister. There are plans and so on, but the fact remains that I asked about this the last time we met on the supplementary estimates. That was in June, if memory serves. I was talking about Quebec, not Alberta, Saskatchewan or British Columbia.

Have you entered into an agreement with the Government of Quebec to provide additional funds so that foster families can be prepared? I do not need an answer immediately. If you cannot give me an answer today, you can do so when we meet again. I was expecting to find an item for that in the supplementary estimates, but I do not see one. I had requested it.

[English]

**Hon. Chuck Strahl:** The truth is that there is not an agreement with the Province of Quebec yet, although there have been discussions. I've spoken to the provincial minister, and I know he's interested in this.

It's important to know that at the political level these types of arrangements are always tripartite, and you have to include the first nations, so they're not quick and easy things to negotiate. There's interest on the part of Quebec, and I think on the part of first nations, so my hope is that we'll be able to move ahead with the province and first nations on a tripartite agreement in the near future. But it's not in here because it's not yet signed.

[Translation]

**Mr. Marc Lemay:** I agree with you, Mr. Minister, but for me, the “near future” is quicker than six months. It is six months now. We will talk about it again. We will also talk about matrimonial property again. Bill C-47 is important.

I saw that funds were provided to the Canadian Mortgage and Housing Corporation to improve market-based housing initiatives for First Nations and so on. What is the status of the request made by the Assembly of First Nations of Quebec and Labrador for 10,000 homes? Is there any understanding, any negotiation process? Is there any funding provided for that in the supplementary estimates?

• (1600)

[English]

**Hon. Chuck Strahl:** There's certainly nothing in the supplementary estimates for 10,000 housing units. That's clear; I know that.

[Translation]

**Mr. Marc Lemay:** It is spread over ten years, Mr. Minister. I am sorry if I confused you.

[English]

**Hon. Chuck Strahl:** We did establish in our first two budgets significant investments—well over a billion dollars for housing, and some specifically for social housing, some for a market housing fund, and some specifically for the north. So there were several packets of money that were set out that could be used for housing for first nations. There are several different types of housing available, both from social housing and from a market-driven perspective, so those funds are out there and they're not all depleted. They're helping to build houses already. The market housing fund should be rolled out here this spring. Although I don't administer that—it's through CMHC, so it's not my bailiwick—I do know those moneys are being expended. When I travel the country people do talk to me about the fact that they are getting some houses built. There's always a demand for lots of them, but I think it is making a difference.

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

Our regular committee member from the NDP, Ms. Crowder, fell and broke her ankle yesterday, I understand. She's unable to be with us today, Minister, but I'm sure Mr. Martin will adequately fill in for her.

Seven minutes, Mr. Martin.

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Thank you.

I ask this question on behalf of my colleague Mr. Angus, from Timmins—James Bay, and I'm sure you now recognize what it's going to be on.

In the estimates there's been an internal reallocation of resources from capital to grants and contributions of some \$20 million, which leaves about \$1.2 million in the capital fund. There were reports suggesting that construction of new on-reserve schools and major repairs to existing ones in a number of jurisdictions are on hold owing to rising construction and other costs. In December 2007 the Attawapiskat First Nation learned that long-scheduled construction of a new school in the community is apparently delayed for at least five years. The Ontario spokesperson for DIAND was quoted as saying that the Attawapiskat decision resulted from funding pressures and that some capital projects are being deferred but not being cancelled. Can you comment on the rationale for transferring funds from capital expenditures at this time, in light of the well-documented need for improvements to and new construction of first nations schools?

What funding pressures are responsible for the apparently lengthy deferral of projects such as the Attawapiskat school, where children have been in deteriorating portables for eight years? Across the country, how many school construction or repair projects have been put on hold, and for how long?

On a more personal basis, Mr. Minister, I went into Attawapiskat myself back in about 2002, when I was the provincial member of Parliament, and I went through that school at that time. At that time, there were some major issues—oil coming up through...and children having to spend the whole day in there. In fact, I went there in the middle of February, when it was unbelievably cold—I've never felt anything like it. Going outside, even, during a school day in the long winter, particularly when it's a severe winter, is also very difficult. I guess the question is on the Attawapiskat school situation and why. What can we expect from your department in the near future to resolve that?

**Hon. Chuck Strahl:** Thank you, I appreciate that. You have several questions, and I'll try to answer them.

First of all, it's important to know that the kids aren't in the school that you were in back in 2002. Because of the fumes and the problems there with an oil spill that occurred whenever it occurred—some years ago—there's been investment of about \$3 million in new facilities to get them out of the school and to try to.... Again, because it's a health and safety issue, it takes priority, so they're no longer in that school. It's important that people know that.

That being said, of course, there is always a demand for more or better facilities. Again, we contribute to first nations about \$1 billion in these estimates for infrastructure, including everything from water to schools to housing—you name it: there's \$1 billion that goes in for housing, education, and infrastructure of different sorts.

So there is quite a bit of money out there, but it is also true that we prioritize our spending based on the factors I mentioned earlier. We emphasize health and safety as a first issue. That's why those kids were taken out of the school while we spent \$3 million to do that and another \$250,000 to make adjustments to the high school that was close by, again to help those kids access facilities.

Then we mitigate any health risks as a second priority: mitigating health and safety risks to existing and/or new assets. We address the backlog on water and sewer systems. Then, our fourth priority is new investments in things such as education facilities and community buildings and so on. But always things go onto the priority list.

You asked about some of the deferrals of school construction. I can tell you that I thought this question might come up, so I have some answers on it.

Over the past five years, the department has identified 29 school projects that have been deferred because of lack of funding in the country. Of the 29 school projects, twelve will commence in 2008-09, in this budget year; four will begin in 2009-10; two more in 2011-12; three in 2012-13; and the six remaining are after that.

So again, we schedule them. A dozen of them will commence this year, but Attawapiskat is not on the schedule for this year.

●(1605)

**Mr. Tony Martin:** Okay. I wanted to get you on the record on that and I wanted to place it in front of you as a real priority for those of us who have responsibility for communities in northern Ontario and particularly on behalf of my colleague from Timmins—James Bay, who's been working on this very diligently since 2004 and in fact, as you may be aware, has a website up now attracting a lot of attention and focusing on this school and wanting to see it built—as was promised—as soon as possible.

The second question I have is around the issue of education and why it is—and this has been raised by a couple of the communities in my own riding—that your department sees fit to transfer less money for aboriginal children to buy schooling from school boards than the school boards are getting from the province to cover the costs for the regular students attending those schools.



**Hon. Chuck Strahl:** It is often a matter of prioritization. We are spending this year, as an example, a record amount of money. This is the highest the estimates have ever been for this spending in the department, but even at that rate there are competing demands, including increasing demands for education, but not just those. Depending on particular bands' needs, they may say they need help with housing or, if it's a high-risk community, for water quality, for example, or for other things such as sewage treatment. You never know what it might be.

There are other demands right across the country for assistance. Again we prioritize it. We realize kids' education is extremely important. That's why it is always a priority. At times, we have transferred funds in contribution agreements to first nations, and at times that priority—their children's education—has to take priority over some other infrastructure project or whatever else might be a high priority but not as high as children's education. In those cases, it's part and parcel of priority setting, and once health and safety issues are dealt with, it's hard to have a higher priority than children's education.

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

Mr. Bruinooge, seven minutes.

**Mr. Rod Bruinooge:** Thank you, Mr. Chair.

Thank you, Minister Strahl, not only for coming today, but for announcing yesterday a historic piece of legislation, Bill C-47, which will finally address the long outstanding issue we have in Canada, on-reserve matrimonial real property. I know aboriginal women across the country are looking forward to having the same rights that so many other people take for granted. When a marriage breaks down and the assets are normally distributed between the two members of the family, unfortunately we haven't seen that happen on reserve. I know this bill will address that, so thank you.

In relation to the supplementary estimates today, I would like to talk a bit about the Nunavik land claims agreement. This was an agreement that was passed unanimously by the House of Commons; all the parties voted for that bill. When I had to go to the Senate to defend this bill, ironically there were a number of Liberal senators who wanted to vote this bill down. Thankfully, it looks like it has recently had royal assent.

I was wondering whether you could give us some indication as to how these estimates will in fact enable this legislation, and perhaps some of the benefits that might flow to the people of northern Quebec.

• (1610)

**Hon. Chuck Strahl:** I have a couple of comments quickly, because it has been referenced a couple of times.

I want to touch on Bill C-47. I invite committee members to have a look at it. I realize it's not at this committee as yet, but it has been tabled by committee members. It really was an extensive effort to get the best bill we could for aboriginal women particularly, and families, who right now don't have any rules, if you will, that govern the distribution of matrimonial property in the case of a marriage break-up.

This bill was put together. We had extensive consultations with the AFN, with the aboriginal women's groups, and a special ministerial representative travelled the country. I think they had over 97 meetings to consult on this bill. There were a lot of recommendations that I think strengthened the bill. Just like Bill C-30, it's a better bill now because of those consultations.

I think it's a very good package. I realize there was reluctance to pass it today at all stages, but I'd urge all members to have a good look at it. I think it does an excellent job of balancing the collective rights of first nations, which is common land management and things held in common, with the rights of individual first nations who have to live on that land.

It is a bit of a tricky balance, but I think we've done a good job, with the help of a lot of first nations organizations and people who helped us craft a very good bill.

I'd urge all members to have a look at that, even before it comes to committee. If you have any advice for me, please let me know. I think it's a very good bill, which was made better by that consultation process.

With respect to Bill C-11, again, I was in Quebec City for a ceremony on that. This is a very good move toward self-government for the people in the region. One of the first meetings I had was in Kuujuaq. I think it was the first week I had in this new job. We had discussions about moving it ahead. It was held up for a period of time in the Senate, but it's now moving ahead. All parties are supportive, and I think all concerns have been addressed.

Again, we're moving ahead. Really, all Inuit claims have now been settled. When you think of it, that's quite an accomplishment. I thank honourable members for their help to get that bill through. It's been a very good process for the Inuit and in working with the Province of Quebec.

As far as the actual estimates, Michael, could you address that?

**Mr. Michael Wernick (Deputy Minister, Department of Indian Affairs and Northern Development):** I think we're getting Nunavut and Nunavik crossed. Nunavik is the northern Quebec agreement. Nunavut is in the estimates. That's the \$2.4 million that's going to the regulatory bodies in the Nunavut territory. There's nothing about Nunavik in these estimates that I can recall.

**Hon. Chuck Strahl:** I'm certainly talking about Bill C-11 in Nunavik. I think that's what we were both talking about. There's nothing in the estimates for that particularly. I think the only dollars were for Nunavut, and we can talk about that, but it's a different thing.

**Mr. Rod Bruinooge:** I'll move on and ask you for an update in relation to high-risk water systems throughout the country. I know there are a number of initiatives that have been taken, and perhaps you could give the committee an update as to some of the new systems that have been improved upon.

**Hon. Chuck Strahl:** Thank you.

I don't think we have a lot of time here, but I'm happy to follow this further in other questioning as well.

I did table a progress report in the House of Commons on the status of drinking water for first nations communities. I hope members had a chance to have a look at that, because it does kind of lay out where we've been spending money, how we've been training first nations operators to make sure they're qualified and have a 1-800 number—a hotline, if you will—if there are any problems with their drinking water system. And we've also of course allocated in our budget a good amount of money to make sure that this good progress continues.

I also want to assure you that one of the things that was noted by the Senate committee when they talked about the water situation is that they encouraged the government to come forward with an independent audit of the situation on first nation reserves from coast to coast. That hasn't been done for a good number of years. So we are making a request for proposals on that to make sure that we have an independent audit so that we can speak with authority about the status of the number of communities that are affected, how they've been improved, and so on. So that is an independent engineering study. It needs to be done. It hasn't been done for many years. And that will give us a good idea of where to set our priorities, and make sure we're spending money where it needs to be spent. And I just—

• (1615)

**The Chair:** Go quickly, please.

**Hon. Chuck Strahl:** Should we just correct this? Just correct the record on the Nunavik dollars here.

**Mr. Michael Wernick:** I'm sorry, you have a sharper eye than I do, Mr. Bruinooge. There's a reprofiling amount on Nunavik, which is under the northern Quebec agreement. Because of the delays in the legislation, we'll be moving money into next fiscal year and spending it in 2008-09. I think that's what probably caught your eye.

**Hon. Chuck Strahl:** I think it's safe to say it would have been spent on last fiscal year if it had gone through the Senate quickly. As it is, you can't spend it now before the end of March, so it's reprofiled, as they call it, so that it can be spent in this next fiscal year. There's not really more money involved; they just had to move it over because of the delays in the Senate.

**The Chair:** Right. Thank you, Mr. Minister.

That's the end of round one. We'll start round two, which is five-minute turns.

Ms. Keeper, I understand you may be splitting with Mr. Russell.

**Ms. Tina Keeper (Churchill, Lib.):** Yes, I'm going to split my time with Mr. Russell.

Thank you, Mr. Chair, and thank you, Mr. Minister, for presenting today.

I'd like to ask you a question. There were a number of areas on which I wanted to ask you questions, including housing, water and sewer, child and family. But I'd like to focus on education, because you did say that family is a priority. Your party has claimed family, women, children are priorities, as indeed is keeping families together.

In Manitoba, in many of the communities in my riding that have local control of first nations education, they have not had adequate funding in comparison to provincial education systems. I'd like to ask about the \$70 million, because you talk about families and communities being a priority.

I want to tell you a little story about a girl in one of the communities in my riding. She is in a first nation, and she's deaf. She has started school, and she now should be entering grade one. The first nation had developed a plan to keep the child in the community, in the first-nation-controlled school, and had developed a plan to support the classroom, the family, and the child. INAC refused to pay the cost of that proposal but told them they would be willing to pay the cost of sending the child away from the community to a school in Winnipeg, which would cost more than double the amount that it would have cost to keep the child in that system in her school.

So I have a very difficult time understanding, when these things are happening, the \$70 million that you talk about in the tripartite agreements. Rather than supporting first nations education systems that are intent on keeping the children in the communities and educating them in the communities, instead of forcing them to send their children away, which is really what the residential school system was about.... I'd like a bit of an explanation of exactly what these tripartite agreements mean in terms of the \$70 million.

• (1620)

**Hon. Chuck Strahl:** The \$70 million is to encourage something similar to what we've signed in a tripartite agreement with British Columbia. I think what is clear is that it's not just about money. It's partly about money, but it's also about the system we've allowed to develop in this country.

What's evolved over the last number of years is a schoolhouse model whereby individual first nations are doing the best they can with the money and facilities they have, often in a system that doesn't take advantage of what every other school system in the country does, which are economies of scale, working together—

**Ms. Tina Keeper:** If I may respectfully interrupt, Manitoba has a first nations education resource centre, which I know Mr. Bruinooge has visited. It provides second- and third-level service delivery to 53 first nations in Manitoba. That is the service centre they work with, and it's much like the model you've talked about in B.C. Yet we continue to have instances when children are being forced by the department to leave the community.

**Hon. Chuck Strahl:** I can't comment on your case. Obviously it's always best that the children stay in the community, but I can't comment on what might have happened in an individual case.

I can tell you I met the minister last week when I was in Winnipeg. We talked about the status of the four pilot projects that we have, which is an effort. We picked four communities, two in the far north that are isolated communities, and two farther south, which are more typical southern communities that have greater access to typical facilities. We've funded these four pilot projects to see how we can work together to have better results, both in isolated and in other situations. Everything in that is being analysed. It was just started last year.

The hope is that by following through on the results from these pilot projects and working with the Province of Manitoba and the first nations, we can see what's working and what isn't. Again, sometimes it's as simple as the lack of funds or a lack of the ability to do an evaluation of children entering grade one.

If there's no evaluation done and if resources aren't available to do an evaluation, then the kids come in and you don't really know what their needs are. They get put in a sausage maker of an education system that tries to crank out students, but it hasn't done an evaluation as to what those kids might need as far as special needs and help, like this girl you're talking about.

**Ms. Tina Keeper:** In Manitoba, 80% of the high school kids in first nations are going to school off reserve, and when they are going to school on reserve they often have equitable graduation rates to provincial schools and to Canadian students.

**The Chair:** Thank you, Ms. Keeper and Minister.

Mr. Albrecht, for five minutes.

**Mr. Harold Albrecht (Kitchener—Conestoga, CPC):** Thank you, Chair.

Thank you, Minister, for being here today.

I am certainly encouraged by the number of initiatives you and your department have taken in terms of bringing equality and human rights to first nations people across Canada.

The one thing I'd like to follow up on briefly is the issue of water. I would find it difficult to agree with the statement by the member opposite when she commented that education was more important than water. It would seem to me that one of the basic requirements for good health is to have safe drinking water.

I would like to comment on page six of your statement, Mr. Minister, where you commented on the number of high-risk drinking water systems being down from 193 to 85. I think that's a huge accomplishment, and I commend you for that.

I notice you indicated \$330 million over the next two years have been committed to improving access to safe drinking water. I'm wondering how far that \$330 million will go in terms of diminishing the remaining 85 communities to zero.

**Hon. Chuck Strahl:** Thank you.

There has been good progress, I think in part because by concentrating on safe drinking water and making it a priority, the

government and first nations together have been able to lop off the low-hanging fruit.

We've spent quite a bit of money on it. It involves things like the circuit rider program that trains first nations on how to operate the facility. It makes them qualified operators and gives them a 1-800 number so that they can move quickly in case there's a crisis. Sometimes a small problem nipped in the bud means that you haven't polluted the entire system, which costs a huge amount of money and contaminates it perhaps for weeks or months.

A lot of work has been done. We're increasing the number of people who can train and qualify first nation operators, doubling the number of trainers over this next year. All these things are good measures, but the truth is that it's always easier to do the relatively simple ones, the ones in which the chlorinator is not working quite right or the operator is not qualified and now he or she is. It's always easier to move more quickly, and that's why, through our concentrating on it, a significant reduction occurred pretty quickly.

I hate to say it, but the truth is that getting the number down to zero as you're describing will probably never happen, because it never happens in non-first nations communities either. Something will always come up. All of a sudden the ground water might become contaminated or the piping starts to rust out in a system that was perfectly good two years ago. It will never get truly to zero, but the \$330 million investment means that on an infrastructure basis, this takes priority.

You can't have economic development without good water. You can't send your kids to school. Your health costs go through the roof. An awful lot depends on good water, so I think it needs to be a priority and certainly we don't apologize for making it such with that kind of an investment.

• (1625)

**Mr. Harold Albrecht:** No; I think, Mr. Minister, that the committee would certainly support your initiatives in that regard.

The other point I'd like to follow up on is your initiative as it relates to economic development. Sprinkled all through your comments are initiatives to create economic opportunities in the north: geological mapping, new jobs in the commercial fishery, and so on.

I recently read a book by an aboriginal author, Calvin Helin, called *Dances with Dependency*. He certainly argues in that book for government's responsibility in terms of encouraging economic development.

I've also spoken personally to a number of aboriginal entrepreneurs—

**The Chair:** You have one minute.

**Mr. Harold Albrecht:** —and I wondered what kind of uptake you are sensing with the initiatives of the government as we try to make economic development opportunities one of the primary focuses of our government.

**Hon. Chuck Strahl:** I'll quickly just say that I think first nation communities and first nation organizations have clicked to the idea that although education is important and a bunch of things are important, there is no solid future without economic development.

I remember talking to Chief Louie, for example, who's well known in first nations circles and to Canadians generally. He finally gave a talk at an Assembly of First Nations meeting here. I think it was just a couple of years ago, because it was the first time they had focused on economic development. A lot of the other focuses were on quality-of-life issues such as housing or child and family safety—a bunch of things—but he says that until or unless you get economic development, the rest of it isn't sustainable. I think that has come on in spades.

Phil Fontaine, for example, spoke yesterday. I'm just delighted to see they signed an agreement with the Mining Association of Canada talking about working together to provide jobs, because, as Phil Fontaine says, if you don't have access to resources and access to jobs, then a lot of the other things we might want to help and fix just aren't going to get done.

I see a big uptake. I see the leadership in first nation circles saying they're ready to work and become part of the mainstream business community in Canada. That goes for whether you're talking to the national Canadian Chamber of Commerce, the Mining Association, the Canadian Association of Petroleum Producers, forestry people, or in some places high tech. You name it; people in the first nations community are urging that we get excited about economic development.

That's why we're putting some more emphasis on it and gathering the resources from other departments as well—transferring things from Industry Canada, for example, back into INAC so that we can talk in terms of one-stop shopping for infrastructure, for economic development training and opportunities, and for other things that we can help coordinate with first nations people.

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

Monsieur Lévesque, *cinq minutes*.

[*Translation*]

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Thank you, Mr. Chair.

Thank you for being here, Mr. Minister. I am going to ask my questions all together. You have a way with words, so I will give you the floor. There is an \$1.1 billion item in the budget. Is this for the agreement you signed in Mistissini on February 20 or 21 this year that follows on from the James Bay Agreement of 1975?

An amount of \$1.4 billion was announced in the papers and in the news release that you issued.

Could you tell me whether the \$1.1 billion will be paid now in a lump sum or whether it will be spread over the 20 years identified? If so, what oversight will you have over the funds?

The last time you appeared, I asked about a problem that First Nations are experiencing. But of course, you noticed how dynamic were the people the in village you visited. With regard to the moisture problems in their present houses, must they use the funds

allocated in these last regulations or will those funds be topped up before they assume responsibility for their villages?

Will the \$1.1 billion be paid in a lump sum or over 20 years, and are you going to be overseeing the way in which the funds are administered?

• (1630)

[*English*]

**Hon. Chuck Strahl:** Thank you.

You're right; those are very exciting communities. My hat is off to the leadership in those communities, not only for what they're doing in each individual community but for their collective work together. They've done good work coming together and have strengthened their hand.

In fact, I always urge first nations groups, whenever possible—and I think that's a good example—to come together and come with a common solution and a common negotiation position. I think it strengthens the hand of the first nation, but it's also a good thing for government, because senior levels of government say “We can do a deal that covers this whole region and agree together on what the provincial government is going to do, what the federal government is going to do, and first nations”. I think it's the way to go, and I was just delighted to sign off on it.

The \$1.4 billion will be paid out on a schedule. Some of it's over 20 years, but the large part of it is up front. So \$1.1 billion will be paid up front. They're designing what kind of trust fund they might want to put that in and how it might be utilized, but the money is going in up front in a big payment. That's why it's in the estimates in that lump sum.

The other money is paid out over a period of time for all sorts of things. We can get you that schedule if you'd like to see it. But it does stretch out for the next 20 years, as does the provincial agreement, which is separate from ours. The Province of Quebec, of course, also has a 20-year agreement with the same group of people on provincial-type services such as delivery of police services, perhaps, or different things that the province has basically contracted or agreed upon for a 20-year period.

So the things that are federal cover the same 20-year period as those of the province, in a separate agreement with the same group of people, but there is a big lump-sum payment up front. The rest of it is over the next 20 years. We can get you the schedule of how that money is being paid out and how it's being held to account.

It is an exciting community. People should go there. In fact, I would urge people who aren't from the region to go. If they can take a trip up to this country and see how these communities are organizing themselves, it will dispel some of your myths about first nations communities. They have got their act together in a sense of setting priorities. We held this in a nice community centre, with new school facilities close by and lots of new houses. The guy who was driving me around was a police officer. He had market-based housing. He drove me by his house. That's his house that he financed. It's on first nations land. In other words, it was just a pleasure to hear how excited they were about the opportunities they have in their communities. I encourage people to take a trip up there and drop a few tourist dollars into their pockets.

**The Chair:** Thank you, Minister Strahl, and thanks for being here today.

It's my understanding that you need to leave now. When you talk about seeing some of these communities, I am hopeful that at some point this year this committee will have the opportunity to travel in Canada and possibly visit some communities where we need some good ideas, but also some other communities where good ideas are already being implemented and we can share some practices.

I'm going to take about one minute to let the minister leave, and then Mr. Storseth is next on my list to continue with questioning of the officials.

I'd encourage members to come back to the table. We would like to get as many questions in as possible. We need to end around five so that we have time to deal with our subcommittee report before the bells at 5:15.

I know Mr. Russell has a question. We're going to try to get to his turn.

Mr. Storseth is next, followed by Mr. Martin, followed by Mr. Warkentin, and if we get that far, then Mr. Russell.

Mr. Storseth, if you're ready you can begin with your five-minute round.

•(1635)

**Mr. Brian Storseth (Westlock—St. Paul, CPC):** Thank you very much, Mr. Chair.

I should tell you at the start that if I run out of time my colleague from Peace River will be taking the rest of it. Apparently Mr. Albrecht would like the time—so there's a fight here.

I'd like to start out by asking you some questions on the northern strategy. I think it's a very important aspect of our vision for Canada, in enhancing our role and our vision for the north, and kind of flanging it up a little bit. I understand you gentlemen have a good role to play in that.

Unfortunately, many of my questions were for the minister, so I'm going to try to play them around here.

On the geological mapping, can you explain to us to a degree how extensive this is going to be, and what, if any, role DND is playing in this? Is there any sharing of information and coordination of the results that DND will have access to?

**Mr. Michael Wernick:** I'll do my best. Thank you for the question.

This is an area where we play a coordinating role with other departments. A lot of the delivery is done by them, and I may have to get some follow-up information for you.

The mapping will be done by Natural Resources Canada and coast guard vessels, dropping sonar buoys into the water and that sort of thing. The priority for the money is to finish the seabed mapping that will allow our diplomats and lawyers to file claims under the UN Law of the Sea Convention.

All the countries that have Arctic interests are doing the same. In fact, we're actually cooperating with each other, sharing ship time

and that sort of thing. It will allow a complete up-to-date mapping of the seabed in the Arctic, and then the lawyers can fight out demarcation lines and that sort of thing. So that's what it's for.

I'm not sure that there are DND interests so much. Natural Resources Canada will do it. Coast guard vessels will be the main vehicle for doing it.

There is some mapping on the ground going on as well in terms of finding out what's up there in terms of minerals, and again, that's Natural Resources Canada. But if you have any specific questions, I'd be happy to chase my colleagues for them.

•(1640)

**Mr. Brian Storseth:** Absolutely. And if you get hold of any further information on this, I'd appreciate it afterwards. I understand if you don't have all the details in front of you.

My other question, then, would be on how far away we are from being able to implement this technology. Is this something that the money is appropriated for and we're going to be able to go forward with immediately, or is this something that's a month or two away, or a year away?

**Mr. Michael Wernick:** My understanding is that the mapping exercise has already started, and what this basically does is accelerate it. You can pay for more ship travel, more time, and you can simply be more active, especially in the summer season when the water is open and you can do the maps.

**Mr. Brian Storseth:** Is the amount we've appropriated going to be enough to get this done in an expedited fashion? It's my understanding that in this mapping we are actually somewhat behind some of the other nations that, as you said, have Arctic interests and have already commenced some of this work.

**Mr. Michael Wernick:** My understanding—and again I'd have to defer to colleagues from Natural Resources Canada—is that it will be enough money to finish the mapping required to file the submissions under the UNCLOS process in time—there is a 2013 deadline—and then the lawyers take over.

**Mr. Brian Storseth:** Okay, excellent.

Currently my colleagues opposite have some questions. This is very pertinent as to the development of the north.

I'd also like to ask one quick question on the \$47.6 million that was allocated in this to Canada Post. Can you explain that number to me? It's probably a simple answer that—

**Mr. Michael Wernick:** That's the food mail program.

**Mr. Brian Storseth:** Is that all for the food mail program?

**Mr. Michael Wernick:** We write Canada Post a cheque to do the food mail program. That's what that is.

**Mr. Brian Storseth:** Thank you very much.

I'll share the rest of my time with my colleague.

**Mr. Chris Warkentin (Peace River, CPC):** Thank you, Mr. Storseth.

Thank you, gentlemen, for being here this afternoon.

I wondered if we could get into a short discussion with regard to the minister's brief description of the audit function that will be employed in July of this year. I'm wondering if somebody might be able to give an update as to where that is at and exactly how this is going to be carried out.

**Mr. Michael Wernick:** Thank you for the question.

As you'll be aware, given that you are appropriating about \$5 billion in grants and contributions, we do a lot of contribution agreements with recipients. They each have boiler-plate language as well as the specific purposes for the money. We discovered through some of our management practices reviews that we did not have standard language on the ability to go in and audit, if necessary, on the use of the money. It's not really an issue in most cases, where the recipient cooperates with the audit, and that's often the case. It is an issue when the recipient doesn't want to cooperate with the audit. Most departments have this kind of language. We have it in some of our programs and not others, and we're simply trying to standardize it and put it into all the agreements.

We discovered this rather late in the year. We didn't want to unilaterally force it without consultation with the recipients, to catch them by surprise, so we're doing it with a three-month lag so we'll have time between now and July 1 to make sure everybody is comfortable. It's the kind of language that recipients would have seen from Health Canada or other departments.

**The Chair:** Thank you.

Mr. Martin, five minutes.

**Mr. Tony Martin:** Thank you very much.

I'm a little disappointed that the minister isn't here and that we didn't have a bit more time with him.

I just have a couple of technical questions.

In the initiative that has been launched by your department, "Justice at Last", a number of first nations, including my own at home, are finding that a lot of the research that needs to be conducted to plan properly and to submit claims for negotiation has to be done in a hurry because of the timelines here. There's a lot of it that has to be done to prepare and to hopefully be successful. They're saying there isn't enough funding available to actually make that happen in the way they would like, so they're satisfied they can put forward a case that has every potential to be successful. There are a number of communities, bands across the country, that are concerned about that and they wanted me to ask this question. Is there any more money coming? Is there any more money available? Do you understand the issue and are you going to respond to it in any concrete way?

**Mr. Michael Wernick:** Thank you for this question.

I don't want to be facetious, but I've never heard "specific claims" and "hurry" in the same sentence. Part of the problem is that the process has been so excruciatingly slow—

•(1645)

**Mr. Tony Martin:** I thought that was what this process was supposed to do.

**Mr. Michael Wernick:** That's right. If you go back to the Prime Minister's announcement from last June, it's a four-part strategy, the centrepiece being the tribunal, which is in Bill C-30, which is before this committee. If the tribunal comes into effect, we will also be doing the other parts, which are streamlining the government assessment process, which is largely about figuring out whether a lawful obligation took place or not. That's between us and the Department of Justice. We've secured some resources to streamline that process. There will be funds available to assist the first nations in research. I can get you some details on how much and when, but without the tribunal we're just going to have to carry on with the old model in which "hurry" was not an operative word.

**Mr. Tony Martin:** There was another question raised by some local people in my area. We had a residential school in Sault Ste. Marie—Shingwauk—and they were wondering if there was going to be any support to communities to help people with the preparation of their application and with the gathering of the records that can be quite cumbersome. Out of my office, we've already assisted a couple of people in that exercise. Is there any thought to some support coming forward to local communities to help individuals and families to prepare those applications so that, again, they can maximize their potential to be successful and to do it quickly, so people aren't continuing to die while we wait to get this money out?

**Mr. Peter Harrison (Deputy Minister, Indian Residential Schools Resolution Canada, Department of Indian Affairs and Northern Development):** Thank you for your question, Mr. Chairman.

There are a number of supports that are already in place. Some of them are health supports, some are through Health Canada. There is support through the Aboriginal Healing Foundation and through Indian residential schools resolution. We provided funding to Shingwauk, for example.

The challenge of the future that the truth and reconciliation commission will have—and they will need to address this directly—is how to pull together and provide the archiving of information, specifically in respect of individuals applying through the process. Most people already have applied for the common experience payment. We've been in a position to help them by 1-800 lines. Individuals who will be applying to the independent assessment process will be provided with support through this channel. However, with respect to the independent assessment process, which will be looking at the cases of abuse—that is, physical, psychological, and sexual abuse—the strong recommendation is that those individuals hire a lawyer.

**The Chair:** One minute.

**Mr. Tony Martin:** When they met with me, they told me that was the kind of answer they expected to get from INAC. It's unfortunate. We've had situations in which records are really difficult to get because schools have burned down, etc. I don't want an answer to this; I just want to put it on the record for you.

In answer to my question on Attawapiskat and my question on funding for education for aboriginal children, the minister suggested that there are priorities, and that there just isn't enough money to meet all of the priorities. So I guess the question that needs to be asked is who's setting the priorities? Why is it that a government able to dish out, I think I heard the finance minister say, something like \$200 billion in tax breaks to folks, most of it in corporate tax breaks

**The Chair:** Mr. Martin, just get to the question—you're out of time—and then I'll allow a short answer.

**Mr. Tony Martin:** Yes, I will.

Why is it that, with all of the money dished out through the budget and the mini-budget and now this budget, we don't have enough money to meet the priorities of some of the most marginalized and at-risk of our citizens, our first nations?

**The Chair:** Mr. Martin, you're an experienced parliamentarian. I think you know that the question that you're asking about, how the government sets its priorities, is inherently—

**Mr. Tony Martin:** I'm getting to the question.

**The Chair:** Well, we're already a minute over your time, so if you have a short question and a short answer, I'll admit it. Otherwise, I'm going to carry on.

**Mr. Tony Martin:** Sure.

Have you participated with the minister in championing that kind of approach—getting some of the money that's being given away so we can actually attach it to these priorities?

**Mr. Michael Wernick:** I'm not going to comment on budget setting and relative priorities. I'd be happy to try to explain the methodologies.

Parliament will give us about \$1 billion for community infrastructure. That goes to housing, education, other community uses, water, and services. We try to use a ranking system and waiting lists. Stuff happens. There are fires. Projects are delayed. It's impossible to get the contractor. We try to squeeze every dollar of value and get as many projects as possible paid for each year with the money that Parliament appropriates us.

• (1650)

**The Chair:** Thank you.

Mr. Bruinooge, you have five minute.

**Mr. Rod Bruinooge:** I would like to thank all of the witnesses. I have the opportunity to work with you on a regular basis, and I appreciate your efforts and your sincerity in trying to do the best you can for aboriginal people in Canada.

Perhaps it would help to take a look at some of the actual numbers in the detailed departmental planned spending. I'm familiar with some of these numbers, but maybe we could go on the record with a bit of a further breakdown.

I'd like to start at the top in relation to governance, institutions of government. Spending of roughly \$637 million is forecast for the 2007-08 fiscal year. I was wondering if you could break this down a bit for us.

**Mr. Michael Wernick:** I'm sorry, do you have the line item?

**Mr. Rod Bruinooge:** It's under "Governance and Institutions of Government". It's one of the line items. It's in the Library of Parliament breakdown.

**Mr. Michael Wernick:** Are you referring to the supplementaries, or the main estimates, Mr. Bruinooge?

**Mr. Rod Bruinooge:** This is the supplementaries.

**Mr. Michael Wernick:** I don't have that at my fingertips. We will be back here in April or May with the main estimates. There's about \$6.3 billion in the departmental budget, plus whatever we'll be adding because of the recent federal budget, which will add some spending on water, child and family services, and education. On the governance and institutions of government, I can get you more information on that. A lot of that would be related to implementation of self-government agreements, support for band councils, the basic sorts of governance structures of the 600 first nations.

**Mr. Rod Bruinooge:** Do you know the percentage breakdown in relation to some of the advocacy groups, such as the AFN, NWAC, and others? Do you know how that would be broken down in that number?

**Mr. Michael Wernick:** Yes. We fund a variety of representative organizations, I guess is the title. There are several national ones you are familiar with. There is also a series of provincial and regional ones. There are specialized ones such as the Inuit Women's Association and so on. There are about 50 organizations. All in, the figure that comes to mind is about \$120 million each year. Some of that is what you would call core funding—ongoing support for the organizations—and some of it is very specifically tied to projects.

One example would be the consultations we did on the matrimonial property legislation. That was a very specific arrangement with the Native Women's Association and the AFN to deliver a consultation process. There are a number of those, such as the work we did on the specific claims legislation with AFN and several regional organizations. I can get you a breakdown on past years.

The forecast will depend a little bit on where the work is and what other projects emerge, but \$120 million would be a pretty close estimate.

**Mr. Rod Bruinooge:** Perhaps just going back to the point you made in relation to matrimonial property and the process that was undertaken with NWAC as well as the AFN, do you have round numbers for what that process cost?

**Mr. Michael Wernick:** Off the top of my head, I think it was about \$8 million for matrimonial real property consultations, give or take. I'll get you an accounting for that. That was to deliver both the work of the minister's representative and to do a number of regional and community consultations over the period from when the consultations were launched—I think just down the hall from here—to the finalization of the bill. It was, give or take, \$8 million, but I could get you a more precise figure.

**Mr. Rod Bruinooge:** Okay, I appreciate that.

I have one minute, and if you don't mind, I will just go down this list here. There are a number of other areas I want to ask about. Some of them I do have some information on myself, but in relation to managing individual affairs—this is another item that was broken out by the Library of Parliament—it comes in at \$24.7 million. I know that is pretty specific. I don't mean to put you on the spot, but could you give us a further breakdown on that particular line item if you have the information?

**Mr. Michael Wernick:** There are parts of the minister's responsibilities, and therefore mine, that have to do with the old Indian Act, such as the management of moneys, trusts, estates, the registry, and the status cards, which we had some questions on last time. I'm sure the bulk of that money is accounted for by the registry system, the status card, and the management of trusts and estates of individuals.

Just as a 30-second commercial, one of the benefits of the Indian residential school settlement is there was a huge awareness of financial management and the need to have wills, which will actually improve performance in that area.

•(1655)

**The Chair:** Thank you.

Mr. Russell, you have five minutes.

**Mr. Todd Russell (Labrador, Lib.):** Good afternoon, and thank you for being here.

I certainly wish the minister could have stayed, of course, but we will have another opportunity, and I will congratulate him on going through a demythification process about his concepts and his stereotypes around aboriginal communities. I would hope he will continue on that particular track. I would have liked to inform him that there are indeed aboriginal communities that have nice halls and nice schools and good management systems, so I hope he continues on that particular personal journey of his.

I would also say, with all due respect—this has nothing to do with you officials—I find it hard to swallow the pedestal on which my colleagues on the opposite side have put themselves when it comes to advocating on behalf of aboriginal rights and aboriginal women in general, when their record in opposition shows they voted against almost every piece of major legislation that would have improved the lives of aboriginal people for 13 years. That has been their record, so I find that a bit incredulous.

I will continue to ask a specific question. If the demand is so great, and—as the minister sort of said—it is so infinite in terms of the need, in terms of capital expenditures in whatever form they come, why is it that we can't spend that \$20 million, and that it must be reallocated somewhere else?

**Mr. Michael Wernick:** What \$20 million?

**Mr. Todd Russell:** Out of capital expenditures into grants and contributions—why can't you spend it, if the need is so great?

**Mr. Michael Wernick:** We spend all of the grants and contributions dollars that Parliament gives us, right down to within a few hundred dollars.

What I have is a series of votes, which are laid out for you in the estimates. I have an envelope of money to manage, which has to go toward making contributions to the first nations for the education systems, for paying tuition bills to neighbouring school boards, for child and family services, for water, for housing, for income assistance payments, and so on. Within that, about \$1 billion goes for infrastructure, major capital and minor capital, operating costs of facilities, and so on.

We try to allocate that across regions and across those four or five cost areas. It does all get spent each year. We try to manage this waiting list system of projects as best we can.

**Mr. Todd Russell:** There's also some money being reallocated, I guess, due to delays in certain programs rolling out. International polar year was announced in 2005, and announced again subsequent to that. Why would there be a delay in rolling out the work of the international polar year to the tune of some \$5 million?

The follow-up will be about the office of the federal interlocutor. I'll make some comments when we have main estimates because of the huge decrease that's projected in that particular budgetary item.

Again, the rollout of the urban aboriginal strategy has been delayed. Can you explain why we have delays in that area and in the one mentioned earlier?

**Mr. Michael Wernick:** With regard to international polar year, that is a consortium of at least six federal departments. We act as a banker, and money flows out to those departments for implementation.

I can try to find out for you, but it's simply a matter that sometimes it doesn't fit into the fiscal year. The money will be spent; a \$150 million commitment was made. Most of it's going out for science and research, and what's not spent this year will be spent next year.

**The Chair:** You have one more minute.

**Mr. Michael Wernick:** On the urban aboriginal strategy, I think that was simply some slippage in getting cabinet approvals and getting it rolled out. Again, those moneys will be spent later.

**Mr. Todd Russell:** Okay.

Just very quickly, who's paying for the new icebreaker? Is it Indian Affairs or is it DFO?

**Mr. Michael Wernick:** No, no, that money will be appropriated to the coast guard through another committee on another vote.

**Mr. Todd Russell:** Okay. And why is she being stationed in St. John's if she's an Arctic icebreaker?

•(1700)

**Mr. Michael Wernick:** I think you should ask the commissioner of the coast guard what they're going to do with their new ship when it's delivered nine years from now.

**Mr. Todd Russell:** I want it in Goose Bay; that's in the Arctic, in the north.

Thank you.



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

This will conclude our questioning. I am going to suspend for a couple of minutes. We will be going in camera. Before we do that, I want to thank the witnesses for being here today.

At this point, we have the choice as a committee—

**Hon. Anita Neville:** I'm assuming that the information the parliamentary secretary asked the department for will be distributed to all members.

**Mr. Michael Wernick:** Mr. Chairman, I have two very quick remarks. I don't want to hold you up.

One, I am very conscious that we owe you some responses from our last appearance. I was horrified to find out that they hadn't been delivered yet. They will be in your hands before the end of the week.

We will go through, with the committee clerk, the questions. We're taking careful notes, and you'll get written responses to as many as we can provide—and certainly more quickly than the last time.

**The Chair:** And I will ask the clerk to distribute those to all committee members. Thank you.

At this point the committee has a choice. We can formally go through the votes at this point; if we choose not to do that, the votes will be deemed passed.

Okay? Thank you.

I will suspend for two minutes while we clear the room. We'll go in camera to discuss our subcommittee report.

*[Proceedings continue in camera]*

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