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—
Chair

The Honourable Shawn Murphy

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•(1105)

[English]

The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)): I call the meeting to order. I want to welcome everyone, especially the witnesses here today.

The orders of the day deal with chapter 3, on the Inuvialuit Final Agreement, of the October 2007 Report of the Auditor General of Canada.

From the Office of the Auditor General we have assistant auditor Ronnie Campbell, and principal Frank Barrett. Welcome.

From the Department of Indian Affairs and Northern Development we have the deputy minister and accounting officer Michael Wernick. He's accompanied by Michel Roy, the senior assistant deputy minister, claims and Indian government; and Terry Sewell, director general, implementation branch.

I want to again extend to each and every one of you a very warm welcome to the committee.

I understand, Mr. Campbell, you have an opening statement. I'll turn the meeting over to you.

Mr. Ronnie Campbell (Assistant Auditor General, Office of the Auditor General of Canada): Mr. Chair, thank you for the opportunity to present the results of our audit of the Inuvialuit Final Agreement from chapter 3 of the Auditor General's October 2007 report. I am accompanied by Frank Barrett, who is the principal responsible for this audit.

The Inuvialuit Final Agreement is one of Canada's first comprehensive land claim agreements. When it was signed in 1984 it was the first such agreement to be signed north of the 60th parallel, and is only the third comprehensive land claim agreement to be finalized in Canada. As with all comprehensive land claim agreements, the Inuvialuit Final Agreement is protected by the Constitution.

[Translation]

Modern comprehensive land claim agreements are complex and address the roles, responsibilities, and obligations of each party as well as other things, such as a land transfer and cash settlement. Land claim agreements are not designed to end relationships between governments and the aboriginal groups; they are designed to change those relationships.

The principle objectives of the Inuvialuit Final Agreement are to: preserve the Inuvialuit cultural identity and values within a changing northern society; enable the Inuvialuit to be equal and meaningful

participants in the northern and national economy and society; and protect and preserve Arctic wildlife, environment, and biological productivity.

The Inuvialuit Final Agreement includes more than 80 provisions, under which the federal government is obligated to take certain actions or participate in certain activities. More than three quarters of these obligations are ongoing, such as regular participation on boards and committees.

We audited federal activities related to 29 of Canada's obligations that we deemed important for fulfilling the agreement. We also examined how Indian and Northern Affairs Canada—the lead federal organization—planned for, carried out, and monitored the implementation of Canada's obligations under the agreement. Finally, we assessed whether, or how, INAC monitored and reported on the extent to which the agreement's principles were realized.

We found that the federal government had not met some of its significant obligations. Often, this was because it had not established the necessary processes and procedures, or it had not identified who was responsible for certain actions.

[English]

For example, it had not yet established a process to remove restrictions on use called “encumbrances” from 13 parcels of Inuvialuit land that would transfer control and use of the land to the Inuvialuit. Furthermore, in 1984 INAC erroneously transferred land to the Inuvialuit that contained municipal infrastructure that belonged to the Government of the Northwest Territories and to Transport Canada. Our audit found that INAC had not established processes to reacquire these lands in exchange for other lands.

Some of the obligations are being met, Mr. Chairman. INAC has paid to the Inuvialuit Regional Corporation almost \$170 million, over 14 years, according to the schedule set out in the agreement. Canada has transferred approximately 91,000 square kilometres to the Inuvialuit and created three national parks. Federal organizations have collaborated with joint management boards and with committees that were established under the agreement. They have also advised environmental screening and review bodies when requested to do so.

Mr. Chair, we found that the Department of Indian and Affairs, on top of not meeting specific obligations, still had not developed a strategy for how Canada would implement its responsibilities. This is 23 years after the agreement came into effect. We also found that INAC, the federal lead, has taken no action to ensure that progress towards achieving the principles of the agreement is monitored. During the audit, officials stated that they did not view this as the department's responsibility. As a result, the department does not have a comprehensive picture of progress of the three fundamental goals expressed in the agreement.

We made six recommendations. INAC agreed with all of them. When it responded to each one, INAC made various commitments, with specific timeframes, some of which were to be acted upon by March 2008. The committee may wish to invite INAC to table its action plan and explain what changes have been put in place to ensure it lives up to the commitments it made in response to our recommendations.

Mr. Chair, that concludes my opening statement. We would be happy to answer any questions the committee may have.

• (1110)

The Chair: Thank you very much, Mr. Campbell.

We're now going to hear from Mr. Wernick, the accounting officer with the Department of Indian Affairs and Northern Development.

Thank you very much, Mr. Wernick. The floor is yours.

Mr. Michael Wernick (Deputy Minister, Department of Indian Affairs and Northern Development): Thank you, Mr. Chairman, for the invitation to appear before the committee today.

This is my third parliamentary committee appearance in about a month. I spoke recently to the Senate committee on aboriginal affairs on this very subject—the Inuvialuit agreement. I'm pleased to have the opportunity to address the findings and recommendations on implementation of the Inuvialuit Final Agreement contained in the Auditor General's October 2007 report.

[*Translation*]

First of all, I would like to thank the Auditor General for her report. I appreciate the diligent effort and careful study undertaken by the Auditor General and her staff, and I genuinely welcome their thoughtful recommendations.

We recognize the seriousness of the matters raised in the report. Any failure on our part to fully abide by the terms of the Inuvialuit Final Agreement not only undermines the relationship with this aboriginal community, but also diminishes the hard-won credibility of the federal government as it enters into negotiations on agreements with other aboriginal communities across Canada.

• (1115)

[*English*]

In her report, the Auditor General suggests six precise ways in which the department can completely fulfill its responsibilities under the Inuvialuit Final Agreement. The recommendations touch on key aspects of the agreement: land exchange, contracting, economic review, interdepartmental communication, overall implementation strategy, and performance measurement issues.

We are working and have been working in all these areas. Since the report was presented to the House, we have increased our efforts to address the concerns raised by the Auditor General, in order to fully implement the terms of the agreement.

We have been working on developing an action plan to ensure that we are on track, setting realistic and concrete deadlines to address the recommendations. We met with the staff of the Office of the Auditor General, and they provided us with some guidance on the appropriate form and language of an action plan following on our most recent audit and evaluation committee meeting, which was held on February 28.

My officials have provided me with an update on the department's response to the recommendations of the report since it was tabled, and we've made substantial progress even since then on a number of the items highlighted by the Auditor General. I'll just touch on a few of those, and then hopefully that will set the table for questions. I'll deal with them in order.

On land exchanges, accelerated work over the last few months has led to progress on the issue of the airports and the Pingo Canadian Landmark land exchanges. Negotiations with the Inuvialuit and the other federal parties are in fact now finalized and final approval of those parties is expected within the next six months.

This highlights one of the generic challenges for us, in that the department is not solely responsible for or capable of delivering implementation or in possession of all of the levers and tools. Some of those rest with other federal departments. As you may be aware from reading the report, the Government of Canada is the signatory to the agreements, and often this involves a range of federal government departments and other parties.

On contracting, for example, we've worked closely with the Treasury Board Secretariat and Public Works and Government Services Canada to ensure that contract practices across the government reflect our commitments as a government. An amendment will be finalized within the next fiscal year, and the systems to monitor compliance will be brought in line with the new policy.

With regard to economic reviews, we have provided funding to the Inuvialuit to assess the economic development opportunities and potential in each one of the six Inuvialuit communities. We recognize that successful aboriginal communities mean a more prosperous country for us all, and this practical community-based approach supports the objective.

Let me confirm that we continue to explore approaches to enable us to assess and report on a timely basis on land claims implementation activities and obligations, not just in the case of the Inuvialuit Final Agreement, but all of our land claims settlements across Canada.

Stronger accountability mechanisms for implementation of modern treaties—including multi-party implementation bodies, quarterly reporting, and audits, both internal and external, when required—are adding greater rigour into our work. To address recommendations of internal audits, we're improving the process we use for tracking implementation and we're producing a practical implementation handbook for staff. We've also conducted workshops to identify performance measures and indicators that will assess and report on the impact of our implementation activities, and all this is imbedded in a larger department-wide performance measurement framework.

The department's implementation branch, led by Mr. Sewell, who joins us here today, has led a series of discussions over the last few months with representatives of all the aboriginal signatories to modern treaties and with all other federal government partners to gain a greater understanding of implementation challenges and to make sure we work together on solutions.

Finally, an evaluation of the impact of modern land claims agreements is underway, starting in five communities in both the Northwest Territories and Quebec, and the evaluation results will be available later in the coming fiscal year.

[*Translation*]

These initiatives are clear proof of our commitment. Despite the obstacles we encounter we should not lose sight of the fact that the current land claims process works and that agreements are having—and will continue to have—a profound effect on the lives of members of aboriginal communities. By working together we will continue to make progress.

[*English*]

I would cite recent testimony of Chief Joe Linklater of the Vuntut Gwitchin First Nation in the Yukon before your counterparts in the Senate committee on aboriginal peoples. I have an interesting and compelling quote from Chief Linklater in which he said, “I tell people all the time that these self-government agreements were not negotiated to resource ourselves. They were negotiated to give us the ability to look after ourselves and to be self-determining.”

Well, the ability to look after ourselves is what all Canadians want. I believe that the measures this department and other departments will be putting in place, have put in place, and will put in place to respond to the Auditor General's report will bring us much closer to that ultimate goal.

Thank you, Mr. Chair. I'd be happy to take your questions.

The Chair: Thank you very much, Mr. Wernick.

Today, colleagues, we have a couple of motions. I'm going to continue this meeting until a quarter to one, at which time I will deal with the two motions that are before the committee.

Mr. Hubbard, for seven minutes.

Hon. Charles Hubbard (Miramichi, Lib.): Thank you, Mr. Chair.

It's a very old issue. I guess it was brought back to us as parliamentarians with the Auditor General's report. It seems to reflect

that when you sign agreements, the Government of Canada doesn't always honour them.

Mr. Wernick, with the progress that this made—it's an agreement between our government here in Ottawa and people of a very distant part of our great Canadian nation—are the people of the territory complaining to our government that we're not honouring our commitments? I haven't read the Senate inquiry. Are the people in that area, the 3,500 or 3,600 people who live there, their leaders, complaining to the Government of Canada that we're not meeting our obligations?

Mr. Michael Wernick: I'm not quite sure how to answer that.

We have an ongoing relationship with the Inuvialuit leadership. Most of the agreement, in fact, takes on an ongoing government-to-government relationship with their lands corporation, their economic development corporation, and their political organizations, so they are constantly dealing with us with the issues facing the Inuvialuit communities.

Hon. Charles Hubbard: When you attempt to answer that question.... It must be a pretty straightforward question.

Are you getting correspondence? Are you getting calls? Are you getting concerns from the people of the area that we, as a government, are not meeting the obligations that we signed on to in that territory some 24 years ago?

• (1120)

Mr. Michael Wernick: We have ongoing correspondence and relationship with the Inuvialuit people.

Hon. Charles Hubbard: Are they dissatisfied with the position that the Government of Canada has taken in trying to meet our commitments?

Mr. Michael Wernick: It's a question you should put to them.

Hon. Charles Hubbard: As the deputy minister, you can't tell us?

Mr. Michael Wernick: We have an ongoing relationship with the Inuvialuit people about issues within and outside the agreement. You can characterize them as complaints. There are a number of implementation issues and a number of government-to-government relationships with the Inuvialuit people. I'm not going to put words in their mouth as to how they would put it. Of course, there are ongoing issues. It's a government-to-government relationship.

Hon. Charles Hubbard: It would seem, Mr. Chair, that maybe we're not hearing from enough witnesses. We're reading a report here that doesn't look very good in terms of the outstanding agreements we have. This is not the only one; it's probably the first. But we continue to make agreements. If we can't honour the agreements, why do we continue to pursue them?

May I just go a little further? The one with the Dene Nation was a big topic in terms of...actually, it went to Parliament and we passed a bill and have an act on the Dene Nation. But do we have other agreements where we're getting dissatisfaction in terms of what we...? If we're not honourable with our agreements.... It's almost unacceptable that we should negotiate agreements and not be able to fulfill the obligations that we offer to people, often people who don't have the same expertise in negotiation as we would have as a government agency.

Mr. Michael Wernick: I would have to take issue with your characterization.

An agreement is not on or off, fully implemented or fully not implemented. Parts of the agreement have been implemented, as the Auditor General noted, and parts of it have not, as we recognize.

The Chair: Mr. Williams, on a point of order.

Mr. John Williams (Edmonton—St. Albert, CPC): I think the questions put by Mr. Hubbard are fairly straightforward, Mr. Chairman. This obfuscation by the deputy minister really is not getting us very far. These are simple questions. We're here as the Parliament of Canada to elicit information from the Government of Canada and find out what's going on over there. These evasive responses are really not that helpful.

If there's a problem, tell us there's a problem, and let's see if we can resolve the problem. That is why we're here. We're not here to throw the book at the department. We want information, and we're entitled to that information, Mr. Chairman.

The Chair: I'm inclined to agree with you, Mr. Williams. The report speaks for itself: there is a problem; there's no question of that. I find Mr. Hubbard's questions fairly simple and straightforward, and I urge the witness to answer them as best he can.

Go ahead, Mr. Wernick.

Mr. Michael Wernick: The issues in question are the issues identified in the Auditor General's report, the six I listed in my opening statement.

Hon. Charles Hubbard: Mr. Campbell, in terms of your work on this file, you heard the deputy answer questions. Did you in your work deal with the people of that territory and their observations on what the Government of Canada has done in terms of that, I hope, very honoured commitment we made to them back in the early 1980s, culminating with the agreement in 1984? You visited the territory. You have talked to some of the communities. I believe there are one major and six minor communities there. Did your group meet with the people there and talk to Chief Linklater and so forth? What is his observation on this report and what was reported?

Mr. Ronnie Campbell: Thank you.

Mr. Linklater is not part of the Inuvialuit group. But yes, I visited many of the Inuvialuit communities. Between me and my audit team I think we visited all but one of the communities. We did talk with the leadership of the Inuvialuit Regional Corporation. It's part of the methodology we use in the course of all our audits when we audit issues that affect first nations and aboriginal groups. We always make sure we understand the issues from their perspective, even though all our audit work is done for the Government of Canada, in this case the Department of Indian Affairs.

I would agree with Mr. Wernick that the best people to speak for the Inuvialuit would be the Inuvialuit themselves. I would hesitate to speak for them, but I think it would be fair to say that when we talked to them about doing the audit of the government's implementation of their agreement, they were not unhappy we were doing that. They did express some frustration at the length of time it was taking to get the agreement implemented.

• (1125)

Hon. Charles Hubbard: Mr. Chair, I'm probably running out of time, but we talk about the lead department and we talk about the other departments. I would expect that the lead department finds the other departments are not making progress in terms of the need to meet their responsibilities. There would be documentation from Indian and Northern Affairs Canada to others saying they should get on with the show. I would suspect correspondence must be coming back with some timetable when these obligations would be planned to be met.

Mr. Chair, could we ask to have some of that tabled? For example, with Transport Canada, which apparently is one of these departments, and there are others, could our clerk expect the government correspondence?

The Chair: Mr. Hubbard, you could ask the question. A plan is supposed to be done by March of this year. It is March, and you may want to ask them if it's there. But if you're looking for all correspondence, that would be a very lengthy dossier.

Hon. Charles Hubbard: But just in terms of the airport business. There must be some reason why Transport Canada is holding that up. It would just give us some indication, Mr. Chair, of what is being done. Are people sitting on the file? Is it active? Is it continuing? Do we have deadlines for someone to meet their obligations?

The Chair: Mr. Wernick.

Mr. Michael Wernick: I can provide whatever documentation you ask for. We're trying to move forward. We have a settlement with Transport Canada on the airport strip in question. We think we have a tentative settlement with Parks Canada.

I think part of the issue, and I talked to the Senate committee about that, is that it's 100% of Terry's job to chase the implementation of these obligations. For somebody in Parks Canada, it's one of many files they deal with. We have a challenge getting this up the priority list of other organizations. I spoke to the Senate quite candidly about this. That's the gap in the accountability regime, really.

The Chair: Thank you very much, Mr. Hubbard.

Monsieur Laforest.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Thank you, Mr. Chairman.

My first question is for Mr. Campbell.

The Office of the Auditor General has assessed this agreement. At the time of the audit, the agreement was 23 years old. You found that the government had not met a number of its obligations. Such an agreement gives me the impression that it is like a shell corporation. On the other hand, you said several times that some obligations had been met.

Could you give us a general idea of the percentage of obligations that have been met by the department? Would it be 20%, 30%, 40% or some other figure? I know that you probably did not assess things in that manner, but I would like to have some idea.

[English]

Mr. Ronnie Campbell: That is a challenging question. I'll try to answer it in a couple of ways.

I think the department was more successful in implementing what you might call transactional obligations, one-off obligations—for example, making the payments, transferring most of the land, and implementing obligations that were one-time events. I think there was much more difficulty in implementing obligations that required long-term ongoing attention. That's probably the clearest distinction I can make between those that were implemented and those that weren't.

[Translation]

Mr. Jean-Yves Laforest: In the end, you are saying that it is really an issue of the level of commitment. What was to be done systematically, when it was easy, was done. But the long term obligations, the whole issue of the future of people and measures that need to be monitored, that is much more difficult.

Mr. Wernick, you are a deputy minister. I find it really disheartening to read a report like this. It was 24 years ago, and when the audit was done, that was 23 years back. Moreover, an audit from the Auditor General's office was required for this update.

Were there any assessments done of these measures within the department, without the Auditor General being involved? What credibility do you think you have with the aboriginal people, those who negotiated the agreements? I take note of Mr. Campbell's answer. As far as any action that will be taken in the future, the aboriginal people may think that they can count on short-term measures, such as signing a one-time agreement or selling lands, but as for the rest of it, where you have not fulfilled your commitments, how will they be able to count on the department to sign an agreement in good faith?

• (1130)

Mr. Michael Wernick: Thank you for that question. As I said at the outset, the fact that there are differences between certain provisions or measures in the agreement troubles me greatly because that undermines our credibility at the negotiating table with other aboriginal groups. Having said that, we are making progress. We have just signed two treaties in British Columbia and we have just settled claims with the Inuit in Northern Quebec, and so on.

As I tried to explain, following the signature and the celebration of a treaty there is a relationship between the government and the aboriginal group that begins. As Mr. Campbell said, most of the obligations are ongoing, and there are unresolved issues in terms of financing. It is clear that we have not done our work with certain

land exchanges, that I admit. We are now trying to complete as many transactions as possible. As Mr. Campbell explained, the agreement involves approximately 80 obligations in different categories. Two of them have been identified as deficiencies in terms of transactions, and there are outstanding disagreements on two very important issues: acquisition policy and economic development. We are trying to make progress.

To answer your question, I would say that yes, we do audits and evaluations internally, and from time to time, the Auditor General's office helps us. We appreciate it because it is an accountability measure. There are 21 agreements. Those that were signed at the beginning of the cycle, such as the James Bay and Iqaluit agreements, do not have the same implementation structure. We have learned lessons from the past, and the new treaties include implementation and dispute resolution measures that are much more robust.

Mr. Jean-Yves Laforest: I am not sure that you fully answered the question I posed. The Office of the Auditor General has carried out an audit, but had you not already done some kind of internal audit? It makes me wonder. This is after all a 23-year old agreement. The Auditor General has called you to order, and you admit having made mistakes. You are planning to implement a better process with future agreements, but is that enough to regain your credibility in the eyes of the first nations who will sign them?

Mr. Michael Wernick: That is a question you will have to ask the aboriginal groups. We are working closely with the coalition that represents all of these groups. I met with these people last December. We are trying to pursue an implementation policy together. We are complying with all of the obligations in each of our agreements. We are trying to be as transparent as possible to you, parliamentarians, as well as to aboriginal groups.

On the other hand, I cannot accept that the agreement or the implementation be characterized as an empty shell. It is much more than that. Generally speaking, the agreement is a real success for the Canadian government and the people of that region. The list that Mr. Campbell quoted includes very important provisions for the Inuvialuit people.

• (1135)

[English]

The Chair: Merci, Monsieur Laforest.

Mr. Williams, for seven minutes.

Mr. John Williams: Thank you, Mr. Chairman.

Mr. Dennis Bevington (Western Arctic, NDP): On a point of order, Mr. Chairman, being a replacement on this committee, I not sure of the order we follow here.

The Chair: The order is Liberal, Bloc, Conservative, NDP. So you're up right after Mr. Williams.

Mr. John Williams: The erroneous transfer of this land at the airport seems to be quite egregious. You've had 23 years to look after this. You were transferring land and you transferred the wrong land. I don't really need to know how it happened—gross incompetence and negligence, no doubt, but that's by the way.

It seems that you're now having to pay to get the land back. Am I right in saying that?

Mr. Terry Sewell (Director General, Implementation Branch, Department of Indian Affairs and Northern Development): No. Indeed, what's happened is that the Government of the Northwest Territories has reached an arrangement with the Inuvialuit Regional Corporation on access requirements over Inuvialuit lands, so there hasn't been a requirement to buy or lease back lands transferred to the Inuvialuit, to which the Government of the Northwest Territories requires continuing access—for instance, sewage lagoons, and those sorts of structures.

Mr. John Williams: So they've been nice to us and allowed us to use the property they now own, which they shouldn't have got in the first place, because we gave it to them erroneously. So now they're being nice guys and letting us use it.

Mr. Terry Sewell: Well, an arrangement has been reached between the Inuvialuit and the Government of the Northwest Territories.

Mr. John Williams: Does that arrangement include any value that we transfer to them in land, cash, or any other kind of value?

Mr. Terry Sewell: I don't know the exact details of the arrangement. I was just advised that they have come to a happy conclusion on how to ensure access, because the Inuvialuit have an interest in there being access to those lands as well, because it's for community facilities, such as lagoons, and those sorts of structures, which are of interest of course to the Inuvialuit living in the same communities. So an arrangement has been reached that is mutually beneficial.

Mr. John Williams: Mr. Chairman, we're really getting obfuscation today.

My question was, is value being transferred to the first nation in return for our being able to use this property they now own, but which they shouldn't own in the first place?

Mr. Terry Sewell: Not from the federal government.

Mr. John Williams: By anybody?

Mr. Terry Sewell: I suspect there are financial arrangements between the Government of the Northwest Territories and the Inuvialuit, yes.

Mr. John Williams: And for how much?

Mr. Terry Sewell: I don't know the details.

Mr. John Williams: Can you find that out?

Mr. Terry Sewell: I can look into that, sir.

Mr. John Williams: Okay.

We need to know these things, Mr. Chairman.

The Chair: Just to formalize that, Mr. Sewell, could you table the terms of that agreement with the committee clerk within two weeks?

Mr. Terry Sewell: Yes.

Mr. John Williams: I'm looking at page 3 of what we found among the main points. It reads:

Despite repeated commitments to do so, INAC has not taken action to address the findings of a required review of the Agreement's economic measures carried out in 2001.

Who's going to respond to that? Why have no actions been taken, despite repeated commitments to do so?

Mr. Michael Wernick: I may be corrected by Mr. Sewell, but there has been work on the economic development issues. The parties agreed to put off comprehensive study—

Mr. John Williams: I would like to go back again, Mr. Wernick, to the point made by the Auditor General that despite repeated commitments you have taken no action. Why? Who is not doing the job? Is it a commitment that the job is going to get done?

Mr. Michael Wernick: It's because these are joint activities. Yes, the work will be done.

Mr. John Williams: Do you have a timeframe?

Mr. Michael Wernick: This fiscal year.

Mr. John Williams: This is a public commitment, different from the repeated commitments that I presume were made in private. Here is a public commitment. You're saying you're going to get it done this year. Is that correct?

Mr. Michael Wernick: We have mutually agreed with the Inuvialuit that the best way to go at this was by the communities. We will first look at each of the six communities—their strengths, weaknesses, and opportunities. Then we will sit down with the Inuvialuit and jointly decide on the next step.

Mr. John Williams: I'm going to quote the next chapter of the Auditor General's report:

Indian and Northern Affairs Canada, as the federal lead, has taken no action to ensure that progress toward achieving the principles of the Agreement is monitored. In fact, officials stated that they do not view this as the Department's responsibility.

Do you consider yourselves to be the lead department in dealing with this first nation?

• (1140)

Mr. Michael Wernick: The principles of the agreement are—

Mr. John Williams: No, my question was, do you consider yourself to be the lead department?

Mr. Michael Wernick: You put many things in your question, Mr. Williams.

The principles of the agreement are objectives of all the parties to the agreement, and we share them with the other parties. We consider ourselves the lead federal department for making sure that the federal government's part of the agreement is implemented.

Mr. John Williams: Then there's yourselves, the Government of the Northwest Territories—

Mr. Michael Wernick: And the Inuvialuit.

Mr. John Williams: Right. There are those three parties. You are the federal government's lead department.

You've taken no action to ensure that the progress towards achieving the principles of the agreement are monitored. Why not?

Mr. Michael Wernick: I don't accept the characterization. We have a respectful disagreement with the Auditor General about the principles. The principles are joint objectives of all three parties. They're not enforceable federal obligations, like land transfers. They are high level, they are set out in the report, and we share those objectives and aspirations with the other parties of the agreement. We have undertaken to measure our activity to demonstrate that we're making progress towards those long-term objectives.

Mr. John Williams: Mr. Campbell, do you have a respectful disagreement with the department?

Mr. Ronnie Campbell: I wasn't aware that I did, but I guess I do now. In all our audit reports we reach an agreement on the facts with the department, and we get it signed off before we table. I was actually of the view that the department's response to paragraph 3.85 was encouraging. I thought it was a step forward.

In November 2003 the Auditor General tabled a report that dealt with similar issues. The department took the view that they had a fundamental disagreement with us. In their view, you measure progress through measuring implementation of the individual objectives, rather than by looking at the overall goals of the agreement. At that point, we had a fundamental disagreement.

When we got the department's response to this report, we were encouraged. I think it reflected a step forward. The department was saying that it accepts the recommendation and that it will propose performance indicators with a view to monitoring its progress.

Mr. John Williams: Let me interject here, Mr. Campbell.

You have stated in your report that there are long-term objectives and principles set out in the agreement, economic development and so on. Presumably we need to monitor this to find out whether we're going down the road at all, and if so, whether we're going down the right road. But it's not being done. Am I correct in saying that it's not being done, Mr. Campbell? Is that what you're saying here—"...no action to ensure that progress towards achieving the principles of the agreement is monitored"? Nothing is being done?

Mr. Ronnie Campbell: That was correct at the time of the audit.

Mr. John Williams: Let me ask the department, if nothing is being done to ensure that the commitments of this agreement are being met, Mr. Wernick, why not? If not your department, then who should be doing it?

Mr. Michael Wernick: We think progress has been made towards those principles. We agreed with the Auditor General to stop arguing about the nature of the principles. We will monitor progress towards them. That's one of the reasons we're doing the evaluation on the impact of comprehensive land agreements. We will develop performance measures related to those three objectives, and we will report on it.

The Chair: Thank you, Mr. Williams.

Mr. Bevington, for seven minutes.

Mr. Dennis Bevington: Thank you, Mr. Chair.

These issues of implementation are so fundamental to the people of the north, to the different agreements that have been struck, I'm kind of amazed at how we can have reports like this without this being almost a crisis for the department. But it isn't, obviously. INAC is following its usual line of non-effort in moving forward with these obligations. It's hurting the people I represent here in Parliament, and certainly the frustration is there throughout the north. The kinds of agreements that were made between the Government of the Northwest Territories and the Inuvialuit are a direct result of the failure of INAC to live up to its responsibilities. That's why those were bilateral sidebar agreements.

In this audit, INAC officials describe the principles of the IFA as being Inuvialuit principles, not the principles to which Canada adheres. This is a statement I have difficulty with, of course, because to have an agreement work out and then to have the statement that the fundamental principles are not shared seems to be a bit ludicrous and it seems to be the basis by which everything else falls out afterwards. If you're not willing to accept what was negotiated in the land claim, signed on to and agreed to as a department, if you're not willing to accept what the Government of Canada has done, then you're not fulfilling your responsibility.

So how do you characterize your position as outlined here?

• (1145)

Mr. Michael Wernick: What are you reading from?

Mr. Dennis Bevington: That's from notes that we have.

Mr. Michael Wernick: I can't speak for who was interviewed by the Auditor General's staff and what they said during the course of the audit. As deputy minister, what I can tell you is that we do adhere to the principles of the agreement. The only thing I want to make clear is that they're joint objectives of all the parties to the agreement.

Mr. Dennis Bevington: They can be joint, and I'm sure that the Inuvialuit are alongside to make sure that these objectives work.

Perhaps you could describe, in a situation where you have an ongoing issue, how you would appoint these principles in the actions that your department takes. For instance, on the Mackenzie gas project, how would you say that the objectives of the Inuvialuit Final Agreement temper the department's approach to a major resource development like that in the Inuvialuit area?

Mr. Terry Sewell: Deputy, perhaps I can tackle that.

As a clarification, I believe that senior officials, in pointing out to the Auditor General's staff the question of who owned the principles, were simply quoting from the agreement, which states: "The basic goals expressed by the Inuvialuit and recognized by Canada in concluding this Agreement are...". So I think it was attempting to draw attention to that phrase, which says that the Inuvialuit came to this discussion with these principles, Canada recognized them and indeed respects them, and they are principles that we would all want to pursue.

To help the committee understand these principles, these are fairly significant and overarching principles, and I'll quote them:

- (a) to preserve Inuvialuit cultural identity and values within a changing northern society;
- (b) to enable Inuvialuit to be equal and meaningful participants in the northern and national economy and society;
- (c) to protect and preserve the Arctic wildlife, environment and biological productivity.

So these are huge, huge principles.

So, Mr. Bevington, in answer to your question as to how the existence of these principles would shape how the federal government deals with its obligations inside the agreement, it would be, in the case of a Mackenzie Valley gas pipeline, ensuring that all proper review processes take place and that we respect the desire to protect Inuvialuit culture, to provide a meaningful role in the economy, and to protect Arctic wildlife, environment, and ecology.

It's an attempt to implement the agreement in a way that respects these principles, but the point is that these principles are not, in themselves, obligations. They're something we all want to achieve.

Mr. Dennis Bevington: When you have a project in front of you, when you're looking at specific concerns that people may have, say, for wildlife—bird refuge is a very interesting issue that was in the news a little while ago—how would your department approach an issue like that? Did your department intervene within the Government of Canada to put forward the objective that you have here for preserving and protecting Arctic wildlife, environment, and biological productivity?

• (1150)

Mr. Terry Sewell: That's a very good question. One of the things I want to highlight for the committee is that many of the obligations inside a land claim agreement are ongoing in nature. One of the objectives, when we sign a land claim agreement, is to put in place structures in the north that allow for joint management of resources and joint review of projects. So the philosophy is that the people most affected by the development have significant influence in how those developments occur.

The Inuvialuit land claim agreement in fact puts in place the environmental review processes and structures, and it's our job, as a federal government, to ensure that those structures are resourced, to be able to do their work, to be able to hear from the citizens of these areas, to take into account the competing concerns for development and protection, and to make sound recommendations. It's the whole principle of co-management, of having a regime that respects the views of the people of the area.

Mr. Dennis Bevington: Were there specific actions that you took in the case of the bird sanctuary that was in that region?

Mr. Terry Sewell: I'm not aware of that specific case, but what I'm saying is that this land claim agreement puts in place structures to deal with development proposals.

The Chair: We should be able to come back to you in the second round.

Mr. Wrzesnewskyj, for seven minutes.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): It almost sounds as if there are more comprehensive policies in place for bird sanctuaries than there are for the Inuvialuit communities.

In looking at this report, Mr. Wernick, would you say that perhaps the progress on this particular agreement is one of our more embarrassing land claims agreement situations at the present time?

Mr. Michael Wernick: No, not at all.

Mr. Borys Wrzesnewskyj: In fact there are worse ones—is that what you're saying?

Mr. Michael Wernick: What I'm saying is the Auditor General's report and the committee certainly focus quite rightly on deficiencies and work that still has to be done. What's somewhat obscured in the report and the coverage is what has been accomplished in the Inuvialuit region.

Mr. Borys Wrzesnewskyj: Well, what has or has not been accomplished, according to this report, after a number of decades. That's actually somewhat perturbing, because in that answer and the way it was answered, it almost seems to indicate there's not an

acceptance that things have gone seriously wrong and that they should be addressed as quickly as possible. Your previous answer, that this isn't one of the worst cases, also makes me really worry about what's going on with the other 21 land claims agreements that are outstanding.

In your opening statement you said that each of the six communities is doing economic assessments. Are those finished yet?

Mr. Michael Wernick: No. We started that, and we're doing it with the Inuvialuit economic corporation. They actually will do the work with the communities and they will be a funding partner and involved in shaping the studies.

Mr. Borys Wrzesnewskyj: When is that to be completed?

Mr. Michael Wernick: We would hope in the next fiscal year, in the one that's just starting—so sometime in calendar year 2008, or in spring 2009 at the latest.

Mr. Borys Wrzesnewskyj: It said that you've provided funding for these assessments. What is the amount of the funding?

Mr. Michael Wernick: I can get you that information.

Mr. Borys Wrzesnewskyj: This is a key component of your strategy, I would assume. Would the funding be of the sort that would allow them to do a comprehensive review?

Mr. Michael Wernick: I would think so. I can provide the details and the contribution agreement to the committee, if you like. It would be in the tens of thousands of dollars or perhaps several hundred thousand dollars.

Mr. Borys Wrzesnewskyj: The agreement also called for a reasonable share of non-tendered contracts to go to parties in those communities. What would be the dollar value per annum, on average, of untendered contracts? What would be a reasonable share of that proportion?

Mr. Terry Sewell: If I may, the whole challenge of untendered contracting by the federal government is a difficult one, because it involves things right down to individual acquisition card types of acquisitions. So as a federal government, we have had some challenges in coming to grips with how to define "reasonable share" and how to even track or know which companies are having services purchased from them.

• (1155)

Mr. Borys Wrzesnewskyj: So what you're in fact saying is that there's no definition, and there's no real target. It's just phraseology that's put in there to make us feel good about it, because we haven't defined it. We have no idea what the actual value of reasonable share may have been through these years, and we have no idea what it might be in the future. Is that correct?

Mr. Terry Sewell: Provisions in contracting, including this one, are important elements of all land claim agreements. In the last year we have begun to really engage Treasury Board and Public Works and Government Services Canada in developing approaches to procurement that understand the provisions of these land claim agreements.

We're taking such actions as developing with Public Works an e-training guide for procurement officers so that when it comes time to do procurement in a given part of the country, if there's a land claim agreement in place, the provisions of the land claim agreement will prevail. So it's a question of training procurement officers and then developing the monetary system.

Mr. Borys Wrzesnewskyj: Basically, you've told us that you have no idea what the dollar value of these contracts may have been in this particular case, and hopefully, in the future, you might have an idea. Is that correct? You haven't given us a dollar value, and you're saying that work is being done to try to assess what these amounts may be in the future. So you're basically telling us that nothing has been done.

Mr. Terry Sewell: I don't believe we know the dollar value in the Inuvialuit settlement region, no.

Mr. Borys Wrzesnewskyj: Could you at least list one single contract?

Mr. Terry Sewell: In the case of tendered contracts, we will indeed....

Mr. Borys Wrzesnewskyj: No, this was referenced as untendered contracts, and as a reasonable share of untendered contracts. Could you give us one example of such a contract being given to any of these communities?

Mr. Terry Sewell: I'm not sure. We can look into that.

Mr. Borys Wrzesnewskyj: Thank you.

I'm going to pass on to Mr. Hubbard.

The Chair: You have one minute, Mr. Hubbard.

Hon. Charles Hubbard: We may as well use the minute. Thank you.

Mr. Sewell, we're using two different terminologies. You talk about land agreements, and then you talk about implementation. So when you talk about twenty-some of these, are you responsible for the implementation of twenty-some agreements? Because most agreements are concluded with the agreements being signed, are they not?

Mr. Terry Sewell: That's just the beginning, sir.

Hon. Charles Hubbard: Not in my experience with DIAND. We've signed agreements with chiefs and first nations. They vote on it, they approve it, and generally they are conclusive. But we're talking here about agreements that are ongoing. Is the figure 23? You used the figure, Borys. Are there only 23?

Mr. Terry Sewell: There are currently 21 land claim agreements in place—modern land claim agreements.

Hon. Charles Hubbard: So, Mr. Sewell, you sit on twenty-some files. According to some of the information we have, you have between 25 and 50 employees who work with you. Is that correct?

Mr. Terry Sewell: I have 55 staff.

Hon. Charles Hubbard: There are 55 staff who work with you on those twenty-some files. How many people are assigned to this file, specifically? Is there a lead on this file?

Mr. Terry Sewell: First of all, the role we play is a coordinating role. We need to work closely with our regional counterparts, our regional offices.

Hon. Charles Hubbard: Yes, but do you have a lead person on this file?

Mr. Terry Sewell: Yes, I do, sir.

Hon. Charles Hubbard: You do, and you could give the clerk the name of that person.

Mr. Terry Sewell: I could, yes, sir.

Hon. Charles Hubbard: Mr. Sewell, you've worked for DIAND for how many years?

Mr. Terry Sewell: It has been ten years, sir.

Hon. Charles Hubbard: So you have a lot of history.

Mr. Roy, have you had a long connection with DIAND, or have you been moving from department to department?

Mr. Michel Roy (Senior Assistant Deputy Minister, Claims and Indian Government, Department of Indian Affairs and Northern Development): I have been in the department for six and a half years.

Hon. Charles Hubbard: So we do have some history here at the table this morning.

Thank you, Mr. Chair. I'd like to come back to this later.

The Chair: Before we go to Mr. Sweet, I'll go back to Mr. Sewell.

In the report, in your response to the auditor's recommendations—following up on the questions of Mr. Wrzesnewskyj—on this whole issue of reasonable share, the undertaking was given by your department that this could be defined clearly by December 2007. Has that been done?

Mr. Terry Sewell: Yes. In December 2007 we obtained our legal advice from the justice department as to the definition of “reasonable share”. The next step is to consult with the other signatories to the agreement to see how close our minds are on our interpretation of “reasonable share”.

● (1200)

The Chair: That's not the way I read the response. You made a commitment that you would define “reasonable share” so this thing could move ahead. Now you're saying that all you got was a legal opinion and you're in the dark.

Mr. Terry Sewell: We have the federal government's view of “reasonable share”, and now we have a responsibility under the land claim agreement to consult with our other partners to come to a mutual conclusion as to the interpretation of “reasonable share”.

The Chair: Can you file what your definition of “reasonable share” is with the committee?

Mr. Lake has a question, and then we're going to Mr. Sweet, for up to seven minutes.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): I have a quick point of clarification to Mr. Wrzesnewskyj's point. He asked about untendered contracts, for an example. Are you saying you can't give an example of an untendered contract, or are you saying there are none?

Mr. Terry Sewell: I can't give an example.

Mr. Mike Lake: Can you endeavour to provide us with a list? Is that possible, to go back and actually do some research on that?

Mr. Terry Sewell: We can look into that, but I'm not sure....

Mr. Mike Lake: Okay. Thank you.

The Chair: Mr. Sweet.

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Thank you, Mr. Chairman.

I want to ask Mr. Wernick how long he has been been at INAC.

Mr. Michael Wernick: It will be two years in May.

Mr. David Sweet: Two years. So there is a lot of history that precedes you, obviously.

Maybe I'll stick with this line of questioning. In talking about the contracts, paragraph 3.35, you're hopefully now going to submit a list of those contracts that have gone directly to Inuvialuit. But what are we going to do in the future to assure this doesn't happen? I'm particularly concerned with broad-brush principles that at the time of the agreement weren't fleshed out, so that now, 23 years later, we're actually asking for a legal opinion about what "reasonable share" is. I hope you can see how people would have a jaded opinion about the whole process. Are there specific things we're doing right now to make sure this doesn't happen again?

Mr. Michael Wernick: Mr. Sewell alluded to a few of them.

I would say a couple of things. One is that INAC doesn't do very much of the procurement. It's either done by Public Works or other federal departments. There's a hell of an information-gathering challenge, which we're trying to get to the bottom of so we can insinuate the Inuvialuit obligations into decisions that are made across the federal government on procurement decisions—many by Public Works, some directly by departments—when they're buying goods and services. We have not done a great job of tracking and tracing that in the past. We'll try to do better in the future. That's the kind of thing Mr. Sewell was alluding to, and I'll turn to him in a moment.

"Reasonable share" is one of those terms that the negotiators at the time agreed to as part of an overall bargain. I would deduce that in 1983 they could not define that there would be a numerical share 20 years or 30 years from now, because there was no way to forecast the economic development. Nobody, in 1983, would have predicted \$100-a-barrel oil or what happened in diamonds or whether we'd be buying whatever, so the parties agreed that we will work towards a reasonable share. That's a moving target. We wanted a legal opinion because I don't want to expose the crown to litigation on this matter. If we say there's a certain reasonable share, somebody will go to court and challenge us on it. It's normal due diligence, to make sure we understand what the lawyers think "reasonable share" is.

We may have a view of it. The Inuvialuit undoubtedly have a view of it. We're going to have to sit down and talk to them about it.

Mr. David Sweet: Are we trying to avoid in agreements now.... For example, this principle that states "to enable the Inuvialuit to be equal and meaningful participants in the northern and national economy and society" is such a broad-brush statement. Are we at least trying to ask what that means to them, so we have some specific parameters?

Mr. Michael Wernick: There is a tendency, at the negotiating table, to put aspirational, unobjective language into the agreements,

because you are moving from the old relationship, often within the Indian Act, to a new relationship, which is very important for that community. We've just done that with a number of British Columbia communities. It is a modern treaty with the crown. It is extremely important to the aboriginal people in question, so there is a natural tendency to put some language in to characterize the hopes for the future.

I would prefer that we try to dial down the language to something we can track and trace. The most important part is that when there are honest disagreements about implementation issues five years or ten years later, there are more effective dispute settlement mechanisms: implementation panels, implementation boards, greater use of arbitration.

We're not going to have perfect harmony, any more than we would between the Government of Canada and the Government of Ontario. We'll have an ongoing relationship, and we need more effective tools to see if we're on track and to resolve issues when they come up.

• (1205)

Mr. David Sweet: So you've been the deputy minister for two years. You mentioned before that your concern was that a report like this overshadows a lot of the good work that's been done, and I can understand that you'd feel like that.

Has the good work been articulated in the department's performance review in the last two years?

Mr. Michael Wernick: I'd have to look at that. We're now down to under 30 pages to describe the entire activities of my department. So my guess is it's a very abbreviated reference.

What I'm trying to get on the Internet and into other documents is a much clearer reporting of each of those 21 agreements, what has happened in that area, and what are the things that are underway.

Mr. David Sweet: Just as a note, we've had a lot of discussions about DPRs here at this committee. The more frank and transparent they are, the less likely thoughts of—how would I say it?—cataclysmic demise would be in the minds of members when we see a report like this, if we know what's been going on in a department.

In paragraph 3.83.... I'm going back to what seems to be a disagreement, and maybe we'll find out where exactly we're at. I might just consume my time; I'm not certain. In paragraph 3.83 it's says:

On the contrary, Department officials have expressed reluctance to monitor and report progress towards achieving the principles of the Agreement. They explained that doing so would imply that an obligation exists, where no obligation is written into the Agreement.

Then, subsequently in the response, you have that INAC accepts this recommendation and will propose performance indicators to all signatories at a future implementation committee meeting, with a view to monitoring and reporting on progress.

So which one is the fact? Is paragraph 3.83 actually where you sit, or is the response to the recommendation where you're really at? And has that been done, now that this is approaching spring 2008?

Mr. Michael Wernick: I would assume that's a fair characterization of what Mr. Campbell heard from staff when he was interviewing them. I think that the department has probably been trained—due to the fact that we are often sued about implementation issues—to be very, very cautious in accepting something as an obligation, because you might end up in court.

Mr. Campbell and I have agreed that this is not a very productive argument to be having. We accept that the principles are very important to the parties, and we are going to monitor progress against them.

Mr. David Sweet: It said that you would be reporting on the progress beginning in spring 2008. Are we there?

Mr. Michael Wernick: Well, we can do that, and we'll do it on an ongoing basis, probably through the website, and there may be some references that you can get through the performance report. There are over 80 obligations.

I think it would be helpful to members of Parliament to keep track of what's happened, because you wouldn't be characterizing it as an empty shell if you note that there were 91,000 square kilometres of land transferred, \$300 million worth of money. There are all kinds of governance bodies up and running and functioning and giving the Inuvialuit people a voice in decision-making. And we'd be very candid about where there are deficiencies and issues.

Mr. David Sweet: Will you keep us up to date then through the DPRs?

Mr. Michael Wernick: We have to negotiate the format and the length of DPRs with Treasury Board, and we're down to under 30 pages, with hot links to websites, to characterize everything my department does. It's a bit of a challenge.

We will keep the public informed and parliamentarians informed. One of the accountability tools is that there are annual reports attached to most of the land claims agreements; many of them have a statute that Parliament passed for implementation. They require annual reporting. They're a joint report to the parties, and those reports, I think, could be more detailed and fulsome and more candid about where there are issues. They tend to be rather positive and rosy, and I think the reports would be more useful to Parliament if they were more candid.

The Chair: Thank you, Mr. Sweet.

Colleagues, we are now going to start the second round. We're going to have a round of four minutes, but I'm going to have to be fairly brutal on time.

Mr. Campbell, do you have a comment?

Then I'm going to go to Mr. Hubbard.

Mr. Ronnie Campbell: Mr. Chairman, thank you.

I think there have been several references to a disagreement. In an effort to try to be helpful, I would sort of offer the following. Mr. Wernick introduced a notion that there was a respectful disagreement between us. That was a surprise to me. In the subsequent articulation and discussion of that disagreement, I don't see that there is a disagreement.

I think there are two issues. One is who has ownership of the overall objectives and principles of the agreement. What I hear the department saying is it's not the department alone. We agree with that. We never said otherwise.

We believe that notwithstanding that ownership is shared, there should be a measurement of the progress towards attaining those principles. And the department agrees with that.

I would point out that in a recommendation in paragraph 3.85 we actually say “the department in consultation with” those other parties.

I just wouldn't want members to believe that there's a disagreement where I don't think there is one, unless Mr. Wernick still believes there is.

• (1210)

Mr. Michael Wernick: There isn't one any more—not on my watch.

The Chair: Thank you for that clarification, Mr. Campbell.

Mr. Hubbard is next, for four minutes.

Hon. Charles Hubbard: Thank you again, Mr. Chair.

I asked before who was the lead on this file, and Mr. Sewell said he had a lead. I wonder if that person is in the room.

Mr. Michael Wernick: She's not here, sir.

Hon. Charles Hubbard: Why would you not bring that person with you today?

Mr. Michael Wernick: I'll appeal to the chair on this. This has been an issue with this committee. I'm the accountable deputy head, the ADM is sitting beside you, and the director general is sitting beside him.

Hon. Charles Hubbard: But what about the person responsible for the file?

Mr. Michael Wernick: She's under my supervision.

Hon. Charles Hubbard: But the minister is your boss too. Have you briefed the minister thoroughly on your concerns about this report?

Mr. Michael Wernick: I understand that the minister was briefed directly by the Auditor General on it.

Hon. Charles Hubbard: I expect that you as deputy would also brief him on what you planned to do about it.

Mr. Michael Wernick: We have done that.

Hon. Charles Hubbard: That's what we're trying to do today.

When I read some of these statements and consider what we've had today in responses, I have to ask myself whether DIAND works for first nations people or for the best interests of other Canadians. I know I can't get an answer to that, but I wonder who DIAND works for.

It has always been my impression that the minister has to represent first nations people. It's his responsibility to see that they receive the benefits of our great Canadian nation—a nation they controlled until a few hundred years ago. If we don't take that as the ultimate responsibility of the department and the minister, I wonder how we as Canadians can have a government to maintain this country.

With the file, when you go back to 1983-84, I assume that before it was signed, other departments were involved in signing off on that agreement. Is that correct, or was it simply signed by DIAND and the Government of Canada? Was it signed off by Parks Canada? Was it signed off by Transport Canada? Was it signed off by the Department of National Defence? Did all those deputy ministers sign a due diligence on this agreement before it was brought to the Governor in Council to be signed as good Canadians making an agreement with people in the north of our country?

Mr. Michael Wernick: Every negotiating mandate and settlement is approved by cabinet.

Hon. Charles Hubbard: I'm not asking about that, Mr. Wernick. I'm asking if each department signed off on this agreement. I would think that the Department of Justice, for example, would be one of the departments that concluded the whole process. When you open that file and see the due diligence that was done in the 1980s, did other departments agree in that presentation that went to cabinet for approval?

Mr. Michael Wernick: It would not have been approved by cabinet if there had not been agreement by all the ministers in the room, and Parliament.

Hon. Charles Hubbard: I'm not asking that, Mr. Wernick. I'm asking, in terms of the file you have in your department that Mr. Sewell was responsible for under Mr. Roy, does the due diligence show that other departments...? DND, for example, was big there in 1983 and 1984. Did the Minister of National Defence or the deputy sign off, in due diligence, that he agreed with what your department negotiated?

Mr. Michael Wernick: I don't have the cabinet records from 23 years ago. It would not have been approved by cabinet, nor indeed by Parliament, which passed limitation legislation, if there were problems with those departments.

Hon. Charles Hubbard: I still haven't heard from Mr. Sewell on the file. He has twenty-some files to manage. This file goes back to the early 1980s. Today he's dealing with National Defence, Parks Canada, and Transport Canada. Did those departments sign off on the file before it went to cabinet?

• (1215)

Mr. Terry Sewell: Like the deputy, I don't have the actual records. But it would be most unusual for us to put forward a cabinet submission that implicated other departments and did not have their full endorsement. I can't imagine that occurring 23 years ago, and I can't imagine it occurring today.

Hon. Charles Hubbard: I think it's very significant. We're looking for other departments to honour their part of an agreement, and we're not even sure if they agreed with it to begin with.

The Chair: Mr. Hubbard, if it's any help, I have the agreement on hand. The Right Honourable Pierre Trudeau signed it, and the

Honourable John Munro, Minister of Indian Affairs, but nobody else—

Hon. Charles Hubbard: But you know how cabinet documents work, Mr. Chair.

The Chair: Thank you, Mr. Hubbard.

Mr. Fitzpatrick, you have four minutes.

Mr. Brian Fitzpatrick (Prince Albert, CPC): This matter kind of reminds me of the episode we had a while back with education performance with your department. It was not a ringing endorsement. For all the money that's spent by the department on education, when you look at the results and the auditor's report, there's a colossal problem here.

What I'm hearing today is that the land has been transferred, large amounts of money have been expended, the agreement has been substantially performed, but the thing I really find troubling—and this reminds me of the education file as well—is that the standard of living of the people who are most affected by the agreement has not improved. It appears as if it's the same as it was before, and you have to wonder what the exercise is all about, if people's lives are not improved at the end of the day.

A famous person once said that eleven of the most dangerous words in the English language are “Hello, I'm with the government; I'm here to help you.” When I see that quote, I very often think of the Department of Indian Affairs.

With that, I'm going to ask a few questions. It seems to me when I look at the economic development objectives under this agreement—and I'm not familiar with all the details and the guidelines on it—they seem to me to be classical centralized economic planning. Governments, through regulations and mandates, are trying to order results, and other than a few leftist friends around the world, most reputable schools of economics have totally rejected that as an economic strategy. It's a strategy that has proven to be a failure, and if I look at the results here about the standard of living of first nations people affected by this agreement, it would seem to me we have another failure.

Is this what we're trying to do here, a process managed by central planning to get results for people in this area? Mr. Wernick, would you have any comments on that?

Mr. Michael Wernick: Thank you for the question.

Not at all. In fact, it's diametrically the opposite. The point of reaching land claims settlements is to give the communities the tools for self-reliance so they can take control of their own futures, participate in economic opportunity, participate in development opportunities, and create their own businesses. If you were to bring the Inuvialuit people here you would find they're the most business-oriented, entrepreneurial aboriginal people you're likely to meet. They own businesses. They have revenues in the hundreds of millions of dollars. This is why we vigorously pursue the settlement of claims, because the land, the money, and much more importantly, the governance gives those communities a much brighter possibility of greater self-reliance.

The issue of living standards is one we will get to in looking at those communities. I think there are all kinds of methodological issues about relative to whom and relative to what, because there are other people in the Northwest Territories doing very well off diamonds. As I said, \$100-a-barrel oil is a new phenomenon, and so on, so I think you're going to have to bear with me that there have been great improvements in the lives of the Inuvialuit people. Relative to other first nations people and relative to other people in the NWT is kind of a hard thing to capture in a snapshot, but they have been provided, through the agreement, all kinds of tools for greater self-reliance and participation in the opportunities that are taking place in the north.

Mr. Brian Fitzpatrick: So I would be mistaken to think that this is some sort of situation that's being mandated and managed out of Indian Affairs, the economic development in this region?

Mr. Michael Wernick: Completely.

• (1220)

Mr. Brian Fitzpatrick: That's good. I'm glad to hear that.

Mr. Michael Wernick: You have a very sophisticated entrepreneurial group that owns and runs its own businesses, which are as good as any businesses in northern Canada.

Mr. Brian Fitzpatrick: Thank you.

The Chair: Mr. Lussier.

[Translation]

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Thank you, Mr. Chairman.

I would like to come back again to point 3.45, which talks about reasonable share. It clearly states in the recommendation that a reasonable share must be allocated to aboriginals people. It even recommends that they should be given a share of non-competitively tendered contracts. The department responded by confirming that they will work with the signatories and the Department of Justice to define the term "reasonable share".

How many meetings have there been on this issue?

[English]

Mr. Terry Sewell: I don't know the answer to that.

[Translation]

Mr. Marcel Lussier: Mr. Chairman, would it be possible to ask Mr. Sewell to table the Department of Justice's legal opinion on reasonable share?

[English]

The Chair: I think he's agreed to do that already.

Mr. Michael Wernick: I'm not sure we can provide that because of solicitor-client issues, but I will take that up with the Department of Justice.

[Translation]

Mr. Marcel Lussier: Mr. Sewell, as part of your discussions on reasonable share, have you consulted the agreements between Hydro-Quebec, the James Bay Energy Corporation and the Crees of Quebec, where reference is made to the reasonable share that the Cree community should receive through its Hydro-Quebec contract on the James Bay hydro-electric project?

[English]

Mr. Terry Sewell: I have not personally, sir, but it's an excellent suggestion and I'll have staff look into that.

[Translation]

Mr. Marcel Lussier: Was it mentioned that there would be indicators to measure the reasonable share that aboriginal people would receive under the various agreements? Were indicators determined during discussions with the partners or the signatories?

[English]

Mr. Terry Sewell: At this stage, we've had many discussions with Public Works and Treasury Board around what kinds of information systems we have to track our contracting, for instance, and then our non-competitive tendered expenditures. As you can imagine, the Government of Canada has fairly significant-sized contracting, and we are challenged by needing to break down our contracting activities to settlement land areas, which are different boundaries from normal provincial-territorial boundaries that our big systems may understand. So we're in the process of exploring how to make our information-gathering systems more responsive and give us the kind of information you're asking about.

[Translation]

Mr. Marcel Lussier: Are there a lot of non-competitive contracts granted? What is the maximum number?

[English]

Mr. Terry Sewell: I don't know the answer.

Mr. Michael Wernick: That would be governed by contracting policy. Roughly \$25,000 would be without tendering. There may be some exceptions in some departments for some purposes—emergency contracting. I can find out from Public Works for you, but generally the government-wide rules would apply here. These are very, very small contracts we're talking about.

[Translation]

Mr. Marcel Lussier: In your presentation, Mr. Wernick, you state the following:

An evaluation of the impact of modern land claim agreements is underway, studying five communities, in both the Northwest Territories and Quebec.

What Quebec community are you referring to?

Mr. Michel Roy: Both the Cree and Inuit, I believe.

Mr. Marcel Lussier: There are two files.

Mr. Michel Roy: The Inuit and the Naskapi.

Mr. Marcel Lussier: Are the North Shore Innu included in these agreements?

Mr. Michel Roy: No, because the North Shore Innu do not have a comprehensive claims agreement yet.

Mr. Marcel Lussier: Very well.

[English]

The Chair: To follow up on that discussion, Mr. Sewell, on this whole issue of untendered contracts and what's going on with respect to this particular contract, can you provide us with some correspondence—not copies but from yourself—as to just exactly what is going on?

•(1225)

Mr. Terry Sewell: As it relates to untendered contracts?

The Chair: Yes. That's referred to in the agreement.

Mr. Terry Sewell: Strictly untendered?

The Chair: Yes.

Mr. Lake, four minutes.

Mr. Mike Lake: Mr. Wernick, there are some questions about respectful disagreement with some elements of this report. Just to lead off, are there any specific elements, either in the recommendations or in the paragraphs of this report, that you respectfully disagree with, anything else we haven't identified today?

Mr. Michael Wernick: No. The response that was tabled at the time of the report is our response.

Mr. Mike Lake: So you generally agree with all the comments— not just the recommendations, but all the paragraphs as well?

Mr. Michael Wernick: Yes, you could put it that way. We accept the recommendations, and the response was tabled at the time when the chapter was filed.

Mr. Mike Lake: Looking on page 31, there are a couple of timelines in there, one referring to the recommendation to do with the reasonable share we've talked about today. It says here:

The Department will complete its work with Public Works, Treasury Board Secretariat, and the Canada School of Public Service on the development of a Comprehensive Land Claim Agreement training module for all federal procurement officers by March 2008.

We're there right now. Is there an update on that?

Mr. Michael Wernick: It's not complete, because we have to get those parties around the table. We will have a working draft of it within the next few weeks, or a couple of months at the outside, and then be field-testing it with people to see whether it's useful. It will probably iterate several times through the course of the year.

Mr. Terry Sewell: I'm sorry; I think he's talking about the e-training.

Mr. Michael Wernick: Oh, the e-training; I'm sorry. I'm mixing that up.

Mr. Terry Sewell: The e-training being developed by Public Works and Government Services Canada is on track to be put in place at the Canada public service school by the end of this month.

Mr. Mike Lake: The recommendation in paragraph 3.30, to do with the exchange of lands, says:

With respect to Annex R lands, INAC will review the process for cleaning up and returning control of parcels of land identified in Annex R and will make changes to improve its efficacy by April 1, 2008.

That's coming up pretty quickly. How's that going?

Mr. Terry Sewell: I can report, if I may, Deputy, that we have developed a process, and we've in fact given it a test drive. In early February we were successful in removing an R designation on a parcel of INAC land. So we have used the process, and it worked: we have actually removed an R.

Mr. Mike Lake: That's one parcel out of 13, I think it was.

Mr. Terry Sewell: It is one out of 21. The important thing to understand about the R designation is that these are parcels of land

that federal departments are using—their Inuit-owned lands. There's a reserved designation because a federal department was using it at the time the land claim agreement was signed. If that federal department is still using it today, we would not remove the R designation. Not all 21 are waiting to be removed.

Mr. Mike Lake: The report indicates that 11 of the 21 are not being used right now. You're saying that on one of those, the R designation has been removed, so there are 10 that still that have it which are not being used.

Why is it so complicated?

Mr. Terry Sewell: There are a couple of steps to it. There is a second parcel, I'm told, that is close to having the R designation removed—within weeks. The process is that if there have been actual undertakings on the site, for instance buildings or storage of contaminated materials, we have to do a joint inspection with the Inuvialuit Land Corporation of the site, develop a jointly agreed remediation plan, then carry out the remediation plan, and then jointly inspect the property at the end of that.

You can appreciate that the geography we're talking about here has a very narrow season, because you don't generally do this kind of remediation with snow on the ground. There's a very narrow period of time to do the inspections required and the remediation work. It takes rather longer than we would like, but the Inuvialuit have asked me to make this a point of real priority over the last year, and that's led us to refine the process to see that to use a quitclaim process and remove our designation actually works.

So I'm pleased with the progress. It's taken longer than we would like, but it's showing results.

Mr. Mike Lake: In his opening statement towards the end, and this is more or less standard, Mr. Campbell said:

The committee may wish to invite INAC to table their action plan and explain what changes have been put in place to ensure that they live up to the commitments they made in response to our recommendations.

Is there an action plan specifically respecting this report that deals with each of the recommendations, and if so, could it be tabled?

•(1230)

Mr. Michael Wernick: What we have is action, and I have a number of pieces of reporting of progress. We're trying to put them in a form that Mr. Campbell would agree is a kind of plan that they can monitor. We will be doing that within the next month or so.

Mr. Mike Lake: Can we expect that it would be tabled with our committee?

Mr. Michael Wernick: Yes, I'd be quite happy to table the plan and to provide written update reports at whatever intervals the committee requires.

Mr. Mike Lake: Is it reasonable to say by the end of April?

Mr. Michael Wernick: Yes.

The Chair: Thank you, Mr. Lake.

Mr. Bevington, you have four minutes.

Mr. Dennis Bevington: Thanks, Mr. Chair.

I'd like to understand moving forward how we can see what the departmental response will be. That's why I put my questions earlier in reference to the Mackenzie gas project, which is a project that is now, through the environmental assessment process, likely to have a report given to your minister in the next eight to nine months.

Under the agreement, with the understanding of these objectives within the final agreement, will you be under any obligation to present a report to the minister on how this project impacts these objectives?

Mr. Michael Wernick: The process of the Mackenzie pipeline review and the response to it has actually been transferred to Mr. Prentice, and the secretariat that was part of INAC is now at Industry Canada. So he will be dealing with it. As alluded to by your question, there are very important parts of it that are INAC responsibilities, because we are still a significant regulator in the north, and we will take a look at the impacts.

Part of the success of the agreement was its creation of bodies like the fisheries joint management committee and environmental impact steering committee, the environmental impact review board, the wildlife.... And the Inuvialuit are perfectly capable of representing themselves and making their points and arguments at these bodies, as my understanding is that they've been active participants in the MGP review process.

We will take a look at the potential impacts of the pipeline, should there be one, on the Inuvialuit people, for sure.

Mr. Dennis Bevington: It may be that your ability to respond to a project like this may indicate to the committee what the nature of your responsibility is in working with these groups on it. Whether or not there are groups set up to present to the panel, the panel will still take these recommendations and go forward, and I'm sure your minister is going to be involved in the ones that are related to him. So in the final designation of these recommendations, he's going to make some decisions that will obviously match—if you've made this agreement in good conscience—the agreement. So your minister has some responsibility to match the agreement he has signed. Whether there's been prior consultation with the other groups, the Mackenzie gas panel is still comprised of many groups, and it may not reflect the Inuvialuit position at the end of the day.

Mr. Michael Wernick: Yes. I don't know if this will be helpful to you, Mr. Bevington, but the panel will report on the potential impacts of the pipeline. The National Energy Board will take a licensing decision. The commercial proponents will decide whether the project is economic or not.

We will be active participants, as will be other federal departments, in responding to whatever the joint review panel's recommendations are, and we'll certainly be briefing the minister and trying to be very clear about how it impacts not just the Inuvialuit, but all of the aboriginal groups down the corridor.

Mr. Dennis Bevington: When it comes to reasonable standards for the granting of contracts, we've seen quite a bit of work done in this regard through the Government of the Northwest Territories, the Inuvialuit, and the Gwich'in. You're not dealing with a blank page here. I'm going in the direction of the others in wondering why this is taking the time it has, and why you haven't come up with some designations to this date when quite obviously the Government of the Northwest Territories was into this in 1999, or nine years ago. Not only have you had the responsibility for 23 years, but you've also had a model to follow for the last nine years.

• (1235)

Mr. Michael Wernick: If there's a question, I guess what we're trying to do is to insinuate this particular settlement area into the entire Government of Canada procurement machine, which is across many goods and services and across all departments and agencies. It is a very difficult challenge. We're trying to make it as easy as possible for the actual front-line procurement officers to be reminded of what it creates. My understanding is that it creates an opportunity for procurement; it doesn't guarantee they'll be awarded any contracts. It guarantees that they will be made aware of opportunities—which should be a lot easier on the Internet—and then they can go after the business. They have a very good chance, given their track record of securing some of it.

The Chair: Thank you, Mr. Bevington.

Mr. Wrzesnewskyj, for four minutes.

Mr. Borys Wrzesnewskyj: Thank you, Chair.

Mr. Sewell, who is the lead, or what is the name of the lead person, on this particular file?

Mr. Terry Sewell: The project officer overseeing the implementation of the Inuvialuit agreement is a young woman by the name of Chandee Bajaj.

Mr. Borys Wrzesnewskyj: And how long has Ms. Bajaj been on this file?

Mr. Terry Sewell: Approximately two years now.

Mr. Borys Wrzesnewskyj: How many people does she have working for her on this file, or is she alone working on it?

Mr. Terry Sewell: She is the sole project officer on this. She has support staff access, but she carries this file on her own.

Mr. Borys Wrzesnewskyj: She has been on this from precisely which year? You said two years, so was that starting in 2006 or in 2005?

Mr. Terry Sewell: I can't be sure just going by my memory, but it seems to me she's been with me on it over the last two years. I can get a more precise date if that would be helpful, sir.

Mr. Borys Wrzesnewskyj: I also understand that you're under an obligation to report progress on this particular file, progress against obligations, and we don't have such a report for 2004-05, 2005-06, 2006-07. What's going on?

Mr. Terry Sewell: Reporting progress on...or annual reports?

Mr. Borys Wrzesnewskyj: In 1988, before this committee, there was an obligation put on your department to provide yearly progress reports. For the last three years we haven't received any. Why?

Mr. Terry Sewell: The annual report process is a joint process that involves the four parties to the land claim agreement. Each party plays a role in providing their component's information. Then there's a lengthy process of preparation, including editing and all of those elements, and we—

Mr. Borys Wrzesnewskyj: So you've once again put together a methodology that creates a bureaucracy and a situation where we don't get reports that mean a lot and in a timely fashion.

The obligation obligated your department. You've just described a process involving various governments, etc., and it was just your department. I would almost assume that it's a checklist to see how you're proceeding.

When can we expect these three reports to be ready? And can we receive those three reports in this committee?

Mr. Terry Sewell: I'll just check my schedule, if I may....

Mr. Borys Wrzesnewskyj: While Mr. Sewell is checking his binder, Mr. Wernick, you've had this report for a while. It's not a glowing report by any measure.

Have you ever visited any of these six communities?

Mr. Michael Wernick: No.

Mr. Borys Wrzesnewskyj: Mr. Sewell, have you?

Mr. Terry Sewell: I meet regularly in Inuvik, yes; once a year in Inuvik and once a year in Edmonton.

Mr. Borys Wrzesnewskyj: You were flipping through your binder there. Have you managed to find the information?

Mr. Terry Sewell: Yes, I have.

Our target to complete the 2004-05 annual report is the spring of 2008, and then we would target doing a combined two-year report, 2005-07, for the late summer of 2008.

• (1240)

Mr. Borys Wrzesnewskyj: So it takes three years to do a report that should be a pretty straightforward checklist on progress.

Once you have this report, what happens with it? How long does it take to put together an action plan? Do you involve all these four departments once again, and create a whole bureaucratic process around it?

Mr. Terry Sewell: I'm not sure about the action plan, but the annual report is a look back on activities and things undertaken by the various bodies under—

Mr. Borys Wrzesnewskyj: So there's a disconnect. Those reports are a report card on your actions to date, and that would seem to indicate—

Mr. Michael Wernick: It's a report by all of the parties, including the Inuvialuit and the Government of the Northwest Territories, and yes, it is a long process to get their sign-off. I cannot commit to table those reports without the sign-off of the other parties. We can make best efforts to get them unplugged and tabled here, or we can table a federal progress report on what the federal government has done, but

for better or for worse, we've locked ourselves into a structure where all of the parties are reporting.

Mr. Terry Sewell: Let me add as well that one of the interesting wrinkles of doing annual reports is that given the procurement elements of the land claim agreement, we try to find businesses within the settlement area to contract with to prepare the annual reports. In the case of the Inuvialuit, we spent a year tracking down various potential businesses that might undertake it, only to find at the end of the day that there was no business able to take it on. We got the Inuvialuit approval to engage an aboriginal firm here in Ottawa to meet the dates that I've outlined for you.

So it's an interesting challenge. We were talking earlier about the procurement provisions. Here we want to try to use the procurement provisions to accomplish another step in the process and it ends up presenting challenges, given the limitations of businesses in these remote locations.

The Chair: Thank you, Mr. Wrzesnewskyj.

Mr. Fitzpatrick.

Mr. Brian Fitzpatrick: I'm under no illusions, Mr. Wernick. Being the head of this department and managing it is not a slam-dunk by any stretch. There are lots of challenges. In the not too distant future, I would like to see a report from the Auditor General that says we're making real progress on the education file, that shows we're not only meeting expectations but exceeding them. That's an aside from what we're talking about today, but I think it's a report that a lot of Canadians would like to see. We'd be improving long-term living standards of first nations people, and we'd be making progress on this file.

I have a lot of trouble seeing how you can create real wealth without a concept of private property embedded in the system. I'm just wondering, under the agreement that now exists, is there sufficient room to allow for respect for private property rights? I think that's a foundation for economic development. If you have comments, I'd appreciate it. Even the Chinese now recognize that they can't have real economic development without private property rights.

Mr. Michael Wernick: I will defer to Mr. Sewell on the details, but you have 91,000 square kilometres of land held collectively by the Inuvialuit through a land corporation, together with various forms of private tenure in the communities and various mixes of the two.

Mr. Terry Sewell: Our land claim agreements always respect third party interests. They don't overlay existing third party interests in land.

Mr. Brian Fitzpatrick: How about future third-party agreements?

Mr. Michael Wernick: When a claim is under negotiation, there's no expropriation of private property interests. You work around them. You need a willing buyer and a willing seller. But generally, third party interests are protected.

Mr. Brian Fitzpatrick: Mr. Sweet.

Mr. David Sweet: Mr. Wernick, there's just one other item I wanted to ask you about. It's on page 26 of the Auditor General's report in paragraph 3.81, and it's also mentioned in paragraph 3.49. It's an economic framework. The text says that it took four years to develop, yet the evaluation and framework was never used.

This is a committee of accountability. If large resources are committed to a framework that's never used, we need to know why. Could you tell me why this wasn't used and what resources were spent on it? Are we planning to use it at some future time?

Mr. Michael Wernick: I'll defer to Mr. Sewell on the past efforts.

We've agreed with the Inuvialuit, on a going-forward basis, to the approach we described earlier—looking at the six communities' strengths and weaknesses in the context of the resource boom in the north to see what opportunities are there.

As to what happened in the past, I'd have to defer to somebody with a longer memory than mine.

• (1245)

Mr. Terry Sewell: We spent some time developing the framework you refer to. Then the next question was, is there enough data out there in settled land claims areas? Have there been settlements long enough to have measurable results?

We spent some time with consultants to take a look at the evaluability. We checked to see whether we had the data sources to do meaningful work. That work was undertaken last year. We found that there is indeed sufficient data and that an evaluation can be fruitfully undertaken.

We have used the framework. We're just now getting to the point where we're doing the evaluation.

Mr. David Sweet: Hang on. You said that you had some consultants talk about the evaluability, but that was in the modern context. Are you saying they built on this framework, or is it a whole new plan?

Mr. Terry Sewell: We used the framework. Then the question was, with the topics under the framework, is there data enough to allow us to measure each of these remote locations against the components? That's the work we did.

The Chair: Thank you, Mr. Sweet.

On behalf of the committee, I want to thank each of you for your appearance today.

Mr. Wernick, do you have any closing remarks you want to make to the committee?

Mr. Michael Wernick: I'd like to thank the committee for its interest. I know this isn't a policy committee; it's an accountability committee. We take our work quite seriously. We'd be pleased to provide progress reports to this committee as well as to the policy committees that oversee us. We'd be happy to work with the clerk on the specific follow-up questions from members, and we'll get you responses in writing as quickly as possible.

Mr. Ronnie Campbell: Thank you, Mr. Chair.

I have a couple of very brief comments I would make. One is in the interest of clarification. Mr. Lake asked a question in relation to the audit process. I just want members to understand that we have a very vigorous process in all of our performance audits, and it's not just the recommendations we get agreement on in the departments. We get agreement on all of the facts contained in the report. I just wanted to clarify that.

An interesting point that Mr. Wernick made throughout the testimony was that what the department appears to be doing now is trying to develop the tools that officials need in order to be able to properly implement all aspects of the agreement.

I think we'd all agree that it would have been a much better world if we'd had those tools in place 23 years ago, and I think if we're looking for lessons learned, perhaps when we enter into agreements we need to make sure officials have the tools they need. I think it was mentioned today—the need for evaluative tools, measurement tools, some contracting tools, and basic information on some of the economic development.

And finally, Mr. Chairman, Mr. Wernick talked about his action plan. We at the Office of the Auditor General would be happy to receive the plan and comment on it to the extent that it covers the recommendations we've made.

Thank you.

The Chair: Thank you, Mr. Campbell.

Thank you, Mr. Wernick.

Thank you, others. We will be writing a report and tabling it with the government in the House of Commons in due course.

The committee has a couple of other motions we're going to deal with now, so you can leave if you wish. And again, I want to thank you very much for your appearance here today.

Colleagues, we have two motions. What I propose is to deal with them similarly. The first motion is by Mr. Poilievre. It's a very simple motion, actually: that the committee schedule a meeting with Ralph Goodale, Don Boudria, and Jean-Marc Bard in relation to its study of chapter 7 of the Auditor General's May 2006 report.

I'm going to give Mr. Poilievre two minutes to speak to his motion. I'll entertain up to six interventions of one minute each, and then I'll go back to Mr. Poilievre for his closing comments, and put the question.

I propose to deal with Mr. Wrzesnewskyj's motion in the very same manner.

I should point out, Mr. Poilievre, I'm sure you won't have any problem if we just eliminate Jean-Marc Bard. He is subject to a previous motion. That motion has been passed. A summons has been issued, and we have him scheduled for sometime in April. So that matter really is taken care of.

So we're dealing with Goodale and Boudria in the motion.

Is that okay with you, Mr. Poilievre?

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Well, I would add that we could have Mr. Goodale and Mr. Boudria appear at the same time.

The Chair: That would be up to the steering committee, but that's a good suggestion.

You have two minutes.

Mr. Pierre Poilievre: I'll just talk about the reason I want to invite the three witnesses who are suggested in the motion. Jean-Marc Bard goes without saying. He was the chief of staff. That motion is now passed, so I won't address it at any further length.

Second, we have Boudria, and third, Mr. Goodale.

What we have here is that the first minister to be involved in this affair says that all of the mistakes were made after his tenure. The third minister who was involved in this affair says that all of the mistakes were made before his tenure. So that leaves the guy in between, who of course is Mr. Boudria.

• (1250)

[Translation]

Mr. Laforest mentioned to me that he wanted to hear from Mr. Boudria on this issue. That is why I added his name.

[English]

And finally, on the question of Mr. Goodale, I still have questions for him that I was not able to address to him at the last round of hearings. I don't expect we should need him for very long. But anyone who listened carefully to his words would agree that he made some fairly spectacular claims when he said that the Auditor General did not have the information necessary to conduct her study. There is absolutely no supporting evidence for that view anywhere in our documentation, nor during the testimony of Ms. Fraser or her staff. In fact, one of her staff members says exactly the opposite.

So one question I would have liked to ask him had the time not expired is what evidence he has to suggest that the Auditor General's office was information-deprived in reaching its conclusions. That's a question that's clearly not answered.

We don't often get witnesses who question the work of the Auditor General. We now have one, and I think it raises a whole series of other questions that need to be posed. And finally, it can't hurt. If he comes back, he might not have a lot more to offer, but we're talking about an hour of his time, and I think at the very least, it will be helpful.

The Chair: Mr. Laforest, one minute.

[Translation]

Mr. Jean-Yves Laforest: I did indeed mention to Mr. Poilievre that I was wondering why Mr. Boudria had not been invited to testify before the committee. In the end, there were three ministers who succeeded each other in a relatively short period of time on this file. Mr. Boudria was there when the two contracts were signed: first with Place Bonaventure and then with Place Victoria. I think we have questions we would like to ask Mr. Boudria, and I agree entirely.

As for Mr. Goodale, I am not so sure. However, having heard Mr. Poilievre's arguments, although I had not seen things from that perspective, it may be relevant to hear from him once again.

[English]

The Chair: Mr. Williams, one minute.

Mr. John Williams: Thank you, Mr. Chairman.

On a personal note, I've never been in favour of bringing in ministers, because they tend to change the dynamics of the committee.

Leaving that aside, because that's a personal issue, it's a longstanding policy of the public accounts committee. Mr. Goodale has already been before us for one hour. He reiterated what Janice Cochrane had said, that despite what we think, the government now sees this as two separate issues.

There was a contract with Bonaventure and a contract with Place Victoria. Nobody is going to admit they were the same, because they did this splitting of hairs right down the middle and treated it as two separate contracts. When you use that philosophy, there's nothing. You can't break down that logic, although I totally disagree with it.

Yes, you can answer a few more questions, but when I think about what we just dealt with here today, I could go on for a week lambasting what the government hasn't done in the last 25 years as far as Indian affairs is concerned and this first nation in the Yukon Territory.

We have other issues we need to deal with. I think we should be thinking about writing a report condemning what happened in Place Victoria and the way it transpired, and say we never want to see this again. But I'm not sure it's good value for time to bring in Mr. Goodale and Don Boudria. Jean-Marc Bard—I don't mind kicking him around; we kicked him around before, and he deserved it and needs it again. But the ministers, I'm reluctant.

The Chair: Mr. Lake, one minute.

Mr. Mike Lake: I would express my support for this motion. Clearly we didn't get any answers in the last meeting. But I think that one of the reasons we didn't get any answers was that we've seen two ministers refer to things happening outside their timeframe.

I think having both ministers here at the same time gives us the opportunity to hear from one, hear from the other, and get some clarification when the ball is being passed back and forth. I think it's important for us to do that.

I'm not convinced we're going to get to the bottom of this in one more meeting. I believe the answer may have been given. Given Mr. Goodale's contention that the Auditor General didn't have all the answers and didn't have the right information, perhaps the answer is eventually going to be to send her back to get the right information.

I think this is a good step in the process, and I hope it will take us to a better understanding.

• (1255)

The Chair: Mr. Hubbard, one minute.

Hon. Charles Hubbard: Mr. Chair, we have to somehow set some guidelines for how long we're going to spend on this topic. We've spent a lot of time already. As Mr. Williams said, other issues are probably more important than this.

In any case, Mr. Bard is set to come. Is that not right? And if Mr. Boudria is deemed to be a witness.... I certainly want some assurance from Mr. Poilievre that he's not going to come every Tuesday and have another list of people he thinks he should hear from or hear back from.

My impression from Mr. Goodale was it was a fairly straightforward business. Maybe our researchers could conclude with whether or not it was a good deal or a bad deal, but I don't think we've heard anything to the contrary.

In any case, to simply have a continued expedition not proving a whole lot, certainly we wouldn't support it.

The Chair: Thank you, Mr. Hubbard.

Seeing no other names on the list....

Mr. Christopherson.

Mr. David Christopherson (Hamilton Centre, NDP): You said you were going to go around. I didn't realize....

The Chair: I wanted to put your name on the list.

You have up to one minute.

Mr. David Christopherson: Thanks, Chair.

I'm comfortable with Mr. Boudria, only because I think it makes eminent good sense. We've heard ministers bracketed on both sides. And this was the key time, so it would be to be consistent. I'm not convinced that we need to bring Mr. Goodale back. I realize that it's not a big deal to us, but it has an impact. We shouldn't do these things willy-nilly.

I understand the point Mr. Poilievre makes about wanting to find out what's behind that information, but all that's about is whether it was a \$4.6 million loss or a \$2.1 million loss, and I'm not all that interested, at this point, in which number is correct. They're both unacceptable.

If we're going to call anybody back, I would look at Drouin. For the longest time I thought there was something here, money-wise, that was not right. Something smelled. But now I'm beginning to wonder. If that's not the case, then the only other alternative is that this newly minted minister didn't like the digs he'd be going into in the new place and wanted to stay in the current place, because he talks about prestige and all that. And everybody else fell in line to take care of their friend. The government had been in power so long that they kind of got used to the idea that they ran everything.

So I would bring him back.

I'm going to vote against the motion, but I would say that if it loses—it may not—and there's another motion with Mr. Boudria in it, I would support that.

The Chair: Seeing no other intervention, I'm going to go back to Mr. Poilievre for the last point.

Mr. Pierre Poilievre: I would like to make a friendly amendment to drop Mr. Goodale and add Mr. Drouin.

The Chair: That means an amendment, Mr. Poilievre.

Mr. Pierre Poilievre: I just amended it myself, then.

The Chair: Is there agreement in the committee to amend the motion to delete “Mr. Goodale”?

Mr. Pierre Poilievre: No, it's Boudria and Drouin.

The Chair: Well, hold it now.

Mr. Pierre Poilievre: Remove “Goodale” and replace it with “Drouin”.

The Chair: There's an amendment here. Just to get the record straight, the amendment is to delete the reference to Ralph Goodale and to insert Claude Drouin.

Is everyone in favour of that amendment?

(Amendment agreed to)

The Chair: Just before you go, I want to get Mr. Fitzpatrick for 30 seconds, and then Mr. Poilievre.

Mr. Brian Fitzpatrick: I have just a quick comment.

In reviewing the transcripts, Mr. Gladu totally disagreed with Drouin's version that he was pushing for this. In fact, he says right in his sworn testimony before a committee that when he saw Drouin's letter, he personally talked to Drouin and told him that this was a mistake, that it was a matter of administration, and that he shouldn't be doing it.

If we want to get to the bottom of this, we should have the former deputy minister here at the same time as former minister Drouin is here. We should get this issue clarified, because there are major contradictions.

● (1300)

The Chair: I'm going to go back to Mr. Poilievre for the last comment. Then I'm going to ask the clerk to have a recorded vote.

Mr. Pierre Poilievre: You supported the amendment. It's already passed. It's done.

The Chair: Everyone agreed to the amendment, Mr. Hubbard.

Mr. Poilievre, the last word is yours, for up to one minute. Then I'm going to ask the clerk to have a recorded vote.

Mr. Pierre Poilievre: I personally believe that it would be in the interest of Mr. Goodale to be here and that he would want to come back to explain these discrepancies in his testimony. Otherwise, we're going to have to find our own explanations for them in our report, particularly his condemnation of the Auditor General.

I agree with some of the comments around the table that he might not answer the questions anyway. So he might not take the opportunity we give him. However, we have a good motion now that allows us to zero in on the crux of the matter, and I'd encourage everyone to support it.

The Chair: Thank you, Mr. Poilievre.

I'm going to ask the clerk to read the amended motion, and then I'm going to put the committee to a recorded vote.

The Clerk of the Committee (Mr. Justin Vaive): The new motion as amended reads:

That the committee schedule a meeting with Claude Drouin and Don Boudria in relation to its study of chapter 7 of the Auditor General's May 2006 report.

The Chair: Shall the motion as amended carry?

(Motion as amended agreed to: yeas 8; nays 3)

The Chair: We're now going to move to Mr. Wrzesnewskyj's motion, which has been circulated.

Mr. Wrzesnewskyj, you have two minutes. I'll entertain up to six interventions of one minute each.

[*Translation*]

Mr. Jean-Yves Laforest: I would like to debate this motion at the next meeting.

[*English*]

The Chair: The only way to do that, Mr. Laforest, is to make a motion to table.

[*Translation*]

Mr. Jean-Yves Laforest: We have gone overtime.

[*English*]

Mr. John Williams: Mr. Chairman, it is after one o'clock.

The Chair: The committee is on until it chooses to rise. Someone can make a motion to table; otherwise, we'll deal with the motion and adjourn.

Mr. David Sweet: I'll make a motion to table.

The Chair: Mr. Sweet has made a motion to table that motion, colleagues. It's not debatable.

(Motion agreed to)

The Chair: This motion will come before the committee at a subsequent meeting.

It is one o'clock, and the meeting is adjourned.

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