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Chair

Mr. Bruce Stanton

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• (1125)

[English]

The Chair (Mr. Bruce Stanton (Simcoe North, CPC)): Good morning, everyone—members, witnesses, and guests—and welcome to the 42nd meeting of the Standing Committee on Aboriginal Affairs and Northern Development.

This morning, we welcome back Mr. Michael Wernick, the deputy minister for the Department of Indian Affairs and Northern Development. He is joined by Mr. Jim Quinn, who has also been before us in the past. Mr. Quinn is the CFO for the department.

The orders of the day are consideration of the supplementary estimates (B) for the current calendar year. Members, I'll just say in advance that we were delayed by votes this morning on a concurrence motion in the House, so we will continue with the debate.

Along with our discussions this morning, we had planned, as you'll see in the orders of the day, for committee business. We were going to leave approximately 15 minutes for that, but certainly if speakers need to continue to ask questions on the orders of the day around the supplementary estimates, we'll continue to take speakers. We may have to postpone committee business to a later day, but that is up to you. We'll just let you know in advance.

With that, Mr. Wernick and Mr. Quinn, you're aware of the rules. You have up to 10 minutes for your presentation, and then we'll go to questions from members.

Mr. Wernick, go ahead.

Mr. Michael Wernick (Deputy Minister, Department of Indian Affairs and Northern Development): Thank you, Mr. Chair. Actually, given that you've lost half an hour to the vote, I'm quite happy to dispense with the opening statement and get right to questions if that would be helpful to the committee.

I just wanted to put on the record that this is the 20th appearance by departmental officials at this committee in this calendar year. We enjoy our exchange with the committee and look forward to further exchanges in the coming year.

If it's possible with the committee clerk to simply take all the elegant prose of my opening statement and read it into the record of the committee, I'm quite happy to go straight to questions.

If you wish, I could race through it, if that's easier.

The Chair: Why don't you do just a brief outline? Then we'll go directly to questions.

Mr. Michael Wernick: Thank you, Mr. Chair.

First of all, as I said, I want to thank you for another opportunity to appear before the committee. Many of my colleagues who are sitting behind me have had the pleasure to appear either on bills or other issues before the committee as it's worked its way around the responsibilities of the department and its portfolio.

We're here to discuss supplementary estimates (B) for 2009-10. They were tabled on November 4. They represent approximately a quarter of a billion dollars, \$249.7 million, in additional appropriations by Parliament, which will bring the department's spending to \$7.6 billion in this fiscal year.

[Translation]

I will keep my remarks brief this morning in order to leave more time for committee members' questions.

[English]

To touch on just a couple of milestones over the last year to remind the committee of what we've been up to on Parliament's behalf—there are many things to touch on—I'll start with the legislative agenda that the committee's been seized with. You will recall that in May and June of this year Parliament passed three bills of significance to the department and the people we serve.

The Cree-Naskapi (of Quebec) Act was amended to empower the Cree of Eeyou Istchee to assume responsibility for administration of justice and economic and social development.

The Indian Oil and Gas Act was amended, at long last, to bring federal legislation in line with similar legislation in the provinces and create a more transparent and efficient regime for oil and gas operation on reserve lands.

The Maa-nulth First Nations Final Agreement in British Columbia received royal assent. This is the third final agreement in British Columbia to be signed by Canada, British Columbia, and first nations, the second final agreement ratified under the B.C. treaty process, and the first that involves multiple first nations under one treaty arrangement. With the passage of this act, the Maa-nulth are provided a framework for improved governance and social and economic development.

I expect in the new year or sooner, Mr. Chairman, we'll look forward to further debate on other legislation, including a matrimonial property bill.

•(1130)

[Translation]

Because the government placed particular priority on economic development, especially in this difficult economic climate, this past June, the department introduced a new Federal Framework for Aboriginal Economic Development.

The framework includes new investments of \$200 million over four years and represents a fundamental change in the approach to supporting lands and economic development. It also recognizes the significant, real and growing opportunities for aboriginal people to move toward becoming full participants in the Canadian economy.

[English]

I'm particularly proud that we have the new economic development framework to guide our activities in this area in the coming years. That, of course, is on top of the \$1.4 billion in aboriginal-specific expenditures over two years under Canada's economic action plan.

You will know that the fourth report to Canadians was released yesterday, and there was a fair bit of information on aboriginal and northern investments in communities. We have worked to produce an aboriginal-specific report card on Canada's economic action plan that follows each of these larger quarterly reports from the Minister of Finance. We expect to be putting one out before the Christmas break.

In the northern area, I would note the partnership we have on Arctic science and the Arctic research infrastructure fund that we were able to move forward on this year. Of course, a lot of this is about encouraging vibrant and sustainable communities. We have a lot of work under way with partners and a focus this year on protecting and empowering the most vulnerable members of our society.

To that end, we're very pleased that we've been able to work with provincial governments and first nations to push forward further the prevention-based approach to child and family services. We now have agreements and coverage in five provinces, covering nearly half of first nations children in Canada, and we hope to have further agreements in the new year.

In addition to the regular spending on first nations elementary and secondary education, which is approximately \$1.3 billion a year, we've had the opportunity, through Canada's economic action plan, to make further investments in first nations education. There are a significant number of communities that received infrastructure funding to deal with school and community facility issues, which will help keep youth in school and give them a better educational experience.

There are all sorts of partnerships I could point to. Perhaps given the events of the last week or two, I should touch on our involvement in the Vancouver-Whistler Olympics, which are coming up.

[Translation]

And all partners are eagerly looking forward to the 2010 Olympic Winter Games, which feature the unprecedented participation of aboriginal people. These games are more than a cultural and sporting

event. They will also provide an economic legacy for aboriginal people for years to come.

[English]

So the approach we have pursued on behalf of the government, and on your behalf as parliamentarians, is designed to help northerners and aboriginal peoples improve their lives and futures. Many of the \$249 million of investments outlined in supplementary estimates (B) reflect that approach. I won't go through the list of highlights; they're fairly clear.

I would signal one other important change through the course of the year, which is the creation of the Canadian Northern Economic Development Agency, with its responsibilities in the north. We're forging a new partnership between the department and the agency for the years to come. Because its estimates are currently covered by the department, if you have questions on the agency I'm happy to take them, and we have colleagues from the agency here. Next year you'll see separate reports on plans and priorities, separate reporting, and separate estimates from the agency, and the line between the two organizations will be clearer.

I think I should quit while I'm ahead and stop there, Mr. Chairman. I'd like to thank the committee for its attention and time over the past year on many issues. I know you've taken a particular interest in the north in recent weeks and have had the opportunity to see that wonderful part of Canada.

I'm pleased to answer any questions the committee has and I'm ably assisted by my chief financial officer. This is your last chance to get at him; unfortunately, he's moving to another federal department after Christmas. I have other colleagues behind me who would be pleased to fill in.

Of course, if there are questions that are fairly specific, we can follow up with written responses, as has been our practice in the past.

Merci.

•(1135)

[Translation]

The Chair: We want to thank you, as well, Mr. Wernick and Mr. Quinn.

We will now begin the first round of questions with Mr. Russell.

Mr. Russell, go ahead.

[English]

Mr. Todd Russell (Labrador, Lib.): Thank you, Mr. Chairman.

Good morning, Mr. Quinn and Mr. Wernick. It's good to have you and your officials here for the 20th time, and I'm sure you can look forward to a 21st at some time in the future.

To start off, I have a couple of questions. In your remarks, you mentioned Bill C-8, matrimonial real property, and you said it may come next year or sooner. Well, there are not many days left in this particular year: are we anticipating that this would come next week?

Mr. Michael Wernick: It's in the hands of House leaders as to what the schedule is for the remaining couple of weeks. It's a possibility. It is my understanding that there are other bills that are possibilities. It's really very much in the hands of the whips and House leaders to do the schedule. We just know that it's there on the order paper.

Mr. Todd Russell: In terms of the specific claims commission, in the supplementary estimates there was a request for additional funds. This has been in place for a little over a year now, I guess. Where is it in terms of its formation and operations? Has it been functioning at all? Have there been any judges appointed? Can you give us an update?

Mr. Michael Wernick: I'm glad to be able to report that there are some judges; I believe there were three appointed last Friday by the Minister of Justice after a process involving the Assembly of First Nations in their appointment. There were limitations in how far the tribunal could be set up without the judges. It's an arm's-length independent body and they will decide the rules and procedures.

Staff at the tribunal have done as much as they could. There are offices and facilities available. They are a couple of blocks from here, if you ever care to visit them. There are draft rules and procedures for the tribunal that are ready to go, but they do have to be approved by the judges because it's their show.

There has been a process of engaging first nations that have claims to make sure they understand this. We worked very closely with the Assembly of First Nations. We expect it will be actually dealing with cases very early in 2010.

Mr. Todd Russell: Okay, but to date there has been no real activity.

Mr. Michael Wernick: No. There were no judges until Friday. They will be taking up their duties early in the new year.

Mr. Todd Russell: Okay. Remind us again: how many judges did they want on the roster?

Mr. Michael Wernick: It's a panel of full-time equivalent persons from which the chair can draw down, depending on the cases. It works out to the equivalent of six full-time judges, and they can establish a larger roster than that. It will be up to the chief justice in each province as to whether they want to make people available more or less full time for this or just have it as part of their other docket.

Mr. Todd Russell: Can they function with three?

Mr. Michael Wernick: I'm over my head on the procedures. It would be up to the judges to decide how they wish to hear these. My understanding is that they can split up and hear cases through smaller panels. If I've misled you on that, I'll correct the record before the end of the meeting.

Mr. Todd Russell: I just ask this because when the bill came before us we certainly expedited it through this committee. There was a sense of urgency; at least that was the presumption on the part of the government to move this forward. So this is certainly an encouraging word, in that if this is going to be of any use we need to make sure that it functions properly.

The chief commissioner of the Indian residential schools commission has said there is a difference of minds and a difference

of opinions, and that the work of this commission cannot proceed because of the attitudes in Ottawa, or with the department. I'm making some inferences, but that certainly seems to be the gist of some of the comments that have come out lately.

Can you elaborate on that a bit? We all know the history. Some commissioners resigned and new ones had to be appointed. We lost a year there. It's a five-year mandate. We're getting close to two years now and little has been done in this regard. Can you elaborate? Where are we with this process? When is the real work going to begin?

Mr. Michael Wernick: I can try. I'm not trying to duck the question, but Justice Sinclair is the deputy head and accounting officer of the commission. You should feel free to ask him directly.

From what I understand, they are a completely separate department of the Government of Canada. That was done quite deliberately, for all kinds of reasons. It means that they're subject to some of the very basic transparency legislation that governs staffing and contracting. So you can't just hire your buddy and you can't just give a contract to so-and-so; there are transparency and accountability in public service staffing and public service contracting.

My take on it is that there's no real impediment to the commission doing its job. Its mandate is set out in excruciating detail in the settlement agreement. It is supposed to deliver certain events on a certain timeline. My advice to Justice Sinclair was to hire somebody experienced in the ways of Ottawa as an executive director who could help navigate him through.

My opinion is that he has the flexibility and the resources to fulfill the mandate. If he has any questions, I've certainly offered to try to help remove any obstacles.

• (1140)

Mr. Todd Russell: Again, I think that you and I both, and all the committee members, know how important this is to survivors and families.

Mr. Michael Wernick: Yes. The commission is stocked up and running and in charge of its own work plan.

Mr. Todd Russell: I have a very quick final question on this round. You made the statement that "...fuelled by investments such as those in these Supplementary Estimates, I'm firmly convinced that we are making progress to improve the lives of Northerners, and the lives of First Nations, Inuit and Métis...".

Can you give us some clarity on this, specifically on Métis? How would you say the department is improving the lives of Métis throughout the country, given the expenditures that have been requested?

Mr. Michael Wernick: As you know, our responsibilities or activities related to Métis are dealt with through the Office of the Federal Interlocutor, Mr. Caron, who is sitting behind me. Not a lot of the programming goes through Métis; there was a political accord reached between the minister and the Métis Nation of Canada back last June, which agreed on some common priorities for particular work on issues affecting Métis veterans, Métis economic development, and the intersection between Métis and the residential schools issues. There is very active engagement with the MNC and the regional organizations on all of those.

Their particular focus this year was Métis veterans issues. You may have noticed this year that there was a trip to Juno Beach for commemoration of Métis veterans, the installation of a Red River cart on the beach in Normandy, and so on. There's been a lot of work with Veterans Affairs.

On economic development, we try to make sure that, where it's possible, there are opportunities and partnerships with Métis organizations as well, but we are pretty much constrained to a sort of an Indian mandate.

[*Translation*]

The Chair: Thank you, Mr. Russell and Mr. Wernick. Mr. Lemay will be the next member to ask questions.

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Thank you, Mr. Chair.

I want to congratulate you, Mr. Wernick—wait, I will send you flowers, and the vase may follow—as this is the first time that an Indian Affairs deputy minister has been in that position longer than two years. It's a record. I hope you know you are setting a record; congratulations. I get the feeling, as do all of my colleagues, I'm sure, that you know your files and that you are fully competent.

Now that you have the flowers, here is the vase, since we do have to do some work, as well. I am also on the Standing Committee on Justice and Human Rights, and the justice minister appeared before us yesterday. He told us that the Specific Claims Tribunal would soon be getting to work, that appointments had been made.

I have a question for you, and I am not sure whether this is going around your department or not. But do you think the Specific Claims Tribunal will remain under the jurisdiction of the Department of Indian Affairs and Northern Development, or will it not end up under the jurisdiction of the Department of Justice? Do you know anything about that?

Mr. Michael Wernick: No. My answer will be brief—and thank you for the flowers. The tribunal is quite independent, a separate entity. Our department oversees the tribunal only for the purpose of appearances such as today's. The organization is totally independent and will be headed by a group of justices, and if you know them, you know that they are very fond of their independence.

Mr. Marc Lemay: I know the justices quite well after arguing cases before them for 30 years. They jealously guard their independence, and rest assured, I have the utmost respect for that.

In the supplementary estimates—and perhaps I just missed it—nowhere does it allocate or set aside money to implement the McIvor decision. It is now obvious to us that the Indian Act will have to be

amended, further to the Supreme Court's decision. I have two questions.

First, when are you going to bring forward amendments to the Indian Act in compliance with the British Columbia Court of Appeal's ruling in McIvor? Second, has your department estimated how much it will cost to implement the amendment to the Indian Act arising from the McIvor decision?

● (1145)

Mr. Michael Wernick: Thank you for your question.

There is nothing set aside for that in the supplementary estimates because we cannot predict the contents of a bill that has not yet been introduced or passed by the House of Commons. It is you, the members, who control the outcome and who decide which bill is passed in the coming months.

On our end, we are laying the groundwork by trying to figure out what sort of bill could address the discriminatory effect and satisfy the ruling of the British Columbia Court of Appeal. We are analyzing the effects, we are trying to determine how many people will have status and how programs will be affected. As members, you can amend the act, change the date it comes into force and so forth, so there are still a lot of question marks. But we are doing assessments, and we will be setting up a process with our friends at the central agencies to figure out how much additional appropriation authority is needed.

As parliamentarians, you will see that amount in the estimates within a year, if the bill is passed.

Mr. Marc Lemay: I would imagine that that bill will come from your department. When do you expect to bring it forward or have it ready? The British Columbia Court of Appeal has set a deadline. I would like an idea of when this bill will come to us.

Mr. Michael Wernick: We expect that it will be done as soon as possible once Parliament resumes after Christmas. I am waiting for decisions from cabinet. There are a number of question marks, but the deadline is April 6; otherwise, the decision will come into effect. I believe it will be very soon after the Christmas break.

Mr. Marc Lemay: You mentioned the Canadian Northern Economic Development Agency. We see that it has a budget of nearly \$50 million, when you consider credit adjustments and transfers. I do not want to dwell on the numbers. I would like to know if you think the agency will remain under the Department of Indian Affairs and Northern Development.

Perhaps I misunderstood, but I thought you said, in your opening remarks, that there would be a separate report. It always worries me when I hear talk of separate reports; it usually means that the organization will break off from the department. I would be extremely concerned if the agency is taken away from you; I think it needs to stay within your department.

Mr. Michael Wernick: We created a separate department, and Nicole Jauvin is the deputy minister. She will have the same responsibilities to her organization as I do to the department. We are fortunate enough to have the same minister, who is responsible for both organizations to Parliament.

It is somewhat new to us to have several organizations reporting to the same minister, but that is what is happening with Industry Canada, Canadian Heritage and so on. Basically, there are several agencies, but all of them report to the minister.

The Chair: Thank you. Your time is up.

[English]

Go ahead, Madam Crowder.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Thanks, Mr. Chair.

Also, my thanks to Mr. Wernick and Mr. Quinn for coming before us again. As noted, you have been here many times.

I have two areas I want to focus on. If I have time, I'll go on to something else. My first question has to do with the B.C. Treaty Commission process. I looked at the supplementary estimates and saw no change in the budget that I could identify.

I think you're probably aware of two reports. One was a PricewaterhouseCoopers report commissioned by the B.C. Treaty Commission. It said that settling the treaties would boost the B.C. economy by \$10 billion.

The second thing, of course, is that the international human rights commission has determined that the Hul'qumi'num Treaty Group's case is admissible. The decision says that "the BCTC process has demonstrated that it is not an effective mechanism to protect the right...alleged by the alleged victims" and that "there is no due process of law to protect the property rights of the HTG to its ancestral lands". It goes on to say that the treaty negotiation process "is not an effective mechanism" to protect the rights claimed by petitioners. There's much more.

So I guess my question around the estimates process is this: will you be considering reaffirming the federal mandate around the BCTC process? Because many of the complaints I hear from first nations there are simply that the negotiators at the table don't have the mandate to negotiate. It's forcing international human rights complaints as a result. Could you comment on that?

• (1150)

Mr. Michael Wernick: I appreciate the question. One thing I can assure you of is that the department certainly is committed to and is following the direction of many successive governments in that we believed negotiations were the best way to deal with unresolved aboriginal rights in B.C. We prefer that to the courts, although sometimes these things end up in the courts.

We have made some progress, as I noted, with Maa-nulth. I am hopeful and guardedly optimistic that we'll actually have a few more final agreements early in 2010.

On the complaint you mentioned, I probably should not get too far into it because it's going to be discussed by lawyers. But it's an illustration of how you cannot force an agreement with people who disagree on some of the fundamentals.

My understanding of the complaint is that they're not happy that the treaty process doesn't allow for expropriation of private lands and third party interests. But that has been the position of the federal government since the beginning of the process: that only crown

lands could be made available, or lands that are acquired from willing sellers. That's my understanding of it. I stand to be corrected.

There are other first nations that don't like the treaty process because they don't like the own source revenue and the expectation that you have to start generating your own source revenues.

First nations that don't want to join the process are under no compulsion to do so. As you know, there's a division in B.C. between those that want to participate and those that don't.

I entirely accept that the current process hasn't been working as well as it could. There's advice from the Auditor General and from the treaty commissioners themselves, and we've had a long engagement with B.C. first nations. We are working particularly with our colleagues at Fisheries and Oceans to resolve this, because those are the issues that seem to have a number of things stuck.

I'm hoping we'll have some cabinet decisions on that very shortly and that we'll be able to re-energize the process early in 2010. We share a commitment with the Government of British Columbia and a large number of the first nations to get to treaties where we can. But we are not going to get to treaties with everybody.

Ms. Jean Crowder: I don't want you to respond to this, but I have just a quick comment. I mean, the issue with HTG is the fact there is virtually no crown land. At the heart of this complaint is the E&N railroad. They're not asking you to go out and expropriate; there's a much larger issue there.

I want to turn to the PSSSP. The reason I wanted to raise this program in the context of the supplementary estimates is that I don't see any additional funds for consultation here. I just want to lay out a timeline here.

Back in 2005, the public accounts considered education more broadly than PSSSP but that was part of the review. At that time, the Auditor General talked about the fact she was disappointed to see that the department's proposed action on our observations and recommendations are not necessarily linked, and that there was no regular reporting out on those action plans.

I'll fast-forward to 2009, when we had the internal audit of the department with recommendations from the PSSSP as well as the ISSP. We saw that report come forward and then had testimony at the committee back on February 26 when I raised the question with Mr. Yeates about what the process would look like around the review. He indicated, "We are determining with the minister an appropriate, more formal, and fulsome engagement and consultation process".

Then, of course, in November 2009, we had the release of "The Post-Secondary Student Support Program: An Examination of Alternative Delivery Mechanisms", which was not on the INAC website. It was on a private company's website, so yes, it was released publicly but it wasn't released through INAC.

What we are hearing consistently from first nations from across Canada is that a letter to chief and council or to their regional representatives does not constitute consultation. They don't feel they've been included in the process to date in a "fulsome" way, to go back to what we were talking about.

So since no funds are earmarked and this process seems to be moving along, albeit very slowly, because Mr. Yeates also said there would be some proposals and presumably some action in the fall, what is the plan to include first nations in the solutions to the challenges the audit identified?

• (1155)

The Chair: We're down to about 30 seconds, so go ahead, but with a short response if possible.

Mr. Michael Wernick: That's a big topic.

The first thing I should get on the record is that the government has taken no decisions on the future of the post-secondary program. Those will be made, if at all, in the new year. So the program is chugging along in its current design.

The audit, the other studies, the advice of this committee, and all kinds of input tells us that the program design from the 1970s isn't necessarily the best way to get assistance into the hands of first nations learners and their families. That's why we've been doing the kind of work you referred to—looking at whether there are other ways to do it. It's our job to see if there are other delivery models and other forms of assistance, and we hope to pull that together into some decisions that can be made by the government early in the new year.

There has been an effort to reach out to people who are affected by this. We'd like to have more input from students and their families, frankly, and that's been difficult. But we have a working-group relationship with the Assembly of First Nations. There has been regional outreach and so on.

My people have been out and have met with Mi'kmaq groups in the Atlantic region. We've met with the First Nations Education Council in Quebec. Ontario chiefs have delegated the Union of Ontario Indians to represent them on this. We have met them on several occasions. I could give you a list of the number of people we've met.

We have no intention of pushing out changes to the program without having listened to people who are affected by them.

The Chair: Thank you, Ms. Crowder and Mr. Wernick.

Now we'll go to Mr. Duncan for seven minutes.

Go ahead.

Mr. John Duncan (Vancouver Island North, CPC): Thank you very much. There are so many areas we could touch on, but we do have somewhat of a focus on the north—well, not somewhat; we have a focus on the north.

You mentioned in your talk that \$35 million of the \$85 million Arctic research infrastructure fund has been spent. I just wondered if you could expand on what that total of \$85 million would be for.

Mr. Michael Wernick: Thank you, Mr. Duncan.

This was a bit of a windfall through the stimulus package to give us the opportunity to do some capital upgrades to a network of science facilities across the north. It was \$85 million over two years, so it was always expected it would take two years to get these done.

On the website, you'll find a list of the facilities that were identified for funding. We did a very quick call for proposals and identified the opportunities. The funding decisions were announced by the minister, as you know, earlier in the year.

They're all on track. They will all be completed within the two years. There is quite a range of facilities right across the north, including the northern parts of Quebec and Labrador in this case, because we're using the International Polar Year definition of the north.

Mr. John Duncan: There was a suggestion when the committee was in the north that we had actually abandoned some studies. I actually question that. Maybe we have not funded some programs, but we've replaced them with other programming, particularly in the area of climate studies. Would that be an accurate representation?

• (1200)

Mr. Michael Wernick: I think the last few years have been particularly good for northern science. The International Polar Year commitment was about \$150 million in additional funding for various forms of northern science, particularly focused on climate change adaptation, people's health issues, and so on. Again, there's a lot of information available on that.

We have had this chance to upgrade and renovate the facilities across the north, and there is a commitment from the government to build a world-class High Arctic research station, for which we're doing the design and feasibility work. We're down to three potential locations and engaging the communities on their potential to be involved in the long-term operations of the station.

In fact, there's probably been more activity on northern and Arctic science in the last couple of years—and there will be going into the next couple of years—than there has been in quite some time.

Mr. John Duncan: Just to follow up on Jean Crowder's questions on education, there have been a lot of different initiatives. Once again, I think some of it is windfall through the economic action plan for infrastructure spending and skills development and training. Is there a way to describe this in a big picture to tell the committee what developments there have been over the last year, let's say, and that there will be into the near term on the education front?

Mr. Michael Wernick: If you're referring to school infrastructure in particular, it was a priority in two initiatives. One was under the stimulus money of Canada's economic action plan, which has allowed us to move ahead with 10 school projects and two renovations that we probably wouldn't have been able to do otherwise. Those projects are on track and are being reported through the quarterly reports that the Minister of Finance tables. We'll have another aboriginal-specific report in the new year.

We were also able to get some of the gas tax money prioritized for first nations school responsibilities, so I think the combined total of that has been a surge of about \$300 million over three years into school facility renovation and construction. We've done about 80 accelerated projects above the normal rhythm of the department.

If your question is about education in general, there are other initiatives. I'll stop there if it is limited to school facilities themselves.

Mr. John Duncan: We have done a lot on skills training and labour, but I think I'll leave that for the moment. In the supplementary estimates (B) there's money for funding to support construction activities related to recreational infrastructure. I know from personal experience that the economic action plan, also through RInC, funded a lot of recreational facilities in first nations communities. To what is this specific that RInC wouldn't be specific to? Or are they complementary and both useful at the same time?

Mr. Michael Wernick: There are two parts to the answer. RInC itself is delivered through another department. In the north it is being delivered by the new Northern Economic Development Agency. I stand to be corrected, but the regional development agencies are always the front line on these projects.

We've done two things. With the funds available, there are some projects going ahead in the north. You may remember that the Prime Minister was at the shovel ceremony in Iqaluit for one of them. South of 60, we've worked with the regional development agencies to push forward, for their consideration, projects in aboriginal communities.

Quite a range of them have been funded, many in B.C., as you may have seen in *The Globe and Mail* article a couple of weeks ago. I can refer you to the update of the Minister of Finance. There are a couple of pages on RInC and we hope to do a little bit of highlighting.

These are not sort of the health and safety of having clean water and safe housing and so on, but we all know about the benefits that good recreation and sports facilities can have for young people in the community and the beneficial effects of those investments.

The Chair: We're down to about 30 seconds.

Mr. John Duncan: I'll point to the supplementary estimates (B) on child and family services and ask you to address the fact that we've signed two new agreements in P.E.I. and Quebec. What might they portend?

• (1205)

Mr. Michael Wernick: I have to give credit to Alberta first nations for getting the ball rolling on this. This was very much a partnership between treaty first nations in Alberta, the child and family service authorities in the Government of Alberta, and Minister Prentice. We were able to reach agreement on a prevention-based model.

We had a model of funding that tended to be biased toward taking kids out of their families and into care and didn't focus on prevention. We fixed that in our authorities. We've rolled out five agreements now. Alberta's is the first. We were able to do Saskatchewan, Nova Scotia, Alberta, Quebec, and P.E.I. We're working very hard on the ground to get those agreements operational.

The Chair: Thank you, Mr. Duncan.

Now we'll go to the second round of five minutes. We'll begin with Mr. Bagnell, followed by Mr. Dreeshen.

Hon. Larry Bagnell (Yukon, Lib.): Thank you. Perhaps you could get your pen out, because I'm going to ask you a few questions. I hope you will commit your staff to get back to us, to the clerk, because I don't think you will have time to answer all of these questions. I'll do them all quickly.

You mentioned the Maa-nulth. That was great, but land claims seem to have stalled in B.C. since then. There doesn't seem to be anything happening. Could you comment on that?

You talked about the International Polar Year. Since Anne McLellan announced \$150 million for that, there doesn't seem to be any more Arctic science money. In fact, CFCAS has been cancelled, the three major granting councils, so these research centres in the north are great but people are talking about them being ghost towns because money for research has been cut.

In infrastructure, as you know, some of the northern nations with which we now have—in theory—a government-to-government relationship are upset that funds for infrastructure and housing are actually run through another government, when they should be going through their governments.

I was happy to see in reading the estimates that it looks like food mail is all now in your base funding; I thought that in previous years it might have been in the supplementaries. If that is all that will be needed, that's great. I applaud you for that.

I'll move on to child and family services. As you know, during one of the other times you were here, we had an exchange on the Carcross act, which has been going on for a long time. I hope you can update us on whether that is successfully proceeding.

If you could tell us the three potential locations that you've identified for the centre, that would be great.

On the northern agency, are there any new programs? Virtually everything in the estimates, or the vast majority of it, is just transferred from other federal departments, so it's just sort of moving money around. Has anything been announced yet about new money for programs?

On ABC, you talked about the aboriginal economic agenda and the new agenda and money for that. That's great. But as I mentioned in a previous committee meeting, one of our persons went to ABC in August and was told there wasn't any money, which is already so early in the fiscal year. I don't think it has ever run out before, so I hope you have enough money for those programs.

On the operating expenditures under 1b, I'm not a financial expert but it looks like there is \$97 million more in supplementaries for operating and a whole bunch of things. There must be a big chunk there, because I can't imagine being that far off—\$97 million—on the original budget.

On the Canadian Polar Commission, I think it was over a year to get to appointing the board members. It's in the estimates here. I hope that has been done. Could you let us know if that has finally been done?

On the comprehensive claims, there is \$11,400,000 for Yukon, N.W.T., Nunavut, and Quebec. Being very provincial here, I'd be curious to know the amount that is for my riding in the Yukon. Thank you.

The Chair: As anticipated, there are quite a few questions. There are about two minutes left, so perhaps going back to look at the debates will tell you what you need to get.

Go ahead if you want to just touch on some of those, Mr. Wernick.

Mr. Michael Wernick: I'll touch on as many as I can and we will follow up on them in writing.

Let me start by saying that I'll have to disappoint you. We'll be back for supplementary estimates on food mail next year. We haven't secured a permanent base for the program yet. We still live in hope.

Carcross First Nation is at the table right now and there are issues, as you know, between the territorial government and the first nation about how they're going to work together, which we certainly hope will be resolved. We are guardedly optimistic.

I can get you data on ABC. No, we don't have any extra money for that. I think the fact that so many projects are coming in is a good sign, in a strange way, because there's so much economic activity on reserve now and there's so much aboriginal entrepreneurship that we're under pressure. But in a strange way that's kind of a good sign of what's going on out in communities.

I don't know the status of the CPC appointments. I'll certainly inform you as quickly as possible and I'll try to find out what's going on in the Yukon in terms of land claims implementation. There you go: just-in-time delivery. Part of that, in fact, is \$2.8 million for the Yukon Environmental and Socio-economic Assessment Board, better known as YESAB, for its operating costs, because they've had a higher level of activity, as you know. In fact, all of the northern regulatory boards are doing a roaring business because of the amount of activity.

In terms of the International Polar Year, there actually has been a lot of money going into the field science, not just the infrastructure. We can prepare a table for the committee if that's useful. It will drop off after International Polar Year unless there are decisions in future budgets by future cabinets, but it has been quite busy and it will continue. The IPY fieldwork actually carries on into this year, and some of the wrap-up money into next year.

I'm not sure I can say more on the B.C. treaty process. I hope we'll have a couple more finals early in 2010. We are trying to resolve the fisheries issues that seem to be an impediment. There aren't many first nations in B.C. that aren't on the water in one way or the other.

On the vote issue, I'm in over my head. I will have to turn to the chief financial officer on that.

● (1210)

Mr. Jim Quinn (Chief Financial Officer, Department of Indian Affairs and Northern Development): On the question of vote 1(b) for \$97 million, the details on how it is broken out in the various niches are on page 185 of the English supplementaries and on page 108 of the French. It's a combination of pre-profiling and new money.

The Chair: Thank you, Mr. Bagnell, Mr. Wernick, and Mr. Quinn.

Now we'll go to Mr. Dreeshen for five minutes.

Mr. Earl Dreeshen (Red Deer, CPC): Thank you very much, Mr. Chair.

Thank you for being here this morning.

I just want to expand somewhat on what Mr. Duncan talked about with regard to first nations education. I wonder if you could give us an update on the types of initiatives taking place that are addressing some of the needs at this time.

Mr. Michael Wernick: Thank you for your question.

I won't go over the school facilities issue again. It has been helpful in a number of communities. There is still a lot of work to be done on school facilities across the country, but we have been able to make some progress.

The other two initiatives announced in December 2008 focus on getting at the underpinnings of how the actual education system works. We have the partnership fund and the school success program. They are designed to get to the actual schools and to be done, wherever possible, with willing partners. The work is often between first nations authorities and provincial ministries of education, colleges, and universities, the people who know about teacher training, curricula development, the application of new technologies, and ways of getting more effective results in schools.

We put that out in a hurry in the spring, no question, and there was a bit of static about how quickly that was done, but we had enormous take-up. It's another one of these good problems to have. There is a lot of activity and a lot of interest in improving school outcomes.

We all know that if we could fix one thing in this portfolio, it would be the high-school graduation rate. There is still so much more to be done.

But these two programs are actually drawing out the actual, practical, on-the-ground kinds of things that will help classroom teachers and the people who run the schools.

Mr. Earl Dreeshen: I am a former high-school math teacher, so I have a lot of interest in the types of things that are available. One of the things we discussed was broadband capabilities and the opportunity for different delivery systems. I am just wondering if we're looking at that as well. It's not just the type of things that can be taught; it is about the different ways to get into those communities.

Mr. Michael Wernick: That's absolutely true. My 17-year-old does most of his homework through Google and Wikipedia, which I'm sometimes not sure is a good idea. Anyway, it probably works better for math.

There has been a Government of Canada effort to expand broadband coverage for some time. We picked up the SchoolNet responsibilities from Industry Canada a few years ago. There is an effort to deal with the expansion and the covering costs for that.

Technically there isn't really a big problem, because we have satellite-based Internet everywhere in the country. What often is the issue now is getting it into that last mile within a community and getting it to the kid in the basement or the business or whatever.

These issues of wireless networks and that sort of thing have now become issues within communities. I don't have all the numbers on this, but there was stimulus money for expansion of rural broadband and we were able to see some very interesting initiatives. In fact, a number of provincial governments have really stepped up. There are even some P3 partnerships with some of the telecom companies, which of course want to get to these communities.

The payoff in terms of education, small business development, telehealth, and so on is just enormous. It is a very good value-for-money investment.

• (1215)

Mr. Earl Dreeshen: How are some of those P3 partnerships working? Have you looked into that in a lot of detail? People always have questions, but I am just wondering what your experiences are.

Mr. Michael Wernick: We find that the telecom companies are quite eager, actually. If they're building out a network of towers or expanding their networks to get high-end coverage expanded in rural regions or outside of the big cities, they're quite happy to play and get involved. We're trying to get our efforts aligned with the provincial governments to see what we can do. There are some very promising initiatives in British Columbia in particular and we're working on something in northern Ontario that we hope will bear fruit.

As I said, a lot of that is within the communities. It's that last-mile issue. It's about making sure that the 17-year-old first nations kid on a reserve is doing the same kind of laptop-based research to get his essay done that my son does.

Mr. Earl Dreeshen: If I have some time, I want to ask whether you have any idea on just how the Olympics are going to help bring our aboriginal people, their voices and so on, into the public domain.

Mr. Michael Wernick: The front responsibilities for the Olympics are with the Ministry of Canadian Heritage and Minister Moore, but we work very closely with them to ensure that there's a very strong aboriginal engagement in the games. I'd have to say that VANOC has been very enthusiastic about that. It hasn't been difficult to get that kind of engagement.

There is a four-host first nation entity. If any of you have met Tewanee Joseph, who is the head of that, you know what a dynamic individual he is. There are first nations representatives on all the decision-making bodies of the games. They're active from the bid committee right through to the implementation.

Two things in particular that we've been involved in are an aboriginal youth gathering that will take place during the games period and an aboriginal pavilion and showcasing opportunity. There's also some economic development showcasing possibilities for aboriginal and Inuit businesses.

The most important things are the legacy agreements with the four host first nations. Each of them is getting resources that will leave a legacy in those communities. They'll decide how to spend them and how to use them. I think the four first nations have actually been a very, very big part of the Olympics.

[Translation]

The Chair: Thank you.

It is now over to Mr. Lévesque, for five minutes.

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

Good afternoon, gentlemen.

I am looking at page 5 of your report, Mr. Wernick, where it says that the department invests \$1.3 billion annually. It also says that a significant number of communities have received new infrastructure funding to build better schools and community facilities that will keep youth in school and on the path to a better future. Very often, the suicide rate in these communities is very high; young people do not even have a future. To put them on the path to a better future, you first have to give them a future, period.

I got a request last year, and I think it was sent to you, as well. Perhaps you'll tell me that they are amounts given to Quebec and that Quebec is responsible for the request, but we can discuss that later. It was for an international music program that helps young drop-outs return to school and, in many cases, prevents other young people from committing suicide. A request has been pending for a year now—and the amount is minimal—to run a regular music class, in order to help kids get back in school.

Could you speak to that issue directly? If the money is given to Quebec, could we eventually get a breakdown of the funds given to Quebec in order to administer various programs?

• (1220)

Mr. Michael Wernick: Thank you for your question.

First of all, the suicide rate in first nations and Inuit communities in the north is totally unacceptable for the entire country. We do what we can, with the resources we have, to tackle that problem. I will find out about the project you mentioned. Those kinds of projects are funded and supported by departments such as Canadian Heritage and Official Languages or Health Canada, but I think we can give the committee an idea of what we are doing. All the files have one thing in common. The more economic development there is, the more hope for the future, the more hope for employment, the more hope for a better education. That is part of the solution to this major problem.

Mr. Yvon Lévesque: It is the Young Musicians of the World program in Kitcisakik. We know what goes on there. It could, at the very least, help save young people. The instructor was able to help a young boy who had climbed up on the roof of a house and was going to jump. By teaching him music, the instructor was able to get him back in school. The boy gave a performance just recently, and it was fantastic.

Furthermore, according to page 6, there is approximately \$250 million in total for the Olympic Games. Four Cree nations in my riding were asked to take responsibility for the 2010 Aboriginal Pavilion at the Vancouver games. By all indications, they have not received the funding required. In my riding, we are working on a request so they can assume the responsibilities they were asked to fulfil.

Were funds allocated to a given agency in this case? If so, how are they distributed?

Mr. Michael Wernick: Unless I am mistaken, the funding, around \$3 million in total, goes through the Four Host First Nations Society. If there is a problem between the people at the organization and the Cree nations, we might be able to discuss it and find a solution, but I think that the funding agreement is in place.

Mr. Yvon Lévesque: Do I have any time left?

The Chair: Just 10 seconds.

Thank you, Mr. Lévesque.

Mr. Payne, you have the floor for five minutes.

[English]

Mr. LaVar Payne (Medicine Hat, CPC): Thank you, Mr. Chairman.

Thanks to the department's officials for coming today.

First, on page 185 of the supplementary estimates, I'm looking at "Funding to support the implementation of initiatives under the new Federal Framework for Aboriginal Economic Development". That's some \$30 million, if I read it correctly. Could you give us some insight on that funding and how it's going to be spent by the department?

Mr. Michael Wernick: We can't do everything at once, but the priorities this year have been to get new financing tools in place. We're rolling out a new loan loss program, which will provide new sources of financing to aboriginal businesses. That is operational and there has already been some take-up.

The other priority has been to revitalize the process of adding lands to reserves that can be used for economic development purposes. They were in a sort of lineup system, yielding to treaty obligations, and there were a number of projects for additions to reserve that were sitting in the queue.

So we put some resources into accelerating additions to reserve for economic purposes and there has been quite a lot of progress on that, actually, particularly because the western provinces have started to be much more forthcoming with provincial crown land. You're seeing lands in Manitoba, Saskatchewan, and Alberta in particular move into the pipeline for addition to reserve. This is happening much more quickly and is much more forthcoming than was the case five years ago.

Those are two particular priorities.

The other issue has been getting the federal house in order on the opportunities from federal government procurement for aboriginal businesses. We've made a lot of progress on that.

There are issues around land management and environmental regulation. Resources are going into that program, which was touched on in the Auditor General's most recent report. There was about \$30 million over four years for trying, again, to increase the throughput for that program.

• (1225)

Mr. LaVar Payne: I also have some questions regarding the launch of the Canadian Northern Economic Development Agency. What has the department done to ensure a smooth launch for CanNor?

Mr. Michael Wernick: Well, we had the advantage of knowing it was coming, so the Northern Affairs organization under Mr. Borbey, who is here with me, did a lot of work to make it as smooth a hand-off as possible on launch day. A lot of work was done.

We had to deal with the renewal of the basic programming structure of the department, the sign-in programs, strategic initiatives, and northern economic development. We got that through cabinet. We got the Treasury Board submissions written and done that would provide the basic funding for the organization. We identified the people who could go on day one from INAC and were ready to do that. We have these multi-party agreements in each of the territories on what the priorities are. We pushed ahead and had those in very good shape to hand over to the new agency.

During this whole period, we were haggling, pushing, and advocating to make sure that the agency would be able to do some things in infrastructure in RInC and so on. We were talking to HRSDC, the human resources department, about how the agency would deliver their programs.

I'd like to think that as these things go in moving from one organization to another the torch was passed as well as it could have been. The agency is up and running, and it has been very busy visiting and meeting with northerners. It will very much be a northern agency. Its headquarters are in Iqaluit. It'll be guided very much by input from northerners on their priorities.

Mr. LaVar Payne: I was looking at the \$15 million for a community adjustment fund. I'm wondering if there have been any particular projects identified under that for CanNor.

Mr. Michael Wernick: I'll have to get some information on that. I believe so, but I don't have that at my fingertips. I'm sorry.

Mr. LaVar Payne: Could you get back to the committee, please?

Mr. Michael Wernick: Yes. We can provide that.

Perhaps Mr. Tim Gardiner from the agency would like to bail me out on that one.

Mr. Timothy Gardiner (Director, Policy, Canadian Northern Economic Development Agency): In terms of project categories, we've done some support for tourism activities to try to prop up that sector, consistent with the intent of the program, which is really a response to the economic downturn. We've done some support for training activities as well, for those kinds of longer-term initiatives to help folks adjust to the downturn and take advantage of economic opportunities down the road. There have been a number of community beautification initiatives as well, to keep folks busy in the short run, but they're also broadly supportive of the tourism sector.

We can provide you with a comprehensive list if you like. I don't have it with me now, but I'd be happy to provide it to the committee.

Mr. LaVar Payne: I would appreciate that.

Thank you.

The Chair: Thank you, Mr. Payne.

We'll now go to Madam Crowder, who will be followed by Mr. Rickford, for five minutes.

Go ahead, Madam Crowder.

Ms. Jean Crowder: Thanks, Mr. Chair.

I have another couple of education questions.

I understand that the audit division has completed an audit of the K-to-12 programs. Do you know when the committee will have access to that report?

A voice: An audit or an evaluation?

Ms. Jean Crowder: I had it as an audit, but it could be an evaluation.

Mr. Michael Wernick: No, I don't know off the top of my head.

Ms. Jean Crowder: Could you let us know on that?

• (1230)

Mr. Michael Wernick: I'll let you know right away.

Ms. Jean Crowder: We understand that it's been completed.

I think you're aware that the Parliamentary Budget Officer made some recommendations around school infrastructure. I know that one of the recommendations was around doing the kind of engineering assessment that has been proposed for waste-water treatment facilities, I believe. Is there any plan to do that kind of engineering assessment on school infrastructure for K to 12?

Mr. Michael Wernick: The assessment of the water and waste water is under way. It has been tendered and awarded. That work is starting. It'll take several years to complete.

On the school infrastructure, I think there was a bit of a difference in views about how much we knew about the state of the schools and the inventory. A lot of stuff had not been properly coded and entered into our information system. I can get back to you on the state of that.

We're not going to do one of those national assessments for every institution at this point. We've been very busy trying to do the CEAP projects and the gas tax projects and cope with the business that's under way right now. As you know, we work off the regional capital plans.

Ms. Jean Crowder: So there are no plans to do that kind of assessment, then.

Mr. Michael Wernick: No.

Ms. Jean Crowder: You mentioned the environment. On page 185, I note that there's money around remediation of federal contaminated sites.

You mentioned the Auditor General's report as well and the specific recommendations around dealing with the residual environmental regulatory gaps on reserves and looking at high-risk and medium-risk sites on reserves that became contaminated prior to 1998.

Is that pot of money there to address those kinds of recommendations in the AG's report?

Mr. Michael Wernick: We do two kinds of contaminated sites work, one in the north and another on reserve lands. We've been working away at an inventory of sites, which is quite extensive, as you can imagine.

Ms. Jean Crowder: This is on reserve?

Mr. Michael Wernick: It's on reserve. I can provide you a bit of a progress report.

Ms. Jean Crowder: That would be great.

Mr. Michael Wernick: There's a triage of sorts of what's most urgent and so on. We do what we can with the resources that are available, but there is an overall plan for how quickly we can get to that. If we had more money, we'd do more, but there is a system for that.

Ms. Jean Crowder: It sounds as if there are some fairly serious regulatory gaps as well, though.

Mr. Michael Wernick: That's the issue about how there's some dispute about whether federal law or provincial law applies on reserve on some of these matters, because there are matters that weren't anticipated when the Indian Act was written over 100 years ago.

Ms. Jean Crowder: Is there a process under way for resolution around this that will include first nations?

Mr. Michael Wernick: Yes. We're working very hard with the people who are expert in land and environmental management. My guess is that a permanent solution is going to require legislative change.

Ms. Jean Crowder: Ouch.

On page 186, on the implementation of Bill C-21, An Act to amend the Canadian Human Rights Act, you may have covered this and I may have missed it. Can you tell us what progress is happening on reserve around that consultation process and around making sure that people are aware?

Mr. Michael Wernick: There has been a quite extensive engagement since the bill was adopted. As you know, we have a rendezvous with Parliament in 2011 on the progress report. We've been working with a number of organizations to try to figure out what the impacts would be on communities. I'd be happy to provide you with a progress report on that. We've been out in the field with first nations organizations.

Ms. Jean Crowder: I think you also mentioned that you could provide us with a list of the PSSSP consultations as well.

Mr. Michael Wernick: Yes. On Bill C-21, we've been working with AFN, CAP, and the Native Women's Association to get their input. We'll be able to provide a full report to Parliament in June 2011, as you've mandated.

Ms. Jean Crowder: How's my time?

The Chair: You still have about 40 seconds.

Ms. Jean Crowder: Oh. That's fine.

You will provide us with that list on the PSSSP consultations?

Mr. Michael Wernick: Yes.

The Chair: Thanks, Ms. Crowder.

We'll go to Mr. Rickford for five minutes.

Mr. Greg Rickford (Kenora, CPC): Thank you, Mr. Chairman.

Thank you to the witnesses for coming here today again to continue this discussion about the work that we're doing, particularly around northern strategies.

I want to kind of flesh out that discussion today. I just want to make the pre-emptory comment that I have a real appreciation for post-secondary education program spending, Mr. Wernick, but I also believe firmly in having training centres in communities or as close to those communities as we possibly can. In the great Kenora riding, we're seeing, at least preliminarily, how important this is going to be for economic development in our region.

To address my colleague's earlier question about CAF spending, in my riding, it of course translated into a training centre, in fact, in cooperation with Confederation College, right in Pikangikum first nation, as part of the extraordinary Whitefeather forest management initiative.

Furthermore, some of that spending was allocated to the development of a planer mill on another first nation in my riding, Eagle Lake, and the process for getting that under way is taking place.

So it's worth mentioning that some of the issues around post-secondary training also deal in a broader sense with community-based training. I've commented at this committee before, and in fact work for smaller programs, such as those in maternal-child health, to ensure that, again, we have training in the community or as close to it

as can be supported. I realize that has more to do with Health Canada's first nations and Inuit health branch.

Those remarks having been made, can you talk about the role of the government in supporting a northern strategy with some remarks or a response to what I've just said? I invite you to talk about a northern strategy in a broader sense, because this committee has been working with on CanNor and the northern economic development study.

In my riding, like those of some of my colleagues across the way there, we feel that our ridings very much extend into some of the regions that are being looked at through CanNor and northern economic development. I'm just inviting you to make some comments on the role of INAC there.

• (1235)

Mr. Michael Wernick: I'm on the clock, so I'll have to keep it brief.

It's a very good question. I certainly welcome it. I know that this is always a frustration for parliamentarians because they see the responsibilities in several departments and agencies and sometimes it's hard to get a whole picture of that.

There's no doubt that Minister Strahl and I have been given mandates to coordinate and herd cats and bring together a more coherent northern approach across a number of departments. Minister Strahl is kind of the choir leader who brings people together at the cabinet table. We do a number of updates and reports to try to move the northern agenda forward. I do the same with a committee of deputy ministers, and Patrick does the same with officials at his level, and so on.

We are a very big player at INAC, no doubt about it, in terms of our relations with northerners through the agency and through our regulatory role. We are the regulator. We're still essentially the provincial lands department in the Northwest Territories and Nunavut until such time as they're devolved.

We have the negotiation and implementation of treaties and agreements, which have come up several times in this discussion, so we have unfinished business with treaties not met in the Yukon and the lower Mackenzie Valley. Also, we have big implementation issues with the treaties that have been reached across the rest of the north. That's one of our key accountabilities, which we accept entirely.

The other big players tend to be the national defence department, the coast guard, the fisheries and oceans department, and so on. I think the government's decision to create the Northern Economic Development Agency was a recognition, in hearing a lot of feedback, that there were too many players in economic development and that they were too far away from the north to really get it—if I could put it that way—in terms of what works in northern environments.

I think having the agency on the ground is going to work a great deal in terms of community economic development, small business development, figuring out northern tourism, which is kind of different, and those sorts of things. The agency helps.

Overall, I think we've achieved a fair bit of coherence across departments. Sometimes I'm sort of pushing on another department's responsibility, whether it's mapping or surveying or science, but it does actually work reasonably well.

The Chair: Thank you, Mr. Rickford and Mr. Wernick.

Now let's go to Mr. Martin for five minutes. Then there will be one final short question from Mr. Clarke.

We are in the third round now, so to make this work, let's keep it to, say, three minutes each.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): I actually can't. Don't you have until the top of the hour?

The Chair: Actually, no. We have committee business.

Go ahead and let's see how we do. Try to confine your comments and we'll try to make it work. Thank you.

Hon. Keith Martin: Thank you very much, Chair.

Thank you both, Mr. Wernick and Mr. Quinn, for being here.

I'm going to just lay it on the line on a number of issues.

My riding is Esquimalt—Juan de Fuca. The community of Pacheedaht is desperate. Toxic homes and lack of access to potable water have been endemic in the community for years and years. It has not been resolved. I plead with you to please send some members from DIAND to resolve this issue. It is crucially important to the community.

Communities such as Pacheedaht, Beecher Bay, Fort Ware, and Ingenika that I used to fly into and provide medical care to are poor, small, and isolated. They have responsibility for various things, as you know, but they don't have the capacity to implement them. In fact, I believe they're certainly set up for failure. The evidence you see there shows that in tragic ways.

Looking at educational aspects, we know the first nations kids aren't getting into post-secondary education, but they're not even graduating from high school. Many of the kids have to travel for hours to get to school, so they don't bother going and they fail. They don't even get the minimum skills required.

So may I suggest the following?

The first is to further and extend your head-start early learning programs for kids, which bring in both parents and children. The evidence from a 30-year retrospective analysis shows huge and dramatic positive outcomes for children if they have access to these head-start programs that focus on nutrition, physical activity, literacy, and other basics. But you have to bring the parents in. I know you've done some very good work in those areas, but if they can be more widely spread by working with community groups, that would be fantastic.

Second, if you can hold a summit on scrapping the Indian Act and developing a renewed relationship with first nations, I know you'll

find a very willing partner. There are many, many obstacles to development that first nations communities recognize. The AFN has laid out a number of those obstacles that are chains around the necks of the communities. I would just plead with you to work with the AFN and remove those obstacles, because these communities cannot develop to their fullest potential.

Lastly, if a development strategy can be put together by working with the communities, then we will have targets, timelines, and objectives and can attach those to financing in an intelligent way that will be congruent with the hopes and desires of the communities. All of us know that in many of these communities the paperwork and red tape they have to go through for development is four times greater than in a non-aboriginal community, so they're set up for failure.

I plead with you to listen to these communities. They have solutions. Please remove those obstacles, because they will never be able to break the poverty cycle unless those obstacles are removed.

Thank you.

• (1240)

The Chair: Would you like to comment, Mr. Wernick?

Mr. Michael Wernick: I'll certainly take up your input and advice. It's good advice on early learning. I certainly share that. We'll look into the specific communities you mentioned. I'll better inform myself of those particular ones.

I'd agree with your premise that we have to get out of the Indian Act. If you want to table a private member's bill to repeal the Indian Act on January 1, nobody would be happier than I would. But there's no agreement on what should succeed it or replace it, so it's a tall order.

One of the ways out is through treaty negotiations, which we've been talking about, and through some of the other tools that Parliament has created. The best one, absolutely the best one, is to create a real economy in aboriginal communities and that's why we've put a particular focus on that.

The Indian Act is no regime for people to make business decisions or create and grow businesses. We've tried many, many ways to work around those fundamentals, but the Indian Act is there, at the bedrock of that, as a problem. I hope that one day we'll preside over its abolition.

Hon. Keith Martin: I just have 10 seconds.

Mr. Wernick, thank you for your candour. I'm glad you said that.

The AFN has done some work in this area. There is, as you know, a desire on their part to be able to pursue this. If it can be pursued in a formal fashion, that would be great.

I also want to thank you very much for the funding you gave to Jane Goodall's Roots & Shoots program. It's a start and a small amount, but I think her Roots & Shoots program is a way in which communities can improve outcomes for the kids. The kids can get ownership of the projects that not only will help their communities, but also will connect them up with kids around the world. It's in 100 countries, it involves 120,000 children around the world, and it's very positive.

Thank you very much for that.

The Chair: We'll have to leave that as a comment and go to our last speaker.

Mr. Clarke, go ahead.

Mr. Rob Clarke (Desnethé—Missinipi—Churchill River, CPC): Thank you, Mr. Chair.

My thanks to the witnesses for coming here today.

As you know, we're doing a northern economic study here. I'm trying to find business opportunities for the north that could have spinoffs in our northern provinces. Here is what I'm curious about. How is the department trying to improve ways to implement land claims agreements? Land claims settlements could help to resolve the economic challenges faced by first nations.

• (1245)

Mr. Michael Wernick: Thank you for the question.

I don't think there's any controversy: first nations that have resolved land claims have much better tools and are doing much better than those that haven't. The fact is that we have resolved all of the Inuit land claims and many of the claims in the north are now being negotiated in treaties.

There are a lot of implementation issues. This is being studied by a Senate committee and the Auditor General. There are a lot of one-time obligations and ongoing fiscal tension about funding the various institutions, programs, and organizations. We have an implementation branch in the department that does nothing but chase these agreements.

We're working with the land claims coalition to find a way to be far more transparent with them, with you, and with Canadians about what is in the agreements, what we have done, and what we still have to do. We'll never be finished, because land claims agreements are a new relationship between the crown and those first nations or Inuit groups. There's always going to be an ongoing issue about programs, services, and funding. But it's far better to do that within the context of an agreement than to do it within the Indian Act.

Mr. Rob Clarke: Across the country, how many of land claims are settled?

Mr. Michael Wernick: Off the top of my head, I'd say there are 21 or 22. Maybe it's 23 with the Maa-nulth treaties and the self-government agreements. That covers all of the north and good chunks of the provinces as well.

Mr. Rob Clarke: With the northern economic development committee, we'll be traveling to the north again. What advice could you provide this committee so that it could be of benefit to the department?

Mr. Michael Wernick: In terms of...? Sorry.

Mr. Rob Clarke: With respect to our economic development study, what advice could you provide to this committee that would be useful for the department?

Mr. Michael Wernick: I'm not sure I would dare to give advice. You've been out there and you've talked to people. I think we have the agency now, as I've said, for a real gathering point for input and advice. I think what's really key is to figure out what are the

obstacles to private investment and entrepreneurship for the growth of a vibrant private sector in northern and aboriginal communities.

Our sense is that there are two key obstacles. One is the regulatory regime, which is quite a tangle, and that's going to require legislative and regulatory change to find an easier way of dealing with environmental assessments and the social impacts of development. That would be one. The other is the shortage of trained people, so there's everything we can do to invest in education, skills, and development in the north to make sure that northern development isn't a fly-in, fly-out model, but one that actually engages and employs northerners.

If you focus on those two areas, then we would have northern development that benefits all Canadians, but northerners would play a big role in it.

The Chair: I want to use the last minute and 20 seconds here, if I may.

Mr. Wernick, in the course of our discussions on northern economic development, members have referenced this issue respecting funding for the Canadian Foundation for Climate and Atmospheric Sciences. While we don't have any specifics on that, but I note that the government is in fact in the throes of expanding research in the Arctic, particularly as it relates to climate change. I wonder if you could comment on whether that's in transition or where we are in our research investments in the north, particularly as it relates to climate change.

Mr. Michael Wernick: I'm not familiar with that institution. I could get that from the committee clerk, and we could give you an update on where they stand. I'd be happy to do that.

Generally, as I noted in my long answer about Arctic science, northern science, and the role of the research station and so on, climate change adaptation is probably the dominant scientific theme in all the fieldwork that's going on in the Arctic. We have a world-class research station up there. Climate change adaptation is going to be what's happening up there to the land, the sea, and the people. It really is the dominant theme in northern science.

The Chair: Thank you very much.

I would like to take this time, by the way, to also commend all the officials who are with you here today. I had occasion to wonder, in fact, who's left at the department. Obviously you must have some tremendous people still there, because I think just about every directorate is here. We have seen many of you from time to time.

I also want to ask, of course, as we often do when there are so many questions that will require answers at some point in the future, that you review the blues and have a look at those questions. I know that the department has been good and timely in getting back with its information after the fact. We'd ask that you do that again.

At this point we have some committee business to do. On behalf of all the members of the committee, we appreciate you coming here today.

Committee members, we're going to proceed with the two items of committee business. The first item, as has been circulated, concerns the second report of the subcommittee, which met on Tuesday morning at 10 a.m.

The second item pertains to the addition of witnesses to the Ottawa hearings list. Of course, they're all Ottawa hearings now that we've finished with our territorial meetings. Those include the five organizations that will be incorporated, I should say, into the existing schedule. These are organizations that had been invited to the territorial hearings but for various reasons were unable to get there.

I'll come to questions in a moment.

There are three organizations: the National Association of Friendship Centres, the National Round Table on the Environment and the Economy in relation to the *True North* report, and the Canada Mortgage and Housing Corporation. These three witnesses would be in addition to the work plan we first authorized.

I saw a hand up from Mr. Lemay and also from Mr. Bagnell.

Go ahead, Monsieur Lemay.

•(1250)

[*Translation*]

Mr. Marc Lemay: It is actually a point of order, Mr. Chair. I think we need to adopt the votes in the supplementary estimates that we have just discussed. It is a formality, but I move that we do it anyways so you can report it to the House.

[*English*]

The Chair: It's certainly the choice of the committee. It's deemed to be adopted or resolved if there are no changes, but if you wish to go through the formality of in fact adopting the motion to accept the supplementary estimates (B), that's perfectly fine. Do you want to do that right now?

On the same point of order, Mr. Bagnell?

Hon. Larry Bagnell: I was going to move that we accept the supplementary estimates.

Mr. John Duncan: I would ask for a recorded vote.

The Chair: Okay.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Department

Vote 1b—Operating expenses.....\$97,276,212

Vote 10b—grants and contributions.....\$186,872,884

Vote 25b—Office of the Federal Interlocutor for Métis and non-Status Indians – Contributions.....\$1

Canadian Northern Economic Development Agency

Vote 37b—Operating expenditures.....\$8,260,446

Vote 39b—Contributions.....\$600,000

Registry of the Specific Claims Tribunal

Vote 55b—Program expenditures.....\$272,000

(Votes 1b, 10b, 25b, 37b, 39b, and 55b agreed to: yeas 11; nays 0)

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

Now we'll go to Mr. Bagnell.

Hon. Larry Bagnell: I'm just wondering why the subcommittee chose not to invite Air Canada to go to the subcommittee meeting. It was one of my suggestions.

The Chair: Do any of the subcommittee members wish to speak on that?

Monsieur Lemay.

[*Translation*]

Mr. Marc Lemay: We think that request should be directed to the Department of Transport instead. It is the one that grants rights involving licences. In addition, Air Canada falls under transport. So we feel it would be inappropriate for us to interfere in a file that we do not know enough about. That includes the reasons why Air Canada obtained or will obtain that right. Therefore, if a request is made, we recommend that the transport committee be the one to consider it.

•(1255)

[*English*]

The Chair: Mr. Bagnell.

Hon. Larry Bagnell: I would like to move that Air Canada be added to the list and I'll tell you why. We did allow other airlines that service the north, so it doesn't make any sense to exclude one airline. I'm only asking on economic development grounds that we see them. They service three of the northern communities and the other airlines referred specifically to them and some impediments to economic development that they were creating.

The Chair: Mr. Duncan, and then Mr. Russell.

Mr. John Duncan: I would just like to say that in my recollection we had one other airline there, and we did not invite that other airline to bring up the subject of competition with other airlines. They injected it into the process. That was outside our committee's terms of reference and mandate.

Part of the subcommittee discussion, and I guess I will share it—or at least my part of the discussion—was that if we were to invite Air Canada then we'd have to invite all the other northern airlines, and pretty soon we'd be opening up a whole new subject area that is not even our committee's mandate, which is competition in the airline industry in the north or wherever it happens to be. I thought it was most inappropriate. I'm a minority on the subcommittee, as you know, but that was certainly my part of the discussion.

The Chair: Okay.

Mr. Russell.

Mr. Todd Russell: My recollection was similar. We talked about inviting other airlines and Air Canada in the context of looking at challenges and what may be opportunities in the broader context of transportation, seeing that the north is heavily dependent upon air transport as one of its avenues. We did not choose to invite Air Canada specifically outside of inviting other airlines. That was my recollection. Mr. Duncan is right: if we were going to invite one specific airline we would have to look at the other dynamics that the other airlines bring to the whole northern economic development study.

That's the only reason. Nobody on the subcommittee, as I understood it, wanted to get into the introduction of new routes and what kind of competition issues that would raise between various airlines. We didn't feel that was part of our mandate or our purview in terms of the study.

So there we are.

The Chair: Okay.

Hon. Larry Bagnell: Well, seeing as "Brute" is going to vote against me, I'll withdraw my motion.

Some hon. members: Oh, oh!

Mr. Todd Russell: Anthony, Anthony....

The Chair: Okay.

We're still on discussion and consideration of the subcommittee report.

Monsieur Lemay.

[*Translation*]

Mr. Marc Lemay: I move that we adopt the report, Mr. Chair.

[*English*]

The Chair: Okay.

(Motion agreed to)

The Chair: The subcommittee report is carried.

I see the time is one o'clock so we don't have enough time now. I think this is going to take more time than we have today, so we'll adjourn and we'll open up for committee business at our next meeting.

Monsieur Lemay.

[*Translation*]

Mr. Marc Lemay: Ms. Crowder's motion would have to be the first Tuesday morning. We should debate and settle it since there is no meeting on Thursday.

[*English*]

The Chair: We'll take that under consideration. We'll see you back here on Tuesday.

Merci beaucoup.

The meeting is adjourned.

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