



House of Commons
CANADA

Standing Committee on Aboriginal Affairs and Northern Development

AANO • NUMBER 052 • 3rd SESSION • 40th PARLIAMENT

EVIDENCE

Tuesday, March 8, 2011

—
Chair

Mr. Bruce Stanton

Standing Committee on Aboriginal Affairs and Northern Development

Tuesday, March 8, 2011

•(0850)

[Translation]

The Chair (Mr. Bruce Stanton (Simcoe North, CPC)): Good morning everyone.

Welcome to the 52nd meeting of the Standing Committee on Aboriginal Affairs and Northern Development.

According to today's agenda and pursuant to the order of reference for Wednesday, March 16, 2011, we will be studying Bill C-530, An Act to amend the Northwest Territories Act (borrowing limits).

And we would like to welcome Dennis Bevington, the Member of Parliament for Western Arctic.

[English]

Mr. Bevington, we have you in a different spot at the table than we are accustomed to.

You'll know, members, that Mr. Bevington is the sponsor of the bill.

You know the general routine here, Mr. Bevington. We'll go ahead with your opening presentation and then we'll go directly to questions from members. Go ahead.

Mr. Dennis Bevington (Western Arctic, NDP): Thank you, Mr. Chair.

I very much appreciate being in front of your committee, although I have to say that a panel of peers is always a difficult situation. I expect no less careful scrutiny than any other witness who might come before you, and I'm sure that's what I'll get.

I want to thank those who have helped get this bill to this point and all parliamentarians who recognize the importance of the development of the north, and I think that includes everyone in Parliament. I had hoped we could have full support for this bill, because to me this bill represents a very important principle for the Northwest Territories, that of responsible government.

When we examined the Northwest Territories Act, which I did in conjunction with people in the Northwest Territories, at one point I had a meeting with the Premier of the Northwest Territories at which we discussed what would be their interest in amendments to the Northwest Territories Act going forward. Out of that discussion I had a number of amendments on the order paper in Parliament, and I chose this one because it was the most relevant to the current situation. It's also relevant to that concept of responsible government in which the ability to make choices on the part of a government is driven not only by the rules but by its capacity to invest, to grow, and

to develop, and without fiscal capacity the territory that I represent is very limited.

As a person who has grown up and lived under the NWT Act in Canada my whole life, I know the nature of it. I know we are, compared to other parts of this country, less endowed with responsible government and less endowed with the ability to make choices for ourselves. Improving that situation for the Northwest Territories has been a goal of mine my whole life, so I'm very pleased to be here today.

I think changing the borrowing structure is a very small change within the NWT Act. At the present time, any increases to the borrowing power for the Government of the Northwest Territories have to be put through the cabinet of the Government of Canada. In the time I've been in Parliament here, over five years, we have already seen two requests for increases to the borrowing limit go forward to the cabinet of the Government of Canada.

We have a situation in which there is a problem for the Government of the Northwest Territories because it must come cap in hand to Ottawa. That relationship is not correct. That relationship can cause pressures that are not seemly for a government, pressures that can put a government in the position of having to acquiesce in other ways in order to get what it needs to be able to perform as a government.

My Bill C-530 would change that relationship so that the borrowing limit for the Government of the Northwest Territories would be set at 70% of the total revenues of the government in any one year. We feel that 70% is a very fair accommodation. It fits very well with the present fiscal policy of the Government of the Northwest Territories and the financial policy they enacted, whereby at no time can the debt interest payments exceed 5% of their gross revenues.

•(0855)

The Government of the Northwest Territories has set their fiscal policy very strictly, and that has provided them with an AA-plus rating from Moody's. That's higher than many provinces have; the Government of the Northwest Territories as it stands now has achieved a rating with its fiscal policies that's superior to that of many provinces. This act will give the government an ability to work their borrowing limit to a particular formula.

Why do we need to borrow more money in the Northwest Territories? Well, we're very much a developing territory, and in some years over the last decade we've seen the highest GDP growth of any region in the country. We need infrastructure terribly, and I appreciate the work that this committee has done in establishing a report on northern development. Within that report I think there is much knowledge, and there is an understanding of the situation in the Northwest Territories and in the other territories as well.

We must move away from this colonial structure that we have. It's not seemly. It's not right that the Government of the Northwest Territories has to go cap in hand to Ottawa for legitimate borrowing purposes, for legitimately moving ahead with its agenda as it sees fit. That is the nature of responsible government.

A number of issues were raised in the debate on the bill. I would just touch on them now.

Consultation was something that was questioned. I would just like to refer to a letter that was sent to me by the Premier of the Northwest Territories in October of last year, before I submitted this bill for second reading. He says:

Thank you for your letter of October 5, 2010, in which you lay out the provisions of Bill C-530, an act to amend the Northwest Territories Act. The bill would amend the Northwest Territories Act to allow the Commissioner to borrow money up to a certain limit....

I appreciate your concern and efforts with respect to the borrowing limit, and your offer to involve and coordinate with the Government of the Northwest Territories.

He goes on to say:

...the Minister of Finance...has advised me that he has asked his officials to undertake a review of the operation of the NWT's borrowing limit.

That would be the third review undertaken in the last five years.

He goes on to say:

This review will also include the Yukon and Nunavut governments. It is expected that the review will be concluded by the end of the fiscal year.

Well, there is still no movement on that review. At the same time, this clearly shows that I have consulted with the government. The government knew about my plan.

The territorial government as it stands now has a need for increased fiscal capacity. It can't put all its eggs in one basket. It certainly couldn't put its eggs in my basket. It must continue to work to get the fiscal capacity from the Government of Canada in order for it to continue business.

My bill would change it, but they can't rely on my bill, because of course it has to go through a very long and rigorous procedure as a private member's bill, unless all parliamentarians consent to allowing it to move forward in a more expeditious fashion.

So consultation has taken place. That's the position of the Government of Northwest Territories, which is interested in the proposal because it sees it as being one that is ultimately stronger than what they can get simply by going to cabinet.

Another question was around the issue of negotiating the borrowing limit with all three territories together. I think that's really inappropriate, because we are three unique territories. It's very clear, with the movement on devolution, that this is the way we're

going ahead. We're not going ahead as a single unit. We are three separate jurisdictions, and I think the respect for that reality has to be there. Each unique territory will have its own requirements and move in its own fashion.

The Government of Northwest Territories has a very strong fiscal policy. I would certainly be willing to share what I have on that with you.

• (0900)

In a letter from the Parliamentary Budget Officer it was indicated that this bill will not have an impact on federal government finances. That request was initiated by MP Mike Wallace to the Parliamentary Budget Officer. That letter was dated December 13, 2010.

All of this information is available to the committee, and I'd be willing to provide it if required.

The Chair: We're just a little over time.

Thank you very much, Mr. Bevington, for your opening comments.

Now we'll go to questions in the usual fashion. We'll probably have time for only one round, and maybe a question or two short questions after that. Members may want to consider splitting time with their colleagues.

Let's go ahead, Mr. Bagnell, for the first question.

Hon. Larry Bagnell (Yukon, Lib.): Before my time starts, are there any more witnesses on this bill? Is the GNWT coming?

The Chair: Yes. We will have a meeting with the Government of the Northwest Territories after the break.

Hon. Larry Bagnell: Thank you, Dennis. You're very thorough.

To date I really haven't heard of anyone who has any complaints. It's a very simple bill. You've covered all the bases. We'd be pretty nervous at the federal government level if we tried to restrict the limits of your bill, considering we're in much more debt than even this bill would allow the NWT to go into.

I have a technical question. How does the GNWT normally calculate the estimated revenues—the percentage of the borrowing limit that would be allowed? They're estimated in advance, so in a sense you're allowing borrowing of a guessed amount. How do they do that technical calculation?

Mr. Dennis Bevington: Much of the Government of the Northwest Territories revenues are part of the transfer system—probably 70% of them. I have to admit that much of that 70% in the Northwest Territories is taken up in royalties that the federal government collects from our resources and taxes. Nonetheless, 70% comes from a formula that's clearly established.

Hon. Larry Bagnell: What about the rest?

Mr. Dennis Bevington: The rest is based on projections from the Department of Finance within the Government of the Northwest Territories and presented with the budget in February every year.

In February of every year a budget is presented with those estimates. With the 30% of the budget that is in question, they would be doing that based on labour market surveys, on—

•(0905)

Hon. Larry Bagnell: So it's based on the budget figure.

Mr. Dennis Bevington: That's right.

Hon. Larry Bagnell: My other question is related to the royal recommendation. As you very appropriately said, the Parliamentary Budget Officer said there was no cost, so there's no.... I can't conceivably see how anyone would even suggest there's a royal recommendation. Has anyone suggested that?

Because the federal government, by the Constitution, has to provide an equal level of living standard to all Canadians, to me this would reduce federal costs, because now the GNWT would be taking up part of that responsibility. They'd be building infrastructure and doing things that the federal government might otherwise have to do, such as the big dams; taking that away, if anything, would save the federal government money.

As the Parliamentary Budget Officer said, it wouldn't cost the federal government anything for sure. Allowing the GNWT to borrow more, just as if you allowed Ontario to borrow more, has nothing to do with the federal government.

Has anyone suggested to you any possible reason that it would need a royal recommendation?

Mr. Dennis Bevington: We looked at that very carefully before we presented this bill, because we were concerned about that as well. I would welcome that debate, because quite clearly the debate would be based on the principle that we do not have an independent government and that this government is not an independent unit.

There are Supreme Court rulings that give us some comfort that we are a responsible, independent government apart from the federal government. That argument is very important for all three territories. We don't belong to the Government of Canada. Through the Charter of Rights and Freedoms, I believe, with its guarantee of political rights, we are and should be on a basis similar to the provinces.

Hon. Larry Bagnell: Well, the federal government has given the Yukon government far more responsibilities, and huge responsibilities, and is treating them as a level of government. It would be very paternalistic if the federal government refused this tiny adjustment to the NWT, don't you think?

Mr. Dennis Bevington: That's why I really would appeal to the government as well, in the spirit of the Mulroney government, which was one of the more progressive governments we've seen in terms of developing an independent northern territories. I can't understand why the government wouldn't want to see an expression of this independence through the support of this kind of bill.

I hope perhaps they will come to the position that this is a good bill, and that by supporting this bill they're supporting the legitimate aspirations of the government in the Northwest Territories and the people in the Northwest Territories for political independence from Ottawa.

Hon. Larry Bagnell: Yes, I think we've given far more autonomy and far more money than this couple of hundred million dollars to even some individual first nations, let alone one of the huge provinces or territories in Canada.

Maybe you could just give a couple of examples—such as the dams, etc.—of the infrastructure you need that would help you become more self-sufficient with this borrowing and that would actually reduce federal government costs and help develop the resources of the Northwest Territories.

Mr. Dennis Bevington: One of the projects I'd like to speak to is the Mackenzie Valley highway. Quite clearly, if we build the Mackenzie Valley highway before the pipeline is built, before we develop the resources, it will be less costly to develop the gas and oil resources in the Northwest Territories up the Mackenzie Valley. That means that there will be higher royalties paid to the federal government.

If we go ahead with the plans that we see as important for the Northwest Territories, we will see a reduction in cost to the government as well. If we go ahead with the plans for the Taltson and bring clean hydroelectric power to the mining district of the Slave geological province, we will reduce the costs of development and we will increase the royalties and taxes paid to the federal government. Everything we do with this money can be a return to the federal government.

Take the road to Tuktoyaktuk; if we have an all-weather road into Tuktoyaktuk, which is in the planning stages with an environmental assessment right now, Arctic sovereignty will be better served. Everything will work better with improved infrastructure in the Northwest Territories.

•(0910)

[*Translation*]

The Chair: Thank you, Mr. Bagnell.

It is now over to Mr. Lemay.

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

I would hardly call it offensive when I said before that the Bloc Québécois was going to vote against your bill. It is certainly not what we would do—and that is what our party was trying to tell you in the beginning—despite your position on Bill C-20 regarding the change to the development of Gatineau Park. Quebec would have really liked to be able to count on your support when the committee you were on was dealing with that bill. That being said, clearly, we will be supporting your bill. We asked our Bloc Québécois colleagues to respect your position, which we do not share, on Bill C-20. However, Bill C-530, which you put forward, is extremely important, and we will of course support it.

Furthermore, Mr. Bevington, I would like to know what will happen with the taxes and all the royalties. For instance, who gets the taxes payable by a mining company operating in the Northwest Territories? Does the part of the country you represent, the Northwest Territories, get a share or does it all go to the federal government?

[English]

Mr. Dennis Bevington: At the present time, all the royalties from mining belong to the federal government, with the exception of a very small royalty that's given in the Sahtu region to the aboriginal first nations who struck that deal, and also within the Inuvialuit region, where there are.... Of course, in the Inuvialuit region they haven't had any resource development yet, so they don't get any royalties, but the present royalty system returns it all to the federal government.

[Translation]

Mr. Marc Lemay: Unless I am mistaken, Mr. Bevington, the Northwest Territories' entire budget has to receive federal approval before the funding is transferred and you can administer it. That is my understanding of the current situation.

[English]

Mr. Dennis Bevington: No; like the provinces, the Governments of the Northwest Territories and Yukon and Nunavut have negotiated a transfer agreement. This is a multi-year agreement that delivers *x* number of dollars to each territory, regardless of the royalties or the taxes or anything else. It's an equalization deal much like the one with the provinces. It's called a transfer arrangement—it's not called an equalization deal—and that is how it's done.

[Translation]

Mr. Marc Lemay: If you go from 50% to 70%, something we fully support—I might go as high as 80%, but you are asking for 70%—does that give the Northwest Territories, the area you represent, more independence?

[English]

Mr. Dennis Bevington: It would definitely give the Government of the Northwest Territories about another \$450 million in added borrowing capacity, going from \$575 million to just over \$1 billion. It can make its own choice about that. It can decide whether it wants to borrow that money.

It has a very strict financial policy that I think lines up pretty well with that kind of limit, because if only 5% of the gross revenues can be applied as interest on loans, that means that relatively speaking the cumulative debt can't be much more than that anyhow. This lines up with their existing fiscal policy. As the government expands—and we are an expanding territory—we probably expect the growth in gross revenues will be incrementally larger over a period of time. That means the debt limit will grow as well, but that we're on a formula, rather than having to go back to Ottawa.

• (0915)

[Translation]

Mr. Marc Lemay: As I listen to you describe the situation in the Northwest Territories, it makes me think of a large aboriginal community. You are very dependent on the federal government. I think we need to put an end to that dependence and pass this bill.

If we were to agree that approval would be required “[i]f the total amount of money that is borrowed at any time under ordinances made under paragraph (1)(a) exceeds 70% of the estimated revenues”, would it open the door to the Taltson Hydroelectric Expansion Project? Would it help you on that end?

[English]

Mr. Dennis Bevington: Additional borrowing power would allow the Government of the Northwest Territories to be in a position of partnership on many of these things. As it stands now, with no capacity in the system, they can't even enter into a partnership on these kinds of deals. That was one of my real concerns: that we would have to ask companies from Alberta or from other places in Canada to develop our hydro system, because we have no internal capacity in the Northwest Territories to do it for ourselves. Without the borrowing capacity of the territorial government, we might end up losing resources. We might end up giving away resources that in most cases, in most provinces, they keep, and you know the pattern in provinces has been that hydro resources are owned by the province, not by someone from outside the province. That's a pattern we want to continue as well.

[Translation]

The Chair: Thank you, Mr. Lemay.

[English]

Now we'll go to Ms. Crowder.

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

Thank you, Dennis, for coming and for laying out pretty clearly the case for this bill.

You raised a couple of points around responsible government and still having NWT grounded in a very colonial approach in the federal government's relationships with the territorial governments. I think this case of the borrowing capacity is a good example of that.

I have a couple of points.

I just want to put on record the exact quote out of this letter of December 13 from the Parliamentary Budget Officer, because I know this has come up with the estimated costs. He says, “With respect to Bill C-530, our review indicates that there would be no incremental cost arising from adoption of these legislative amendments.”

I think it's important for that to be on the record, because I know it's a concern that people have raised. That's just a comment.

The second piece that I wanted to have you address is this: have you heard of any arguments against this bill, and if yes, what are they? I'd like you to present your counter-arguments. Have you heard any criticism of the bill, anything that you think is a legitimate concern that's been raised with the bill?

Mr. Dennis Bevington: I think the answer I gave to Mr. Bagnell was that there was some concern about one area in the actual bill itself, and that was the determination of the gross revenues, but I think that staying below the 70% of gross revenues is a responsibility of the Government of the Northwest Territories.

We haven't taken out the provision within the act that if this is not adequate, in the end the Government of the Northwest Territories can go back to the cabinet. That provision within the bill would allow some discretionary move as well, if for some reason there was a very large requirement for fiscal capacity that went far beyond this. We have left it like that so that there is some flexibility.

I had a conversation with the finance minister, and he indicated to me that he thought this bill was moving in the right direction. My point to the government would be that I've got a bill that amends the NWT Act; it's in place, and we've gone through second reading, so if you want to accomplish this job, just take the bill over and finish it. It's there for you.

This is not a partisan issue. I really didn't want it to be a partisan issue, because it's all about something that all Canadians and everyone on both sides of the House can support—that is, giving people of the north the tools to do the job they need to do for all of Canada.

That's where I'm coming from. I reject the idea that this is in any way a partisan bill. It's not. It's just something that has to be done. If this is a convenient tool for Parliament to accomplish good work, then let's all get behind it and make it happen.

● (0920)

Ms. Jean Crowder: In fact, I think what you pointed out is that if that's the criticism around the 70%, what you're actually talking about is a government that has a mature approach to self-determination. It seems reasonable that NWT should be able to make their own fiscal decisions without a father-knows-best approach to it.

In response to the question that Mr. Lemay asked about resources, I think you raised a point that perhaps many Canadians aren't aware of, in that right now NWT does not benefit directly from the resources in its territory.

I come from British Columbia where mines and other things are developed. The royalties come directly back to the province. The province then gets to determine how they're going to allocate that out of their general revenues. I think it's an important point to re-emphasize for Canadians who may be paying attention to this that NWT does not get to control those resources.

Do you want to add some further information to that, Dennis?

Mr. Dennis Bevington: There are two issues. One is royalties and the other is control of resources. Quite clearly this government and the Government of the Northwest Territories have decided, through an agreement in principle, to pursue control of resources in a better fashion. I see that as being a positive step. It just needs a little work.

When it comes to royalties, we see in many cases that the government is not willing to even put them on the table. One of the largest sources of royalties is the Norman Wells oil field. The government traded royalties for ownership, and now they won't even.... This has been a policy of the government for the last five or six parliaments. It's within the federal administration, and they won't even consider returning that to the Government of the Northwest Territories. It's out of the equation.

It's very difficult to deal with royalty issues. When you have the Norman Wells oil field, which produces in excess of \$120 million a year for the federal government, and there is no access to that money at all—and they don't want to give access to it—it says how tough a dealing we have with the federal government on royalties.

Once again, this is not a partisan issue. It has been carried through many parliaments. This is a problem we have to resolve.

Ms. Jean Crowder: Do I have time?

The Chair: You have about 20 seconds.

Ms. Jean Crowder: Is there anything you want to add in my 20 seconds?

Mr. Dennis Bevington: No, that's fine.

● (0925)

The Chair: Thank you, Ms. Crowder.

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

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

On a point of clarification, you mentioned that you spoke with the finance minister. Which finance minister were you referring to?

Mr. Dennis Bevington: It was Mr. Flaherty.

Mr. Greg Rickford: First of all, Mr. Bevington, I want to be clear: as you well know, there's a process in place. We're working collaboratively and in consultation with the Government of the Northwest Territories. In fact, discussions are well under way around the borrowing limit issue, and our thought, fairly confidently, is that they will be completed by 2011. That seems to be the way that federal, provincial, and territorial governments ought to carry out their business. I make that point because I'm a bit concerned about your use of “we” and “you” in your testimony, and indeed in answers to my colleagues.

It seems a bit unilateral when we see you here voting against the Northern Economic Development Agency. You voted against tax relief for your constituents when you voted against increasing northern residents' deductions, and today's proposal was apparently developed without the Northwest Territories government having its voice heard.

I can only go on quotes to substantiate that. Let's listen to what the Northwest Territories finance minister, Michael Miltenberger, said: ...we have indicated to the Member of Parliament for the Western Arctic that it's his right to pursue a Private Member's Bill...But we have made it clear that we have embarked upon a process with the federal Finance department and the other two territories to review our borrowing limit. That's the process we're engaged in. That's the process we are committed to. That's what we are paying attention to. That's where we see the issues with our concern of the borrowing limit being addressed and it's the one we're fully engaged in...The member of Parliament has a track that he's on but we're not involved with that.

Dave Ramsay, MLA for Kam Lake, said: ...I'm surprised that our Member of Parliament for the Western Arctic is down in Ottawa trumpeting Bill C-530.

The residents of this Territory would like to know who gave him his marching orders or...is he marching to the beat of his own drummer?

To my knowledge, our government has never talked about a percentage of expenditures as a debt limit.

Mr. Speaker, the federal government is currently analyzing and reviewing the debt limits of all three northern territories. Please, let's let them do their work.

Robert Hawkins, MLA for Yellowknife Centre, said: ...Who had given the Member of Parliament marching orders to act on our behalf?...Who has he talked to in this particular government? My concern is, of course, he has not talked to me and I've looked around and only heard of one person he has specifically spoken to, and I'm not sure if that was any more than water-cooler talk at the time.

Forgive me, Mr. Bevington, but this doesn't sound like overwhelming support from the territorial government. It certainly doesn't sound like your counterparts in the territory want you acting so unilaterally and paternalistically, and then you have a record down here that doesn't support a lot of the superordinate goals and interests of the constituents.

I'm going to ask, Mr. Bevington, first and foremost, can you provide this committee with the dates, names, and feedback for all formal consultations that you allege have taken place as part of the pre-emptive work you have done on this proposal? Can you answer in the yes or the no?

Mr. Dennis Bevington: Yes. I actually have this available, and we will present it to the committee. I would—

Mr. Greg Rickford: Do you have any response, Mr. Bevington, to the quotes of your colleagues, in fairness?

Mr. Dennis Bevington: I would say—

Mr. Greg Rickford: That's the Minister of Finance for the Northwest Territories.

Mr. Dennis Bevington: Okay. Here's the latest quote from the Minister of Finance, the Honourable Mike Miltenberger, yesterday in the Legislative Assembly.

Thank you. The route for a Private Member's Bill is fraught with many challenges and hurdles to clear. It has made some fairly good progress.

He is speaking to Bill C-530.

It's now before a committee after second reading. If, for example, a federal election comes, then the bill will die on the order paper. In the meantime, I think we'll want to keep our attention firmly fixed on the work that we're doing with the federal government, in terms of trying to resolve the borrowing—

Mr. Greg Rickford: Respectfully, Mr. Bevington, that doesn't sound like a vote of confidence. What it sounds like to me is that he's grateful that there—

● (0930)

Mr. Dennis Bevington: Well, you have a government that is—

Mr. Greg Rickford: Mr. Bevington, I'll ask the questions. How does that sound? You've got lots of experience.

Mr. Dennis Bevington: Can I answer them?

Mr. Greg Rickford: At my discretion, you sure can. That wasn't a question.

That comment sounds to me as though he's very grateful that there's a process going on that legitimizes what the interests of the federal government and the territory might be with respect to this.

I have a list of technical questions that I can't possibly get into in seven minutes, but I will submit those questions and ask for a written response.

I'm curious. Your proposal suggests that the federal government needs to keep a borrowing limit on the Northwest Territories. Why do you think any borrowing limit is necessary? Why didn't you simply propose to remove the borrowing limit altogether?

Mr. Dennis Bevington: Well, they have certainly established a borrowing limit within the concept of the NWT fiscal policy. I felt that this particular aspect, which I did discuss directly with the finance minister of the Northwest Territories, Michael Miltenberger, who is actually my next-door neighbour—

Mr. Greg Rickford: Does that have any bearing?

Mr. Dennis Bevington: I think it does. I think you can quite clearly—

Mr. Greg Rickford: What you're saying is you may have talked to him over the fence rather than consulted with him in a formal meeting—

Mr. Dennis Bevington: I met with him and the Premier of the Northwest Territories in September. We discussed the potential for amendments to the NWT Act. I explained to them what the process was, and as I said earlier, I offered to consider any other amendments that they would consider—

Mr. Greg Rickford: If I may ask, Mr. Bevington, while the two of you were perhaps putting gasoline in your snow blowers, did you get any sense across the driveway that the finance minister was committed to the negotiations that his government is having with the federal government in a formal process that's taking place right here and right now that you expect—

Mr. Dennis Bevington: I fully support him in the work that he's doing.

Mr. Greg Rickford: Doesn't that make your bill redundant?

Mr. Dennis Bevington: No, it doesn't. If he can establish a higher borrowing limit with the Government of Canada during these negotiations, I think that's a great idea. My bill will set up a formula for the future. That's the difference.

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

Members, we did get started just a bit early, so we have time for maybe two more questions. They can be two- to three-minute questions or so. One will be from the Liberals and one from the Conservatives.

Mr. Bagnell, did you want to go ahead? Then we'll have three minutes from the other side.

Hon. Larry Bagnell: Thanks. I just have one question.

Has anyone given any possible reason that this bill should not be supported? I know obviously the GNWT has to support any processes that would help to move it forward, so it would be supportive of all processes. Have you heard of—I'm not talking about some of the ridiculous comments from across—any single Canadian in the Northwest Territories or outside the Northwest Territories who had any objection to this bill?

Mr. Dennis Bevington: I have yet to hear. There are people who are concerned with borrowing by governments. I have had emails from those people. Constituents of mine also feel that governments should not borrow any money at all, or should be very carefully monitored in terms of their borrowing capacity. That is a political point of view. To me, there have been very few of these. There have been a number of statements—

Hon. Larry Bagnell: But you also have outlined that the GNWT has some very strict borrowing policies on what can be borrowed, and how much, which is why it has such a great credit rating.

Mr. Dennis Bevington: That's very correct. That's a thing that people should really look at, what we're doing in the Northwest Territories. We have to act responsibly. We have to develop the territory. We have to ensure that we have the fiscal ability to do that. Otherwise, we will miss the opportunities that are there to create an economy that will work for all of us.

When it comes to statements in the Legislative Assembly, I could speak to Mr. Menicoche, who is an MLA there as well. He spoke there yesterday.

He said: Our Territory is responsible; it is acting in a manner that many other provinces should emulate, yet we do not have the fiscal capacity to do the things we need to do for our Territory. Our constituencies have many needs and we have limited dollars. I hope that the Members of this House will support this bill which gives the Northwest Territories the tools we need to continue to build a strong and beautiful part of Canada.

That's what Mr. Menicoche said yesterday in the Legislative Assembly of the Northwest Territories.

Thank you.

● (0935)

[Translation]

The Chair: Mr. Rickford, you have three minutes.

[English]

Mr. Greg Rickford: I understand that many experts have looked at this bill and what is proposed and have serious questions about its technical feasibility. I'm going to ask you a series of questions to which I would appreciate a detailed reply.

First, how would the estimated revenue number used to calculate the territorial borrowing limits be generated? Further to that, what information would be used? I can provide these questions to you in written format, Mr. Bevington. When is the estimate to be done and by whom? Does the federal government have to review this information? How will the Auditor General review it, to ensure it's transparent?

I have another question. Have you had a letter from the federal Auditor General, who I understand is responsible for overseeing and auditing the Northwest Territories government, or from anyone who has vetted your formula as appropriate? Do you have this kind of information at your disposal to submit to this committee for its consideration?

Mr. Dennis Bevington: Do you want me to answer your first question?

Mr. Greg Rickford: Sure.

Mr. Dennis Bevington: As I said to Mr. Bagnell, the Government of the Northwest Territories creates a budget. It's presented every February, prior to the fiscal year. In that budget, the projected revenues for the Government of the Northwest Territories are outlined by the government itself. That's clearly the path that would be taken with this bill. Once again, it's the responsibility of the Government of the Northwest Territories to determine its own revenues. I think that would fit well with this bill and with the spirit and intent of this bill.

So there's the process that would be followed. There is within the Northwest Territories Act still the flexibility for an appeal to a cabinet, if required.

Mr. Greg Rickford: I'll give you the list of technical questions there.

Mr. Bevington, in my last 20 seconds or so, has the Northwest Territories legislature formally voted on and endorsed your proposal?

Mr. Dennis Bevington: No, it hasn't.

Mr. Greg Rickford: Okay. Thank you.

The Chair: Thank you, Mr. Rickford.

Mr. Bevington, thank you for your appearance this morning.

Members, we're going to suspend briefly while we just change the table here and welcome our next witness.

Just for your benefit as well and to pick up on an earlier point, we will resume consideration of this bill on Thursday, March 24. We have the Department of Indian and Northern Affairs, the Department of Finance, and the Government of the Northwest Territories as the three witnesses Thursday, March 24.

Mr. Bevington, as an associate member of the committee you may want to join us for that as well.

We hope at that point, by the way, that we may be able to get to clause-by-clause consideration. We will be available for that, if the committee wishes to do that. That's on the 24th.

Let's suspend for a few minutes, and then we'll begin our next segment.

● (0935)

_____ (Pause) _____

● (0940)

The Chair: Welcome back, everyone.

We are taking up the second part of our meeting this morning. This is pursuant to the order of reference of Wednesday, March 2, on Bill C-575, An Act respecting the accountability and enhanced financial transparency of elected officials of First Nations communities.

We welcome, much like the earlier witness we had, the sponsor of the bill. Ms. Kelly Block is the member of Parliament for the riding of Saskatoon—Rosetown—Biggar. Of course, Ms. Block, you know the drill here. We will do an opening presentation of up to 10 minutes, and then we'll go to a seven-minute round for questions.

Members, just for your benefit, Ms. Block can only be with us until no more than about 20 minutes after the hour, so we'll see how our questions go and try to suspend no later than that.

Go ahead, Ms. Block, with your opening comments.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Thank you very much, Mr. Chair.

Thank you to the committee for the opportunity to be here to speak to my private member's bill, the First Nations Financial Transparency Act.

First and foremost, I'd like to thank my colleagues for their support in getting Bill C-575 this far. The bill addresses a very important issue. I'm glad that my Conservative colleagues and 15 members of the Liberal caucus voted in favour of giving the right to more effective governance to all first nations communities. The MPs deserve to be commended for supporting grassroots aboriginal Canadians.

Allow me to share a few facts about Saskatchewan. There are 70 first nations in Saskatchewan, and 61 are affiliated to one of the nine tribal councils. The majority are members of the Federation of Saskatchewan Indian Nations. As of February 28, 2009, the total registered population of Saskatchewan first nations was 129,138 individuals. There are five linguistic groups represented in Saskatchewan: Cree, Dakota, Dene, Nakota, and Saulteaux. Treaties 2, 4, 5, 6, 8, and 10 cover the province of Saskatchewan. Finally, the First Nations University of Canada is in Regina, Saskatchewan.

Knowing that my time was coming up on the order of precedence, I took the development of my private member's bill very seriously. It was important to me to address an issue that I believed all Canadians, and indeed all parliamentarians, would be able to support.

The issue of transparency and accountability is very important to me as a member of Parliament. I believe that members of first nations, like other Canadians, deserve transparency and accountability from their elected officials on the disclosure of remuneration derived from public funds.

Bill C-575 would ensure this and would level the playing field for all first nations communities. There is no consistency right now. Some first nations proactively disclose the information, some provide it when asked, and others outright refuse. It is clear this has been a long-standing issue for first nations community members trying to access the information.

Bill C-575 is a straightforward bill. If passed in its current form, it would require first nations to proactively disclose the salaries they earn and the expenses they have been reimbursed when the funds come from federal tax dollars.

To be honest with you, I find it quite perplexing that Bill C-575 has been met with as much resistance as it has. Elected officials across the country disclose this information as a matter of due course. As I stated earlier, aboriginal Canadians deserve the same level of disclosure from their politicians.

The bill does not increase the burden of reporting on first nations. The information is already collected, audited, and submitted to Indian and Northern Affairs Canada. This straightforward legislation mandates the proactive disclosure of the information and allows the Minister of INAC to disclose it in the community profile section on the INAC website.

I'd like to briefly address the accusations that have been made surrounding this bill.

It has been suggested that Bill C-575 somehow makes troubling insinuations about first nations politicians. Nothing could be further from the truth. Bill C-575 makes no insinuations or judgments about the salary levels that first nations governments have the duty and

indeed the right to set for themselves. It is my hope that Bill C-575 will be used as an effective tool to dispel some of the unfair generalizations that have been made.

Neither is Bill C-575 redundant or somehow unnecessary. If that were the case, I would not be getting letters, emails, and phone calls from first nations band members thanking me for introducing this bill.

I want to quote from a letter that I received on January 11. The quotation is as follows: "I am in total support of passing the First Nations Financial Transparency Act and I will have been speaking to the grassroots people in the past few weeks. The only support to kill the act is from the leadership who do not favour the figures to be made available to band members as well as to the mainstream public at large. It is just a given that the bill should have been there a long time ago. I am very happy you are doing this for the average band member of the first nations land."

• (0945)

On October 3, I received another letter from a first nations member, who wrote, "I have felt compelled to email you my support for the first nations bill you have introduced. It is so long overdue and needed. The situation on my reserve is the former chief and council..."—and all names have been redacted, I would add—"... have to account for a whopping \$1.3 million in oil moneys missing, yet no one ever hears about this, nor do the media care. With a bill of this nature, it could have been prevented, in my opinion. Please do all you can to have this bill passed and implemented immediately so that our future, the children, never have to go through this, as we have allowed through ignorance and deceit."

Regardless of the facts behind these letters, one thing is clear: if passed, Bill C-575 will ensure that all first nations members know what their elected officials earn. I suppose it could be asked why this is important. I would like to point to just one example of excellent leadership.

Chief Darcy Bear of the Whitecap Dakota First Nation has taken his reserve from a 70% unemployment rate to a 4% unemployment rate. This is what he has to say about the issue and the bill, and I quote: "...I fully support Mrs. Block's private member's bill. Our prudent, ethical business-like approach has been vital to achieving that dramatic turnaround."

He went on to say, "How can you attract banks and business partners into your community without being accountable and transparent to your own members? You can't."

This supports my belief that enhanced accountability will help spur economic development, create jobs, and fuel overall growth and success for first nations communities.

There are very good examples of transparent and accountable first nations governments. There are those, however, that are not. Bill C-575 will ensure transparency and accountability for all first nations communities.

In conclusion, Mr. Chair, this is a very important issue, and this is a very important committee dealing with these very important issues. I urge you to have a broad, open dialogue on the issue with Canadians from coast to coast to coast. Amend Bill C-575, if necessary, and ensure that this legislation is passed.

• (0950)

[Translation]

The Chair: Ms. Block, thank you for your presentation.

We will begin with Mr. Russell, who has seven minutes.

[English]

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

Good morning to you, Ms. Block, and thank you for appearing before us.

No doubt we all, around this table and in the House of Commons, share the principles of transparency and accountability, which we have criticized your own government on many times.

Your bill purports to address these principles. I would refute that. It does little or nothing to enhance transparency or accountability.

In terms of consultation, indeed I would like a list of the names and dates of individuals and people or organizations that you consulted with prior to the development of your bill. If you could produce that, I'd like to have that in written form and presented to the committee.

As you know, when it comes to aboriginal people, the duty to consult is a legal duty that we have, and we take that seriously. It's a policy the government has employed, or wants to abide by, I would hope.

There are those, Ms. Block, who say that your bill violates the UN Declaration on the Rights of Indigenous Peoples. People say it's inconsistent with the inherent right of self-government, which the government purports to uphold. Many would say that it perpetuates stereotypes, that it is prejudicial, and that it smacks somewhat of racism.

I will only quote from the Quebec Native Women's Association from their November 29 press release, which said, and I quote,

QNW is concerned with the misleading portrait of the kind of fiscal transparency that is happening on reserves. While QNW—

—meaning the Quebec Native Women—

—believes that transparency and accountability for First Nations governments are an important part of good governance, the private members' Bill C-575, as presented by MP Kelly Block (Conservative Party) seems to be motivated by a prejudicial and racist view of Aboriginal peoples "as living off society", by implying that the federal funds coming from "good tax payers' money" granted to Aboriginal chiefs and councillors are ill spent.

It seems to take a blanket approach to aboriginal peoples, aboriginal leadership, as all being somehow corrupt and inept. The examples you used are almost like a byline. We have this cloud of suspicion and insinuation, and then an apology saying that we don't want to spread that too far and giving the example of some first nation. If that were a byline.... It's never that there is good accountability, and the exception to good accountability and transparency is a few first nations.

In fact, the only stats provided by the Canadian Taxpayers Federation indicate that there were problems with only 7% of all elected officials.

When it comes to the issue of redundancy, I'm pretty sure you must be aware of the comprehensive funding arrangement, the national model that INAC has in place, that calls for generally accepted accounting principles and auditors general. I'm sure you're also aware of the year-end financial reporting handbook from Indian and Northern Affairs Canada, which has, as Annex D, a schedule of salaries, honoraria, travel expenses, and other remuneration all listed right there. It's the same thing that your bill purports to now open up. It's all there, so I believe the bill is redundant.

When we talk about consultation, one can use the words that it was unilaterally brought in, and in your own testimony speaking in the House, as noted in *Hansard*, you said, "I also, in speaking with my colleagues...". That sounds like water cooler talk, sitting around talking across a few snacks and a coffee, and you bring in bills about something so fundamental to first nations people.

I want to ask you one very simple question in addition to the ones I've already asked. You've been in power for six years. Why only now did this suddenly become an issue for the government, if there were egregious issues of accountability and transparency throughout this time? Whatever happened to the collaborative efforts with first nations that were taking place in 2005 and 2006? Why was that not continued? The issue of a first nations auditor general was even being talked about in 2005-2006. Why didn't those efforts continue? Is there anything that could have stopped the minister? What legally was stopping the minister from taking this information and making it public?

• (0955)

Could the minister not have adjusted his policies in either of those two documents and made this information public? What was stopping him? What was fundamentally different, except that now we have this huge issue, and it's causing divisions and enhancing stereotypes?

Mrs. Kelly Block: Thank you very much, Mr. Chair.

There are so many statements there. I don't agree with the premise of the statements that were made.

What I will tell you is this: if you have questions as to why this wasn't done prior to my introducing this bill, I think those questions are better posed to the minister himself in regard to why something wasn't done before this.

I became aware that this was an issue for first nations community members seeking access to this very information, which is why, when my opportunity came forward to introduce a private member's bill, I saw it as a meaningful issue and took the opportunity to introduce it into the House of Commons.

Mr. Todd Russell: What made you aware of this? Was it the talk around the cooler?

Can you give us a list of who approached you, of who you consulted with? Can you provide that to us prior to the development of this bill?

Mrs. Kelly Block: Mr. Chair, I think I made it very clear in some of my answers in the House when this bill was being debated that I didn't conduct formal consultations. In fact, you may be very aware that when a first nations member comes forward to talk to you about issues in their community, they're not that willing to have their name brought forward; many of the conversations and emails that I had were kept within the context of confidentiality, and I respect that confidentiality as a member of Parliament.

As a member of Parliament for two years, I've been out in the community, I've been intentional in developing relationships with first nations members, and I've been intentional in paying attention to the issues.

Thank you.

[Translation]

The Chair: Thank you, Mr. Russell.

It is now Mr. Lemay's turn for seven minutes.

Mr. Marc Lemay: Good morning, Ms. Block.

Tell me, how many aboriginal communities are there in the riding of Saskatoon—Rosetown—Biggar?

[English]

Mrs. Kelly Block: I do not have any reserves in my riding. There is one urban reserve, which is actually a business. I have a large urban aboriginal population in my riding, perhaps the largest in Saskatoon.

[Translation]

Mr. Marc Lemay: Did you meet with anyone from the Prime Minister's Office in preparing Bill C-575?

[English]

Mrs. Kelly Block: No, I did not.

[Translation]

Mr. Marc Lemay: Did you meet with anyone from the Minister of Indian Affairs and Northern Development's office before introducing Bill C-575?

[English]

Mrs. Kelly Block: Certainly in conversation with my colleagues, I spoke with members of this committee in terms of whether or not this was an—

[Translation]

Mr. Marc Lemay: Forgive me for interrupting. I mean the office of the Minister of Indian Affairs and Northern Development. Did you meet with anyone from the minister's office, such as a deputy minister or a regional director? I do not mean with anyone on the committee.

[English]

Mrs. Kelly Block: No, I did not meet with the regional director or the deputy minister. I did talk with staff regarding how I would go about introducing a bill of this nature.

[Translation]

Mr. Marc Lemay: Did you meet with anyone from the Auditor General of Canada's office before preparing Bill C-575?

[English]

Mrs. Kelly Block: No, I did not.

[Translation]

Mr. Marc Lemay: Did you read the Auditor General's 2002 report on accountability in aboriginal communities?

[English]

Mrs. Kelly Block: No, I did not.

[Translation]

Mr. Marc Lemay: Do you know how many reports an aboriginal community or a reserve has to produce for Indian and Northern Affairs Canada on an annual basis?

• (1000)

[English]

Mrs. Kelly Block: Yes, I do. I believe what I have heard quoted is that approximately 168 reports are submitted to INAC.

[Translation]

Mr. Marc Lemay: Are you aware that, regardless of whether there are 2,000 or 50,000 people in the community, it still has to submit 168 reports to various government agencies?

[English]

Mrs. Kelly Block: Yes, I'm aware that these reports are submitted annually.

[Translation]

Mr. Marc Lemay: Are you aware that aboriginal communities have to include information on the salaries paid to chiefs and councillors in some of those 168 reports? That information is in those reports. Did you know that?

[English]

Mrs. Kelly Block: Mr. Chair, I am very aware that first nations provide a schedule of remuneration and expenses to INAC as required by their funding agreements. However, what my bill is addressing is the call for this information to be publicly disclosed.

[Translation]

Mr. Marc Lemay: Forgive me, but do you know that those reports are available to the public if you request them under the Access to Information Act?

[English]

Mrs. Kelly Block: I have been made aware that individuals can request this information through an access to information request. However, I'm also aware that much of the information is redacted.

[Translation]

Mr. Marc Lemay: How do you think an aboriginal community of 2,000 people can possibly meet the requirements in your bill, especially clauses 4, 5 and 6, when it cannot even get computer access? You are asking aboriginal communities to perform accounting exercises in accordance with the principles of the Canadian Institute of Chartered Accountants.

You should speak with the parliamentary secretary. The communities in his riding are so remote that they do not even have access to high-speed Internet or anything else, so they cannot prepare reports. What's more, their reports are often late.

How do you think those communities will be able to meet the requirements in clauses 4, 5 and 6 of your bill, in the unfortunate event it is passed?

[English]

Mrs. Kelly Block: Mr. Chair, in the development of this bill I consulted with the House of Commons legal counsel. These sections ask no more of a first nations chief and council than is already being asked within current legislation.

[Translation]

Mr. Marc Lemay: Do I understand correctly that clause 3 of your bill requires aboriginal communities to disclose the remuneration paid to chiefs and councillors, if it is drawn from federal money?

[English]

Mrs. Kelly Block: That's right. This bill will require that of first nations chiefs and councils subject to the Indian Act.

[Translation]

Mr. Marc Lemay: Ms. Block, are you aware that, in most cases, those who earn \$200,000 to \$250,000, or even more, are not paid using federal money?

How will that information be obtained?

[English]

Mrs. Kelly Block: Mr. Chair, when I introduced this bill I made it clear in any conversations that I had regarding the bill that this is not about what a first nations chief and council determine they will set for themselves. It's not about the numbers. They absolutely have the right to set their own levels of remuneration, and this bill doesn't question that right. It simply calls for them to publicly disclose this information to their membership.

[Translation]

The Chair: Twenty seconds, Mr. Lemay.

Mr. Marc Lemay: Oh. No, I'm done.

The Chair: Very well. Thank you, Mr. Lemay.

It is now over to Ms. Crowder.

[English]

Ms. Jean Crowder: Thank you, Ms. Block, for coming before the committee.

You're probably aware that when legislation that impacts on first nations, Métis, and Inuit comes before this committee, one of the questions that we always ask is about the duty to consult. Now we have another example of a piece of legislation coming before this committee for which the duty to consult that's been mandated by the Supreme Court of Canada has not been fulfilled. I think that arguably most people are in support of accountability and transparency, but we can't disregard a process when it is a consistent message that we put out, so it's troubling that once again we're dealing with a piece of legislation that has not fulfilled that duty.

In our looking at the bill, a number of issues have arisen. I know a number of us have consistently said that it's important for chiefs and councils to be responsible to the people who elect them and not to Indian and Northern Affairs Canada. I don't think you'll find broad disagreement on that. Here, though, it appears that you're requesting a standard that's different from what other Canadians are subject to, and I want to refer to a couple of points before I get you to respond.

You're asking for federally funded dollars, and a significant amount of those dollars comes in through grants and contribution agreements. I don't know if you're aware that Treasury Board guidelines on contribution agreements, under appendix C, make no mention of salaries, even with respect to people who act as third parties to transfer money to other people. The guidelines just have a lot about audit requirements.

What I hear you saying about this bill is that all the other Canadians who get grants or contribution agreements don't need to release their salaries, but first nations do, so you're setting up another double standard here.

We're fairly used to that. First nations are governed by double standards all over the place, whether it's funding on reserves for child welfare, education, health care, or clean drinking water. We consistently say that it's perfectly acceptable for first nations to be treated as second-class citizens. Once again, I see you implementing a double standard by requiring something from them that we don't ask for other people on grants and contributions. That's one aspect of it.

The second aspect is that you've included under clause 6:

Despite anything in the Privacy Act, where, at the end of the period referred to in subsection 5(3), the Schedule of Remuneration has not been made publicly available, the Minister shall make it publicly available.

The way I read this—and it will be interesting to hear from some lawyers on it—is that all other Canadians are subject to the Privacy Act, but we're going to override the Privacy Act in the case of first nations. We're not going to have it apply to them, because somehow or other they're a different class of citizen. This is another example of saying first nations don't deserve the same treatment as other Canadians and that we're going to allow the government to override the Privacy Act in this case.

I wonder if you could explain to me and to other Canadians who may be listening why it's okay to treat first nations differently from other people in this country.

•(1005)

Mrs. Kelly Block: I don't agree with the premise of your question at all. This is not about asking for something more from first nations chiefs and councils in regard to their remuneration and salaries than we ask from other elected officials, including municipal leaders, provincial leaders, and federal leaders.

Ms. Jean Crowder: Excuse me, Mrs. Block, I would like you to address the contribution agreement and the Privacy Act. My question was specifically to you. I want you talk about the contribution agreements under appendix C of the Treasury Board guidelines and the privacy legislation that's currently in place. Those are my two questions for you.

Mrs. Kelly Block: By introducing this bill, I am creating a piece of legislation that will call for first nations chiefs and councils to publicly disclose their remuneration and salaries. They will be given 120 days after the close of their fiscal year, at which time the minister will be allowed to post it on the INAC website.

Ms. Jean Crowder: That is not my question to you, Mrs. Block. I want you to explain the privacy legislation.

Mrs. Kelly Block: I didn't come here to explain the privacy legislation.

Ms. Jean Crowder: But it's in your bill. It's under clause 6 of your bill.

Mrs. Kelly Block: I came here to talk about—

Ms. Jean Crowder: But then why did you include it in your bill?

Mrs. Kelly Block: —the introduction of this private member's bill, which I believe is a good bill for all first nations community members, many of whom have been calling for this legislation.

Ms. Jean Crowder: That's the end of my questions.

The Chair: Thank you, Ms. Crowder.

We'll go to Mr. Payne.

Mr. LaVar Payne (Medicine Hat, CPC): Thank you, Mr. Chairman, and welcome, Mrs. Block, to our committee.

This is an important bill that you're bringing forward. I know that we've heard from a number of band members, particularly from Nova Scotia, who want to see transparency and good governance. I believe I heard you say that you had some emails and letters from band members. I'm wondering if you could expand on anything that you've already told us about what these band members want to see from their first nations chiefs and councils.

• (1010)

Mrs. Kelly Block: Thank you very much, Mr. Chair.

As I mentioned in my opening remarks and in my responses to some of the members who have already asked questions, I understood that trying to access this information was a long-standing issue for many first nations' community members.

Since I've introduced Bill C-575, I have had numerous emails, letters, and conversations with first nations community members telling me of their concerns regarding the issue in their own communities. I have kept from commenting on specific first nations and the issues that are particular to their communities, but they were simply saying they need to have access to this information so they can hold their leaders accountable when the time comes for them to be re-elected.

Mr. LaVar Payne: Thank you.

Mr. Chair, if I have time, I will split it with Mr. Clarke.

The Chair: Sure, by all means.

Mr. LaVar Payne: Okay, thank you

There was another interesting thing in terms of the vote that occurred to bring this forward to committee. I noticed there were quite a number of Liberal members who supported the bill, and I wondered if you had any comments in regard to that?

Mrs. Kelly Block: Thank you very much.

As I said, I believe this is a very important issue. It is an issue that I believed would have received almost unanimous support from members of Parliament to ensure that aboriginal Canadians would have the same access to this kind of information that other Canadians do.

I was grateful for the 15 members from the Liberal caucus who stood with the Conservative caucus and voted in favour of sending this bill to committee. I am extremely disappointed, however, that the majority of the opposition voted against transparency and accountability on first nations reserves.

Mr. LaVar Payne: I understand, certainly, and maybe you could—

The Chair: Go ahead.

Mr. LaVar Payne: Oh, thank you. I didn't know if Mr. Lemay was going to make some comments.

I understand, and maybe you could expound on why the legislation requires first nation governments to disclose remuneration and expenses for chiefs and councils. Do you have any further comments you'd like to make regarding that?

Mrs. Kelly Block: Currently this information is submitted to INAC, but it does not have to be publicly disclosed to the members or other Canadians, and that is why I introduced this bill. It was in response to calls from first nation community members who were trying to gain access to this information.

Mr. LaVar Payne: How will the schedule of remuneration be made publicly available?

Mrs. Kelly Block: First nations community leaders will have the opportunity to post this information on their community websites if they have a website. They could distribute it in hard-copy form to all community households or post it in a readily accessible place, such as a band office, so community members could see it.

Mr. LaVar Payne: Okay.

Will the implementation of this legislation increase the reporting burden on first nations?

Mrs. Kelly Block: It will absolutely not. As was mentioned by members opposite and in my response to some of those questions, this information is already collected, audited, and submitted. This bill simply seeks to make it public for members of first nations communities and other Canadians.

Mr. LaVar Payne: Okay.

It's been suggested that Bill C-575 does nothing to enhance the financial accountability relationship between the government and first nations. What measures is the government taking to tackle this part of the accountability bargain?

Mrs. Kelly Block: What I will say is that this is a straightforward bill that was introduced to enhance the accountability and transparency of first nations elected officials to their members and other Canadians. I know there are funding agreements between the government and first nations that clearly articulate the financial accountabilities between them, and that these agreements contain dual accountability requirements.

• (1015)

Mr. LaVar Payne: Okay.

It's also been suggested that Bill C-575 is simply detracting from the mechanism of the government in assisting first nations to become self-sustaining and that it implies all chiefs are corrupt. I wonder if you could give us your comments on that and your thoughts on the bill.

Mrs. Kelly Block: Absolutely. Again, I think I addressed this in my opening statement.

I believe that there is nothing further from the truth. Some first nations chiefs and councils have pointed out that they should not all be painted with the same brush, and I agree with that. By publicly disclosing this information, first nations chiefs and councils will demonstrate their commitment to transparency and accountability and dispel this criticism.

Mr. LaVar Payne: I did give a speech in the House on this particular bill. I'm very positive on it and I believe in what the bill is trying to do. I understand that you have support for this bill from one of the chiefs and have made it public. Could you comment on that for me, please?

Mrs. Kelly Block: I will.

As I've mentioned in my statements during the debate, there is strong support for Bill C-575. First nations communities and Canadians from all across the country have been expressing support for this bill. I was very pleased that Chief Darcy Bear from Whitecap Dakota First Nation endorsed my bill very strongly.

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

[Translation]

We have time for just two questions of three minutes each.

First is Ms. Neville.

[English]

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

Thank you again for being here, Ms. Block.

Let me just say at the outset that I take great exception to your characterizing those who did not support this bill coming to committee as being opposed to transparency. I speak for myself as one who sat for days, 24 hours around the clock, to deal with Bill C-7 in 2002, which dealt with many of the issues related to transparency, and as one who advocated very strongly for the Kelowna accord, which very much advocated and had the tools and the infrastructure and had followed the processes of consultation that many of us value in developing legislation related to aboriginal people.

What I am most concerned about is how you reconcile this bill calling for transparency with your own government's unwillingness or inability or blockage of transparency of many other issues that are coming before this House. I just find the hypocrisy of it breathtaking.

Mrs. Kelly Block: Well, Mr. Chair, I have made it very clear that as a member of Parliament I strongly believe in the principles of transparency and accountability. I live by those principles, and that is the very reason I chose to bring forward this issue in the form of a private member's bill.

Again, I became aware that it was an issue—

Hon. Anita Neville: You're not answering my question, though. How do you reconcile this bill with the blockage of information by, and the lack of transparency of, your own government on so many of the issues that members of Parliament are requesting information on?

Mrs. Kelly Block: I don't believe the purpose in my being here today is to reconcile this bill to anything but the need to respond to the call from first nations community members for the same transparency and accountability that other Canadians receive from their elected officials in the area of public disclosure when it comes to their remuneration and salaries.

Hon. Anita Neville: I find that I'm repeating myself, but I find the lack of consistency and your unwillingness to address the real issues facing this Parliament right now quite stunning.

But thank you.

[Translation]

The Chair: Thank you, Ms. Neville.

And the last question goes to Mr. Clarke, for three minutes.

• (1020)

[English]

Mr. Rob Clarke (Desnethé—Missinippi—Churchill River, CPC): Thanks, Mr. Chair.

I'd like to thank Ms. Block for coming to the committee today.

We had a lot of discussion and debate on this very bill when you brought it forward and were just asking for some of my input.

Just as some background, having lived and worked on over 11 reserves in Saskatchewan, I've seen the membership—not the chiefs and councils, but the band membership—wanting to see the books and being turned down in all forms and aspects, and then being punished because they were making those requests.

Just seeing your bill and how it takes into consideration the membership.... There are some good reserves out there that are transparent and that are accountable, and they should be complimented for doing that, but there are those out there that will not open their books. It doesn't matter if people go to the reserve during the band meetings; the chief and council will not let them open the books. I've had to do investigations on improper bookkeeping. At times, yes, there have been fraud charges laid.

My first question is this: why should first nations be forced to publicly disclose remuneration and expenses of their elected chiefs and councils? As well, is this an invasion of privacy?

Mrs. Kelly Block: I would like to start by recognizing the member, who I feel very privileged to have as a colleague in the Conservative caucus. He is the only first nations member of Parliament currently sitting in the House of Commons. He is also a colleague of mine from Saskatchewan. He is very correct when he mentions that I bent his ear quite a bit when looking at developing this bill. I got a sense of what was happening in Saskatchewan from him, for sure.

He represents two-thirds of the province in geography, and the majority of the first nations communities. He's doing a great job in his role as a member of Parliament representing those communities.

I've kind of lost track of your question, Mr. Clarke. What did you ask?

Mr. Rob Clarke: I asked if it's an invasion of privacy.

Mrs. Kelly Block: Absolutely not. This is information that is publicly disclosed by other levels of government, whether they are municipal, provincial, or federal. It is simply calling upon first nations governments to reveal to their members and other Canadians the salaries and remuneration they are deriving from public funds.

The Chair: Thank you very much, Mr. Clarke, and Ms. Block as well.

We'll be looking at the schedule for arranging for witnesses on this bill in the weeks ahead.

Thank you very much. We hope we didn't take you too long over the time that was required.

Thank you very much, members. We'll be in camera for the committee business segment.

[Proceedings continue in camera]

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:
Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*
Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5
Telephone: 613-941-5995 or 1-800-635-7943
Fax: 613-954-5779 or 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
<http://publications.gc.ca>

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5
Téléphone : 613-941-5995 ou 1-800-635-7943
Télécopieur : 613-954-5779 ou 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
<http://publications.gc.ca>

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>