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

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**EVIDENCE**

**Monday, October 22, 2012**

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**Chair**

**Mr. Chris Warkentin**



## Standing Committee on Aboriginal Affairs and Northern Development

Monday, October 22, 2012

• (1530)

[English]

**The Chair (Mr. Chris Warkentin (Peace River, CPC)):** Colleagues, we will call this meeting to order. This is the 45th meeting of the Standing Committee on Aboriginal Affairs and Northern Development.

Today we have a panel of four different witnesses representing four different organizations. We will proceed in alphabetical order. We have the Canadian Taxpayers Federation; Colin Craig is the prairie director. From the Frontier Centre for Public Policy, we have Joseph Quesnel, who is a policy analyst. We have, from Patterson Creek Consulting, Mr. John Graham. And from Peguis Accountability Coalition, we have Phyllis Sutherland, who is the president of that organization.

To our witnesses, the standard practice is that we hear from you first. We'll allow you five minutes, to accommodate everyone. We'll give you some leniency, if necessary, to finish final comments. We're hoping we can keep to that general timeframe, and then we'll begin the rounds of questioning. At that point you may be able to expand on some of the points you've made.

We'll turn first to the Canadian Taxpayers Federation, and that's Mr. Colin Craig.

We'll turn it over to you. We'll hear what you have to say, and then we'll proceed through the witness list in alphabetical order.

Mr. Craig.

**Mr. Colin Craig (Prairie Director, Canadian Taxpayers Federation):** Good afternoon.

Thank you for the opportunity to speak here today on behalf of the Canadian Taxpayers Federation and our 79,000 supporters nationwide. I'm also pleased to speak here on behalf of the dozens of whistleblowers from aboriginal reserves across Canada who have sought help from our offices over the years and who support this legislation.

On behalf of both groups, I would like to begin with two words: thank you.

Thank you to the Conservative and Liberal MPs who voted in favour of MP Kelly Block's first iteration of this legislation, her private member's bill, Bill C-575. We appreciate her efforts, as well as the federal government's, for tabling this legislation, and those who voted in favour of sending it to this committee.

Thank you for not turning a blind eye to corruption on reserves. Yes, "corruption" is a strong word, but when a public official takes advantage of the ability to set his or her own pay and to keep it hidden from the public while many band members suffer, there's no better word for it.

Anyone who has spent even a few hours studying this issue will know that reserves are already required to disclose their chiefs' and councils' pay information to band members. Some chiefs and councillors in Canada are really good about disclosure, but we know from speaking with many grassroots band members that there are plenty of communities that simply keep people in the dark.

We've heard of communities that give audit documents to band members, but the chief and council pay pages are mysteriously missing. In other cases, band members are told to get lost when they ask for the information. Some have even been threatened for having the audacity to ask how much their elected officials are being paid.

Consider a message we received from a whistleblower from the Enoch reserve, just outside of Edmonton. The individual somehow got a hold of their chief's and council's pay information, which showed that the small community's chief made more than the Prime Minister.

The note reads as follows:

I am writing this letter out of pure frustration. I live on the Enoch Cree Nation and we should have no problem providing for our people. The problem is the greed of our leadership and the lack of motivation.... The government is far away and state you have to go through the local INAC office, where they refer you back to the leadership. I have requested copies of the budgets for several years from both INAC and Chief and Council and have never received anything.

If you think this is an isolated case, sadly, it is not. The number one concern our offices hear about from grassroots band members is the lack of transparency on reserves.

In 2010 we set up a website—ReserveTransparency.ca—and that site specifically helps to inform band members about their right to information. The site also explains how band members can get chief and council pay information, as well as audit documentation from the federal government, if their bands refuse to provide it.

When we held a press conference to launch the site, I invited Albert Taylor, an 84-year-old elder from the Sioux Valley Dakota First Nation. On the morning of the press conference, Albert mentioned to me that he drove in from Brandon the night before—a two-hour drive—and then spent the night sleeping in his car.

Think about that: why would an 84-year-old man drive for two hours and then sleep in his car to attend a press conference about an issue that some people say doesn't exist?

Albert, along with many other band members, gave us quotes for the website, talking about transparency problems from their perspective. This is Albert's quote:

In the past I have been threatened and attacked for speaking out and asking questions.

Norman Martell, from the Waterhen Lake First Nation in Saskatchewan, noted the following:

My Band keeps its members in ignorance, no meetings, no committees and no information on band budgets or expenditures. Keeps them in power and free spending for themselves and their supporters.

After news of our website spread, we began getting copies of dozens of e-mails to Ottawa from band members across Canada. They were following the instructions on the site that laid out how they could get pay information from Ottawa if their band office wouldn't provide it.

Not surprisingly, the only people in Canada who seem to oppose this bill are politicians, but the bottom line is that this is Canada and it's 2012. Politicians, regardless of race and level of government, should have to disclose their pay to the public. Full disclosure will help everyone sort out the bad apples from the good ones.

Placing the information on the Internet will especially help band members, as it saves them the awkward conversation that comes when they walk into a band office and have to talk to the chief's relative or friend who works there and ask them for the chief's pay information. Allowing them to access this information on the website will be in their best interests. Disclosure will help taxpayers off reserve know more about how public funds are being spent on reserves as well.

• (1535)

In terms of amendments to this bill, we recommend four for implementation.

First, post the audit and salary information for reserves going back five years. Ottawa already has this information, so it would be easy to do.

Second, put all audit documents online, not just annual audits. When audits are conducted for flood funding and other purposes, people often want to see that information too.

Third, clarify with reserves that totals reported in the travel column should reflect travel expenses, such as hotel bills and air fare, not paying people to attend meetings off reserve.

Fourth, ensure that the funds chiefs and councillors receive for sitting on tribal councils, provincial bodies, and other band partnership entities are reflected in pay amounts disclosed to band members.

In conclusion, we are pleased that Parliament is no longer turning a blind eye to these issues.

Thank you for considering our input.

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

We'll now turn to Mr. Joseph Quesnel for five minutes.

**Mr. Joseph Richard Quesnel (Policy Analyst, Frontier Centre for Public Policy):** Good afternoon, ladies and gentlemen.

Thank you for the opportunity to address Bill C-27. I rise in support of this bill, but will express some concerns later.

My name is Joseph Quesnel. I'm a policy analyst of Métis descent with the Frontier Centre for Public Policy, an independent western Canada-based think tank.

I'm lead researcher on a project that we call the aboriginal governance index, or the AGI, which is an annual consultation of average first nations members in the prairie provinces on their perception of the quality of governance and services in their communities. This past year's AGI reached over 3,000 average residents on more than 30 first nations in Alberta, Manitoba, and Saskatchewan.

The AGI seeks an understanding of the views and expectations of first nations people about what constitutes good, effective governance, and provides an assessment of the extent to which those expectations are being met.

The highest-scoring bands in our index are the most transparent and adopt the practice of posting financial information, including salaries, online already. The best bands adopt open-book policies where members can view any information from the band office at any time. I'm familiar with many of these communities.

We have been surveying members since 2006, and it is clear, despite the policies in place, that the disclosure of salary and financial information is still absent in many communities. This is why we support Bill C-27 in providing a legislative base for these policies, not just policies, and some enforcement mechanisms to make the policies real for members.

We argue that first nations should not have to wait for local leadership to grant transparency that citizens should already be receiving. We also believe that band members feel they shouldn't have to wait either. First nations, despite their unique cultures, have clear expectations about governance. They desire and expect highly transparent local governance.

Our prairie-based data confirms this observation. When asked whether they thought all residents should be able to learn how much money is paid to band chief and council members, 77% of all respondents said definitely, yes; only 9% of respondents said this information should definitely not be fully available to anyone who wants it. These are randomized surveys of people from all factions on first nations.

When we asked if in practice everyone in the community who wants information is allowed to learn how much money the band chief and council earns, we were encouraged to find that 35% of respondents told us that the information is definitely available to everyone. However, a troubling minority of 25% gave the opposite answer; that is, the information is definitely not available.

The public disclosure requirements imposed by Bill C-27 would advance transparency in the communities where it is not already practised, which is what we're trying to do. Average members are victimized within a system they did not create, and find themselves unable to change it. They have no well-funded lobby groups. With some exceptions, first nations citizens often lack major independent media sources that can scrutinize band affairs. First nations citizens should not have to pay for ineffective checks and balances on many first nations. We feel that Bill C-27 would fill that gap.

Having this information posted online could also help avoid conflicts in some first nations. Increasingly, communities are resorting to confrontation where disclosure is not forthcoming. A few years ago, members from the Sioux Valley Dakota Nation, a Manitoba band near Brandon, Manitoba, operating under a custom election and band constitution mandating financial disclosure, demanded full financial disclosure from their chief and council when it was not coming, and they had to actually physically confront the chief and council to get that information. Luckily, in that situation it worked out. Other communities must resort to Federal Court, which is very costly and divisive in the community. This information being available would potentially avoid these kinds of situations.

As well, band-owned entities must come within these disclosure requirements. According to a 2011 study by TD Economics, economic development corporations are one of the fastest-growing components of the emerging aboriginal economy. If proprietary information is protected, as the minister has reassured us here, band-owned entities should be included in this.

Increasingly in our surveys we are hearing more and more complaints from average band members about lack of information about band-run entities, especially those run off reserves, such as gas bars and casino revenues. People want to know where the money's going and how much people are making. It's important to get the complete picture of how band entities are helping or hindering indigenous progress, and that includes financial information.

In terms of some specifics on the bill itself, members must have access to real enforcement, which in this case involves a superior court. Perhaps this committee could explore using first nations-led independent dispute resolution mechanisms or community ombudspersons for this role, instead of more costly and divisive litigation. That's just something to think about.

Lastly, under the administrative measures—this is more of a question—I'd recommend the language be altered, if I'm correct on this, to require the minister to develop an appropriate action plan before proceeding to any kind of denial of funds to a community. As is, the language, as I'm reading it, reads that the minister could proceed directly to withholding the funds as one of his or her options at the get-go.

● (1540)

I think this would place the government in a potential confrontation with the first nation government much too easily. We don't want to get into a situation like in Attawapiskat, where the courts ruled that Ottawa prematurely adopted punitive measures before exhausting more cooperative measures. We'd encourage that, a more cooperative relationship, perhaps even working towards incentivizing disclosure as another remedy.

On that note, thank you for your attention. I look forward to your questions.

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

We will now hear from Mr. Graham.

**Mr. John Graham (Senior Executive, Patterson Creek Consulting):** Thank you very much, Mr. Chair.

I think everybody has a small PowerPoint that I've prepared, so I'll just go down these six points.

The first point is that accountability appears to be a universal norm of good governance. I have never seen, in any measure of good governance, anyone dispute the notion that accountability should be right up there. Certainly in the aboriginal world, the Royal Commission on Aboriginal Peoples, the National Centre for First Nations Governance, the Harvard Project on American Indian Economic Development in the United States—all of these organizations mention and highlight accountability as a measure of good governance.

Increased transparency, a key ingredient to accountability, is a trend affecting all institutions, and by that I mean in the private sector, in the NGO sector, in the charitable sector, of course, as well as in the public sector.

The second point is that despite heightened attention to accountability, complexities abound in any government in trying to realize sound accountability. One of the problems, and there are several in trying to actually implement good accountability, is essentially trying to have a good accountability story based on results. Accountability used to be focused on propriety—propriety in expenditures of money—but now accountability has clearly moved into the results arena, and that is a much more difficult, much more challenging accountability story to present.

The third point is that this, trying to have a good accountability story, is especially true for first nations, given the highly dysfunctional first nations governance system. This system is a significant barrier to realizing improved levels of well-being in these communities. I won't go into these dysfunctions, but I'm happy to answer any questions about them.

Point four is that achieving governance reform has proved to be an uphill struggle across the world, with one notable exception, at least, which may have relevance for first nations. Again, I won't go into this, but this evidence is really based on the World Bank, which monitored some 200 countries across the world over a 10-year period. Over that time, despite billions of dollars being spent on trying to improve good governance, it concluded that the overall quality of governance in these countries, on average, had not improved. That's over a decade.

Because of this record, and because Bill C-27 is a very modest initiative, expectations about what it might achieve in the way of better governance should be equally modest. Trying to effect good governance is a very difficult undertaking, especially if you're looking for sustainability, and that is clearly the key.

Finally, one important issue, and perhaps the elephant in the room, is own-source revenue. Getting better information on own-source revenue is reason enough to support the bill. The reason I say this is that I think public policy is always better if there is essentially good information. Issues around funding and funding modalities, which are a centre point in most of the relationships with aboriginal peoples and their government, the federal government, often revolve around money, and therefore having some better sense of own-source revenue has to be a good thing, I think.

I'll conclude on that note and pass it to our colleague, Phyllis.

• (1545)

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

We'll turn to Ms. Sutherland.

We do apologize. Your mike wasn't working, so we had to ask you to change seats. That's the reason, if colleagues were curious about that.

We'll turn it over to you now for five minutes.

**Ms. Phyllis Sutherland (President, Peguis Accountability Coalition):** Thank you for having me here today.

I am here to talk about financial accountability and transparency. I would like to start by looking at the issue of access to financial information and our experiences. First, we support the legislation, Bill C-27, based on the fact that every first nations band member has a right to access financial information and it should be given in a reasonable timeframe. Information should be provided free of charge, and penalties should be put in place if first nations do not comply.

I will tell you our experience and the reality of trying to access information. ATIP forms from me and from other band members have been ignored; requests for information have also been ignored by trustees of our treaty land entitlement; and members are subjected to intimidation tactics such as fearmongering, public attacks, and attempts to destroy a person's credibility.

We make a number of recommendations. The legislation must have statements that include the protection of individual freedom to access financial information without persecution from the chief and council. An annual audit should be distributed no later than 120 days after the end of the fiscal year. The federal government should be

present during the presentation of annual audits. A framework for financial information should be created that is accessible on the website and is easily understood by band members.

We have looked at chief and council remuneration and income from other sources. We support legislation that will put into law the requirement that chief and council be held responsible to fully disclose sources of income, not only from the band, but from other sources. We call for a full disclosure by all federally funded organizations in regard to honorariums, travel, bonuses, and per diems paid to chief and council. Chief and council should be held responsible to disclose all expenditures made on their behalf. Failure to do so should be classified as red-collar crime.

On the issue of band council resolutions, BCRs, in 2009 the chief and council signed a BCR that stated that other sources of income were to go to band support, but the evidence says otherwise. This form of corruption has to stop.

We have looked at the subject of remuneration of boards. Boards are all appointed by the chief. The injustice is that the chief controls all of these boards on the reserve.

Accountability must include proper expenditures of federal funds that are allocated for band programs. The minister must ensure that education and housing moneys are spent for intended purposes. The chief and council, according to the last audit, took over \$2 million of education funding to offset the band's deficit. Once the audit comes in for this year, it's going to show I think that the band took over \$4 million.

Our first nations people do not have a redress mechanism in place to call for accounting of expenditures of education and housing moneys. First nations people do not have a redress mechanism in place to question and change this practice. We call for a national, federal hearing on the treatment of first nations people by their government, chief and council.

We call for national, federal public hearings to provide an opportunity for first nations to voice concerns.

We have looked at the use of band funds for partisan politics. The chief on our reserve used band funds to pay a personal legal bill in the amount of \$22,772.76. Court costs were paid on behalf of members who stole furniture during the 2007 election. In 2008, a position was made up for a Peguis School Board trustee that added \$26,000 on top of her salary as trustee. There is no evidence of any work done. Federal funds were used for personal media coverage to promote the chief. Legislation should be enacted to make it illegal to use band funds for these types of political favours. This type of spending is clear malfeasance and should be treated as such.

There needs to be accountability in the election process for chief and council. Electoral officers should be appointed by a third party who has no vested interest.

I will now summarize financial matters and transparency issues.

• (1550)

Presently, in many situations, there is no voice for the grassroots people. There needs to be an advocacy group that they can enlist for help in calling for financial accountability and transparency.

The chief uses band funds to persecute/prosecute his own people. First nations people do not have the funds or the ability to defend themselves because in most cases they have lost their jobs for speaking out.

Those who agree with the chief's leadership are well taken care of. In some cases, they have salaries or honorariums from three or four different sources. One example is former Councillor Lloyd Sinclair, who collected a yearly salary of \$64,000 as the arena manager, even though we've had no arena since March 2007, when it burned down. He also sits on various boards and as a trustee on our TLE and our surrender claim.

Lawyers and consultants are charging the band exorbitant fees. This type of corruption must stop, and those in power must be held responsible for the blatant misuse of federal funds. It has been the practice of Aboriginal Affairs to allow first nations to pay back funds that were deemed to have been misspent. In the end it is the people who are powerless, who end up feeling the brunt of the mismanagement of funds.

Leadership has to be held accountable.

Thank you.

**The Chair:** Thank you, Ms. Sutherland.

I was remiss in not thanking each and every one of you for coming. We understand, Ms. Sutherland, that you had a two-hour drive before you caught the plane this morning in Winnipeg and that it's been quite a feat to get here.

We do want to thank each one of you for taking time to be here today.

We're going to begin the rounds of questioning with my colleague, Mr. Genest-Jourdain, from the NDP for the first seven minutes.

• (1555)

[Translation]

**Mr. Jonathan Genest-Jourdain (Manicouagan, NDP):** Good afternoon, Mr. Craig.

My first question may come across as somewhat off-putting, but I still have to raise the issue with you, Mr. Craig.

The name of your organization is the Canadian Taxpayers Association, after all. I would like to know whether you took steps to prevent small reactionary groups from taking up your statements today or using the eventual documents put out by your organization.

I'll give you a specific case. The last time the words "taxpayer" and "Indian" were uttered in the same breath, it was a white supremacist speaking. I would like to know whether, being fully

aware of the fact that targeted groups sometimes repeat certain statements, you made an effort to ensure your words and interests today would not be twisted.

I would like to ask you something else, Mr. Craig.

I have your financial statements here. I know you are a private organization. When I looked at your financial statements, I did not see any names as far as compensation paid to employees goes. There is no identifying information, and even less on exact amounts.

I am not sure if you're aware, but under this bill, private entities within the communities will have to provide much more detailed information, including identifiable information. Obviously, your organization isn't willing to do that, since that information does not appear in your statements.

Are you aware of this situation?

[English]

**Mr. Colin Craig:** Thank you for the question. You've given me a number of points to respond to.

I think there are two parts to why this legislation is very important. First of all, grassroots band members across the country have been asking for this. They want to be able to access this information anonymously.

The second part, of course, is that taxpayers would like to see this information too. The stories we've helped uncover over the past few years are not new. They are responses you would see in comments on online stories across the political spectrum, whether it's the CBC, the *Globe and Mail*, the *National Post*, *Sun News*, whatever. The comments on those sites are based on frustration, because for decades taxpayers have heard stories about corruption on reserves and far too often Ottawa has turned a blind eye to it. So many people were pleased to see that legislation was coming forward to finally deal with the situation.

It's not only important that band members be able to have access to this information, but also that taxpayers have access to it, so that when they hear a chief or councillor on TV asking for more money from Ottawa for this, that, or the other reason, they can do a little research on their own and take a look to see what's happening in that community. How are the funds being spent? Is this one of the communities where the chief and council are making more than the Prime Minister of Canada? If it is, I think a lot of taxpayers would say it's a load of baloney to start throwing more money at that community until it cleans up its own act. If it's not, if it's an open and transparent community where the chief and council are busting their butts to deliver really good services for their people, then I think taxpayers living off reserve would have more interest in potentially supporting some kind of additional funding for those communities.

To address your third point about our organization, there is information on our website about remuneration, in terms of how much people make by different pay category. What I would note very loudly and clearly is that we do not receive a cent of government funding. We never have; we never will. In fact, when I indicated that I would accept the invitation to come here to speak, we were offered compensation to pay for my flight, hotel bill, food, etc., and we turned that down. We're one of the few organizations in this country that regularly refuses those offers from the Parliament of Canada.

It is a little different when you're talking about public funds and how public funds are being used. We expect full accountability that way. It's a totally different kettle of fish.

• (1600)

[Translation]

**Mr. Jonathan Genest-Jourdain:** How much time do I have left?

[English]

**The Chair:** You have about two and a half minutes.

[Translation]

**Mr. Jonathan Genest-Jourdain:** Mr. Bevington, I will now turn it over to you.

[English]

**Mr. Dennis Bevington (Western Arctic, NDP):** I'd like to refer to the statement by the minister a couple of meetings ago. I asked him if he believed in a government-to-government relationship between Canada and first nations. He said yes.

I'd like to ask you individually, do you believe that the relationship between the Government of Canada and first nations is government to government? A yes or no would be fine.

**Mr. Colin Craig:** We would support what the treaties note, and that is that people on reserves are to abide by the same laws that everyone else does in Canada.

**Mr. Dennis Bevington:** Do you believe in a government-to-government relationship between Canada and first nations?

**Mr. Colin Craig:** It depends on how you're defining "government", but we do support that reserves are—

**Mr. Dennis Bevington:** Mr. Craig, I don't have a lot of time here for these questions.

**Mr. Colin Craig:** I'm just finishing my response. You asked me a question.

**Mr. Dennis Bevington:** I asked for a yes or no answer, and I would appreciate that because time is very limited. I only have about one minute.

**Mr. Colin Craig:** I was just taking my lead from watching question period and seeing how some politicians react.

**The Chair:** Mr. Bevington, if we can get an answer, there will possibly be time for a follow-up question.

**Mr. Dennis Bevington:** I want to ask all four.

**Mr. John Graham:** Of course it's a government-to-government relationship. What else is it? I'd just say that the relationship between the various governments can be quite different. It doesn't have to be a relationship that is uniform across all the governments.

**Mr. Dennis Bevington:** All right, that's fine.

**Mr. Joseph Richard Quesnel:** Yes, I do believe in a government-to-government relationship, but the way you're phrasing it, it's not as simple as that. We have subsection 91(24). We have the Indian Act. It's not as easy as you're making it when we're talking about first nations governments.

**Mr. Dennis Bevington:** Okay. Phyllis.

**Ms. Phyllis Sutherland:** Yes, I believe in a relationship, with a lot of work still going on.

**Mr. Dennis Bevington:** Fundamentally, this bill is telling first nations governments how to disclose information. That's not the case with provinces, territories. They have made their own rules. In fact, if you look at Quebec, public sector salaries are considered personal information; they're not disclosed. In Ontario they only disclose the salaries of those who earn more than \$100,000. In British Columbia it's anyone earning over \$75,000. Governments make their own choices about how information is handled.

Do you think first nations have any rights in making the choices about how the information about their financial matters is handled?

**The Chair:** Mr. Bevington, you didn't indicate who you wanted that question to go to and your time is up. I don't know if there's somebody you wanted to direct that to.

**Mr. Dennis Bevington:** Fair enough. I'm coming back.

**The Chair:** Okay. I'll come back to you.

We'll turn now to Mr. Wilks for the second seven minutes.

**Mr. David Wilks (Kootenay—Columbia, CPC):** Thank you very much, Mr. Chair.

And thank you to the witnesses for coming today.

So far, I've been quite pleased with the dialogue we've had on Bill C-27. All of the groups that have come forward have come with ideas and suggestions for this committee. That's what they are: ideas and suggestions.

The input we have received so far has promoted and fostered a good working relationship with a number of these groups, and everyone here is passionate about Bill C-27. That said, Mr. Chair, my questions will be directed toward Mr. Craig. I have a couple here, so we'll try to get through them in the seven minutes.

I wonder if you could explain to the committee how organizations such as yours can help first nations members access the financial information of their elected officials and why this legislation is important.

**Mr. Colin Craig:** Right now, bands are required to give this information to grassroots band members. What I heard from many different grassroots band members was that they would ask their chiefs and councillors for information, such as how much their elected officials were making, whether or not it was the whole audit document, and all kinds of other stuff, and quite often they would be met with a brick wall. They wouldn't get the information.



Then they would go to their local office of the Department of Aboriginal and Northern Development and ask for the information, and they'd be told to go back to their bands for the information. In fact, when I talked to a government spokesperson, I said the problem was that they were putting people in a situation where they were having to chase their tails. They were never getting the answer.

So what happens? They're saying band members have this right. Do they ultimately give them the information? The spokesperson said yes, ultimately, they will give them the information. If we set up a website and tell band members they have the right to this information, but they can't get it from their local band office.... I wanted to know who they should talk to in the federal government. They said it should go to the national allegations and complaints office. I asked what language...we worked through the whole process so that we could eventually set up a website to tell band members exactly how they could get it. Still, sometimes it would take a while before they could get the information.

It shouldn't be an arduous task for band members to get it. Making it a routine disclosure to put this information on the Internet is actually in keeping with what provincial and federal politicians across this country have. With a few mouse clicks I can find out how much every single member of Parliament in the room is being paid. So can everyone else. It's perfectly reasonable to expect reserve politicians to have their pay disclosed as well.

That was one of the ways we've been able to help band members get this information.

One of the other things we've heard from taxpayers, as I mentioned, is that they'd like to know how public funds are being spent on reserves.

• (1605)

**Mr. David Wilks:** Thank you.

My second question is directed to all four of you, if we have time. It's a three-phase question.

First of all, what benefits do you see for first nations leaders from disclosing their salaries and expenses? Second, what benefits do you see for the first nations members from receiving that information? And third, what benefits do you see for all Canadians from having first nations make their financial statements available?

If I could hear from you, that would be great, starting with Mr. Craig, or whoever's ready.

**Mr. Colin Craig:** I'll start with the question about benefits to leaders. I want to stress again that we have never once said that we believe all leaders on reserves are filling their pockets with money and hiding the information from their band members—far from it.

In fact, I met with a chief from a northern community in Manitoba. He wanted to meet with me. We sat down and we talked. He said, "Here's my pay information." He had no problem with disclosing it. He is open with his community and so forth. I think putting this information online would help leaders like him and many others who are very open and accountable, because it would remove that shadow that has been cast on many aboriginal leaders. I think that's one way how it would help them.

For band members, of course, it would let them know more about how funds are being spent in their community. It's the same thing that the average Canadian living off reserve wants: they want to know how their tax dollars are being spent.

It will help the grassroots understand what their leadership is doing with the money. If they see that their leaders are all making exorbitant sums of money, then they'll think twice about re-electing them. We've seen that in a couple of cases now since we've exposed what has been happening. In two communities in the Maritimes—I believe both were in Nova Scotia—the Annapolis Valley First Nation and the Glooscap reserve, once the salaries were disclosed, there was widespread change in terms of the elected officials there. I think that's one way it can help the grassroots.

In terms of Canadians, as I mentioned before, we've talked with a lot of taxpayers and people off reserve who are saying that they want to know how funds are being spent in reserve communities, because they've heard of all kinds of examples of misuse and abuse over the years. They have heard from people like Phyllis and from many others who come forward and cry out for help. They want to know how public funds are being spent and which communities are doing good things and how they can support them.

**Mr. John Graham:** I won't repeat a lot of what Mr. Craig said, but I'll just add a few points on own-source revenue, which I mentioned in my last point. I think there is a clear tendency, where discretionary funding is involved—in the federal government, that would primarily be in the area of economic development and perhaps major capital projects such as schools, water, and the like—that those funds probably disproportionately go to high-performing first nations, because they have the capacity, the moxie, and the relationships to access that money.

The poorer first nations I think tend to be the ones that have the least capacity to access those funds, so having better information on own-source revenue I think will help at least some leaders indicate that the first nations that are probably most in need of new and better financing are not getting it. I think there is a skewing of the financing towards the high-capacity first nations, which clearly is something that I think, from a public policy point of view, you want to question.

I think the other issue in terms of Canadians as a whole has to do with getting a better picture on how first nations are actually funded. Own-source revenue is increasing fairly dramatically, I believe. I've never seen a really good study indicating what percentage own-source revenue is of total revenues, but clearly it is increasing rapidly and will increase rapidly.

I think for all Canadians it's in everybody's best interests to have a sense of just what this own-source revenue is, how it's increasing, and who's getting it. Then the question becomes, for high-performing first nations with own-source revenue, should we be treating them like provinces? Should fiscal transfers from the federal government take into account own-source revenue? My view would be yes, eventually.

I think this kind of debate...knowing that we have better information on own-source revenue, we can have a much better public debate on just those very difficult issues.

• (1610)

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

We'll turn to Ms. Murray now, for seven minutes.

**Ms. Joyce Murray (Vancouver Quadra, Lib.):** Thank you.

Thanks for being here to present to the committee.

I spent 25 years building a business from small to medium-sized, so I'm very interested in the issue of own-source revenue. The concern that I know some first nations have expressed is that it would challenge their competitiveness to have the kind of disclosure that's contemplated. In British Columbia, there are first nations that have investments in resorts, wineries, forestry, construction, and road building, in all sorts of industries that are extremely competitive.

Can you, Mr. Graham, see a potential situation in which the disclosure of the information on the own-source revenue might give a competitive disadvantage to a first nation in terms of competing for some work?

**Mr. John Graham:** This comes down to what the level of transparency is here.

I think the bill is meant to have a fairly high level of information in terms of own-source revenue. I cannot see a real problem for the business, such as a winery, if your financial statements indicate either total revenue or perhaps net revenue for what that business is accumulating. If you were to give information on its various product lines, that's another story, but I don't think the bill contemplates that kind of micro, fine-level information that would be of real advantage to a competitor.

**Ms. Joyce Murray:** It seems that the minister made a general statement that this wouldn't disclose proprietary information. However, how is that being defined? In my view, if you track a business's expenditures on marketing, and it changes, you could tell by a dynamic analysis of the consolidated statement what this company is perhaps planning to do, where they have focused their investments. From my perspective, it would be very concerning.

I would ask a question of Mr. Quesnel.

You have done some very extensive consultation to hear from first nations in the Prairies, you were saying—was it 3,000 or 30,000?

**Mr. Joseph Richard Quesnel:** There were 3,000 respondents and 32 individual first nations communities.

**Ms. Joyce Murray:** Okay. Now we have a bill that has just widened the scope of what it's expecting, with no consultation, as far as I understand.

Of the 3,000, how many of those members of the first nations communities were consulted about what might compromise the competitive position of the band's free enterprise activities?

Can you answer?

The way I want to put it is how does one increase accountability by doing something that was completely untransparent, with no consultation? Is consultation not part of accountability?

**Mr. Joseph Richard Quesnel:** Are you talking about this bill in particular?

• (1615)

**Ms. Joyce Murray:** Yes.

**Mr. Joseph Richard Quesnel:** As far as I know, there have been other witnesses; there have been other first nations. No bill proceeds directly right from the grassroots, unless we're talking about some kind of citizens' initiative or something.

As I was saying, we don't have the well-funded lobby groups that speak for citizens. You're starting to see with the Peguis Accountability Coalition, the Treaty 3 Grassroots Citizens Coalition, or back when the First Nations Governance Act was being introduced, with Leona Freed starting the First Nations Accountability Coalition.... But those groups don't get the funding. They can't send their representatives out here. The closest thing we have is asking people directly if they think they should disclose.

**Ms. Joyce Murray:** Thank you. I appreciate that.

What I'm hearing is that you don't feel it is that important because people can speak to the bill after it's out there, and consulting on how it's actually put together isn't such a priority. I'm sorry—

**Mr. Joseph Richard Quesnel:** That's not what I said.

**Ms. Joyce Murray:** I don't mean to cut you off. I just have another question.

**Mr. Joseph Richard Quesnel:** Whether individual citizens can comment on the minutiae of a bill.... Is that really fair, on any bill, that every single person can comment on every clause and every section?

**Ms. Joyce Murray:** Okay. I hear what you're saying.

I do have a third question I'm trying to squeeze in here, and it's for Mr. Craig.

Own-source revenue is being characterized by Mr. Graham as something that essentially should be accountable to the public because it's like a transfer or it's public funds.

Are you aware of any first nations whose businesses actually come from investments they made with funds that are their own band's funds, possibly from a settlement, and when those funds are in their hands, that is their money because they traded off something for that? Or are you aware of any cases where the band actually took out a loan—secured by the assets they were purchasing—to run their business, in which case it's not public transfer of funds for these businesses?

**Mr. Colin Craig:** I think under both scenarios you're talking about public funds, maybe not so much from the taxpayers' perspective but from the band members' perspective.

When a band owns a business, whether it's a gas station or a casino or some kind of other enterprise, it's the collective members of that community who own it.

What we've heard loudly and clearly from grassroots band members is that if money from, say, a gas station is going to pay the chief or a councillor, band members want to know about that. They want to know the total compensation package that their elected officials are receiving.

**Ms. Joyce Murray:** So to whom should that information be disclosed? If from your perspective the band is accountable to its members, to whom should that information be then disclosed?

And who should have the right to see that information—the general public?

**Mr. Colin Craig:** Yes; I don't see a problem with that.

Again, we've heard from band members that they like the idea of putting this information on the Internet so that they can access it anonymously. They're aware of the fact that when you put the information on the Internet, everyone has access to it.

On the idea—

**Ms. Joyce Murray:** Should it be a requirement, though?

**Mr. Colin Craig:** —that this is commercially sensitive information, it's not really. I mean, when you see that the chief is getting \$5,000 or \$25,000 in “other revenue”, it doesn't tell you what entity it's coming from or that. So it's—

**Ms. Joyce Murray:** Okay, but what we're talking about now is who they are accountable to, which is, you're saying, their band members, and who they're being forced to disclose to, which is a far wider group than that.

Would you say that's consistent with public sector accounting standards?

**Mr. Colin Craig:** Well, no, and again, let me be clear. We support the legislation, as it's drafted right now, to assure that politicians on reserves disclose their full pay package to the public.

**Ms. Joyce Murray:** No, I'm talking about own-source revenues here.

**Mr. Colin Craig:** And that would be included, yes.

**Ms. Joyce Murray:** So you are—

**The Chair:** Ms. Murray, your time is up, but I'm hopeful you'll get another round of questions.

**Ms. Joyce Murray:** Thank you.

**The Chair:** We'll turn to Mr. Clarke now, for seven minutes.

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

I'd like to thank the witnesses for coming in today to testify before the committee.

I'll go back to a story I spoke to last committee. Coming from a former RCMP background...and I know that Mr. Wilks probably has

the same type of scenarios brought forward from band members who are concerned about where their allotment of funding is going.

I have one case that stands out, right in Saskatchewan itself. This is in regard to TLE money, treaty land entitlement, where actually it became, for some first nations leaders, for chief and council, almost a personal slush fund that they could use at their own discretion. Now what has happened, after audited statements from the government, is that criminal charges have been proceeded with, and you've seen some of those leaders ousted from their political seats.

I've had personal experience where first nations leaders are elected...from chief and council, where they get an education credit card and they proceed to buy a brand-new car and televisions and other furnishings for their own homes. I've seen that take place. The list goes on and on.

When first nations individuals come forward and they want to testify, or they're trying to get the information, they're threatened—one, for homes; two, for jobs; three, as social outcasts, because they're going against the grain.

Let me point out one of the questions I have here. It's in regard to the access to information process to gain this information for accountability. In order to confirm the client's membership, they would have to consult with the band; they cannot do that without first obtaining their written consent to disclose their identity to the band. So right there, they're in a catch-22: they come forward, they're going to get punished. If they are willing to have them approach the band, they are asked to complete the authorization to disclose their identity.

That's where I think the Taxpayers Federation comes forward and creates a gap, or protects the client's identity, so that there are no reprisals on them. And that's where I think this bill is going—one, to make first nations leaders accountable, and two, to protect the innocent. This is what this bill is about—to protect the innocent and make sure that the band chiefs and elected officials are accountable.

What I've also seen take place.... We've talked about own-source revenue. But we've also seen, for crown corporations, where a chief will sit on a board, for SaskPower, for SaskEnergy, and get supplemental income.

The band members don't know that their chiefs are getting this extra money, that they're travelling. Sometimes what's happening is they're double-dipping, triple-dipping, in funding while on travel. Instead of getting one per diem, or two per diems, they're getting three, and just for one meeting.

That's what I find really disheartening. I don't know if the opposition get that. From my angle, I don't think so.

I think as elected leaders—myself, being first nations—everyone has to be accountable. If taxpayers are spending money on a first nations chief, on myself as a member of Parliament, on a mayor, on a councillor, even on a reeve, on anyone who receives any type of tax benefits or any income coming in from taxes, they have to be accountable. That's about transparency.

Now, we've heard some of the stories. Can you tell me—any one of you—about some of the obstacles that band members have faced when trying to access this information?

• (1620)

**Ms. Phyllis Sutherland:** I'll answer that one. Being a band member, I've applied numerous times. I have a stack of requests from me and other band members, and I've never had a response on one of my requests.

Sometimes I went to Aboriginal Affairs. Sometimes they were helpful. They gave it to me if they had it, but I had to go through the process of proving I was a band member and that I had requested it from the band first.

From there I would go to Aboriginal Affairs in Winnipeg. It takes time and effort, and sometimes they gave it to me if they were allowed, and other times I was told to send my information away to Ottawa. That's a long process. By the time I got information back, sometimes I'd forgotten that I requested it. Often by the time I got it back it was irrelevant.

**Mr. Rob Clarke:** Could the Taxpayers Federation answer that as well?

**Mr. Joseph Richard Quesnel:** As far as some of the consequences you were speaking about, I'm just thinking back.... Before I got into what I do now, in policy analysis, I worked in aboriginal media. I worked at a newspaper called *The Drum /First Perspective*, which prided itself on accountability, transparency, and trying to be more of a muckraking type of independent newspaper for first nations.

One of the things I always remember is receiving information, usually things through the fax, about remuneration, salaries, travel expenses, special needs program vouchers—all these things. I'd get them through the fax or sent in a brown manila envelope to my office. Then I'd finally get a hold of someone, and no one would be able to go on the record. Some of the main things they would say are, "I don't want to get cut off social assistance" or "I'm up for housing and I don't want to jeopardize that" or "My child is going into post-secondary education and I'm worried about getting an allotment of band funds for that". As a journalist, I was not really able to do anything with that.

That's the kind of situation we have with first nations, and Phyllis alluded to that. You're being punted between Aboriginal Affairs or the RCMP, and then, adding insult to injury, often being told to go back to chief and council. When you're alleging mismanagement against them, you have to go speak to them. It's the worst kind of conflict of interest you have to face.

The only other way is to go through the media, or to send something to the Canadian Taxpayers Federation, or to us, the Frontier Centre. That's the only way the first nations have.

If service delivery is not separated, not insulated from elected politics, and if they don't have a board of directors that isn't accountable to chief and council, then the concentration of power causes the worst kinds of consequences.

• (1625)

**The Chair:** Thank you.

We'll turn to Mr. Bevington now for five minutes.

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

I'll address Mr. Craig here. The Canadian Taxpayers Federation, according to the Canadian Bar Association, came out with a paper in 2010, which kind of exacerbated this issue. Here is what they say:

CTF claimed that 160 First Nations' leaders earn more than their respective provincial premiers, and 50 were paid more than the Prime Minister. CTF also alleged that over 600 First Nations' officials received an income equivalent to \$100,000 off reserve. The Assembly of First Nations (AFN) expressed concern with CTF's methodology, noting that its calculations included travel expenses and per diems. Based on AFN's recalculations, First Nations' officials were paid an average of \$36,845 per year. AFN found that only 3% of chiefs and councillors earned over \$100,000, less than 1% more than their provincial premiers, and none more than the Prime Minister. AFN also said that CTF's use of "taxable equivalents" inflated salaries and suggested exorbitant income. AFN noted that the use of the term "taxable equivalent" overlooks the fact that not all band council members are status Indians and therefore do not benefit from tax exemptions for income earned on reserve. Further, it does not acknowledge the historical and constitutional basis for such arrangements.

Your group has come out with a document where you've used figures in a creative fashion to create an aura around the first nations and their councillors' and chiefs' remuneration. Is that not the case?

**Mr. Colin Craig:** No, absolutely not. In fact, some of the numbers you have quoted there, that the AFN used, are from the federal government, and we have advised the federal government that those numbers were incorrect. We've advised the bureaucracy that the numbers were wrong. They looked at some of the pay information, not others....

If you look at a pay sheet from a reserve...there are often, I believe, four columns: salary, honorarium, other, and travel. On the "other" column, I believe the federal government's numbers didn't include that, even though it's pay. If you look at the travel column... quite often that includes pay as well. It's not just a reimbursement for airfare, hotels, and those types of expenses. We saw some examples where someone expensed over \$100,000 in travel. How could a reserve politician expense over \$100,000 in travel and receipts? It just doesn't happen. What it is, is that there are per diems in there for going on trips.

So those numbers were wrong that were provided by the AFN. We stand by the numbers as the best possible estimates we could provide. We've also noted, as I said earlier in our recommendations, that the travel column should be clarified, so that going forward it's clear that it should not include pay for attending different trips and so that money would be put into the other categories and people could see what's happening.

Let's be clear: we do know of some very clear examples where reserve politicians were making more than the Prime Minister of Canada.

Look at Shirley Clarke from the Goooscap First Nation. Talk to her today. You don't have to call her "chief", because she's not a chief anymore. Her community was disgusted by what was going on and they turfed her out.

**Mr. Dennis Bevington:** Well, I think that's—

**Mr. Colin Craig:** If you talk to Ms. Phyllis Sutherland, she can tell you about her chief's—

•(1630)

**Mr. Dennis Bevington:** Okay. I thank you for your comments. My time is limited, so I think I'll move on to my next question, because quite clearly the discussion about this, as I mentioned earlier, is the discussion about the relative role between governments.

Now, you obviously have all the information from many, many first nations. You've been able to get that information. That's provided because those funds are public funds and that information is accounted for by the federal minister in an arrangement with first nations governments. Is that not correct?

**Mr. Colin Craig:** Yes and no. Yes, we have the numbers. No, we don't have the names.

That's the big problem. We got a big spreadsheet that showed salary information, usually by province—with Atlantic Canada, they grouped them all as one—and you could see the pay information by community, but all the names were removed. That's what this legislation is all about: linking disclosure of names with pay amounts so that everyone knows what's going on.

**Mr. Dennis Bevington:** Do you agree with the Government of Quebec, which says that pay is personal information? Do you agree with the particular point of view that that government takes?

**Mr. Colin Craig:** Not when it comes to a politician's pay. I mean, if someone is earning pay for work that is not related to being an elected official.... For example, if you yourself have a part-time job delivering newspapers or something and you get income from that, by all means, that's your private information. When you receive money from the House of Commons and the taxpayers, we believe that information should be public.

**Mr. Dennis Bevington:** That choice on how we disclose information was made by this Parliament, by this government, by the elected officials. We've made choices about how that goes. Do you think the first nations should have that choice as well?

**Mr. Colin Craig:** You made that comment previously about government-to-government funding. If you look at funding between governments throughout Canada, there are all kinds of rules and regulations with that funding. When the federal government gives the provincial governments money for health care, they can't simply take those dollars and go out and build a giant statue of Barney the dinosaur. They have to use it for health care.

It's completely reasonable for the federal government to say, look, if we are giving reserves money to operate, we want those politicians to be up front, just as every other politician in the country has to be. I mean, for goodness' sakes, this is 2012, it's Canada, and we're having a discussion about whether or not politicians have to disclose their pay? The only people in this country who seem to be opposed to this are some politicians here in government and some reserve politicians. Talk to the grassroots: they want to know how much their politicians are making.

**Mr. Dennis Bevington:** Canadians—

**The Chair:** Thank you.

Thank you, Mr. Craig.

We'll turn to Mr. Seeback now, for five minutes.

**Mr. Kyle Seeback (Brampton West, CPC):** Thank you, Mr. Chair.

Joseph, I'm going to address my questions to you this afternoon. You've been quoted—and I have the quote here, so hopefully I have it right—as saying:

We expect salary disclosure from politicians at all levels. So why would we expect anything different for First Nation leadership? The salaries for band leadership comes from taxpayer money, so the public has a right to compel disclosure.

That is the statement you've made, I take it?

**Mr. Joseph Richard Quesnel:** I believe so, if you found that, yes.

**Mr. Kyle Seeback:** So why do you think community members should expect financial transparency and disclosure of salaries for their elected leaders? And why is it important?

**Mr. Joseph Richard Quesnel:** Because it's a moral relationship. It's an ethical relationship. You are given funds and you are the steward of those funds and you have to distribute them according to the best interests of the recipients. Anything else is fraud, or all these kinds of words we use to describe that.

It's an ethical relationship. It can often be a legal relationship. When first nations enter contribution agreements, they have to sign them and spend money in a certain way, depending on the grant and whatnot.

It's the same thing for politicians in the mainstream communities. It is the same type of ethical and legal responsibilities.

**Mr. Kyle Seeback:** Do you think this legislation adequately responds to that need of having to disclose salaries of first nations leadership?

**Mr. Joseph Richard Quesnel:** In terms of band chief and council—it doesn't include tribal councils, which I think probably it should be expanded to, or child and family services for first nations. But insofar as identifying any public moneys or moneys that are used for band entities that are basically economic arms of the government, that's in the legislation; they have to define it that way. I think the bill does a very good job of trying to achieve that objective of disclosing salaries.

**Mr. Kyle Seeback:** Some we heard last week at committee seemed to think that this legislation is going to place a higher standard of financial disclosure than that on other levels of government. Do you think that's true or accurate? Do you agree or disagree with that, and why?

**Mr. Joseph Richard Quesnel:** The main requirement is for the first nation to place the three types of information on a website insofar as bands receive band support funding that would likely come from that. We deal with first nations, without this legislation, that do that already, and that comes out of their funds. In terms of setting up a website and disclosing that information, I don't think that's much more costly or onerous than for other levels of government.

• (1635)

**Mr. Kyle Seeback:** That's great.

Phyllis, with respect to my question talking about salary disclosure, do you think Bill C-27 is going to adequately address that issue?

**Ms. Phyllis Sutherland:** I sure hope so because as an ordinary band member I see a real struggle on the reserve. I can just speak about my own experience and my own reserve. When people found out the salaries of some chief and council members they were pretty outraged. It's pretty hard to live on social assistance, which many people have to live on, which is \$111 every two weeks. Then they see the chief and council making salaries that are sometimes over \$200,000. These people are struggling. They obviously don't see any improvements in their lives on the reserves, so of course they want to know where all the money is going and why the chief and council are getting such huge salaries.

**Mr. Kyle Seeback:** Do you think this is going to be an important step forward?

**Ms. Phyllis Sutherland:** Yes, I do.

**Mr. Kyle Seeback:** Why do you think this disclosure is so important? Do you think it's going to create discussion on reserve?

**Ms. Phyllis Sutherland:** Yes, it is, and I think it's going to be important to the members. I can see them even taking it a step further and the members naming what the chief and council should be making.

**Mr. Kyle Seeback:** With respect to your experience, and I heard what you and others talked about, do you think this will make the process much easier for people, so they don't have to go through some of the kinds of things that you've suggested that you and others have gone through?

**Ms. Phyllis Sutherland:** Yes. The process has to be clearer for people, and I don't know how you're going to do it. The fear of talking and the fear of backlash is all real if you live in a community, because you're treated like an outcast.

**The Chair:** Thank you, Mr. Seeback. I do apologize; your time is up.

We'll turn to Ms. Hughes now, for five minutes.

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP):** Thank you very much. I appreciate your attendance here today.

Mr. Graham, clause 13 identifies a range of administrative measures that the minister can take in the event of a breach by a first nation of any duty imposed by the proposed legislation.

As we see the proposed measures include requiring council to develop an action plan to remedy the breach, withhold funds, or

terminate any funding agreement, given the impact this would have on first nations if the funds were withheld or if they had to terminate the funding agreement, can I maybe have your perspective on the impact this would have on the first nations and whether or not you see that as a suitable solution?

**Mr. John Graham:** I think terminating the funding agreement would likely be the absolute last resort.

By the way, I've had an opportunity to look at what was then called the "intervention policy". I'm sure you're familiar with the intervention policy. It's sort of a three-step process. This is when a first nation gets into financial difficulty; there's a plan that's asked for by the federal government. The next step is some sort of co-management notion, and then a final step is some sort of third management. So there's kind of a layering up of intervention as the problem is looked at and maybe not addressed.

In some sense, this is somewhat similar, and I would think that almost all of these issues would be likely resolved at the first level, which is the federal government saying we'd like a plan for how you're going to redress this. As in the intervention policy, that seems to be the bulk of the ways in which any remedy is reached.

I would guess that obviously there would be no funding cut for any kind of essential services like education, social assistance, or any of those programs that are absolutely essential. I can't imagine the federal government cutting those programs. What it might cut is band support funding. Again, I would see that as a very small minority of cases, but that would be one lever they could use, which is essentially supporting the salaries of chief and council. I would see that likely being the area where funds would be withheld. It would be unimaginable if they were to withhold funds for education, social assistance, and the like.

• (1640)

**Mrs. Carol Hughes:** My next question is also for you.

First nations communities in my riding and across Canada are often short on resources, and there's no secret about that. One of the main themes of Bill C-27 has been to reduce the reporting burden. In your view, how does Bill C-27 reduce the reporting burden for first nations communities? Among the first nations communities that I speak to and that are in my riding, I don't think I've had one of them say they have an easy ride when it comes to reporting. If anything, they say there's a lot of red tape they have to go through and a lot of hoops they have to go through to try to get funding, and their accountability for that to the department is quite high. I'm just wondering if you could respond to that.

**Mr. John Graham:** With the magic number, the 168 reports that the Auditor General noted in 2002, I think, and in coming back several times, noting that the reporting burden hadn't been lessened... I don't see this type of initiative as having a huge impact on that. I think you should perhaps address that to a departmental official who may have better information and a sense of exactly what these reports are. But I would not be touting that, reducing the reporting burden, as one of the major reasons for supporting this bill.

**Mrs. Carol Hughes:** We know there are many chronic problems in many first nations communities, and in your paper entitled, “First Nation Communities in Distress: Dealing with Causes, not Symptoms”, you discussed distressed communities on the extreme end of the well-being continuum. These communities exhibit characteristics such as high levels of social pathologies, high levels of dependency on social assistance, poorly functioning government services, poor housing, rundown public infrastructure. It goes on to note problems relating to governance, little in the way of cultural activities.

My question to you again is, does Bill C-27 address these problems?

**Mr. John Graham:** No, of course, it doesn't.

That's why I'm saying in my introductory remarks that this is a fairly modest initiative. Don't get your hopes up that suddenly by passing Bill C-27 there's going to be light at the end of the tunnel. Of course, there won't be light at the end of the tunnel. These are monumental social policy issues, perhaps the most important that Canada faces, and they are very difficult. No committee, no Parliament of Canada, is going to resolve them.

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

We'll now turn to Mr. Boughen, for five minutes.

**Mr. Ray Boughen (Palliser, CPC):** Thanks, Chair, and let me add my voice of welcome to our panellists. Thank you for appearing with us this afternoon.

My questions are slated to you, John, and they look at governance and the link to transparency, so I've got two questions to ask you.

We'll start with number one. Based on your experience as a researcher and a consultant in aboriginal governance, how important would you say it is to promote the financial accountability and transparency of first nations governments?

**Mr. John Graham:** How could you answer that question other than in the affirmative? Of course, good accountability, as I said, is a universal norm. Transparency is absolutely fundamental to accountability. It's not the be-all and end-all to accountability. Accountability is a very difficult thing to realize in practice. Transparency surely is an underlying platform for trying to provide a good accountability story for your constituents and indeed for your funding partners.

• (1645)

**Mr. Ray Boughen:** We've heard there are a number of reserves that have accountability and transparency in place right now. Do you see that move will continue, or do you see resistance to that? What are your views on that?

**Mr. John Graham:** A lot of things could certainly improve the situation. I really like certification systems. They are a tool that is being used more and more in public administration and indeed in administration in the non-profit sector. You even see them in the private sector. By certification systems, I am talking about ISO certification—the International Organization for Standardization. I am talking about Accreditation Canada, which is making inroads in some cases in health governance in first nations. They are providing positive incentives to performing good governance practices such as transparency.

If you had a certification system, for example, and one of the demands of that certification system was high levels of transparency—in areas such as salaries of your senior people—and there were useful incentives for getting accredited, then you would have people demanding that first nations get certified, and that all these good governance practices that are required for certification actually happen. Certification is a very good instrument to look at.

**Mr. Ray Boughen:** You would see that demand coming from within or from without?

**Mr. John Graham:** One of the notions about good governance is if you want it to be sustainable, it really has to come from the grassroots. It has to come from the folks themselves. I put this teaser out that there was one example of an amazing transformation in terms of governance—one of the very few examples over the last decade. Where was that? Can anybody tell me in this learned committee? What continent had a number of countries transform themselves really quite rapidly in governance terms? The answer is Europe. It's the European Union. The reason was that citizens looked across their borders in Bulgaria, Romania, Lithuania, and Estonia and said, “We want to be part of the European Union. Look what life is like there. That's what we want.” The European Union said, “Fine. You are welcome into our club, but here are the conditions.” The conditions were a lot of good governance and market economies. “If you want to come into the European Union, this is what has to happen.” By God, all of the politicians in these countries, pushed by their citizens, said, “Yes, we're going to get into the European Union. We're going to do these good governance reforms because that is what is going to give us a much better life. We can see it across the border.”

The question is, could we imagine a kind of club that would be equivalent to the European Union that the first nations would want to belong to? To get into the club, you would have to have good governance. The judge of whether you got into the club would not be the federal government; it would be some sort of neutral agency out there, like the ISO or something else.

**Mr. Ray Boughen:** Let's leave that for a minute, gentlemen.

**Mr. John Graham:** That's my thought for the day.

**The Chair:** Thank you, Mr. Boughen. Your time has expired.

**Mr. John Graham:** I'm sorry, I apologize for that long answer. I should have been much more succinct.

**The Chair:** Let's turn to Mr. Genest-Jourdain for five minutes.

[*Translation*]

**Mr. Jonathan Genest-Jourdain:** Mr. Graham, I am going to address you in French.

**Mr. John Graham:** I can get by.

**Mr. Jonathan Genest-Jourdain:** In your presentation, Mr. Graham, you focused a lot on the dysfunctional side of things. I believe you mentioned those elements again, just recently, and you even encouraged us to ask you about them.

I would like to hear your take. What do these limitations and dysfunctional aspects mean, tangibly speaking, for the planned financial transparency initiatives?

[English]

**Mr. John Graham:** I have written on several occasions...and I'd be happy to provide you with the publications, but first nations have an extremely dysfunctional governance system. It's hard to imagine anything more dysfunctional than what we have in Canada vis-à-vis this first nations governance system. It is highly dysfunctional.

When you look at this initiative in light of the masses of dysfunction, this is pretty modest. That's what I would say.

As one example, I don't know of any governance system that is highly performing that doesn't have some sort of tax relationship with its citizens. We do not have a tax relationship with our citizens in first nations country, with some exceptions. Some self-governments in the Yukon, for example, are moving into a tax relationship.

Unless you have a tax relationship between citizens and government, you're likely not to get very good accountability. It doesn't matter what you do. You can have all the transparency in the world, but I have never seen any state that has good accountability without that tax relationship.

When you look at countries that are dependent upon oil revenues or natural resource revenues, or even fiscal transfers from another country—from the central state—you're likely to get lousy governance from a whole series of dynamics that happen when you do not have a tax relationship.

That's why I say that this is modest. It's a step forward. I would support it. But when you look at the level of dysfunction in this governance system, this is small potatoes. It's what is called in English, "small beer".

• (1650)

[Translation]

**Mr. Jonathan Genest-Jourdain:** Thank you very much.

Mr. Quesnel, in your presentation, you talked about other ways of resolving disputes. In fact, you talked about

[English]

alternate measures for dispute resolution.

[Translation]

Could you elaborate on those alternate measures for dispute resolution?

[English]

**Mr. Joseph Richard Quesnel:** The whole idea of first nations independent dispute resolution mechanisms is usually used in the context of elections and governance. The argument is that if a first nation removes itself from the Indian Act, as far as elections go, and adopts its own custom code, it can adopt its own constitution. It can actually enact accountability measures. The problem with that is that in order to enforce when there is a conflict, often one of the parties has to go to Federal Court.

Look at the Roseau River First Nation in Manitoba, where there were two elected chiefs at one point. There was a problem, and the

custom council wasn't empowered to actually remove the chief who was elected under the Indian Act. That wasn't in their constitution. The Federal Court said that if they were following their own procedures, this should happen. He validated the decision of that body to remove the chief and council.

The problem is they would have to go through court in all of this. The idea is that if there is some kind of independent body before you have to go to court, then it comes from the first nation community. It's independent from that community. It's given funds to do that job.

The idea I was thinking of is that instead of...looking at this, Bill C-27, if you're trying to get a disclosure, there would be some kind of body, a regional or a national dispute resolution mechanism, first nations-led, where members could go, kind of quick and easy, to find out the information.

What might be more feasible would be an ombudsperson at the local level. There are first nations now that are setting up ombudsperson offices. Siksika Nation in southern Alberta, close to where I live, worked with the University of Lethbridge, and they set up an ombudsperson office—the independent appeal process. If there were housing disputes, hiring disputes, all these kinds of things, you could go to that.

It's independent, and it avoids all this kind of litigation and costliness.

Hopefully that answers your question. I hope the committee would be able to look into that as an alternative.

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

We'll turn to Mr. Rickford now for five minutes.

**Mr. Greg Rickford (Kenora, CPC):** Thank you, Mr. Chair. Thank you to the witnesses for coming today.

Joseph, I'm just going to raise one quick point with you before I ask Phyllis some questions. I agree completely with you about the need to have services depoliticized, if you will, programs and services taken out of the business of politics, because they're far more effective. I spent a professional lifetime working on just that prior to getting elected. We've had tremendous success. It's actually been very well received by first nations governments. It would be interesting to talk to you about that.

Phyllis, first of all, welcome from Peguis First Nations. We share a common journey to Winnipeg—Mantario. I'm coming from Kenora, you're coming from Peguis. It's about the same distance, but we have an appreciation for the airport there and the drive, just to let you know. It's a beautiful community. At 7,200, it's the largest first nations community in Manitoba. I wish you and your community all the best on the new arena, which I understand is going to be the Cadillac of arenas for the community.

Phyllis, since you started the Peguis Accountability Coalition, how have you been received by chief and council?



•(1655)

**Ms. Phyllis Sutherland:** No relationship whatsoever. If I go to a band meeting and ask questions, there are people who are put in place to get up and shout me down. I was at a meeting, standing at a podium, when a band member came up. I literally thought he was going to assault me. Those are the kinds of things we put up with.

**Mr. Greg Rickford:** I've met Chief Hudson—he's a great guy in many regards. I know your community is doing a number of large-scale projects you're having some success with. It sounds to me like there is some tension amongst community members, and that's something this committee needs to hear. There's a bit of a communication exercise we have to go through—I see some heads nodding at the panel there—so we can build on that. It's an important point for us to take.

Beyond specific information, which I think you answered in your speech, I have a couple of other important questions. First of all, does Bill C-27 address your concerns? If the answer is yes, and perhaps even if it's no, what kind of financial literacy steps have to be done for a band member such as you or anyone else to go to a given website? What would they need to see? What steps would they have to go through to be able to understand it? Not everybody can read a consolidated audited financial statement, necessarily.

I'll get that answer from you, and if there's enough time, maybe Joseph will get a minute to chime in, given his enthusiasm.

**Ms. Phyllis Sutherland:** The information on the website should be laid out in a simple format that people can understand. They can understand, say, that education got \$14 million in funding, or the band used \$2 million to pay the band deficit—stuff like that. The band got \$4 million in housing. Where is that \$4 million? There were no houses built.

**Mr. Greg Rickford:** The reporting requirement beyond just the audited consolidated statement should have these items in clear and simplified view for the purposes of your ordinary, average person looking at it.

**Ms. Phyllis Sutherland:** Yes, because right now—somebody alluded to it already—there's the use of own-source funding for slush funds for favours for supporters.

**Mr. Greg Rickford:** I don't want to implicate anybody here today, Phyllis. My exercise is more pragmatic. I want to break down the steps. I'm trying to envision what a person would do.

**Ms. Phyllis Sutherland:** That's a big job. You have to start with the election; it goes right back to that. The very act of allowing somebody who lives 2,000 miles away or in another country to vote, when they haven't a clue what living on a reserve is like...

**Mr. Greg Rickford:** That's a good point, so beyond the *Gazette*, the first nation member who is not living in the community has no access.

**Ms. Phyllis Sutherland:** Yes, and another thing that's closely related to that is who has access to all this information. Let's say Joe wanted to run for council; he doesn't know who lives where. The chief and council have access to all that information.

**Mr. Greg Rickford:** I appreciate that.

Joe, did you want to chime in just briefly?

**The Chair:** Mr. Rickford, I apologize, but your time has expired. You will have another round to chat with the witnesses.

Mr. Donnelly, we'll turn to you for five minutes.

•(1700)

**Mr. Fin Donnelly (New Westminster—Coquitlam, NDP):** Thank you, Mr. Chair.

As well, thank you to our witnesses for appearing before the committee.

I have two questions. The first question is for Mr. Graham.

I'll start off with a remark and say that if we assume the fundamental principle of government-to-government relations is critical, and we also assume and accept that corruption at any level of government, or within any organization that receives public funds, is unacceptable, given those and what we're trying to fix here, would you agree that the best method or way forward is a legislative approach?

**Mr. John Graham:** I support this initiative, for sure. Will it solve all accountability problems? No.

I wouldn't mind addressing this government-to-government issue, because Ms. Sutherland raised it. Is that all right? I don't want to waste your time.

**Mr. Fin Donnelly:** Sure. Take a minute.

**Mr. John Graham:** There is a sort of assumption that because this is a government-to-government relationship, each of the governments—that is, the first nations—should be allowed to essentially decide on what kinds of accountability relationships and that sort of thing. I think there are some really interesting differences, though, between a relationship between the federal government and the provinces, say, and between the federal government and first nations.

Even when you look at the relationship between the federal government and the provinces, there are certain grant-like transfers—health, equalization payments, and that sort of thing—but there are also contribution arrangements between these governments, which do have conditions and reporting requirements that the federal government imposes on the provincial governments. It's not all just simply a transfer of money and there you go.

The second point, I think, with this government-to-government relationship is that you have probably somewhere between 80% and 90% of first nations funds coming from the federal government. If you look at the provinces, you see that it's probably something like 80% coming from their own-source revenues. So it's quite a different thing when problems arise, in that the Minister of Aboriginal Affairs is the one taking the risks, in a sense, because the media immediately turns it to his attention and says, “Look what federal funds are doing: they're creating this mess.”

It's quite different in terms of the relationship here, because when the provinces muck up, it's not the federal government that's usually on the hook; it's the provincial minister. It is quite the reverse in this situation.

**Mr. Fin Donnelly:** So these are contribution agreements...?

**Mr. John Graham:** Right.

**Mr. Fin Donnelly:** However, if you look at first nations, if you look at provinces, if you look at cities, and if you look at charitable organizations that receive grants, you see that there are structures within those organizations that have been developed, whether or not it's by the federal government. They're more than likely developed by those organizations. I'm just wondering if the best method forward is a legislative approach, but in the few minutes I have remaining, I want to ask Mr. Craig a question, if I may.

Again, I'll just start off with a preamble. I think, Mr. Craig, you said that the average Canadian wants to know how taxes are spent, and I'm not sure that's the case. There's no question that some Canadians want to know that level of detail, but I would probably argue that there are many more Canadians who want to know that their tax dollars are being well spent or properly spent. I think there would be quite an argument over the priorities for how those tax dollars should be spent. In other words, you're going to get into quite a discussion when you talk about use of tax dollars.

I guess where I'm going—and I think you brought it up—is that publishing the salaries is one thing, versus the other columns that are also critically important when you're talking about income. I think what we're talking about here are two things: disclosure of public funds and also the misuse of public funds, or the alleged misuse. Essentially, we're dealing with an issue of income levels, fairness, and equity, and I think we're trying to find out what is the best way to achieve the level of fairness and equity with the use of those dollars. So I'm wondering if—

**The Chair:** Mr. Donnelly, you have only 20 seconds left, and you want to get some answers in here, I'm sure.

• (1705)

**Mr. Fin Donnelly:** Twenty seconds? Sure.

I'm just wondering if publishing salaries over a particular threshold is the way to go, or if there is some other method that you would suggest.

**Mr. Colin Craig:** One of the things we like about this legislation is that it doesn't really increase the burden on reserves. This information already has to be produced. What it does is it merely puts it online.

You know, it wouldn't take long at all to take, say, all the statements from last year, hire a summer student, get them to scan them all, and start posting them on the reserve profile sites, which are already online. That could be a very easy step to get all this information on there.

We think it's positive to report the full pay picture for reserve politicians, for two reasons. As I've already stated, band members want to know what the full picture is, right? If a chief or a councillor is receiving money from a gas station, they want to know how much they're getting in terms of that total pay amount. But taxpayers also want to know how funds are being spent on reserves as well.

We're not suggesting that every single person out there in Canada wants to spend their evenings going through these profiles to see what's happening in every community. I mean, obviously that's not the case. But it is important to have that information available so that, as I stated before, if there is a reserve that has indicated that they need more money for this, that, or the other thing, then the typical

person living off reserve can go in and look and say, "This community is very transparent, and their pay levels aren't very high. You know what? It might make sense to vote for a politician who wants to put in a new sewer system there."

I think that's why it's important to have this information online.

**The Chair:** Thanks so much.

We'll turn now to Mr. Richards, for five minutes.

**Mr. Blake Richards (Wild Rose, CPC):** Thank you, Mr. Chair.

I think I'll start with you, Mr. Quesnel. When my colleague Mr. Rickford was asking some questions of one of your fellow panellists, you looked like you were kind of eager to respond as well to that question.

I just wanted to give you the opportunity to add your voice on that.

**Mr. Joseph Richard Quesnel:** Could you remind me of the question? I think there were a couple of points I was eager to answer.

**Mr. Blake Richards:** Sure. And if there's another point you wanted to make, I would allow you to do that too. That would be just fine.

I think the question related specifically to providing the information, and how it might best be provided and shared in terms of ease of use for people in order to help create the accountability they're seeking.

**Mr. Joseph Richard Quesnel:** For this particular bill?

I'm sorry, I'm just trying to understand completely.

**Mr. Blake Richards:** I understand that there was something else you were eager to respond to as well, which is fine, and I'd give you that opportunity. You did seem like you had something to share with us there.

But yes, that was specifically the question, I think, that Mr. Rickford had put.

**Mr. Joseph Richard Quesnel:** One question I was asked earlier, I guess by Mr. Wilks, was about the benefit to leaders, to members, and to Canadian taxpayers. That's something that I can quickly remember that I was kind of...

The relationship we're looking at right now is not what some would term the ideal situation of self-government. That's why, when we talk about government to government, or nation to nation, when we start using that language, are we talking about what exists now or are we talking about a theoretical future?

It's important to know that Bill C-27 specifically excludes first nations who have a self-government agreement, so we can't talk about those communities that have these kinds of measures in place. Under the current Indian Act, the lines of accountability run from the chief and council to the minister and the ministry. Looking at that situation, you have to recreate relationships between members and leaders. That's what John was talking about with the tax relationship.

But on a basic level, having some kind of disclosure does try to recreate some kind of governance relationship that doesn't exist fully under the Indian Act so that band chief and council can be accountable to their members directly. That's the benefit to them. They have that sense that they're accountable, and they can go to their members and say that.

To members, same thing: it recreates that relationship that the Indian Act doesn't have and that the Indian Act undermined when it was first introduced.

When it comes to the Canadian public, it goes back to the thing about the funds—namely, are they being well spent? If you have a certain proportion of your money going towards salaries and whatnot, that's an issue that a lot of members want to know about. There are scarce funds on first nations reserves, so they want to know that information.

First nations do, and also taxpayers; we have a moral responsibility, as Canadians, to first nations, to the indigenous inhabitants of this country, and we want to make sure that the money we're sending is being well spent and is actually going to help. That's the benefit to them.

I'm just kind of... Maybe the question came to you while I was speaking. Sorry.

• (1710)

**Mr. Blake Richards:** I wanted to give you that opportunity because you seemed eager.

I had a couple of questions I wanted to pose to Mr. Graham as well. If you don't mind, if we do have some time I'll come back to you.

Mr. Graham, obviously our government recognizes how important accountability and transparency are. It's certainly one of the key things that we want to ensure to a greater degree on the federal level. You can look at the accountability act we brought in when we first came into government as a good example of our commitment to accountability and to transparency. This is what this bill seeks to do.

Can you comment on this, as you've had some experience as a consultant? I would like to hear your thoughts on the relationship and how important the relationship is between accountability and transparency and effective governance. Can you comment a little on that relationship and how important that is?

**Mr. John Graham:** One of the points I made was the difficulty of achieving good accountability in the public sector. I'll elaborate a bit on that.

As I said before, accountability a number of decades ago was really looked at from the point of view of the propriety of spending money. Was the money really spent for education the way it was supposed to be? Now we're into much more of a results-oriented management-type universe, where the accountability story has to be not only was the money spent where it was supposed to be spent in terms of the sources, but did it get good outcomes. Are we getting good education for the dollar we're spending?

That's a very difficult question for any government to answer, just because so many factors besides the education system produce good

education. It's not simply because you have teachers in classrooms, but there are a lot of other factors, parents and the like, that go into making a good education system. Accountability is no easy thing.

The other thing about accountability is that it's not an absolute, sadly. You can put too much store on accountability and essentially have derogatory effects on other good government principles. For example, if you put so much store on accountability, you're likely to reduce performance. You're going to have so many people worried about the risk of somehow being labelled as some person who has gone beyond the bounds that there isn't any kind of entrepreneurial spirit within the public service. It's not an absolute.

Another problem with accountability is that it can deal adversely with legitimacy. You have so many bad stories coming out of accountability institutions that all politicians are somehow seen as stupid or corrupt. That's the other problem with accountability. If you put too much emphasis on accountability, you're going to have questions about the legitimacy of politicians and the legitimacy of public service. That's why accountability in some sense is so difficult. It's not an absolute, and this results-based management makes it very difficult to have a compelling, cogent, accountability story.

In summary, transparency is obviously critical to good accountability. I don't think there's any question about that. It's the handmaiden to good accountability. It's not a panacea that's going to suddenly get you to nirvana or some promised land.

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

We'll turn to Ms. Murray now for five minutes.

**Ms. Joyce Murray:** Thank you.

Thank you, Mr. Graham, for that comment about putting so much store on accountability that you can have an adverse impact on productivity or results.

Of course, accountability and transparency are principles that everyone around this table considers to be important. However, I want to go back to this own-source revenue.

I'm familiar with first nations in urban areas who have chosen to utilize some of the properties they own to invest in businesses that can produce wealth and benefits for their community. That seems very parallel to a private sector business. The shareholders are the band members. They have management that on their behalf is creating wealth for the community. If I'm a private sector business owner, I am accountable to the shareholders—the minority shareholders, the partners. I am not accountable to the public for what investment I'm making and the funds that are being made by that investment.

What you're advocating for here, with this own-source revenue being posted for anyone in the world to see, appears to me to be a completely different standard than would make sense in a case where the band has their own business that they have purchased or invested in with their own assets, not a transfer from government.

I'm still trying to understand how that makes sense. You, yourself, have acknowledged that can actually impact on productivity. If one of the keys to addressing the gap of first nations versus non-first nations, in terms of economic measures and all of the measures surrounding that, is the ability to have an attachment to the 21st century economy, how are we helping that by putting on this level of scrutiny, which is above and beyond what we would do with that kind of enterprise in non-aboriginal hands?

• (1715)

**Mr. John Graham:** Don't get me wrong. Just because you take one small step in accountability, it doesn't necessarily mean you're going to have an adverse effect on performance. I'm saying that there is a balancing effect here. All good governance principles are not absolutes, so you have to be careful that when you move in one direction you're not providing something adverse in the other. I guess that's what your question is all about.

All I would say is that if you look again at the federal-provincial relationship—the government-to-government relationship we have in a federation—own-source revenue is a critical factor in terms of equalization payments. It's part of the fabric of our country, and indeed part of our constitution. I think inevitably we will be moving towards an era where first nations own-source revenue is going to be an important part of the transfer mechanisms between the federal government and first nations.

Would you agree with that?

**Ms. Joyce Murray:** I understand the point you've just made. However, that really does not tell me why it's imperative for this federal government to make sure that every single citizen in Canada who wants to can inspect the details of private enterprise that the band is engaged in.

The question I would ask is, if economic benefits and an attachment to the 21st century economy are key to the well-being of first nations—and I think most of us agree they are—how does this improve the economy of those first nations? How does it support their aspirations to be independently creating that attachment to the 21st century economy to have a level above and beyond anybody else in the private sector in public disclosure of the internal workings of their enterprise?

**Mr. John Graham:** I think if you looked at any provincial government, or indeed any municipal government, their reporting requirements surely would include reporting on any kind of commercial ventures. For example, the Government of Canada has several ventures that make a lot of money. The Bank of Canada, which I used to work for, makes a fair amount of money by various means, and that's part of the Government of Canada's accounts.

**Ms. Joyce Murray:** I will contest what you just said, because when you think about the Canada-China partnership agreement that's just been signed, there is no transparency. It is not being discussed in Parliament. Nothing has been disclosed, and in fact, when I asked a question today, the minister—

**The Chair:** Your time is up, and I think we're now talking about something that's—

• (1720)

**Ms. Joyce Murray:** No, it's a totally fair response to what Mr. Graham just said. The argument the minister made was that it was necessary for—

**The Chair:** Ms. Murray, your time is up.

Maybe you and Mr. Graham could continue this discussion later. I'll now turn to Mr. Rickford for five minutes.

**Mr. Greg Rickford:** Thank you, Mr. Chair.

I just want to point out to our panels today, and certainly to the Canadian Taxpayers Federation, that of the four suggestions or potential for amendments that you have made, one of them I think deals with what the member started out talking about before we got into free trade agreements—maybe she's on another committee, I'm not sure, and it just all came flooding back to her quickly.

Importantly, and with respect, it deals with ensuring funds the chiefs and councillors receive for sitting on tribal council boards, provincial bodies, and other band partnerships. We've heard from Whitecap Dakota First Nation, a very successful and sophisticated community in terms of business, and they've tabled some amendments that perhaps my colleague, in fairness, wasn't privy to that dealt with some of the issues around business enterprises, focusing squarely, of course, on the benefits to the elected politicians for their reporting requirements.

Furthermore, this particular committee that I referred to has gone on to develop a commission or committee that establishes the wages. I believe one of the witnesses alluded to that in his speech. I find that interesting.

Joseph and/or Colin, through your work, are you aware of situations—I think you mentioned one—where this bill, had it been in place, could have improved a situation, a set of circumstances in a first nation community? Are you able to give concrete examples?

Joe, we'll start with you. I know you've talked to a lot of folks.

**Mr. Joseph Richard Quesnel:** First would be the example I had about the Sioux Valley Dakota Nation in Manitoba. There was conflict in the community, in the band constitution that mandates disclosure of salaries and benefits and everything. The elected chief and council were not forthcoming. Had this information already been there on a website, we would not be in that situation.

Other first nations have the same thing, the potential for conflict, usually during band elections. It would be great to have that information in front of them, obviously, when we're trying to gauge leadership or the decisions they've made.

**Mr. Colin Craig:** I can think of lots of examples of how this legislation would really help. I previously mentioned two examples in Atlantic Canada where once the band members knew what was going on, they elected a brand-new slate of officials. In one case, they voted in Chief Janette Peterson because they liked her platform of accountability and transparency. They were upset with what was going on, and they had no idea.

Those are two examples right there of how this legislation could definitely help.

**Mr. Greg Rickford:** Except, Mr. Craig, in fairness, there may have been situations where if people had the information available to them, they would have understood that from time to time there perhaps wasn't a problem. I would think that. I've spent a lifetime working with first nations leadership. In fairness, I think that many have been credible, certainly in terms of their reporting requirements. The issue is whether it's publicly recorded.

Do you share the prevailing view, as learned folk yourself, that sometimes the better exercise here—finishing up perhaps on a positive tone—is just that...? Phyllis, if the information is there, it often clears up some of the issues that would otherwise be unclear to first nation community members, and perhaps to a larger constituency. Is that a fair statement?

**Mr. Colin Craig:** Yes, exactly.

Once this information is out there, this will help a lot of the good chiefs and councillors who are doing really good things for their communities.

**Mr. Greg Rickford:** I think there's a lot of truth to that statement.

I have no further questions. Thank you.

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

We want to thank our witnesses today. We are unfortunately out of time, and we've completed our third round of questioning, so we will now complete our meeting.

I want again to thank our witnesses, Ms. Sutherland, Mr. Quesnel, Mr. Graham, and Mr. Craig. Thank you so much for taking the time today to be part of our study of this bill. We know that you all have busy lives and you had other things that were probably as important as coming here. We appreciate your willingness to come here and give us what was important testimony. Thanks so much.

The meeting is adjourned.

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