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Chair

Mr. Dean Allison

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• (1105)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): I think we'll try to get started now. Pursuant to Standing Order 108(2), we are continuing our study on Canada's Arctic foreign policy.

Today I want to welcome Tom Paddon, who is the president and chief executive officer of the Baffinland Iron Mines Corporation. We're glad to have you here today.

The way we normally work is that we'll give you 10 minutes for your opening testimony, sir, and then we'll just go back and forth over the next 55 minutes to ask questions. We'll wrap up around 12 o'clock.

Thank you once again. Someone else was supposed to be here with you but was not able to make it, so you get all our attention—all of it.

Voices: Oh, oh!

Mr. Tom Paddon (President and Chief Executive Officer, Baffinland Iron Mines Corporation): I get the full onslaught.

The Chair: Yes, exactly.

Welcome, sir. I'll turn it over to you for your opening testimony.

Mr. Tom Paddon: I'm very glad to be here and to have had the invitation to come to talk to you.

I will just explain a little bit about who I am. I'm Tom Paddon. My interest in the north comes about honestly, in that I'm from Labrador, from a very small community. I'm now living in Toronto and wistfully looking at the north from time to time, but now in my new job I get to go up there.

As background, and perhaps important in understanding my motivation, my parents were medical missionaries in the north, and my grandparents were medical missionaries in the north. My attachment to the north comes from a personal interest first and foremost, rather than a professional one. However, as the CEO and president of Baffinland Iron Mines, I'm also attached work-wise to the north.

We're currently pursuing the development of a rather large iron ore project at Mary River at the northern end of Baffin Island in Nunavut. This is a project that we are pursuing in two phases. The first is an approximately \$700-million development, and it's part of a larger approximately \$5-billion development. It makes for a large project in Canada's north, the largest currently under consideration.

We are doing this through the required processes. We have been through the Nunavut Impact Review Board process for about four and a half years and have received a permit to move forward, concluding an impact and benefit agreement with the Qikiqtani Inuit.

Previously I was involved in another project, Voisey's Bay in northern Labrador, that had some success in reconciling aboriginal interests in the area with the desires of the developer to find some mutual success.

Lastly, I'm on the board of ArcticNet, which some will be familiar with. It's a collaboration of science, industry, and aboriginal organizations looking to pursue meaningful scientific research across Canada's north.

That's the perspective from which I speak: a blend of those three.

Through all of those activities in recent years, I've come to the conclusion that domestically we have yet to realize the full potential of what can be achieved by the natural alignment that is possible among industry, the national government, and regional interests, particularly aboriginal interests. There is huge potential for mutual success. Development, when it is done with that in mind, will ultimately be successful on a number of fronts.

This concept of aligned interests driving mutual success recently became more broadly spread in terms of how this concept could be interpreted internationally, which I guess is the purview of the committee and perhaps is why I'm here today. Recently, I began to be very interested in the concept of a multi-sectoral transnational Arctic business organization, an Arctic business council, for want of a better label.

This led to participation in a gathering in Reykjavik about six months ago with some like-minded people, primarily from business, but from a number of other fields as well, who debated over a period of a couple of days the value and the potential for coming together in some sort of, as I say, multi-sectoral transnational organization that could interact appropriately, and in particular with the Arctic Council.

We recognize the Arctic Council as an important organization that's growing in importance and significance. What we considered was the ability to provide an interface between the Arctic Council and the business perspective and to do a number of specific things.

•(1110)

One would be to inject a fact-based narrative into the public perception of what is actually occurring in the north. It is the case that development in the north has been taking place for many decades. In general, particularly in Canada, it is being pursued responsibly, under stringent requirements, fully involving aboriginal people. It's being pursued in a way that is perhaps different from the way in which it is sometimes portrayed, as a free-for-all in the Arctic, which is simply not the case.

So the importance of balance in the public consciousness of what is actually occurring in the north occurred to us, but more factually the ability to share best practices. Canada has been the developer of many best practices about how to undertake things in the north.

Additionally, there is an enormous amount of research that companies are conducting as a result of environmental assessments, environmental effects monitoring, and socio-economics effects monitoring on what would be best deployed in a collective and collaborative manner rather than simply in the more regional pockets in which it's currently contained.

We had come to the conclusion that a number of us could pursue this just in general dialogue with those we're in contact with. I've spoken to representatives of the federal government on the issue a number of times, obviously fully aware that the Arctic Council's presidency is passing to Canada. I believe there's potential for a common agenda to pursue a concept such as this, given that the United States, our good neighbour, is following us in the presidency.

We had considered the best way to pursue such an organization, recognizing that there were three options. We could try to develop something that was fully stand-alone and brand new, which of course would require some maturation of the organization over some period of time. We could work to develop some kind of affiliation with a pre-existing organization that had a platform for Arctic engagement, and have a business-specific initiative of that. But in my perspective, the optimal approach would be to engage directly with the Arctic Council and suggest that the Arctic Council have, as a facet of its organization, a business-specific consideration, given the importance of what is happening in the north and the need for it to be carefully considered by the member states of the Arctic Council.

That has been the suggestion. There have been a number of discussions with the federal government in Canada, but also with like-minded people in business in other countries with their national governments also, to propose such a path forward.

It is certainly an informal gathering and an informal suggestion. There is no particular ownership of the idea. It is simply a suggestion that it would be an appropriate path forward to ensure that a realistic business perspective is brought to considerations of the Arctic Council while at the same time ensuring that the value of the activity and the responsible manner in which it should be undertaken is shared amongst the Arctic states.

I think that's about ten minutes.

The Chair: You're close: nine minutes. Good job, and thank you.

We will go to questions, and we will begin with the official opposition.

Mr. Dewar, seven minutes, please.

Mr. Paul Dewar (Ottawa Centre, NDP): Thank you to our witness, and for the perspective you bring.

We obviously are looking at this file because of our chairing in May of the Arctic Council, as you are aware. I'm just curious, in terms of your conversations, with whom were you speaking at the federal level? What department was it?

•(1115)

Mr. Tom Paddon: It was CanNor, the Canadian Northern Economic Development Agency.

Mr. Paul Dewar: What was the response? Were they interested in that? And where do you see it going?

Mr. Tom Paddon: I think there's a genuine interest, because I think there's a strong realization, which is apparent from the policy of the Government of Canada—and I shouldn't speak for them—that responsible approaches to development in the north are required and that therefore some means of taking into account the successes of businesses is appropriate.

There have been developments in the north that have operated according to.... Our own project is an example. We fall under the purview of the Nunavut land claim, going through the Nunavut Impact Review Board and the other institutions of public government. These are methods to ensure that the perspectives of Inuit along with other northern people are fully accounted for. There is potential there for sharing the best practices that have been developed by industry. That was a suggestion.

Mr. Paul Dewar: I'd like to have just a little bit on who you are. In terms of your investment portfolio, who are the investors in your company?

Mr. Tom Paddon: Baffinland is fully owned by ArcelorMittal, which is a steel company, primarily European-based, and EMG, Energy and Minerals Group, which is based in the U.S.

Mr. Paul Dewar: I just wanted to gain perspective as to where the money flows come from.

Mr. Tom Paddon: It's important to note that today I am appearing—I can't help my baggage—as Tom Paddon, resident of the north rather than on behalf of the company.

Mr. Paul Dewar: I appreciate that. Fair enough.

One of the things we've discussed at committee is who should be on the council. In other words, whether permanent observer status should be extended to both the EU and China. Do you have any opinion on that?

Mr. Tom Paddon: I do, perhaps as a somewhat uninformed one, but I've listened to some of the debate. As well as I can tell, it revolves around the fact that the states with high populations and broad geopolitical interests understand that the Arctic is terrifically important going forward, and given that they have large constituencies who will inevitably be affected by what happens in the Arctic, they should be represented.

Given that we live in Canada and have a relatively small population, I don't think we have within our purview to inject social policy into highly populated states to ensure that the Arctic isn't affected. I think it's always worth considering other people's opinions, but I think when it comes to responsibility for the Arctic, ultimately it's the coastal states and the members of the Arctic Council that have it.

Mr. Paul Dewar: So as an individual, you wouldn't support extending observer status to the European Union or the Chinese?

Mr. Tom Paddon: I'm not enough of an expert to know what the observer status entails. I know there are six permanent observers from the north, and I think they absolutely should be engaged. But when it comes to the decision-making, I tend to think it's the Arctic states themselves.

Mr. Paul Dewar: You're referring to permanent participants, but that wouldn't be the same thing. Fair enough.

I'm curious. You were talking about having a kind of business perspective, an interface. Why couldn't that be done through normal channels? You meet with the government. There is an opportunity, I would assume, to present briefs, to make presentations to their council. I'm trying to understand what's unique about what you're suggesting here.

You could argue that other institutions or groups would want to have the same relationship, and I'm just wondering whether, if we start to hive off certain groups—business or others, and I could go through a list—that could make it difficult. I'm just trying to understand why you couldn't do that through normal channels and processes.

● (1120)

Mr. Tom Paddon: I think that to some degree the possibility exists through the sustainable development working group of the Arctic Council, which has as part of its purview appropriate development considerations.

I think it goes a little further than that. It wasn't in isolation that the concept of some sort of an Arctic business council was put forward. It wasn't only as a function of interacting with the Arctic Council. It was also, as I say, to share broadly best practices and to inject a fact-based narrative as to what's actually occurring.

But I do think there is an opportunity to share with the Arctic states the opportunity for synthesizing an improved approach. Industry is involved in developing infrastructure, for instance. Just using Canada as an example, industry is involved in developing infrastructure and frequently has to do it on its own in the north. We know that, within Canada, an issue of public interest is search and rescue in the north. There has to be the possibility of an aligned interest between people who live in the area and who have an interest in good search and rescue service, and industry, which is, in our case, building an airstrip at the far end of Baffin Island, an interest that is in turn aligned with the public interest in providing a sensible service at an economically affordable cost.

I think that conversation can be broadened. I think industry, business in general, is in a particular position to engage in that kind of conversation with the northern states as to how best we can achieve answers to industry's interest in developing responsibly and

state interests in addressing issues of public importance. I think there's an opportunity there.

The Chair: Thank you very much.

We're going to move to the government side.

Mr. Dechert, you have seven minutes, please.

Mr. Bob Dechert (Mississauga—Erindale, CPC): Thank you, Mr. Paddon, for being here today. We hear a lot in our study of the Arctic about the potential for resource development in the north, but most of it's looking down the road into the future. It's really helpful to us to have the expertise of someone who is actually in an active project in the region right now.

You mentioned in your opening comments how generally business develops responsibly in the north, with stringent environmental controls, and with, I think you said, the full involvement of the local population. I think you mentioned that it certainly was the case in your particular project.

Can you tell us a bit about what that means? How did you involve the local population? What are the benefits they're receiving? Also, what kind of example or model can that be for resource development in other nations in the Arctic region?

Mr. Tom Paddon: Particularly in the area that I'm working in, Canada enjoys fully resolved Inuit land claims, which provide an important set of guidelines to proponents of projects about what the rules are.

Going beyond that, the investments required for large resource developments are significant at the front end. It is a long game. It's important to have the ability to operate your business in the long term, and therefore a significant part of that is predicated on having good relationships.

So we have two things. One is the rule book, as it were, and two, any wise business will realize the need for having successful relationships. That leads us to that alignment of interests such that our success, as industry, is understood to be success on the local front. Local success, communities that are stronger and have well-educated employees who are able to work safely and responsibly, will provide the basis for a long-term successful business.

Given that we're just starting the Baffinland project, I'll talk a little bit about the Voisey's Bay project, or just my experience with it. We engaged in negotiations of impact and benefit agreements. We saw land claims come in and be finalized with the Innu and the Inuit of Labrador. We had codified our commitments around how we would ensure that benefits flowed, as well as involve both aboriginal parties in the environmental effects monitoring and collaboration on education, issues on cultural challenges, and all of these other things.

When I left that particular operation, a little better than half the workforce was aboriginal, and people were progressing to more senior positions within the company. I think it was felt by all parties that it had been a success.

Given that there was a revenue stream supporting activities not relating to mining, which both aboriginal groups could dispose of as they wished, there were educational opportunities and there were employment opportunities. It was kind of a success, I think, on those fronts.

I think with the benefit of the structures that Canada has put in place, those kinds of results are achievable. It's not the case in all states. Canada is an extremely good place to make your investment, because the rules are clearly understood and well known.

• (1125)

Mr. Bob Dechert: We've heard concerns about Russia and the fact that they don't always include the local indigenous populations in discussions about Arctic Council issues and development issues.

Do you think the model that you just described for us, of inclusion of the local populations, is one that could be promoted at the Arctic Council for use in other nations as well?

Mr. Tom Paddon: Absolutely.

Speaking broadly from industry's perspective, what it likes to have is certainty. It likes to know what the future holds rather than just what the present holds. Canada has evolved significantly on these issues over the last 20 to 30 years, and has done so very effectively. I think it's only to be encouraged that the approach be shared elsewhere, with other countries.

Mr. Bob Dechert: You described the responsible development of the current project you're working on, with its stringent environmental controls. Can you explain the environmental assessment process that your company undertook upon commencing operations?

Mr. Tom Paddon: North of 60, the approach to environmental assessments is different than it is south of 60. In fact, the Minister of Aboriginal Affairs and Northern Development in Canada is actually the minister responsible for the environment north of 60.

The process is one that falls from the Nunavut Land Claims Agreement that was settled some time ago between Canada and the Inuit people of what is now Nunavut. It provides for an integration of federal responsibilities with regional interests, under the auspices of an institution of public government called the Nunavut Impact Review Board. There is another institution of public government that is also involved, the Nunavut Water Board, but the primary process is undertaken by NIRB.

To put it into perspective, our review through the NIRB process began in March of 2008 and concluded on December 28, 2012. It's a four-and-a-half-year process. It's extremely stringent. I've been through the CEAA process and a provincial one as well, the NEAA. I can tell you that development north of 60 is very carefully considered.

It's a very stringent process, as it should be, given what we're doing and where we're doing it. It's a very inclusive process. The communities in the primary area of activity are thoroughly engaged, to the point where they can sometimes feel they're over-engaged, in that there are a lot of meetings. But it's absolutely crystal clear at the end of that process that there has been a thorough discussion, not just on the physical environment but also on the social environment and the ways in which the project might address it.

The Chair: Thank you.

That's all the time we have.

We're going to move back over to Mr. Eyking for seven minutes.

Hon. Mark Eyking (Sydney—Victoria, Lib.): Thank you, Chair.

Thank you for coming here today.

I just want to follow up a little bit on what you would call the rules of engagement on the north of 60 process. It seems you're quite a fan of that or proud of it. I have a couple of questions. First, is it a better system or process than what exists in the rest of Canada?

Second, with such a large body of land north of 60 and so few people and with the transportation issues and even the complexity of how they live up there, how do you do proper community halls and assessments? How are those done properly when you're dealing with such a vast area?

• (1130)

Mr. Tom Paddon: To address the question as to whether the process up north is better than the process down south, I've been involved in both processes and I find them both very effective. Bear in mind that the process that was used on the other mine I spoke about at Voisey's Bay was, again, an inclusive process. There was a panel that included federal, provincial, Inuit, and Innu representation to consider the process over about a two-year span. It was a very thorough process. I felt—and I think the participants felt—that at the end we'd had a very good review and had come up with a number of excellent recommendations for implementation of the project.

In terms of how you manage a process in an area that has relatively low population and large physical distances, it takes a lot of time and it takes a lot of effort. Proponents spend a lot of time in communities getting to know them. Proponents will ensure that the communities have the necessary tools to consider things internally and not just while we're there. So our people spend a lot of time in northern communities canvassing that opinion, participating in both the local discussions and the more organized or the collective organizations. In this case the QIA, the Qikiqtani Inuit Association, was the collective we were engaged in, in terms of the Inuit interest. We engaged with them on a regular, often daily, basis over that period of several years.

Hon. Mark Eyking: If you're doing an environmental assessment process south of 60, it goes to the desk of the Minister of the Environment. You're saying that pretty well everything that happens north of 60 funnels through the desk of the Minister of Indian and Northern Affairs in terms of approving that you people, or whoever is taking resources there, are following due diligence?

Mr. Tom Paddon: Only as far as the final authorization occurs: the process for engagement, the effective engagement of all of the federal departments is similar, but in the final analysis it's the Minister of Aboriginal Affairs who approves or rejects the recommendations that come from the Nunavut Impact Review Board, because the NIRB is a product of the land claim.

But in terms of the engagement, it is as thorough with the line departments, whether that's Fisheries, Environment, Transport Canada, or anything else, whether it's north of 60 or south of 60. The final sign-off comes from a different minister, that's all.

Hon. Mark Eyking: I think you alluded to some sort of partnership with the United States on rules and regulations. Are you saying that maybe we should have the same as Alaska...?

Mr. Tom Paddon: No—

Hon. Mark Eyking: What were you saying about us having more of a North American...? I didn't know what you were alluding to there.

Mr. Tom Paddon: The suggestion was that there's room for a business perspective, I think, within the Arctic Council, or certainly somewhere, and my suggestion is that it's best done through the Arctic Council.

The only reference to the U.S. was that there is a potential for continuity in this regard, in that the Canadian presidency of the Arctic Council is to be followed by the American presidency of the Arctic Council. If this were an initiative undertaken by the Arctic Council, if it would be acceptable to the member states, then there would be good continuity with the incoming president after ours.

Hon. Mark Eyking: Two minutes, Mr. Chair?

• (1135)

The Chair: You have a minute and a half.

Hon. Mark Eyking: On this multi-sectoral, transnational...what do you call it? What's that about? Is that made up of different mining groups? Who's involved with this organization that you're talking about?

Mr. Tom Paddon: Well, as yet it's not an organization, but the potential would be there. The suggestion was that it would be multi-sectoral, that it wouldn't be just mining. Whether it would be mining, oil and gas, fishing, tourism, or whoever is expecting to be active in the Arctic, it's appropriate there be common standards, common expectations about appropriate behaviour, and some sharing of best practices.

Mining in particular has developed a lot of what have become industry standards, particularly around safety. These can be shared across boundaries and, for that matter, across sectors where there's similarity of activity. It's essentially a forum wherein the whole is more than the sum of the parts.

Hon. Mark Eyking: Who decides if you're doing a mining project? Right now, we have the Minister of the Environment of Canada deciding if there's a full panel review or not. If a full panel review on a project is being proposed up north, who decides if a full panel review...? Does that come back to the Minister of the Environment for the country or does that go to the Minister of Indian and Northern Affairs?

The Chair: That's all the time we have, but I'll let you answer the question quickly.

Mr. Tom Paddon: I believe that actually it's a function of the land claim agreement. In the final analysis, it's the NIRB process that is engaged according to certain requirements, so I don't think it's a

judgment call. Projects that are occurring on Inuit-owned lands of a certain size, for instance, require a full NIRB review.

The Chair: Thank you very much.

We're going to start our second round, which will be five minutes for questions and answers.

Mr. Van Kesteren, sir, you have five minutes.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you, Mr. Paddon. This is very interesting stuff.

I get pumped when I hear this kind of stuff, and I'll tell you why. Whether you believe in some divine providence or just celestial luck, this is an incredible time. Had we had access to the north—and I think you would agree with this—100 years ago, 50 years ago, even 25 years ago, we wouldn't have had the responsibility that we acknowledge today is part of that. We wouldn't have settled a lot of our...such as the Inuit claim.

I've begun a process of visiting Canadian mines—I hope to visit yours as well, maybe this summer—and I see how essential the whole mining and extraction industry is with relationships with first nations people, because we need them. Again, had we had this opportunity 25 years ago, we would have done that all wrong, too.

I just see some incredible, exciting things happening in the north. Even if we talk about global warming, we would not have had the... Well, we wouldn't have had the technology, but there's also the fact that there will be more ice-free water there, which makes it possible to extract these things. I don't think 25 years ago we would have entertained mining in Baffin Island. Yet here we are today, at the cusp of, I understand, the richest iron ore deposit in the world.

Am I right when I say that?

Mr. Tom Paddon: It's right up there.

Mr. Dave Van Kesteren: Right up there, so...great things.

Then there's the impact and the possibility of being a light to some of these other nations, as Mr. Dechert was saying, and the fact that we can show the way to do it right: how to do it right with the environment, how to do it right with first nations people, and just how to gain maximum benefit for everyone.

I don't have much time and I'm doing all the talking, so I'm going to hand it over to you now. I want to know about the benefit to the Inuit and the impact on the environment. We need to know that. We're mining where trees don't grow, so I want to know how you finish off these projects.

In terms of transportation of materials, when I went to Baffin Island back in 2006, there was one road in Iqaluit, and I think that was to.... Well, there was one to a gravel pit as well, I think.

• (1140)

Mr. Tom Paddon: It's called the Road to Nowhere.

Mr. Dave Van Kesteren: The Road to Nowhere, okay.

How are you going to do that, and again, how can this be a model for other nations?

Perhaps you can just talk about, in the time that's left, the benefit to the Inuit, the impact on the environment, and transportation—and, if you have time, how we can be a model to the rest of the other nations in the north.

The Chair: Tom, you have about two minutes.

Mr. Tom Paddon: Just very quickly, in terms of environmental impact of this particular project, it's of particular interest in that there's no processing, so there are no tailings ponds and no chemical additives or anything else. It's very simplistic, because as you say, it's a very high-grade ore and a very large deposit. It's simply a matter of mining, crushing, taking it to a port, and then shipping it out. In terms of environmental impacts, those have been carefully looked at through the Inuit-driven and -governed Nunavut Impact Review Board.

In terms of the benefits, I think we usually associate the benefits with jobs. Jobs are an important part of it, but I think there's a broader collaboration, which is to provide for stronger communities in the north. Companies are very interested in having long-term success. Long-term success is best found if you can have vested local interest in ensuring that you are successful.

So we want to see stronger communities, well-educated, healthy communities that can participate in the projects and ensure their viability over the long term. There's a natural alignment there, and we should all take advantage of it.

In terms of how it can be exported, I think one of the things that Canada can point to is that this is a very well-developed, mature, safe place to make investments that frequently measure in the billions of dollars. Industry is interested in those kinds of contexts rather than ones that might be subject to greater change.

It is an enviable situation to have, and we should make sure that people understand that it's something to aspire to.

The Chair: You have perfect timing. Thank you very much.

That's it for this round. We'll have to catch anything maybe in the following round.

Mr. Bevington, you have five minutes.

Mr. Dennis Bevington (Western Arctic, NDP): Thank you to our presenter.

I was in the aboriginal affairs and northern development committee meeting this morning where I think your expertise on the Nunavut environmental assessment process would have been really appropriate. But this is of course a discussion of Arctic policy and not a discussion about national policy. It's about how the Arctic Council works.

The Arctic Council has six main working groups. There are four environmental protection strategy working groups, and there are two additional groups, a sustainable development working group and an Arctic contaminants action program. So the Arctic Council's work is pretty well laid out in many ways. It deals a lot with international agreements on the environment and how to protect that.

You spoke about how you'd like to see a facts-based approach at the Arctic Council. Could you elaborate on what you meant by that?

Do you mean that the people who are dealing with these issues in these working groups are not striking out and looking at facts?

Mr. Tom Paddon: I should probably start by elaborating on what I said, which was that there is from time to time in the public consciousness a lack of, in my opinion, facts-based consideration of what's happening in the north rather than within the Arctic Council.

So in talking about the potential benefits or the potential activities of some sort of an Arctic business strategy or an Arctic business group—I'm trying to avoid using the word "council" to differentiate it from the Arctic Council itself—there is value in presenting a more accurate picture of what is actually occurring in the north.

Mr. Dennis Bevington: Are you speaking about the environment or are you speaking about—

Mr. Tom Paddon: I'm talking about industry in general. As an example of what's happening in Canada this very—

• (1145)

Mr. Dennis Bevington: Isn't what happens in the Arctic a matter of national policy in terms of economic development on your project, other mining projects, and oil and gas projects? There are national policies set by the Government of Canada or by the three territories whenever they have a chance to input any little bit into that policy. Don't you agree?

Mr. Tom Paddon: Well, I'm probably not explaining myself well. My point is that I'm not talking necessarily about just the Canadian national consciousness. I'm understanding how from a broad-based point of view there is value in ensuring that there is a good understanding of what's occurring in terms of the levels of accountability to which business is generally held in much of the Arctic, not just in Canada but in other countries as well, be it Norway or whatever.

So there is value in having—

Mr. Dennis Bevington: Are you proposing a show-and-tell approach to the Arctic Council and saying that we should be there to promote what we're doing in each individual country and exhibit that, so other countries can take a look at it? Do you think the Arctic Council has to deal with setting up international agreements on these very important topics that are crucial to the north?

I know that you, in dealing with the north, would understand how important international agreements on search and rescue are, or international agreements on handling ecosystem management between countries that share common waters and common species. Don't you think those things are subjects that an international group dealing with cooperation—not with show-and-tell but with cooperation—need to have as their highest priority?

The Chair: You have 45 seconds.

Mr. Tom Paddon: They are indeed the business of the Arctic Council. The suggestion is that there could be benefit from the Arctic Council engaging and having the input of business in the Arctic in order to consider that input in formulating those types of agreements and the work of the Arctic Council itself.

Mr. Dennis Bevington: Wouldn't countries bring that forward as part of their engagement with the Arctic Council? Our national government's engaged there. If they had a business interest, they would include that in their development of international cooperation, wouldn't you think?

The Chair: Could we have just a quick response?

Mr. Tom Paddon: Absolutely, they could, but, just in the same way that businesses come together to form chambers of commerce or anything else, they too can decide to promote a particular perspective.

The Chair: Thank you very much.

We're going to move over to Ms. Brown for the last question of this round.

You have five minutes.

Ms. Lois Brown (Newmarket—Aurora, CPC): I didn't know I was getting one. I thought Nina was going to get it.

Mr. Paddon, thank you very much.

You said in your opening remarks that your parents were medical missionaries in the north. May I therefore assume that you were born in the north?

Mr. Tom Paddon: Yes.

Ms. Lois Brown: So you have a vested interest—

Mr. Tom Paddon: Absolutely.

Ms. Lois Brown: —in the health of the north, and in seeing the environment cared for and the peoples of the north cared for. I wonder if you can talk—I'm going to assume that you're 29 plus tax as I am in age—from your life history of being in the north about the changes you've seen. Are the things going on there now positive? Are they helpful? Or are there some things that you should say to us that we need to stop and take stock of?

Mr. Tom Paddon: That's an interesting question, because I'm from a community of 500 people in the north and a community that is, along with its neighbouring community of Sheshatshiu, tri-cultural. It's settler, Inuit, and Innu in one small location. Things have changed a great deal since I started observing in some sort of a useful way, which was somewhere in the 1970s. I think that along with some of the recognition and empowerment of aboriginal people have come challenges. It's a maturation process that we can expect to take some time. Peoples are expected to make the advancement that my culture made over a much longer period of time. There are rough spots in it.

I have no doubt there is plenty of good work to be done now in the north, and my particular interest is—and you're right, I'm vested—in seeing what can be done with the tools at our disposal to make things as beneficial, from a number of points of view, as possible. I have responsibilities as CEO of a business that is owned by other businesses that have stakeholders and shareholders. But I also have responsibilities as a resident and a long-term passionate stakeholder in the north to see what else can be done. I think there's plenty of opportunity to take the common interests of business, of aboriginal people, and of the state or states—if we're talking about the Arctic Council—to fashion something that is more than the simple interests

of any one of those. That's what I would hope we could find a way to do through the Arctic Council.

● (1150)

Ms. Lois Brown: We're seeing new opportunities in the north. We had some witnesses here, before we had our break, who were talking about the incredible opportunities for education in the north. They said they are seeing new opportunities for Internet access. In fact, some of the northern areas have Internet access that even Ontario would envy. We're seeing those kinds of things open up, and I'm sure they're making more opportunities for skills development which in turn are making opportunities in business for people to get jobs and to have some new input into their own communities.

Mr. Tom Paddon: I think the fundamental question is whether the appropriate controls and authorities exist at the right place to ensure that things are done responsibly and to the appropriate level. From my experience, both in Labrador and Nunavut, the state has all of the tools it needs at its disposal, and the aboriginal people in both Nunavut and Labrador have the tools they need at their disposal to ensure that their opinions are appropriately considered. When you have that and the ability of, or the interest of, or perhaps the perception of industry that it is the long haul that works—and that is dependent on beneficial relationships all around—then you can have appropriate and responsible development.

The Chair: Thank you very much.

We're going to go with Ms. Grewal for five minutes.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Thank you, Mr. Paddon, for your time and your presentation.

In order to successfully navigate the future of the Arctic, we must first build a bridge between the traditional knowledge of the people who live there and the new realities of their rapidly changing communities, and then there is an ongoing effort to ensure that the circumpolar communities adapt quickly to these changes.

In your opinion, how can we provide these communities with the tools that will help them in the transition?

Mr. Tom Paddon: As I was saying, I think that certainly in the areas in which I work, the authorities now exist with the resolution of land claims to the satisfaction of all the parties involved, hence the land claims being resolved. The practice, on a day-to-day basis, is a challenge still, as we sort out where the responsibilities lie. What is the appropriate burden for industry to take in terms of funding these things as opposed to the state, and as opposed to the aboriginal organizations themselves, some of which now have revenue streams from other projects?

There's still some evolution to occur there, but I think that overall the mechanisms are there. Perhaps we're not as fully practised in their deployment as we will be with time, but in order to get there we need to use the tools. We need to get on with things.

Mrs. Nina Grewal: An important step in establishing positive relationships with these northern communities, of course, is ensuring that consultation begins at the outset and continues with frequent communication with each other. How successful has the communication been with these northerners throughout the mining project life cycle?

•(1155)

Mr. Tom Paddon: I can only speak to the projects that I've been involved in, but given that generally it's been my responsibility one way or another to look after that aspect of things, I can tell you that my approach is that it's all about spending time in the communities. It may have something to do with the fact that I'm from the north. I understand the value of spending time with people, even when you're not necessarily talking about the project. It's what goes towards building the relationships. I've seen other projects not do as well because, quite frankly, they spent more time here than in the communities. You need to have that equation the right way around.

At the risk of running into people who say that they're tired of talking about our project and "to just go build it", that's the line you want to get to without necessarily crossing: people feel that they know everything there is to know about your project, to the extent that they want to, and have had the ability to be engaged. That gives both the company and, in our case, the Inuit the understanding that you've been through the process adequately. Anything short of that can come back to haunt you.

Mrs. Nina Grewal: I think it is quite evident that mining will play a key role in boosting economic growth and development in Canada over the coming decades as the global demand for metals and our minerals continues to rise. To your knowledge, is the government doing enough to support sustainable development in the mining industry in a way that will obtain the best long-term results for Canada's future?

Mr. Tom Paddon: Oh, you're stepping outside of my area of expertise, but I think this government is taking a very informed and strategic approach to exactly that.

One of the challenges that industry faces, especially in the north, is that the infrastructure required to undertake projects of this nature and others is terrifically expensive and, in some cases, can almost be prohibitive, but it's an oft-repeated call that there needs to be strong engagement on how to deal with infrastructure needs in the Arctic, be they for communities or for industry for business development. That would be one thing that I think we could talk more about and improve on, but in general, as witnessed by things like free trade agreements, etc., I think the government is taking a very carefully considered approach to it.

The Chair: Thank you very much. That's all the time we have.

I believe Mr. Dewar has a quick question before we wrap up for today.

Mr. Paul Dewar: I just have a question on collaborating with our partners. The previous chairs had collaborated if you go back to Norway, from 2006 to 2009, then subsequently we had Denmark and then Sweden. They collaborated on a common agenda.

Some have pointed to that as a smart model and we have the Americans looking after the agenda after us. Someone mentioned there was an offer to us to have a joint chair with the Americans over four years. What do you think about that? Do you think we should be collaborating with the previous chairs and continuing the agenda they had set and look to the horizon to work with our allies to nail down a common agenda?

Mr. Tom Paddon: I'll steal the soapbox for a moment, just in terms of the concept that's been floated here by me, which, initially, was the idea of a business perspective that was carefully considered by the Arctic Council talking about collaboration and continuity.

We previously had an informal engagement with the working group on sustainable development of the Arctic Council to briefly discuss the concept, and that was under Sweden's chairmanship. I undertook to do that, not as a representative of Canada but just as a business interest, to see whether or not it was even a viable concept.

I think the ability there is for continuity. I hesitate to comment on whether or not there'd be a value in a shared chairmanship, but certainly continuity from one presidency to the next is important if you're trying to get something done. Two years is not a long time.

•(1200)

The Chair: Thank you very much for taking the time to be here today. I don't think there are any further questions, so with that we'll suspend the meeting so that we can get into committee business when we come back. We'll take a few minutes so the room will clear.

Thank you, again, Mr. Paddon.

[Proceedings continue in camera]

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