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Chair

Mr. Bruce Stanton

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• (1110)

[Translation]

The Chair (Mr. Bruce Stanton (Simcoe North, CPC)): Good morning, members and witnesses.

This is the 32nd meeting of the Standing Committee on Aboriginal Affairs and Northern Development. This morning, we have with us the Minister of Indian and Northern Affairs Canada.

[English]

The minister has brought officials with him representing both the department and the new Canadian Northern Economic Development Agency. Members will recall that this is in fact the first meeting of what will be a comprehensive study on the question of barriers and opportunities for economic development in Canada's north.

Minister, we're delighted to have you here with us this morning to really start off what we know will be an important study, certainly for our committee, but we also believe for Parliament, as we examine these critical issues in the north.

As is customary, we'll open with our 10-minute presentation and then we'll go directly to questions from members. I think you have to leave after the first hour, so perhaps we can do that first and leave the second hour for the officials who are with you. It's up to you. If you wish to do more formal introductions of the officials who are with you today, we certainly welcome that also.

Minister, you have the floor.

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development): Thank you very much, Mr. Chairman and committee members. It is a delight to be here.

I do think you're embarking on a very important study. It's timely, and there's a lot of excitement about the potential in the north and the reality in the north. I think your study is going to be of great assistance to the department and to the government and the ministry. I look forward to your work and encourage you in it. I think it's the cutting edge of some very exciting things, so I look forward to your reports as you go through this.

I'm pleased to be here today to speak to you about economic development in the north and its importance within the government's northern strategy, as well as our recent progress in establishing the Canadian Northern Economic Development Agency, or CanNor.

[Translation]

Allow me to begin by introducing the people with me today: Nicole Jauvin, who was recently appointed Deputy Minister and

President of CanNor, Michel Robillard, Vice-President of CanNor — I believe he now lives in Iqaluit —, and Patrick Borbey, Assistant Deputy Minister for Northern Affairs at Indian and Northern Affairs Canada.

[English]

The natural resources endowment of the north is tremendous. Estimates place one-third of Canada's remaining resources of conventional petroleum in the north. Private sector expenditures in exploration of the offshore hydrocarbon potential in the Beaufort, for example, will total \$2 billion over the next eight years. These activities will also generate significant economic opportunities and direct benefits for the north.

With five mines operating in the north, Canada has become the world's fourth largest diamond producer by volume. More than 30 mines of different kinds could be in operation in the next 15 years, a production increase from \$1.6 billion to \$10.5 billion, with direct employment booming at over 11,000 people.

Of course, the economic downturn has had an impact up north as it has all over the world, so the recovery will take some time. Mineral prices, with the exception of gold and a partial recovery in the diamond prices as well, are overall much lower than they were a year ago, and private sector investment is down as well. The economic downturn has also resulted in job losses and declining employment and participation rates across the north.

But I believe we do have every reason to be optimistic. The economy will recover, and the resource sector will continue to be the most important driver of economic development in the north. That's why we must ensure that the conditions are right for development, that development happens in a sustainable way, and that northerners are full participants at every step and derive maximum benefits.

• (1115)

[Translation]

The promotion of social and economic development is one of the four cornerstones of our Northern Strategy, which was initially unveiled by the Prime Minister in August 2007 and recently confirmed in the document titled "Canada's Northern Strategy: Our North, Our Heritage, Our Future", which I and Minister Cannon tabled jointly this summer.

[English]

If you haven't already done so, I would encourage you to review the northern strategy documents—I believe we have some copies around today—and visit the northern strategy website at north-ernstrategy.gc.ca. There is much valuable information about our vision for the north, as well as the many accomplishments and commitments made to date.

There are, of course, four pillars to the northern strategy with which you're familiar: economic and social development, environmental protection, improving and devolving governance, and sovereignty. We've already taken significant action under all four pillars of that strategy. For example, we are procuring new arctic offshore patrol ships and a new polar class icebreaker, the strongest ever in the Canadian Coast Guard fleet. Important work has been done to toughen pollution laws by extending the enforcement zone of the Arctic Waters Pollution Prevention Act to 200 nautical miles, the full extent of our exclusive economic zone.

To help address the problems of inadequate and unaffordable housing, we provided \$200 million over two years to support the renovation and construction of new social housing units in the territories, including \$100 million for Nunavut, where the need for new social housing is greatest. This is, of course, in addition to the \$300 million in the Northern Housing Trust, announced in 2006.

[Translation]

To maximize the economic potential of the North, we have started to "map" northern resources through the energy and mines geomapping program.

[English]

To ensure that the conditions are right for development, we are continuing to make changes to the northern regulatory regime through the northern regulatory improvement initiative. I'm looking forward to bringing into the House this fall the legislative proposal for the Nunavut planning and project assessment act, and hope to have the support of committee members on this. I will continue to work with my cabinet colleagues to bring further changes forward. I'm also looking forward to engaging in dialogue with northerners and aboriginal organizations on further streamlining of the regulatory regime to unlock barriers to development.

To help ensure that northerners have the skills required for the growing number and diversity of economic opportunities, we have enhanced the aboriginal skills and employment partnership program. I am pleased to report that three new projects were recently announced for the north, one in each of the territories.

I will turn now to the specific and important milestone of our northern strategy, the establishment of CanNor, the new economic development agency for the north. The government's intention to create CanNor was first articulated in the November 2008 Speech from the Throne. Canada's economic action plan provided \$50 million over five years to establish the agency.

[Translation]

I was delighted to accompany the Prime Minister to Iqaluit last August when he officially announced the creation of CanNor, whose head office will be located in Iqaluit. The announcement was the

crowning touch on months of work during which staff and I talked to northern residents about the new agency and its operations and structures.

[English]

In terms of its mandate, CanNor will promote economic development in Canada's three territories by: first, delivering its own suite of regional economic development programs in the territories; second, coordinating and serving as the regional delivery agent for certain national economic initiatives; third, developing policy and research, and playing an advocacy role to support effective program delivery in the long-term prosperity of northerners.

The Chair: Perhaps I could stop you there momentarily, Minister. We appear to be having a problem with

[Translation]

the translation, but it's working now.

Hon. Chuck Strahl: The problem could be my French.

Some voices: Ah, ah!

Hon. Chuck Strahl: No, it couldn't be.

[English]

Perhaps I can just give an overview now of the key programs that the new agency delivers in the north.

The first program is strategic investments in northern economic development, or SINED. SINED was renewed as part of Canada's economic action plan, with funding of \$90 million over five years split equally among the three territories. The program focuses on long-term economic development through investments that strengthen the driver sectors of the other territorial economies. It helps diversify the economies or enables northerners to more fully participate in the territorial economies themselves.

One of the unique features of the SINED program is its use of the five-year investment plans, which are developed in collaboration with territorial governments, aboriginal leaders, and the private sector. Those investment plans help guide investment decisions over the five-year framework of the program and ensure that funding is deployed in a strategic and collaborative manner. There's no doubt in my mind that one of the reasons there was so much support for SINED, which has been our flagship investment program in the north, was the collaborative way in which we put together the five-year investment plans working with northerners.

Aboriginal economic development programming is an important part of the agency's suite of programs in recognition of the fact that aboriginal peoples make up more than half the population of the territories. These programs include aboriginal community economic development programs and Aboriginal Business Canada, which focuses on aboriginal business formation and expansion. While these programs remain national in scope, program delivery in the territories will be handled by CanNor, so there will obviously be a synergy working within that agency.

It's worth noting that our government's recently released aboriginal economic development framework sets new priorities for aboriginal economic development programming, including the programs transferred to CanNor. Officials in the Department of Indian and Northern Affairs will be engaging aboriginal leaders this winter in a discussion around how these programs can be improved and better reflect the priorities that have already been outlined in the framework. The agency also delivers the northern component of two stimulus programs announced as part of our economic action plan: the community adjustment fund and the recreational infrastructure Canada fund, or the RInC fund.

Finally, CanNor is responsible for the northern projects management office, or NPMO. NPMO will lead federal efforts to consult on, coordinate, manage, and track resource development projects in the three territories. For the first time, project proponents will gain access to a full range of services from a single provider, facilitating regulatory review and consultation processes. The office will also coordinate the work of federal regulatory departments and agencies during the environmental assessment and permitting phases.

Establishing this type of office is one of the recommendations of Mr. Neil McCrank, who was asked to consider ways of improving the regulatory environment in the territories. He appeared before this committee in the spring. Ultimately, the goal of the NPMO will be to achieve a more transparent, predictable, and timely review process for major resource projects and to make a positive difference in how we do business in the north.

● (1120)

[Translation]

The final area of responsibility I would like to mention is skills development. One of the main objectives of the new agency is to ensure that northern residents participate in and benefit from economic development initiatives carried out in the territories. The Prime Minister made this point several times during his recent Arctic tour.

[English]

In recognition of the important link between skills development and economic development, we plan to embed staff from the Department of Human Resources and Skills Development Canada in CanNor in Iqaluit. Their role will be twofold: to work with northerners to facilitate access to national skills development programs and to work with CanNor staff to ensure that skills development is an integral part of the agency's investment decisions.

This arrangement is essentially a pilot project and, if successful, could be expanded over time, but obviously we're very hopeful that this linkage between skills development and economic development,

which is a logical one, will be made easier with CanNor's liaison with HRSDC.

I'm excited by the progress we've made to date in implementing CanNor, as I am excited by the progress we've made in delivering our northern strategy overall. I'm confident that our government is on the right track.

In fact, I was pleased to receive correspondence from the mayors of Tuktoyaktuk and Inuvik, in which they said, "As CanNor makes the announcements today for the funding for the all-weather road study between Inuvik and Tuktoyaktuk, we would like to extend a particular debt of gratitude to you for the expedient manner in which our application was dealt with and the gracious funding commitment made by your department."

That's really a tribute, I think, to the fact that CanNor's staff hit the ground running. A lot of preparatory work went into this following the announcement in 2008. Following the Prime Minister's announcement this summer, we were able to make announcements on decisions that had been made in consultation with northerners and that have been quickly perceived, I believe, as the start of a new relationship with northerners, where decisions are made in the north, many of them through this northern agency and working closely with them.

I know that we are all committed to achieving the objective of providing this foundation for a prosperous economic future for those who live, work, and support their families in the north, so again I look forward, as I mentioned earlier, to your proceedings, studies, and reports.

I would be pleased to now take any questions you may have.

Merci beaucoup.

● (1125)

[Translation]

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

[English]

I must say that you have been very accommodating in attending our committee. This is at least the fourth—and perhaps even the fifth—appearance you have provided for us in this Parliament. It has been very helpful to have your insights, especially as we embark on this study.

We are going to go to questions from members, but I'm also mindful that we have other officials here. Perhaps while the minister is here we'll entertain questions from members. At the conclusion of that, and after the minister needs to leave, we'll allow some time for brief comments from Ms. Jauvin or others as well, and then we'll also go into questions. We won't leave you there without the opportunity to at least provide some introductory remarks.

[Translation]

We will now move on to questions from Members.

Mr. Bagnell.

[English]

Hon. Larry Bagnell (Yukon, Lib.): Thank you.

Thank you, Minister, for being here today.

At the end of your remarks you mentioned an example of an expedient action. I need to ask a question on a not-so-expedient action for a group that's been waiting for 10 years. As you know, the Bloc critic and I approached you about a month ago about the Teslin Tlingit justice file. At the time, you committed to get back to us by the end of the week on where it was with the justice minister.

We still haven't heard. We've made contact a number of times and still haven't heard. Will we be getting an answer soon? We just want to know where that file is. They're getting a little antsy.

Hon. Chuck Strahl: The difficulty, of course, is that while I certainly have talked to the justice minister, the handling of that file is primarily in the justice minister's hands and not in my own. I can't commit another minister to a timetable, but I can say that there have been ongoing discussions.

When I was in Yukon recently, as you know, at the intergovernmental forum, certainly this did come up and we had discussions on it. Not only was it a bilateral discussion, but it was a discussion that was important at the intergovernmental forum as well. There has been good progress made on that, and my sense of it is that things continue to progress.

As you say, this predates not only this Parliament but this government. But certainly I was able to give assurances from my perspective and from the government's perspective that we're eager to put this justice agreement together with them. It's a complex thing, because it's a first time ever endeavour and it involves multiple departments.

It's never easy, but my sense of it is that progress continues to be made. While I can't speak for the justice minister, I have spoken to him and he remains committed to making that happen. I'm quite sure it will come together, but again, I can't give you a timeline because it's not just in my department.

Hon. Larry Bagnell: Thank you.

Last Friday I was meeting with the Kluane First Nation, and a member came up to me and said they were told, on August 4, that the ABC program, which I believe was transferred to your department, I believe from Industry Canada, unfortunately had no money for project requests left. That's pretty poor, if four months into the fiscal year you've run out of money for an important program that's been there for decades. I wonder if you're going to find some money somewhere so that people can continue to apply and use that important program.

• (1130)

Hon. Chuck Strahl: It's not unusual that programs will be oversubscribed, frankly. Popular programs are almost always oversubscribed, whether we're talking about infrastructure or programming under ABC. That doesn't mean that applications are dropped or are put in the round filing cabinet. What it means is that it's just that reality. Other decisions have been made that have gobbled up the available funds. Frequently that means that other good projects have to be put off to another fiscal year. In a sense, it's a tribute to the people making the applications. They're putting in good applications and lots of them. When it's oversubscribed, all we

can do is try to get the money out as quickly as possible and make the decisions as quickly as possible.

Often, if it's not possible in one year, it gets punted to the next. The program, in a sense—I won't say it's a victim of its own success—shows that it is meeting a need. That it is oversubscribed shows, in a sense, that it's getting the job done. You can always spend more money, but that goes for many, many programs. As I said, whether it's for infrastructure or other things, more can always be spent.

Hon. Larry Bagnell: I'm not sure this will be too comforting to the applicant, but I'll pass that on.

Can you please update us on the status of the devolution talks with the Northwest Territories and Nunavut and the resource revenue-sharing talks with the Northwest Territories?

Hon. Chuck Strahl: I think there's renewed interest in the Northwest Territories. Just before the last federal election, there was a spike in interest, if you will, from the NWT. They wanted to proceed more completely on the devolution talks. My sense of it is that the reality is that in recent months it has perked up again. It's never a continuous line, I must say, because there are so many players involved.

In the Northwest Territories, when I was up there two weeks ago, one of the questions I had for the many aboriginal groups I work with was on getting their input on devolution. What do they think of it? How do they see themselves fitting in? Are they in favour? It's never just in the Federal Court. It involves other levels of government, including first nations.

My sense is that there's renewed interest in it, not without concern, because some people want to be convinced that it's going to be good for every stakeholder who's interested in it. It's not as if it's a slam dunk or an easy thing. It involves coordinating that. But I do think there's renewed interest, and it seems to be going ahead.

Hon. Larry Bagnell: Sorry, I have just one minute left, Minister.

This is my last question. The biggest aboriginal issue when you came to office, when your government came in, was the lack of progress on the implementation of land claims, the ones that had already been approved, and the nine-year review, and so on. You promised before the last election that it would be a high priority, and it's still not resolved. Can you respond to that? When may it be resolved?

Hon. Chuck Strahl: Especially in light of the study you're taking on, on economic development, I think it's important that the implementation continue to be a priority. It is a priority for us. We have had some renewals in order to make those discussions fruitful. The intergovernmental forum we attended about a month ago was very useful for hearing about what's progressing and about what the problems are.

Those discussions, those negotiations, are ongoing. On the renewal, on the governance issues—that part of the implementation package—my sense is that we're making good progress and that the mandates we were able to secure through cabinet are going to allow us to make a successful completion of those agreements, especially in the Yukon. I think that's specifically what you're talking about.

[Translation]

The Chair: Thank you, Mr. Bagnell.

We now go to Mr. Lévesque, who has seven minutes.

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

Good morning, Mr. Minister and Ms. Jauvin.

First of all, I would like to say that we used to use the term “First Nation”, but we have changed the word to include the Inuit. The Inuit do not consider themselves a first nation, but they are willing to be referred to as “first people”. There is a university in Val d’Or that they can reach.

Mr. Minister, among the recent federal measures to promote economic development in the North, you created CanNor an agency whose head office is in Iqaluit, which implies that the agency will deal primarily with investment in the territories. We know that you have already earmarked \$200 million for Quebec. This is a measure you mentioned in the introduction to the Federal Framework for Aboriginal Economic Development, which you signed. The introduction states: “The new Federal Framework for Aboriginal Economic Development builds on a number of recent federal actions to improve the participation of First Nations, Inuit and Métis people in the Canadian economy. [...]”.

Is the \$200 and \$300 million you are talking about administered entirely by CanNor? Does the agency have the authority to invest elsewhere than in the territories?

• (1135)

[English]

Hon. Chuck Strahl: Thank you.

The amount I was talking about, the \$200 million, was in reference to housing, specifically to housing investment. The \$300 million was on the Northern Housing Trust. It was from an earlier budget, but it has been an effective means of improving housing in the territories. That money is not administered through CanNor, or even through my department. The trust money was handled through the territorial governments. In the case of much of the other money, social housing is done through Canada Mortgage and Housing. These were all housing announcements.

We have been able to dovetail this somewhat with skills training, with getting northerners involved in actual construction. In Iqaluit, they’re building some eight-plexes. Every single person, every apprentice, is an Inuit from the territories. They are gaining certification so they can benefit more thoroughly from investments in housing.

That money I was talking about is not administered through CanNor; it comes through other commitments that have been made through territorial housing organizations.

[Translation]

Mr. Yvon Lévesque: Your answer puts things in perspective for me. It’s all well and good to put an agency in Iqaluit, but there has to be evidence of a genuine desire to cooperate with the Inuit who are already there. When she appeared before the committee, Ms. Simon stated, and I quote:

We need to make sure that all of this translates not just into building a big military presence in the Arctic, but into a balance between defence and what John calls the civilization aspect: the people, and building sustainable communities.

With the advent of CanNor, will jobs be created for members of the Inuit community, for example at CanNor headquarters? How does the department envision cooperation with existing communities?

[English]

Hon. Chuck Strahl: I think that’s an excellent question. Certainly, this was raised repeatedly during that period this summer when the Prime Minister announced the creation of the agency. Right across the north, where northerners understandably want to be assured, they were assured by the Prime Minister that the effort is to make sure it means jobs for them, influence for them, and decision-making for northerners.

Perhaps Ms. Jauvin, either now or later, could comment on efforts to make sure that we recruit people who are northerners, specifically targeting and emphasizing Inuit and first nations involvement in the agency—depending on where you are in the north—and decision-making roles, executive roles, and ensuring that the mandate of the agency is done and carried out while listening and working closely with northerners.

As I mentioned earlier, for example, as with the administrator of the SINED program, there’s already a process in place to make sure that as we make these five-year investment plans, we will be working hand in hand with northerners to do that. I think it’s a good example of what we can do. Whether it was at the intergovernmental forum in the Yukon, or in Yellowknife, where I was two weeks ago, each trip I make to Iqaluit and other places in Nunavut, people want assurances, and we’ve been able to give that. As CanNor develops, northerners will be involved at every level, and the intent is to do a lot of recruitment. In fact, there’s a little bit of worry from some of the other governments in the north that it will steal all their good people. The truth is, we’re recruiting, we’re hiring, and we want northerners to be involved in this agency’s development.

• (1140)

[Translation]

Mr. Yvon Lévesque: I have a question about the negotiations with the Government of Quebec on housing in Nunavik. We know there’s an urgent need. A program recently broadcast on CBC North was critical of the situation.

What is the status of the negotiations with the Government of Quebec?

[English]

Hon. Chuck Strahl: The Quebec government has been very clear that they have placed a high priority on housing in Nunavik, as have we. People need to understand that this is not a first nations reserve. This is a territory where we have a very special relationship; we have signed agreements with the Quebec government to ensure that we coordinate our activities there. Many of the decisions are made in Nunavik itself, as they should be, and the Quebec government is integrally involved because of the relationship that’s been formed there.

On the housing itself, much of what's been done there, and what will be done there, is going to be done through the Canada Mortgage and Housing Corporation. It's not primarily a role of INAC. CMHC takes the lead on that, and that minister is responsible, because again, it's not on first nations reserve land, which is where we spend most—almost all—of our effort. That's why, whether we're talking about the far north or Nunavik, that is done through the other agency.

[Translation]

The Chair: Thank you, Mr. Minister.

Mr. Bevington, you have the floor for seven minutes.

[English]

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

I'm pleased to have an opportunity to speak with you today, Mr. Minister.

I'm interested in first talking about the regulatory improvement initiatives that you mentioned. You mentioned Nunavut, but we haven't really talked about the Northwest Territories.

I go back to a letter in December from the Minister of Environment and Natural Resources in the Northwest Territories, where he stated quite clearly that their vision is that the regulatory changes would function in NWT's public interest, allow for decisions to be made in the NWT by NWT residents, and would facilitate the eventual devolution of authorities to the Government of the Northwest Territories, because of course regulatory systems are where much authority is taken over resource development.

You've now established a northern projects management office in Iqaluit. How is this going to advance the direction that the Government of the Northwest Territories wants to see with the regulatory system in providing more authority and more direction from the people of the north? How is this not going to be simply another bureaucratic instrument in the process that will actually make it further away from devolution?

Hon. Chuck Strahl: Good question.

It's important I think to note that not only does CanNor have offices in each of the territories and headquarters in the north, but of course the headquarters of the NPMO are in Yellowknife, which is going to make it particularly useful, especially in early days, for businesses and governments and so on in the Northwest Territories.

Even if no other changes were to take place in the regulatory system—and this is not the case, it's not what's going to happen—and the status quo was what we had to live with, and I don't think anybody at any level of government or first nations government says the status quo is ideal, my vision for the northern major projects office would be this. When somebody comes in and they want to develop a new diamond mine, they say, "I want to work with your office to walk through the existing regulatory regime to make sure that we sequence whatever studies have to be done, that we talk to the right boards, that we don't miss talking to DFO in the right sequence, that we ensure that all of the approvals are done in a timely way, and that you can help me navigate the maze." I hear frequently up north that kind of complaint. It's just hard to figure out every single step, and people will come back and say, "I had to

backtrack and go through this process and it took an extra six months," or something like that.

I think the big advantage to the NPMO, given whatever the regulatory regime is—and as devolution occurs, it will change—for the same reason we have one in the south, where we have full provincial powers, is it can help a proponent for a big project walk through it step by step, to make sure they don't miss anything and that all the approvals come through in a timely way.

As well, the NPMO will also be able to help on consultations, the consultations that are necessary with first nations, again, because I hear this all over the country, where people say, "Well, if only I had known, I would have started that consultation in a timely way."

• (1145)

Mr. Dennis Bevington: Well, the other major issue that was identified in the McCrank report was the land use plans. Once again, what has been your response to our Minister of Environment and Natural Resources, where he asked for greater cooperation between the federal government and the territorial government in advancing not only the regional land use plans but also the land use plan for the entire Northwest Territories?

Hon. Chuck Strahl: Of course, I think we're working well with the northern governments, and particularly with the Northwest Territories. I met with Mr. Miltenberger again within the last couple of weeks. He again had some ideas on how to move ahead. Some of it has to be done hand in glove with devolution, and he knows that, as do I. We can't run roughshod over existing land claims agreements and so on; it has to be a system that will work for everybody.

The message I get from NWT, for example, is they want a balance between protected areas and areas that can be developed. They have a percentage in mind of how much land should be set aside for protected areas and how much should be set aside for development. We were able to work with them through the mirror process to develop the new boundaries for Nahanni Park. They're interested in using that same kind of process to make sure that all interests are heard when we look at other land use proposals, whether it's the East Arm or other options.

My sense is it's working well, but some of the other, bigger devolution pieces will happen, again, when all the stakeholders are ready to make that move. It's not a unilateral federal decision.

Mr. Dennis Bevington: What about the interim Dehcho land use plan? Are you ready to move ahead with that, to get that particular item off the table? It is very important to move ahead with many of the projects in the Northwest Territories.

Hon. Chuck Strahl: When I met with the Dehcho two weeks ago, certainly that was one of the things they raised with me. I was able to assure them of two things. One thing is they have a proposal on how regulatory issues should be handled within the land they have their eye on. What I said to them is that we're keen to listen to any proposal that works in harmony with the existing regulatory regimes. In other words, we don't want to set up another layer on top of all the other layers, because there are too many layers in NWT now. We don't want to have one that puts people at odds—

Mr. Dennis Bevington: But the Mackenzie Valley Resource Management Act calls for a land use plan in each region of the Northwest Territories, and without those you can't move ahead with the regulatory process.

Hon. Chuck Strahl: I know the land use plan, which is part of what they talked about, is important. We're interested in it, but their primary interest was that we were aware of and we are considering the resource management system they want to use in a regulatory way in the north. I told them we are expressly interested in that. I know Mr. Borbey will be in Yellowknife in the next week or so and we'll make sure their proposal has good consideration.

On the land use plan itself, I was able to say to them—and I think it's the right thing to say—that everyone is eager to move ahead. When land use plans are in place, it's good for everyone. I understand that. But we want to know that when the land use plan is agreed to by all parties, we can carry through and they can carry through. In other words, we need a certain degree of certainty before signing off on it.

Frankly, what I don't want, and what they can't handle either, is putting in place an interim land use plan and then a change of leadership takes place. In the past, leaders have signed on to certain land use plans and new chiefs have come in and said they don't want to do that any more. That's not good for anybody. Whatever we move ahead with, we have to have a degree of certainty so that when it's agreed to it's not in flux. Land use plans have to be predictable.

• (1150)

The Chair: Thank you very much, Mr. Bevington and Mr. Minister.

Now let's go to Mr. Duncan, for seven minutes, and I think that will finish up the round for the minister this morning. Then we'll proceed with the officials.

Mr. John Duncan (Vancouver Island North, CPC): Thank you very much.

Thank you for attending this morning.

We've talked a lot about economic development and skills training and that side of things, which are rather critical for the north. To put things in perspective, I understand there was a time when there was no money going into economic development in the north. Can you describe how we got there and where we are now?

Hon. Chuck Strahl: Certainly. There was a period, about 1996 or so, where as far as the federal government was concerned there was virtually no investment in economic development in the north. For seven or eight years there was almost nothing.

That started to come around with the announcement of the SINED programming, which I mentioned earlier. It was a fledgling program. Five years ago people weren't quite sure what to make of it, but it was the start of increasing investment by the government in the north. Certainly there was a period of time, from 1996, for about seven or eight years where there was almost nothing.

Right now each of these announcements not only provides some tangible benefits to northerners, it also sends a message of hope. It shows the interest of the federal government in helping northerners. It has been done in an unprecedented manner as far as investment,

not just of money, which is important, but also, for example, with the creation of CanNor, which has been asked for up north for probably for 30 years. That ship has finally come in.

Mr. John Duncan: You mentioned SINED. I wonder whether you can describe the early feedback we have received with the implementation of that strategic investment and what kinds of changes we've made to the programming as a consequence.

Hon. Chuck Strahl: I mentioned in my opening remarks that one of the large pre-budget asks a year ago was for assurance that we were going to renew the funding for SINED. Up until recently, SINED was the only game in town up north, and people were clear right across the territories that they wanted to see it renewed. By and large, people were satisfied with the way it was being implemented. It wasn't just a one-off announcement. There was, as the name implies, an actual strategy to the investment, and northerners were involved in developing that strategy. All the territorial governments and many aboriginal groups and private companies said it was an example of how to get things done.

By housing it in CanNor, we are unleashing the energy to be gained of putting SINED together with more money in economic development. We are also housing the community adjustment fund, the RInC fund, skills and training development, and an advocacy role for CanNor, not only in the north, but also with federal agencies across the whole federal family. I believe this combination will trigger a remarkable renaissance of economic development in the north. It won't be completely one-stop shopping, but it will be as close as you can get, which is unprecedented.

I would hope you'll get input on that. It's going to be valuable to us. CanNor is in its early days, and we want to make sure that the information we gather is complete and inclusive of northerners. We want to get it right. SINED is going well, but we want the whole package to be equally well received.

• (1155)

Mr. John Duncan: I think CanNor's being an advocate for the north in Ottawa and in the rest of Canada is a crucial concept and mandate. I'm wondering if you could describe the ways in which you envision this happening.

Hon. Chuck Strahl: My hat's off to Ms. Jauvin and her folks, who have taken a very aggressive role, from one end of the north to the other. They've been at a great many meetings, forums, and feasts, trying to find out how we can make sure the agency reflects northerners' concerns. For example, at the IGF, when I was up in the Yukon a short while ago, one of the things they wanted to know was how to have their interests represented. I promised them that next spring we'll sit down with them. In the meantime, we will consult with them. By next spring, Ms. Jauvin or her representative will be there to report to the intergovernmental forum on how it's going to work, how we see it all unfolding. We will be reporting to northerners both formally and informally.

The value of this advocacy role shouldn't be underestimated. A couple of years ago, we had Yukon Days here in Ottawa. Representatives of the Yukon government and aboriginal groups came down and had a very successful week—talking to ministers and holding meetings with the private sector and with NGOs. We were able to focus on the Yukon for a week. It was unprecedented. What it pointed out was that northerners want to be heard and they want to make sure they're being heard. I think CanNor can help to open some ears.

The federal government is linked to the north and has unique responsibilities there. It is difficult for proponents and first-time leaders to understand how to navigate the maze that is Ottawa's decision-making process. When people walk in the door and say they have a problem or an exciting proposal, CanNor will be the one-stop shop that will help them to find solutions, make contacts, guide them through the maze. In many communities in many areas, there's almost no federal presence and certainly no one-stop shop. I think that's going to be a great role, and I welcome your input on how it can be maximized. I hope in your northern travels that you'll be able to find out what the people see as useful and what they see as interference. We want to make sure we get it right.

[Translation]

The Chair: Thank you, Mr. Minister and Mr. Duncan.

[English]

Just before we wrap up, referring back to your opening remarks, there's one question here. You mentioned the enhanced aboriginal skills and employment partnership program and you referenced three projects, one for each of the territories.

Do you have any details or background on these? I ask because of course we will be visiting the north. If possible, perhaps we might be able to take a look at these new projects.

If you don't have the information right in front of you, perhaps you could get back to us on that. It would be very helpful.

• (1200)

Hon. Chuck Strahl: Okay. We'll get the details for you.

Certainly, when I was in Fort Smith, for example, working with Aurora College, we announced a mobile heavy equipment training program that we were able to fund through Aurora. They were very excited about it.

The Chair: Excellent.

Hon. Chuck Strahl: That's the sort of thing. But we'll give you those three examples, and if they're useful in your travels, of course, we're here to help you.

The Chair: Certainly, the skills training component is something we are going to take a close look at.

Again, Minister, I much appreciate your attendance this morning. I know you're busy. We'll endeavour to get on with this study, and we look forward to reporting back to Parliament early in the new year.

Hon. Chuck Strahl: Thank you very much.

Again, I wish you well in this study. It's extremely timely, and we look forward to your input, because we're still in the early stages, especially with CanNor, so your input will be very valuable.

Thank you.

The Chair: *Merci beaucoup.*

I guess we'll have a two-minute recess in our proceedings, and then we'll come back.

• _____ (Pause) _____

•

The Chair: *Mesdames et messieurs, maintenant* we're going to carry on with the officials, who were introduced in our first hour. We want to get in as many questions as we can.

Ms. Jauvin, I'm wondering if you could perhaps give us some introductory comments, and then we'll proceed to questions.

Members, in the interest of time, we'll try to pare down the time of the questions and responses to, let's say, four minutes, and then we'll try to get more in.

Ms. Jauvin, welcome to our committee.

• (1205)

Ms. Nicole Jauvin (President and Deputy Minister, Canadian Northern Economic Development Agency): Thank you very much.

Mr. Chair, I apologize. I have not prepared formal remarks. Maybe I could just say a couple of words to set the stage informally.

Obviously it's a huge privilege to have been asked to take this important position. I'm very, very excited about the challenge that faces us. I look forward to working very hard with all the different partners that we need to work with to make this agency strong and vibrant. In particular, I look forward to working with members of this committee, who I understand have a special interest in the north. Having reviewed the transcripts from the previous meetings, I hope we can contribute to that discussion.

We've been in existence for a total of eight weeks and a few hours, but the past few weeks have been very busy. We have tried, and I think we've succeeded, to maintain a focus on our priorities.

The first priority, obviously, was to continue to deliver all the programs that we need to deliver and to ensure that there was a smooth transition.

A second important priority was to build relationships across the territories with all the partners that we need to engage. A lot of the staff in the agency are known across the territories. They've been working there for a while. However, Michel and I and other senior managers are new to the north, and we felt it important to engage with partners in all the territories immediately.

Finally, another priority has been to set up the agency. I know the time of this committee is very valuable, so I will spare you the really interesting stories I could tell you about setting up an agency—getting accommodation, office space, and building passes, and so on. It's all part of the pleasure.

As I said, one of the first things we set out to do is to consult with all the different constituencies we serve in the north. Michel and I have, of course, visited all the territories now, but we need to go way beyond that and get into the communities and have a much better sense of life there.

Michel Robillard, the vice-president, has now moved to Iqaluit.
[Translation]

He's all settled in in Iqaluit, and I'm sure you'll get a chance to ask him how things are going.
[English]

Our vision beyond our official mandate is to become a credible and effective voice for the north in Ottawa, as well as a single window for northerners who want to access all the government economic programs in the north. That is something we will build over the longer term, but it's certainly an objective we want to keep in mind.

That's all I will say for now. I know you probably want to ask a lot of questions, and we'll all do our best to answer as much as we can.

The Chair: Thank you very much.

I must say, for not having prepared any notes, that was very well done and a great introduction to your agency. We wish you well in the weeks ahead.

Now let's go to questions.

We'll begin with Mr. Volpe, for four minutes.

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Thank you, Mr. Chairman.

Before you start the clock on my questioning, let me just make an observation before we begin formally.

It's unfortunate that the minister could not stay a little bit longer, because some of the questions actually relate to the minister in his capacity as the chief administrator of not only this particular project but other issues. So I hope you will take into consideration that some of the questions we will ask would probably be better directed towards him.

[Translation]

Ms. Jauvin, Mr. Robillard and Mr. Borbey, welcome.

• (1210)

[English]

My compliments on your new task, your new job. It's going to be tough, but as you just heard me say to the chairman, some of the questions you may feel a little bit uncomfortable with, and that's okay. I mean, you've only been on the job eight weeks.

Let me ask you very quickly, are you familiar with the Mackenzie Valley pipeline project fund?

Ms. Nicole Jauvin: Yes, I am.

Hon. Joseph Volpe: Great. We're off to a good start.

Ms. Nicole Jauvin: I am familiar enough with it to know that it doesn't come under the responsibility of CanNor, but I have had a briefing on it.

Hon. Joseph Volpe: But you're going to have coordinative responsibilities for all the projects up in the north so that you can coordinate the various departments. These include that which has responsibility and carriage over this particular fund, and also, through Human Resources or Service Canada, programs associated with ARDA and ASEP, as we've just heard. Those are not new programs; they've been there for quite some time, and they're all a part of trying to develop the economy of the north and the skill sets required for that development, but to do it locally. It has been an ongoing program. There's lots of money available under ASEP; there has always been lots of money available under ARDA. The Mackenzie Valley Pipeline was established to do that as well.

Madame Jauvin, you've obviously heard recently that the fund was expensed for some \$10.7 million, although it doesn't appear to be alive as a project. Is it still alive or not?

Ms. Nicole Jauvin: This is really not in my bailiwick, but let me make one little correction. We don't have the mandate to administer or coordinate all government programs up north, but we'd like to think that over time we will develop the capacity to direct people to the right place. In the case of Mackenzie Valley, I would like to think that CanNor's role is to ensure that whoever is interested is directed to the office that is responsible for the pipeline.

Hon. Joseph Volpe: It would be really unfortunate if, in the absence of someone like yourself, or in the creation of a project or an agency such as the one you're heading, somebody else thought it would be okay to expense a fund that was really dormant.

Ms. Nicole Jauvin: I will ask Mr. Borbey, who represents the Minister of Indian and Northern Affairs' other responsibilities, to add what he can on that.

Mr. Patrick Borbey (Assistant Deputy Minister, Northern Affairs, Department of Indian Affairs and Northern Development): Thank you.

The fund, as you know, is not flowing yet. It will not flow until such time as there's a decision to build a pipeline. At this point, it still remains a hypothetical fund.

Hon. Joseph Volpe: That's really interesting. For a hypothetical fund to have members of another department—in this instance, Transport—attribute some \$10.7 million worth of expenses against it would suggest that there is at least somebody who's making a decision that would be helpful in the north and would be helpful for the human resources development.

Do you know whether any of that money went to human resources development of the local population, or whether it went to building an infrastructure for tomorrow? Or did somebody in fact just try to fill a vacuum?

Mr. Patrick Borbey: If I may, Mr. Chair, I'd like to clarify. There are two issues. There is a \$500 million fund that has been planned for in the event that a pipeline is created. As well, the government has been appropriating moneys through Parliament to allow for departments and agencies that have a role in the regulatory system to play that role in anticipation of a report by the JRP and of moving to the next phase.

The funds you're referring to that were appropriated to Transport Canada are related to that preparatory work. Our department—

Hon. Joseph Volpe: Is that the \$500 million notional fund out there?

Mr. Patrick Borbey: The \$500 million is a completely different issue. What you're talking about is the funds—about \$30 million or so—that were approved as part of the economic action plan to allow for the preparatory work related to the regulatory process, getting us past the JRP and into the permitting process.

The Chair: Thank you very much, Mr. Volpe and Mr. Borbey.

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

Mr. Earl Dreeshen (Red Deer, CPC): Thank you. It's a great opportunity to be able to ask some questions.

I'm a former school teacher. People have many concerns about making sure that people in northern communities are being properly trained and have access to training programs. That's where I want to go with some of my discussion.

Have you had any input as to whether companies in the north have taken some of the responsibility upon themselves to assist in training programs?

• (1215)

Ms. Nicole Jauvin: My answer is going to be to the best of my knowledge, but under the existing comprehensive claim agreements there is a responsibility for proponents of projects, for example, to ensure that there are benefits provided for aboriginal or first nations. I understand that in each case, for example, whenever a project is considered, there would be provision for benefits to accrue to first nations or aboriginal groups. Again speaking very generally, I am aware that there are such training programs for these groups.

I would also say with respect to CanNor specifically that we have the responsibility to work with HRSDC. What we're trying to do is embed some of their staff in our Iqaluit office. What we would like to do is ensure greater knowledge, greater opportunities for training programs, when we are designing programs, and more generally in addressing the way we look at projects.

Mr. Michel Robillard (Executive Vice-President, Canadian Northern Economic Development Agency): I'd like to add that about a month ago I was in Iqaluit. Iqaluit is under the Qikiqtani region, and I met with officials from the Kakivak CEDO, a community economic development organization. I was interested in learning from them how they integrate economic development and learning skill development activities. The way it's done is that when they have a project, for instance a construction project in Iqaluit, they will team up with the school to bring apprentices on board who will get formal training; then, after that, they're almost ready to start in a real job as a plumber or a carpenter and so forth.

So they have a more systemic, integrated approach to economic development, making sure that everything from learning is integrated, and they're way ahead. What we would like to do at HRSDC is develop this kind of systemic, more integrated approach, so that, for instance, if we have an economic development project proposed by one of the territories for a community, we will make sure, with our colleagues from HRSDC, that we can integrate the skills development component in the economic development project.

This is really promising. We are teaming up with HRSDC and developing the approach right now. But we are also learning from our partners in the north, who have been doing that for many years now.

Mr. Earl Dreeshen: Is this part of the advocacy the minister spoke of, part of assisting not only with education but with other programs as well?

Ms. Nicole Jauvin: I think you could consider it part of that. This advocacy role is one we will need to develop. We don't want to be presumptuous, either; one of the first things is to understand the context, understand the circumstances, so that we can make representations in Ottawa.

This is the first time that a deputy minister, around the deputy ministers table, has the north as their exclusive responsibility. That's another example of advocacy that I think will be important. Over time this role will evolve, and it's up to us to make sure that it's credible and that it works.

[Translation]

The Chair: Thank you, Mr. Dreeshen.

We now move on to Mr. Lemay. You have only four minutes, Mr. Lemay.

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Chair, I had to go to the House to debate a mixed-up bill that you tabled.

To begin, if I may, Mr. Chair, I'm going to congratulate Ms. Jauvin, because she is from the Rouyn-Noranda region. For those who don't know, it's a beautiful place, a wonderful place. I congratulate you on your appointment.

First the bouquets, then the brickbats.

• (1220)

The Chair: Mr. Lemay, unfortunately the translation is not working.

Mr. Marc Lemay: Now that the interpretation is working, I'll carry on. I was late because I had to speak to a bill in the House.

You're from the Rouyn-Noranda region, so I think you'll be a strong advocate for the North. I'm sure that the reason you were chosen to play such an important role is that you have solid experience.

I am concerned, however. We know what Canada Economic Development for Quebec Regions does. We also know what FedNor does. I have a few problems with CanNor. You say that the Agency is also responsible for the northern component of two economic incentive programs [...] the Community Adjustment Fund and the Recreational Infrastructure Canada Program. It is also responsible for the Northern Projects Management Office, which is huge.

We're going to be visiting that part of the country, Iqaluit, on November 24. Is it possible to get an organization chart? It seems to me that CanNor is being added on top of what used to be the Northern Projects Management Office; it's not clear. If I had one thing to ask you, it would be this: exactly what role does CanNor play in day-to-day life in Iqaluit and other parts of the North?

Ms. Nicole Jauvin: Thank you very much, Mr. Lemay.

We can certainly give you an organization chart. Once again, it's early days for us. The organization chart will be a provisional one. We are currently working on a business plan that includes the matters we are responsible for and the things we have to deliver, human resources and financial resources. That's the first thing we have to do. The plan will help us a lot and will probably help you, too, understand what it is we do.

Our mandate is to deliver programs that comprise eight components. I believe they're listed in the documentation. That's the first part.

The Projects Management Office, that's something new for the North. It hasn't yet been created. It was announced in September. We think we'll be able to get started in the spring. It will be an office that helps companies that want to submit major projects navigate through all the regulations. It's patterned somewhat after the projects office that exists in the South and is overseen by the Department of Natural Resources. That's our model. Of course, we're going to use a lot of tools, but it has to be adapted to the North.

Mr. Marc Lemay: Will you also be working jointly? I see references everywhere to the North: the Northwest Territories, Nunavut, and so on. However, there's a part of northern Quebec that is of great interest to the Inuit, Nunavut, where there's a corporation called Makivik. Will there be joint initiatives? We know that for the Inuit, no matter which side, there are no borders.

Ms. Nicole Jauvin: Right off the bat, it's important to point out that our mandate covers the three territories, that's for certain. We have to be clear, it stops there. That doesn't mean that the northern Quebec region will be abandoned. It has been served by DEC for many years, and things are going well. However, we know that there are many Inuit in the region and there are a lot of issues shared with other parts of the territories. I would say that as far as research and some approaches are concerned, there will be a great deal of collaboration. We will also be working very closely with regional agencies to ensure that we have programs that are available to all Inuit.

• (1225)

Mr. Marc Lemay: How long is your mandate?

Ms. Nicole Jauvin: I personally see it going on forever.

Mr. Marc Lemay: Bravo! Good luck.

Ms. Nicole Jauvin: I don't think it will be easy to get rid of us.

Mr. Marc Lemay: Good luck.

[English]

The Chair: *Merci, Monsieur Lemay. Maintenant* we go to Mr. Payne for four minutes.

Mr. Payne.

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

I'd like to welcome the witnesses here, and my apologies for arriving late. I was in another committee meeting and that one went on a little longer.

CanNor looks like it's going to be very interesting. You talked about your business plan, and I'm just wondering where you are with

that business plan and how far have you gotten. Is it developed? Is it ready to roll out?

Ms. Nicole Jauvin: We have had a strategic planning retreat, which actually for the first time brought together the senior management committee of the department. We had that in early September in Iqaluit, and we spent three days talking about our values as an organization—that's kind of the first piece—and our business plan, what are the priorities and so on.

We are actually putting this together. This year, because we are so closely linked to INAC, I think until the end of the fiscal year we're actually still sharing the same parliamentary mechanisms for reporting and so on. So this plan is basically our first attempt. It won't be as public through the RPPs and the DPRs as the next one will be. But I don't see any issue with making it available to members of this committee.

We need to make sure our plan reflects the needs of the north. I know that with your visits and your interests you will have views as well, so we'll be glad to share that with you.

Mr. LaVar Payne: So when that's all ready, we'll be able to get a copy of that?

Ms. Nicole Jauvin: Yes.

Mr. LaVar Payne: Okay, perfect.

The other thing you talked about in your opening comments is that you had met already with some of the territory leaders. I'm wondering what kind of information they have put forward as to their issues and concerns.

Ms. Nicole Jauvin: The meetings I've had were at the level of the public service with each territory, as well as with first nations leaders and aboriginal leaders. In Nunavut, of course, it's with NTI, the organization that's responsible for the implementation of the claim.

During the visits we didn't go in depth with respect to what their current priorities are. We wanted to establish a relationship. What we did say is that we.... My opening line is always that "I can't do my job, we can't do our job at CanNor, if you don't work with us. We won't be doing this on our own; we can't possibly. We have to work with you." And that's very well received.

There are plans for holding consultation meetings and other types of exchanges at quite a high level to start thinking about what our priorities should be. There are priorities that have been articulated for each program. SINED is a very good example, but I think we need to take it one level up.

The other thing I think we need to do is share our capacity. One thing we've agreed to do is to share our basic knowledge about the analysis about the north so that we can see whether or not, hopefully, we're all on the same page. We will put all of those views together and get a better picture of where people are.

The Chair: That's about it, Mr. Payne. I'm sorry, it goes very quickly, but thank you very much.

Mr. LaVar Payne: Okay. Thank you, Mr. Chairman.

The Chair: We'll now move on to Mr. Bevington.

• (1230)

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

Thank you, Ms. Jauvin, for being here.

The minister said something about the Northern Projects Management Office that I want to clarify, because I don't think it was correct. He suggested that somehow this is a similar body to the one in southern Canada with the major projects offices. The major project offices in southern Canada deal with provincial jurisdictions. They're completely responsible for resource development within their jurisdictions.

I don't know how you can make a comparison between a major project office in southern Canada, which deals with decisions being made by provincial jurisdictions, and a northern project management office that deals with decisions being made by the federal government. How can the minister compare the two in terms of jurisdiction? I go back to what I spoke to in the letter from the Minister of Environment and Natural Resources saying they're looking for directions on regulatory development that will facilitate the eventual devolution of authorities to the Government of the Northwest Territories.

Ms. Nicole Jauvin: NPMO will be modelled very much along the lines of the MPMO, which operates in the south. The important thing to remember is that NPMO does not have any authority over other departments or regulators.

The role of the NPMO will be to ensure that we can look at projects from a project management perspective. When a company comes in, it's important to be able to tell them they will probably need three types of assessments and this number of permits, and they will need to undertake consultations with these groups. This has to be set out in a way that a proponent can make sense of it. It will give a little more certainty in how long the process might last. It will hopefully help to accelerate things a little and encourage proponents in their efforts to bring projects forward.

My colleague reminds me that neither office coordinates provincial or territorial roles. We're looking at the coordination of federal regulatory roles.

Mr. Dennis Bevington: That's my point. The federal regulatory role in resource development in the Northwest Territories is to make decisions, whereas the federal regulatory role in provinces over provincial-type developments is not to make decisions; it's to simply ensure that the regulations the federal government can bring to bear on those projects are being looked at and carried forward. There are two different roles here.

How do you anticipate that the federal government will use your agency to promote the legitimate, constitutionally backed desires of the Government of the Northwest Territories to have a bigger role in resource development decisions?

The Chair: There's time for a brief answer to that.

Ms. Nicole Jauvin: That will not be the role of the NPMO. The NPMO will strictly coordinate and manage projects, so they will have no authority in that regard.

The Chair: Thank you very much, Mr. Bevington and Ms. Jauvin.

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

Mr. John Duncan: Thank you once again.

I'm going to address my questions to Patrick Borbey because I know he knows so much.

Ms. Nicole Jauvin: As opposed to the president of CanNor?

Mr. John Duncan: He's been in the job a lot longer. Let's put it that way.

I notice money has been allocated for the study of the Mackenzie Valley Highway between Tuktoyaktuk and Inuvik. From your vast storehouse of knowledge, could you describe that for us in ways that are productive?

I'm personally very excited about the launch of Radarsat, I think it was a year or two years ago, and about what that will bring to the north in broad terms.

Finally, I think you may have been asked this before, but we're ready to launch this northern study in a serious way from a committee perspective. If you have any special area that you think we should focus on, that would be nice too.

● (1235)

Mr. Patrick Borbey: That's a lot. Thank you very much.

This is a project the department was handling up until the creation of CanNor. It has become a CanNor project. But certainly it is an exciting project, with the possibility of having the Dempster Highway extended all the way to the Arctic Ocean. CanNor is funding some of the feasibility work, the early work. It will require significant infrastructure investment, which will involve other parts of the government when a decision is required. Nicole has taken over that project, and it is a pretty exciting one.

I agree that Radarsat is an important asset that the government has deployed for the north, and it does play an important role in terms of helping us improve our knowledge of the north. I'm not a specialist in this area, but things such as ice conditions, our icebreakers, the scientific teams we send up north depend heavily on Radarsat to be able to assess what is going on there. It is a significant improvement on the technology that existed under Radarsat 1. So it has a lot of benefits.

All kinds of applications are going to be developed over the coming years, including applications that will help Inuit hunters be able to practise traditional skills more safely. So Radarsat, yes, is also part of the vision of the high Arctic research station in terms of being able to do a little bit more scientific work in the north for northerners.

In terms of your studies, I think you've talked a lot about skills development, the tools, the mechanisms, and how they work together to allow aboriginal Canadians, northerners, to be able to participate fully, particularly in the resource economy and the boom that's coming—economic development at large, but the resource sector is going to continue to drive the economy.

There are a lot of good examples out there. Diavik and Ekati have really made some important investments and have helped in those areas. If you talk to aboriginal leaders in the Tlicho area, they'll be able to tell you some interesting stories. More people are going to university. More people are acquiring the skills to be able to be part of the new economy. Nunavut has a huge number of projects that may become active mines soon. We hope there will be a first new mine in Nunavut in the first quarter of 2010.

Again, there's a story there that needs to be told and better understood about how proponents are working with governments, with the agency now, with HRSDC, with the territorial government, and communities to ensure that those jobs are going to go and the skills are going to be gained for the benefit of northerners.

The Chair: Thank you, Mr. Borbey. That's great. We are just getting a little over time.

Thank you, Mr. Duncan.

[Translation]

The Member for Nipissing—Timiskaming now has the floor for four minutes.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Thank you, Mr. Chair.

[English]

Regarding CanNor, coming from a rural and isolated part of Canada, I realize how important regional economic development is and the help it gets.

CanNor has been developed, and I'm thrilled to see that. It has been developed as an agency, and it's strong, it's there. Perhaps you can explain to me why it wasn't introduced as a program and why it was introduced as an agency—very simple.

Ms. Nicole Jauvin: Frankly, I think a program would mean that the agency is part of a department. I believe the idea behind the Prime Minister's decision—because he's the one who makes the decision on these machinery issues—was to ensure that there was enough profile that was given to the agency. As you know, all of the other regional development agencies, with the exception of FedNor, have their own deputy minister at the head of it.

• (1240)

Mr. Anthony Rota: So by making it an agency it has a better profile, it has better representation, and it is responsible to Parliament. It's a better vehicle.

Ms. Nicole Jauvin: It's always responsible to Parliament through a minister, so that hasn't changed. But I think it's more in terms of visibility, profile—

Mr. Anthony Rota: Level of importance maybe.

Ms. Nicole Jauvin: Your words, but I would—

Mr. Anthony Rota: Yes, okay. Very good.

I'll leave it at that. I won't dig any further. I think I've got what I need on that.

In regard to the Mackenzie Valley pipeline project, I understand there's been \$10.7 million spent over the last four years, and the authority for that really came out in February of this year when the

budget was passed. Under what authority was the \$10.7 million spent? Who authorized the spending of that money over the past four years? It seems like we've had the program, the money is out there and it's being spent, but who's authorizing it?

Ms. Nicole Jauvin: First of all, I know it's not under the responsibility of CanNor, and I don't believe it's under the responsibility of INAC either. I believe it comes under the Department of Transport, Infrastructure and Communities.

Mr. Anthony Rota: So it was the Minister of Transport who was approving—

Ms. Nicole Jauvin: Patrick wants to comment here—

The Chair: If I could, this question has actually been put before. Can you tie your question into...?

Mr. Anthony Rota: I'm elaborating on the question that was asked before.

The Chair: I understand that, but we're really getting into technical questions about appropriations, and our study topic is really about identifying barriers to economic development. It sounds to me more like a question of process and authorization that might be better directed to a different committee.

If you could make the tie in terms of an economic barrier, perhaps that might clarify the question.

Hon. Joseph Volpe: Just a point of clarification, if I may?

The Chair: Okay, briefly.

Hon. Joseph Volpe: Yes. Mr. Borbey shed some light on some things, and I think that question would be most legitimate, because he gave an indication that the funds were authorized under the action plan, and the action plan was authorized on the budget vote in 2009. So when Mr. Rota says that the funds were expended prior to that, you may be right that we have a process question, but it's in the context of economic development in the north.

The Chair: Yes. We need to make the connection. The chief purpose of our investigation and study is to really identify what barriers are in front of us and also to consider what then leads logically into gaps and considerations for addressing some of these opportunities.

So if you can tie the question in that way, we'll let you go.

Mr. Anthony Rota: In light of that, I guess the question would be if accountability, or the lack of it, is a barrier to development in the north.

Ms. Nicole Jauvin: I may answer that. I believe I'm accountable. The minister's accountable. I'm sure you didn't want—

Mr. Anthony Rota: I'm sorry, that wasn't a fair question to you. That should have been sooner, in a different light.

But no, I was concerned about the amount of money that has been spent and where it was coming from. It sounds like it's coming under your jurisdiction now, but it's not.

Ms. Nicole Jauvin: It is not.

Mr. Anthony Rota: Okay. That's good to clarify. Very good.

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

[Translation]

Mr. Rickford will be the next speaker.

[English]

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

I want to focus on how aboriginal economic development fits into this. In the great Kenora riding we've been having tremendous success within the last year in strengthening the position of first nations communities and providing effective instruments—outside of INAC, but through some of the rounds of funding in Canada's economic action plan—which have served to markedly improve, as compared to previous years, the ability of first nations communities to interact in the private sector. That analysis, and the policies and announcements that have flowed from it, have gone a long way in a very short period of time to bringing the requisite infrastructure requirements and community development pieces together for them, with them.

I see the situation in the north.... My riding extends to the shores of the Hudson Bay, and it's a little bit difficult for me to not think of my riding as anything but the north.

We want to understand—for the benefit of the committee—the aboriginal economic development framework. It was mentioned earlier that we've set new priorities for an aboriginal economic development program that would be pan-national. I was wondering, Patrick, if you could expound on those a little bit. Perhaps then we could hear how these investments could be targeted to first nations in the territories and what strategies you're planning to employ within those two frameworks—if I can call your exciting new program a framework.

• (1245)

Mr. Patrick Borbey: I'll start and then I'll turn it over to Nicole.

The responsibility for that part of the department rests with Sara Filbee, the assistant deputy minister. She is supporting the minister in terms of unrolling the new framework. The framework does certainly have some new measures, new funding available to first nations across the country.

When it comes to northern first nations or aboriginal groups, the decision was made that CanNor would be the delivery agent for the framework in the north. Nicole is working with Sara in terms of ensuring a smooth transition there.

Mr. Greg Rickford: Patrick, I appreciate that very much.

Just by way of the example that I gave in my preamble, I mentioned that there were some community economic development things that had to take place. In light of that, how will CanNor address the framework issues and the things that I've alluded to here?

Ms. Nicole Jauvin: Two types of programs have been transferred to CanNor under the AED. The first one is Aboriginal Business Canada, which offers equity and loans to businesses. The second suite of programs is under the community economic development

program umbrella. Under this one we provide core funding to certain organizations, in other words, funding capacity, as well as to specific projects in communities. Although since the creation of CanNor no new project has been announced, there are some in the hopper, so to speak. As well, obviously, the core funding continues to the organizations that are in receipt of it.

CanNor is working with INAC very closely, because INAC is responsible for the overall pan-national framework. We want to make sure we work together. The AED program is administered in the same way as it is everywhere in the country; however, with the renewal process that's under way, I would like to see some consideration being given to the special circumstances in the north. I have every reason to believe that kind of flexibility will be open to us as the time comes.

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

[Translation]

The Chair: Thank you, Mr. Rickford.

Mr. Lévesque.

Mr. Yvon Lévesque: Mr. Chair, we hope that during our trip to Iqaluit we will get an opportunity to meet Ms. Jauvin and Mr. Robillard.

[English]

The Chair: Thank you, Mr. Lévesque.

Let's go to Ms. Glover for four minutes.

Mrs. Shelly Glover (Saint Boniface, CPC): Thank you, Mr. Chairman. Thank you to the committee for indulging me.

As the committee members know, I take a great interest in aboriginal issues and have spent most of my life trying to address some of the challenges involved in aboriginal regions and communities. I continue that venture.

I have a question specifically for the department. I'd like to hear what are some of the precise priorities in regard to social issues, what those challenges are, and how the department is actually dealing with those challenges. I'd like to hear from you, sir, if you wouldn't mind. And by the way, welcome.

• (1250)

Mr. Patrick Borbey: Do you mean social issues in the north, in terms of the territories?

Mrs. Shelly Glover: Yes.

Mr. Patrick Borbey: First of all, it's important to recognize that there's a different relationship involving the federal government and the provinces and reserves in the south and in the north, where you do not have reserves or you only have a small number of reserves. You have self-governing first nations, you have land claim organizations that have signed, and you have the territorial funding formula that funds most of the social programs for the territories. There are some small elements that we are still responsible for, which contribute to social development.

For example, on an annual basis, we do have an agreement with both NWT and Nunavut on a funding position in health services. So it's a supplement to the money they receive in transfers to recognize the fact that their population is in majority aboriginal. That's an example.

We run the food mail program, which subsidizes with nutritious foods that are shipped to the north. This applies not only in the three territories but also in northern parts of the provinces, Nunavik, northern Ontario, etc.

The other example under the northern strategy would be the housing investments that have been made—the minister spoke to those earlier—first under the trust with the territories and now through CMHC, under the recent economic action plan.

Those are some examples. There are other ways that we also contribute to social development. In the north, the primary role is with the territorial governments.

Mrs. Shelly Glover: Please indulge us, sir. If you wouldn't mind touching on some of those other ones, I'm sure the committee would like to hear about those.

Mr. Patrick Borbey: Other areas would be small investments that we may make through very modest programs. For example, we support hunters and trappers associations in making available traditional foods in communities, through things like subsidizing the building of community freezers. We provide research results that help make decisions with respect to nutrition in the north by looking at the presence of contaminants, for example, in traditional foods and things of that nature. Also through the land claim agreements, there are some social responsibilities that are acted upon by the department.

Mrs. Shelly Glover: My background is policing. I spent almost 19 years policing. I'm interested in whether your department has some contact with the self-governing bands. Do you talk about policing with them? Do you offer advice to them, ever, with regard to that, and do they talk to you about any violence against women, men, or children up in the north?

Mr. Patrick Borbey: We don't have a role in policing. We don't have a role in the administration of justice. However, the issues of violence, mental health, and suicide—all those issues—are certainly important and there are many different ways that the department and other departments can contribute to helping with some of the solutions. In a way we do get involved but not in the direct way that you might be looking for.

The Chair: We'll have to leave it there.

[Translation]

We have time for two brief questions. There are two speakers on the list.

Mr. Bevington, you have three minutes.

[English]

Mr. Dennis Bevington: Thank you, Mr. Chair, for the opportunity to have another question.

Mr. Borbey, the minister talked about the expansion of the diamond industry throughout Canada and in the Northwest Territories. Your department is in charge of mineral development

in the north. We've been concerned over the past number of years that the existing diamond mines have exceeded their agreed-upon production quotas, in some cases by 100%. What actions has your department taken, through the mineral development agency that comes under your jurisdiction, to ensure that the mines are using the resource in a proper fashion to maximize benefits to Canada and to people of the north?

• (1255)

Mr. Patrick Borbey: The terms and conditions that the mines operate under in the north are set through the regulatory process, so the approvals are done through that process. INAC is a participant, and we have a role to play in inspection. For example, if there are any violations or issues with respect to licences, we are the ones who inspect and, working with other colleagues, decide what is to be done about corrective measures. But I'm not aware of any role that INAC has been given in terms of monitoring quotas of production.

Mr. Dennis Bevington: Well, when you go through an environmental assessment process, you set up a mine plan that shows a certain progression of the development of the resource. It's tied to the value of the resource and to the benefits that can accrue from an orderly development of that resource.

What we've seen in the Northwest Territories is that in many cases the production has exceeded by 100% what they agreed to in the original mine plan. Does your department have a concern about that? You're the only agency that can actually provide any control over mineral development in the north. The Northwest Territories government has no control over it; it's entirely within your bailiwick. Have you considered this issue?

Mr. Patrick Borbey: We would only consider this issue in terms of whether it violated or was contrary to terms and conditions that had been set through the regulatory process. It's not our role to police the industry.

Mr. Dennis Bevington: So it's not your role to control the resource development to maximize the benefits to Canada and to the people of the north from resource development. Then whose is it? Who is responsible?

Mr. Patrick Borbey: Our role is to apply the law of the land. That's what our inspectors do the best they can in, in terms of being able to meet those requirements.

The Chair: Thank you, Mr. Bevington and Mr. Borbey.

Now the final question goes to Mr. Bagnell for three minutes.

[Translation]

Hon. Larry Bagnell: Thank you, Mr. Chair. I have only one brief comment to make and one question to ask.

[English]

First of all, I just want to make a quick comment to brief you to make sure you're not misled by the minister and are hopefully better briefed on historical economic development. There always have been economic development funds in the north for aboriginal people through special AHRDAs, or through CEIC, Indian Affairs, Industry Canada, or the Aboriginal Capital Corporations. There's a long history of it, so to say that it wasn't there is not true.

But it was good to hear the minister wax eloquent about the success of the SINED program created by Paul Martin.

As for my question, during the set-up of your agency, Dawson City—and you've probably seen this correspondence to the minister—made the very good point that the economies of the rural communities in the north are totally different from the economies of the capital cities. I'm just hoping you will recognize that, and I'm wondering if you have any plans on how you can deal with the specific constraints and opportunities that those rural communities in the north will have, which will be totally different from those of the advanced economies of the capital cities.

Ms. Nicole Jauvin: I'd like to jump in on that. I have not seen that correspondence; however, I think you described it and I can relate to that. What I would say is that it's clearly understood that there are huge differences between the three capitals and the communities or hamlets that are not those capitals. When we speak to territorial governments, we need to speak to them about those other areas as well.

But there's another interlocutor that's very important, and that's the first nations leadership in each community. In the Yukon, for example, I've had an opportunity to meet with the Council of Yukon First Nations, which is the umbrella group. There were very interesting discussions, because the leaders were very clear that they

wanted to be involved and that their problems and issues were completely different. They wanted to make sure that their voice was heard on an equal basis. Of course, I assured them it would be, but I would see that as an important way of getting to the communities that are outside of the three large centres in the territories.

[*Translation*]

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

I would like to thank today's witnesses for their submissions. I'm sure they will help us produce our future report.

● (1300)

[*English*]

We appreciate your attention today, members.

I have one final note before we wrap up. There was a work plan document circulated. For those who are substituting today, you might pass that on to the regular members who attend our committee, for their information.

To our witnesses, have a safe drive home.

Thank you very much.

The meeting is adjourned.

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