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**EVIDENCE**

**Thursday, March 15, 2012**

**Chair**

**Mr. Chris Warkentin**



# Standing Committee on Aboriginal Affairs and Northern Development

Thursday, March 15, 2012

• (1535)

[English]

**The Chair (Mr. Chris Warkentin (Peace River, CPC)):** Colleagues, I call this 30th meeting of the Standing Committee on Aboriginal Affairs and Northern Development to order.

Today we have the privilege of having before us witnesses from the National Aboriginal Economic Development Board, chaired by Chief Louie.

Thank you so much for coming today. With you are the co-chair and a member. Thank you for being here and joining us. We certainly appreciate it.

I'm certain, Chief, you'll make more in-depth introductions when we turn it over to you. Today we'll hear your opening statement. You've been to committees before and know generally how this works. We'll follow that with questioning.

Colleagues, we want to complete the first part of our meeting by at least five o'clock because there are some things we need to deal with before this weekend. Everyone can make plans to stay here past our time with the witnesses because there's some committee business we need to take care of.

We'll turn it over to you, Chief. We'll have you make your opening statement, and then we'll have some questions for you.

**Chief Clarence Louie (Chairman, National Aboriginal Economic Development Board):** I want to thank you for having us here. We look forward to the discussion and questions after my opening comments.

My name is Clarence Louie. I am chief of the Osoyoos Indian Band in southern Okanagan, British Columbia. Some of you have been to our resort. I thank you for coming there.

I am appearing before this group today as chairperson of the National Aboriginal Economic Development Board. The NAEDB is a federal advisory board created in 1990 to provide strategic policy and program advice to the federal government on aboriginal economic development. The board brings together first nations, Inuit, and Métis people from across the country to advise the federal government on ways to help increase the economic participation of aboriginal men and women in the Canadian economy.

The NAEDB plays a central role in the development of federal policies and programs that increase the economic participation of aboriginal people in this country, including in the areas of job creation, business development, and land management. The board played a key role in the development of the federal framework for

aboriginal economic development and continues to advise the federal government on its implementation across the country.

Appearing with me today is Chief Sharon Stinson Henry of Rama First Nation in southern Ontario. Unfortunately our colleague, Chief Terrance Paul of Membertou First Nation, was unable to join us today. Dawn Madahbee, co-chair, is also with me today. We are pleased to provide some information that may assist this group in its study of sustainable economic development and land use.

Today my colleagues and I would like to offer the NAEDB's views on land and environmental management on reserve. We will also offer some specific recommendations, based on our own experiences as leaders, to improve current federal policies and practices.

In Canada, as in most of the developed world, a secure land base is the foundation of economic development. Land provides equity to allow access to financing for investment and entrepreneurship, provides a revenue base to promote community development, and is a critical input for the development of business opportunities in a range of sectors, including natural resource extraction. The World Bank has noted that real property represents between one-half and three-quarters of wealth in most economies. When governed through effective management and regulatory regimes, land is a primary driver of economic growth.

In Indian country, the story is quite different. On 96% of reserves in Canada, the Indian Act regulates nearly every aspect of community life. It defines who is an Indian and regulates band membership and government, taxation, elections, schooling, title, lands and resources, and money management, among other matters. Its land management provisions play a major role in setting the conditions for business development and on-reserve investment.

Let me provide three examples of the challenges to developing strong and vibrant economies on reserve that derive from operating under the reserve system.

Section 89 of the Indian Act, by explicitly prohibiting the mortgaging of property on reserve, removes one of the key drivers of small business development.

Federal legislation such as the Species at Risk Act sets a different legislative and regulatory environment on reserve than exists on provincial land, increasing the complexity and risk for investors.

Under the Indian Act, land management processes involving common activities such as leasing and registration are expensive, complex, and often extremely slow. This presents significant challenges for large-scale, land-based economic activity, such as major resource development.

There are many more examples like these. Taken together, the negative effects of the Indian Act on land management and economic development result in time-consuming processes. Decisions made on reserve take too long—simple transactions in a normal business climate take up to five times longer in an on-reserve setting—and they require too many approvals, delay investment, and are preventing economic activity entirely.

There is the high cost of doing business. The cost of doing business on-reserve is up to six times more than off-reserve, creating a strong disincentive for investment.

There's an absence of market forces. The Indian Act regime often requires federal involvement in a community's economic development decisions, interfering with business activity and creating uncertainty.

There are inappropriate and outdated rules. Regulations under the Indian Act are cumbersome and complex and have not kept pace with the rapid pace of change in the broader economy.

In 2012 the NAEDB will be releasing the aboriginal economic development benchmark report, the first comprehensive effort to assemble indicators to establish benchmarks for the social and economic well-being of first nation, Inuit, and Métis in Canada.

The report reveals some of the staggering effects of the Indian Act on the economic outcomes of first nations.

First, despite an increase in first nations land used for economic development and the enactment of new legislative tools to overcome the deficiencies of the Indian Act, 80% of the 27,000 aboriginal businesses across the country continue to operate off reserve.

Second, 68% of first nations still have little or no land and resource management responsibility or capacity.

Third, while on-reserve unemployment was 23% in 2006, non-aboriginal Canadians experienced unemployment rates of 6%.

Clearly, first nations that manage their own land under the Indian Act are at a serious disadvantage.

In terms of case studies, the members of our board appearing before you today represent two first nations that have achieved relatively high degrees of economic success, despite operating under the reserve system. Both of us, as well as Chief Paul of Membertou, are completing case studies to help people better understand the impact of legislative and regulatory barriers on economic development. Each case study provides an in-depth analysis of the costs and delays that are created from operating under the existing federal land management system. We would be pleased to share them with the committee for its consideration when they are complete.

These case studies reveal a number of things.

First, the Indian Act makes economic development, and just about any other land-related decision, extremely expensive and time-

consuming. Dealing with third parties such as lenders or business partners can also be challenging, owing to the lack of final decision-making authority and certainty.

Second, land transactions under the Indian Act require various approvals of decisions on reserve lands from any or all of Aboriginal Affairs and Northern Development Canada, the Department of Justice, and Environment Canada. Involving the federal government to this degree, which operates far away from the realities of the first nations and is generally risk-averse, compromises our ability to move at the speed of business.

Finally, the Indian land registry is inaccurate, lacks clear standards, and is unable to guarantee certainty of land title for landholders. This is compounded by the fact that the Indian land registry does not have formal regulations that govern the system, that registering certain transactions can take anywhere from months to years, and that the system allows for multiple descriptions and ownerships to be registered against a single property.

Chief Sharon Stinson Henry of Rama First Nation will now speak to her community's case study.

• (1540)

**Chief Sharon Stinson Henry (Member, National Aboriginal Economic Development Board):** Thank you.

Thank you, Mr. Chairman and committee members, for hearing our presentations today. As you've heard, my name is Sharon Stinson Henry. I'm the chief of the Chippewas of Rama First Nation, located in central Ontario. *Gchi miigwech* for having us here.

It is an honour to appear before the committee, together with Chief Louie, as a member of the National Aboriginal Economic Development Board. Our board chair, Chief Louie, has outlined to you the purpose of this advisory board, so I will move right to my segment of the presentation.

The challenges for first nations in pursuing economic development are well documented and have been the subject of various reports and studies. The barriers to sustainable economic development for first nations remain, despite reports that have clearly identified the barriers, along with recommendations to mitigate or eliminate them.

For example, in November 2003 the Auditor General of Canada issued a report to the House of Commons on economic development of first nations communities' institutional arrangements. The Auditor General reported that first nations continued to face barriers that increased their cost of doing business.

The following barriers were noted in the report: access to natural resources is restricted, which limits first nations opportunities; first nations have difficulty accessing capital necessary for economic development; keeping track of the requirements of different federal government programs is a substantial burden on first nations; federal officials, when reviewing projects, are reluctant to take risks, and in particular, project approval processes do not move at the speed of business; program criteria are difficult to adapt to large-scale, complex economic development projects; Indian Act processes are burdensome; and resources are lacking to build institutional arrangements in a timely way, institutional arrangements being mainly formal and informal organizations and functions that structure economic interaction.

The report noted that the approval times for projects on first nations land were significantly longer than off-reserve development. It cited an example from the study; in this case a project took well over twice as long to complete on reserve compared to development with a neighbouring, non-aboriginal community.

Board chair Chief Louie has addressed the topic of the First Nations Land Management Act in his remarks very thoroughly; I would add, however, that while there are great opportunities available under FNLMA for first nations to take back rights and responsibilities regarding their land base, the act is not sufficiently resourced.

We have heard from first nations leaders that once they have entered into the First Nations Land Management Act, the federal government does not provide adequate resources to support capacity-building at the first nation level to take advantage of opportunities.

Furthermore, the act should provide first nations with full control over lands and access. For example, the act should ensure that first nations have the ability to charge gate access fees or tolls, etc., for passing over and being on lands that are owned by a first nation.

In terms of case studies, as Chief Louie has noted, the National Aboriginal Economic Development Board has undertaken three first nation case studies. Rama First Nation, my nation, is providing one of these case studies, along with Membertou and the Osoyoos Indian Band.

In Rama's study we are considering the additional costs of first nations economic development through an examination of two key Rama projects. The first one is the development of Casino Rama, Ontario's most successful commercial casino, which is located in Rama First Nation. The second one is our joint venture with other first nation partners in the St. Eugene Golf Resort and Casino of the Rockies, located on the St. Mary's reserve just outside of Cranbrook, British Columbia.

Rama's case study has noted several barriers that are inherent in the Indian Act, which I will touch on briefly.

With respect, Mr. Chairman and committee members, the Indian Act is an outdated piece of colonial legislation that does not meet the needs of first nations. First nations do not have an ability to move swiftly in developing their lands as a result of the restrictions that arise under the Indian Act and the red tape that comes with them.

● (1545)

This often renders economic development out of reach for first nations in Canada. One of the most problematic barriers in the Indian Act is the requirement that first nations must first surrender or designate lands before they can be developed. This requirement to give our interests in land over to the federal government in order to develop them is a major problem.

For example, Rama First Nation's development of the highly successful Casino Rama was slowed by the Indian Act requirements to surrender the lands or, more specifically, to "designate" them, which included a requirement to undertake a community referendum. This lengthy and complex process added time and cost to our transaction.

Rama experienced similar challenges because of the Indian Act restrictions on land management in the St. Eugene Golf Resort and casino project. In that project the Indian Act requirements for designations increased the complexity of the transaction because we weren't dealing with the acquisition of fee simple interests in real property, but rather a series of sub-leasehold interests that were ultimately subject to the land leases granted by INAC.

The St. Eugene's leasehold structure also impacted the process by which Rama took security for our additional financial contributions, because Indian Affairs needed to consent to the mortgages that were granted. First nations cannot use their lands as collateral against loans to support economic development, and the federal government does not provide first nations with adequate financial support for economic development.

Rama has felt the impact of these provisions in our economic development ventures. We have noticed that the banks are more concerned about adequate cash flows than assets, when assets are located on first nation reserves. This has resulted in increased costs that for many other first nations would likely pose an insurmountable barrier.

With regard to environmental management agreements, we believe that respect for the environment is central to effective first nations governance. Sustainable economic development for first nations depends on our access to and control over land and natural resources and on a clean and healthy environment.

However, there are few federal regulations in effect to protect the environment on reserves. As a result, residents on first nations reserves do not have the same environmental protection that other Canadians do. The federal government needs to properly resource first nations to deal with our environmental management needs, including providing appropriate financial, technical, and other resources.

With regard to additions to reserves, the additions to reserves process, or ATR, is complicated, time-consuming, and very expensive. As Chief Louie noted in his recent remarks to a Senate committee, ATR is federal policy, not law. This needs to be changed, as Chief Louie noted. The ATR should be replaced with legislation that must be based on the assumption that Canada actually wants to add lands to reserves because it is in the long-term interest of first nations, Canada, and indeed the provinces and municipalities to do so. Not only does the first nation have to deal with the federal government in the ATR process, but we must also engage with local municipalities, which can create additional roadblocks. We need to have processes in place to help us resolve disputes between first nations and our municipal stakeholders.

Our overall recommendations on first nation land management issues are the federal government needs to focus on how it can support first nations in developing their own lands and resources, as opposed to being a gatekeeper that stands in the way of opportunity. We must be creative to find solutions; for example, the crown should provide sovereign guarantees to support development. The federal government must give rights and responsibilities to manage first nation land issues over to first nation leaders and must properly resource first nations to grow their capacity to be effective land managers.

Economic development is not just about large-scale development by the first nation; it is also about supporting our first nation entrepreneurs in pursuing their goals.

● (1550)

There is ministerial control over the lives of first nation members under the Indian Act from cradle to grave. This needs to change. The Indian Act barriers to individuals developing their land on-reserve are similar to barriers for first nation development, and these must be addressed.

Lack of natural resources revenue sharing is a critical issue for first nations in economic development. Resource revenue sharing with first nations must be fair and appropriate. There are first nations living in poverty while multinational corporations benefit from their lands.

Finally, the process to resolve land claims, be they comprehensive claims or specific claims, is too slow. There is much work to be done to eliminate these barriers.

First nations in Canada have much to offer as we build a stronger nation. Together we can do this. However, we require respect and support. Let us walk together to make Canada stronger and more competitive as we move forward into the 21st century.

Again, *gchi miigwech*. Thank you for the opportunity to address you today.

● (1555)

**Chief Clarence Louie:** Thank you, Mr. Chair.

Can I have Dawn speak to the benchmarking report?

**The Chair:** I'm just going to jump in here.

Colleagues, we have significantly exceeded the time we usually allocate. I think it's probably our desire to continue to hear the

testimony. I want to get your approval, and then we'll continue. I think your testimony today is more important than our questions, because you'll answer many of our questions before we ask them.

Thanks for the testimony. Sorry for the interruption.

**Chief Clarence Louie:** Thank you.

**Ms. Dawn Madahbee (Co-Chair, National Aboriginal Economic Development Board):** Thank you very much.

I'm very honoured to be able to have this opportunity to speak about aboriginal economic development in Canada and the work that we've been doing as a board to provide recommendations to the federal government.

I work with an aboriginal financial institution that services 27 first nations in northeastern Ontario. I've been doing this for the past 24 years, so I have a pretty good idea as to the challenges and the opportunities faced by aboriginal people throughout our region.

We work with all three heritage groups: first nations, Métis, and Inuit. We have an Inuit business project in our area of northeastern Ontario.

I'd like to describe the work we're doing as a board. Chief Louie referenced the benchmarking report we've been working on. In that report we wanted to take a picture of where aboriginal economic development is today. Through that report we're hoping to measure the progress over time and determine where the gaps are in aboriginal economic development so that we can better advise the federal government on how to address those gaps.

Our work demonstrates there has been progress in the past few years. I was speaking with my colleagues here this morning about the fact that even 10 years ago we wouldn't have had the Spirit Ridge Resort in Osoyoos. We didn't have the conference centre in Membertou First Nation. A lot of the other projects that we see, like the developments in the far north 10 years ago, are all recent. This is how quick the progress has been, but there's still a long way to go.

This report also shows that while there has been progress, aboriginal people are still at the bottom of the social ladder. We still need the programming and support that can help aboriginal people take advantage of the opportunities that are out there in terms of major resource development, in terms of developing the land bases they have right now, and to take advantage of the market opportunities that do exist. Those programs are really critical to our people across Canada.

There's a strong willingness by our people not to rely on government programming. As the communities progress, I know there is less reliance on the programs out there, but help through economic development programming is very critical to our people.

My family and I grew up with social supports. As the oldest of nine in my family, I'm happy to say we all completed post-secondary education and now have jobs and contribute to the community. I think this is an example we can take forward if we focus on economic development and education.

The benchmarking report looks at that. As we measure it over time, I think it's going to tell us where we need to go and what we need to do. Right now it does show that progress is being made, but we still need the supports of the federal government's economic development programming.

As we go forward, there are going to be a lot of changes in the next 10 to 15 years based on those programs. I feel at least half the first nations in Canada would benefit from the continuation of these kinds of supports, but we do need additional supports.

One of the things that our board is looking at is doing some work on major resource development and best practices. We think that will be important. We've already done a lot of work on recommendations on financing first nations infrastructure. There's a wealth of knowledge around our board table that brings these recommendations forward for consideration, and we'd be happy to share those with you. On our website we'll be posting a lot of the work we've done.

• (1600)

We know there is still a need for that support. We talked today about resource development; corporate Canada is now saying they'll give us some up-front money to start building that capacity, but we still need somebody to negotiate that up-front money for the kind of capacity we need to develop and help us communicate that. Just that start is still needed. I think that as we go forward, we'll be able to give you more information on that.

As an aboriginal financial institution in Canada, I'm proud to say we're one of the success stories of the whole network across Canada in helping develop the almost 30,000 aboriginal businesses that exist in Canada. As we go forward, I'm hoping that the role of the aboriginal financial institutions will grow in helping finance first nation infrastructure and build that capacity in the major resource development we need to progress and take us forward.

That's where I'll leave my comments for now, to leave some time for questions.

Thank you very much for this opportunity.

**The Chair:** Thank you.

**Chief Clarence Louie:** Just to understand the process here, do we have until five o'clock?

**The Chair:** Yes, we do. We certainly want to hear you at least complete your remarks. I think you have some additional comments to make.

**Chief Clarence Louie:** Let me just wind up with some recommendations.

**The Chair:** I think it's more important that we hear your testimony. There will be questions, but you may answer many of them in your final remarks.

**Chief Clarence Louie:** We have been giving recommendations to government for years; in fact, we just met with Indian Affairs this morning.

On the First Nations Land Management Act, you heard from Robert Louie a few weeks ago. We support that program. There is a backlog of first nations lined up to get involved in that program, but of course, like everything else, it comes down to money and funding. We've asked the minister to further resource that initiative so that if first nations want to get out from under the Indian Act and are ready to manage their own land, they don't have to wait for five or ten years.

The other aspect is environmental management. I don't know where the SARA legislation came from. It came within the last decade or so. I can only speak from the Osoyoos experience, but I hate that act with a passion. I hate dealing with CWS.

The Department of Indian Affairs should not think that CWS recommendations and authority over our land are more important than the people who have lived on and grown up on that land for thousands of years. I tell the CWS representatives that they are phony environmentalists. That's what I call them. I tell them, "Do you want to know who's at risk? Do you want to know what species is at risk? It's the first nations people."

We're the ones who have been at risk for 200 years in this country. The statistics prove that, the suicides prove that, the incarceration rates prove that, and then they come to our reserve and tell us what we can and can't develop?

We just went through a lease with the oldest person on our reserve, an 86-year-old woman. It's the only piece of land she has, and it's been in her family for generations. These phony environmentalists came and cut her lease. They took away her beachfront because of the Species at Risk Act.

In Osoyoos we look right across the fence and we see these non-native people dealing with greasewood, or whatever it's called. They can go there and bulldoze it over. In fact, we took pictures of a non-native developer bulldozing over greasewood on his property, yet CWS tells us.... He's right across there; you can grab a stone and chuck it like that, but they tell us we can't do what he's doing. He can develop his land, but we can't develop ours.

The off-reserve environmental standards should at least be the same as they are on reserve. We don't need this other layer of CWS interference. The Species at Risk Act does not apply to provincial land but to federal lands, and it is stopping development as we speak right now.

I had another landowner who wanted to put in a vineyard. He needed 20 acres of his land. Vincor Canada was going to lease his land. CWS came in and cut his property by five acres because they said there is some endangered bird there.

The economies of scale killed that project. Vincor needed 20 acres to make it worthwhile to have the tractors, equipment, and staff there. The five acres of cottonwoods where CWS said there was an endangered bird—which he, as the landowner, has never seen—killed this project. Vincor walked away.

He phoned me up last year and said, “I want to hire a bulldozer and bulldoze over those trees.” I said, “J.R., you should have done that before the CWS people came in there.” He hired a bulldozer and bulldozed over what CWS said was habitat his family had to set aside for the rest of the country without even being paid for it. That’s the other thing under this SARA legislation: they take away reserve land—the little land we have to develop and make a living off of—they tell us to leave it alone, and they don’t give us a dime for that.

I said, “J.R., you bulldoze that over. I don’t care what the government says. What are they going to do, put you in jail? You bulldoze it. As soon as you bulldoze it over, I want to go down there. I’ll stand by that pile of what these phony environmentalists call “habitat”, and I want a picture with you there.”

The next time CWS comes on our reserve, I’m going to say they didn’t protect that environment. This is what they caused the landowner to do. He lost the livelihood he would have had with his own vineyard. He was so mad he bulldozed it over.

We did take that picture.

• (1605)

The Species At Risk Act, if it’s going to apply on reserve to native people, should apply off reserve to the non-native people as well. I’d say we should get rid of the damn thing.

The other thing is additions to reserves. I phoned Indian Affairs today and gave them heck again because of the slowness of the additions to reserves process. According to the old documents, people thought the Indians were doing nothing with their land and the settlers needed it more, so in 1915 the Joint Reserve Commission came in and cut back almost every Indian reserve in B.C. They took away our best farmlands. The land of the Osoyoos Indian Band follows the rocks in the south end of our reserves. This was done so that the non-native people could have our best agricultural land. Now every first nation, when they settle a land claim, wants additions to reserves.

In the treaty land entitlement process in the Prairies they are creating urban reserves, and I’m sure they’re upset about the length of time it takes to get the additions to reserves process done. Our people are living in poverty. We can’t be waiting. Maybe here or in the provincial government, where people have the luxury of a middle-class income, there’s no urgency to this stuff, but for the poor people, it’s urgent. We don’t want to be raising our kids on welfare.

I get a chance to speak at corporate events all over this country. I’m in Saskatoon next week. I always ask the non-native people in the room, “How many of you have ever been on welfare? Put up your hands. How many of you have ever had to stand in a welfare line? Put up your hands.” In conference after conference, most white people in the room don’t put their hands up, yet at native meetings, 80% of the people put up their hands. There’s an urgency to this stuff. Maybe for middle-class and upper-middle-class Canada it isn’t urgent, because they’re doing okay and they have that middle-class

lifestyle, but our reserves don’t have it. That’s why we need the government to speed up the additions to reserves.

For most first nations in this country, it’s the first time they’re ever going to have a chance to get developed land near highways. They were shut out during the settlement of this country. The best lands, province after province, went to the settlers, went to the pioneers. That’s what happened across this country. It’s documented and recorded. Those are facts. We need this additions to reserves process to get off of its comfortable rear and get going.

I’ve been saying for decades that most people with any level of experience would realize that the formula for the \$10 billion or so being spent each year on aboriginal programs has never worked. The formula has existed for 100 years, with 96% to 98% on social spending and only 2% to 4% on economic development. It will never work. I keep on telling that to government year after year. We have to change that formula. We need more money for economic development, unless we’re going to always have this dependency relationship. That formula has caused a dependency relationship in first nations.

Every time there’s an election, I tell native youth that we have to start electing our leaders in the same way the non-natives elect theirs. You know how non-native people elect their leadership in every municipality and every province, federally and provincially? It’s based on the economy. When there’s double-digit unemployment, non-native people are up in arms and ticked off, yet across this country, most first nations are sitting there with Great Depression unemployment rates.

• (1610)

At its height during the Great Depression, unemployment was around 30%. That was the Great Depression, yet today in this country—under the Conservative government, under the Liberal government, for the past 100 years—in 2012 most first nations are sitting there with unemployment rates that exceed 30%. That’s a fact in this country. A big problem is the formula, the ten-point-whatever billion dollars being spent on aboriginal programming.

We have to make the economy the number one issue. The economy is always the number one issue to non-native people; I want to see the economy be the number one issue for native people.

If we can reduce all the social service spending, all this heartache spending, all this aches-and-pains spending, you would see investment like you see in Sharon’s first nation or mine, which is contributing multi-millions of dollars into the economy. You wouldn’t see—I keep on having trouble saying that word—Attawapiskat.

**The Chair:** It took me three weeks to learn to pronounce Attawapiskat correctly.

Chief, I don’t want to interrupt—

**Chief Clarence Louie:** This is the final point I want to make before we get to questions.

**The Chair:** Sure.



**Chief Clarence Louie:** This is how stupid it is in the department: it is not only the formula that is whacked out. Certainly it shouldn't be 98% social spending, because that will never improve the quality of life of first nations people in this country, and that formula is wrong, but the other part that angers me is the small amount of economic development funding that first nations get.

Do you know what the department calls that or categorizes it as? They categorize it as "discretionary spending". To non-native people, the economy is the number one issue; if any of you ever told your constituents that the economy is discretionary, you'd be out, yet the Department of Indian Affairs tells us that the 2% to 4% set aside for economic development is "discretionary". Welfare is non-discretionary; we can't take away your welfare, but we can, at every budget time, take away your economic development.

Sometimes I wonder if this is done on purpose. This philosophy, the dependency relationship that has been created and perpetuated by government after government, just with that simple logic, says to first nations people, "You have a right to a welfare worker, you have a right to a drug and alcohol worker, and you have a right to welfare", which is the biggest budget on most first nations. "You have a right to keep your people on welfare, but when it comes to economic development spending, you don't have a right to that."

We told the Minister of Indian Affairs that economic development spending should be non-discretionary. No Minister of Indian Affairs should be able to take that funding away with a pen.

It comes back to the "duh" stuff, do you know that? I just left Spirit Ridge, where I was speaking to the Pacific Region of Correctional Service of Canada at my resort. They are having a three-day conference there. Again, we talked about the more than \$3 billion spent on the correctional service in this country. The facts prove that on the Prairies, 70% of the people in the jails are aboriginal people, and in B.C. it's 20% to 40%.

When I spoke to them, I asked, "How many of our first nations people in those jails even had a half-time job, let alone a full-time job, before they got incarcerated?" They've got the stats: very few. It is such a small percentage. I told them, again, that it comes down to this word "job". It comes down to the economic alienation of our people. The idleness of unemployment is what's killing our people.

The idleness of unemployment is what's causing our people to be sick, generation after generation. I always told non-native people that if we took your job or your paycheck away, it would be a big part of your life. I'm sure your job is part of your identity and a big part of who you are. Our people sit out there with a 50% unemployment rate; Athabasca sits there with an 80% unemployment rate. That community will always be in the condition that it's in until people there start having jobs.

That's why we focus on jobs. We want this formula to be changed. We want more of this social spending put toward economic development, and we want it to be non-discretionary. Minister Prentice told me years ago, "I don't want to be the Minister of Aboriginal Poverty", and I said to him, "You are. The statistics prove you are. Every minister who was before you was the Minister of Aboriginal Poverty."

The minister today is the Minister of Aboriginal Poverty, but one thing I credit him for was the best statement I ever heard from a Minister of Indian Affairs, and I have been through maybe 20 of these guys. He said, "I want to be the Minister of Aboriginal Inc.". That was the most positive thing I have ever heard a Minister of Indian Affairs say.

•(1615)

I want the aboriginal ministry to be the Ministry of Aboriginal Inc. That's what we want.

Thank you.

**The Chair:** Thank you, Chief. We appreciate your testimony because we know it comes from a place of having been experienced in all of this. We appreciate the words and thoughts today of you and your colleagues because we know it is from experience and not just from theory.

I'll turn it over to Linda Duncan for seven minutes of questioning.

**Ms. Linda Duncan (Edmonton—Strathcona, NDP):** I just want clarification on the record that these documents provided to us were submitted and are part of the record—in addition to the brief, I mean all these documents prepared by the board, the recommendations for aboriginal economic development, the recommendations on financing first nations infrastructure, the 2011 pre-budget submission, and the building on success strategy.

I found them absolutely fabulous documents, and if they are not part of the record, then I would recommend that they be part of the record.

**The Chair:** You are being summoned by your staff. Those were provided by your staff, so we can probably get those—

**Ms. Linda Duncan:** My staff went into your website and got copies of your fabulous reports. I appear to be one of the few who took the time to look those up. I just want to say—

•(1620)

**Mr. Greg Rickford (Kenora, CPC):** That's not necessarily true.

**Ms. Linda Duncan:** I'm just saying that not everyone has the documents. I would like them to be on the record and I want to say *gchi miigwech* for the incredible work that your board has done. I was very impressed, and I have to say that in going through the documents, you've almost written our report for this committee. You seem to have wrapped up a lot of the issues that many of the witnesses who have come in have identified, and I really want to thank you for that.

For the record, Chief Louie, I agree with you that it's unfair that by and large SARA is being enforced only on aboriginal lands, although, when I was previously on the environment committee, we had first nations coming in and begging the government to enforce SARA, including in the case of the woodland caribou, so there is divided opinion.

However, I agree with you that that act in fact does apply to all of Canada. It's simply being implemented on your lands, and that is unfair.

I wanted to get clarification. This is just a quick question. We heard last week from the National Aboriginal Capital Corporation Association. We now discover your wonderful organization with a good, broad interest, and you did mention at the end that you've been dubbed as an aboriginal financing institution. Could you explain? Do you actually provide funding, or do you merely help first nations get organized?

I'm not really sure exactly what the organization does, except that it does good reports.

**Ms. Dawn Madahbee:** Actually, AFIs are by and large developmental lenders to aboriginal businesses across the country. Through different programs we've been able to provide business loans to our clients and help, as I said, with the start-up of those 27,000 to 30,000 aboriginal businesses across Canada. Some of us, like Waubetek Business Development Corporation, are third party deliverers of federal government programming, the aboriginal business development program. We're able to deliver that program throughout a certain area of Ontario. There is another group like ours in B.C., as well as in Iqaluit, and I believe in Quebec as well. There are four groups that are third party deliverers of the program.

**Ms. Linda Duncan:** Okay. We may want to receive more information on that, because in the testimony we haven't heard any of that, unfortunately, and that would be useful to understand.

I notice that in your reports that you're recommending a number of things, and one of them is sizably more money set aside each year. I think it's \$100 million a year.

I appreciated all the recommendations you made. I wonder if you might want to outline them and many of the answers to questions. That's why I want the documents on the record. It's a really good overview.

There is one prime example that I just learned about today that I'd like to bring to your attention. A consortium of Alberta first nations, the Alberta First Nations Energy Centre, came together and put together a huge multi-million dollar proposal to build a badly needed upgrader in Alberta for raw bitumen. They were led to believe they had a good chance of moving forward on the project. They were unceremoniously told, "Sorry, you're not credible; you don't look like you have enough backing, and we're going to give it to a multinational corporation."

I'm wondering if the first nations that you're trying to assist are running into those kinds of problems. Your documents seem to suggest that, because you're mentioning there is not enough infrastructure investment and so forth. Could you elaborate a bit on the challenge in actually getting the core funding to move forward, the investment?

**Ms. Dawn Madahbee:** I have only just a cursory understanding of the Alberta project.

**Ms. Linda Duncan:** Don't worry about the details.

**Ms. Dawn Madahbee:** There definitely is not enough financing available to support those major projects. For example, our AFI has a loan limit of \$150,000, so you can't do a whole lot of financing,

other than for small and medium-sized businesses. For major projects there is just not enough.

For any economic infrastructure on a reserve, there's basically nothing available. You have to go to conventional banks and provide guarantees, if you have the money available to guarantee something like that. There are a lot of those issues of access to capital. Our businesses and consortia of aboriginal groups have a difficult time with them.

For example, in our area a first nations group is developing a hotel, but they're developing it off reserve, because to develop it on reserve would require an additional \$3 million in funds because of the lack of economic infrastructure. They'd have to start from scratch. Developments on reserve are definitely more expensive.

I'm not sure if I answered your question.

•(1625)

**Ms. Linda Duncan:** I think you did.

Perhaps you'd like to speak to this \$100 million-a-year aboriginal enterprise development fund, the call for federal leadership in stimulating partnerships between first nations and non-first nations in joint ventures, and the support mechanisms to leverage private sector funding.

**Ms. Dawn Madahbee:** On that request for additional capital for aboriginal financial institutions, many of those institutions were established 25 years ago to live off the interest they earned. In those days interest rates were higher, but with interest rates at about 4% now, you don't have enough to cover operational costs. As a result, a lot of these aboriginal financial institutions are borrowing from the banks to relend, and the clients are paying exorbitant interest rates, if they can even afford to. It really affects the business case of any project when you're paying back interest rates of 16%, so there's a need right now.

I think there's a request to the federal government for at least \$17 million for this year to provide capital to aboriginal financial institutions across Canada, just to meet the current demands they have for lending.

**The Chair:** Thank you.

Mr. Clarke, you have seven minutes.

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

Thank you, witnesses.

I'll shoot straight to the dilemma of the Indian Act. We've heard over and over again that the Indian Act is the cause of the problems here.

Could I get a short answer on this? I have 100 questions here to ask you, and I might just have to borrow some time from my colleagues. In your view, how could the barriers in the Indian Act to accessing capital best be addressed?

**Ms. Dawn Madahbee:** I think that could be done by using the network of the aboriginal financial institutions. Right now many of them are already lending on reserve. They have been able to overcome the issue of security in most regards because the first nations allow you to go on reserve to collect security, other than buildings or property. There is the ability to go on reserve, because for the most part first nations own these financial institutions, so they allow them to collect security. That's one way of overcoming it, because the banks don't necessarily have that ability. I think there's an agreement there.

As aboriginal financial institutions, we have a strong interest in making sure those businesses are successful. We do a lot of the developmental work ahead of time so that we know we're investing in a good business risk.

**Chief Clarence Louie:** My answer to that is that you have to realize that in every province, there are a handful of first nations that are doing good economic development. They concentrate on it. They do it.

My answer to that would be that we're not going to get rid of the Indian Act right away. I told the minister that this morning. That's a 100-year-old statement. It will probably be around here for another 100 years, so just work with what we have. Tweak it. Put more staff, for example, in the lands section of the department to deal with leases.

Whether it's Osoyoos, Kamloops, Membertou, or Squamish First Nations, we have banks wanting our business. We have decades of the banks knocking at our doors, even though we're under the Indian Act. You can still be under the Indian Act and have all the banks willing to lend you money if you have the income or if you have some land leases. We need the land lease processes to start moving at the speed of business.

One of the things I've asked over and over again, as have many chiefs across this country, is this: why can't we sign off on this fiduciary relationship? I don't want a fiduciary relationship with the government. To me, that means a dependency relationship. On our land leases, rather than having the Department of Justice and SARA, or wherever in the department, slowing it down and worried that the band's going to sue them, let us sign off on something. Let us sign off on this fiduciary responsibility. I don't want a fiduciary relationship with the federal government.

• (1630)

**Mr. Rob Clarke:** Thank you, Chief.

To what extent would making government-guaranteed bank loans more readily available to businesses on reserves, such as with the small business loans act, address some of these issues?

**Chief Clarence Louie:** That would be great. That would be awesome.

Any time you can add something that's going to speed things up to the speed of business.... Often there is a window of opportunity. When it comes to people wanting to do business, wanting to lease your land or be partners with a first nation, they're not going to stick around for month after month after month. I think of British Columbia, where there are 1,500 Indian reserves; you have a staff at the INAC office you can count on one hand looking after all the

leases and all the new leases in the hopper in the province of British Columbia.

**Mr. Rob Clarke:** Chief, you mentioned the Indian Act being colonial and going back to 1857. You've seen the amendments going through. My impression is that it's a band-aid effect here.

Do you feel that first nations under the Indian Act are ready for a new and modern act? Do you have any solutions for them yourself that could work?

**Chief Clarence Louie:** I don't go to AFN meetings. I'd rather hang around business people. At the assembly, the AFN, you're not going to get consensus around the table on how to deal with even one section of the Indian Act. That, to me, is decades in the making.

I tell the department that we should just work with what we have. Let's tweak. When Aboriginal Business Canada was taken out of Industry and put in the department, and then when they took the lands departments of INAC and put them in economic, it was supposed to.... In theory, it sounded good.

The biggest problem in the Department of Indian Affairs is that we need an economic focus, at least on the floor where lands and land leasing happen—in the Department of Justice and with SARA, for example—rather than having this whole department here in Ottawa and all the regional offices being more like welfare offices.

If they could be changed, if mindsets could be changed, and as the minister has said.... We took Aboriginal Business Canada out of the industry department a few years ago to hopefully wise up the department a little bit and hopefully bring a business mindset to the department, and we moved lands into economic development, hopefully to start creating....

The most important department in Indian Affairs should be the economic development sector of the department, not the social service area. It should be the economic development area.

**Mr. Rob Clarke:** If I can, may I just ask Chief Stinson Henry what her point of view is, if you don't mind?

**Chief Sharon Stinson Henry:** I don't mind at all. I agree with Chief Louie.

Rama First Nation has always been proud and progressive. In leadership, long before I came along, we've always done well, despite the obstacles.

I'll give you one quick example of our getting involved with the St. Eugene resort operation in British Columbia. We get around \$60,000 to \$70,000 for economic development of our community. We were going to use that \$60,000 to assist with updating a business plan, or whatever it was. What we found out from Indian Affairs was that we couldn't use that money for that purpose; it had to be used within our own community. That's just one tiny example.

First of all, it's not enough money, as Dawn said earlier. It just isn't enough money. However, we went ahead. Because we had a reputation throughout our history with a local bank that had taken a risk with us many years ago, they trusted our ability to go out and do a good job, because we have great staff and great support staff. We kept the money in Rama, but went out anyway, just based on our reputation.

We shouldn't have to do that. There should be more flexibility and more money. We don't want to have to rely on government money, but it's there. It's a very small portion, and I think first nations that struggle, such as Attawapiskat, for instance, do need help. There have to be more resources for them.

We won't get into that, but we understand that they're not getting their fair share of resource revenue sharing, and there are other issues, I understand.

Again, it's not enough and it should be more flexible.

• (1635)

**The Chair:** Thank you, Chief.

We'll turn to Ms. Bennett now for seven minutes.

**Hon. Carolyn Bennett (St. Paul's, Lib.):** Thanks very much, and thank you for coming. It has been wonderful to listen to you and hear your optimism for the future. I think sometimes Canadians' eyes glaze over at topics such as economic development. They're not really sure, but when you talk about jobs and the ability to have jobs where you live, I think people understand what the talk is about.

When we met in your office, Chief Louie, we talked a little about the beauty of your location and what it offers. Obviously the Rama Reserve on Lake Couchiching and Lake Simcoe is also beautiful.

You were on your way to Moosonee to talk to some of the people in northern Ontario. I would love to know what to say to those people whose location doesn't offer the same obvious opportunities for economic development. Even the Victor Mine, 80 kilometres from Attawapiskat, is only going to be there for 10 years, and then it's gone.

Is it through additions to reserves? How do you advise those people, or how does your board advise those groups to prepare themselves or to dream in Technicolor about what could happen in the land they have or the land they would like to have?

I think we were a little concerned when Mr. Wernick, the deputy minister, was here saying that first nations need to be ready to enter the land management regime but that the self-assessment tool is designed by the department, not by you. That seemed a little funny. Then you have these big wait times as well for the people who maybe haven't been as creative as you have in being able to work within the Indian Act.

Given that situation, what did you say in Moosonee?

**Chief Clarence Louie:** You have to face the reality, and of course there are certain percentages of the reserves across this country that have a huge isolation factor and, because of that isolation factor, huge barriers to ever getting into economic development at the level of, say, some of the southern bands.

At the same time, I think of the problems of B.C. and the many isolated first nations. Even in the case of the national chief's first nation, you can only get to it by boat. The treaty process is a big issue in B.C., and I tell those involved in the treaty process to make economic development the foundation of their treaty.

Of course it means additions to reserves. Whatever land claim they have, it means going out there and buying properties elsewhere from a willing seller and getting these additions to reserves. In that

way they'll have an investment that for many of them is going to be their first chance ever at having a business or having good property from which to start a project.

I think there is at least one first nation in every tribal territory that has the opportunity to do economic development. We can't wait to save everybody. That's another thing: get the ones going that can be got going. At Osoyoos, and maybe at Rama, we employ first nations people from all over the country. Given the choice, most first nations people would rather work for a first nations company. That's why at our last count, 37 different native people have come from Manitoba, Saskatchewan, Alberta, all over B.C., the Yukon, and the Northwest Territories to work at Osoyoos. If it's Membertou, if we can get a handful of first nations....

Let's understand that we're late out of the gate. It's only been since the eighties and nineties that first nations have been involved in business. If we can use the next decades to build on those ones and to improve those ones more and more.... With the speaking requests that I get and others get, and the corporations, I always tell people that more money and more jobs have been created in the last 10 years amongst first nations than in the previous 100-plus. That's a fact.

In the next decade there's going to be even more. We're going to outdo what we've done in this last decade in first nations when it comes to business and economic development. That has to be the focus of the aboriginal affairs department.

Let's face it: the old formula has never worked, will never work, and the department needs to change. That's the most important job, and it should properly finance and staff Allan's office. Economic development should be what the headquarters building is all about here, and all of these headquarters across the country.

You have to realize that there's going to be a philosophy change needed. I talk about our having to switch our philosophy from spending money to making money. That's a change. That's a mindset change. When I go to those first nations that are isolated, I say that hammering and blaming.... Every time a budget comes down from the federal government, everybody's upset about it. The provinces are the first ones upset, unless they're Alberta.

**Voices:** Oh, oh!

**Chief Clarence Louie:** Every province wants more money. The teachers want more money. Doctors and nurses in this country want more money. First nations are somewhere low on that totem pole.

The reality is that we're never going to get enough money to properly run our programs and services. We have to start making our own money. Put your focus towards entrepreneurship and towards business development.

The problem with most first nations, like those ones up there.... I say, "How many of you people concentrate on economic development? How many of you people concentrate on business and look for business opportunities?"

As Sharon said, getting \$60,000 to hire an economic development officer is just crazy. What kind of person are you going to hire with that type of money? The economic development fund needs to be increased, and a decade from now, you're going to see what the chiefs and councils start their meetings with. At Osoyoos every one of our council meetings starts with economic development, just as I'm sure, at the PM's level, that the economy is always the number one issue. With every premier, including the Premier of B.C., the economy is always the number one issue.

• (1640)

That type of mindset gets carried on year after year after year. That's what I tell people in those communities: that they've got to start focusing on the economy, not focusing on running to Ottawa and asking for more money or running to the Department of Indian and Northern Affairs thinking they have more money. There's not enough money to go around, and there never has been. That's what I tell them.

**The Chair:** Thank you, Chief.

Go ahead, Mr. Wilks, for seven minutes.

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

I always enjoy listening to you, Chief Louie. It's very stimulating for me.

I did want to say that I have made several trips to the St. Eugene resort over the last several years. I live in Sparwood, so I go there several times a year. My environmental study of the golf course is frustrating and ongoing and my financial study at the casino is not going well. Having said that, it is a great place to go. Chief Sophie has done a phenomenal job there, as has Chief Kathryn as well. They have an exceptional resort there.

Having said that, I did want to speak about a couple of things that you had mentioned and go from there.

First of all, I did want to congratulate you, Chief, on the most recent announcement by the Premier of British Columbia with regard to the new jail that is going to be built on your land, as I understand it. I wonder if you could speak a little bit about that with regard to economic development, what it means for you and your peoples, and where you see that going. Do you see that as an opening from the province in that there's an opportunity here that you've just been missing, and now you see a great opportunity to move forward?

I have a second question that I wanted to ask you, Chief Louie. You mentioned that the formula is wrong. What do you think is the proper formula? Is there something that you would suggest? I'm sure you have suggested it to the minister, but I'd like to hear it here.

We could just start with those two questions, and then if I have time, Chair, we'll go from there.

• (1645)

**Chief Clarence Louie:** I'll start with the formula, because that's the thing that upsets me the most.

Any reasonable person should see that the formula doesn't work. Forget talking about changing the Indian Act; why can't you just change that formula? The government controls the formula.

In any case, we asked the department, we asked the minister, and we put it down on paper. I catch heck from other chiefs across the country because they want to concentrate on more money for Ministry of Children and Family Development stuff, or more money for treatment centres, more money for social service stuff—all that sort of thing.

I keep telling them to look at what's happened. They want more money for these other aches and pains, but the reason half our people wind up in the treatment centres is that they don't have jobs. The idleness of unemployment is killing them. That's why people wind up in jail half the time: because they don't have a job. A job is dignity.

The national chief talks about the dropout rates. If you go to any poor neighbourhood—and it's not just a native thing, but wherever you go in this country where there is a poor neighbourhood—you have high dropout rates. You have high incarceration rates, you have all the social aches and pains, and you have poverty.

What do the nurses in this country say? The number one indicator of a person's health is personal income. Where does personal income come from? Yours comes from a job, and so does mine. Unless you're a drug dealer or you're waiting to win Lotto 6/49, personal income comes from a job.

We asked the minister, and we put it in writing: we want economic development funding on this \$10 billion plus, as it is now—it used to be \$10.3 billion. We want it raised from 2% to 10%. That's what we asked, and I hope that with your support this can happen.

We don't have to have all of these royal proclamation reports. All that stuff has been done. We need economic development spending on the aboriginal side of the scale.

When it comes to the prison, I look forward to the opportunity, as I said yesterday. This will be the first time in Canada or the United States that there's going to be a prison built on a reserve, the first time ever. With the long history of the bad incarceration rates of aboriginal people, we hope this is going to be a turning point, when it is built, that we can showcase to the rest of the provinces—because every province has prisons—to show that we can put together something different, because obviously what's being done in these prisons is not working.

There was a report just yesterday that the aboriginal offender rates in British Columbia are rising. They're not going down. That says that the whole system isn't working. With this prison being on a reserve, we're meeting with the province to see whether for the first time ever we can do something different for the aboriginal offender, because this time it's going to be on a reserve.

As to the \$200 million project, of course it's about jobs. I always say that my platform is jobs, jobs, jobs. That's my platform. There are not very many chiefs who go around saying that. Jobs are always my platform, jobs and making money for the Osoyoos Indian Band. Those are the two things I like doing: creating jobs and making money for my first nation.

The revenue from that lease is going to be huge. The ongoing revenue and the grants in lieu of our taxation revenue are going to be huge.

You have to remember, going back years, why banks lend money to the Osoyoos Indian Band. Do you know why? It's because we had some land leases as collateral. We had that guaranteed income, which the bank could look at, from our land leases. That's why land leases are so important to first nations. That's why we need to tweak this land stuff within the Indian Act—to have it staffed properly, to have it resourced properly—to the point that more and more bands will have a relationship with a bank, if they get their land leases done quickly and done right.

• (1650)

We have loans with all the major banks. They knock at our door because we have land-lease revenue they can see as a guaranteed source of income to protect their loan interests with the Osoyoos Indian Band.

**The Chair:** Thank you, Chief.

Thank you, Mr. Wilks.

We'll turn it over to Monsieur Genest-Jourdain. Go ahead, Jonathan.

[Translation]

**Mr. Jonathan Genest-Jourdain (Manicouagan, NDP):** [*Member speaks in native language.*]

[Translation]

I have a quick question. I know that your organization focuses on the economic realities of first nations. What do you think about first nations members' need for access to graduate studies or, at least, to post-secondary education, in order to become key players with regard to modern global socio-economic realities.

[English]

**Chief Clarence Louie:** Of course, whether you're native or non-native, we all want our kids to go off to college or university. That's a motherhood statement.

In my experience in Osoyoos, it wasn't until we started a construction company. We never had one journeyman carpenter before 1986. Then, once we started our own construction company, all of a sudden some of the guys, who were in their thirties at the time, wanted to go back to school. Now we've got seven journeymen carpenters.

It wasn't until we had our own winery on the reserve that two aboriginal people, one a band member and one from another first nation, went to New Zealand and went to Australia. Now they've got their degree in winemaking.

It wasn't until we had our own hotel on the reserve, Spirit Ridge, that now some of our people want to take hotel management courses.

It wasn't until we had our golf course, back in 1995, when we took over an old lease from the 1960s, that some of our people decided to go to California and Arizona to get their golf pro management certificate or degree.

That says to me that my people need to see economic development opportunities. Many first nations people don't feel the non-native companies will hire them. That's my experience. Why didn't we have any carpenters before? There have been wineries in the Okanagan going back to the fifties. Why didn't we have any people interested in going to Australia before to be winemakers? Why didn't we have people interested in hotel management? There have been hotels around the Okanagan for a hundred years. My people need to see economic development; then they get inspired. Then they think they have a chance and an opportunity, and they have hope. That's the experience at Osoyoos and that's the experience for many first nations.

Why do 37 different first nations come to Osoyoos to find work? There are golf courses everywhere else in the country; they could go to work at those golf courses, but they want to work at a first nation golf course. That's why they come to Osoyoos. They want to work in a first nation company. That's why they come to Osoyoos.

I always tell people, and I tell the National Chief this as well, that if you're going to say you support education, that's such a “duh” statement. That's a motherhood statement. I tell him to support economic development, because every educated person I know wants a job. After you get over the romanticism of what education is all about, to me education is to make yourself employable. That's why you get educated. That's why you get a trade or get a degree: you want a job. You want a resumé you can throw on the table at somebody.

Again, to me, the purpose of education comes back to the word “job”. If you're going to say you support more post-secondary education, then I tell the National Chief to say he supports economic development.

Once we start having economic development and start that ball rolling across this country on these 2,500 Indian reserves, you're going to see the graduation rates climb. It's like a middle-class neighbourhood; you're going to see our people earning a middle-class income. You're going to see our kids raised in households where at least one family member has a job. We won't need this Ministry of Children and Family Development coming and apprehending our native kids because nobody in that house is working.

That's the biggest reason those kids are at risk. The biggest dysfunction in that household is that the mom or dad isn't working; they're on welfare.

To me, welfare is the biggest problem among first nations. One former chief—he passed away—said to me that the worst thing the non-native people brought to our reserves was welfare. It was the very worst thing. Now we have this welfare cycle and this welfare mentality that took a hundred years to get to, but when people start seeing economic development in Ontario on Sharon's reserve, or in Don's area, or in Membertou or in Osoyoos or in Saskatoon, with one of the best golf courses, the Dakota Dunes, that's what inspires the aboriginal people.

● (1655)

That's what's going to get our people out of jail. That's what's going to stop our kids from being apprehended: when we put an economic focus to the Department of Indian Affairs and we start picking away at all of this 98% social service spending and the government stops telling us that our economy's discretionary.

You would never say that to your constituents. You would never say that to each other—that the Canadian economy is discretionary, the Alberta economy is discretionary, the Ontario economy is discretionary. That's the problem and the mindset we've grown up with. We've got to get rid of this dependency mindset. Independence only happens through creating your own jobs and making your own money as a family or as a nation.

**The Chair:** Thank you, chief.

Chief Stinson Henry, you wanted to jump in on this. Please give a short comment, and then we'll turn it over to Mr. Rickford.

**Chief Sharon Stinson Henry:** Thank you, Mr. Chairman.

Just briefly, it's an excellent question. While I agree with Chief Louie, I really do think that education is paramount. You cannot get a job without a minimum education of grade 12.

In my first nation community we've been fortunate that our people are getting educated, but we have an adult population that never had the opportunity to go to school, and the skilled trades are key. I think what's happening with social assistance now is the Province of Ontario, at least, has brought in what they call Ontario Works.

I for one think that's a really good plan because it forces the folks on social assistance.... In some cases it's through no fault of their own—the economy's been bad—and even though we have a great economic engine in the area, they weren't ready to work. Education is paramount, because you won't get a job without it.

As the chief says sometimes too, if you really want a job, you'll get a job whether you have an education or not. There's always Tim Hortons. If you really want to work, you'll have a job, although it may not be what you really want.

I'm proud of our community. We've been able to supplement the funds for education to go into an adult ed program where those who haven't got a grade 12 get upgraded. We supplement it entirely. Then they get upgraded to go on to post-secondary, and if those funds aren't available there.... We still rely on them; I'm not letting the government off the hook, to be honest. I know the chief doesn't agree, and none of us wants to rely on it.

In fact, what Rama gets is around \$4 million, which is a pittance for what we've accomplished. What really aggravates me as a leader is that Indian Affairs insists on getting our accounting for own source revenue. It's none of your business. Do you require Bell Canada to give you their accounting? No, I don't think so, so get out of our business, get out of our hair, let us make money, and we'll look after our people at the end of the day.

However, I'm not letting you off the hook yet: you still have fiduciary responsibility until the Indian Act changes and improves what we've talked about today. We'll do it eventually. It's not going to be overnight, and one size doesn't fit all. There are still communities who need that help, so don't forget them.

Thank you.

● (1700)

**The Chair:** Thank you.

Chief Stinson Henry, Chief Louie, Dawn, thank you so much for being here. We appreciate your testimony. As I said earlier, it really stems from a lifetime of experience, and I think that's of incredible value for our committee. It's not just theory, it's practical application. Truly that is what is helpful to our committee, and we appreciate it.

Committee members, we're going to suspend. Then we can have an opportunity to greet our guests as well. We'll return in camera for some committee business.

Thank you.

*[Proceedings continue in camera]*

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