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**Official Report  
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**Monday 20 September 2004**

**Journal  
des débats  
(Hansard)**

**Lundi 20 septembre 2004**

**Standing committee on  
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**Comité permanent des finances  
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Chair: Pat Hoy  
Clerk: Trevor Day

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES**

Monday 20 September 2004

Lundi 20 septembre 2004

*The committee met at 1308 at the Sunset Inn, Sioux Lookout.*

**FIRST NATIONS RESOURCE REVENUE  
SHARING ACT, 2004**

**LOI DE 2004 SUR LE PARTAGE  
AVEC LES PREMIÈRES NATIONS  
DES RECETTES TIRÉES  
DE L'EXPLOITATION DES RESSOURCES**

Consideration of Bill 97, An Act respecting the sharing of resource revenues for First Nations / Projet de loi 97, Loi concernant le partage avec les Premières nations des recettes tirées de l'exploitation des ressources.

**The Chair (Mr Pat Hoy):** The standing committee on finance and economic affairs will please come to order. The committee is pleased to be in Sioux Lookout today as we begin our travels across northern Ontario. We're very pleased to begin our hearings in Sioux Lookout. I've visited the Sioux in the past and found it very enjoyable and I expect today to be equally so.

Before we begin, I would just remind members of the committee that the subcommittee report was very flexible. However, today we do have people booked for certain time frames, so I'd like to keep to that so we can get through the list of presenters that we know of who are here today. Then for questioning, I will probably go in rotation based on the amount of time left. We won't be real strict about that, but to be kind to the other presenters, we want to be on time as much as possible and we're beginning late already.

**NISHNAWBE ASKI NATION**

**The Chair:** With that said, I would call on the Nishnawbe Aski Nation to come forward. Grand Chief Stan Beardy, good afternoon. You have approximately half an hour for your presentation. I'm sure members would like to ask you questions, so if you could leave some time, that's entirely up to you. If you'd just state your name for the purposes of our recording, you may begin.

**Grand Chief Stan Beardy:** *Remarks in Oji-Cree.*

Good afternoon, Mr Chairman, members of the standing committee, chiefs, elders, women and youth. My name is Stan Beardy. I'm the grand chief of the Nishnawbe Aski Nation. I'm very happy to be here to open the proceedings.

As elected official of 49 First Nations of Nishnawbe Aski territory, I welcome this opportunity to present the views and concerns of my people within the Nishnawbe Aski Nation. I understand that many grassroots people will be here to make their presentations. I'm also happy to see many people here to listen to what our views will be.

This afternoon, we are here to state our position clearly for the record and to offer insight as to who we are as Cree and Ojibwa nations.

As we all know, development is advancing at a rapid rate into our territory. Historically, we have been excluded from opportunities and revenue that is generated from our lands. Unlike the past, it cannot cost us any more. Over the last few months leading up to these standing committee hearings, Nishnawbe Aski has lobbied our position on revenue-sharing. We have met a number of cabinet ministers. In these discussions, we have reiterated the need for revenue-sharing. Overall, there seemed to be consensus among the ministers that there was a need for formal revenue-sharing discussions between Ontario and the First Nations of Nishnawbe Aski Nation. We would like to see Bill 97 as a concrete step in this direction. We believe that time is of the essence and that these discussions must start now.

The sharing Treaties 9 and 5: In 1905-06, the treaty commissioners, as representatives of His Most Gracious Majesty of Great Britain and Ireland, and the Cree and Ojibwa nations signed Treaty 9, making adhesions in 1929-30. Treaty 5 was signed the same way in 1875. As signatories, First Nations have a direct relationship with the crown, making us distinct from others in Canada. We are rights holders; we are not stakeholders.

Nishnawbe Aski consists of 49 First Nations. We have seven tribal councils within our territory. In land mass, our territory covers two thirds of the province of Ontario.

Socio-economic conditions: My First Nations experience higher levels of poverty in comparison with the rest of Ontario. Unemployment rates range from 65% to 95%. In the 1990s, the median income on-reserve was \$8,900, compared to Ontario's, which was 120% higher. The average education is less than grade 9. Other difficulties include poor housing, poor community services and infrastructure, inadequate medical services and a poor standard of education.

Over the past 100 years, Ontario has failed to tackle the roots of these problems. Answers can only come from

ourselves. I believe Ontarians must ask themselves if they can afford the status quo; we certainly cannot any longer.

Youth suicide within Nishnawbe Aski is a social crisis of epidemic proportions. NAN youth rates of suicide are six times the national average. For the eight-year period from 1986 to 1993, there were 81 suicides in Nishnawbe Aski. In the next eight years, 1994 to 2001, there were 154 suicides. In the year 2003, 15 young people completed acts of suicide. The youngest suicide victim was 10 years old. One third of all aboriginal deaths are due to accidents and violence.

We have a chart here. The blue column represents First Nations statistics, and it's divided into age groups: zero to 14 and 15 to 24. The dark grey areas represent the rest of Canadian society.

In terms of the future, we want to break the cycle of dependency and become economically viable communities. We want to be able to provide a future for our children and our youth. We would like to use the land's resources as a way of becoming self-sufficient and to improve our health and standard of living. Revenue-sharing is a necessary step in that direction. I believe fairness and public purpose should guide us.

Ontarians have to acknowledge that we face a serious problem that can only be solved by working together.

Here is the forestry legacy: Out of the 22 million cubic metres harvested from the area of the undertaking, only 8% is available for First Nations to harvest. Of this harvest, virtually all is processed by mills owned by the forest industry, which receives all the profits. First Nations see little, if any, money made from the manufacture and sale of fibre that is removed from our territories. It is estimated that the annual total amount of revenues and royalties generated by forestry is \$15 billion. This does not take into consideration the potential in the north.

Mining legacy: Of the \$172.7 million spent on mining exploration in 2003, very little of these dollars found their way to our First Nations communities. In 2002, mining in Ontario employed 21,000 people, and 75,000 people in spinoff jobs, earning an average salary of \$59,500, while our youth remain largely unemployed.

While mining generates \$50 million to \$90 million in provincial royalties every year, it has left a toxic legacy on our lands. It is estimated that it would take nearly \$900 million to clean up the abandoned mines in Ontario, many of them located on lands of the Nishnawbe Aski Nation.

Here we have the current revenue stream. At the bottom, number one, is where the wealth is generated. Then it goes to the industry. From the industry, in some cases, it goes to the municipality and then to the province—the crown. From the province it goes to the feds and then, number six, it comes back to First Nations as social transfer payments.

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We want to enhance our ability to create economic stability in our First Nations so that our children can learn in an environment that is not impoverished. We

want our First Nations to be able to have an economic base so they can have the best schools possible and infrastructure in the community to sustain itself. We want revenue-sharing. We want compensation for our exploited natural resources. We want impact and benefits agreements. We want the tools to help our people.

If the government really looked at it, they would find that revenue-sharing actually eases the tax burden on Canadians, because they will have to pay less to keep First Nations in poverty. We must look at the solutions, but the government must be willing, and we must have the support of people such as yourselves.

The Nishnawbe Aski position on Bill 97: Bill 97 is supported in principle by Nishnawbe Aski Nation, but it should go to third reading with the following amendments:

(1) It needs to recognize and entrench the government-to-government relationship shared between the First Nations and the crown;

(2) Resource companies must be excluded from the negotiation of a future revenue-sharing agreement, because they are not a party to the fiduciary relationship, nor should legislation be passed to supersede or interfere with this; and

(3) Concurrent with the negotiation of a revenue-sharing agreement, legislation or regulations should be passed to require compulsory impact and benefit agreements with resource companies so each First Nation is free to negotiate its own agreements.

Future considerations for a comprehensive revenue-sharing agreement: The importance of revenue-sharing increases over time as more land is taken up by industry. This will reduce the area of land First Nations use for traditional pursuits and will affect the condition of the land for future generations. Benefits from resource development must be maximized in exchange for this loss. Revenue-sharing must include consideration of a financial component to recognize past use and present resource development, and must be distributed to benefit all the First Nations in Nishnawbe Aski.

To effectively participate in future revenue-sharing discussions, First Nations must be provided with capacity and expertise. Alongside revenue-sharing, First Nations must also be provided with access to resources, capital and training capacity. First Nations would want to consider all the various types of revenue-sharing, not just royalties.

Revenue-sharing is not a panacea. It will never be enough to build all the infrastructure and industries we need, but it is a start. Revenue-sharing isn't just about mines, dams, mills or tourism. Social and political development must go alongside. There is no single, painless solution to the crises in our communities, but revenue-sharing can be part of the solution. Solutions do not reside outside of our control, but we need only be given a share of the resources to help address them.

In conclusion, some things to take away from my comments:

(1) We need and support Bill 97 in principle;

(2) However, unlike the current bill, our vision of revenue-sharing is built solely on revenue-sharing with the crown;

(3) First Nations need to be able to negotiate our own arrangements in addition to provincial revenue-sharing; and

(4) Revenue-sharing must address the fact that billions of dollars were extracted from our lands in the past.

We are very prepared to make this a public issue. We know and understand that success is also dependent on the rest of Ontario. We call upon the standing committee and all citizens of Ontario to support the just and fair treatment of Canada's First Peoples. There is revenue-sharing everywhere else across this country except Ontario. We look to the future generations, who will inhabit the land and will inherit the future that we make for them today.

Ladies and gentlemen, that was our presentation. Again, thank you for the time allowed for Nishnawbe Aski to make its comments.

**The Chair:** Thank you for the presentation. We have about five minutes per caucus. We'll begin with the official opposition.

**Mr Norm Miller (Parry Sound-Muskoka):** First of all, Mr Beardy, thank you very much for coming today and making your presentation. I guess if I could ask a couple of questions about your submission, you say that you'd like revenue-sharing direct with the crown but, at the same time, the individual First Nations would still negotiate individual agreements with resource companies in addition to that. Is that correct?

**Grand Chief Beardy:** That is correct.

**Mr Miller:** OK. I'm looking at the situation and wondering, from the perspective of a company doing business, I would think they would want to have, and hopefully this bill might create a situation where, the rules are known so they know the costs of doing business. So if there are still individual negotiations that go on, that makes more uncertainty. I'm wondering if you have any comments about that.

**Grand Chief Beardy:** Yes. In my comments, Mr Miller, the purpose of why we're making the presentation today is to help to create certainty. Right now, as you know, there is no certainty in the marketplace and, unless there are legislation and regulations to determine how we can benefit, there will be no certainty in the marketplace. I think the starting point, when we talk about fairness—it has to start on a government-to-government basis. Through those discussions, we can arrive at some formulas that we can work with industry, but I think the primary place to start sharing the wealth is with the province.

**Mr Miller:** But in terms of having certainty from the perspective of a mine going in, for example, they still wouldn't know the cost of doing business because, as well as having this government-to-government sharing, they would still have to negotiate an individual situation, which is I guess more or less what has been going on at the current time.

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**Grand Chief Beardy:** Yes. I guess what we're saying is that by having a government-to-government process in place, with the legislation and the regulations—if we had that discussion on a government-to-government basis, we would be able to come up with parameters to work with.

**The Chair:** We'll go to the NDP.

**Mr Gilles Bisson (Timmins-James Bay):** First of all, thank you for your presentation. I only have one question but I think it's more of a clarification that I'm looking for, and then I know my colleague has one.

On the third principle you speak of, which Mr Miller just talked to you about, I take it what you're saying is that if revenue-sharing is put in place—and I don't want to put words in your mouth—what you're talking about is that you still want the ability to negotiate what we call benefit impact agreements, which are quite another matter. It's about training. Maybe you can explain, just so we're clear, what we're talking about here, because it's a pretty key point.

**Grand Chief Beardy:** I guess what we're talking about—one is that I quoted some numbers, what kind of dollars are being generated from our lands currently. I have not begun to talk about what has been exploited, extracted, from our lands for the last 100 years or so. My point is that none of that goes back to our community, and that's one of the reasons why we're so poor. What we're saying is that in order to improve the standard of living for my people, there has to be an arrangement with the province, the crown, as to how we're going to share in the wealth that is being created.

Also, we need the ability to negotiate arrangements with the industry to look at employment, training. I think it's understood that when there's a major undertaking, there are economic spinoffs which are not direct hand-outs, and we want the ability to look at how we're going to capture the economic spinoffs of any undertaking.

I think we're talking about two things. One is, we know there is money being generated with the industry and that taxes are collected by the province, and we need to negotiate that so that some of those go to my people. As well, we need to be able to negotiate agreements in terms of economic spinoffs with the companies coming to our territory. We're talking about jobs as well.

**Mr Michael Prue (Beaches-East York):** I have a number of questions. The first one is, I take it you want to continue your relationship with the federal government but you are asking that the province now take a greater role with First Nations.

**Grand Chief Beardy:** I think if you were to look at historical documents, there was never any real distinction between the Canadian government and the provincial government. When we signed a treaty, it said, "The commissioners, in right of His Majesty."

**Mr Prue:** In my travels, although they've been limited in northern Ontario in this particular area, there seems to be, for some of the bands, for some of the communities, a huge sense of isolation. There's no access to the outside world, except maybe for a winter road. Places

like where we're going, to Peawanuck or Attawapiskat or Ogoki, you just can't get there. Do you see that the province has a responsibility to open up or would you approve of opening up these areas so that business and tourism can come? Is that part of your overall plan in the future?

**Grand Chief Beardy:** I think we understand that it is inevitable that industry is moving north. Until very recently, my people have said, "We're not against resource development, but if there's going to be resource development in our territory, we have to make sure that we benefit." Now, "benefit" means that we'd like to have control and access to what happens in our areas.

**Mr Prue:** I would take it that one of the most important things is to give the young people a sense of hope. I am despaired by the number of suicides, by the fact that education is fairly low and by the fact that so many people are unemployed. Do you believe that revenue-sharing should first go toward the education, training and employment of young people? Is that where we should be heading?

**Grand Chief Beardy:** When you look at our statistics, we are so far behind in all areas. Our health care is very poor because of our isolation and the high cost of doing business. I think when we talk about benefits, we're talking about all those areas.

We have to give hope to our young people, and one of the best ways to do that is to make education and training available to them. But at the same time, if we're going to educate them and provide training opportunities, they must have a sense that they'll be able to use what they learn.

**The Chair:** We'll move to the government.

**Mr Mike Colle (Eglinton-Lawrence):** Grand Chief, what would be a good example of revenue-sharing working in another part of Canada? I notice Quebec seems to have the most recent and comprehensive one. I'm not sure if there could be a model that we might be able to look at as one that seems to be working.

**Grand Chief Beardy:** There are lessons to be learned from other jurisdictions. In Quebec, there is a revenue-sharing agreement in principle, signed by the Grand Council of the Crees and the province of Quebec. The agreement directs a greater share of revenue from natural resources-based industries, like forestry and mining, and hydroelectric projects to First Nations in the province. The agreement will deliver at least \$70 million annually by the 2004-05 fiscal year. That total is indexed to reflect the progress of activity in hydroelectric, forestry and mining.

Also, in the Yukon, crown royalties from oil, gas and minerals are shared annually with the First Nations, with final agreements on the basis of 50% of the first \$2 million and 10% of any additional amount, up to a maximum limit.

In British Columbia, in the February 2004 throne speech, the BC government reiterated its commitment to involve First Nations in forestry through revenue-sharing and tenure opportunities. Since September 2002, the province has signed agreements with 33 First Nations,

providing \$43.9 million in revenue-sharing and access to over 8.5 million cubic metres of timber.

Some of the First Nations deals included within these amounts are the following:

Gitga'at First Nation will receive a share in forestry revenues of \$1.57 million over the next five years, with an invitation to apply for 125,000 cubic metres of timber over the next five years.

Gwa'Sala First Nation will receive \$1.73 million in revenue-sharing and an invitation to apply for a forestry licence up to 187,650 cubic metres of timber over the next five years.

In Labrador, under a final agreement, the Nunatsiavut government will be entitled to 25% of provincial government revenues from mineral resources on Labrador Inuit lands, 50% of the first \$2 million in provincial revenues from the settlement area outside Inuit lands and 5% of additional provincial revenues in the settlement area outside Inuit lands. Those are just some of the examples across Canada where revenue arrangements have been negotiated or put in place with First Nations and various provincial and territorial governments.

**The Chair:** Thank you very much for your presentation.

Before we move on, I'm informed that we do have a translator for Oji-Cree available if anyone requires that.

I'll ask our next presenter to come forward.

**Mr Bisson:** Mr Chair, can we have someone to say that in Oji-Cree so they understand there is a translator here?

**The Chair:** I suppose.

**Grand Chief Beardy:** *Remarks in Oji-Cree.*

**Mr Bisson:** Merci.

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#### GRASSY NARROWS FIRST NATION

**The Chair:** I would ask our next presenter, Steve Fobister Sr, Grassy Narrows First Nation, to come forward. Good afternoon. You have 20 minutes for your presentation. As you noticed, we allow for questions within that time if you wish. I ask you to identify yourselves for the purposes of Hansard. Please begin.

**Grand Chief Simon Fobister:** Good afternoon, ladies and gentlemen and members of the standing committee. I'm Chief Simon Fobister from Grassy Narrows. To my right is Deputy Chief Steve Fobister. Steve is my number one man, so to speak. He'll be making the presentation today. Steve has extensive experience being a leader in our community as well as being a leader of Grand Council Treaty 3—he is a former grand chief.

We thank you for this opportunity to speak to the standing committee. As you're aware, Grassy Narrows has been in the news for some time now because of the blockade we have and our concern with the forestry activities impacting on our lifestyle. We're very concerned about that. One of the issues we're also concerned about is revenue-sharing.

I'd like to introduce Steve and have him make the presentation. Thank you.

**Deputy Chief Steve Fobister:** Good afternoon. As the chief just informed everyone here around this table, I'm Steve Fobister, the deputy chief of Grassy Narrows First Nation. First of all I'd like to welcome everyone here to the Ojibwa territory. I hope that you find yourselves comfortable. You're all welcome to our land.

This is a submission I want to read out from the Grassy Narrows First Nation community regarding Bill 97, before the Legislative Assembly of Ontario.

Bill 97, An Act respecting the sharing of resource revenues for First Nations, is an appreciated but long-overdue initiative.

The Grassy Narrows First Nation of the Anishinaabe Nation in Treaty 3 is indeed suffering from impoverished living conditions brought by the crown ministry's policies which ignore the spirit of the intent of Treaty 3 with Canada. As an essential element of Treaty 3 being a peace and friendship treaty, the clear intent of our Anishinaabe leaders in 1873 was to establish a relationship based on the sharing of natural resources.

We have requested on many occasions that Ontario honour our treaty and establish a respectful government to govern the relationship with our First Nations to address the injustice of treaty violations. As a result, one of our most recent attempts was a letter to the Honourable David Ramsay, Minister of Natural Resources, dated August 9, 2004. I will provide a copy. We've had no meaningful response or consultation of any kind regarding this long-outstanding issue. Our position, established at the time of the treaty, has always been that our First Nations are willing to share the natural resources of our treaty territory as established in 1873 with Canada.

Canada has chosen, through a legal process, to establish jurisdiction for governance of natural resources with its provinces and territories. Our government respects this jurisdiction, and demands that the province of Ontario respect our First Nations jurisdiction and the rights of our people as established in the Royal Proclamation of 1763, our treaty and the Constitution of Canada.

Bill 97, if enacted, will be a helpful step by the government of Ontario in addressing the long-outstanding injustices which have led to the impoverishment of our communities. We do not see any alternative to negotiated settlements. Only when our people's rights are respected and their self-respect as self-sufficient people is re-established can a healthy, sustainable natural resource economy be established for our First Nations communities and people seeking to share our lands and resources.

It is essential that a government-to-government relationship be established through negotiations to establish a jurisdictional relationship for governance of natural resource management prior to establishing working relationships with private sector interests. It is important to keep the issue of government revenue-sharing separate from governance of private sector activities. Currently, our First Nation government does not have the capacity

to exercise constitutional responsibilities to our people for protecting environmental and human health and sustainable management of natural resources for economic self-sufficiency and well-being.

Our natural resource law, the Manito Aki Inakoni-gaawin, welcomes the initiative of crown ministries and the private sector's interests to establish healthy and sustainable land use and natural resource management activities in the traditional area of our community and in our treaty territory. However, the sacred law of the Anishinaabe Nation in Treaty 3 has not been respected by ministries or companies to date, resulting in increasing tension between our First Nation communities and those who are extracting natural resources from our territory. Sustainable development and a healthy economy are not possible in this confrontational environment.

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The alternative to a healthy, natural-resource-based economy for the Grassy Narrows community is to continue the welfare economy established by the Union Act of Canada. This alternative, in addition to the violations inherent to aboriginal treaty rights of our people, is an undesirable and unneeded burden on Canadian taxpayers. We therefore welcome the opportunity to finally begin negotiations to address the sharing of revenue and resources in the Treaty 3 territory.

I thank you people for this opportunity to comment on this very important bill. Meegwetch.

**Grand Chief Fobister:** I'd like to make an additional comment. The Grand Council Treaty 3 will be making a written submission at a later date. We don't pretend to speak on behalf of Treaty 3; we're speaking on behalf of our community, although we are part of Treaty 3 and we are concerned, definitely, that the treaty as a whole has not been respected and has been abrogated. We are very concerned about that.

**The Chair:** Thank you. We have about 12 minutes left, so we have perhaps four for each caucus. We begin with Mr Bisson.

**Mr Bisson:** Just a really quick question: I just want to clarify for the committee that the province never signed Treaty 3, if I understand correctly, right?

**Deputy Chief Fobister:** That is correct.

**Mr Bisson:** The request that you're making is for them to recognize what was in the treaty so as to recognize your right to the land.

**Deputy Chief Fobister:** In order for the relationships to exist.

**Mr Bisson:** Maybe just for the committee, because some people may not get that nuance, but the reality is that in negotiations, it's the position of Treaty 3 and others that the rights to the land were never given up. Maybe you could explain that a bit, just for people to understand. There may be some misconceptions all around.

**Deputy Chief Fobister:** First of all, the way I understand it is that we've never surrendered our natural resources, everything from water, trees, minerals—things that provide sustenance for our people and things that are

built under their livelihood. I think one of the misinterpretations that the provinces—particularly the province of Ontario has misinterpreted the treaty. They took out the interpretation in our treaty—the meaning of “sharing” into “surrender.”

**Mr Bisson:** That’s important. Michael?

**Mr Prue:** I’m going to show you how old I am. I remember that, at least 30 years ago, Grassy Narrows was very much in the news with all the health problems related to mercury poisoning. I trust that some of that has been cleaned up, although I don’t really know, because I’ve not heard much in the intervening time. Can you tell me, were the people of Grassy Narrows ever compensated for having their food source, their water supplies, poisoned?

**Grand Chief Fobister:** When Reed Paper originally polluted the river system, they dumped, as I understand it, about 20 tonnes of mercury into the river system. The majority of it is still in the bottom sediments of Clay Lake, which is above us. Every time there’s a spring runoff and the sediment is disturbed, more mercury gets flushed into the system. Canada and Ontario did assemble a task force to try to figure out how they can remove the mercury, and at that time the cost was too prohibitive. I think they estimated that it would cost \$200 million to dredge the sediments from the bottom of Clay Lake, and the fear too was that it was just going to release more mercury into the river system. Ontario and Canada did contribute to a settlement package, but only to meet the liability of Reed Paper. I believe they contributed about \$16.6 million to settle with Grassy Narrows and Wabaseemoong Whitedog, as we were formerly called. They also set up a mercury disability board—both bands contributed \$1 million each, and it’s still ongoing. There is Ontario legislation in place that requires it to top up the fund if the fund goes below \$100,000. As I understand it, when Mike Harris was Premier of Ontario, he contributed \$6 million to replenish that fund. I believe that fund will also have to be replenished in two or three years’ time.

**The Chair:** We’ll move to the government.

**Mr Colle:** At the beginning, I think one of you mentioned the impact that resource exploitation is having on your quality of life. I’m just wondering, as you ask us to look at the potential of revenue-sharing to create more economic opportunities, how do you safeguard against revenue-sharing or a move toward that impacting on more extraction of lumber and wood products, more extraction of mining raw materials—iron ore etc?

**Grand Chief Fobister:** I think it has been very clearly made to the public that we’re not against logging; we’re against bad logging. When we say “bad logging,” we’re talking about these huge clear-cuts and the removal of all the standing timber—not just timber that’s relied upon by the lumber industry or the pulp and paper industry, but the other species of wood that are being cleared with disregard. I’m talking about the value-added products industry, which depends on birch and other trees to use in the industry, and that’s also being removed.

Also, the soil is being disturbed and flattened by machinery, and we see soil erosion. In some places there’s only about an inch of soil over the Canadian Shield, and once that soil is gone, when it’s washed away by rain, there’ll be nothing but bare rock. You can’t plant trees on solid rock. I can’t see it. I don’t know how anybody else can see it. Soil erosion—we also see streams being plugged up. Walleye depend on these streams being open so they can spawn. We just see a lot of drawbacks.

The clear-cuts also impact on the trappers’ way of life, and that’s a concern. I think clear-cuts only accommodate big industry and the bottom line. They drop in a million-dollar machine and cut 24/7—24 hours a day, seven days a week—and it doesn’t accommodate our interests. I think the harvesting methods have to change.

We believe in the philosophy of live and let live, and I think it has just been a one-way street so far. Big industry makes money, the municipalities tax the workers who work at the pulp and paper companies, the Ontario government collects stumpage that goes to your treasury, your consolidated fund, and the federal government taxes the workers. What do we get? We get absolutely nothing.

**1400**

I went to Barriere Lake, Quebec. They have a trilateral agreement with Canada and the province of Quebec, and they’ve documented and they’ve researched how much resources were leaving their territory. I believe it was over \$100 million annually in hydroelectric energy, minerals and timber. And what do they get? Zero.

I think that somehow we have to change things; we have to redistribute the wealth. Until that day comes, we won’t see eye to eye. We don’t see things the way you do, and that’s why we say we’re impoverished. We have 80% unemployment. Barriere Lake mirrors our image. They have 80% unemployment. When is this going to stop? When is Canada going to stop this and when are the provinces going to stop this?

**The Chair:** We’ll move to the official opposition.

**Mr Miller:** Thank you, Deputy Chief and Chief, for coming in today and making your presentation. Deputy Chief, in your presentation, I believe I heard you say—and correct me if I’m wrong—that you currently have a welfare state but you want to be self-sufficient. Did I hear that correctly?

**Deputy Chief Fobister:** I think if you look at prior to 1963, before the implementation of government policy and the extraction of resources was well underway in our area, we were a very self-sufficient people. In fact, we held very little value of what the outside world needed to survive, like the commodity of money, because 90% of the sustainability of our lives came off the land. But that has all been taken away.

**Mr Miller:** So prior to the 1960s, you were self-sufficient, but now the current situation is a welfare state, basically, where you have 80% unemployed.

**Deputy Chief Fobister:** Yes.

**Mr Miller:** I’m just speaking theoretically. Let’s just assume that a revenue-sharing agreement is made. How would you see that money going to assist you to become

self-sufficient? Also, where would it flow? Would it go to NAN or to individual bands, and how would you use that money to benefit your community and to make yourselves self-sufficient?

**Deputy Chief Fobister:** I think it would greatly help out our shortfalls, whether it's in the form of our child welfare needs, whether it has to do with some of the things we need to strengthen our communities, things that are not given to us to be able to have the capacity to deal with community crises. One of my people has told me that revenue-sharing is essential for the survival of our people. If that is not possible, if revenue-sharing is not going to be the future, as he put it, then you might as well kiss this generation and the next generation goodbye.

**Grand Chief Fobister:** I'd like to make an additional comment. I think if you study the history of our community, our commercial fishing was destroyed because of mercury pollution. It was banned in 1970 and continues to be banned except that a limited form of commercial fishing exists. The fish, the walleye and the northern, their levels of mercury are way too high for us to consume. Also, the tourist lodge, Ball Lake Lodge, at that time employed 100 of our people, and that closed in the 1970s.

I think what we're talking about is a complete reconstruction of our economy. We have to reinvent ourselves, so to speak, and reinvent our economy. If revenue-sharing does happen, I think we'll certainly have the money to do it, because there are eco-tourism opportunities and there are value-added products—wood products—we can get into, but we need a boost in revenue to do that.

**The Chair:** Thank you for your presentation this afternoon.

#### ONTARIO MINING ASSOCIATION

**The Chair:** We'll call on the Ontario Mining Association to come forward, please. Good afternoon.

**Mr Patrick Reid:** Good afternoon, Mr Chairman. My name is Patrick Reid. I'm the president of the Ontario Mining Association. I'd like to welcome you to God's country in northwestern Ontario. I used to live up this way, and I still have my cottage on Rainy Lake, outside of Fort Frances—much more modest than Mr Hampton's cottage, I might say; he has a cottage on the same lake.

Members of the committee and the Legislature, Grand Chief, chiefs, and ladies and gentlemen, I represent the Ontario Mining Association, which represents primarily the producing mining companies in Ontario: the Incos, the Falconbridges, the Placer Domes. We do the actual mining. The other section, if you like, of the mining industry is the prospecting industry: the junior mining companies that often go out and find the mines, do the initial prospecting and then usually make an arrangement with the producing mines to put the mines into operation.

I have a video that the Ontario Mining Association has prepared. I think you should know that there is an awful lot of dialogue and meetings and programs going on in

terms of the resource industries, particularly mining in our case, and how we can best be partners with the native communities, particularly in the north of 50 area.

I'm going to show you this video that has been produced by the mining association, with the assistance of the ministry of mines. Its focus is to try to help native communities understand what modern mining is about and the opportunities available, especially for young people, in terms of jobs in the mining industry. Then I'll make a few brief comments at the end.

I should say that the ministry of mines and the federal Ministry of Natural Resources is also collaborating on another video that will complement this one in trying to give some idea of what modern mining is all about. As well, this video is in the process, as we speak, of being translated into Cree, Oji-Cree, Ojibwa, English and French, and will be available to native communities, along with a toolbox of information on technical courses that natives can take and entrepreneurial and business opportunities that come with mining.

**1410**

One of the interesting things about mining, as Grand Chief Beardy mentioned, is that in many cases we believe that mining, especially north of the undertaking, is the best opportunity for economic development for native communities, and also that it is going to be a big opportunity for the mining industry, because, frankly, we're going to need a whole bunch of new people trained to mine and we're looking to the First Nations for a number of those.

I don't know if people in the audience or even the committee can see this very well, but it's started.

*Video presentation.*

**1425**

**Mr Reid:** I should say that it was Big Soul Productions, which is an aboriginal media group in Toronto, that put together the production for us.

**The Chair:** I'd like to mention that your time has expired, but if you could summarize for us.

**Mr Reid:** I will very shortly, Mr Chairman. Just one thing: I want to emphasize to the committee that there are already many impact and benefit agreements with mining companies in Ontario. The industry knows this is going to happen and we don't feel, necessarily, that it needs to be legislated. It's a way of doing business in partnership with our communities. You'll hear details about that from Mr Seeley of Placer Dome.

I just want to run through the recommendations:

We feel the bill is too vague. The definitions are not very well defined. We do not believe that it should go any further until there's been a lot more work done on it and the complexity of this issue is dealt with by a broad group.

However, if a restructured Bill 97 is to proceed, it must ensure that there are no additional costs to the mining industry, which already pays a number of taxes at the municipal, provincial and federal levels, including the Ontario mining tax. I believe I heard the grand chiefs

make the point themselves that the revenue must come from the other level of government.

Any new requirements such as revenue-sharing should apply only to new mines.

Government and First Nations must identify in advance those lands which are their “traditional lands.”

The federal government, which has a majority responsibility for First Nations under the Indian Act, must be involved in any of these negotiations.

We’d like to emphasize that mining is a high-risk business which operates in the more isolated areas of Ontario generally, making it not only more risky but more costly. As such, investment and the opportunities which flow from that should be encouraged, not discouraged by yet another layer of costs on the industry.

**The Chair:** Thank you for your presentation.

#### PLACER DOME CANADA

**The Chair:** I would ask Placer Dome to come forward, please. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions if you wish. I’d ask you to identify yourself for the purposes of our recording, Hansard.

**Mr Colin Seeley:** Good afternoon, ladies and gentlemen. My name is Colin Seeley. I’m with Placer Dome Canada. I’m the manager of aboriginal affairs and corporate relations out of the Toronto office. I’ve only recently moved there. I spent 10 years in Thunder Bay, working throughout the north on aboriginal relations and, in particular, the Musselwhite mine development, which you’ll hear a little more about.

Thank you again, ladies and gentlemen. It’s my pleasure to be here on behalf of Placer Dome to comment on this bill. First I’ll give you a brief overview of Placer Dome Inc and Placer Dome Canada.

Placer Dome Inc is the world’s sixth-largest gold mining company. Our core business is strengthened by the contributions of copper and silver assets.

Headquartered in Vancouver, Canada, Placer Dome has interests in 17 mines in seven countries around the world and our global workforce exceeds 13,000 employees. There’s a map attached to your handout that shows that graphically. In 2004, Placer Dome expects to produce about 3.6 million ounces of gold and 400 million pounds of copper.

Placer Dome was formed in Vancouver, Canada, in 1987 by the amalgamation of Placer Development Ltd of Vancouver, Dome Mines Ltd and Campbell Red Lake Mines Ltd of Toronto.

Placer Dome Canada is a wholly owned subsidiary of Placer Dome Inc and is headquartered in Toronto, with three operating gold mines, all of which are situated in northern Ontario. We have the Campbell mine in Red Lake, Musselwhite north of Pickle Lake and the Porcupine joint venture in Timmins. Again, there’s a map associated with your package that will guide you in that.

#### 1430

Perhaps of interest to the committee and relevant to the intent of Bill 97, I will expand somewhat on the Musselwhite mine and the agreement that has been established with four nearby aboriginal communities and their associated First Nations councils. This agreement was originally negotiated and signed in 1992 and renewed in 2001. The mine started operations in 1997.

The Musselwhite agreement addresses matters such as employment and training for First Nations; business/contracting opportunities for First Nations; recognition of traditional cultural and economic activities such as trading, hunting, fishing, wild rice harvesting and trapping; committee structures that allow the parties to consult each other on issues of concern; prohibition of drug and alcohol at the mine site; recognition and protection of cultural heritage sites; joint consultation on environmental issues and studies; compensation for loss of traditional hunting and trapping activities—there’s a formal trappers’ agreement in place, in addition to the overarching Musselwhite agreement; and provision for revenue-sharing based on ounces produced and gold price.

To date, this agreement has resulted in: approximately 30% of the workforce being Native, out of a workforce of about 300 to 350 with approximately 120 of them aboriginal; approximately \$12 million per year to Native-owned and -operated businesses such as flying, catering, laundry services, commissary, janitorial and construction; ongoing provision of training to First Nations to increase employment eligibility both at the site and elsewhere; use of the mine site infrastructure by remote communities—our airstrip and all-weather road have provided enhanced access to a number of the communities nearby; and ongoing dialogue with First Nations, with a view to increasing their participation through other business development opportunities.

Getting back to Bill 97, I refer you to our position paper, which is attached in this package, and summarize by saying that Placer Dome applauds this initiative in principle and can agree that better ways must be found in developing and strengthening good relations with First Nations.

First Nations should share and benefit in the sustainable development of the abundant natural resources of Ontario. However, Placer Dome does not support Bill 97 as currently written as we feel it to be inequitable and unbalanced. It does not address or complement findings resulting from the Whitehorse mining initiative on aboriginal involvement in the mining industry, nor the recent aboriginal mining industry round table. There’s a CD that accompanies the package that will enlighten us on the industry round table which was held in March of this year.

The Whitehorse mining initiative—I’m sorry, I neglected to include a copy; I have a copy here which I’ll give to the Chair and I will gladly make copies available to the committee members—was done in 1992, I believe. The province of Ontario was part of that initiative and

had representation there. Then there's also quite a section on aboriginal engagement in that initiative.

Under appendix 1, I have included Placer Dome's commitment to aboriginal people—and I will leave that to yourselves to read—which forms part of Placer Dome's sustainability charter. It is this document that has guided us in engaging aboriginal communities at the now closed Dona Lake mine near Pickle Lake and the present-day Musselwhite mine, as well as our ongoing exploration activities across Canada.

We wish to express our appreciation and recognition to the government, particularly the Ministry of Northern Development and Mines and the Ontario Native Affairs Secretariat, for the various initiatives they have undertaken on behalf of our industry in promoting better relations and understanding in native communities on how our industry works.

We respectfully submit for your consideration the following recommendations:

(1) Increase resources to enable MNDM to continue to strengthen current programs which are specific to addressing First Nation concerns as they relate to mining. Examples are prospector training courses, general knowledge workshops/seminars on mining and grassroots prospecting to mine development and operations.

(2) Continue to increase funding of geoscience programs, such as Operation Treasure Hunt and Discover Abitibi, but with an emphasis on the more northerly areas of the province. These programs should be designed, planned and carried out with meaningful participation of the communities.

(3) Raise the profile and strengthen resources to ONAS, the Ontario Native Affairs Secretariat, to continue to enhance current programs which build overall capacity within First Nation communities in terms of economic and business development—again, that greater effort in reaching into the more remote regions of the north.

(4) Promote a greater government presence in First Nations communities, particularly in the far north, to see and hear at first hand issues facing these communities. For example, the recent visits by various senior government officials and political leaders these past few months have been much appreciated by these communities.

(5) Investigate various planning mechanisms which would involve First Nations as key participants in any development proposed on their traditional lands. A forerunner to this would be the Windigo and Shibogama interim planning boards, which operated for five years, from approximately 1993 to 1998, I guess. They were not renewed, although there was a commitment by the government of the day to look very seriously at renewing or having some facsimile of planning arrangements made, but that didn't happen.

(6) Develop a closer and more efficient protocol at the federal level—Indian and Northern Affairs Canada—in reaching solutions to First Nations issues.

In closing, I wish to thank the committee again for this opportunity and offer to work in support of finding better

ways toward building and strengthening a vibrant northern economy where First Nations can and should stand equal with the rest of society.

**The Chair:** You mentioned that you had another item there. If you provide it to the clerk, he will make copies for all members of the committee, if you wish.

We have about four minutes per caucus for questioning, and we'll begin with the government.

**Mr Colle:** In terms of prospects—no pun intended—for the gold mining industry, how does it look in terms of potential job growth and opportunities for resource development in gold?

**Mr Seeley:** We believe the whole northern part of the province is well endowed with mineralization. Our company in particular looks for gold. That's our primary commodity. We look very favourably on northwestern and northeastern Ontario for future mines.

**Mr Colle:** In terms of existing arrangements that you make in, say, training and job opportunities for First Nations people—we saw the video before—is there an existing program that your company partakes in as part of the mining industry, the mining association or yourself as an individual entity?

**Mr Seeley:** It's a mixed agenda of training. We use our own internal training facilities and mechanisms, and we train as needed and as required. We also work with the provincial training agencies such as the apprenticeship board.

**The Chair:** We'll move to the official opposition.

**Mr Toby Barrett (Haldimand-Norfolk-Brant):** In your brief you mention that the parent company, Placer Dome, has interests—17 mines—in seven countries. I'm just looking at the map: South America, Australia. Do any of those companies have any kind of similar negotiated agreements with aboriginal people in any of those other countries, or is the Ontario situation unique?

**Mr Seeley:** In Australia, at the Osborne mine, we have an aboriginal agreement, probably not as comprehensive as ours in Ontario. There is no other agreement of any formal structure in the other countries. It's more on an ad hoc basis.

**Mr Barrett:** Would that probably or possibly be the case with other mining corporations around the world?

**Mr Seeley:** I would suggest it's very similar, but I can't speak for them, of course.

**The Chair:** Mr Miller?

**Mr Miller:** Thank you for your presentation today. In your opinion, if Bill 97 was passed, would it hurt mining in Ontario in terms of the amount of activity going on?

**Mr Seeley:** The quick answer is that I believe it would. With all due respect, I think it's a very simple approach to a very complex problem. We need to put more thought and have more people involved in evolving some kind of process to involve First Nations.

1440

**The Chair:** Mr Bisson?

**Mr Bisson:** Just quickly, because I know Howard has a couple of questions, I guess my problem is that I've heard this debate many times before, as you well know.

If it was occupational health and safety, predictions were that industry would close if we went to the type of legislation we have today.

The Musselwhite agreement, quite frankly, was done with a lot of support from government working with Placer Dome toward getting to that. Again, some people said that if we did the Musselwhite agreement the project would never get off the ground.

Again, the good work you're doing on the environment and the closure of mines is because the government of Ontario passed legislation to make this stuff happen. At the time, we were told it would close down the industry.

I don't want to undermine and underplay what you're trying to say. On the other hand, if we don't deal with this issue, I think you will realize there's not going to be a lot of development because First Nations won't allow it.

With that, what do you suggest we do to get to some sort of revenue-sharing agreement so we can develop these mines?

**Mr Seeley:** I think that you have to remove a lot of the uncertainty that already exists, preventing developers from coming into the north. Most of it is centred on secure access to the land.

Those issues will not be resolved by this bill. They will only show the developer that he is going to incur additional costs going into this area, and the underlying fundamental issues that are out there are still going to be there.

I think we need to get government and First Nations together in a more meaningful, constructive dialogue to resolve some of those issues and to provide the level of comfort to the developer that they need to go ahead and invest.

**Mr Howard Hampton (Kenora-Rainy River):** Do you know, in current-day dollars, what the value of the gold that has been taken out of the Pickle Lake and Red Lake areas would be?

**Mr Seeley:** No, I don't. Sorry. I wouldn't have that.

**Mr Hampton:** Would you believe me if I told you that if the gold had been left in the ground at Pickle Lake and Red Lake, the worth in Red Lake would be roughly \$8.5 billion in today's dollars and the worth at Pickle Lake would be roughly \$1.3 billion?

**Mr Seeley:** It very well could be. I don't know. I don't know what the relevance of that is, though.

**Mr Hampton:** I asked legislative research to look at the numbers and then just take the value of gold today and do a quick conversion. That's a lot of money.

**Mr Seeley:** It is. But federally, in this country, we also put a lot of money into aboriginal communities. I think we have to put all the numbers on the table.

**Mr Hampton:** Nobody denies that the federal government spends a lot of money. There would be a lot of debate over whether they spend it well, but I don't think that's the concern right now.

I find it a little disturbing that when you do the calculation, you're talking about close to \$10 billion of

wealth. Admittedly, some of that has been taken out of the ground. We're now talking about an area that's larger than most European countries, which we know from all the exploration activity is heavily laden with valuable minerals, perhaps another \$10 billion. I find it hard to believe that we can't arrive at a formula whereby First Nations can share some of that revenue.

**Mr Seeley:** We would concur that if the concerned parties all sit down, they should be working out those issues and problems. But I don't think you can legislate a certain amount of money to the issue until you clearly understand the issue and then determine how you're best going to address all the complexities of that issue.

We're talking about 49 independent First Nations communities in the Treaty 9 area alone. Their traditional lands—some are endowed with mineralization; some are not. How are you going to allocate whatever value you're going to attribute to the resources?

I just think there's a lot of complexity to this issue that this bill doesn't address. It should not proceed in its present form until some of this stuff is sorted out and thought through.

**Mr Hampton:** So let me ask you a question: If First Nations come forward with a formula as to how this money should be divided up, would that take away one of your major objections?

**Mr Seeley:** Possibly, yes. I don't know. Certainly you'd have to see the formula and see how it impacts on all other interested parties.

**The Chair:** Thank you for your presentation this afternoon.

## NORTH CARIBOU LAKE FIRST NATION

### WINDIGO FIRST NATIONS COUNCIL

**The Chair:** The clerk has advised me that the Windigo First Nations Council is going to present with the North Caribou Lake First Nation simultaneously. So if you'd come forward. Please identify yourself for the purposes of Hansard, then you may begin.

**Chief Zeb Kenequanash:** I will be doing two presentations: one from the North Caribou First Nation and the other one from the Windigo First Nations Council.

For the record, my name is Chief Zeb Kenequanash. I'm the Chief of the North Caribou Lake First Nation in Weagamow.

Good afternoon to the members of the standing committee. Thank you for allowing me this opportunity to address this forum. My name is Zeb Kenequanash, and I'm the Chief of the North Caribou Lake First Nation, which is located approximately 400 kilometres north of Sioux Lookout. North Caribou Lake First Nation is extremely isolated and only accessible by air and periodically by winter road.

North Caribou Lake First Nation experiences diverse economic circumstances that range from chronic underdevelopment to successful development. The three levels of government—North Caribou Lake First Nation,

Ontario and Canada—are the driving force behind the existing flow of dollars to the community. The ability of a community to retain a portion of the injected dollars is minimal. This relates directly to the amount of business controlled by local people. Currently, the dollars that flow into the community—whether by employment, pensions, UI, welfare etc—leave the community quickly because there are no existing markets in which to spend money. In our community, the dollars have minimal effect because the business operations flow their dollars to headquarters outside of the community. The need to establish a private economic sector along with industry and government resource-sharing agreements is paramount to our community for sustainability.

The unique needs and circumstances of our community must be addressed in a way that will allow for appropriate response at the community level and for the resource activities by industries and by the Ontario and Canadian governments. The exploration for minerals by the mining industry has been a hub of activity recently by junior and major player mining companies near our community. One company recently even started to prospect on North Caribou Lake First Nation reserve boundaries without prior consultation with our people, which demonstrates that, in their quest for more resources, respect for our existence may not be considered.

One important mechanism that has been the norm in the development is that North Caribou Lake First Nation has been left out of the major benefits enjoyed by outside industry and government in the extraction of resources on or near our traditional lands. It is just recently that we have had a revenue-sharing agreement with a major company mining for gold near our community, but I am not convinced that my community receives equitable participation.

#### 1450

While someone may collate the revenue-sharing dollars that my community receives and conclude that we get our share, I must bring up the fact that more than gold is extracted from this project. While this investor-driven activity continues to extract resources from our traditional lands, Canada and Ontario are also major beneficiaries of millions of dollars in taxes from goods and services: income taxes, land taxes and all taxes associated with any major economic project. We do not get any share from this tax base extracted from this major project.

When we approached the Canadian and Ontario governments for financial resources for projects that will ease welfare rolls by providing jobs, we were told that there are no resources. There are resources. We see them leave our territory every day. We need a share of those resources from industry and from the Ontario and Canadian governments for our sustainability.

The community is working toward the goal of economic sustainability; however, the ability to share the resources by industry, Canada and Ontario will be instrumental in addressing this issue.

Our ancestors and our elders have always taught that, upon negotiating and signing the treaties, the land and

resources would be shared fairly by all. Culturally, our people have carried on the tradition of friendship, and we have been a very generous people. We still carry on these teachings. We are not anti-development, but we need our needs and expectations met.

Without the proper resources, it is difficult to prepare and sustain a lobby effort while the bill is being debated. I hope that our political organizations, like the Nishnawbe Aski Nation, can intervene with tactics that will sway Ontario and Canadian processes in our favour.

I thank you for this opportunity to present my concerns in this forum.

I have as an attachment to this presentation, the North Caribou sustainability policy. I'll just go through it.

At the North Caribou Lake First Nation we value our people and our environment, and we commit to having working relationships with industry and the Ontario and Canadian governments which will achieve economic sustainability.

We commit to building partnerships based on mutual trust with our people, neighbouring communities, industry and the Ontario and Canadian governments that will respect our expectations and needs.

We commit to involve our community in all phases of any revenue-sharing agreements by community consultation and community approval.

We accept our corporate responsibility to make North Caribou Lake First Nation a place to do business with interested participants without compromising community wellness, security and our treaty and aboriginal rights.

We are committed to the integration of sustainable development with the best-practice standards of environmental protection of all activities on our traditional lands, from development to closure.

We commit to opportunities for resource developers to work on our homeland who understand why we have concerns on mineral exploration. These concerns include the impact on First Nations' traditional community practices: the spring and fall traditional hunt; summer fishing; and winter trapping, fishing and hunting.

We commit to opportunities for industry and the federal and provincial governments which understand that for extracting our resources we expect equitable-share compensation, employment and use of our services: stores, airlines and expertise.

We commit to revisiting all agreements with industry and the Ontario and Canadian governments to ensure that North Caribou Lake First Nation receives its fair share and equitable participation in all resources from mineral deposits, gravel and sand removal—aggregate—from its community, power devices for hydro, tourism operations, non-resident and resident hunting and fishing licences, prospecting fees and other economic spinoffs.

That is the presentation from the North Caribou.

Frank McKay cannot be here, but I'm taking his place and I'm going to be presenting his submission, Mr Chair.

Good afternoon, members of the Ontario standing committee on finance and economic affairs, elders, chiefs and community members who are here with us today. Frank McKay is the chairman of the Windigo First

Nations Council and a member of Sachigo Lake First Nation. Windigo First Nations Council services Bearskin Lake, Cat Lake, Koocheching, North Caribou Lake, Sachigo Lake, Slate Falls and Whitewater Lake First Nations located in northern Ontario. All are members of Treaty 9. Treaty 9, as it may or may not have been explained already, covers two thirds of the land mass of the province of Ontario. Canada, First Nations and the province of Ontario are signatories and therefore treaty partners in Treaty 9.

Prior to signing the treaty, our people lived off the land. We had our own way of doing things, like land and harvesting management, our own political systems, and ways of ensuring the safety and protection of and justice for our people. Windigo First Nations, like the others across Treaty 9, has retained its first language to this day, both in written and spoken means. Despite the encroaching English language, our children and grandchildren will continue to speak our language and carry on our traditional and cultural practices that are inherent in our people and our relationship to the land.

Treaty 9 is unique, as it is the only treaty in Ontario where the provincial government is a signatory to the terms and conditions of the treaty. Our people entered into this treaty relationship with the government of Canada and the government of Ontario to share the resources for the benefit of all three parties. The treaty was never intended to be a tool to wrest control of resources from the First Nations people. This is a treaty partnership that still stands to this day, and we still seek fulfillment of the promises made to our people 100 years ago.

I am proud to stand before you today, the same as many of my colleagues who will make presentations before you, to state that we are partners and beneficiaries of Treaty 9. Our people have held the treaty as sacred for almost 100 years now and look forward to sharing in the benefits of our partnership and upholding the promises that were made. Bill 97, An Act respecting the sharing of resource revenues for First Nations, is a timely proposition as we are heading toward the 100-year commemoration of our treaty relationship in July of 2005.

Resource revenue-sharing is an important issue to First Nations communities. Over the course of your hearings I hope that you will listen to the voices of our people when we state that resource revenue-sharing represents hope for our elders, youth and future generations. First Nations communities require an economic base that will bring forward an improved quality of life for all our members.

One hundred years of partnership show that it is time for our people to work together. The discussions of revenue-sharing by all three levels of government demonstrate that there is a need to recognize that the resources must be shared by all three partners. We are encouraged by these discussions in the provincial Legislature, and we encourage the provincial Liberal government to support and move forward on this bill.

We need a mechanism to negotiate how resource revenue-sharing will take place in Ontario. The provincial government has committed to working with First

Nations on economic development, and Bill 97 is one way to show the willingness to work together and move forward on addressing the living conditions in the north.

#### 1500

If you look at the municipal structure in Ontario, you can see that the driving force behind economic development is based on natural resources. With the work and business opportunities that are presented with resource development, a community can thrive and provide employment and greater infrastructure to their communities. It is only a natural force of economics, and northern Ontario is ripe for development that will benefit your children and mine.

By working together, the Ontario government and the First Nations can build a better future for all our people and provide certainty to industry. We need economic development. We need employment. The chiefs of Windigo First Nations, our community members and our youth demand it.

The province of Ontario needs power, and we will need to be a part of the discussions. We want more than just jobs, and as First Nations we want to be involved, like any other partner.

I realize that this is the second attempt to bring such a bill into law. It is an important proposition for good relations, and passage of this bill will let us get on with the business of developing our resources and communities. I will support the Ontario Liberal government in moving forward on this bill, just the same as I support all Ontarians in having a good quality of life, employment and prosperity.

Dismal futures and the lack of opportunity can weigh heavily on a people. The people of Windigo are interested in moving forward, and look forward to exploring positive, fair and equal opportunities with the province of Ontario. Sharing in the economic benefits of resource development in Ontario is long overdue for First Nations, and this issue will become more critical as the push to access resources in our traditional territory continues. Our grandfathers have said for years that the people will be coming north, and we see it happening today.

In closing, I wish to thank you for this opportunity to present our support on this issue. The First Nations of Windigo will be watching intently the outcome of this bill. Frank McKay, council chairman.

**The Chair:** Thank you for both presentations. We only have time for questioning from one caucus, about two or three minutes. In this rotation, it will go to the official opposition.

**Mr Miller:** Thank you, Chief Kenequanash, for making the two presentations today. In your presentation, you say that economic sustainability is one of your key goals.

**Chief Kenequanash:** Yes.

**Mr Miller:** I'm sure that must be especially to deal with the unemployment rate of your First Nations. What is the unemployment rate?

**Chief Kenequanash:** Most of our people have been working at the nearest mine site at Musselwhite. It is, fair to say, about 87% or 88%, our unemployment.

**Mr Miller:** I guess that is my question. How far away is the Musselwhite mine from you?

**Chief Kenequanash:** It's about 45 or 50 miles due east of us.

**Mr Miller:** It's close, by northern standards.

**Chief Kenequanash:** It's pretty close, yes.

**Mr Miller:** My question is, obviously the Musselwhite project is providing some jobs, but what do you see in the long-term future to create all the jobs to deal with that 85% unemployment?

**Chief Kenequanash:** We are in the process of developing some form of training, a program that would target the young people. One of the things that Placer Dome Canada has put on the table is that they start at a minimum grade level. The minimum grade level now is grade 12. Most of our young people are below grade 12, so what we're trying to do is develop some kind of upgrading system for them, and then hopefully they will get into the apprenticeship and hopefully some day one of them will be my manager.

**Mr Miller:** That sounds like a very valid goal.

**The Chair:** Thank you for your presentation this afternoon.

#### PIKANGIKUM FIRST NATION

**The Chair:** I will call on the Pikangikum First Nation. Did I said that very badly? I apologize. Good afternoon. You have 20 minutes for your presentation. You might leave time for questioning within that 20 minutes if you so wish. I would ask you to identify yourself for the purposes of our recording Hansard.

**Chief Alex Peters:** *Remarks in Oji-Cree.*

My name is Alex Peters, according to Indian Affairs. I was elected chief of the people of Pikangikum just recently. I'd like to thank you people for giving us the opportunity to make this presentation. I'll just read this presentation; it's easier, I guess.

Good afternoon. I'm happy to be here to represent my community, especially the capacity of our First Nation, which is our elders.

Some of you may have heard about the Whitefeather Forest Initiative. This is one of the most important and significant economic development initiatives Pikangikum First Nation has ever undertaken. Through the Whitefeather Forest Initiative we are working toward realizing new business opportunities for our youth, especially protected areas and forestry opportunities. We are seeking forest management tenure and we have a commitment from the province on this. Upon the successful completion of our planning tasks, the commitment of Ontario is to issue forest management tenure to us. This will support significant new tribal enterprise development led by our First Nation. It will facilitate partnerships led by First Nation people.

In the Whitefeather Forest Initiative, we mean business. We're not fooling around. We are dead serious about our initiative. We are pursuing it relentlessly. Our Whitefeather Forest Initiative is about business: economic development through tribal enterprise for my

people. The development of our initiative is also the most serious economic development business we have right now. Our work will have an impact for generations to come. It will support the creation of hundreds of jobs. The resources of our traditional territories are supporting it, resources that our people have taken care of for generations. That is why our elders are guiding every aspect of the initiative.

I like to use words with double meanings. When I was asked by one of my technicians about making a hotel reservation for travel, I said I already had a reservation, and one reservation is enough.

We are looking outward to our traditional territories to support our economic renewal.

#### 1510

What does our Whitefeather Forest Initiative have to do with resource revenue-sharing? Let me tell you how it relates to revenue-sharing and the place that revenue-sharing has in our strategy.

For years, our elders said no to economic development. They wanted no part of it. In fact, all Pikangikum people wanted no part of it. Why? We saw how resources to the south of us were being stripped from First Nations lands. We rejected this. We rejected it for critical reasons: (1) the way in which resources were being harvested—we have been given a prophecy about this that we call the checkerboard prophecy; and (2) the benefits that were going to First Nations people—none. No benefits were going to the First Nations people of this land.

The way resources have been taken out of our lands goes against our teachings and values that guide how we are to take care of the land. These harvesting and extraction practices go against many of our values of taking care of the land at Pikangikum. It is against central teachings of our culture.

Furthermore, none of the benefits from resources being taken out of ancestral First Nation territories by non-native people have come back to First Nation people, other than through welfare after 1966. This is why new economic development was rejected by our elders right through the 1970s and even into the early 1980s. Our former chief, Ben Quill, turned away forestry companies.

Our elders have always known the value of our land. Part of the prophecy that foretold what would happen to our lands is that in time everything on the land would have a money value put on it by the white man. Everywhere you looked—trees, berries, rocks, water—everything would have a money value. Our elders understood that everything on our lands was valuable. The prophecy was correct. Everything on the land and even under the ground has a money value now. We were told this would happen. It would be like looking around the forest and seeing money everywhere.

Our elders taught us this prophecy to guide us in how we could respond to what the white man would do to our land if something was not done. We were to deal with this. This is a critical part of our strategy for the Whitefeather Forest Initiative. This prophecy speaks to an important reason why we are fearful about resource revenues. They were invented by the white man. As our

elder George B. Strang has said, “It is the culture of the white man to want to control everything from one place.” This is not our way. Our way is to give most respect to knowledge and experience gained directly from the land. This is our most important resource for guiding how to take care of the land.

We recommend that resource revenues support our ways of gaining knowledge of the land and using this knowledge to take care of resources.

In the past, resource revenues were derived from non-Native governments charging non-Native companies for extracting resources—that is, outside businesses would come into our lands, harvesting resources, including visiting parks—and pay money to the crown for the right to do so; in our case the crown in right of Ontario. If the government gets money when resources are harvested, there is an incentive to allow more and more harvesting. Governments always need money.

We recommend that a priority use of resource revenues, including in any sharing agreement, be for caring for the land by First Nation people.

This is the history of crown dues: non-native governments getting money from the land as it was opened up. Now, of course, the idea of conservation has become important. It provides a brake on simply developing everything. We want this to be a priority in the future. But our approach is different from how non-native people see conservation being achieved. We have a different path. Economic development is OK, but—and this is a big but, no offence—the land, as it was given to us by the Creator, is to be sustained and cared for as it was made, where everything fits together most wonderfully, as our Elder Whitehead Moose says.

A century ago, resource revenues were how Ontario sourced most of its government funds. First Nation people got nothing of this. This pushed the checkerboard, which is land use that is not a part of our culture, ever further north. This has caused us great anxiety. But we know now that resource revenues are only a fraction of the money Ontario takes in and they are declining each year as a percentage of provincial revenue.

Resource revenues are still important. They can be a useful tool for First Nations. At Pikangikum, our elders want to find ways to finance resource management that embrace our First Nation values and teachings. Resource revenues could help this. But Pikangikum people do not want resource revenues to become a new form of beads—giving First Nations what is left over. We want to be in the business driver’s seat in resource use on our traditional territories. This is where most of the economic value of resources is today.

We recommend that a priority commitment to supporting First Nations leading resource-based business development be supported by a resource revenue agreement.

The way of Pikangikum people on our traditional territories is very different—even today—from that of Ontario. It is true that the province now seeks to balance conservation and development, but we have our own

values and teachings guiding resource use and conservation and they need to be honoured.

We are not afraid of development—we helped build Canada through our central role in the fur trade—but we want to take care of our land, in co-operation with non-native governments, on the basis of respect and working together.

We are not afraid of new land uses, but in our traditional territories we are the only year-round residents. We must be in the driver’s seat in resource-based enterprise development in our territories. So we need a special partnership with Ontario.

Fortunately, the province is hearing us and is working co-operatively with us on the Whitefeather Forest Initiative supported by its Northern Boreal Initiative policy.

#### 1520

Let me describe our approach to resource use. Then it will be easier to see how a new arrangement for resource revenues might be developed to fit into it. In our approach to resource use, (1) protection of the land rooted in local knowledge comes first, and (2) economic well-being flows from protecting and caring for the land as taught to us by our ancestors.

What does protection mean to us? Here is how we state it in our protected areas accord that we have with our sister First Nations to the west of us in Manitoba, those being the Poplar River First Nation, the Little Grand Rapids First Nation and the Pauingassi First Nation. This is the accord that we made:

“The Creator made the lands on which we live and everything living and non-living on those lands. Nothing on the land can be sustained without the Creator. The Creator placed us on our land. We have been given the very life we possess, as well as our First Nation way of life, as a precious gift from the Creator. The Creator has given us the responsibility to protect and care for the lands on which we were placed. As First Nations people, we are to take care of our land and nurture everything that the Creator has given us as a trust and duty to future generations of our people.”

In our Whitefeather Forest Initiative, our elders have told us that they do not want checkerboarding of the land through things like tree plantations. Plantations come from agriculture, and for us, the forest is most important.

We can do forestry, but we want our values to be a critical guide in how it is done. We want our forests to continue as a gift that was given to us. We want to guide our own forestry in partnership with non-native governments so that the gift of the forest we have received from the Creator can be sustained.

We like the idea of the sustained forest of the Menominee people, keeping this gift from the Creator. This is a spiritual mandate. This is part of our culture. It speaks to how our First Nation vision of sustainable forestry will be implemented.

We recommend that through any revenue-sharing, Ontario should commit to working with First Nations in a manner that is in keeping with our culture so that we can sustain our forests and other resources in accordance with our teachings and values, consistent with our way of life.

Resource revenues can help fulfill this purpose. If we can help our forests in accordance with our teachings, we will be able to achieve our economic self-sufficiency and contribute to the larger economy.

There is a unique opportunity in relation to resource revenues and resource development in far northern Ontario where we live and where we are the only year-round residents. Development from the outside has not yet come here in a big way. A unique opportunity can be seized to show how First Nation cultural survival can be achieved and how our northern forest homelands can be sustained. If we seize it, this opportunity will also help support the creation of genuine partnerships between First Nations and Ontario where extensive resource development has already taken place.

If something is to come out of the proposed legislation to make a deal to share resource revenues, the deal must respect our First Nation way of life, our values for sustaining our land and true co-operation between First Nation and non-native societies.

Meegwetch.

We also have an excerpt from our Whitefeather Forest Initiative. These are created in our community. We have it in syllabics, for those of you who can read syllabics, and in English.

**The Chair:** Thank you for your presentation. We have time for one quick question, and in the rotation it goes to the NDP.

**Mr Hampton:** Thank you for the presentation. It gets better every time.

I think everyone recognizes the Whitefeather Forest, as it has proceeded so far, as quite an achievement. How did your First Nation get the Ontario Ministry of Natural Resources to make the commitments it has made so far? I know this didn't happen overnight. It didn't happen over one year or even three years. Can you tell us a bit about the history and how long it has taken?

**Mr Peters:** Do you want me to answer that in English or Ojibwa?

**Mr Hampton:** We're limited in our skills and abilities, so you'd better do it in English.

**Mr Peters:** I think MNR saw that they needed to work with us on this initiative or they were going nowhere with the policies they had in place. So they accepted our proposal. They recommended to us that if we wanted to do forestry we should start right away. That was way back in 1996. From there on, it has been a good working relationship with the Ministry of Natural Resources.

**Mr Hampton:** So this has been eight or nine years in the making?

**Mr Peters:** Yes.

**The Chair:** Thank you for your presentation this afternoon.

**Mr Peters:** Thank you. Meegwetch.

NORTHWESTERN ONTARIO  
MUNICIPAL ASSOCIATION

**The Chair:** I would call on the Northwestern Ontario Municipal Association to come forward, please. Good

afternoon. You have 20 minutes for your presentation. You may leave time for questions within that time period if you wish.

**Mr Brian Larson:** I hope to get us back on schedule, so my comments are brief. My name is Brian Larson. I'm the second vice-president of the Northwestern Ontario Municipal Association. Good afternoon, and thank you for allowing the Northwestern Ontario Municipal Association the opportunity to present our thoughts and views on Bill 97.

The Northwestern Ontario Municipal Association represents 34 municipalities from White River to the Manitoba border. In this region, there are nine pulp and paper mills, about 20 sawmills, four specialty mills—that's pressboard and strand board—and six operating mines.

The Northwestern Ontario Municipal Association fully supports and recognizes the need for industry and for federal, provincial and municipal governments alike to engage the First Nations of Ontario in promoting social and economic improvements in their communities as it relates to natural resource extraction.

At face value, Bill 97, as written, does not appear to answer many of the basic needs of the First Nations and the First Nations communities. It appears that the First Nations have not been consulted or asked for their input into this legislation. There clearly needs to be dialogue between First Nations industry and the three levels of government. A requirement for fairness and balance needs to be struck between all the stakeholders for this type of legislation to be successful.

The bill only speaks of revenue-sharing. The need for sustainable development and increased capacity in the communities where the resources are being extracted must be considered first and foremost. For this type of legislation to do the job, it must embrace the need for development of sustainable infrastructure in many of the remote communities. We have seen too many communities flounder and struggle once the resource has been extracted. The need for the host communities to build capacity and be self-reliant is paramount. To just rely on financial commitments from resource companies or government would be doing First Nations communities a disservice.

There seems to be a magic line called the French River, and only those aboriginals and aboriginal communities north of it are considered in this bill. What happened to the rest of the aboriginal communities to the south of this imaginary and arbitrary line? Should not all aboriginal people in the province of Ontario be treated equally?

How is Bill 97 going to treat aboriginals in less resource-rich lands? Will there be an equalization formula or plan? What type of dispute mechanism will there be when there is an overlap of traditional lands or more than one community is benefiting?

In the case of an arbitration, is the arbitrator's decision for the life of the project? Is the arbitrated deal final? What happens if both parties don't like the imposed

settlement? Will this have a negative impact on resource development, and will this type of legislation make resource companies think twice about investing in Ontario?

**1530**

Will Bill 97 cover tourism, hydroelectric power generation and transmission, gas pipelines and highways? What about fresh water for drinking? Shoal Lake feeds the city of Winnipeg. Is that not a natural resource? The definition of "resource" is not just limited to wood harvesting and mineral extraction. We must consider all aboriginals and all natural resources in this process if Bill 97 is going to be all-inclusive.

The municipalities that are represented by NOMA want to stress that if this bill is passed in its present form, it will only add to the uncertainty surrounding aboriginal issues and resource development in northwestern Ontario. This cannot be an additional tax on the resource companies. The money must come from the share of the taxes the province already collects. This bill must not further increase the costs to resource companies doing business in the north and to those resource development companies who want to do business in northern Ontario.

NOMA agrees that there is a need for balance and fairness. Bill 97, as written, falls short of that goal.

**The Chair:** We have about five minutes per caucus, and we begin with the government.

**Mr Colle:** Just a question in terms of the position of NOMA. You're basically saying that there are many unanswered questions in terms of the different impacts that this revenue-sharing would have. How would you, for instance, deal with the issue of revenue generated from tourism? What happens right now with tourism revenues?

**Mr Larson:** As far as I know, some of these tourist camps are outside municipal boundaries, so they're in a very nice tax situation with very little municipal tax collected from them. It's basically a cash cow. There's no money going back to the government other than fishing licences and hunting licences.

**Mr Colle:** Plus you have the provincial land tax again, which hasn't been updated in 50 years.

**Mr Larson:** Since 1942, I think.

**Mr Colle:** Yes. There is obviously a need, from the presentations, to take care of the appalling conditions that many of our First Nations people find themselves in. I guess what you're saying is, "As you try and address those needs, ensure that the pressures that existing municipalities have aren't further eroded and augmented by some kind of new revenue-sharing arrangement."

**Mr Larson:** I'd like to see more sharing. I'd like to see more of the tax dollars that go south stay in the north and help out in some of the First Nations communities. Put in good roads. Let's put in hydroelectric power. Most of these northern communities rely on diesel-generated power. Until you get some access to the northern communities, they're going to rely on that forever.

**Mr Colle:** Is there wind power or biomass energy potential?

**Mr Larson:** There have been wind power discussions with a couple of the First Nations groups; that's just leading-edge right now. That is an option, but at the end of the day that's very expensive power to generate. It's probably easier and quicker—

**Mr Colle:** Very capital-intensive.

**Mr Larson:** Yes.

**The Chair:** We'll move to the official opposition.

**Mr Miller:** Thank you, Mr Lawson, for coming in today and making your presentation. I gather you feel that this bill would add to the uncertainty and would increase costs for resource companies in northern Ontario, so you see more negatives and have more questions at this time than positives from it.

**Mr Larson:** That's correct.

**Mr Miller:** There have been representatives of First Nations here talking about the terrible living conditions, the 85% unemployment on the First Nations. The goal seems to be, in many cases, self-sufficiency. What do you think has to be done, if this isn't the answer, to give First Nations the tools to be self-sufficient?

**Mr Larson:** Give them the opportunity to participate in some of this industry. I'm from Red Lake, and I see a pile of wood going down the road from 60 kilometres north of Red Lake to Nipigon and Thunder Bay, from Fort Frances to Dryden. Why not put a sawmill up on the northern road, north of Sioux Lookout, north of Red Lake?

**Mr Miller:** You mentioned roads. Do you think that's the kind of thing the province should be doing?

**Mr Larson:** For those First Nations communities, I know the Northern Chiefs Council is very keen on re-aligning the winter roads and putting all-season roads in. I think it's about time we welcomed the 8,000 people in the northern communities to Ontario.

**Mr Miller:** That's a very good point. You make a very good point about this bill ending at the French River, seeing as the riding I happen to represent starts at the French River at Parry Sound-Muskoka and has seven First Nations within the electoral boundaries of Parry Sound-Muskoka. That certainly is a very good point. Many of the other questions you raised are good questions as well.

**The Chair:** We'll move to the NDP and Mr Bisson.

**Mr Bisson:** There are a couple of things I want to say, and after that I have a question.

First of all, the bill intentionally does not deal with all the other issues that you and other people have raised around training and other issues related to this issue because, as you well know, it's a pretty complicated thing. Trying to pass one bill that deals with everything—it never would have seen the light of day through the Legislature. That is why we decided, strategically, that we'd only deal with one issue: revenue-sharing.

All this bill does is create a table by which you can try to define what revenue-sharing should be. I just want to make that clear. I fail to see how that is going to negatively impact the economy of northern Ontario.

Let me propose this to you: In your presentation, as I understood it, you say that if we do get revenue-sharing, revenue-sharing should only apply to the taxes collected by the province of Ontario.

**Mr Larson:** Mining tax—

**Mr Bisson:** OK, so we should do that only to municipalities across the north? What do you have to say about that? No municipal assessment. If we had a similar rule for non-native communities, to only have a law that allows us to share in the mining tax and other provincial taxes that we collect from mining and forestry operations in northern Ontario, shouldn't we therefore make the same rule for non-native communities so we can't have municipal assessment? What would your association say about that?

**Mr Larson:** I don't think this is about assessment in the municipalities.

**Mr Bisson:** It's exactly what the issue is.

**Mr Larson:** No, it's not. This is about revenue-sharing—

**Mr Bisson:** I want to clarify it.

**Mr Larson:** —on resources that are taken from northern Ontario. More than half of those tax dollars end up in southern Ontario. Let's keep them in northern Ontario, where they belong.

**Mr Hampton:** You guys are actually agreeing with one another.

**Mr Bisson:** But I want to make the point, because what people don't recognize in this whole debate—my community and your communities that you represent, which are non-native, have greatly benefited from mining and forestry. We all agree that we need—

**Mr Larson:** No regrets.

**Mr Bisson:** Nobody argues. But there is an ability for municipalities to get revenue—we call it municipal tax assessment—to build their communities. Why wouldn't we try to find some sort of mechanism for First Nations so they can enjoy what our communities already take for granted? I can't believe that your association would be unwilling to allow them to enter into a process that allows them to do what you basically do as a right.

**Mr Larson:** We support the revenue-sharing but we don't want to see additional taxes put on these companies or corporations that are coming in to develop.

**Mr Bisson:** My specific question is this: If we came to an agreement which allowed First Nations to get, where there are no municipal taxes charged, an equivalent value of what would be charged by municipal taxes, would you support that? In other words, the development happens in Attawapiskat. There is no municipal assessment.

**Mr Larson:** That's correct. That would be great. That would help that community.

**Mr Bisson:** Now we do agree.

**Mr Larson:** Can I have one question? Why is this legislation from the French River north?

**Mr Bisson:** It is a very good point, and it's one of a lot of debates we've had with the people who actually did the drafting of the legislation. I'm open to any amendment. If that's one that people want, I'm fine with it.

**Mr Hampton:** Can I offer just a short explanation, as a former Minister of Natural Resources? Down south, things are really complicated. You've seen some of the complications of doing this north of the French River. It would become even more complicated to do it south of the French River.

I just want to ask you a question about hydroelectric development. I see in today's Winnipeg Free Press that there are two new power dams being projected in Manitoba. It looks as if the Cree First Nations that are close to one dam will be one-third partners in the project and one-third partners in the revenue that comes from that. In one of the other projects, the Cree First Nations that will be near the dam will be one-quarter partners in the project and one-quarter partners in the revenue-sharing.

The great irony is that most of this power will likely come to Ontario. So if Ontario is potentially prepared to buy power from a province where revenue-sharing is being written into the agreement—right now it's before the environmental assessment board in Manitoba—why wouldn't Ontario want to do the same thing here?

**Mr Larson:** Good question.

**The Chair:** Thank you for your presentation.

1540

#### BUCHANAN FOREST PRODUCTS INC

**The Chair:** Will Buchanan Forest Products please come forward. Good afternoon. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions, if you wish. I'd ask you to state your name for the purposes of Hansard.

**Mr Hartley Multamaki:** Thank you very much. I'll try to keep my comments to 10 minutes and leave 10 minutes for questions. I'm Hartley Multamaki, vice-president of planning and development for the Buchanan Group of Companies. The Buchanan Group of Companies eight relatively large sawmills across northern Ontario.

**Mr Hampton:** And northeastern Ontario.

**Mr Multamaki:** Yes, we've been accused of that, certainly.

**Mr Hampton:** Well, you are the biggest lumber concern, aren't you?

**Mr Multamaki:** I think that's correct. In fact, we're a very active corporation in northern Ontario. Our head office is in downtown Thunder Bay. We have sub-offices throughout most of the small communities in northern Ontario, one of them being here in Sioux Lookout, with local mills in a number of single-industry towns. We're actually responsible for managing seven sustainable forest licences and we supply a combination of logs and raw fibre to at least nine sawmills, eight pulp and paper mills, a number of panel board mills and other organizations.

As a bit of background, it's important for this group to understand the makeup of the forest products industry in northern Ontario. In the past, a number of years ago, it tended to be single, large corporate entities that held the

licences and did the work through an employee-based workforce. That has changed significantly. The industry as a whole is very integrated now between the various forest management companies, the sawmill facilities, the panel board facilities and the pulp and paper mills. There is a very close integration between them. We now rely very extensively on small- and medium-sized businesses to support the businesses that we're presently in. For example, there are a number of instances where you have very small individuals, who are independent business people, who are operating on the crown resource. They are doing things like taking gravel and building roads. They're harvesting wood and sorting it for everything from firewood to veneer logs. All of these businesses, as I understand it, would be subject to Bill 97 and would be in a position of negotiating with the local First Nation or First Nations adjacent to where they are extracting these various resources. They're also in other ancillary businesses like setting up camps and using water. There are a whole number of things that go on that Bill 97, I expect, intends to pick up if they can.

It's important to understand too that not only for the larger SFL holders but a number of these small businesses it's inappropriate for these businesses to be placed in the position where they're negotiating agreements that are very clearly in the purview of the province of Ontario. We would very quickly end up in the area of negotiating treaty rights and aboriginal rights. From our perspective, that's completely inappropriate. We simply don't have the experience, the tools or the right to be negotiating on behalf of the people of Ontario. I think it's a situation where in a lot of cases, even with the larger corporations, we simply don't have the ability to negotiate the types of agreements that are contemplated in this legislation.

I think the other side of it is that we're very dependent on a wide range of government approvals, licences and permits when we do business. Just about everything that's done in the forest is highly regulated by a number of ministries, not only the Ministry of Natural Resources, but also the Ministry of Health. I think the last time we looked, there were something like 30 agencies that were involved in permitting for various parts of forestry operations. It becomes very complex. As I pointed out earlier, it's inappropriate for a forest products company to be placed in a situation where it has to negotiate with one or more First Nations, and the issue with getting timely permit approvals and permits on time to do business would be compounded. On top of all the permitting issues that are out there right now, I don't see how you could also negotiate with local First Nations and still expect to be able to do business in a reasonable fashion.

I guess the other concern we would have is the same as has already been brought forward, which is why it applies to only that area north of the French River. I heard the previous speakers ask that question. It was one of the questions we obviously had. Obviously, our competitors in southern Ontario will not be facing this issue. That concerns us. I think it also brings into question the

whole issue of whether Bill 97 actually implies that the ownership of the land, water, minerals and wildlife is in question. If it is in question, I guess it becomes a question of: Should we be paying the province of Ontario for these resources or paying the First Nations? I'll leave you with that thought, and I will take any questions.

**The Chair:** We have about four minutes per caucus, and we begin this time with the official opposition.

**Mr Miller:** Thank you for coming in and making your presentation. I gather that you feel it's not appropriate that your company should negotiate resource revenue-sharing agreements directly with First Nations. Do you have any impact and benefit agreements with First Nations at this point? We had a presentation from Placer Dome, and they went into a bit of detail to do with the mining agreement with the Musselwhite mine. In terms of the forestry you're doing right now, do you have any?

**Mr Multamaki:** Absolutely. We have a significant number of agreements that are already in place with various First Nations. For example, we have one sawmill that has 85% aboriginal employment. I think it's probably the highest organization with First Nations individuals. The Buchanan Group of Companies, quite frankly, is probably the highest private organization with respect to native involvement and employment. I don't think that's been disputed, although, like I said, I don't have the facts and figures from other corporations. We're very active in working with the First Nations, developing very beneficial win-win situations with them.

We have agreements that we put in effect on some of the new mills and woodland operations. In fact, I think we have one previous minister who was responsible for a new sawmill and sawmills that were put in the northern part of the province, and it involved very active native negotiation. It was win-win for both the company and the First Nations.

So there's a lot of activity that is happening out there right now between corporations and the First Nations. But I think you have to understand that it's also a long-term commitment that takes time to develop the expertise, skills and infrastructure required to deliver on it.

1550

**Mr Miller:** I also take note of your point about why it is only north of the French River. My riding ends at the French River, so I have to make that point. I guess from your perspective, though, you see that Bill 97 could be an additional cost of doing business. If you're operating in the north and you have this additional cost, it wouldn't be fair that companies in the south wouldn't have this additional cost; is that correct?

**Mr Multamaki:** I think I would be pretty foolish to sit here and think this is going to be free. When you look at revenue-sharing, the question becomes: Is the government prepared to share the stumpage revenue, which, quite frankly, is a huge cost for the industry? In addition to that, I'd also point out that industry right now bears the lion's share of the cost of managing the forests of Ontario on behalf of the people of Ontario. It seems to me that the government has come to this trough several

times and has always gone away with industry paying more. Can we afford more? I don't think so.

**Mr Miller:** It sounds like you have a legitimate concern.

**Mr Multamaki:** Absolutely.

**The Chair:** We'll move to the NDP.

**Mr Bisson:** I take your point in your presentation where you're saying you're worried what it would mean to all the ancillary businesses that you work with.

The initial intent of this is not to deal with that; it's to deal with the overall issue of revenue-sharing of the resource. How that's done may be a combination of things, and that's why we didn't define it in the legislation. That's what the negotiating table is all about. Should it be part of current Ontario provincial taxation, such as stumpage? It could be; I don't know. In cases where there is no municipal assessment charge because no municipality exists, is that where you take up some of the room? I don't know. Those are the issues that basically need to be dealt with at the table. Again, I want to repeat that all this does is set up a table at which you can discuss this.

So my question is this: In the end, your industry, forestry, as well as mining, has all kinds of examples. The word we hear from the ministries is that you're frustrated at times at the inability to be able to move projects forward because of, as they see it, First Nations communities opposing the development. Obviously, one of the reasons they oppose it is there's nothing in it for them. As some of the presenters have said, why should they support it? If we could deal with this issue in a comprehensive way that clearly identifies what the share is, at the end of the day, don't you see that as a positive thing for your industry and others?

**Mr Multamaki:** I don't think there's any question, from the industry side, that we have no problem paying our fair share of what the resource is worth. I don't think anybody is questioning that. You have to understand as well that a large number of our employees are from those First Nations and that's their home.

I think the other point that needs to come forward is that the arrangement that's out there right now doesn't preclude any of these things. I would point very clearly, for example, to the new sawmill that's at the Fort William First Nation. They collect the equivalent of taxes from that sawmill. That's done under the present situation. Bill 97 didn't exist when that took place. The mill at Opatatika has been on the reserve for 30 or 40 years, and they pay the equivalent of taxes.

**Mr Bisson:** Not Opatatika, Constance Lake.

**Mr Multamaki:** Constance Lake, OK.

**Mr Bisson:** They pay far less than they would for municipal assessment, believe me.

**Mr Multamaki:** It depends on the municipality, I guess. I could argue convincingly that there are some locations where our mill assessments are different and substantially higher or lower.

**Mr Bisson:** But my question is, if you could deal with this issue in a comprehensive way, at the end of the day,

doesn't that help you and others develop the resources creating the investment opportunities and jobs in the north? Yes or no?

**Mr Multamaki:** I think it does. The key, of course, is that the appropriate method is dealt with, and to place corporations in the situation of negotiating treaty rights is not, in my view, the right thing to do.

**Mr Bisson:** And that's the problem currently. That's what we're trying to deal with.

**Mr Hampton:** What I think I hear you saying is that the proper way to deal with this is on a government-to-government basis, that the province of Ontario should be at the table working with First Nations to develop a comprehensive way of doing this. It would actually aid the forest industry if that were done.

**Mr Multamaki:** Yes, absolutely. I think that fundamentally is the issue. The reason they're called First Nations is because they need to be dealt with at a First Nations' level or a government level. I think it's inappropriate for corporations to be taking over the responsibility of the province of Ontario. When you get into fundamental issues like taxation, taxation and the delivery of services are key components or fundamentals of government. If you provide that to corporations, it's completely inappropriate.

**Mr Hampton:** I have a letter from the head of De Beers Canada. I think he makes almost exactly the same point. He wants to see this kind of comprehensive agreement. He's simply saying, "As a corporation, we're not equipped to do this. This is a role for government."

**Mr Multamaki:** We draw the line at business-to-business relationships. Once the rules are set out, everybody agrees to them, and a corporation comes in to do business, I don't think there's any of us who have any problem doing arrangements or business-to-business relationships with the First Nations. In fact, very clearly, our organization sees the First Nations as being a key player in the future. We have labour shortages out there. The First Nations are a key to dealing with some of those labour shortages that are occurring in the north, particularly when you're looking at resource industries.

**The Chair:** We'll move to the government.

**Mr Colle:** I just have one question. I guess there has been a confusion here. I just want to make sure we're all saying the same thing. This bill is saying that companies like yourself should negotiate with First Nations. That's what the First Nations people have said: They want face-to-face negotiation. Is that not what this bill is saying?

**Mr Multamaki:** No.

**Mr Colle:** So how is it different then?

**Mr Multamaki:** Not where it involves things that are treaty rights, aboriginal rights or fundamental government-to-government-level negotiations. I have no problem negotiating with a First Nation on something like a labour agreement or something like a contract for services or a training agreement: "We will train so many of your people to do such and such piece of work. We will train your people to become entrepreneurs and own their own pieces of equipment. We will negotiate an agree-

ment whereby we buy supplies and services. We negotiate an agreement whereby you will build roads for us.” We negotiate agreements where we buy wood from the First Nations, who sell it from their reserves.

**Mr Colle:** To just pass it over to my colleague—in other words, you’re saying you don’t need this bill; you already do that.

**Mr Multamaki:** We do lots of that.

**Mr Colle:** Already.

**Mr Multamaki:** Right.

**Mr Colle:** So how would this bill help you then?

**Mr Multamaki:** I don’t see it helping us at all. Fundamentally, if the government is suggesting that they will share the stumpage that they already collect, you can do that anyway. You don’t need me here to tell you how to do that.

**Mrs Carol Mitchell (Huron-Bruce):** That’s where my question was going to go as well. What I’m trying to get an understanding of, what I’m hearing today is that you have agreements in place, whether or not they’re formalized through contract or whatever. Since I don’t have a full understanding of your relationship with the First Nations, could you give me an example of what you have in place through formalized agreements right now that are existing so that I can better understand?

**Mr Multamaki:** Sure. We have agreements with a variety of First Nations, both independent First Nations business people and the First Nations economic development corporations for things like training. Probably one of the most interesting is the Longlac sawmill, where it’s 85% aboriginal. The community itself does the pre-employment training and has the contract for providing work-ready individuals from the First Nations for that mill. Like I said, it’s about 85% aboriginal employees from across northern Ontario.

**Mrs Mitchell:** This continues down the length of the forest product being withdrawn from the land? How does it work? Is there a shelf life? Just so I have an understanding.

**Mr Multamaki:** No, it’s in perpetuity. We operate off of sustainable forest licences that provide wood volumes in perpetuity. They fluctuate in amounts, but they’re operated on a sustainable basis. The mills that are associated with those sustainable forest licences will be operating in perpetuity, unless there’s some business decision that happens, that owners go bankrupt or sell the mill.

**The Chair:** Thank you for your presentation.

**Mr Multamaki:** Thank you very much. I appreciate your time.

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DAVID BOILEAU

**The Chair:** David Boileau, you have 20 minutes for your presentation. You might allow time within those 20 minutes, if you wish, for questions, and I would ask you to state your name for the purposes of our recording Hansard.

**Mr David Boileau:** My name is David Boileau. Thank you, Mr Chairman and committee members, for providing me an opportunity to present to the committee today.

Briefly, I’m a resident of Atikokan. In the package that I’ve handed out, there’s a CV which contains a little bit more detail about my career and personal interests. My business interests include the development of renewable energy projects, both water power and wind power. I’m also active in the development of recreational properties in northern Ontario on both private and crown land. In 1999, I co-chaired the Ontario Waterpower Task Force. In 2001, I chaired the Ontario Wind Power Task Force.

I am appearing before the committee today to urge the government of Ontario to not support—and I emphasize “not support”—Bill 97 in its current form because it will discourage private sector investment in northern Ontario and cause a further loss of jobs and opportunities in both aboriginal and non-native communities. The bill raises complex issues but offers, in my view, a simplistic process for resolution of these issues. Without doubt, it will lead to litigation, process delay and deadlock.

The area of Ontario designated by Bill 97 contains over 80% of the provincial land mass. If passed, Bill 97 would effectively create two classes of citizens and businesses in Ontario with a wide difference in rights, rules and costs associated with the use of crown resources. At a minimum, a broad public debate is required to ensure that the rights of all Ontario citizens are treated in a uniform and consistent fashion.

I note that the location of the four scheduled hearings—Sioux Lookout, Osnaburg, Attawapiskat and Moose Factory—are not representative of a broad public debate or consultation, particularly when we consider that the area of concern is north of the French River. My question is, what about the cities and the populations of the towns in northern Ontario like North Bay, Sudbury, Sault Ste Marie, Timmins and Thunder Bay? I recognize that anybody can present a written submission to the committee; however, I think this committee, by holding public hearings, is acknowledging the importance of people coming out and speaking directly to the committee and answering your questions.

To continue: Bill 97, in my view, is seriously flawed. The definitions are too broad, and details on future processes are not articulated.

If passed, the bill will produce a land claim rush and competition between aboriginal communities to position their respective claims for priority consideration. Businesses and the crown will be confronted with multi-jurisdictional challenges on virtually every investment initiative. Competition between aboriginal communities will create conflict.

The proposed bill does not reflect an understanding of the current industry or government practices to involve First Nations in socio-economic benefits of new resource development. Without doubt, all communities of northern Ontario should derive some benefit from resource extrac-

tion. At present, for aboriginal communities, this is typically achieved by impact benefit agreements that are negotiated between industry and affected communities.

Another point: The arbitration provision in section 3 may not be enforceable, as the aboriginal communities may not agree or be required to abide by arbitration rulings.

Finally, the costs associated with the payment of crown land resource rentals and royalties should be the same across the province. Businesses operating in northern Ontario should not be disadvantaged compared to businesses operating south of the French River.

I'd like to offer some recommendations. The first one and the priority one is that the government should defeat Bill 97 and focus on the following proactive initiatives:

(1) Expedite the permitting of new resource development applications.

(2) Expand the infrastructure in northern Ontario, both roads and power supply. This will liberate new investment opportunities and the full participation of aboriginal communities in Ontario's growing economy.

(3) Confirm the direct role and responsibility of the Ontario government in addressing resource revenue-sharing with northern communities, and avoid delegation of this role and responsibility to industry.

I take Mr Multamaki's point and perhaps build on that in that, if we're collecting royalties from water power, wind power, stumpage or mining, the government already has the opportunity for setting up special funds for maybe project development. I think that needs to be explored.

(4) Adopt policies and procedures that recognize that all northern communities—native and non-native—have a stake in resource revenue allocation. Many aboriginals live and work in communities outside of reservation territory. Policies that exclude these communities could lead to polarization of positions on issues that affect all Ontario citizens.

In summary, I believe the government of Ontario should facilitate the development of new industry in the north rather than adopting legislation that will lead to greater investor uncertainty, delay and increased costs. Thank you.

**The Chair:** We have about five minutes per caucus and we'll begin with the NDP.

**Mr Bisson:** I loved the first recommendation.

**Mr Prue:** I don't think I liked any of them. Anyway, I'm going to give you the benefit of the doubt here. It sounds to me like you're talking a little bit like Reagan economics, the trickle-down theory: Send it out to the north and the aboriginal communities will somehow get some of the money back to them. Is that what you're saying?

**Mr Boileau:** No, I think what I was saying is that the mechanisms are already in place, and I'll try to provide an example. Having been in the water power industry for well over 15 years, one of the major sources of revenue to the Ontario government is water power royalties. They collect in the neighbourhood of about \$150 million in

royalties per year. I completely support northern development, and it can be done in a direct way by the government if, for example, they wanted to take a portion of those dollars and instead of having them go to the consolidated revenue fund, allocate 10% or 20% to a special development fund for the north. I think that would be an excellent way of using it. But the royalty payment that industry has to pay would still be the same 9.5%, whether it was north of the French River or south of the French River. What we don't want to have in this province is a situation where we're disadvantaged in the north. We're already losing so many of our jobs and investment from the north, and the out-migration of our youth is an absolute tragedy.

**Mr Prue:** What about the disadvantage of the native communities? I want to tell you, if there's anyone disadvantaged in the north, it's the people from our native communities: the suicides, the alcoholism, the bad housing, the lack of education, the lack of development on the reserves, the unemployment at 85%. What about them? All I'm hearing about is the basic generic northern community; nothing about them. That's what this bill is about: them.

**Mr Boileau:** I don't think this bill's about suicide. This bill is an economic measure designed to improve the status of people in the north, particularly aboriginal peoples, and I completely agree with that. I think we're on the same page: We want to have more jobs and investment in the north. I think the government has all of the vehicles it needs to work with the native communities to build and grow the economy so that we can address some of the social issues that flow out of economic deprivation.

**Mr Prue:** If we leave it the same or basically the same as what you're saying, we're going to leave them in the same condition they're in today. Is that acceptable?

**Mr Boileau:** No, I wouldn't suggest at all that it's acceptable, but I don't think this bill is the vehicle for achieving what we all want.

**Mr Prue:** So you're saying, "Leave it to the private sector. Let them make more money. Let the trickle-down of Reaganomics work and everything will be fine."

**Mr Boileau:** I don't think I said that at all.

**Mr Prue:** Well, I think you did say that.

**Mr Boileau:** In fact, one of my recommendations, Mr Prue, was that we build more infrastructure in the north so that we can in fact liberate the opportunities.

I'll give you another example—

**Mr Prue:** "This will liberate new investment opportunities and the full participation of aboriginal communities in Ontario's growing economy."

**Mr Boileau:** One of the ways of bringing more jobs to the north, I would suggest, would be to have, say, infrastructure like power and roads being supplied to the northern communities. Truly one of the challenges of bringing forward water power projects is that we have no infrastructure. We've got opportunities to work with First Nation communities in the north but we have no roads to build and we have no way to get the power out. So if we

want to talk about the government taking a proactive role, that would be one way of them doing it.

**Mr David Zimmer (Willowdale):** On page 1 of your submission, the fourth bullet, I take your point that this committee is limited to these four communities, that we haven't sat down in North Bay, Sudbury, Sault Ste Marie, Timmins, Thunder Bay, Kenora and the other urban areas. You've got 32 years' experience up here, all across this part of northern Ontario. Do you have any sense of how these issues, the issues surrounding Bill 97, are playing out in those urban centres?

**Mr Boileau:** I think that following a broad public debate, people would agree in the north, at least in the small community I come from, that northerners are northerners and we really need to get the attention of the south that we are being left behind in the growth of the economy and that there is a variety of vehicles. For example, I would fully support the allocation of funds similar to the municipalities, where municipalities receive grants from the province, like the town of Atikokan receives dollars from the province. If resource revenue is the vehicle for that, that's fine. Just make sure it's the same across the board, that whatever we're being charged for stumpage for a tree here is the same as what we're being charged in Huntsville. I have no problem with allocating that and I think the public of Ontario would support that type of initiative as well, providing it was articulated and everybody understood the impacts.

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**Mr Zimmer:** But specifically, do you have any sense of how this Bill 97 is playing out in those urban communities you've listed there: North Bay, Sudbury etc?

**Mr Boileau:** I don't, because I haven't—this came up fairly quickly. I regret that I didn't see it a little bit earlier. I'm not sure if the northern communities I've listed here are fully aware of the potential implications of this bill. If they were, I think there would be some serious concern and possibly alarm.

**Mr Zimmer:** And perhaps a reason to consult with them also.

**Mr Boileau:** Yes.

**The Chair:** We'll move to the official opposition.

**Mr Miller:** Thank you very much for your presentation. I gather you're concerned that the passage of Bill 97 would disadvantage the north further, and that's one of your primary concerns.

**Mr Boileau:** Yes, I believe it will disadvantage the north. I'm a northerner, and none of my children live in the north any more because they had to go somewhere else to get jobs. I'm sure the aboriginal community is finding exactly the same thing.

**Mr Miller:** Do you feel that the role of the government, if they want to help the north, should be to invest in infrastructure, particularly roads, hydroelectric or other projects that will give the north a chance to develop?

**Mr Boileau:** Exactly, Norm, and I think special projects as well, similar to the one I mentioned, where they

could create specific investment funds so that native communities could bring to a partnership with a forestry company or a power development company cash equity into the development and really participate in the projects, as opposed to bringing, I guess, non-cash equity into the projects, which is sometimes hard to quantify and usually increases the cost of the projects.

**Mr Miller:** There have been a lot of First Nations here talking about wanting to achieve self-sufficiency and deal with some of the huge problems they have, particularly unemployment of 80%, 85%. Any ideas on how the government can help them achieve self-sufficiency?

**Mr Boileau:** Well, we heard today an example in Longlac, and other examples I'm sure you heard today, where jobs have been created in the north, primarily by private capital investment. But that's been facilitated by infrastructure improvements. I really see an opportunity for the north, both in terms of road construction, power line maintenance, phone line maintenance, power dam developments—a whole host. If we look at the mining opportunities that are in front of us today over the next 20 or 30 years, we're talking a huge amount of land and tourism and all these other things.

**Mr Miller:** You commented that impact-benefit agreements that are currently happening help assist the First Nations.

**Mr Boileau:** Well, impact-benefit agreements are a must. We just call them different things. If we're working on building a big plant in the town of Atikokan or the town of Sioux Lookout, we go to that community and say, "Here's what we're building. Here's what we're bringing. What are the impacts? What can we do to work with the community in terms of building jobs and a future for the communities?"

In the case of the aboriginal communities, it's exactly the same. You want to work with the community that's resident in the area. To get approval for a project, you almost have to have that type of thing. But what you don't want, I think, is forest negotiations and forest arbitration that really would tend to make investors shy of even approaching the community.

**Mr Miller:** The point Mr Bisson has made is that if a new mine, for example, was going to locate within the boundaries of the municipality of Timmins, that new mine would pay property taxes. I think he sort of equated this to the scenario where, if the mine is in an aboriginal traditional territory, they don't pay an equivalent tax, I guess you could say.

**Mr Boileau:** Norm, there has to be a legitimate source of revenue for northern communities, be they organized, unorganized or traditional native communities across a whole area. I agree with the concept of creating a mechanism for providing dollars to those communities, but this is not the way to do it.

**The Chair:** Thank you for your presentation.

For the benefit of the committee, our next presenters are not present.

## KITCHENUHMAKOOOSIB INNINUWUG

**The Chair:** I would call on Big Trout Lake First Nation to come forward, please. Good afternoon. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions, if you wish. I would ask you to identify yourself for our records.

**Mr Ananias Anderson:** My name is Ananias Anderson. I'm acting director for Kitchenuhmaykoosib lands and environment unit. The chief and council were unable to attend this gathering at the moment. I'm just going to be reading out what I was told to read.

Good afternoon. First of all, I would like to extend warm greetings to all elders, chiefs, delegates and representatives of the government present at this gathering from our people of Kitchenuhmaykoosib Inninuwig, formerly Big Trout Lake First Nation.

Prior to commenting on the private member's bill, Bill 97, An Act respecting the sharing of resource revenues for First Nations, I would like to share a little history about Kitchenuhmaykoosib and our people.

The history of the creation of Kitchenuhmaykoosib Inninuwig shows the underhandedness of governments, which necessitated the then Chief Samson Beardy requesting that his people be included in a treaty so that they could receive government assistance. This was in 1928. Prior to that, in 1924, game laws were imposed which prevented our people from hunting freely. On July 5, 1929, representatives from both levels of government went to Kitchenuhmaykoosib with a treaty, which had already been prepared in Ottawa without consultation with our people. This was the adhesion to Treaty 9. According to this treaty, our people surrendered all their rights—which was and is not true—to 128,000 square miles and were given 314.6 square miles as reserve in return.

In 1972, with a population of approximately 2,000, more or less, and without finalized boundaries, the members of Kitchenuhmaykoosib Inninuwig voted in favour of splitting up into eight separate bands, and they are as follows: Big Trout Lake First Nation, Wunnumun Lake First Nation, Kingfisher Lake First Nation, Wapekeka First Nation, Sachigo Lake First Nation, Muskrat Dam First Nation, Kasabonika Lake First Nation and Weagamow Lake First Nation.

Kitchenuhmaykoosib Aaki 84, then Big Trout Lake Indian Reserve 84, was granted 85 square miles of land around the Fawn River and Kitchenuhmaykoosib areas. The formula used was one square mile for each family of five. In 1976, the boundary was expanded to 119 square miles, when Kitchenuhmaykoosib Inninuwig was formerly established.

**Location:** Kitchenuhmaykoosib Aaki 84 is located in Ontario, north of the 51st degree parallel, 276 air miles north from the town of Sioux Lookout and 166 air miles from Pickle Lake, the remote northern community in the provincial district of Kenora and in the federal Indian and Northern Affairs Sioux Lookout district.

**Referendum:** On May 15, 1996, Kitchenuhmaykoosib Inninuwig held its first ever referendum to determine whether to continue its political relationship with the Nishnawbe Aski Nation based in Thunder Bay, Ontario. The people voted overwhelmingly, at 90%, to separate from NAN and become an independent First Nation. The political separation and withdrawal from the provincial territorial organization was formally adopted on May 26, 1996. Kitchenuhmaykoosib Inninuwig is presently affiliated with the Independent First Nations Alliance for political support. The other First Nations affiliated with this alliance are Pikangikum First Nation, Muskrat Dam First Nation, Lac Seul First Nation and White Sand First Nation.

**Local government:** Kitchenuhmaykoosib Inninuwig elects its government by the customary selection method. The council consists of one chief, one deputy chief and six councillors. These positions have a term of two years. Each council member has a portfolio. Each official business decision can be carried out with a quorum of five council members.

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**Kitchenuhmaykoosib and surrounding area resources:** Kitchenuhmaykoosib Aaki and surrounding region has a substantial amount of natural resources which to date have not been exploited. Numerous companies, from junior exploration companies to multi-conglomerate mining companies, have expressed interest in our non-renewable natural resources. I would like to point out that it has only been recently that some companies have approached our community to initiate dialogue, whereas before no discussions whatsoever took place.

It appears once again that our people, including our lands and resources, are the last frontier for further exploitation. Our people in the past have recognized the fact that the south would eventually use the north as a breadbasket in terms of accessing and exploiting our natural resources. This process being discussed today confirms what our people have known from years past. The only difference now is the possible/potential willingness of government and companies to share resource revenues with First Nations—rightfully so and long overdue.

**Bill 97, An Act respecting the sharing of resource revenues for First Nations:** There are a number of factors we have to consider in discussing this proposed Ontario legislation, and those factors are the potential legal effects of the bill. If this bill does pass, certainly the act is a very important step forward in securing resource-based revenues and benefits for native people living in Ontario. There are very important parts of the legislation which will need to be explained to our people living in this province. Some of the key points in this proposed legislation are:

(1) Within 90 days of this legislation coming into force, the resource companies, the First Nations, the government of Ontario and any other parties shall commence negotiations aimed at arriving at a comprehensive revenue-sharing agreement. **Concerns:** Who shall pay for the negotiations? Who shall pay for travel and accommo-

dation costs? Who shall pay for legal fees for lawyers? If negotiations are mandatory, then if a First Nation does not agree, can or will they then potentially be forced into negotiations and, if so, can an agreement be enforced on them despite their opposition in the matter?

(2) The comprehensive revenue-sharing agreement is to contain draft Ontario legislation pertaining to the agreement. Concern: What impact is this provincial legislation going to have on Indians in general, especially pertaining to treaty and aboriginal rights?

(3) Section 3 of the proposed act provides the arbitrator with power to impose a comprehensive revenue-sharing agreement on the parties within four years: three years for negotiations, and then, if no agreement, an arbitrator is appointed and a decision of the arbitrator within one year. Concern: Is imposing an agreement reasonable under the circumstances, because negotiations of these types usually take longer than four years to come to a satisfactory and acceptable conclusion?

(4) Benefits of the legislation: (a) resource companies must comply with this legislation; (b) resource revenue-sharing benefits may take many forms: partnerships, joint ventures, shareholder agreements, corporate partnerships including sharing of royalties; (c) the percentage of benefits has not been arrived at, but Ontario government royalties may be subject to being shared with First Nations; (d) First Nation traditional land claims: based on lands that were traditionally travelled across or made use of by First Nations; and claim to traditional lands made by the First Nations.

Claims would have to be substantiated and proven to the resource companies, the government of Canada and any other party. Usually traditional lands are adjacent to Indian reserves. Traditional lands may be lands to which a First Nation that has no current land base may have claim to. The "traditional lands" legal definition extends to lands "whether or not they fall within a reserve occupied by that First Nation." In effect, off-reserve resource-based mining rights are being recognized, and this may extend to resource-based traditional land rights other than mining.

Closing comments: I would like to emphasize that we must be cautious and vigilant in how we proceed. Kitchenuhmaykoosib Inninuwug supports the concept of revenue-sharing; however, we must be prepared to represent the interests and well-being of our people effectively, to protect at all times their aboriginal and treaty rights and to enhance those rights. We should never compromise the aboriginal and treaty rights of our people for the sake of the dollar. It may be that we have to make these concerns heard by the standing committee on finance and economic affairs and, for that matter, to the government of Ontario as soon as possible. It may be the opinion of some that the potential lucrative resource revenue benefits are going to far exceed the potential effect on Indian rights.

These are some of the very important immediate concerns we have pertaining to the proposed legislation.

Meegwetch for the opportunity to express and relay our concerns.

**The Chair:** We have time for one quick question from each caucus, about two minutes, and we'll begin with the government in this round.

**Ms Judy Marsales (Hamilton West):** Thank you very much for your presentation. Am I hearing correctly that you have a concern around the potential revenue stream and resource-sharing replacing what the existing government is supporting at the moment, and do you see that government support for these communities will continue at the same rate if they engage in revenue-sharing?

**Mr Ananias Anderson:** Could you repeat that?

**Ms Marsales:** Sure. You mentioned that you had some concerns around the complexity of resource-sharing as it exists in this bill. Do you have any concerns that with resource-sharing implementation, the government support currently in existence could be eroded? Do you see it moving away from First Nations?

**Mr Ananias Anderson:** At the moment, I can't comment on that, because I was told not to really comment on that. I was going to try and get our chief to go to Mushkegowuk First Nation.

**The Chair:** Seeing no further questions, the official opposition.

**Mr Miller:** Thank you for coming today. In your presentation you made reference to traditional lands. I know that in supporting this bill, Mr Bisson has made comparisons to municipal governments; for example, a mine locating in Timmins and how the town of Timmins benefits through property taxes if that mine is located within its boundaries. That works where Timmins has a very defined boundary. With traditional lands, I don't believe the boundaries are that defined. In fact, there is overlap between one First Nation and the other. I guess the question I have for you is, how do you get around that?

**Mr Ananias Anderson:** You mean the overlapping territories?

**Mr Miller:** Yes.

**Mr Ananias Anderson:** We did submit a land claim to both levels of government back in, I think, May 2000, which is under review right now. We had some First Nations questioning our land claim, due to overlapping traditional lands. During the summer last year, an MOE was signed between the First Nations communities to work together in solving these issues, including resource development.

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**Mr Miller:** So you worked with your neighbouring First Nation to figure out where the border is and if there is a border?

**Mr Ananias Anderson:** Yes.

**Mr Miller:** Just a general question: We've heard from a lot of First Nations talking about the goal of becoming self-sufficient. How do you think you can achieve self-sufficiency, where you deal with the unemployment rates and the terrible conditions on First Nations? I know that's a big question.

**Mr Ananias Anderson:** What was that?

**Mr Miller:** How do you become self-sufficient? How do you deal with things like 85% unemployment at First Nations?

**Mr Ananias Anderson:** At the moment we're having negotiations with two mining companies so far, De Beers and Platinex. We're trying to work something out so that we can get more employment for our people.

**Mr Miller:** So basically an agreement with companies doing business in the area to try to get more employment?

**Mr Ananias Anderson:** Yes, that's right.

**Mr Miller:** Like the one that was mentioned earlier by Placer Dome, the Musselwhite agreement, to try to get more jobs that way, through First Nation participation.

**Mr Ananias Anderson:** Yes.

**Mr Hampton:** The first question I want to ask you relates to one of the concerns that you raise. What impact is this provincial legislation going to have on Indians in general, especially pertaining to treaty and aboriginal rights? Usually legislation like this has what is called a non-derogation clause, a clause that says that nothing in this legislation addresses or deals with or is intended to deal with treaty and aboriginal rights. Would a clause like that, which says that the issue being dealt with here is not treaty and aboriginal rights and in no way would this bill affect treaty and aboriginal rights, in no way can it be taken as minimizing or otherwise changing treaty and aboriginal rights, help satisfy part of that concern?

**Mr Ananias Anderson:** You mean a clause to deal with this?

**Mr Hampton:** Yes.

**Mr Ananias Anderson:** Yes.

**Mr Hampton:** I want to refer to the question just answered and one of the earlier questions. You are trying to gain some employment with some of the mining exploration companies that want to work near your First Nation; is that right?

**Mr Ananias Anderson:** Not just the mining companies; some other companies as well.

**Mr Hampton:** Right. In other words, that's really about employment.

**Mr Ananias Anderson:** Yes.

**Mr Hampton:** That's not revenue-sharing.

**Mr Ananias Anderson:** I know that.

**Mr Hampton:** That's trying to gain some jobs in terms of some work activity that may be going on. There was some confusion earlier today, I felt: negotiating a job or negotiating a contract for work with revenue-sharing. I just want to be clear. You don't see the discussions that you might have with a mining company as being about revenue-sharing. That's really about negotiating a contract to do so work, isn't it?

**Mr Ananias Anderson:** Yes.

**Mr Hampton:** Thanks.

**The Chair:** Thank you for your presentation. For the benefit of the committee, our next two presenters have not arrived yet.

## KASABONIKA LAKE FIRST NATION

**The Chair:** I understand that Kasabonika Lake First Nation is present. Please come forward. Good afternoon. Thank you for being here and accommodating us by presenting early. We appreciate that. If you would give your name for the benefit of Hansard. You have 20 minutes and you may allow time for questions, if you wish, within that 20 minutes.

**Deputy Chief Eno Anderson:** Thanks. I thought I would come in earlier but I was on the flight that goes around Big Trout and Bearskin.

Thanks for the opportunity. I'm just going to go through the presentation. There are copies that were made for distribution. First of all I want to explain the logo on the top there. That's our First Nation logo. What it means is that the tepee in the centre is our culture and language, one flag represents Canada and the British flag represents the treaty and all the other resources that were mentioned in the treaty: the sun, the grass and the river. Those are the symbols of the treaty.

I'll just go ahead to the introduction. Good day, members of the committee, staff, respected leaders and members of the public. My name is Eno H. Anderson. I am deputy chief of the Kasabonika Lake First Nation. I want to thank you for the opportunity to make a presentation on Bill 97, an act regarding revenue sharing with Ontario First Nations in northern Ontario, or that area north of the French River.

Toward the end of my presentation I will be introducing a young student from our community who will be sharing. He's not with me. He was supposed to come from Thunder Bay but he's not here. He was supposed to do a small presentation. We believe that it is important to hear from our youth on such matters. They should have a say in their future and be encouraged to participate in the activities of our government.

We will not be going into the details of our treaty and relationships with Ontario and the general economic and socio-economic conditions in the north, especially the remote north where we live. We believe that others such as the Nishnawbe Aski Nation have covered those details in their presentation. Our focus will be on our local community setting, conditions, experiences, views and needs.

Background: The community of Kasabonika is a fly-in First Nation community. The main site of our community is now located on the island in Kasabonika Lake. Our reserve lands cover 27,000 acres under Treaty 9. We also have traditional lands where our members have sustained themselves for countless generations and will continue to do so for all time.

Two years ago we completed our most recent community economic development plan. We believe that some of the information from our CED plan gives you a clear picture of some of the challenges facing our community and leadership and morally verifies the need for revenue- and resource-sharing.

**1640**

In 2002, our population was 862. By 2011, it is projected to be 1,003, or a 16% increase. Not only will our population continue to rapidly grow, it will be a very young population, indicating employment and family dependency needs that must be met.

Our 1999 population age breakdowns show the following age breakdowns in our community—I'm not going to go through the numbers. It's in the presentation.

These population figures illustrate that our demand for employment- and income-generating opportunities and for community infrastructure, including housing, roads, sewers, water and other facilities as well as services, will continue to rise significantly for at least the next two decades.

The average cost of a home in Kasabonika is currently around \$150,000. How will we, as a community, or our members afford such housing and at such numbers in the future?

**Welfare and social assistance:** Our staggering unemployment rates are even more profound when one looks at our welfare and social assistance rates. The large number of children and other family members whom our unemployed are responsible for means that over 80% of our community population draws some form of welfare or social assistance.

**Other income information:** The vast majority of our community income is used to run our administration and basic programs, to provide social services, assistance and support payments, and to deliver education. Very little of our income currently comes from economic development. There is a shortage of equity capital to invest in economic or business development opportunities.

Unless there is a community income or revenue-generation change and more equitable sharing of resources, it will be impossible for a First Nation such as Kasabonika to get out of an undeveloped state and escape the welfare trap and, thus, the extreme poverty that plagues our people.

**Bill 97, revenue-sharing:** Revenue-sharing is one of the development elements that most, if not all, First Nations want to share in. They also want to share in the resources, the planning and management of their lands, resources and future.

Our treaty is an agreement based upon the principle of sharing. We must now get back to that principle and help our children and communities secure their future.

Revenue-sharing is a huge and complicated undertaking. We respect and appreciate the efforts of those who have recognized the need to address this issue. However, the goals we set and the means we utilize to achieve those goals must be the subject of further discussion.

Kasabonika supports the principles of revenue-sharing as well as resource-sharing, but we respectfully do not support Bill 97 as drafted. We believe a proper and agreed-upon process is needed to arrive at some mutual understanding and agreement.

While we are deferring many of our comments on Bill 97, as drafted, to the NAN, we would like to highlight a few key items at this time:

The bill, as drafted, does not contain a non-derogation clause respecting aboriginal rights.

The First Nations must review Bill 97 in terms of our rights.

Given the lack of information and clarity in Bill 97 at this time, we do not know what we would be agreeing to. Thus, our agreement would be premature.

A committee of Ontario will be consulting with First Nations and drafting the legislation. A more inclusive and agreeable process of consent is needed.

Bill 97 does not reflect a government-to-government relationship or a sense of partnership.

Bill 97 makes reference to involuntary binding arbitration under the laws and courts of Ontario. This requires careful examination by First Nations.

There must be special consideration to the far north, the isolated First Nations communities. Their cost of living and participation in development are higher, and the impacts of development could be more significant.

Bill 97 does not make any mention of what would happen to the existing tax reduction given to mining companies operating in the far north in appreciation of higher costs of doing business in the far north.

Bill 97 makes reference to revenue-sharing from resources extracted on First Nations' traditional lands. In background material, reference is made to forestry and mining. Little or no reference is made to other resource revenue-sharing such as hydroelectric developments, water taxes, tourism, fish and game. Also, Bill 97 makes no reference to developments not on but affecting our lands and ways of life—for example, the downstream effects of development.

Bill 97 makes no reference to those First Nations and/or those with lands located in parks or protected areas and their reduced ability or inability to share in development and revenue generation. How will those First Nations share in development?

Bill 97 does not clarify if only those First Nations with development on their lands will share in development or if those with developments on their lands will share with others.

There is currently no identification or distinction or clarification made regarding revenues the Ontario government receives from development and what a First Nation would negotiate with a developer.

There is no differentiation made between the types of resources for revenue-sharing and their special needs. For example, mineral exploration requires considerable investment with little, if any, rate of return until there is an actual mine development, yet there is much for First Nations and Ontario to gain in the exploration stage that will produce revenues other than those coming from the company. Will Ontario share its revenues in the exploration stage of minerals development?

There is no mention of any interim measures that could be considered while agreements are being nego-

tiated. There is no mention of impact of benefits agreements as they may relate to revenue-sharing. There is no mention of the cost for First Nations or companies to participate in and implement such a revenue-sharing arrangement. Negotiations, mediation and arbitration activities cost money.

There is no mention in these discussions of including Canada in the process.

Again, we wish to reiterate that our questions and concerns regarding Bill 97 as drafted are meant to be supportive and constructive toward the development of a proper process to reach a mutually acceptable and beneficial understanding. We want to improve our relationships in the areas of revenue- and resource-sharing.

Municipal modelling: Discussion material related to Bill 97 makes reference to the ability of Ontario municipalities to share in development by taxing the developments on their lands and, in some cases, extending their municipal boundaries in order to tax development. It is suggested that First Nations should also have some opportunities to share in resource development and acquire some of the revenues from development to help support their communities. We appreciate this consideration and the recognition that we are now not properly sharing in development that is or will occur on or affect our lands and resources.

#### 1650

It must be recognized that First Nations do not have a formal tax base or system in our communities. We must depend solely on Indian and Northern Affairs Canada to fund our infrastructure. Is Ontario proposing that we use a municipal model for revenue-sharing, one of taxation or provincial transfers to First Nations? It has been said that such a tax initiative would provide greater certainty for industry and communities, that companies would better be able to calculate if a development is economically viable or not because they would know in advance what their tax and revenue-sharing costs would be. How would a municipal tax model of revenue-sharing work in a First Nation community that does not have a tax base or system? Or are we to negotiate a non-tax base revenue-sharing agreement with every development—with companies and the government of Ontario—and are government revenues also to be shared?

What revenues and benefits? We must have some clarity as to whether we are just talking about government revenues that would be shared or whether it would be company revenues that are shared. We all know that companies do not want to be taxed twice. Currently, when we negotiate with a company on a development in our area there is, at the insistence—other governments—no other government participation in those negotiations. Would this change with Bill 97? If so, what would be the role of Ontario?

Currently, when we negotiate with a mining company during the exploration stage, we negotiate for items such as compensation, employment, training and business opportunities including accommodation, food, transportation, warehousing, fuel and other services. What we are

negotiating is participation in resource development. There are no revenues from the company to share at this stage. Would what we negotiate for during the exploration stage change? Would there be an Ontario revenue component as well? Perhaps, based on the income tax and other revenues Ontario receives during the exploration stage.

When we proceed to advanced exploration or mine development, which is not the norm, we must be in a position to negotiate an impact benefits agreement. Indeed, the IBA should, for many reasons, be a requirement for such developments to proceed in the far north. Revenue-sharing must be a key component at this stage of development, and we must know if it is going to be tax formula-based or subject to negotiations. There must remain some flexibility in revenue-sharing to both allow First Nations to maximize their benefits and the types of benefits they would like to receive and to recognize that economics of different minerals and mines and location may determine what a company can pay and remain viable, while at the same time bringing many benefits to a community. We must look at it from a business perspective as well and not just as a cash flow to our First Nation. There has to be a viable business to have sustainable revenues, and companies, including our own First Nation companies and partnerships, have to reach business arrangements that make economic sense.

At this time, some mining companies tend to view a First Nation as a mere stakeholder and their negotiations with the First Nation as an overhead cost. They include us as part of their costs to determine if the project will proceed or not. Are those costs still to be negotiated or will there be a set formula like a tax? At what stages of mineral exploration and development would revenue-sharing occur, for what amounts or percentages, and who would do the sharing?

There must be flexibility in what revenues and resources are to be shared, and when. When a business is starting out, it has fewer revenues to share. In the case of mining there are often no revenues and only expenses at the early stages of development. Our community wants to encourage exploration activity that meets our standards, and we do not want to chase away investment. As the business becomes profitable, there will, and should be, more to share.

Ontario is currently involved in revenue-sharing with our prospectors. Some prospectors are funded by the Ontario Exploration Corp to assist with their work. They can receive up to \$6,000. A condition for this funding is a stipulation that if the property becomes a mine, the Ontario Exploration Corp takes at least 1% off the top in revenue-sharing. We may also have a revenue-sharing agreement with a company to develop the property for 3%, and Ontario has already taken 1%, or one third of the value of our revenue-sharing agreement. There is little left for the prospector or the community, depending on our local ownership arrangements. Is Ontario going to share some of its revenues in such cases with First Nations? The cost of prospecting is very high in the far

north. It is important that incentives and revenue-sharing make sense in the environment of the work. Bill 97, as drafted, does not address these issues, and we do not know if it will do so in a satisfactory way later on.

Our experience: We would like to give you an overview of some of the approaches taken by our community in pursuit of development.

To help guide our development initiatives, our community developed a set of principles. They are stated as follows: Our culture and way of life shall be protected; the environment shall be protected; our aboriginal, Constitutional and treaty rights shall be protected; and developments in our territory must benefit our people.

We believe that most developments, if properly approached, could meet the test of our principles. We believe that agreements on revenue and resource sharing could be reached with Ontario if properly approached.

Participating as a developer: Our community surveys and discussions indicated that our people wanted us to pursue development that met the tests of our principles. They also told us that they wanted us to do more than pursue labour-type employment. They also want us to pursue business opportunities and partnerships in development. They want us to do more than ask for financial compensation or revenue. They want to be involved in development and to form new partnerships. They want us to pursue forms of revenue- and resource-sharing where we are actively involved in all aspects of development, management and planning. Wherever possible, our members want us to pursue partnerships, joint ventures and development agreements. As the percentage of local ownership and participation in development increases, so will local support for development.

One of the key features of pursuing development on the basis of partnerships is the transfer of capacity, knowledge, education and skills to our community. We cannot do all of these things alone. We need assistance and partners. In exchange, we can contribute our own knowledge, support and cost-effectiveness to development opportunities. Creating win-win situations, we must always remember that cash alone will not build capacity and maximize opportunities.

#### 1700

Steps in the participatory development approach: Over the past five years, we have undertaken a number of steps to both respond to the pressures and opportunities of development and to seek development opportunities of our own. Those initiatives included: Assessed our community socio-economic conditions, and looked at what opportunities we would have to create, and especially those for the youth; examined what our potential was in the primary resource sectors of forestry, minerals, electricity, energy, tourism and traditional pursuits; undertook a significant local public participation program on development issues and opportunities; conducted a community survey on development issues so our members could give guidance to our leadership and better participate in development; updated our community economic development plan to help guide our development initia-

tives; researched and initiated a restructuring of our local development institution to help foster development; negotiated resource development agreements with various exploration companies; we are now examining other development agreement opportunities in the minerals and energy sectors, while also expanding our tourism operations; secured the much-needed support of Canada and Ontario to help support our initiatives; trained local prospectors to help advance our own exploration initiatives and to share the same with other area First Nations; and commenced our own mineral exploration initiatives and are now marketing our properties and establishing new partnerships.

Revenue—a key ingredient: Revenue-sharing is a key ingredient for our community, not only to assist with infrastructure and other community needs, but it is also a key piece in the development of opportunities and investments to generate longer-term and sustaining revenues. Our community economic development plan update indicates that equity capital was a key stumbling block in our ability to promote and fully participate in development initiatives. Any forms of revenue- and resource-sharing must help provide us with the equity capital needed to participate in development as development partners.

Women: We would like to make special mention of the women in our community. In our community there are far too few opportunities for all segments of our community, especially for women. The women of our community are the managers of our households and have a great role in the raising of our children. There is much more they can do if provided with the supports they need, both during the child-rearing years and after. It is our belief that we must provide greater respect for our women and provide them with the opportunities to make their full contributions to our families and community.

Currently, the women in our community are able to get some benefits from supporting mineral exploration activities: helping with the supply of accommodation, food and other local services. However, we know that the women in our community have an interest in prospecting and related activities and there is so much more they could do if given the opportunities. Our women have told us they want to play greater roles in development and we want to help them achieve their goals. We need the resources to help provide those opportunities to all in our community, including our women. Any agreement on revenue- and resource-sharing should have the capacity to allow communities the ability to help all community members achieve their full role and place in development and the future of our communities. Thank you.

**The Chair:** Thank you very much. We don't have time for questions, but we appreciate your presentation.

#### WEYERHAEUSER COMPANY LTD

**The Chair:** I would call on Weyerhaeuser. Good afternoon. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions,

if you so wish. I would ask you to identify yourself for the purposes of our recording, Hansard.

**Mr Murray Ferguson:** My name is Murray Ferguson. I am the strategic forest resource manager for Weyerhaeuser, with responsibilities for our forest lands operations here in Ontario. By way of introduction, I would like to thank you for the opportunity to speak with you here today.

First of all, a little bit about Weyerhaeuser for those of you who may not be familiar with our company: We are an international forest products company with operations around the world, but in Canada we have operations in BC, Alberta, Saskatchewan, Ontario and New Brunswick. Specifically here in Ontario, we have a pulp and paper mill in Dryden, a sawmill in Ear Falls, an oriented strand board mill in Wawa and a laminated strand lumber mill in Kenora through our Trus Joist subsidiary—that is an engineered wood product. We are responsible for three sustainable forest licences here in Ontario.

Weyerhaeuser in Canada has developed an aboriginal policy, and I've included copies of that for your reference. Suffice to say that within that policy we are a strong supporter of aboriginal initiatives. We have specifically developed that policy, which is known as A Policy and Framework for Building Relationships—Canada's aboriginal Peoples and Weyerhaeuser.

In addition to that policy document, we have an overall diversity objective within Weyerhaeuser, and that applies not only to our operations in Canada but throughout the world. That diversity objective is to create a workforce that broadly reflects the demographics of the local communities in which we operate. Those demographics vary around the globe, in the different jurisdictions where we operate, but here in Ontario clearly what we're looking for is solid representation of the aboriginal communities within our area.

Further to that direct employment objective, we have an objective to purchase a level of goods and services from businesses that reflects the demographics of the local communities in which we operate. So again, we want to do business with aboriginal businesses and operations that can contribute to our success as well. The rider we put on that is, "subject to the company's commitment to competitive purchasing." We do want to do business with aboriginal businesses, but we want that to be on a competitive basis. We believe that is reasonable and achievable, and we have a number of examples to demonstrate that.

I would like to speak for a moment to condition 34, which may be more commonly known as term and condition 77. Term and condition 77 had its origins in the timber management class environmental assessment decision back in 1994, reinforced as condition 34 in the declaration order Forest Management on Crown Lands in Ontario, which came out in June 2003. Specifically, that condition specifies that, "MNR district managers shall conduct negotiations with aboriginal peoples ... to identify and implement ways of achieving a more equal participation by aboriginal peoples in the benefits provided

through timber management planning." Although this condition is clearly an MNR responsibility, we just want to go on the record that we are supportive of the intent of that condition.

Although it may be difficult to implement that, particularly where infrastructure already exists, and that is the case in many cases—there is no unalienated timber; most of the timber has been allocated to various mills and whatnot—we do want to take the time to develop and implement those new opportunities where we can, but we recognize that it can't happen overnight.

Some examples of Weyerhaeuser aboriginal initiatives within Ontario:

We have contracts for timber harvesting with aboriginal contractors.

We have contracts for seedling production, and between 40% and 50% of the seedling requirements for Weyerhaeuser within our renewal programs are in fact produced for us by an aboriginal business.

We have had numerous contracts with various First Nations communities for pre-commercial thinning and a number of other forestry contracts as well, whether they be surveys for regeneration success and other assessments that take place within our forest lands.

We have had a number of employment opportunities within our mills. Particularly, I want to highlight our mills in Ear Falls and Kenora. They are relatively new mills. We didn't have a lot of infrastructure in place. Greenfields such as those that have happened in Ear Falls in 1997 and the TimberStrand mill in Kenora in 2002 create opportunities to bring aboriginal peoples into the business, and we believe we've had some success on that front.

We have also had a number of service contracts with our mills, in the construction and operation of those mills: things like catering, security, maintenance, a number of service-type contracts which can be implemented on those fronts.

We have had an employment program for First Nations youth every year since 1995, and we look forward to continuing that as well.

#### 1710

Speaking a bit about certification, I guess the Minister of Natural Resources has recently made it a requirement that all sustainable forest licences in Ontario be certified by 2007. We are a little ahead of the game there, in that all our SFLs in Ontario are ISO 14001-registered.

We have already achieved CSA-Z809 certification on our Trout Lake and Wabigoon SFLs and are currently pursuing CSA certification on our Kenora SFL. We are just wrapping up our public consultations with respect to that CSA and anticipate that that forest will receive certification early in 2005.

We are very pleased that First Nations communities and organizations have actively participated in our certification initiatives. That has been most welcome.

A little bit about the economic challenges faced by the forest industry—I'll start at a global scale and zero down to a more local level. We are experiencing a shrinking

demand for paper in North America. This is an impact of e-business and the computer age. A number of years ago, people forecasted that we would become a paperless society. For a long time we didn't believe that. That is now starting to become a reality.

**Mr Hampton:** I'm doing my best here today.

**Mr Ferguson:** Yes, and we welcome that. I brought a little along myself.

**Mr Bisson:** We just want to help the pulp and paper industry.

**Mr Ferguson:** The more the merrier.

The impact of e-business has become real. The demand for paper products is declining. That has become very real over the past couple of years. The pace of the decline is increasing, and we do not expect this to reverse. So it's going to be a challenge for us to find our right spot in the marketplace and remain successful.

The other major challenge we face is within the lumber industry. I'm sure you're all aware of the softwood lumber issues with the US. Of even greater concern to us at this point in time is that there is a great oversupply within the lumber markets. It's going to take some time for mills to rationalize and get that under control. We do not expect that resolution of the softwood lumber issue will resolve the oversupply issue. We're going to have tough times in the lumber industry for some time to come.

We are also experiencing increasing competition from outside of Canada and North America. We truly have become a global economy with respect to the forest industry.

Further challenges within our industry: We know that we are not competitive relative to other forest products industries in other parts of Canada, North America or throughout the globe. We can say that with assurance within Weyerhaeuser because we have our foot in all those jurisdictions. We clearly know that we are not competitive in Ontario relative to those other markets.

Some of the reasons we are not competitive in Ontario: First of all, we have a small tree size relative to other locations. You can imagine us being in the same market as the provinces of Alberta or BC, where the tree size they are dealing with is much larger and the volumes per hectare are much larger. That helps them produce at lower cost. Our cost of fibre is high, relative to other markets; our cost of labour is high; and our cost of energy is high. We're doing what we can to come up with plans to deal with all those issues. But the bottom line and the point I wish to make is that the forest industry cannot afford additional costs.

On the environmental side, we are also facing challenges. We believe that Ontario has one of the most rigorous and transparent forest management systems in the world, largely the result of things like the timber EA, which happened in the late 1980s and early 1990s, the Crown Forest Sustainability Act, Ontario's Living Legacy, which has increased our protected spaces, and things of that nature. But we continue to be challenged by non-government environmental organizations. You're prob-

ably aware of the increasing attention of environmental groups turning to the boreal forest. We are really beginning to feel that pressure in the marketplace.

A couple of key messages: The forest industry in Ontario is not competitive from a cost perspective, and we are experiencing increasing pressures from environmental groups with respect to the boreal forest.

We deal with multiple First Nations within Weyerhaeuser. Our operations in Ontario overlap four treaty areas. We deal with approximately 20 individual communities as well as several tribal councils. In addition, from our licence areas we supply not only our own mills with a variety of products but we also have ministerial directives on our licence to make fibre available to a number of other companies; there are various species and various products associated with that.

I make that point because Bill 97, as it stands, proposes that the forest industry be involved in the negotiations with First Nations. We certainly are willing to deal with First Nations on matters of economic and business opportunities, but we really feel that in order for all First Nations and resource industry companies to be treated fairly that any arrangement relative to revenue-sharing must be negotiated directly between the province and the First Nations. We do not feel it appropriate for our company or other resource industry companies to be involved. It is a government issue.

Specifically to Bill 97, Weyerhaeuser is not opposed to revenue-sharing between Ontario and First Nations, however—and these are important considerations—any sharing of revenues between Ontario and First Nations must not increase the total dues currently being paid by the forest industry. The forest industry cannot afford additional costs.

In summary, we believe that resource revenue-sharing in Ontario is a government-to-government issue. It is inappropriate for the private sector to be involved in these negotiations. And again, the bottom line: The forest industry cannot afford increased costs for this purpose.

If I have a couple of minutes, I'd be pleased to attempt to deal with any questions you may have.

**The Chair:** We have about two minutes per caucus and we begin with the official opposition.

**Mr Miller:** At the end of your presentation, you more or less answered the question I was thinking about. You're very much an international company and my question was, will Bill 97 negatively affect your business in Ontario versus other jurisdictions? Basically you've said that any increase in costs, if Bill 97 incurs costs to your company, then the answer is—

**Mr Ferguson:** Any increase in costs would be detrimental to our business, yes.

**Mr Miller:** OK. I think you've pretty much answered that.

One other question: How do you deal with the overlap of treaties where you have a number of First Nations in an area?

**Mr Ferguson:** That is very difficult. We attempt to deal with things at the community level where at all pos-

sible. Our first line of approach in all the matters where we deal with various First Nations is through the communities. Once we make the link through the community, if the community leaders—the Chief and council, and their elders, if they wish to involve them—directs us to work at a higher level with other communities, involve other communities, tribal councils or treaties, then we elevate and include those people in our discussions as well. But it is a difficult thing because of the various treaties, and even from community to community, the overlaps are vague. There were overlaps of traditional land use areas and whatnot. We try to be cognizant of those and recognize those, but they are grey areas. So we try to zero in at the community level and deal with things that we can at the community level and take our direction from those folks.

**Mr Miller:** Thank you for coming.

**Mr Bisson:** Quickly, because I know that Howard has a question. First of all, there are a number of things that you and others have talked about in regard to some of the amendments you're looking for that, quite frankly, I can support, such as what you're suggesting, that the role of companies in this process should be excluded. I don't have a problem with that. We understand what the overall issues are in regard to the additional cost; however, how we deal with it is another matter.

In your dealings with First Nations, you and other companies are trying, I guess, to put a good foot forward in trying to deal with First Nations in a progressive way. Part of the problem is those communities don't have capacity. My question is, how do you deal with that? If you want to give them business opportunities and they don't have the capacity to pick them up, it's like a Catch-22. Where do we go?

1720

**Mr Ferguson:** That's a very good point, and that's very real. Some of the things that we can do, I guess, is attempt to link the First Nations communities into training programs that will better build capacity for them and, in some cases, assist them in working toward various alternatives for funding that can put infrastructure and resources in place. Oftentimes how things work on partnerships is, if you get a little bit of seed money, it kind of builds and builds, and we can sometimes grease the skids on those kinds of fronts.

**Mr Bisson:** But it would be fair to say there's a very small portion of your business that's actually done with First Nations because of that.

**Mr Ferguson:** I think we do a fair bit of business with First Nations. We'd certainly like to do more. Obviously, we are not a funding agency; we're a business. We try to make the links and build where we can on the strengths.

**Mr Hampton:** I want to thank you for making some very clear distinctions in your brief. I'm aware of some of the work you do with, for example, Wabigoon First Nation. You're saying you're quite prepared to work on a business-to-business relationship, but the issue of revenue-sharing is one that should be dealt with government-to-government.

**Mr Ferguson:** Correct.

**Mr Hampton:** Government gets a lot of resources from resource companies. I thank you for making that point, because I think that is the point. Government's been trying to avoid this issue of revenue-sharing by saying to First Nations, "Go deal with the company. Go talk to the company." My government has a responsibility here.

Second point I want to raise with you: You have a paper mill in Dryden.

**Mr Ferguson:** Correct.

**Mr Hampton:** You pay property taxes.

**Mr Ferguson:** We do.

**Mr Hampton:** If you were to build a sawmill, say, north of Red Lake, if it comes down to that in order to get chips for your sawmill, for your paper mill and your other operations, it would seem to me equitable that what you don't pay in property taxes, because you wouldn't be within an organized municipality, then, you could be able to pay in something called "in lieu of" property taxes to a First Nation. Does that sound equitable?

**Mr Ferguson:** I hadn't thought along those terms, Mr Hampton, but certainly I think the concept is correct. I'm thinking back to when we built our sawmill in Ear Falls. We made a concerted effort to actually put that within the bounds of the community so that they would then have some benefit for that. Similarly, when we built our TimberStrand mill in Kenora, it was purposely built within the community so that there would be some revenue flowing to the community from that. So the concept is correct. The mechanism would have to be determined, but, in theory, you're right.

Yes, we deal very much with First Nations, try to create the opportunities, and there's definitely some money that needs to flow that way.

**The Chair:** We'll move to the government.

**Mr Zimmer:** I understand your point. You make it very clearly and forcefully that you think the revenue-sharing should be between the government and the relevant First Nations. One of the things I think that the bill is trying to achieve is to make some palatable connection between a revenue activity on a First Nation land and something that flows into the hands of the First Nation, to preserve that connection, that directness, so that if something happens down the road here, there's a direct connection with the revenues that flow back from the First Nation. What would you say about some mechanism that the corporations such as yours share the revenue on some basis but got some mechanism to get a credit from the province in the nature of tax relief or something else?

**Mr Hampton:** And the feds.

**Mr Zimmer:** And the feds—and it was handled in such a way so that there was no cost or revenue reduction to the corporation and we were able to preserve that sort of direct relationship between the relevant First Nation and the relevant company or revenue producer?

**Mr Ferguson:** I'm not sure I'm following you 100%. Are you suggesting a link between the company and an individual, specific First Nation there?

**Mr Zimmer:** Well, your company shares revenue with a First Nation but gets a tax credit at the provincial and/or federal level. So there's no cost to you but there's a direct connection, then, between the revenue and the First Nation.

**Mr Ferguson:** I think, as long as there is no cost to us, we'd be receptive to working through some other alternatives. I'm not exactly clear on how that might look at this point in time.

**Mr Zimmer:** My point is that in addition to the actual revenues that would be shared, if they were to be shared, it seems to me it's better to have a direct relationship between the revenue producer and the First Nation rather than to have the government write out a cheque and send it back to the First Nation, because that's too remote.

**Mr Ferguson:** Yes. I guess the difficulty I would see with that type of arrangement is that, as I indicated, we're working with upwards of 20 individual First Nations and we certainly wouldn't want the onus put on us to go and negotiate who gets what within that framework. I think what we would be looking for is an arrangement between the province of Ontario and First Nations at whatever level, and if in fact in the end we've got a total pot of money that we write two or three or six cheques for, that's fine, as long as someone tells us how much and where it goes and that the total remains the same.

**The Chair:** Thank you for your presentation this afternoon.

#### WABASEEMOONG INDEPENDENT NATION

**The Chair:** I would call on the Wabaseemoong Independent Nation to come forward, please.

**Mr Bisson:** On a point of order, Mr Chair: Obviously, there's no perfect process in drafting a bill like this, and I just want to tell members that we are going to be coming forward with amendments. A number of these issues have been talked about previously, before the bill was drafted, but we had decided to proceed in this fashion in order to bring amendments, because we knew if it gets to committee, that's where you do that. So you'll be seeing a number of amendments coming forward. I'll need to talk to leg counsel at one point to start doing that.

**The Chair:** It's not a point of order but it is a point of interest.

**Mr Bisson:** That's how we get that point of information. I've been around this place long enough to know how to get the floor.

**The Chair:** Very good.

Welcome to the committee. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions, if you wish. I would ask you to state your name for the purposes of our recording Hansard. You may begin.

**Chief Ron McDonald:** My English name is Chief Ron McDonald, from Wabaseemoong. I'm here to represent my community of Wabaseemoong.

As you all know, Wabaseemoong is made up of three smaller communities: One Man Lake, Whitedog and Swan Lake. I just wanted to give a little background of what my role is here as a chief. My father was chief for at least 23 years in Whitedog. He has pioneered to where we are at right now in the community of Whitedog.

In regard to Bill 97, at present we are under what we had settled with the federal government, Indian Affairs and Hydro. We had settled for a mediation agreement in 1985-86. In that settlement, we feel that this mediation agreement is our governance. It spells out the design blueprint of our community for future generations as well.

**1730**

I'm here to acknowledge and also support that the existing agreement with the feds and the province right now should be looked at first. In that mediation agreement there was supposed to have been a review every five years of that everlasting agreement. We take that agreement as a treaty between the province and the government of Canada, because of what happened to our community. I'm now talking about the mercury contamination that happened in my community of One Man Lake, which was also flooded, by the way. We were forced to move to Whitedog and ever since then we've had many social problems with the termination of commercial fishing in our community.

The reason I'm explaining that a little bit is that right now, as we speak, my community is suffering financial hardship, socially and economically, and it's because of the mediation agreement that was discussed back in 1985-86 with Hydro One, the province and the feds. We feel that we've been diminished, not only in terms of infrastructure, but our community has diminished in such a way that the social fabric of our community has been stolen and it has lost a lot of its culture that was there before the flooding and before the termination of commercial fishing, the banning of commercial fishing in Wabaseemoong. We never saw sniffing, we never saw the drinking, the alcoholism. We never saw a lack of housing. We never suffered all these things that are going through my community right now.

We feel it's the responsibility of the government, and before we start talking about Bill 97, my First Nation wants to have a review of our present situation with that mediation agreement. The mediation agreement to us is very sacred, a sacred document, Bill C-110. It needs to be reviewed before we move on to speak of resource-benefit-sharing.

Even though right now we're working with Weyerhaeuser in terms of forestry, we still feel apprehensive about it. We haven't been given the green light from our community membership, the grassroots people. They need to be consulted as well. They need to be communicated with. They need to be brought up to speed on what's happening with Bill 97 at the grassroots level.

Before we endorse any further programs or policies or whatever from the governments, we need to be consulted properly. I mentioned that mediation agreement. To us, that needs to be addressed first.

We talked about MNR a little bit before this presentation—the Ministry of Natural Resources—working with First Nations in terms of tree seedlings. What happened to our seedling factory in Whitedog? How come they don't buy it from us? We had a greenhouse. Now MNR has refocused.

Our community is just as viable as any other community. We want to be able to gain economic independence. We want jobs for our people. Our people are suffering financially. We want housing.

I look at this, for us, that we've prepaid our taxes before contact, pre-contact. We prepaid infrastructure, medical services, economic. That's all been prepaid by our people when they signed the treaties. I'm from Treaty 3. I acknowledge that I'm from Treaty 3. I also speak for the other communities in Treaty 3. I need a review of that mediation agreement.

We are quite willing to share our resources. We're presently doing a resource benefit-share with Hydro as we speak. The community receives \$500,000 a year from Hydro One, but even that needs to be reviewed. The mediation package itself was supposed to have been a best effort from Hydro and we feel to this day that it's not best effort, because the transmission lines that we're presently paying—payment in lieu of taxes, the transmission line that cuts through three reserves: Whitedog, One Man and Swan Lake. It's not fair. Is that the kind of resource benefit-sharing you're talking about, the existing transmission lines? We get \$53,000 for 10 years. We get \$53,000 per year for a 10-year period. We're not signing that until this is reviewed. We're not signing these kinds of agreements any more until our case at Wabaseemoong is reviewed. There is no best effort right now.

We need to call all the parties from our community before this goes any further, for Wabaseemoong, anyway. We want a review from Hydro One. We want Indian Affairs, the province and the feds all sitting in one room before they make any decisions that compromise our livelihoods in Wabaseemoong. We want them to come forward and have a meeting at Whitedog and take a look at this mediation agreement. What has it done to the community? It has diminished our community to a point where there is complete loss of livelihood and a high rate of suicides. Whitedog has the highest rate of suicide on a per capita basis right now.

We're struggling right now to get a brand new school. We're trying to find ways of getting all these parties, the inter-agencies, to come to us, to come to a meeting. Before we agree to Bill 97—I'm not saying we're opposed to it, but I'm just saying we need to sit down to review the best efforts clause in that mediation agreement. It's not happening.

To us, the meaning of resource benefit-sharing is a whole lot different. We need to sit down and you need to

listen to us and find out what it is. Right now, for example, Hydro One, all the water resources that they're gaining economic benefit from, they're making all the profits. Where does that put us? Where are the first peoples of this country in this economic development plan of resource benefit-sharing? Where are we in that picture? All the power that cuts through our communities in Whitedog, all that money, all those millions of dollars that go out of our community, out of our traditional lands, has not been recognized. That's why we're saying it's not a best effort. We have to put our best effort to this mediation agreement.

**1740**

Just recently we had some Japanese come up and visit our community. It was to do with mercury contamination of fisheries. If at all possible, why don't we just open up commercial fishing again? Lift the ban on our community. Lift the ban off commercial fishing. Give us our livelihoods back.

In closing, I just wanted to say that we have to sit down with Wabaseemoong and look at this really closely, look at the resource benefit-sharing that's going on right now. We believe it needs to be reviewed.

Finally, I just want to acknowledge this opportunity giving me a chance to speak on behalf of Wabaseemoong.

**The Chair:** We have about two minutes per caucus and we begin with the NDP.

**Mr Hampton:** Thanks, Ron. What I'd like to ask you is this: The primary focus of this bill is what will happen north of the 51st parallel, where to this point there has been very little development—very little mining development, very little forestry development and very little hydroelectricity development. What I think I heard you say is that the way some of these development issues have been handled south of the 51st parallel, when it comes to First Nation interests, has not been very good. It's been quite unfair. Is that a fair assessment?

**Chief McDonald:** Yes.

**Mr Hampton:** I want to just relate to you another example and you can tell me if this accords with your knowledge of the history as well. When I was growing up near Fort Frances there used to be a sawmill on Couchiching First Nation, and most of the people who worked in that sawmill were from the First Nations. There were also some people from Fort Frances who worked there. But when we started to run out of red pine and white pine, that sawmill closed down and they built a kraft pulp mill instead that uses mainly Jack pine. When you cut down the red pine and white pine, the Jack pine will take over unless you do something. What happened when they closed the sawmill down on Couchiching is that most of the First Nations people lost their jobs. When they opened the kraft mill in Fort Frances, hardly any First Nations people got a job.

The other thing that happened was, we used to drive the wood down the rivers—and you'd know this. Wood would come to the Kenora mills across the Lake of the Woods or down some of the rivers. Then we changed the

rules and said, "You're not allowed to do that any more," and most of the wood is trucked to the mills. In my living memory, a lot of the people who worked on the wood drives were First Nations. A lot of the people who actually drove the wood down the rivers and worked on some of the tugs were from many of the First Nations. But when that rule changed, partly because of technology, partly because of environmental rule changes, the people who lost their jobs were First Nations. I saw very few First Nations get jobs as truckers. Is that a fair assessment?

**Chief McDonald:** Yes.

**Mr Hampton:** Would you say we should repeat that development model that happened south of the 51st parallel as we go forward north of the 51st parallel or would you say it would be a bad idea to repeat that development model?

**Chief McDonald:** It is a bad idea. For example, right now, at present, we're in negotiations with Weyerhaeuser. I would say we would have to really think about it if we're going to go north. The experiences we've had are very weak. They haven't been good. So I wouldn't want a repeat of history again. I think that should be really seriously looked at if we're going to go away from our area. What we went through was not very good.

**The Chair:** We'll move to the government.

**Mr Colle:** You said that perhaps one of the solutions is to reopen the commercial fishing. That was the historical way of making a living for all the First Nations people. At what state of mercury contamination is the stock in the rivers and lakes? Has anybody done a recent assessment?

**Chief McDonald:** Yes, McGill University conducted a survey of most of the fish that we eat. There was a preliminary result; it hasn't completely been done yet. So we're still waiting for the results, although at this point an interim report was made that it was safe to a certain level. But there is another study by Health Canada, and the Japanese are also going to come forward and show their recommendation.

**Mr Colle:** So the Japanese were also doing this analysis of mercury?

**Chief McDonald:** Particularly with residents of Whitedog, yes, and Grassy as well.

**Mr Colle:** So those studies are not complete?

**Chief McDonald:** No.

**Mr Colle:** They're still underway?

**Chief McDonald:** Yes.

**The Chair:** We'll move to the official opposition.

**Mr Barrett:** Chief McDonald, you've certainly made your request for this five-year review through Hansard,

and I would hope the government would respond to that; and second, if there is new research, to take a look at the commercial fishing ban as well.

This proposed legislation talks about revenue-sharing agreements with individual First Nations groups where there is new development. Much of the discussion today has been around the principle of revenue-sharing. I'm wondering, with certain native communities, where perhaps much of the existing resources have been tapped out, so to speak, is there a case to be made that through legislation we're going to bring in some unfairness or some inequity? Where things aren't happening as far as new forest development, new mills or new mineral exploration, certain communities may be losing out and other communities would reap the benefit. Do you feel there should be a structure proposed or a mechanism for the sharing of future revenue among other native communities beyond those communities adjacent to new development or new exploration?

I think of the example of Casino Rama located in a particular native community. I understand there is a fund or a mechanism that distributes part of those profits to other communities that aren't even close to that area. Do you think that principle has merit in Ontario? Is it a good idea?

**Chief McDonald:** Yes, it's a good idea, but first, in the south and where I'm from, they haven't even finished dealing with us yet and now we're looking north. I think we should try and resolve some of these issues in my area first. For example, we just recently started a hydro commission at the community level. We want to be equal partners with the Hydro One commission of Ontario in terms of corporate status. The band members elected these people to be on this hydro commission and we want to negotiate government-to-government, whether it's the province or the feds. We want to have the ability—for example, the forestry. I think the prorating of resource benefits-sharing by all treaty nations, 28 bands from Treaty 3, would be a good thing to look at—change the way we look at resource benefits-sharing. For us, we're not making any profits for all the lands, waters, trees, rocks. We're not benefiting at all.

**Mr Barrett:** You've made your particular case, and it has been recorded by Hansard. I would ask that the present Ontario government respond to those several issues that you've raised, those local issues.

**The Chair:** Thank you for your presentation.

Our last presenter at 6:10 will be providing a written brief, so that concludes the hearings for today.

This meeting stands adjourned.

*The committee adjourned at 1751.*





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