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# **Standing Committee on Indigenous and Northern Affairs**

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**Chair**

**The Honourable MaryAnn Mihychuk**



## Standing Committee on Indigenous and Northern Affairs

Tuesday, April 4, 2017

•(0845)

[English]

**The Chair (Hon. MaryAnn Mihychuk (Kildonan—St. Paul, Lib.)):** Good morning, everyone. I want to recognize that we're on the unceded territory of the Algonquin people. I want to welcome all members and especially our guests. Thank you for coming. We have another presenter group on the teleconference.

Pursuant to Standing Order 108(2) and the motion adopted on February 21, 2017, the committee resumes its study of default prevention and management policy. We have two witnesses: the Algonquins of Barriere Lake and the Wasagamack First Nation from Manitoba. Both groups will have 10 minutes to present and then after that we'll get into a series of questions and answers. I just ask all committee members to direct your questions so that we know if it's for the folks on the teleconference or the folks here.

We'll start with our delegation here. Welcome, and I'll turn over the floor to you.

**Chief Casey Ratt (Chief, Algonquins of Barriere Lake):** Good morning, committee members, staff, and guests.

My name is Casey Ratt. I am the chief of the Algonquins of Barriere Lake. We have lived in the Ottawa Valley watershed from time immemorial. Our reserve at Rapid Lake is about three and a half hours north of Ottawa on the Cabonga reservoir. We have over 750 members, but our reserve measures about 74 acres in size.

We have been dispossessed of our lands and resources by Quebec and Canada. Our people live in poverty. We have a high unemployment rate because we have been excluded from the development of our traditional lands. For generations we have tried to resolve these issues with Canada and Quebec. There have been times of conflict, but we have always tried to solve our issues through negotiations.

In 1991, we signed an agreement with Canada and Quebec to negotiate the management of lands in our territory. In 1997, we signed another agreement with Canada to rebuild our community. Canada walked away from those agreements in 2001 and refused to negotiate. Then, in 2006, Canada imposed third party management on our community. Four years later, they removed our customary system of government and imposed the Indian Act election system upon us.

The federal government TPM has controlled all aspects of our community's programs and services since 2006. There is no accountability to our people. Canada has made our system of governance almost irrelevant, since many decisions are made by the

TPM without any consultation with us. Taken together, these events have increased our hardship and poverty. We had to ask ourselves why the Government of Canada would take control away from our people and impose a TPM, which actually made our lives worse.

There is no exit strategy. Canada and TPM did nothing to work with us to build a bridge out of this situation. They seemed happy to let us go on forever, so in 2016, we sued Canada in Federal Court. Now we are in mediation once again to try to negotiate a fair resolution, so that our people can take back control of their lives.

We always hear that first nations must be accountable and transparent. Then how come Canada and TPM get away without being accountable and transparent to our people? We know we could do better, and I want to provide you some examples.

Our TPM gets paid \$550,000 a year to administer our poverty. We don't think that our community or the Canadian taxpayer gets value for dollar in this arrangement. Nothing in the TPM agreement measures whether our quality of life or the delivery of services actually improves under TPM. There is nothing to link TPM to positive outcomes for our community. It has nothing to do with improving our living conditions or the lives of our people.

We have no role in developing the TPM's terms of reference. Each year, the contract only requires the TPM to administer the current year's programs and services, so past debts are left unattended. Before the TPM was imposed, Revenue Quebec had assessed our outstanding bill at \$218,000. We now owe an additional \$305,000 in interest and \$34,000 in penalties, for a total of \$558,000. Separately, Quebec CSST assessed the ABL for \$400,000. Since then, they have added another \$290,000 in interest, for a total of \$690,000. Apparently the TPM has done nothing to pay down these debts because INAC has not required them to do it. Is this proper financial management?

Despite population growth, terrible overcrowding, and a lack of housing stock, no new houses have been built at Rapid Lake since 1995. In the past 10 years, none of the TPMs have worked with us so that we can develop a capacity to take over management of programs. There is no exit plan. We do not receive regular financial statements from the TPM, so our staff are unable to carry out their responsibilities properly. In a normal situation, we would expect to get monthly statements, but the TPM refuses to provide them except once every three months. Notices of layoffs come suddenly and without warning.

We went to Federal Court. We are now in mediation. We want to negotiate a way out of this terrible situation that has caused our people so much suffering.

• (0850)

We're not able to talk about the content of our discussions in the mediation, but we can tell you that INAC and the Department of Justice are refusing to support our proper involvement in our search for a negotiated settlement. They have refused to cover the costs of our legal counsel, financial adviser, or negotiators. Being in TPM, we have no discretion over our expenditures. We are in a catch-22.

We think your committee should be very concerned about this situation. We hear all about this government's commitment to renewing the nation-to-nation relationship. We also hear a lot about this government's commitment to reconciliation, but we don't see it. In fact, we see the opposite.

We think you need to ask this government some hard questions about how it is treating the people of Barriere Lake. We are asking for your help, so we can regain control of our community and our future.

*Meegwetch.*

**The Chair:** *Meegwetch.*

We have four minutes left if you would like to continue to use your time.

**Mr. Tony Wawatie (Interim Director General, Algonquins of Barriere Lake):** I'm Tony Wawatie, the interim director general of Barriere Lake.

During all this time, the community has been positioning itself to bring back the governance system we've had since time immemorial, which was taken away by Canada with the imposition of section 74 of the Indian Act. This is completely foreign to our members.

As you know, we are in a crisis situation. Overcrowding and social conditions have built up. There are no socio-economic opportunities for our members. We would have had all this in place had Canada not walked away from the memorandum of mutual intent it signed in October 1997.

We ask the support of this standing committee to push forth what we want. We have a vision for our community, and this is what we want. We want our governance system back in place. There's a strategy with which we plan to build our capacities. We have had 11 years of third party management with no capacities and no exit strategy. It is wrong for Canada to put us in that situation, and I urge the Canadian people to do something about it.

*Meegwetch.*

• (0855)

**The Chair:** There are two minutes left.

**Mr. Russell Diabo (Policy Consultant Advisor, Algonquin Nation Secretariat, Algonquins of Barriere Lake):** To support what the chief and the interim director general have said, the Government of Canada has two unfulfilled agreements, one it signed in 1991, a trilateral agreement with Canada, Quebec, and Barriere Lake. It was an alternative to the comprehensive land claims policy. It was to develop a resource management plan for over 10,000 square kilometres of the territory because it was on a very small, overcrowded reserve.

Quebec is still at the negotiation table. Clifford Lincoln, the former environment minister of Quebec and former member of Parliament, is the negotiator for Barriere Lake with the Government of Quebec, but Canada is still in breach of that 1991 agreement, and the 1997 agreement to rebuild the community.

The reason why the agreement was signed was that Canada tried to take out the custom chief, and for 18 months in 1996 and 1997, the community went without services, jobs, and everything. Part of that agreement was to compensate Barriere Lake, I believe, \$2 million to cover some of the losses it incurred over that 18 months.

Canada never fulfilled that. It was Robert Nault who walked away from the agreements in 2001 under Prime Minister Chrétien. They were basically in a state of arrested development. They had actually started building roads on the reserve as part of that agreement to build new houses and expand, to enlarge the land base and stuff. Those roads are growing back in now because in 2001 they walked away from everything.

There have been no houses built. There is no land expansion. The diesel generators are operating at capacity, so they can't add any new houses onto it. The electrification and the expansion of the land base is all tied to any future development of the community.

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

We will now hear from our other presenter, Chief Alex McDougall from the Wasagamack First Nation in Manitoba.

**Chief Alex McDougall (Chief, Wasagamack First Nation):** I'll say good morning to everyone who is participating, and extend thanks to the standing committee for giving us this opportunity to present.

Wasagamack First Nation is a community of approximately 2,000 people in central Manitoba. The community has had some level of intervention for 20-plus years now, going from co-management, to third party, and then most recently back to co-management again after efforts exerted by the community to develop a management action plan to deal with the debt.

As a first nations community we already start from a difficult position. All our programs and services are underfunded. Our population continues to grow while the funding remains constant and that in itself presents a challenge in trying to provide the essential services to the community and trying to retire our debt at the same time.

One of the common problems we see under a third party is that there is not enough flexibility to create a financial position whereby first nation communities can create surpluses for the purpose of retiring debt. Communities require assistance in approaching financial institutions where a community wishes to pursue loans, not only for the purpose of retiring debt but building economic opportunities within its community. That may also need to include the involvement in the NRTA through Canada and the province for those additional economic opportunities.

Programs and services are used to service debt retirement, which compromises the ability of programs and services to effectively assist its members. It also would create a process that communities would develop their own ongoing implementation and management of plans such as the MAPs, management action plans, that have recently come out from Canada.

I believe some policies need to be revisited to make that more effective for the first nations, such as longer terms for chiefs and councils to ensure continuity as well, and to have internal mechanisms in place where there is turnover in leadership but there is a team in place within the community to ensure ongoing implementation of such plans.

That's pretty much the presentation from Wasagamack.

● (0900)

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

We're going to go into rounds of questions, and MPs will direct their questions. They'll identify if they're asking you or the group we have here in Ottawa. That will go on for approximately 45 minutes.

We're going to start the questioning with MP Rémi Massé.

**Mr. Rémi Massé (Avignon—La Mitis—Matane—Matapédia, Lib.):** Thank you, Madam Chair.

Chiefs, thank you very much for being here and participating in the work of this committee. This is really important for us to try to understand this arrangement, this policy, and why it works, why it has had to be put in place, especially in your communities.

Maybe if we go back a bit, you can tell us how this came about, and why the third party manager was put in place in the first place. Help us understand how this came about for ABL.

**The Chair:** Mr. Massé, is your question directed to the...?

**Mr. Rémi Massé:** It's directed to ABL, the chief or Mr. Wawatie.

**The Chair:** It's for the group here from the Algonquin.

**Mr. Rémi Massé:** Yes.

**Mr. Russell Diabo:** I'll try to answer that, because I was around then.

Basically, back in 1996, the customary Chief Harry Wawatie was dissatisfied. Barriere Lake was in co-management, and the co-

manager was not reporting to the community. It was supposed to be an arrangement where both parties retain the co-manager, and the co-manager reports to both parties, the band and the federal government. That was not happening. Then the chief said that he wanted to bring in a co-manager who would report to both parties, to the band council and not just to the federal government. They were reporting only to the regional office of Indian Affairs in Quebec City.

Once he did that, the regional office announced they were going to put Barriere Lake into third party management. Chief Wawatie, who was an elder, resigned because he knew the pressure that would put on the community once it happened. It wasn't the first time. They did this in 1996-97, which led to that 1997 agreement. The relations with the department have been pretty tense over the decades, mostly because Barriere Lake didn't go into comprehensive claims. They wanted a different kind of agreement. They had their own vision, as Tony Wawatie said, of the development of their community.

Once they wanted to change co-managers, Indian Affairs took the opportunity to put them into third party management. Chief Wawatie died shortly after, I believe, due to the pressure. He had a hemorrhage of the brain. I myself believe it was related to the stress.

● (0905)

**Mr. Rémi Massé:** In preparing to meet with you this morning, I was reading a number of articles that have been published over the last few months. One was in *The Globe and Mail*. I think some of you were interviewed in *The Globe and Mail*. It said that while being under third party management you were not really allowed to have access to financial statements or documents. The third party manager was asking you to sign off on financial statements, but unfortunately you were not provided with those reports.

Is that correct? Could you explain the relationship?

**Mr. Tony Wawatie:** Good morning. I'm Tony Wawatie.

The problem that's happening right now is that the third party manager doesn't provide us with the proper information to budget and forecast our year. There is always a delay. We've tried to implement the practice that we start looking at our budgets in February so that we can plan throughout the year, but that is never the case. What happens is that third party managers come and go. We've had about four. It's a contract from one year to another, and it changes.

What happens to the bills that are not paid? Are they going to be paid? With 11 years of this going on, something has to be eventually incurred. We do need that proper exercise where we sit down and look at it program by program by program. We are dealing with Health Canada programs and HRDC programs that we haven't seen. We've been trying to move away from this corporation that we belong to. Without new knowledge of any financial snapshot, it's pretty hard to try to move forward.

We've been asking, time and time again, what the actual deficit is. Are these monies that are being clawed back and taken away put into the deficit? I don't know. It has been very frustrating for the community to plan and to try to come up with ways to build our capacity, which has never happened with third party management. I know that for a fact. I was there.

**Mr. Rémi Massé:** Do you know how much it costs the community to pay for third party managers? Do you have a sense of how much it costs a year?

**Chief Casey Ratt:** Back in 2007, Lemieux Nolet, which is our current TPM, billed the community \$658,000. That gives you a sense of what they cost per year. Right now they're at \$550,000. In the beginning, it was \$658,000. They were very high at that time.

**Mr. Rémi Massé:** That was for 700 members within your community...?

**Chief Casey Ratt:** Yes. There are over 700 members registered, but we have 350 on reserve and approximately 200 living within the territory.

**Mr. Russell Diabo:** Maybe I could just add quickly that about 10% of the overall budget of the band has been paid to the third party manager, millions of dollars, over the last 11 years. I'll just leave it at that.

**Mr. Rémi Massé:** Thank you very much.

**The Chair:** Questioning is moving to MP Viersen.

**Mr. Arnold Viersen (Peace River—Westlock, CPC):** Thank you, Madam Chair.

Thank you to our guests for being here today. It's much appreciated.

I'm going to go into a vein similar to the one Mr. Massé took. Are you aware of the trip lines for what puts you in third party management? We had the ministry here the other day, but I sometimes get the sense that the communities themselves have no idea what the trip lines are. Mr. Massé asked what put you in there. This third party management or "recipient managed" seems to go way back to 1995. I was 10 years old in 1995. That's a long time ago already.

Do you have any idea what the initial reason was the very first time you came out of band management and went into some sort of default management? It seems to be that once you've tripped the first trip line, it's essentially a spiral drain after that. Do you have any idea what the initial trip line was?

• (0910)

**The Chair:** Is your question directed to Wasagamack on the phone or the Algonquins who are here?

**Mr. Arnold Viersen:** It's for the Algonquins who are here.

**Mr. Russell Diabo:** The first time it had to do with the federal government meddling in the internal leadership issues of the community. It withdrew recognition of a customary chief and recognized what was called an interim band council. There's no such thing in law as an interim band council. In the end, it had to recognize the customary chief of the community and that's when it signed that agreement in 1997.

It seems to have been politically motivated the first time. It was likely politically motivated the second time, because, as I mentioned, in 2001 the federal government walked away from two major agreements affecting the overall development of the community, the future of the community.

I think it was \$87,000 that they owed. They were just over the 8% I think. That's been paid, and paid again over time with the millions of dollars they have gone through.

**Mr. Arnold Viersen:** On their website, INAC has basically five different trip lines. This would have been not meeting an obligation under a funding agreement. Was the organizational structure not meeting INAC's request?

**Mr. Russell Diabo:** As I mentioned, in 2006 the customary chief Harry Wawatie wanted to replace the co-manager because the co-manager was not providing any information to the council. With his decision to change the co-manager, I guess the regional office said, "We're going to put you in third party because you're not addressing the deficit". The deficit really wasn't that great. It was technically over the line.

**Mr. Arnold Viersen:** Yes.

**Mr. Russell Diabo:** But Barriere Lake was trying to work it out. The council was trying to work out with the regional office to get a co-manager in place so that they could work on eliminating the deficit through a plan, but the government made a decision before that could happen.

**Mr. Arnold Viersen:** For sure.

To our guest on the phone, Alex, your particular first nation is under recipient-managed third party management, or not third party management but default prevention. Have you any idea what put you in that position, Mr. McDougall?

**Chief Alex McDougall:** I'm sorry, I didn't get the question. With all due respect, the French interpretation is overwhelming the English component. I can't hear the English conversation.

**Mr. Arnold Viersen:** I'll just ask my question again, and I'll see whether that works.

I can't ask it in French, unfortunately. My French is not as good as Romeo's.

**Chief Alex McDougall:** I don't understand French.

**Mr. Arnold Viersen:** You don't understand French. Okay, I'll ask my question in English, and hopefully we'll get it through.

Essentially, my question is this. It seems to me that communities don't even realize that there are tripwires. On the INAC website, there are five bullet points that basically say that if one of these wires is tripped, you are put into what starts out as recipient managed, then there's a second layer, and then finally third party management.

Can you just outline the situation in which your first nation finds itself and tell us how it ended up in this recipient managed situation? Do you know which of the wires was tripped, in your case?

**Chief Alex McDougall:** I can start from the ministerial guarantees that are provided by the department for first nations for various projects within the community. There was some miscommunication, I believe, from the department to various suppliers at the time whereby the community and also the supplier believed that there was a ministerial guarantee on a project, and they found out that there wasn't. That snowballed into a huge deficit for the community, such that it gradually escalated to third party management—for the past five years, I believe.

There is therefore some concern about the communications from the department with the first nations and their suppliers on projects that are coming into the community. That's what started it, and it continued to escalate. The debt continued to grow, amid attempts by community leadership to provide desperately needed programs and services: housing, water, and sewer—you name it. We continued to try to build our community and build an economic base so that we could provide for our own community. Unfortunately, that hasn't happened.

In my opening statement I noted that we are already starting from a difficult position as first nations people, whereby there is chronic underfunding in all areas of services, capital, programs—you name it. We are trying, basically with our hands tied behind our backs, to manage financial resources that are not nearly sufficient to meet the needs of the community.

• (0915)

**Mr. Arnold Viersen:** Thank you.

**The Chair:** We're going to see whether we can deal with the technical problem you're facing. I'm going to suspend the meeting just for 10 seconds or until we get an update.

We'll take a short break, get a coffee, and take five minutes to see whether we can figure out how to solve the problem for the folks who have called in.

Chief, we're going to suspend for five minutes and then come back. We're trying to solve the problem that you're facing.

**Chief Alex McDougall:** Okay. Thank you.

**The Chair:** All right.

• (0915)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (0920)

**The Chair:** Good news. Our technician is here. We understand that hopefully the issue has been resolved.

**Chief Alex McDougall:** Perfect. Thank you.

**The Chair:** Now we're moving our questioning to MP Saganash.

**Mr. Romeo Saganash (Abitibi—Baie-James—Nunavik—Eeyou, NDP):** Thank you, Madam Chair.

Welcome to all of the witnesses to this committee.

I don't have the Algonquins of Barriere Lake in my riding but I have a huge chunk of your territory in my riding. It is in that capacity I also want to welcome you. To that end, I've always said that it is fine to acknowledge that we are on unceded Algonquin territory; it's quite another to recognize that Ottawa has not been paying the rent. I

think we should always add that second part, which is equally important.

I have similar questions as others because I know that Barriere Lake is in a very unique situation. There are several factors that led us to where you are today. Some of them are related to politics. Some of them are related to social issues, economic capacity, history, and so on.

I'd like you to comment on those other factors that lead a community like yours to where you are today. Could you elaborate on them first?

**Mr. Russell Diabo:** The chief was wondering what you were getting at. Maybe I could help because I've been an adviser to the community since the mid-1980s.

There was an agreement signed with Quebec and Canada in 1991 when the Conservative government was in power under Prime Minister Mulroney. That agreement was to develop an integrated resource management plan for lands and resources over the traditional territory of Barriere Lake and to protect the biodiversity and the way of life, because the community still relies heavily on hunting, fishing, trapping, and gathering. Even though it's three and a half hours north of here, I think it's probably the most representative community within that area—as you know, Mr. Saganash—of a hunting society. My own community of Kahnawake, we were more industrialized, so Barriere Lake represents a traditional hunting society. They were looking to protect that in the agreement they signed in 1991.

Canada was supporting that agreement for a while, up until 2001, like I said. Then they walked away. They did have some leadership issues in the community under custom. Under the federal policy, the federal government was not supposed to intervene in the internal politics of the community, but the federal government did that several times. Like I said, that 1997 agreement, the memorandum of mutual intent, was to rebuild the relationship with the federal government, in particular with the Department of Indian Affairs. The regional office in Quebec City, the advice they've been giving to headquarters has been pretty stern because Barriere Lake didn't agree with the plan.

When I first started working with Barriere Lake in the mid-1980s, all the regional office wanted to do was a land expansion and hook them up to the Quebec hydro grid for electricity because, at that time, the diesel generator was at its capacity. Barriere Lake was concerned about the impacts because they had high unemployment. How were they going to pay for that? Plus, at the same time in 1987, when the government was trying to hook the community up to electricity, the provincial government, Premier Bourassa, was proposing to privatize the La Vérendrye wildlife reserve around the community. The community's capital dollars were supposed to be used to build this line, because there would have to be an upgrade of a line from Grand-Remous to Le Domaine, and then a new line built from Le Domaine to Rapid Lake.

At that time it was almost \$4 million of the band's money that they wanted to use. At the same time, the province was proposing to privatize the land around them, so the chief and council viewed the electrification project as being planned for use in regional development because they wanted to have private outfitters take over the La Vérendrye wildlife reserve. The community wasn't ready for the electrification. They wanted it as part of a broader plan, so they put a stop to it. Since then, they did get an architect. They do have a master plan, like I said, that was part of that 1997 agreement. It's still sitting there, to be implemented. Roads were actually built. There were supposed to be housing clusters built by families. The overall community plan was developed. It just hasn't been implemented.

It started out in 1997 with a proposed \$20-million budget over five years to rebuild the community. By 2006 it had become \$17 million, I think, over seven years. Clifford Lincoln was negotiating that at the time when Barriere Lake was put into third party management. The community development, the factors that led to that, largely had to do with the poor relationship with the federal government. They wanted them to go into the land claims process. They didn't agree with the policy of extinguishing title in that, so there's been tension between the department and—

● (0925)

**The Chair:** You have a short 45 seconds.

**Mr. Romeo Saganash:** I just want to ask, there's a policy and legislative review being undertaken by this government, and I presume that will include the Indian Act. You talked a lot about that. You talked in your presentations about a different governance system. What would be your recommendation to this committee? That is part of our overall mandate as well.

**Mr. Russell Diabo:** Basically, the government should respect article three of the UN declaration, the right of self-determination. They should respect the right of customary governance of indigenous peoples in Canada, including Barriere Lake. They should agree to recognize the traditional system and rescind that section 74 order because it's inconsistent with the UN declaration and their right of self-determination.

**The Chair:** Thank you.

For questions, we're going to MP Michael McLeod.

**Mr. Michael McLeod (Northwest Territories, Lib.):** Thank you for presenting here today. I certainly can understand the level of frustration. I spent six years working as a band manager in my hometown, my home community, and I can relate to the struggles with ongoing financial resources. I've had opportunities as recently as last week to talk to some of the chiefs, and I think every one of the communities in my riding is in a deficit situation, every band council except for the ones that have settled land claims and self-government agreements.

I remember back when I was working as band manager, there were many different pots of money to apply for and our core funding was small. Everything was application based, and that slowly evolved to closing the pots of money and putting money into core funding. Our buildings got fancier and we had more of what we needed and things got to a point where it looked to be doing very well, but then the core funding started to get cut.

Is that where it started? I understand the agreements and the governance issues, but I'm trying to find out whether the change in core funding levels is the reason you started accumulating a deficit.

● (0930)

**The Chair:** Is your question to the witness on the phone or to the floor?

**Mr. Michael McLeod:** It's to both.

**The Chair:** All right, perhaps we can start with the Wasagamack chief.

Chief Alex, do you want to take that question?

**Chief Alex McDougall:** Yes. I would agree with that conclusion as one of the reasons we're accumulating deficits. The level of core funding that the communities get definitely contributes to it. However, I would highlight that there are other contributors to it as well. Some of the programs and services that are administered by the community suffer annual clawbacks, in the social development program or the IA program. It's a dollar-for-dollar program and the policies that are imposed on communities for providing that service aren't reflective of the communities' needs. Because of that, annually our first nations have to pay back a fair amount of funding to the department. Also, within that program, there are bereavement costs that aren't taken into consideration. As our point of service is in Winnipeg, the amount of travel and cost associated with providing that service to the family of the deceased, those are big contributors to that as well.

One thing we've discovered is that the many co-managers we've worked with and the third party managers who have come and gone have all come in with a debt retirement plan in hand for how they're going to get us out of debt. They've never included the communities themselves and its leaders in participating in that development. That is a flag for immediate failure. That just perpetuates the situation where first nation communities continue to be in intervention with the department. It is not until our community says, "No, we want to be involved in the development of a plan for how we to try to address some of these concerns." It was under our instruction, working with the regional office here and the assigned third party—

**Mr. Michael McLeod:** I'll just interrupt you because you're going into an area that I was going to ask a question on next. While you're in third party management or intervention, what is the role of the chief and council? If you're not part of the co-management recovery plan or if there's no recovery plan, the money is under somebody else's authority. I want to ask both groups. What does the chief and council do and what kinds of resources do they have?



• (0935)

**Chief Alex McDougall:** I'll say there's no role at all if you're in third party management. The department basically assigns you a third party manager. They have certain guidelines and restrictions that the department imposes through the third party manager, and as leaders we don't have any involvement in that.

**Mr. Michael McLeod:** You just have the title of chief and really nothing else.

**Chief Alex McDougall:** There's really nothing else in dealing through the department, anyway.

**Mr. Michael McLeod:** I want to ask the Algonquin people a quick question. In your view, at the rate you're going, you could be in a deficit third party management situation forever, unless something changes drastically. You're not getting further out of the hole. You're going to need third party managers to bind you to the third party people because they're driving you deeper and deeper into debt.

**Chief Casey Ratt:** Yes. I also agree with Chief Alex. There is no say when you're under the third party management system. They make all the decisions in terms of where to spend the money. You may get a courtesy call once in a while to say we're coming into the community next week and we'd like to meet you. That's it.

As far as the TPM regime is concerned, I said in my opening statement that they do not repay any debt that has occurred in the past, even to the CRA, the Quebec CSST. Right now they are well over a million dollars. There's nothing we can do or say to TPM to try to get the debt lowered so we could move out of TPM. I guess it's just part of the third party management system.

**The Chair:** I'm sorry, we're going to go into another—

**Chief Alex McDougall:** Yes. That's one of the discoveries we made. It was that until there was some flexibility provided by the region, if we don't have that ability to start dealing with debt under a third party, we would be in perpetual third party management and under the intervention policy of the department.

**The Chair:** Okay.

The questioning now goes to MP Stubbs.

**Mrs. Shannon Stubbs (Lakeland, CPC):** Thank you.

Russell, you looked like you wanted to say something. Would you go ahead?

**Mr. Russell Diabo:** I wanted to answer one of the previous questions the MP had, which was about the reduction of the core funding.

I would say in Barriere Lake's case it started with the 2% cap being imposed in 1995 by finance minister Paul Martin. Barriere Lake was managing that except for the intervention that occurred in 1996 and 1997.

I think there is another contributing factor to this. Barriere Lake has severe age-grade deficits in the community. Barriere Lake did a study in 1995-96 that found that the federal principal had no pedagogy. They were just processing kids through the grades until grade eight, when they were then sent outside the community. They didn't have the literacy or numeracy skills necessary and they were put in special courses. They wound up dropping out. There has been

maybe a handful—the chief or Tony could correct me—I believe maybe five high school graduates, less than 10, in the community over the last 30 or 40 years. They're consistently dropping out. The education of the community has not been properly managed either, which is a contributing factor on capacity.

**Mrs. Shannon Stubbs:** On that note, do you have a high proportion of young people in your community compared with most communities?

**Mr. Tony Wawatie:** We have 65% who are under 25 years old. That gives you an idea of the struggles that we go through in terms of trying to build our capacity. It's a big mess. We have to honestly take a look at the situation collectively and start coming back to the table. Especially, the federal government has to be a part of that solution, not the problem.

**Mr. Russell Diabo:** If I could just add quickly, Barriere Lake had proposed an action plan to the department, which they didn't get an answer to because they knew you couldn't put all these issues into mediation. Third party management's in the mediation, but they proposed addressing all these other related issues that the chief referred to in his opening statement through an action plan to be worked out between INAC and the council, but INAC hasn't responded to that.

• (0940)

**Mrs. Shannon Stubbs:** Could the third party manager play a role in closing that loop, but they are not working with your chief and council so there's no movement on that?

**Mr. Tony Wawatie:** As it is now, I guess, with all the heated pressure, with all the issues being exposed on third party management, I think they are trying to help somewhat but with a limited commitment. I wouldn't say it's perfect, but at least now we do communicate and some of the things that I've been requesting are slowly being given to me. That just goes to show the pressure our community has been under in exposing the situation, and I think every Canadian has the right to know what's going on in Barriere Lake.

**Mrs. Shannon Stubbs:** It sounds similar to what Chief McDougall said, that it takes your action and your pushing constantly to try to get action on the issues that are important to you and your community.

Around this issue of capacity development and skill development, and this is for both witnesses, I think that the third party manager theoretically is supposed to be providing some kind of learning opportunities or work in that regard. Is that happening for your communities? I'll ask the chief on the phone to answer that as well after.

**The Chair:** You only have 30 seconds, so be very quick.

**Chief Alex McDougall:** No. There's no effort by TPMs to provide a strategy for training at the first nation level, at least at that level of intervention.

**Mr. Tony Wawatie:** On ABL's side no advisory services are being offered to the community.

**Mrs. Shannon Stubbs:** More than half a million dollars a year is going out of the community for that kind of service and there's no support to develop skills that would aid your community in the future.

**The Chair:** Thank you.

The questioning now goes to MP Bossio.

**Mr. Mike Bossio (Hastings—Lennox and Addington, Lib.):** Chair, I would like to share my time with Hunter Tootoo. I'll let him take the first question and then I'll pick up from there.

**Hon. Hunter Tootoo (Nunavut, Ind.):** Okay. Thank you, Madam Chair, and thank you, Mr. Bossio.

Welcome to the witnesses.

You mentioned earlier on that you're hearing a lot of talk from the government on nation-to-nation relationships and reconciliation, but you're not seeing much action, and in the last round of questioning, little support is coming from the third party managers. I want to draw a clear distinction between the government and the bureaucracy. The third party managers should be trying to work themselves out of a job as quickly as possible to bring up capacity, but it seems as if it's in their own interest to keep things the way they are, at half a million dollars a year.

From the bureaucracy's point of view, they're probably looking at it as they know how much it's going to cost them. They don't have to worry about expanding the expenditure base that may be required and has been ignored for years. I look at that—I've heard a lot about it—and it seems to be an entrenched culture within the bureaucracy. I'm wondering if both the witnesses seem to be hearing one message coming from the political leadership and running into the same old challenges dealing with the bureaucracy.

● (0945)

**Mr. Russell Diabo:** From Barriere Lake's side, yes, that would be true, but the Prime Minister appointed Michael Wernick as Clerk of the Privy Council, and he was the deputy minister of Indian affairs who oversaw what happened at Barriere Lake for the last decade. The Quebec regional office is also a big obstacle because they have an idea on how they think the community of Barriere Lake should develop. They've had that same idea since the 1980s, since I've been involved, just to expand the land base and then hook them up to electricity, and then that's it, they're done. But Barriere Lake pushed back and said, no, we need a comprehensive plan to build our community dealing with, for instance, our education needs, and there are, as I pointed out, the age-grade deficits and that.

They do need a comprehensive plan to get out of this mess, and that's why they proposed an action plan. But that was at the political level, and it's really up to the minister to follow up on that and tell the bureaucracy what to do.

**Mr. Mike Bossio:** At the last meeting we had the first nations financial management organization here, and they seemed to be assisting a lot of first nations to develop first nations-driven priorities and financial management plans, and community-driven priorities, and a sustainable financial management plan. I know they've grown

it now to 207 first nation communities, which is about a third of all first nation communities.

From what I understand here, and a lot of the testimony and the answers you've given, one of the biggest problems we have is that there is no first nations community-driven priority or a choice at all as far as a financial management plan is concerned. Am I correct in that?

**Mr. Tony Wawatie:** I think that from Barriere Lake's side, we've made efforts with the assistance of our tribal council where we invited a financial manager, and I can't remember the organization, but it's from the organization Terry Goodtrack is involved with, and we took our own initiative to try to give the skills, the tools, to our managers. We did that on our own initiative because the third party manager didn't want us to educate ourselves. This is what we did as well.

**A voice:** It was the Aboriginal Financial Officers Association

**Mr. Tony Wawatie:** That's the Aboriginal Financial Officers Association, and that's something we took upon ourselves to try to come up with some kind of a management action plan. Third party management has been in our community for quite some time, and for sure there are some people who may take advantage of that situation, whether it will be third party management, whether it will be INAC officials, whether it will be community people as well, so I think we have to be very honest and look at the whole picture. I know that we have taken steps to educate ourselves—

**Mr. Mike Bossio:** But once it goes to third party management, it's 100% INAC-driven.

**The Chair:** I'm sorry, but the time has elapsed, so perhaps we'll have to save that question.

We are over on the questioning time, sorry.

That ends this session. I do want to thank Chief McDougall for staying on the line and being patient with the technical problems we had, and, of course, to our three guests here who came down, I appreciate that. We want to thank you for your time and your interesting, obviously, presentations and discussions. *Meegwetch.*

I have a question for the committee. We have a request from another group to appear, so we would typically have to go in camera, or could I just...?

I'll ask the committee if you feel comfortable in having a short discussion about another group presenting, or should we move in camera for this business?

**Mr. Mike Bossio:** No. It's all right.

**The Chair:** Do I hear any objections? Okay.

All right, we have a group, the Keewatin Tribal Council, that has made an appeal to come and present. That's KTC from Manitoba, and I think there are 11 communities or bands that they represent, or 11 communities, 11 member first nations, specifically.

• (0950)

**Mr. Don Rusnak (Thunder Bay—Rainy River, Lib.):** Madam Chair, where in Manitoba are they—south, north, central?

**The Chair:** KTC is up Island Lake in the northeast.

**Mr. Arnold Viersen:** Madam Chair, do they want to come present on our third party management topic?

**The Chair:** It will be on third party management.

**Mr. Arnold Viersen:** Okay.

**The Chair:** As you know, we have been approaching various groups, and some have not been able to come in. We could invite them to come on Thursday. Is that all right with everyone?

**An hon. member:** Yes.

**The Chair:** It seems fine. Good. I thank you. If that doesn't work for them, we will invite them to present a brief, which they're also willing to do.

Thank you for your attention. That ends this committee session.

The meeting is adjourned.

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