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# Standing Committee on Indigenous and Northern Affairs

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Chair: Mr. Patrick Weiler





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Wednesday, May 29, 2024

• (1635)

[English]

**The Chair (Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.)):** Good afternoon, everybody. I call this meeting to order.

Welcome to meeting number 110 of the House of Commons Standing Committee on Indigenous and Northern Affairs.

I want to start by recognizing that we meet on the ancestral and unceded territory of the Algonquin Anishinabe people and express gratitude that we're able to do this important work on lands they've stewarded since time immemorial.

Because this is my first time here as chair of this committee, I want to say that it's really an honour to be back on this committee and to be working with all of you. I very much enjoyed my previous time on the committee, and I'm looking forward to the work that we're going to do together.

**Some hon. members:** Hear, hear!

**The Chair:** Today, pursuant to Standing Order 81(4), the committee is meeting to, first, study the main estimates for the fiscal year ending on March 31, 2025, referred to the Standing Committee on Indigenous and Northern Affairs: Canadian High Arctic Research Station, vote 1; Department of Crown-Indigenous Relations and Northern Affairs, votes 1, 5, 10 and L15; and Department of Indigenous Services, votes 1, 5 and 10.

Before we begin, I would like to ask all members and other in-person participants to consult the cards on the table for guidelines to prevent audio feedback incidents.

Please take note of the following preventative measures in place to protect the health and safety of all participants, including the interpreters. Only use the black, approved earpiece. The former grey earpieces must no longer be used. Keep your earpiece away from all microphones at all times. When you are not using your earpiece, place it face down on the sticker placed on the table for this purpose.

I thank you all for your co-operation.

Today's meeting is taking place in a hybrid format. In accordance with the committee's routine motion concerning connection tests for witnesses, I'm informing the committee that all witnesses have completed the required connection tests in advance of the meeting.

As a reminder, taking photos is not permitted when the committee sits.

With that, I would like to welcome witnesses for our first panel today. The Honourable Gary Anandasangaree, Minister of Crown-Indigenous Relations, is here. From the Department of Crown-Indigenous Relations and Northern Affairs, we have Valerie Gideon, deputy minister; Martin Reiher, senior assistant deputy minister, treaties and aboriginal government; Garima Dwivedi, assistant deputy minister, resolution and partnerships; Georgina Lloyd, assistant deputy minister, northern affairs; Bruno Steinke, senior director, consultation and accommodation unit; and Darlene Bess, chief finances, results and delivery officer.

With that, I'll turn it over to our first witness here.

Minister, you have the floor for five minutes.

**Hon. Gary Anandasangaree (Minister of Crown-Indigenous Relations):** *Kwe kwe. Ullukkut. Tansi. Hello. Bonjour.*

[Translation]

I want to start by acknowledging that Canada's Parliament is located on the unceded traditional territory of the Anishinabe Algonquin people.

I'm glad to be back at this committee with my colleagues and departmental officials.

[English]

I want to thank the former chair for the work he has done, not only as chair but also as a member of Parliament.

I want to congratulate you, Chair, Patrick Weiler. I look forward to seeing the work of this committee under your leadership.

I will start by reiterating something I've said before. Reconciliation is not a destination; it's a multi-generational journey and requires a long-term commitment. That includes sustained and ongoing investments, which we'll talk about today through the main estimates.

The Truth and Reconciliation Commission's 94 calls to action, including the recently passed National Council for Reconciliation Act, as well as the United Nations Declaration on the Rights of Indigenous Peoples Act, continue to support our journey toward an era of renewed relations with indigenous peoples, one that is characterized by recognizing and supporting indigenous peoples in advancing their goals and resolving historical injustices, including through financial settlements.

[Translation]

We're gaining momentum down a future equitable path of hope and prosperity. The investments for indigenous peoples announced in the budget will help us move forward on this path.

[English]

As you know, the main estimates are the first step in the fiscal cycle and do not include funding from budget 2024 investments. Those will happen through future estimates.

This year CIRNAC's main estimates total \$10.9 billion, which reflects a net increase of \$1.8 billion compared to last year. This increase is primarily attributed to a higher level of funding received for the settlement of claims and litigation. We can't undo the wrongs of the past, but we seek to address the harms that were caused by Canada's colonial legacy.

This is key, in my opinion, to rebuilding trust in order to move forward on such very important issues as land being given back, agricultural benefits and advanced economic reconciliation by investing in indigenous-led solutions. We plan to use these funds to settle claims more quickly, as with the agricultural benefit claims under our expedited resolution strategy. Last year alone we settled nine of these claims, for a total settlement of \$975.4 million for such communities as Pine Creek First Nation and English River First Nation.

As we make amends for the past, we must stay focused on the future, where the rights of indigenous peoples are respected and they have control over their governance and self-determination, their lands, their waters and their children. In that sense, I've seen how modern treaties have the power to deliver results. Contributing to this, \$2.2 billion will go towards managing and implementing agreements and treaties, targeting 93 additional arrangements by March 2025.

I think of the modern treaties we are hoping to sign in the very near future in British Columbia, which will tangibly make life better for people in those communities. However, signing agreements alone won't build trust. For 20 years, partners have called for independent oversight to make sure we keep our modern treaty promises. On May 2 we took a step forward in fixing that when the Prime Minister announced that the commissioner for modern treaty implementation will be established. Like the national council for reconciliation, it's another step to hold the government accountable as we continue on this path.

I'd like to take a moment to go over some of the new budget 2024 investments that are not captured in the main estimates. They will contribute to our nation-to-nation work with communities.

There is \$918 million for housing and infrastructure, including \$62 million for self-governing and modern treaty first nations, \$370 million for Inuit communities and \$60 million for Métis.

There is \$96 million to document, locate and memorialize burial sites at former residential schools and to combat the harmful effects of denialism. There is over \$21 million for initiatives related to missing and murdered indigenous women and girls, including the

development of a red dress alert system. There is more than \$12 million to empower indigenous youth, meeting call to action 66.

There is a \$5-billion loan guarantee program to support the participation of indigenous communities in energy and natural resource projects.

From the place we are right now, there is only one way we can go, which is forward. Reconciliation is a one-way street. That means sustaining this action and sustaining these increased investments. Since 2015 investments in indigenous priorities have increased threefold. Since 2015 indigenous people have a partner in the federal government, one that takes their meetings and helps advance their priorities, such as finding their missing and murdered indigenous women and girls and two-spirit individuals, and seeking justice for those lives stolen.

I look forward to the conversation today.

• (1640)

*Meegwetch. Qujannamiik. Marsi. Thank you. Merci.*

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

With that, we will go to the first round of questioning. This is a six-minute round. It will start with the Conservative Party.

Mr. Schmale, you have the floor for six minutes.

**Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC):** Thank you very much, Chair. Congratulations on your new role. I look forward to working with you.

Thank you, Minister, for appearing.

Minister, you just said in your comments that indigenous peoples “have a partner” in your government. Perhaps we can start with just a basic question. What percentage of workers were actually indigenous who worked on the ArriveCAN app?

**Hon. Gary Anandasangaree:** That's a very good question. It's one that I'm not actually able to answer, Jamie. It's something that should be directed to Minister Hajdu.

**Mr. Jamie Schmale:** The answer is actually zero, unfortunately.

Minister, this is on the settlements that your department has finalized. I can talk in particular about the \$40 billion for child welfare that was recently worked out through the courts and otherwise. Of that, \$20 billion is specifically for compensation.

Could you briefly explain to this committee what safeguards are in place to ensure that there are no non-indigenous people looking to potentially access this compensation, which is specifically meant for those victims?

**Hon. Gary Anandasangaree:** Again, Jamie, I will not be able to answer that question. That's something that should be directed to the Minister of Indigenous Services Canada.

**Mr. Jamie Schmale:** Is your department at least preparing some kind of safeguard that might be able to work with other departments to ensure there are actually indigenous peoples—the victims—getting this money?

**Hon. Gary Anandasangaree:** I can speak about other settlements. In the context of child welfare, it's not something I'm able to answer.

**Mr. Jamie Schmale:** We can talk about some potential other settlements that have been made, but I'm guessing your answer is going to be the same.

**Hon. Gary Anandasangaree:** No, I think I can speak about a number of other settlements. If it's something like McLean, I can answer.

There are others that we're part of. It depends on what the situation is.

**Mr. Jamie Schmale:** I think the broader context is that we have seen through the ArriveCAN scandal that there were supposed to be indigenous peoples able to get some work from this and potentially businesses able to benefit. That, unfortunately, was not the case.

I have concerns based on what happened through the pandemic with CERB and the fraud that took place there. My concern now is that the victims who have waited way too long for this settlement might have to compete with non-indigenous people who might see this large number and want to access some of it.

I was hoping that your department, given the fact that it was involved somewhat in these settlements, would have the ability to at least put forward some suggestions on safeguards to ensure that the money is going to the proper place, which is the victims.

**Hon. Gary Anandasangaree:** There are a number of settlements that we're involved with on an ongoing basis, and we have processes for them. If there's a specific example that you want me to speak about, I can elaborate on that.

To your broader question about representation, it is something that I'm very much attuned to. Even as we are now looking at future settlements that involve settlement administrators and counsel, this is a live conversation that I'm having with our department right now.

I would note that very recently one of our colleagues wrote to me. Lori wrote to me about a very specific incident and issues around settlement. There are definitely issues that we're looking at.

On the notion of representation, it is very critical to the work that we do. Whether it's on the administration side or whether it's legal counsel and legal representation, it's very important that we have indigenous people very much part and parcel of those decisions that are made. It's something that we're very committed to.

• (1645)

**Mr. Jamie Schmale:** Thank you.

Let's quickly jump over to Bill C-53. It's a piece of legislation that had a bit of a bumpy ride through committee, hearing argu-

ments for and against it. Of course, now the Métis Nation-Saskatchewan has broken away and is going to pursue its own path.

I know you came in halfway through. You were made minister as this process was already ongoing. My critique was that it had become very clear and very obvious that the government did not do its homework on this or ensure that proper consultations were done before that legislation was brought forward.

**Hon. Gary Anandasangaree:** First of all, I want to thank the committee for the work on Bill C-53. I know it was a very long study. The recognition of Métis rights is quite important and it's one that, as a government, we're committed to moving forward on.

With respect to Bill C-53, it was legislation that was codeveloped by the Métis nations of Ontario, Alberta and Saskatchewan. Extensive work and consultation went on before the bill was actually presented to Parliament. The decision by the Alberta courts with respect to the Fort McKay Métis as well as the Métis Settlements General Council has given us a moment to pause.

At the same time, with the decision of the Métis Nation-Saskatchewan, we are reflecting on what the next steps are in this process. We are in constant engagement with both the Métis nations of Ontario and Alberta to see how we move forward.

I will be glad to report back to the committee as we progress on this.

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

That's six minutes. Thank you, Mr. Schmale.

Next we have Mr. McLeod, virtually, for six minutes.

**Mr. Michael McLeod (Northwest Territories, Lib.):** Thank you, Mr. Chair.

Welcome, minister. Thank you for joining us. I certainly appreciate your coming to talk to us.

I think you know where my concerns are when it comes to some of the work that we're doing in the Northwest Territories. The indigenous governments across the Northwest Territories, as you know, are very eager to make progress with the Government of Canada at the negotiation tables and at the discussions for modern treaties.

I had to smile when I heard you say that these negotiations are multi-generational journeys, because I got involved with the land claims in my part of the world here in the Northwest Territories when I was a teenager. I'm going to be 65 years old in a few months, and I don't expect we're going to see a settlement. I don't expect to see a settlement in my lifetime, so it may be something that my children will take up. Maybe my grandchildren might see some benefit.

There is concern because there is an attempt to move forward in a nation-to-nation type of relationship, but one nation is insisting that the other nation sign a document that includes a clause that says they cede and surrender rights. I don't think that's very respectful. As you indicated, the process needs to respect rights. Our government is still insisting on a cede and surrender clause, and it's something that many nations will never accept. I have been talking to you and to every minister before you about getting rid of the comprehensive claims policy and of the clause that is so offensive. It's a policy that is failing the indigenous people, so I ask you my first question around this issue.

Are you doing any work towards making new policies that are more respectful and new policies with some indigenous governments that have been struggling to move forward but can't accept this policy? Is there a path forward, with a new approach and a new process, to get land claims and some government agreements negotiated, agreed to and implemented?

• (1650)

**Hon. Gary Anandasangaree:** Thank you, Michael. I know we have spoken about this on a number of occasions, and I think it's important to recognize that we've been trying to move away from some of our very stringent and colonial policies, which really prevented us from breaking through on very important self-governance agreements.

I believe in the work that we're doing in British Columbia, for example. We are on the cusp of completing a number of treaties, and we have advanced on a number of issues that prevented us from being able to conclude agreements. We are moving away, to some extent, from the comprehensive land claims policy and the inherent right to self-determination policy. The approach that we're taking at the tables is quite different and very constructive towards resolving and reaching agreement.

I note that Martin Reiher is here. He is our ADM on our "tag team", as we call it. Martin, I know, will be retiring soon. I will take a moment to congratulate him and to thank him for his work, but I also invite him to shed some light on the question.

**Mr. Martin Reiher (Senior Assistant Deputy Minister, Treaties and Aboriginal Government, Department of Crown-Indigenous Relations and Northern Affairs):** If I may, Mr. Chair, very briefly, in the last few years we actually have moved away from requiring surrender of rights in our treaties or agreements. I do admit that this is not well-known across the country, and it will be important to continue to communicate this to all nations. In order to do that, there is an action plan measure—

**Mr. Michael McLeod:** Can I just interrupt you for clarity? I don't have a lot of time. When you say, "we've moved away," I've heard that referred to many times when it comes to the comprehensive claims policy and the cede and surrender. If we moved away from it, why can't we get rid of it? Why are we just saying, "we moved away"? The minister says it. Negotiators don't say the same thing.

**Mr. Martin Reiher:** In 2019, in British Columbia, there was a policy that was adopted, the recognition and reconciliation of rights policy, which actually replaced the comprehensive claims policy for B.C. We are prepared to do the same across the country. There

was an action plan measure number 23, under the UNDA, where the government actually committed to work on codeveloping a public statement stating what the current policies are and to replace the comprehensive claims policy and inherent right policy with that new statement.

**Mr. Michael McLeod:** I want to ask my last question, but before I do that I want to point out that the recognition and reconciliation of rights policy in B.C took 15 years to negotiate. If we're going to start that in the Northwest Territories, I'll certainly never see a resolution to the land claims.

**The Chair:** Mr. McLeod, I'm sorry, but we're running out of time. There's just time for a very quick question and a very quick answer.

**Mr. Michael McLeod:** I was just going to point out that this budget has a number of investments for modern treaty holders in self-governing nations. We have a number of negotiating nations that are not self-governing or modern treaty holders. I don't see anything that would be in the budget to assist them.

Is there any way that financial assistance can be provided on the same basis as the self-governing nations and the modern treaty holders?

**Hon. Gary Anandasangaree:** I think I have very limited time on this. I'll be able to get back to you directly, Mr. McLeod. However, I want to just say that we very much have a perspective that includes the unique situation in the Northwest Territories, and we'll be able to share it with you at a later point.

• (1655)

**The Chair:** Thank you, Mr. McLeod.

[*Translation*]

Mr. Lemire, you have the floor for six minutes.

**Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ):** Thank you, Mr. Chair. Once again, welcome to the committee.

First of all, minister, regarding Bill C-53, you gave my colleague quite an elegant answer. As you know, however, the Bloc Québécois opposes this bill.

When you said that it will be reviewed, do you mean that's the end of the Bill C-53 in its current form and that a new bill will have to be drafted in order to recognize the Métis communities of Alberta, Saskatchewan and Ontario?

**Hon. Gary Anandasangaree:** Thank you for the question, Mr. Lemire.

[English]

I appreciate that you've been forthright from the outset on this, and we've had a number of conversations. Bill C-53 right now has gone through the committee stage; it hasn't come up for debate. We are at a point of pausing moving forward until we have concluded discussions with the Métis Nation of Alberta and the Métis Nation of Ontario. With respect to Saskatchewan, I think they've made a clear decision on a path for them, and I did meet with president McCallum, and we will continue discussions with the Métis Nation-Saskatchewan.

I think it would be premature for me to say what the next steps are until I have deeper conversations with the two parties that are still part of Bill C-53. There are some technical issues, some legal issues and some legislative limitations. I'm assessing all of them and getting the most informed information before we can advise where we go from here.

[Translation]

**Mr. Sébastien Lemire:** I would like to move on to another topic that we have discussed in the past, the Chalk River waste facility. I'm sure you are aware of the issue of water contamination, which has been raised by local indigenous representatives in particular. Do you think that signals an urgent need for action by your government?

We know that indigenous peoples were not consulted on the establishment of this nuclear waste dump. Now that we know it is affecting drinking water, even though not many people are talking about it, it seems that action is needed, specifically an ARTEMIS review, meaning international protection or review to protect the quality of our water. I would point out that if there were a major spill, it could affect water quality all the way to Canada's capital region.

To your mind, is this an alarm bell highlighting the importance of protecting water quality and biodiversity, on indigenous ancestral land in particular?

[English]

**Hon. Gary Anandasangaree:** Thank you once again.

With respect to decisions that are made by independent government agencies, one of the things that I'm trying to do as minister is to have greater clarity on what engagement, consultation and codevelopment actually mean in real life. I think there are different interpretations, and there are also different expectations from first nations communities who, in this particular case, are impacted.

I think the work is on much more of a broader scale in terms of looking at the United Nations Declaration on the Rights of Indigenous Peoples and the UNDA implementation action plan that was released last year, and then working with the different agencies that have a duty to consult. There is absolutely no question that there is a duty to consult in these situations, but I think that the depth of the consultation and the actual weight that its given, those, I think, are oftentimes.... People are in a different state or organizations are in a different state on this type of...and there's no consensus.

I think what I'm trying to do, with the department, is to be able to have a broader conversation, where there is some alignment and

so an alignment with the expectations of first nations, Inuit and Métis, to have a codeveloped strategy that can be applied everywhere. That's not going to happen overnight.

To your immediate question, what I believe we should be working towards, not just in this particular case but across the board, is that we do have the direct cleanup of contaminated sites that both our department as well as Northern Affairs are working on. We have, for example, the Giant Mine in Northwest Territories, which is probably our largest cleanup project, but there are many other smaller ones across Canada that speak to past projects where there's contamination and a need for cleanup. We have a robust program that does look at individual sites to see how the cleanup can take place, and we're, in fact, in the process of cleaning up.

After the fact, it's not ideal. We don't want to do that. We want to be able to do it proactively, and that's the work that I think we still need to do.

• (1700)

[Translation]

**Mr. Sébastien Lemire:** I have a lot of questions about departmental responsibility for this matter. When we raise the issue with Environment and Climate Change Canada, they refer us to Natural Resources Canada.

Have you defended the rights of indigenous peoples on this file? Have you appealed to Minister Wilkinson to take direct action, if only to suspend the project so that indigenous voices can be heard, or perhaps even to explore other sites that are more respectful?

[English]

**Hon. Gary Anandasangaree:** Thank you.

I have spoken to Minister Guilbeault. The challenge, I think, in this particular case...because I did have a chance, through you, to meet with one of the communities impacted. One of the challenges I think we face is that these are independent bodies. The ministry cannot dictate to an independent assessment agency what its decision ought to be. That is, I think, where we're challenged, but I also know that there is a litigation in progress on that. My role is to be an ear, to be a conduit for some conversations to take place, and that is, I believe, what I was able to do in this case.

In terms of directly intervening on the decision, it's not something that Minister Guilbeault or Minister Wilkinson is able to do.

[Translation]

**Mr. Sébastien Lemire:** Thank you very much.

**The Chair:** Thank you very much, Mr. Lemire.

[English]

For our last member on the first panel, I'd like to turn the floor over to Ms. Idlout for six minutes.

**Ms. Lori Idlout (Nunavut, NDP):** [*Member spoke in Inuktitut, interpreted as follows:*]

Thank you, Chairperson.

First of all, congratulations to you, Chair. I look forward to working with you closely, and I'm sure that we will have a very good working relationship in the future—

**The Chair:** Pardon me. We're not quite getting the interpretation yet. If we can just pause for a moment....

I think we're good to go again.

Ms. Idlout, I'll go back to you.

**Ms. Lori Idlout:** [*Member spoke in Inuktitut, interpreted as follows:*]

Yes, you have a very important task ahead of you. Before you sat in that chair, we were sold by comments of others who stated that indigenous peoples of Canada are very important people. I'm sure you will be on board with us. We will be making many changes, so you have a very important role here and we want to work closely with you.

As representatives of indigenous peoples, we need transparent responses. Sometimes our questions don't get answered or we don't get the answers we're seeking, but I am pretty sure that we will move forward smoothly from here on.

To you, Mr. Anandasangaree, thank you to you and your staff for being here. You are a minister and I respect you as a minister. I'm sure you'll do your best to do a good job.

This is the first question I have for you. There was a letter by Yellowhead Institute stating that the Truth and Reconciliation Commission had written an article saying that everything that has been brought forth to the commission so far will take 58 years, all the recommendations will take up to 58 years, because there are so many parts to it. Now you've achieved 80% of the tasks or recommendations that were put forth.

Can you explain to us how you came to estimate the 80% achievement of goals?

• (1705)

**Hon. Gary Anandasangaree:** Thank you, and I want to acknowledge the work that you do and the great respect I have for you.

The 80% is, I think, sometimes misconstrued. It is 80% of the items that are exclusively in the federal jurisdiction. That's not concluded work. That is work that is either concluded or has started, so it's, in fact, not quite 80%. In many cases, the work has started. If we look at child welfare as an example, child welfare is an area we have moved significantly on. Bill C-92 was passed. We had a court challenge to it. We have seven agreements that have concluded, and we have a number of others that we're working on towards establishing child welfare agreements with other nations.

It is certainly something that is in progress. It is not completed.

It's the same thing with missing and murdered indigenous women and girls, for example. One of the calls to action was that we call

an inquiry and that we address the issues. The inquiry was called in 2017. There were 231 recommendations, calls to justice, that came about. We have started much of the work, but there's still a long way to go.

I'm not sure where the 58-year mark comes from, but a lot of the work that we are doing will sometimes take generations. I don't think it's clear that we can do this in a few years. Like languages, for example, languages that took hundreds of years to lose cannot be undone overnight. To me, that's part of the frustration as well, because the path that we're on is the right path, I think. There have been constructive things that have taken place and are continuing to take place, but the destination will not be easy. We can name the issue, but we know that there's more work to do.

**Ms. Lori Idlout:** [*Member spoke in Inuktitut, interpreted as follows:*]

You may send me a response later.

Now I want to talk about contaminated sites. I have heard about current events in Iqaluit, just past Gjoa Haven, that there are some sites that have not yet been cleaned up. Inquiries have been made to the federal government, who in return responded to us that they are not able to clean up those sites.

Are you able to respond to that now or later?

**Hon. Gary Anandasangaree:** If there are specific examples, we'll be able to follow up on that, yes.

**The Chair:** Thank you very much, Ms. Idlout.

With that, we are going to our second round of questioning, and just looking at the time here, we're going to be a bit short. I'm going to propose doing three and a half minutes each for the Conservatives and the Liberals, and then two minutes for the Bloc and the NDP in this round.

Up first, I have Mr. Melillo for three and a half minutes.

**Mr. Eric Melillo (Kenora, CPC):** Thank you, Mr. Chair. It's great to see you in the chair.

Thank you, Minister, for being here today.

You spoke in your opening remarks, Minister, about the increase in spending in the estimates. I would note that there has been lots of spending through your department, as well as Indigenous Services Canada, and I certainly take no issue with that on the face of it.

However, I want to turn your attention to a PBO report: "Research and Comparative Analysis of CIRNAC and ISC". It has found that, for your department and for Indigenous Services, despite this dramatic increase in funding, it has not led to an equal increase in results, in the ability of your department to reach its goals.

Maybe just to start with that, Minister, is that report concerning to you?

• (1710)

**Hon. Gary Anandasangaree:** Look, we are about obtaining results. In terms of closing the gap, if we look at closing the gap as probably one of the major goals of the work of our government collectively, whether it's ISC or us, it is what we want to achieve. It is closing the gap on education, on child welfare, on outcomes—



**Mr. Eric Melillo:** Specifically, Minister, is it concerning to you to see in the report that, despite the spending, it is not leading to that increase in the ability of you and your department to achieve results?

**Hon. Gary Anandasangaree:** Well, I think there's some—

**Mr. Eric Melillo:** I would hope it would be concerning concerning to you.

**Hon. Gary Anandasangaree:** There are some explanations on that, because it's not simply for me to say that it's concerning or not. I think you need to look deeper into the work we do. If you look at correcting or redressing past harms, we have substantial expenses.

In agriculture benefits last year, we concluded nine of them, just under a billion dollars, primarily in the Prairies, that are part of the failures of governments in respecting cows and plows commitments. Robinson Huron is an unprecedented settlement of \$5 billion from the federal government and another \$5 billion from the provincial government.

Now, those are not necessarily about closing the gap. Those are about redressing past wrongs. A lot of the work that CIRNAC does is about redressing past harms, and unfortunately—

**Mr. Eric Melillo:** Thank you, Minister.

I don't mean to cut you off, but I'm sure you've heard that I have quite limited time on this.

Minister, I appreciate your answer, but given what we know—that the spending is not going where it needs to go—can you name one or two examples of some tangible steps you have taken, since you've become the minister, to address this, to ensure the dollars that are flowing from your department are actually going to the nations and the programs that are relying on it?

**Hon. Gary Anandasangaree:** To be very clear, there are a number of outstanding cases that come in front of me, whether it's through the specific claims process or through litigation, where there needs to be a response. Any of those expenses are going towards—

**Mr. Eric Melillo:** Have you taken one concrete measure since this report came out to address the gaps that are highlighted in that report?

**Hon. Gary Anandasangaree:** We are working, for example, on the spending review. We ensure that the spending review does not impact programs. It impacts administrative costs—it impacts travel, for example—but we made sure that it doesn't directly impact any of the program expenses that are outlined as part of our programs.

**The Chair:** Thank you very much, Mr. Melillo.

We'll go to our second member in the second round, Mr. Battiste, for three and a half minutes.

**Mr. Jaime Battiste (Sydney—Victoria, Lib.):** Thank you.

I'd also like to congratulate the chair on his nomination. I'm sure he'll do an amazing job.

Minister, I know that a lot of the discussion we've been having revolves around truth and reconciliation. We have a National Day for Truth and Reconciliation, but that hasn't stopped a lot of indi-

viduals from saying residential schools either didn't exist or didn't have a harmful impact.

Can you speak about what our government is doing both to implement the Truth and Reconciliation Commission's calls to action and to address the Indian residential school denialism that is out there and creeping up in Canada?

**Hon. Gary Anandasangaree:** Thank you, Jaime.

This is something that's increasingly worrisome because we're hearing about it more and more. There are some articles from south of the border that have spoken to this issue.

Residential school denialism is deeply hurtful and retraumatizing, and it really impacts communities, individual survivors and the families of survivors and of those who have passed on. It is troubling, and education is key to addressing it. As part of budget 2024, we will invest \$5 million towards addressing the issue of residential school denialism.

The bigger job is to make sure we support communities in their searches, on their journeys and in their healing, and look at how they want to do the searches and achieve the results they want. Are they prepared to exhume the bodies? There is a range of questions every community is going through about how they want to move forward. That's the support we offer. We're here as a supportive partner, and we really enable and ensure the self-determination of communities to address it at the community level.

On a personal note, I think this particular issue is close to criminal behaviour and probably should require a Criminal Code amendment at some point. It's not something we can tolerate as a society because of the impact it has and the retraumatization of those directly affected by residential schools.

• (1715)

**Mr. Jaime Battiste:** Thank you, Minister.

**The Chair:** Thank you, Mr. Battiste.

With that, we'll go to our third questioner in the second round.

[*Translation*]

Mr. Lemire, you have two minutes to ask questions.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

Minister, Parliament has created the First Nations Finance Authority or FNFA to offer investment and loan opportunities to help First Nations establish a solid foundation for governance. Given its diligence in serving its role from the outset, the FNFA has proven to be reliable throughout its financial history.

If we allow the FNFA to support first nations project proponents on reserves, that might offer a solution for housing construction. The monetization of federal transfers could accelerate the funding and development of infrastructure and better protect community assets through the mutualization of risk for assets and responsibilities. Those are suggestions.

Further, at the last committee meeting, Rob Wright, the associate deputy minister of Crown Indigenous Relations and Northern Affairs Canada, proposed gradual changes to the legislation to address the issue of expanding loan guarantees.

Since it is much easier to make regulations than to enact legislation, can you assure us that new regulations will be given consideration and priority under your leadership?

[English]

**Hon. Gary Anandasangaree:** Absolutely. In fact, I recently had meetings with them.

I was at the Bank of Canada round table on reconciliation, where Minister Freeland indicated that the \$5-billion loan guarantee program is a floor, not a ceiling, in the sense that we are in new territory and we want to be able to support and explore how these programs can be best implemented to ensure self-determination over industry and engagement in businesses by indigenous people.

It's a very important component of the overall work we're doing on reconciliation. We will continue to work not just with FNFA but with all the other financial institutions that are working towards self-sufficiency and self-determination.

[Translation]

**Mr. Sébastien Lemire:** Yes, strengthening the tools developed by and for indigenous people is an interesting approach.

Thank you very much, minister.

**The Chair:** Thank you very much, Mr. Lemire.

[English]

We now go to our next questioner for two minutes.

Ms. Idlout.

**Ms. Lori Idlout:** [*Member spoke in Inuktitut, interpreted as follows:*]

Thank you, Chairperson.

Reconciliation is often mentioned, and it is only through communications with other nations, first nations. Although they have signed agreements with the federal government, which has stated that the agreement will help the reconciliation move forward, these have become obstacles.

For instance, I had a meeting with Sunchild First Nation. Their school has been renovated for a long time now. This has prevented the bilateral agreement from proceeding successfully. I think this agreement should be amended. Have you discussed any possible amendments to this bilateral agreement?

• (1720)

**Hon. Gary Anandasangaree:** No, I don't believe so.

Martin, I don't know if you want to answer that.

This is something that we can, again, come back to you on, because I don't believe this is something that's come my way. I think Martin's office—

**Ms. Lori Idlout:** I'm sorry. Maybe my question wasn't interpreted correctly. I was asking if you could inform us about how bilateral agreements are designed or written, generally, considering reconciliation, because they seem to become obstacles for first nations as opposed to making improvements.

**Hon. Gary Anandasangaree:** On all of our practices, we are on a path towards decolonization. I think the challenge that we still have is that many of our structures are deeply colonial and deeply paternalistic, with the things that I think we were talking about earlier with regard to final releases and so on. I think we're in a state right now where agreements are much more iterative. They evolve as the needs change. They also evolve as our broader thinking changes.

In the modern treaties, for example, in British Columbia, a lot of the language that we have and a lot of the things that we're incorporating are quite different from things that we would have done 10 years ago. We are advancing our understanding, and I also think we are coming from a different place now than we were a decade or two ago.

I can talk about the specifics, if we have more information, but overall, the tone and the tenor and the way we are engaging and making treaties and agreements are very different. They still have—

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

**Hon. Gary Anandasangaree:** —many elements that we don't want, but I think it is something we need to get to.

**The Chair:** Thank you very much, Ms. Idlout.

Next we have, for three and a half minutes, Mr. Schmale from the Conservatives.

**Mr. Jamie Schmale:** Thank you, Mr. Chair.

Minister, according to the Yellowhead Institute, “Zero Calls to Action were completed in 2023” for the Truth and Reconciliation Commission report. Eight years since the release of the 94 Calls to Action, 81 remain unfulfilled. According to the report, “Most of the Calls to Action remain incomplete as bureaucratic roadblocks, endless debate, and nearly every excuse imaginable delay progress.”

Minister, what concrete steps have you been taking in your ministry to speed this up? The report has even quoted former minister Marc Miller as saying that the “biggest...fights and challenges have been with our own institutional mechanisms.”

**Hon. Gary Anandasangaree:** Thank you, Jamie.

I think I answered much of the question with respect to the TRC's calls to action earlier, but let me just add—

**Mr. Jamie Schmale:** Let's go through it again.

**Hon. Gary Anandasangaree:** —to what I said earlier.

The work we're doing in terms of the calls to action is critical, but they're not linear check marks that we can do at the end of the day—

**Mr. Jamie Schmale:** I would rather lean more into what's being done. If your former minister is saying the problem is within the department, I'd like to know what's going to be done to speed this up. Zero was completed last year, according to the Yellowhead Institute.

**Hon. Gary Anandasangaree:** We can go through the number of things we completed this year, including the work around the national council for reconciliation and the work around UNDA. These are advances we're doing.

From a leadership perspective, I want to say that Valerie Gideon is our new deputy minister. She brings with it a vision.

**Mr. Jamie Schmale:** If it has been eight years, with 81 remaining unfulfilled and zero completed last year, are we doubling our efforts here, as Mr. Melillo just talked about? Spending is up but results are down.

What are we doing differently?

**Hon. Gary Anandasangaree:** To be very clear, 81 remaining unfulfilled means that many of them are in progress.

I'll give you the example of missing and murdered indigenous women and girls. We called for an inquiry in 2017. The report of the inquiry was delivered to us five years ago on June 3. There are 231 calls to justice that we're in the process of implementing. If you suggest we do that in eight years, I don't think we would do it properly.

The UN Declaration on the Rights of Indigenous Peoples Act came into force in 2021. Again, we tried to bring it in during 2019. Unfortunately, it was stalled in the Senate because some of your colleagues in the Senate didn't support it.

• (1725)

**Mr. Jamie Schmale:** Minister, I'm sorry. I have limited time, and I really want to get to another one.

We talked earlier about safeguards to ensure there's no fraud by non-indigenous people trying to get money they aren't entitled to. You said earlier we could talk about another settlement. Let's talk about the sixties scoop settlement that was created.

According to the website, there were almost 35,000 total claims received. There were denied claims—almost 14,000. I've been reading here. Clearly, there were some safeguards in place. There were potential safeguards in place to ensure the money went to the victims, and appropriately so.

Are you telling me your department didn't share information with Indigenous Services to ensure the child welfare settlement is going to be properly allocated? There must have been some communication.

**Hon. Gary Anandasangaree:** I'm going to ask Valerie to address this question.

**Ms. Valerie Gideon (Deputy Minister, Department of Crown-Indigenous Relations and Northern Affairs):** Thank you.

I can assure you that, with respect to the compensation agreement, which of course is under the responsibility of Minister Hajdu.... That is a first nations-led process. They will be driving the compensation process in terms of its design and delivery.

**Mr. Jamie Schmale:** According to the information we have here, it's being managed by Deloitte. That's the administrator. We're talking about child welfare. It goes to the individual, not the band.

**Ms. Valerie Gideon:** That is a third party claims processor. Again, Minister Hajdu can speak to this. It was selected and the oversight will be through the first nations party process.

**Mr. Jamie Schmale:** However, through the administrators—

**The Chair:** Mr. Schmale, I'm afraid that's the end of your time. It will have to wait until another time.

Thank you very much.

**Mr. Jamie Schmale:** The former chair would have given me more time.

**The Chair:** I already gave you a bit of extra time.

**Hon. Gary Anandasangaree:** You can also ask me a question in the House, Jamie.

**The Chair:** With that, I want to turn our last round of questions over to Mr. Carr for three and a half minutes.

**Mr. Ben Carr (Winnipeg South Centre, Lib.):** Thanks very much, Mr. Chair.

Minister, I'd like to ask you a more open-ended question. I know we have a new, more progressive government in my home province of Manitoba that has been working quite collaboratively with the government on a variety of files—perhaps none more important than the one with which you are preoccupied. Of course, that's extending to Minister Vandal and Minister Hajdu, as well.

Can you talk a little about the relationship that has developed between you, your department and your counterparts in Manitoba as we work collectively to improve the livelihoods of indigenous people in my home province of Manitoba?

**Hon. Gary Anandasangaree:** Thank you, Ben. I really do appreciate the question.

You know, the Province of Manitoba under the premiership of Wab Kinew has become a remarkable partner for us. We've been working on a number of major things. I think the Prairie Green Landfill is probably one of the most profound issues and one of the most difficult issues I've had to deal with as we look at the families who are impacted and the young people who have been advocating for a search. Premier Kinew has been a good partner. We're working with him as well as with Minister Fontaine towards the search. It's something we both committed to.

Recently we announced the pilot of the red dress alert, which was one of the budget items in 2024. Given its history and the fact that it is one of the epicentres of this crisis, Manitoba is the appropriate partner to be piloting a red dress alert and the work we're doing towards red dress implementation.

Last February as part of the work around MMIWG, we had the second indigenous provincial-federal-territorial meeting on missing and murdered indigenous women girls and two-spirit individuals. Minister Fontaine was one of the co-chairs.

We believe we have very important partnerships. In many cases, without the provinces being an essential partner, we cannot go forward. I give you the example of the Robinson Huron settlement with the Province of Ontario. We're doing some very important work with the Province of British Columbia and the territories. The federal government cannot do it alone. It does require essential partners in our provincial and territorial bodies who can rise to the occasion. I believe Manitoba is in that state right now.

• (1730)

**Mr. Ben Carr:** Thanks very much, Minister. I do appreciate your leadership on this file, as well as that of ministers Hajdu and Vandal.

When I speak with colleagues in Manitoba, there is a noticeable change in the relationship and the desire to accomplish things on behalf of Manitobans, including indigenous communities of course.

Mr. Chair, if I have any time left, I'll cede it back to the committee.

Thank you.

**The Chair:** Thank you very much, Mr. Carr.

That concludes our second round.

I want to thank Minister Anandasangaree for appearing on the estimates today. I want to thank all of our officials for being here as well.

**Hon. Gary Anandasangaree:** I know this is probably Martin's last appearance. I do want to take a moment to acknowledge the extraordinary work he has done in the civil service in, I think, 30-something years as a lawyer and as essentially our chief negotiator on many of our files. He's been an extraordinary leader.

Thank you, Martin, for everything you've done.

**Voices:** Hear, hear!

**The Chair:** Thank you very much and congratulations.

With that, we are going to suspend while we welcome our next set of witnesses.

• (1730)

(Pause)

• (1735)

**The Chair:** I call this meeting back to order.

I would like to welcome our witnesses on the second panel. The committee really appreciates Minister Hajdu's returning to speak to the estimates again after the last meeting was unfortunately cut short by votes. I do want to recognize the officials who are here to-

day as well, but given that they were already introduced at the last meeting, I won't introduce them all in detail.

Minister, given that you have given introductory remarks before, we will be jumping right into the rounds of questioning.

Mr. Melillo, go ahead, please.

**Mr. Eric Melillo:** Thank you, Mr. Chair.

Just on a quick point of order, the committee did pass a motion unanimously inviting Minister Hajdu back for an additional hour. I understand she's scheduled for only half an hour, but I'd like to invite her to stay for the full hour if possible.

**The Chair:** Mr. Battiste, go ahead on the same point of order.

**Mr. Jaime Battiste:** I'm pretty sure the discussion point on that was that, since they had already done a half-hour, they would come back and they would not give any opening comments. We would go straight into questions. We would do 30 minutes with Minister Hajdu and 30 minutes with Minister Vandal, and then we would go to the Indian tax commission. That was my understanding of what we had all decided.

**The Chair:** Ms. Idlout, on the same point of order.

**Ms. Lori Idlout:** [*Member spoke in Inuktitut, interpreted as follows:*]

I want to say that I also remember what Mr. Battiste just said. I'm in agreement with him.

Thank you.

**The Chair:** Thank you, Ms. Idlout.

My understanding from what was decided on Monday is that we agreed that we would have 30 minutes both with Minister Hajdu and with Minister Vandal. They would be separate, and then we could focus all of the questions on each individual minister. That's why we moved ahead as we did.

With that, Mr. Melillo, I would like to turn the floor over to you for a full first round of questions for six minutes.

**Mr. Eric Melillo:** Thank you, Mr. Chair. I appreciate that.

Minister, it's good to see you back. I understand that you had to bail early on the last meeting to catch a flight. I won't dispute that, but it's good that you came back so that we could pick up where we left off.

Minister, I would like to ask you about the situation in Grassy Narrows First Nation, which of course you know full well.

Minister, your government has been in office now for nine years. It has been seven years since a mercury treatment centre was promised to the people of Grassy Narrows First Nation. We have seen no action since. On behalf of the people of Grassy Narrows and the folks across northwestern Ontario, simply, where have you been on this for the last seven years?

• (1740)

**Hon. Patty Hajdu (Minister of Indigenous Services):** Thank you very much, Mr. Melillo, for asking a question about Grassy Narrows.

I certainly hope that you'll ask a question in the House of Commons about the many first nations in your riding, because it is important that they have a voice and an advocate as a member of Parliament.

Have you met with Chief Turtle? Have you spoken with Chief Turtle?

**Mr. Eric Melillo:** You know, Minister, you'll have plenty of time to ask questions as the opposition if you're able to keep your seat after the next election.

I have met with Chief Turtle. In fact, that was the first thing I did after I was elected. I've continued to keep that relationship going and I've been in contact with him very frequently.

You see, Mr. Chair, it was a direct question to the minister, and she's trying to deflect and distract immediately. It's nine years that they've been in power. Seven years ago, a mercury treatment centre was promised to the people of Grassy Narrows First Nation, and we've seen nothing since—nothing. In fact, this year, Chief Turtle was quoted in a CBC article, not a particularly Conservative media outlet, I would add. Chief Turtle said it best, “If they were acting urgently, it should have been done already.”

How long does it take, Minister?

**Hon. Patty Hajdu:** Thank you again, Mr. Melillo. The reason I asked the question is that, if you had spoken with Chief Turtle recently, you would know that he's extremely excited about getting started on the mercury treatment centre. We've worked really closely with the community on the many stages, from feasibility to engineering studies, to make sure it meets the needs of the community.

I look forward to continuing to support Grassy Narrows, unlike the previous Conservative government, who didn't speak with Mr. Turtle or other chiefs of Grassy Narrows for a decade so—

**Mr. Eric Melillo:** Nine years you've been in power, Minister. It's been nine years.

**Hon. Patty Hajdu:** —we're looking forward to this work. We're looking forward to ensuring also that Grassy Narrows and the water that continues to poison the food supply of Grassy Narrows is protected.

**Mr. Eric Melillo:** It's been nine years, Mr. Chair, and again, seven years ago, this treatment centre was promised. Now they're saying, “Okay, it's coming; it's just around the corner. There's excitement about it.”

We'll believe it when we see it, because we've been here before. Year after year, budget after budget, this government talks a good

game. Then, when it comes time to put the money where their mouth is, they don't show up. They talk about the money they allocate. It's one thing to allocate funds. It's another thing to follow through.

We've seen the minister again immediately try to deflect and distract from the questions, so I'd like to ask her directly, does she take responsibility for this lack of action?

**Hon. Patty Hajdu:** I'm really excited that you're so excited about the health and wellness of the members of Grassy Narrows, because you have an opportunity to ensure that this kind of poisoning never happens again. You know that Bill C-61 is on the schedule to be debated again next week—

**Mr. Eric Melillo:** It's about time, Minister. You like to blame Conservatives for blocking it, but your party has not brought it forward.

**Hon. Patty Hajdu:** In fact, let me tell you—

**Mr. Eric Melillo:** You could have brought it forward months ago.

**Hon. Patty Hajdu:** Let me tell you—

**Mr. Eric Melillo:** Months ago, you could have—

**Hon. Patty Hajdu:** Let me tell you what indigenous people said about the Harper-era water legislation. In fact, they said that—

**Mr. Eric Melillo:** No.

Mr. Chair, this is my time. I'd like to ask another question.

Thank you, Minister. I appreciate—despite your lack of response—your being here nonetheless.

I'd like to ask about a different topic, Minister, since we're clearly not going to get anywhere on this.

Indigenous Services Canada has an MOU with the Indian Resource Council to comanage Indian Oil and Gas Canada. This organization is hoping to meet with you, Minister, to meet with your department to ensure that a new executive director can be appointed and put in place, and they've been unable to do so.

Minister, I'd like to offer you the opportunity to comment on why you have been ignoring these requests to meet on this very important position.

**Hon. Patty Hajdu:** I'll say that this organization is incredibly important to many indigenous first nations, many first nations. I'm going to turn to Keith Conn to speak about Indian Oil and Gas Canada.

• (1745)

**Mr. Keith Conn (Assistant Deputy Minister, Lands and Economic Development, Department of Indigenous Services):** I'm Keith Conn, ADM of lands and economic development.

We're working closely with the Indian Resource Council. I was part of a selection board, and it was represented by the Indian Resource Council chiefs. They made a recommendation for the new CEO of Indian Oil and Gas, and the deputy minister has accepted the recommendation. We're just about to issue a letter of offer. It's in play as we speak, and he's supposed to be starting next week. It was well received by the Indian Resource Council.

Thank you for the question.

**Mr. Eric Melillo:** I don't know if I have enough time to get in another question and answer, so thank you, Mr. Chair.

**The Chair:** Thank you very much, Mr. Melillo.

Next up we have Mr. Battiste for six minutes.

**Mr. Jaime Battiste:** I'd like to follow up in the same line of questioning as my colleague Mr. Melillo. He's right. It is about time that we made the legislation necessary and the investments to ensure that indigenous people across this country have clean water.

In my province of Nova Scotia, we saw how industry dumped over and over again next to the Pictou Landing First Nation before the provincial government finally shut the plant down. A lot of times we've seen industry practise what I would have to call environmental racism, in that they were okay that they were basically poisoning a water supply for first nations, for Mi'kmaq. We've seen this happen in other places around this country, and that's why it's so terribly important that we have water legislation moving forward.

Hearing the passion from the Conservatives on first nations water just now, I know that they would be open, I'm sure, to unanimous consent to make sure that we get that water legislation to this committee so that we can get it passed during Indigenous History Month.

Minister, I'm wondering if you can tell me about what this water legislation is going to do for first nations in this country. Do you see the possibility for unanimous consent, possibly as early as next week, to ensure that we get this to this committee so that we can study it and pass it during Indigenous History Month?

**Hon. Patty Hajdu:** Thank you, MP Battiste. I want to thank you also for the many ways in which you've advocated for the passing of Bill C-61.

It makes sense when you talk about Pictou Landing. I had the huge privilege of meeting former chief Andrea Paul and hearing the story of Pictou Landing and the battle that community underwent to protect water for generations to come. I hope I'm not in any way appropriating culture, but, to use the phrase, I do raise up my hands to Chief Paul. I am inspired by her. In fact, I met her early on as we were on this journey. She was one of the voices who said that we had to move quickly and that we had to make sure there were no more situations like Pictou Landing—and there are. There are many situations.

Grassy Narrows is in the news again, sadly, as a result of ongoing mercury accumulation in fish and the ways in which it affects the people. There has been terrible leaking of tar sands in two Cree nations, Mikisew and Athabasca Cree nation. The Bloodvein and Dauphin first nations are facing terrible situations. Shoal Lake 40

has had contamination of water. These are ongoing crises in our communities across the country. Bill C-61 is a tool to ensure that first nations people have the rights and the tools to protect the water that feeds their water systems.

To answer your question directly, I would love to see all-party consent to move this bill to committee. Why? Because there are a number of important ideas to strengthen the bill, which are coming from first nations leaders themselves on how that bill can be stronger in its goal.

I do want to thank you, MP Ildout, for the many ways that you've been working on proposed amendments that could be considered by the government to reach the goal of protected water for generations to come.

My colleague MP Melillo was saying that it was about time we tabled the legislation. We know the obstructionist ways that this Conservative government has used to prevent legislation to move through the House. That is actually delaying good legislation that first nations people are calling for, and calling for to be implemented rapidly.

I thank you for your vision and for your leadership and for the idea. I leave it to my colleagues, because I can't answer that for each individual MP.

• (1750)

**Mr. Jaime Battiste:** Minister, I'm going to continue to talk about water, because I know that it's important to first nations communities. I'm one of the only first nations MPs who live on a first nation reserve. It's something that we really need to move forward on. I'm wondering what's at stake if we don't move forward on Bill C-61.

**Hon. Patty Hajdu:** There is no legislation in place right now to protect water, in fact, because the litigation that first nations people pursued, and that we settled as a federal government to both compensate first nations for the lack of drinking water and protect water for generations to come, meant that, as part of that agreement, we agreed to repeal Harper-era legislation that was despised. In fact, before it passed the House, there were first nations leaders saying they wanted the legislation withdrawn, which later we repealed.

In fact, I can give you some quotes. Then Grand Chief Craig Makinaw of the Confederacy of Treaty 6 said, "The legislation is pushing our nations into the hands of the provinces and private corporations. This is a violation of the treaty." Then Chief Robert Chamberlin, vice-president of the Union of British Columbia Indian Chiefs, said, "the bill infringes upon constitutionally protected Aboriginal title rights and treaty rights, fails to recognize First Nation authority or jurisdiction and does not provide for accountability to First Nations, the very people the bill is supposed to help." I could go on.

Right now there's an absence of legislation. As a result of the—

**Mr. Jaime Battiste:** Minister, I have just a last question. Do you think we need to have continued debate on this, or do you think this is something we need to get to committee as soon as possible?

**Hon. Patty Hajdu:** There are great suggestions from first nations leaders across the country about how to strengthen this bill. I have always said publicly, and I'll say it again here today, that I am very interested and the government is very interested in any amendments that will help this bill achieve its goal, which is to protect the drinking water of first nations peoples across this country.

**The Chair:** Thank you very much, Mr. Battiste.

[Translation]

Mr. Lemire, you have the floor for six minutes.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

To begin, thank you for being here, Madam Minister.

I have a question about Bill C-38, An Act to amend the Indian Act (new registration entitlements).

Can you tell us when this bill will be debated in Parliament again and how many people will be affected by the changes your government is proposing?

Before you answer, I would like to state a few facts. First reading was on December 14, 2022. Second reading began on October 20, 2023. Debate then resumed on March 22, 2024, at a shortened sitting. Will we have to wait until 2025 to discuss this bill in the House of Commons again?

**Hon. Patty Hajdu:** I hope not. I hope you can help us prevent obstruction on this bill. Speak to your House leader, and I will also reiterate the importance of this bill.

**Mr. Sébastien Lemire:** I will do that now: this bill is important for indigenous communities, including those in my region. This is the bill they are asking for. I will pass on the message, but I think you can provide more direction on the House agenda than we can.

In addition, does your department have information on the membership of tribal councils or band councils since the 1950s, in Quebec and in other provinces in particular? Would it be possible to provide that information to the indigenous communities? That would make it possible to look at the number of women who have held political leadership roles since the legislative provision that barred women from such roles was revoked in 1951.

**Hon. Patty Hajdu:** I don't know. I will have to ask my team.

[English]

We can follow up in writing. I don't have the answer right now.

[Translation]

**Mr. Sébastien Lemire:** Thank you. It is a question of open data. That information could be very helpful in various research that is being done, in Quebec in particular.

I want to continue on the topic of transparency and open data.

Quebec enacted Bill 79, which pertains in particular to research about missing and murdered indigenous children. An annual report on the application of the law was presented to indigenous commu-

nities, including in Pikogan in my region, with Minister Lafrenière and representatives of all political parties in attendance.

In the research done by the Awacak association to find missing indigenous children, problems were encountered with data from federal institutions. We know that Abitibi-Témiscamingue borders Ontario, so there has been a lot of discussion.

Can you undertake to make that federal information available to the Awacak association? That could help indigenous families and mothers who are still alive find out what happened to their children and discover the truth about the often horrific treatment of those indigenous children.

• (1755)

**Hon. Patty Hajdu:** That work falls under the portfolio of my colleague, Minister Anandasangaree. I will ask him to answer your question.

**Mr. Sébastien Lemire:** Great. I thought it was up to Indigenous Services Canada, but thank you very much.

**Hon. Patty Hajdu:** We have different responsibilities.

**Mr. Sébastien Lemire:** I also want to commend the work of Ms. Françoise Ruperthouse on this very important issue.

I also have a question about Chalk River and water contamination. The cities of Ottawa and Gatineau and more than 140 other municipalities get their water from the Ottawa River. The Minister of Crown-Indigenous Relations and Northern Affairs pointed out that there are waste management programs, but that decisions regarding prevention have not yet been made.

Will Bill C-61 protect that water and enable indigenous communities to stand up for their inherent rights and make sound choices for the protection of water on ancestral land? Could this bill give them that right?

[English]

**Hon. Patty Hajdu:** The intent of Bill C-61 is to give the tools to first nations communities, in partnership with provinces and territories, to better monitor the source water that feeds their water systems. Of course, when you can monitor water, you can determine much more quickly that the water is polluted or has changed in its quality. That's been a big problem with many of those cases that I told you about. The contamination has been happening over years. In many cases, the contamination doesn't have a taste and doesn't have a smell, yet the pollutants are extremely hazardous to health.

That is the intent behind Bill C-61. It's to strengthen protections and tools for first nations to be able to more closely monitor the water that is feeding their systems. Of course, this is work that we will have to do with provinces and territories. As you know, water falls under the jurisdiction of provinces and territories, but I would hope—I have a close relationship with Minister Lafrenière—that we are all interested in protecting the safety of water, because that water doesn't just feed first nations communities. It feeds all of us. Water is essential. In fact, many first nations people will tell you that water is life.

[*Translation*]

**Mr. Sébastien Lemire:** We know that Chalk River has been polluting the Ottawa River since February. The first nations are concerned about this and want the opportunity to raise the issue.

Thank you, Minister.

**The Chair:** Thank you, Mr. Lemire.

[*English*]

For our last speaker, I'll turn the floor over to Ms. Idlout for six minutes.

**Ms. Lori Idlout:** [*Member spoke in Inuktitut, interpreted as follows:*]

Thank you, Chair.

Thank you, Minister Hajdu, for returning here.

My first question is this: For indigenous peoples, there were funds that were meant to go to first nations families and their children. When we posed the question about this funding in the year 2022, the \$4 billion meant for this program was not used up and the government asked for that money back. Now there are guidelines to follow, like Jordan's principle. For Inuit children, there was \$4.8 million allocated. Only 48% of that money was used. That left a large sum untouched.

The future of our children is very important to us. Can you tell me why your employees failed to meet the standards set out in allocating or using up these monies?

• (1800)

**Hon. Patty Hajdu:** Thank you for the question.

I'm not sure exactly which program you referred to at the beginning. Do you have the name of the program you mentioned with \$4 billion unspent?

**Ms. Lori Idlout:** According to an Order Paper question submitted by the NDP in 2022-23, \$24.2 billion out of the \$32.3 billion in funding for first nations child and family services lapsed. For Jordan's principle and the Inuit child first initiative, it is a similar story, where \$438 million out of \$3.2 billion of that funding lapsed.

**Hon. Patty Hajdu:** Okay.

I'm going to have to turn to the officials, because my understanding is that we don't have lapsed money in Jordan's principle. In fact, we routinely have to go back to recapitalize Jordan's principle because the demand is growing every year.

In terms of the compensation amount, I'll turn to the officials to unpack this a bit.

**Ms. Catherine Lappe (Assistant Deputy Minister, Child and Family Services Reform, Department of Indigenous Services):** Perhaps I could go first, Minister, if that's all right.

**Hon. Patty Hajdu:** Thank you.

**Ms. Catherine Lappe:** With respect to the first nations child and family services program, there are variations between what has been submitted in the mains and what the actual expenditures are. Over the last number of years, we've in fact—as the minister was indicating—also gone back for additional monies as we started to reform the program.

As you may know, we are continuing to have negotiations over the long-term reform of the first nations child and family services program in order to respond to the Canadian Human Rights Tribunal orders. As part of that, as we negotiated various elements, we introduced them and secured additional funding. A program that in 2016 was \$675 million was over \$3.5 billion per year by last year, so I'm not sure where those lapses might have come from.

With regard to the compensation agreement, I think there were questions in the earlier session about it. The \$23.3 billion has been approved by the Federal Court and is now sitting with Deloitte, which works with the parties on the distribution protocol. Perhaps the member of Parliament may be looking at previous years, where there had to be a re-profiling of funds while some of the details of the compensation agreement were being sorted out.

**Hon. Patty Hajdu:** With your permission, MP and Chair, I'll turn to Julien Castonguay to talk a bit about the increase in Jordan's principle spending year over year.

**Mr. Julien Castonguay (Director General, Strategic Policy, Planning and Information, First Nations and Inuit Health Branch, Department of Indigenous Services):** Jordan's principle and Inuit CFI are needs-driven programs and initiatives that are based on the number of individual and group requests we receive. In previous years, there had been a re-profile to future years, but that was only the result of usage. In these last current years, like the minister said, we expended all of the Jordan's principle funds, and we received new investments in budget 2024 for the Inuit CFI to continue.

**Ms. Lori Idlout:** [*Member spoke in Inuktitut, interpreted as follows:*]

Thank you.



It has been reported to me that these so-called Order Papers were reported to.... If you would look at these reports again, I would be happy to hear your response to these reports, because we have been advised through reports or articles that when there were questions posed about Jordan's principle, many questions were unanswered and remain unanswered. There are children who need aid. Inuit also fall into this category where there's assistance needed.

Now, they were told that they missed a deadline. It is clear now that we need to extend the opportunity to apply for this funding, because there are many families that have been at risk and have gone through trauma because there was nothing in place for their support.

• (1805)

**The Chair:** Ms. Idlout, we are over the time—

**Hon. Patty Hajdu:** I'll just really quickly answer.

Listen. I think many of you have heard me say that we are in a situation that's actually both good and bad. The good news is that first nations people and groups are actually applying for and getting Jordan's principle funding, which means that more kids than ever are getting care. That care spans from things like dental care to vision care, supports for learning, social supports and supports for people with severe illnesses who need to be supported closer to home, which is the root of why Jordan's principle exists.

The challenging part is that the demands have increased at such an exponential rate that we are now, as you know, as a department, working on efficiencies to make sure, first, that people get service in time and that we understand exactly what urgent service is versus a service that can unfold over time and, second, that we are able to be efficient with the service providers, who often are billing the Government of Canada for things like speech pathology and other kinds of services.

Julien, do you want to speak a little bit? I didn't understand that there was a deadline and I don't think there is. I want to make sure that I'm right.

**Mr. Julien Castonguay:** Yes.

I believe you might be referring to the fact that the initial Inuit child first initiative investment in budget 2018 was for a five-year period. In budget 2024, it was extended for an additional year, and funding was confirmed for this fiscal year as we continue working with ITK and Inuit treaty organizations on the design for the long-term approach to Inuit CFI and their desire to move forward in a shared responsibility model.

**The Chair:** Thank you very much, Ms. Idlout.

That concludes our second panel.

I want to thank Minister Hajdu and the officials from Indigenous Services Canada. Thank you not just for coming to committee today but for coming to committee twice to speak on the estimates.

With that, we are going to suspend as we prepare for our third panel.

• (1805)

(Pause)

• (1810)

**The Chair:** I call this meeting back to order.

I would like to welcome our witnesses for our third panel today. We have the Honourable Dan Vandal, Minister of Northern Affairs.

Thank you for coming back to committee, along with officials. As with our last panel, given that you already gave your opening remarks the last time you appeared at committee for estimates, we will go directly into questions from members.

With that, I'll turn it over to Mr. Melillo for six minutes for the opening round.

• (1815)

**Mr. Eric Melillo:** Thank you, Mr. Chair.

Minister, it's good to see you back. We appreciate your coming back to the committee.

The last time, Minister, we had a chance to have an exchange at this table, we spoke quite a bit about nutrition north and food security in the north. It's very clear, Minister, that over the years you have been in charge of the department, you've increased funding to nutrition north but that has not led to results. The rates of food insecurity have grown across the territories. It's clear that the plan isn't working.

A question I wanted to ask you, Minister, that I didn't get a chance to—

[*Translation*]

**Mr. Sébastien Lemire:** Mr. Chair, sorry for interrupting the discussion, but the interpretation currently isn't available in French.

[*English*]

**The Chair:** Let's pause for a second here.

Mr. Melillo, could you just talk a little bit?

**Mr. Eric Melillo:** Hello. I'm Eric Melillo.

**The Chair:** Okay. Continue.

**Mr. Eric Melillo:** Thank you.

Minister, a question I wanted to get to when we were talking about the cost of food in the north and how expensive it is for people just to put food on their table is a simple one. Given that a lot of the big bureaucratic spending programs you've announced have not been working, why don't you look to a simple solution, like what our party has brought forward, and axe the carbon tax to bring down the cost of food for people across the north?

**Hon. Dan Vandal (Minister of Northern Affairs):** Thank you so much for that question.

It's great to be back for the third time in three weeks.

Listen. The reality is that the north is faced with severe constraints in terms of isolation, and things have always been expensive in the north. We're still recovering from a three-year pandemic, which has really fractured supply chains, including in the north.

**Mr. Eric Melillo:** I recognize that, Minister.

**Hon. Dan Vandal:** If you ask me a one-minute question, you have to give me more than 12 seconds.

**Mr. Eric Melillo:** I recognize that, Minister. However, getting rid of the carbon tax is a very simple thing. It would bring the costs down for people across the country, including in the north.

Why are you so against such a simple, common-sense proposal that would bring food costs down for people across the territory you're serving?

**Hon. Dan Vandal:** It's important to note that people in Nunavut, for example, get their food brought in by airplane. There is no carbon tax on aviation. There have been all sorts of studies by renowned economists who say that the carbon tax actually adds very little to the price of food, not only in the north but in Canada.

**Mr. Eric Melillo:** Thank you, Mr. Chair.

Thank you, Minister.

I asked a very simple question.

**Hon. Dan Vandal:** I'm just trying to answer your question in under 10 seconds.

**Mr. Eric Melillo:** Well, you're not, so I'm just going to move on to the next one.

We know you're not going to axe the carbon tax completely. That's pretty clear. You're opposed to it. You have this obsession with taxation. Your government has this obsession with taxing Canadians to the point where they cannot afford to feed themselves, heat their homes and provide for their families.

At the very least, then, can we meet each other halfway? Will you commit today to passing Bill C-234, in its original form, to support farmers and farm families so that we can bring down the cost of living by removing the carbon tax on farm operations? Please answer yes or no.

**Hon. Dan Vandal:** First of all, if you think we have an obsession, you have a fixation with the price on pollution. It's been well thought out by 40 economists who've studied the price on pollution, and they say it's the best way to fight climate change—

**Mr. Eric Melillo:** What about the people struggling to put food on the table?

**Hon. Dan Vandal:** —which your party denies is even in existence.

**Mr. Eric Melillo:** Why don't you care about the opinions of the people who are struggling to fill their gas tanks, to heat their homes and to feed their families?

**Hon. Dan Vandal:** We do. In this budget—

**Mr. Eric Melillo:** Just axe the tax.

**Hon. Dan Vandal:** —we have all sorts of programs for affordability. We are always—

**Mr. Eric Melillo:** It's programs.

**Hon. Dan Vandal:** —thinking about affordability in the north and all over Canada. That's why we're bringing forward a national food program. Can you tell me if you're going to support that—

**Mr. Eric Melillo:** Minister—

**Hon. Dan Vandal:** —in budget 2024?

**Mr. Eric Melillo:** Minister—

**Hon. Dan Vandal:** I'm asking a question.

**Mr. Eric Melillo:** You can ask a question at another time. This is my time to ask questions. I'm definitely going to be voting against the budget. I'm always going to be voting non-confidence in your government, and I'm proud to do so, because your policies have been disastrous. They've driven up the cost of living for Canadians.

You mentioned programs, and we hear that all the time from this government. We hear about the big spending programs, another government program and another government program, over and over again and more money going to nutrition north. It's not working. People are struggling to put food on their tables across the north.

You've said you're not going to axe the carbon tax. Your only plan is to bring forward more bureaucratic programs. They haven't worked for nine years. Why should we believe you that they're going to work now?

**Hon. Dan Vandal:** First of all, I wouldn't call the harvesters support grant a bureaucratic program. It was codeveloped with indigenous nations, Inuit specifically, and northerners. It's something that encourages hunting, trapping and harvesting. Country food for local northerners is something that we heard is very popular.

Yes, there are difficulties, and that's because of the pandemic effects over the long term. It's because of Russia's war on Ukraine. It's because of supply chains that have been ruptured.

● (1820)

**Mr. Eric Melillo:** It's because of the carbon tax. It's because of the inflationary spending of the Liberal government.

**Hon. Dan Vandal:** The reality is that there is no price on pollution on food that goes to Nunavut—

**Mr. Eric Melillo:** That's right. There's a carbon tax.

**Hon. Dan Vandal:** —from the south.

There is none.

**Mr. Eric Melillo:** That's right. There's not a price on pollution; there's a carbon tax. You're correct about that.

**Hon. Dan Vandal:** There absolutely is none.

**Mr. Eric Melillo:** I have no time remaining.

Thank you, Minister, for being here. Hopefully next time we'll be able to get some answers out of you.

**Hon. Dan Vandal:** If you let me talk, I'll answer.

**The Chair:** Thank you, Mr. Melillo, for the generous ceding of your time.

Next up we have, for six minutes, Mr. McLeod.

**Mr. Michael McLeod:** Thank you, Mr. Chair.

Welcome back, Mr. Vandal.

It's always great to see you here because that means we get to talk about the Northwest Territories a little bit more. We can talk about some of the challenges and some of the situations we're facing.

The Northwest Territories does have very unique economic development potential, and it contributes to Canada's economic growth. The indigenous and northern entrepreneurs and small businesses have certainly weathered the storm of the COVID pandemic and are now working towards growing the economy.

My first question for you, Mr. Minister, is to ask you to expand on how the government is supporting economic development and creating jobs in the Northwest Territories.

**Hon. Dan Vandal:** That's a very important question.

I've been to the Northwest Territories a significant number of times over the last couple of years, and I've always enjoyed my trips there.

I'm also the minister of CanNor, which is the regional economic development agency for the north and the Arctic. Through CanNor alone, our government has supported over 145 projects in the Northwest Territories since 2021, with an investment of over \$55 million that basically will build, improve and revitalize community infrastructure, such as parks, rec centres and multi-purpose buildings.

Over half of CanNor's projected funding goes to indigenous-led projects. Just today, I announced almost \$850,000 for Łíídlıı Kúć First Nation in Fort Simpson to install two hydroponic garden systems, which will provide the community with a year-round source of fresh produce to help strengthen local food security.

We also announced over \$600,000 to install a solar energy generation and storage unit at Columac mine site. This will allow for greatly reduced carbon dioxide emissions for off-grid mine sites.

I might add that I also know that we have a critical minerals strategy for the north. Mining, of course, is a huge economic driver all over the north, including in the Northwest Territories. That's something I'm working on with the NRCan minister, MP Wilkinson, who is developing the critical minerals strategy. There's a carve-off for the north. That's something that we are regularly engaging with local communities on, and we will continue to work together to create good jobs for the north.

**Mr. Michael McLeod:** Thank you for that.

I have another question about the issue we discussed last time with regard to nutrition north. I had indicated that I was involved with the Government of Northwest Territories during the days when there was a transition from the food mail program to nutrition north. There was a real outcry from the communities to add communities to the list, because the Conservative government of the day was cutting communities and was taking communities off. There were very few communities left that could qualify. There was a lot of concern, because many communities felt that they would not be able to live in the areas they did. They were very isolated, and the cost of supply was very expensive. More specifically, the cost of food was very expensive.

You've been to the Northwest Territories quite often. You're a regular visitor now. What have you seen, and what would you expect to happen if the nutrition north program were cut? Would these communities still continue to function, especially now, when we're starting to see additional challenges like barges that can't run anymore and things of that nature?

• (1825)

**Hon. Dan Vandal:** Listen. Perfection does not exist. Nutrition north is not a perfect program, but I can tell you that it does a lot of good all over the north, including in Northwest Territories. It makes food that is way too expensive more affordable. We know that there is more work to do, and we're doing just that. In fact, we are currently doing an internal review of the retail portion of nutrition north. Once that is done, we will do an external audit of nutrition north to try to get some clarity on the retail subsidy part of it.

It's also important to know that nutrition north is more than the retail subsidy. There is over \$100 million for the harvesters support grant over three years in budget 2024. There is a community food programs fund that provides food in schools and food for seniors. That's something that's locally owned and operated as well. There are also nutrition education initiatives.

It's a lot more than that. Consultation is key. We want to consult with the community before we add on or make changes to nutrition north.

**The Chair:** Thank you very much, Mr. McLeod. That's past six minutes.

[*Translation*]

I'll now give the floor to Mr. Lemire for six minutes.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

Given your response to my colleague's last question, I have a follow-up question. What about co-creation with the indigenous communities that benefit from Nutrition North Canada's programs? You're now undergoing a review process. Will these communities be included in the process when the time comes to review food logistics in the north? Will communities with access to the northern highway system be able to participate? Is a summit, or another event, planned to ensure the public participation of indigenous communities and their businesses?

**Hon. Dan Vandal:** Yes, a summit is a good idea. I know that Nutrition North Canada is a program developed in partnership with indigenous nations, Inuit and other members of northern communities. That's the only way to proceed with the programs. The era of Ottawa making all the decisions is over. The decisions must be rooted in the communities. The best approach is to consult with local communities.

We have the Nutrition North Canada advisory board, which we rely on a great deal. However, we can do much more. There's a great deal of work to do.

In addition, the Canadian Northern Economic Development Agency, or CanNor, has received about \$15 million this year to design programs or come up with innovative ideas that can help with nutrition in the north. We're setting up programs and seeing how this money will be used.

• (1830)

**Mr. Sébastien Lemire:** Do you have a time frame in mind for the Nutrition North Canada follow-up?

**Hon. Dan Vandal:** First, we're conducting an assessment of Nutrition North Canada. I don't know how long this assessment will take. I could ask the department officials to provide more information on this topic.

**Ms. Valerie Gideon:** By summer 2025, we should have the report.

I should also point out that the assessment involves an advisory committee made up of a number of indigenous partners, who are truly stakeholders in the program.

That's basically our time frame for the assessment.

**Mr. Sébastien Lemire:** That's good. I encourage you to continue in that direction.

Minister, in this committee and increasingly in the media, we've heard time and again about how permafrost affects infrastructure in the north. This type of issue also arises in Nunavik, making it harder and harder to supply food and drinking water.

Can you explain what your department has done to help these communities over the past two months, particularly in Nunavik? Have any governments allocated money to adapting infrastructure to permafrost conditions?

Examples include airport runways, drinking water intakes, buildings and road repairs. Another issue concerns ice roads, which are no longer passable as a result of melting permafrost and different winters.

**Hon. Dan Vandal:** I can say that we're aware of the melting permafrost and its impact on all kinds of infrastructure, such as roads and buildings. These are the real effects of climate change happening in the north. The north is warming four times faster than the south.

Our department has five programs that address climate change. These programs were developed in partnership with indigenous peoples. They focus on clean energy, climate change adaptation and global engagement. I'm not sure that we have a program that focuses specifically on permafrost. However, I know that we always work closely with the Minister of the Environment and Climate Change and the Minister of Energy and Natural Resources and that climate change is a priority. It's a reality. This phenomenon isn't just happening in Nunavik, but throughout the north. Even in northern Manitoba, the permafrost is melting.

In any case, we're involved in this matter and we'll work in partnership with other departments and governments.

**Mr. Sébastien Lemire:** I think that we should note that a number of residents are wondering about the effectiveness of water distribution and waste-water collection systems that rely on the use of tanker trucks. The issue is becoming increasingly serious. I encourage you to create a program to help in this area.

I would like to address one final point.

In response to an earlier question, you said that you were working with Minister Wilkinson on strategic critical minerals. To that end, your government has made many announcements about major investments, to the tune of billions of dollars. These include investments with Stellantis, Volkswagen and, recently, Honda.

The issue is that Canada will be purchasing strategic critical minerals by outbidding China, for example, instead of building its expertise and supply chain from the mine and in conjunction with indigenous peoples.

What leadership role can you play to help implement mining and processing projects close to the mine, for the benefit of indigenous and northern people?

**Hon. Dan Vandal:** This question would require a lengthy discussion, but I think that I have only a few seconds left to answer it.

We work closely together. We have the Canadian critical minerals strategy for the north. We believe that this initiative holds great potential. However, we need to involve local people in this project. It isn't just a matter of consulting them, but also of getting them genuinely involved in the project.

**Mr. Sébastien Lemire:** Thank you.

**The Chair:** Thank you, Mr. Lemire.

[*English*]

From here, we'll go to our last round of questions with Ms. Idlout for six minutes.

• (1835)

**Ms. Lori Idlout:** Thank you, Chair.

I'll be asking a series of questions regarding nutrition north. However, first, I wanted to ask you, Minister Vandal, when did you become the Minister of Northern Affairs?

**Hon. Dan Vandal:** It was in 2019.

**Ms. Lori Idlout:** When was the nutrition north program started?

**Hon. Dan Vandal:** In 2011.

**Ms. Lori Idlout:** Thank you.

Since I was elected in 2021, a good portion of my questions to you have been on nutrition north. Because of your lack of responses, I keep having to ask more questions. You're not giving sufficient information to educate us about how this program actually alleviates poverty.

One of the things I had to do, as you'll recall, is have the CEO of the The North West Company, Dan McConnell, appear before this committee. He initially refused to tell us what his salary was. It was probably because he wanted to hide his corporate greed. However, we were told in that same sitting of this committee that his salary was, indeed, \$3.91 million. He later provided this committee with an updated salary—a much lower one, but still unbelievable—which was given to us in correspondence. His salary is still up almost \$800,000 a year, and he received over a million dollars in bonuses in one year.

I'm giving you the specific data because you are quick to point out that the nutrition north program was provided \$145 million last year, or something like that. The Northwest Company posted a gross profit of \$205 million. In all these times I've been asking for clarification about what we're going to do to alleviate poverty, the most recent response from you was, first of all, you'll do an internal review and, maybe, an external review.

Now you're confirming that you'll do an external review, so I wanted to ask about that. You say you want to do it after the internal review. Has this process for determining the audit of the external review started, and when does your department anticipate that the external audit will commence?

**Hon. Dan Vandal:** Thank you for that question, MP Idlout.

First of all, I need to say that nutrition north is one program of one department of one level of government. If your expectation is that poverty will be alleviated through one program, I'd say that's a pretty high expectation. Poverty needs to be addressed from all—

**Ms. Lori Idlout:** I'm so sorry, but I have to interrupt your rude response.

**Hon. Dan Vandal:** Is that rude?

**Ms. Lori Idlout:** There are people who are starving in my communities, and we have The North West Company's CEO—

**Hon. Dan Vandal:** I'm giving you a real answer.

**Ms. Lori Idlout:** —profiting from a \$3.9-million salary—

**Hon. Dan Vandal:** I'd like to continue talking, if I can.

**Ms. Lori Idlout:** I'm not asking about nutrition north being the sole solution to alleviate poverty—

**Hon. Dan Vandal:** That's exactly what you said.

**Ms. Lori Idlout:** —and that's what you're trying to say.

**Hon. Dan Vandal:** I wrote down what you said during your question.

**Ms. Lori Idlout:** I asked you about the external audit that will happen.

**Hon. Dan Vandal:** Can I answer?

I wrote down what you said in your preamble. You said nutrition north is not alleviating poverty. I'm saying that to alleviate poverty, you need a societal effort from the federal government, provincial government, territorial government and municipal government, as well as the private sector. The private sector has a huge role to play.

That's all I'm saying. I'm not trying to be rude. I'm just trying to point out—

**Ms. Lori Idlout:** Can you answer my questions about the external audit? When will that start?

**Hon. Dan Vandal:** First of all, the internal review has already started. Val Gideon has already mentioned that. We have external researchers who are already on it.

I think there are five external research projects that are looking at the subsidy, including Galloway's. She was on APTN and, I believe, *The Fifth Estate* did a report. I've spoken to her—

● (1840)

**Ms. Lori Idlout:** You're not answering my question, so I'm going to interrupt you.

**Hon. Dan Vandal:** I'm trying to answer your question.

**Ms. Lori Idlout:** I don't have enough time to hear you rambling. Obviously, reconciliation is not important to you. You know, as an experienced minister—

**Hon. Dan Vandal:** That's not a fair statement, MP.

**Ms. Lori Idlout:**—that we each have six minutes. When we ask you specific questions, you should be answering our specific questions.

**Hon. Dan Vandal:** That's not a fair comment you made.

**Ms. Lori Idlout:** For example, I want to talk about TB. You committed to working with ITK in 2018 to eliminate TB in Inuit communities by 2030. Since that announcement, there have been three new outbreaks in Pond Inlet, Naujaat and Pangnirtung, yet your government has not announced new funding to make sure TB can be eliminated. With the clock ticking, ITK requested \$131.6 million over seven years from budget 2024, but nothing came.

How do you plan to make sure this government helps eliminate TB in Inuit communities?

**Hon. Dan Vandal:** I'm working closely with ITK, Minister Hajdu and Minister Holland on alleviating tuberculosis by 2030. It was a commitment we made. We're working hard to keep that commitment, and that has not changed one per cent.

**The Chair:** Thank you, Ms. Idlout. That concludes our panel of questions.

I want to thank Minister Vandal for being back at committee—I understand it's been three times in the last three weeks—as well as the officials for being here to answer on the estimates.

Before we suspend this meeting for our next panel, we have some business to attend to, which is the votes on the estimates. I want to move to that, as long as folks are ready.

Shall the following votes, less the amount voted in interim supply, carry?

CANADIAN HIGH ARCTIC RESEARCH STATION

Vote 1—Program expenditures.....\$33,006,666

(Vote 1 agreed to on division)

DEPARTMENT OF CROWN-INDIGENOUS RELATIONS AND NORTHERN AFFAIRS

Vote 1—Operating expenditures.....\$1,972,347,839

Vote 5—Capital expenditures.....\$75,000

Vote 10—Grants and contributions.....\$8,908,436,755

Vote L15—Loans to Indigenous claimants.....\$25,903,000

(Votes 1, 5, 10 and L15 agreed to on division)

DEPARTMENT OF INDIGENOUS SERVICES

Vote 1—Operating expenditures.....\$2,583,434,729

Vote 5—Capital expenditures.....\$6,385,586

Vote 10—Grants and contributions.....\$18,337,731,120

(Votes 1, 5 and 10 agreed to on division)

**The Chair:** Shall I report the votes on the main estimates to the House?

**Some hon. members:** On division.

**The Chair:** That settles it.

We are going to briefly suspend while we have our next panel of witnesses take their seats.

● (1840)

(Pause)

● (1845)

**The Chair:** I'd like to call this meeting back to order.

Welcome again to meeting number 110 of the House of Commons Standing Committee on Indigenous and Northern Affairs.

Pursuant to Standing Order 108(2) and the motion adopted on Wednesday, April 10, the committee is meeting to continue its study of tax revenues from businesses on first nations territories.

I would like to welcome our witnesses.

We have, on behalf of the First Nations Financial Management Board, we have Mr. Harold Calla, executive chair, joining by video conference. Representing the First Nations Infrastructure Institute, we have Allan Claxton, the development board chair. On behalf of the First Nations Tax Commission, we have Mr. Clarence “Manny” Jules, the chief commissioner; Mr. David Paul, deputy chief commissioner; and Chief Derek Epp, on behalf of his nation.

We will be giving each organization five minutes for their opening remarks.

We can start with the First Nations Financial Management Board.

● (1850)

**Mr. Harold Calla (Executive Chair, First Nations Financial Management Board):** Thank you for the opportunity to speak with the committee today—

**The Chair:** I'm sorry, Mr. Calla. We need to pause for one second.

You have my apologies, members and witnesses. We're going to have to suspend for a short moment to do the sound check.

● (1850)

(Pause)

● (1850)

**The Chair:** I will bring us back to order here.

**Mr. Harold Calla:** I would like to start by thanking you for this opportunity to speak today. This is a critical study, and I'm pleased that the committee is undertaking the work.

I'd like to start by asking a foundational question: Do you accept that Indian Act bands are governments within the federation of Canada? If you do, then, as governments, first nations are entitled to the same revenue-raising tools and powers that other orders of government have available to them as they provide services for their communities. This is a central element of UNDRIP: self-government.

First nations have already demonstrated that they generate greater and better outcomes in delivering programs and services to our communities when we exercise fiscal powers to raise revenues, rather than being funded through federal grants. The pay-as-you-go system that we are dependent on today is far removed from what any other level of government would accept. The status quo is holding indigenous people back from closing socio-economic gaps, reducing the cost of poverty and building economic success.

The 2003 Harvard project on American economic development looked at why some nations break free from poverty and others do not. They found that they do not build success on the basis of natural resources, education or even geographic location, but rather because they're able to exercise their rights to self-government within the capacity to govern themselves through strong institutions.

This is what the fiscal management act institutions provide. The financial management board supports nations to build their administrative, governance and financial management capacity to support their jurisdictions through the First Nations Tax Commission.

[*Translation*]

**Mr. Sébastien Lemire:** Mr. Chair, I must let you know that the sound cuts out during the French interpretation.

[*English*]

**The Chair:** Mr. Calla, we're going to have to briefly pause while we have this looked into.

• (1855)

Please continue.

**Mr. Harold Calla:** Okay. I'll start again.

Thank you for the opportunity to speak to the committee today. This is a critical study, and I am pleased that the committee is undertaking this work.

I will start by asking a foundational question: Does Canada accept that Indian Act bands are governments within the federation of Canada? If Canada does, then as governments, first nations are entitled to the same revenue-raising tools and powers that other orders of government have available to them as they provide services for their communities. This is the central element of UNDRIP: self-government and reconciliation.

First nations have already demonstrated they generate greater and better outcomes in delivering programs and services to our communities when we exercise fiscal powers to raise revenues rather than being funded through federal programs. The pay-as-you-go system that we are dependent on today is so far removed

from what any other level of government would accept. The status quo is holding indigenous people back from closing socio-economic gaps, reducing the cost of poverty—

**The Chair:** Mr. Calla, I apologize but we're still having some issues here. I think we're going to have to reinstate you to come to committee. Hopefully, we can have it sorted out by then. I really appreciate your patience as we have gone through this.

We will be moving on to Mr. Allan Claxton, from the First Nations Infrastructure Institute.

**Mr. Allan Claxton (Development Board Chair, First Nations Infrastructure Institute):** First of all, I would like to thank you for having me here this evening. It's an honour to be here to make this presentation.

My name is Allan Claxton. I'm a member of the Tsawout First Nation. I was the chief of my community for 20 years and a councillor for approximately 10 years, so I spent a lot of my time serving my community.

Tsawout is located about 10 kilometres north of Victoria, beside a community known as Central Saanich. Recently I led the development of the First Nations Infrastructure Institute, also known as FNII, with chief commissioner Manny Jules and the First Nations Tax Commission, and a great technical team and development board. We are hoping it will be up and running soon as the demand is high for infrastructure in all first nations across this country.

I am honoured to be here today to speak in support of this motion. First nations fiscal powers are important to Tsawout and they are important to increase the potential value of FNII. We were the first community south of 60 to implement the first nations goods and services tax, or FNGST, in 2006. Our FNGST story is particularly relevant to this committee and to FNII.

I was the chief of my community at the turn of the century. As did many first nations, we lacked the resources to build the type of community health and recreation facilities that other Canadians take for granted. Our community strongly believes that health and success are strongly linked. For as long as I was chief, we wanted to provide recreational and team sport opportunities for all of our community but especially for the youth, the future of our community.

Since we didn't have the necessary resources for this type of major infrastructure upgrade, my good friend Manny suggested that we explore implementing the first nations goods and services tax. For 14 months we had family and community meetings, led by me and Manny, to discuss implementing the GST. These were not easy meetings, but for those who don't know how the GST works, here is a quick overview.

First, when a first nation passes an FNGST law, the GST ceases to apply on that first nation's lands. Second, the federal government cedes some of its GST room to first nations but not enough. I will get back to that point in a moment. Third, it applies to all people—members and non-members, status and non-status members—consuming goods and services on the participating first nation's lands.

As this committee knows well, convincing anyone to pay tax is not easy. It was important for us to show the benefits to the community and to earn their trust that we would follow through and deliver, and we did. We received community support and implemented the FNGST in 2006. The next year the federal government lowered the GST rate, which meant we received less GST revenue. Many of my members were furious at me. How dare I lower the GST rate without talking to them? Fortunately, I was able to survive the political anger that comes from lowering taxes.

We used our GST revenues for long-term financing, and in 2010 we finished our new health building, gymnasium and all-weather sports fields. They are a source of pride and improved health for our community, but we need to do more. We have to upgrade much of our infrastructure to support economic growth and public services in our community and the region. To start with, we need to fix the first nations GST revenue-sharing approach. This tax room should be fully ceded to first nations.

We estimate our gross annual GST collected from the sale of lands to be \$5 million. If we apply the current revenue room-sharing formula, then the federal government keeps \$1.5 million of this and our annual first nations GST revenues are \$3.5 million.

● (1900)

I'm not sure what the federal government does with its revenues, but with this extra \$1.5 million we could finance \$20 million to build and improve regional waste-water treatment systems, we could upgrade our roads and buildings, or we could extend our infrastructure to support more investment. This would mean better environmental services in our community and potentially more regional economic growth, including badly needed housing starts.

My rhetorical question to this committee is simple: You have all supported the development of the First Nations Infrastructure Institute, for which we are grateful, but don't you think that with FNII and more fiscal powers first nations would be better able to close our massive infrastructure gap?

My answer to your motions is just as rhetorical.

Yes, we need to provide first nations excise tax powers for fuel, alcohol and tobacco. Yes, we need to add casino and ATM GST to the FACT tax—

**The Chair:** Mr. Claxton, we're running over time here. If you could just conclude, we can leave the rest for questions after.

**Mr. Allan Claxton:** First and foremost, the government must end these caps on our first nations GST tax jurisdiction on our lands. It is my understanding that the GST caps are government policy, and this committee can recommend ending that.

Thank you for the invitation to speak today.

*Híswke, síám.* Thank you very much.

**The Chair:** Thank you, Mr. Claxton.

Next I will turn the floor over to Mr. Manny Jules to provide opening remarks.

Welcome back to committee. You have five minutes for your opening remarks.

**Mr. Clarence T. (Manny) Jules (Chief Commissioner, First Nations Tax Commission):** Thank you, and congratulations on your new appointment.

Good afternoon. I am Manny Jules, chief commissioner for the First Nations Tax Commission.

In 1974, I was elected as a councillor for the Tkemlúps Indian Band, and I served as chief from 1984 to 2000. I've been doing this now for 50 years.

Thank you for the invitation to appear before this committee.

Why are our tax powers so important?

There are many reasons, but one is particularly important. For over 100 years, the government has put us under a fiscal system that was designed to implement assimilation. Now, almost everyone acknowledges that this was wrong. Canada is committed to self-determination. Many policies have changed as a result. However, for the most part, our governance arrangements are funded through the same fiscal architecture that was used to implement assimilation. It is still a model of dependency and federal involvement in virtually every activity of our governments.

Today, for every dollar we collect on reserve, the federal and provincial governments collect seven. This must change. By change, I mean an expansion of tax powers to be exercised by first nations on an optional basis and having those new powers included in the First Nations Fiscal Management Act.



• (1905)

Our strategy is straightforward. For me, it originated with my father. He understood where taxes came from—investment in our economy—and that we must compete for investment with other economies. He understood our competitive disadvantage because of the Indian Act and the extreme risk aversion of the Department of Indian Affairs and the Department of Justice.

While it is true that taxes are a subset of our economy and that the stronger our economy is, the more taxes we can generate, it is also true that taxes originate from the fiscal powers a government has. While we had fiscal powers before contact and during contact, we collected *taksis* from people who crossed our territory and kept a share of the resources they took, and from our members to pay for infrastructure like irrigation systems and to lobby for our land rights to the King of England and the Pope in 1904.

In 1927, the Mackenzie King government passed an amendment to the Indian Act prohibiting us from raising revenues to fight for the land question. I quote Peter Kelly, who spoke for 15 minutes at this hearing: “Then the position that we...take would be this: that we are simply dependent people. Then we would have to accept from you [the government] just an act of grace, whatever you saw fit to give us.”

The loss of these fiscal powers created dependency and removed our ability and incentive to compete for investment. The result is poverty. For 50 years, I have worked to right this wrong with many first nation leaders, including those called as witnesses by your committee.

We must have the option to expand the fuel, alcohol, cannabis and tobacco sales-tax powers announced in the most recent federal budget to include sales tax on casinos and ATMs. We must also have the option to collect excise tax from these products sold on our lands. First nations have paid billions of dollars in excise tax to the federal government over the years, and it is time we received our share.

We need to remove revenue caps on revenues collected on our lands. Our tax jurisdiction must be based on our geography, on our traditional lands. Revenues must be based on our economic infrastructure, generate more taxes for all governments and implement more jurisdictions to facilitate investment at the speed of business. More investment means higher productivity and more wealth for all Canadians.

We must also receive our share of carbon taxes. We have paid them. Our communities are the least prepared to reduce the risks of climate change. We need to develop and implement the first nations resource charge so that we can receive fiscal benefits from resources and projects within our territories, like other Canadians do.

While the federal government and, hopefully, the provincial governments cede tax room to us, they would be demonstrating a practical commitment to economic reconciliation. Expanding the FMA with more fiscal powers, as I have suggested, without federal revenue sharing and caps is the best way forward for first nations and Canada.

Finally, in addition to the fiscal gap, I urge this committee to consider the export gap between indigenous people and other Canadians. Enacting policies to facilitate indigenous trade can help close this economic gap between indigenous and non-indigenous groups. In addition to more fiscal powers, indigenous economies can meaningfully strengthen, through the support of first nations communities, by increasing access to markets for first nations businesses, reducing institutional barriers to economic participation and developing tax incentives and/or special economic zones that benefit first nations.

Today, there are almost 400 first nations that are part of the FMA, because it works. I urge you to build on the most successful first nations-led legislative initiative in history, not because it is good for first nations but because it's good for all Canadians.

Thank you, Mr. Chairman.

• (1910)

**The Chair:** Thank you, Mr. Jules, for those opening remarks.

Next, I want to turn it over to Chief Derek Epp from the Tzeachten First Nation for five minutes of introductory remarks.

**Chief Derek Epp (Chief, Tzeachten First Nation, First Nations Tax Commission:** Thanks, Chair.

Good evening, everybody. I'm Chief Derek Epp of the Tzeachten First Nation, located in British Columbia. I've been chief now for eight years. I'm also the deputy chair of the First Nations Finance Authority, and I'm heavily involved in the First Nations Tax Commission's work. These institutions are what got Tzeachten to where we are today.

It's really a pleasure and an honour to participate in your study on expanding tax revenues and economic reconciliation. I love taxes. I love talking about taxes and how to expand our tax powers. Quote me. It doesn't matter. I think it's an important thing that gets any level of government, including our own, to the point where we need to be, and it really has got Tzeachten to where we need to be.

I love talking about how it's a foundation for our governments. Fortunately, for me, Manny's been doing this for 50 years, so the fact that I love taxes seems a little less weird now that he's been doing this for 50 years. He set the stage for me to be here today.

You'll understand a bit more about my tax obsession once you hear about my community, Tzeachten First Nation. We're not a big community. We don't have a massive land base. We have about 750 members and a little less than 900 acres of reserve land base.

Like many first nations in the 1990s, we really relied heavily on federal transfers to get us to where we are. We estimate that in that time, about 85% of our revenues came from federal transfers and 15% came from our own sources of revenue. In the early nineties, we worked with Manny to implement our property tax system, which is still going strong today.

At the turn of the century, we followed Manny's lead and implemented the fuel, alcohol and tobacco tax. In 2016, working with the First Nations Tax Commission, we led the design, development and implementation of the first nations property transfer tax, which has been one of our greatest sources of revenue since. In 2020, we created a licence fee for cannabis operators on our lands. Last year, we implemented our first accommodation tax.

We used all of the first nations institutional frameworks available to us. We joined the First Nations Fiscal Management Act in 2008. We used all of the services of the tax commission, the First Nations Financial Management Board and the First Nations Finance Authority. Many of you probably saw me here this week on behalf of the First Nations Finance Authority as well.

We have the most FMA laws of any community in Canada. We have more graduates from the Tulo Centre of Indigenous Economics university programs working for my nation.

We passed our land code under the framework agreement of the First Nations Land Management Act in 2006, and we have used this framework to implement our land and environment governance jurisdictions. We have used it to create more certainty for our members and investors, and to move up the speed of business. In the last 12 years, our economy has grown three times faster on average than any B.C. municipality.

In March 2020, we were the most prepared government in the face of Canada's pandemic. Our emergency plan ensured that we had reserve funds to support our members, to ensure food and health sustainability and to issue cheques to our members within one week of the announcements of the shutdowns.

We can react quickly to the changing economies. In 2021 and 2022, we reviewed and changed our land laws to adapt to the environment to ensure that we supported rental units in our community. These developments were completed in 2023 to meet the significant increase of the demand in our region. Currently, Tzeachten houses upward of 8% to 9% of Chilliwack's residents in the municipality, and we do that because we know we can.

Last year, we reversed the statistics from the 1990s. We received 15% in federal transfers, and 85% was from our own sources of revenue. We have shown what can be done by implementing our own fiscal and land jurisdictions with the support of institutions.

We need to speed up this work. Your motion to expand first nations' fiscal powers is just a start, and I fully support it. We need to have fuel, alcohol, cannabis and tobacco—also called FACT—excise taxes. We need to expand the FACT sales tax to include casino

and ATM GST. We need to receive our fair share of carbon taxes. More than this, we also need to implement the first nations resource charge for first nations that have resource project opportunities.

Your motion is a first step, but we have a lot of work to do. We need to get rid of all the revenue caps on our tax revenues. The more revenues that stay with us, the better for the first nation's economy and the Canadian one. I mentioned that our community isn't big, but we do about a half a billion dollars in the local economy every year.

We need to put all these revenues into the FMA fiscal relationships so that we can determine how best to grow our economies and revenues. We need to expand the FMA and the framework agreement to support more access to long-term financing, to build better infrastructure—which we've done—to negotiate fair first nations local government service agreements, to build a modern land registry, to build more housing for our members and others, of course, and to create a system for faster additions to reserve.

● (1915)

My community has proven that first nations-led and first nations institution-supported jurisdictions work. I believe that our shared better future means more first nations fiscal powers, more first nations jurisdictions, more first nations institutions and more first nations economic growth.

I believe that with first nations working together and supporting each other we can achieve this. With your support for the necessary legislative changes, we can get there faster.

Thank you for your time.

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

I understand there's been some discussion with the interpreters. I understand, Mr. Calla, you will be able to provide those opening remarks. If you are ready, I would like to turn the floor over to you. I appreciate your patience, and hopefully we can get through it this time.

**Mr. Harold Calla:** Thank you.

Thank you for the opportunity to speak to the committee. I think this is an important study, and I'm pleased the committee is undertaking its work.

I'll start by asking a fundamental and foundational question: Does Canada accept that the Indian Act bands are governments within the federation of Canada?

If you do, then as governments, first nations are entitled to the same revenue-raising tools and powers that other orders of government have available to them as they provide services to their communities. This is a central element of self-government and a principle of UNDRIP.

First nations have already demonstrated that we can generate better and greater outcomes in delivering programs and services to our communities when we exercise fiscal powers to raise revenues, rather than being funded through federal grants. The pay-as-you-go system that we are dependent on today is so far removed from what any other level of government would accept. The status quo is holding indigenous people back from closing socio-economic gaps, reducing the cost of poverty and building economic success.

The Harvard project, in 2003, indicated that it wasn't so much where you were located or your education. It was your ability to exercise your right to self-government, within the capacity to govern yourselves through strong institutions, that supported economic activity and better communities. That's what the fiscal management act institutions provide.

All three of us have provided that service, and it provides the ability to provide the oversight and the confidence that has been built in the exercise of fiscal powers by first nations. We have the data that can demonstrate how those within the FMA have greater own-source revenues, healthier operating margins, better quality housing and better and higher levels of formal education. It's important to understand that first nations institutions have created this.

This was all created because the politicians in Ottawa in 2005 knew there was a better approach to doing things. Last year in June, when we received royal assent on the amendment to the legislation, in 78 days, you again demonstrated that you had a line of sight to the success that we were building with first nations. As Manny and others are now arguing, Canada must come to understand that seeing us as governments means ceding tax room to first nations. This means first nations will secure revenues directly rather than the current indirect method of grants, programs and pilot projects controlled by Ottawa.

It should be noted that first nations have used the FMA to demonstrate that we can make tax room more valuable when it is placed in our hands—a lot more valuable. Further, we have demonstrated that we can go much further on a dollar that we invest directly rather than when subject to grants and contributions. We get better economic returns, improved infrastructure, improved safety and harm reduction, and improved environmental risk management.

The investment improves the lives of our people and facilitates economic development for first nations and the whole of Canada. Our communities need these tools and powers to make the goals of our first nations a reality and to bring hope to our people, particularly our young people. This is true reconciliation.

Thank you.

• (1920)

**The Chair:** Thank you very much, Mr. Calla.

Again, welcome back to the committee. It's good to see you.

Knowing that we are over time, we're going to have one full round of questions.

I would like to get right into questions from members, starting with Mr. Schmale for six minutes.

**Mr. Jamie Schmale:** Thank you, Chair.

Thank you to our witnesses. It's great to be in the same room with such powerhouses in indigenous leadership.

Chief Epp, I always thought you were a great guy except you started off with "I love taxes." I think my heart shattered a little bit here. You hurt me on that one—that's all right.

Let's talk about the FMA. Harold talked about it just a second ago. You mentioned in your words as well about how important it is that we get this done as soon as possible. You and Mr. Claxton also mentioned about why casino, ATM and FACT taxes are a good place to start and where we go from there.

I'll open it to anyone who wants to answer.

If you want to start, Chief Epp.

**Chief Derek Epp:** I'd love to. Thank you.

That's a good question, Jamie. It's good to see you again.

To correct you, yes, I love taxes: I love my taxes.

**Some hon. members:** Oh, oh!

**Chief Derek Epp:** I think you do what you have to do—

**Mr. Jamie Schmale:** I'm going to strike that from the record.

**Chief Derek Epp:** It's a good question. Thanks.

You mentioned a really good point there. I think what you've seen from Tzeachten is that the increase in tax revenue streams and the increase in own-source revenue has enabled us to shift away from a dependency—I hate using that word—on federal transfers.

At the end of the day, a lot of what we're all working toward is economic self-sufficiency for our first nations communities. What that means is that we have the autonomy to develop our own programs, install our own infrastructure and work in partnership with governments, rather than depending on governments.

I think the big shift that Tzeachten has taken is that, for any of the projects we have on the go, we contribute. We contribute to all of it. For any kind of jurisdiction that we're looking at overtaking or looking at assuming, we make sure we have revenues that top up those jurisdictions, because the sad reality is that we have a lot of healing to do. We have a lot of work to address what a lot of our community needs.

What we can do with our sustainable revenue streams is much greater than what we can do with government transfers. I think we can begin to address infrastructure gaps, housing needs and program needs and really begin to heal our communities. To be quite honest, we can do it a lot better without the government. I think that's something where, with these increases in revenue streams and tax streams, we can do the work that's needed in our communities.

Thank you.

**Mr. Jamie Schmale:** Actually, you did bring up something really important too. We've talked about solving a lot of the issues without having to go to Ottawa to ask for it back.

The last few studies we've done in committee talked about education, the loss of languages and health care issues. If we can figure this part out and get that revenue stream going directly to your communities, you all have the capacity, for the most part, to address these issues without seeing those dollars leave and go around the cotton candy machine here, and then you have to ask for it back. There's a lot more velocity in the dollars if they just stay in that community.

**Chief Derek Epp:** Exactly. I think you answered your own question.

**Voices:** Oh, oh!

**Mr. Jamie Schmale:** I thought I was teeing it up for you, but I appreciate it.

**Chief Derek Epp:** I think you're right, though. We're an example of that.

One of the things we were able to do through COVID was implement our own mental health program, regardless of status or non-status, to make sure that we were helping to address the mental health needs of our communities. We did that with an open box, with our own-source revenue as well, and did not depend on any government transfers for that.

It's been a successful program. We address a lot of the needs of our community through that, and it's something that we take on and that we know we need. That's one example. I can give many more, but I'd like to give our other witnesses a chance as well.

Thank you.

**Mr. Clarence T. (Manny) Jules:** With regard to the carbon and excise taxes, it's an indirect tax that all first nations pay regardless of so-called exemptions.

One community in particular, Six Nations, pays over \$350 million a year in an excise tax. Every time a first nations person buys cigarettes, alcohol or gasoline on reserve, they're paying an excise tax, but we have no control over where those dollars are expended.

For the carbon tax, as I mentioned in my presentation, we've been struggling to get our share of those dollars that are collected from my community as well as many others. We get nothing. As a matter of fact, my community pays in excess of \$970 million a year to the federal and provincial governments. For every dollar that is collected, the federal and provincial governments get seven.

That's the purpose of this study: to try to reverse that trend so that we're not repeating 1927 and what Mr. Calla talked about. The amendment that took place in 1927 was critical for us, because that made us forever dependent on the federal government. That was a piece of legislation that forbade us from raising money to defend our land rights but, more importantly, to build our own infrastructure, to build our own buildings. That was taken away, so from that point forward, we were dependent on somebody else.

I just love what he said, because it could be said today: "just an act of grace, whatever you saw fit to give us." That's dependence and that's what we want to end.

We want to end that with your support and your goodwill, and not just with talk but with legislation, because without strong legislation.... That's the way to section 35 of the Canadian Constitution. The federal government opens the door, we enter it and we can have security that the jurisdiction is first nations and it's optional. This can't be forced on any community.

As I mentioned to Mr. Obed the other day, I think one of the things we have to consider in this country is how first nations, Inuit and Métis can work together to achieve true economic reconciliation within this federation.

• (1925)

**Mr. Jamie Schmale:** I think Harold had his hand up, but I want to say, Mr. Claxton, that I agree. I don't know what the government's doing with the tax revenue they collect either, so thank you for that.

Harold did have his hand up. I don't know what you want to do, Chair.

**The Chair:** I'm afraid that is the six minutes. There might be an opportunity for our next round of questioners to ask that question of Mr. Calla if they so choose.

With that, we will go over to our second member to ask questions in this round.

Go ahead, Mr. Battiste.

**Mr. Jaime Battiste:** Thank you, Mr. Chair.

I'd like to start off by asking Mr. Paul a question.

First of all, I want to send my condolences to your community of Tobique. I know that you guys had some tragic losses this week, and I want to start out by sending those condolences and saying *mesge'g* for what has happened, which is Mi'kmaq for "I'm sorry".

I've heard talk here about dependence, and we saw how that could be a problem when Premier Higgs cancelled the taxation agreements with the New Brunswick chiefs, which cost them \$60 million to \$70 million a year. In my conversations with the New Brunswick chiefs afterwards, they did mention that, if they had the ability to create their own taxation for fuel, for alcohol, for cannabis and for tobacco, that could offset some of those losses.

Mr. Paul, as someone from New Brunswick, can you talk to us a little bit about what the opportunities are under this and whether you think this could potentially be an option for a way forward that we should be exploring?

**Mr. David Paul (Deputy Chief Commissioner, First Nations Tax Commission):** Thank you, Jaime.

My name is David Paul. I'm from the Tobique First Nation in New Brunswick. I'm also deputy chief commissioner for the First Nations Tax Commission.

In 1993 I negotiated, on behalf of my community, the Tobique First Nation, the first tax agreement, which was the New Brunswick tax agreement that was recently cancelled by our current government. Under the changes that came about, thousands of people were employed, millions of dollars were generated, and own-source revenue, which was non-existent prior to that, became something. It gave us the ability to address shortages or deficiencies within our communities in areas that were not covered by government programs.

With this missing, it speaks to the problem that was mentioned by the other presenters: the need for legislation. The agreement was simply that in New Brunswick. Mind you, it held for 30 years, but it was an agreement. It could be cancelled or torn up by either party within 30 to 90 days, depending on who signed and when.

Before the moratorium was put in place, all seven of those communities began to experience own-source revenue, something that had been foreign to them in the past. They had been thoroughly and 100% dependent upon handouts from government, through government programs.

What we saw here was that, where these were controlled by our communities and accountable to our communities, that's where we saw significant change. Businesses were created. Mind you, 80¢ of every dollar leaves our communities within 24 hours. We don't have huge manufacturing. We're not involved with supplying commodities. The level of entry into the Canadian economy has been simple—a gas station, a convenience store, small businesses. This is what results from the jurisdiction or when given tax room.

Again, I speak to the importance of this being in the form of legislation and not agreements.

In order for us to experience what all Canadians enjoy, we need every facet of the tax room given to us to provide the opportunity for us to explore that so that we can generate our own-source revenue. We've been very good, over decades, at managing poverty.

We became expert at it. We want to be experts at business and at managing our own governments, but until we have the jurisdiction, until we have the tax room and the legislation, the current status quo will continue, except for those who are involved with the other institutions we have in place in Canada.

Now, mind you, we have over 174 taxing first nations. That number could be larger. We have hundreds that are involved with other aspects of our other institutions. However, you can see, if you look at every community that has been involved with the institutions, that they've met with success. They have OSR, own-source revenues, to deal with deficiencies. As I said, if our jurisdiction is expanded and we are afforded every tool in the tax tool box, eventually we won't need any programs.

• (1930)

**Mr. Jaime Battiste:** While our witnesses have said they love taxation, I'd say many status Indians would point to section 87 of the Indian Act, which exempts them from that taxation, as a benefit to their life.

Do you agree that, if we were to move forward with these ideas, there should be opt-in for chiefs and councils under the Indian Act, and that we would never force this on anyone? Would all four of the witnesses be agreeable to that?

**Mr. Clarence T. (Manny) Jules:** That's embedded in the legislation. It's all optional legislation.

The communities have to debate it internally with their own members as chief and council, and make their own decisions.

**Mr. Jaime Battiste:** I have 10 seconds left, and I want to make sure everyone is on board with it being optional.

**Chief Derek Epp:** Absolutely. All the institutions are optional and should remain that way.

**The Chair:** Harold.

**Mr. Harold Calla:** It has to be optional.

**The Chair:** Thank you very much, Mr. Battiste.

From here, we'll be going to our third questioner.

[Translation]

Mr. Lemire, you have the floor for six minutes.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

The institutions led by the first nations under the First Nations Fiscal Management Act are working together to improve the support and tools provided to the first nations in order to help them strengthen their communities, build their economy and advance their vision of self-determination. To make a significant impact, the federal government's commitments must be more focused. I believe that the time has come to place our trust in national indigenous organizations working in finance.

Two weeks ago, you met in Winnipeg to speak with one voice. Could you tell the committee what concrete and necessary measures you plan to call for immediately in order to create a critical mass for economic development by and for indigenous communities, in recognition of their capacities, skills and expertise?

It's an open question.

• (1935)

[English]

**Mr. Clarence T. (Manny) Jules:** Harold was in Winnipeg.

[Translation]

**Mr. Sébastien Lemire:** Mr. Calla, would you like to answer the question?

[English]

**Mr. Clarence T. (Manny) Jules:** Harold, you were in Winnipeg at the conference.

**Mr. Harold Calla:** I didn't get my translation. I sorted it out in my mind, so I don't know what the real question was.

Yes, I was in Winnipeg at the economic forum, for whatever that's worth at this point.

**Mr. Clarence T. (Manny) Jules:** I'll answer that one.

The gist of what happened is that I couldn't be in Winnipeg, because I was visiting a first nations community on the Campbell River that was looking at a prospective \$14-billion hydroelectric project the chief is proposing.

The communities we work with think big and out of the box. What we've realized is that we have to work together. We can't work in isolation from one another. We have to come together on the basis of making sure there are standards, rules and regulations, and that there are transparencies for investment. We need to have an infrastructure institute to help us build our own facilities and buildings. We need to have tax room. We need to be accountable firstly to our members, as well as to others who wish to invest with us. It's really an economic mission.

What we want to achieve is economic reconciliation—the rights we believe are inherently ours as first owners of this land. As my ancestors said, we want to work together so that each of us will be great and good. The work is incomplete, and the myriad of federal legislation and indeed provincial legislation is huge.

We need the federal government to make the first critical steps, not restrict our growth in terms of tax jurisdiction. Open the doors so we can assume more and more tax jurisdiction to provide better economic development and growth, which benefits everyone.

**Chief Derek Epp:** Maybe I can build on that for you real quick.

I think it's important that you look at the several organizations and institutions that really support economic development and financial capacities for our first nations communities. There are still barriers to that. A lot of the smaller communities have issues becoming FMB certified. I'm sure Harold is well aware of that as well. It's a barrier. It's a gap.

There are ways to address that. As Manny said, there are large-scale resource projects or energy transition projects being proposed in many of our territories. We have to think differently about how we're addressing those. I was here this week talking a bit about the loan guarantee program, and talking about how we have to open up avenues for the First Nations Finance Authority to be able to utilize our lending ability to support those smaller communities who can't get FMB certification. We have to be able to access these revenue streams so that they have the capacity and the ability to work with individuals like Harold and his team to build their capacity, to hire CFOs, to hire CPAs, to be part of this economy, to leverage these tax streams and to then close the infrastructure gap and become players in this economy.

I think at the end of the day, it's all these organizations working together—First Nations Lands Advisory Board, FNFA, FNTC and FNII now—to help us support creating asset management plans for the infrastructure that is being installed with the tax revenue stream dollars that we have, and accessing capital. Access to capital isn't an issue anymore. It's having the revenue streams to do that.

[Translation]

**Mr. Sébastien Lemire:** Do these sources of revenue currently depend on transfers from the federal government?

[English]

**Mr. Clarence T. (Manny) Jules:** Basically, the First Nations Finance Authority has generated over \$2 billion on the international global market. The First Nations Tax Commission, since our inception, has generated over \$1 billion for first nation communities. When you translate that into an economic impact, you double that.

When you think about all the economic development and growth that all of our institutions have been involved in, it's not only an economic boom for the individual community; it's also an economic boom for the federal and provincial governments. Indeed, they get seven times more revenue from our developments than we get, and we're more transparent and more accountable.

One thing that I think is critically important is that we need first nation governments that have their own jurisdictions and unassailable revenue authorities that help exercise those jurisdictions. We need to implement our jurisdiction and fiscal powers in a way that attracts investment from our members and others to participate in the economy on equal terms with anyone else. That goes to the heart of what we've been advocating with regard to a first nations resource charge. We believe that when there's resource development within our traditional territories, to facilitate that, because it's all going to be within our traditional territories, we should get a benefit. That means the federal government has to cede tax room, as well as the provincial governments. By that I mean the indefeasible Crown.

The other thing goes to what Jaime's question was about—*taksis*, as I spell it, from the Chinook trade language in the Pacific northwest. *Taksis* means that, one, we help each other; two, we look after each other; three, we are not stingy with each other; and four, we are not jealous of each other. That means we need to have the responsibility ultimately to begin to look after ourselves. That changed in 1927.

You, sir, as a member of Parliament, are in an incredible position to be able to help us. In our language, we call the French the *se-me'úw'i*, the ones who were firstly to our territory. We call you the “real whites”.

**Voices:** Oh, oh!

● (1940)

[Translation]

**The Chair:** Thank you.

**Mr. Sébastien Lemire:** I hope that the Conservatives took notes.

**The Chair:** Thank you, Mr. Lemire.

**Mr. Sébastien Lemire:** Thank you, *meegwetch*.

[English]

**The Chair:** With that, we'll go to our final questioner of the panel this evening.

Ms. Idlout, you have six minutes.

**Ms. Lori Idlout:** Thank you so much, everyone, for appearing before our committee. Thank you to those on the screen as well.

I remember each of you, or most of you, anyway, from when we did the barriers to economic development in indigenous communities study. I found that study quite fascinating as well. You'll recall that we had also talked about monetization, so my first question will be to Derek.

One of the recommendations we made in that report was to “test monetization through a pilot project on replacing diesel generation in remote communities”. This study was back in 2022. What has

the federal government's response been to your monetization proposal?

**Chief Derek Epp:** We'll wait and see. It's been talked about. We heard that there could be an announcement in the fall for monetization, but we haven't had any formal announcement on the monetization. The impacts, though, will be much greater than what we're feeling right now. If you're going off a cash-based system to try to close that infrastructure gap, then I'll be here when I'm Manny's age, talking about the infrastructure gap. I think that's the reality of where we're at. Somebody next to me will say, “I've been talking about taxes and monetization for 50 years,” then. When we monetize we'll be able to do exactly what you're talking about.

I'm fortunate I'm not from a rural community. I have access to services and to waste-water treatment, but we have a lot of communities that would benefit greatly from this. Even 10 minutes from my house, we have communities on boil-water orders, and they're right in the heart of Chilliwack, a municipality. There's no reason for that.

On the cash-based system of how the government is currently funding infrastructure projects, unfortunately, those communities are still going to be feeling those pressures, like relying on diesel generators and relying on boiling their water to feed their children bottles. I think that's the reality of where we're at. With these institutions, we could close the gap much quicker. An example that we gave is that, with a simple contribution of [*Technical difficulty—Editor*] \$200 million, we can do \$4 billion in infrastructure projects annually, which is much better than what we're doing right now.

**Mr. Clarence T. (Manny) Jules:** I just want to quickly respond as well.

During COVID we did an analysis of how much revenue first nations and their businesses generated, and it was in excess of \$17 billion annually. This included all indigenous groups—we estimated to include the Inuit and the Métis—so our collective economy is larger than the Maritime provinces and the territories combined.

Investments in jurisdictional “optionality”, I guess, means that we're not just simply talking about billions of dollars, we're talking about literally trillions of dollars that first nations, Métis and Inuit could be generating for this country. When we talk about moving away from a dependence model, that's why: The system that has hampered us through colonization has meant that we're completely dependent on somebody else's largesse. We're grown up. We don't need numbers. You and I know what our numbers are.

● (1945)

**Ms. Lori Idlout:** Thank you so much, Manny.

I know that we've heard some great testimony that will lead to what I hope to be some great recommendations, which we'll submit to Parliament and that it will have to respond to as well, one of which is to remind them that we made this recommendation about monetization. We'll make sure to include that.

I want to end our evening on a positive note by asking David Paul to share with us. I was taken aback by how much success you have in Tobique with the businesses that you say have been able to emerge. I wonder if you can share some of those success stories of some of those businesses because of the efforts that have been made.

**Mr. David Paul:** Yes, I'd be happy to. Thank you for the request.

For the bands that did participate in the tax agreements, as I said, literally thousands of jobs were created. Millions of dollars were generated.

In the first introductions to business for some of these communities—though, mind you, it wasn't perfect—the intent was to negotiate for even more tax room with the province. They were willing to do that, but they couldn't get past the fact that we built a casino on the reserve and they wanted that to be part of it. That one operation generated \$14 million, 20 years ago, per annum, and this is in a considerably rural area. As I mentioned before, 80¢ of every dollar leaves a reserve within 24 hours. We were generating \$14 million from one operation. We had hundreds of people employed. We were attracting buses from as far away as New Hampshire in the United States; Sydney, Cape Breton, in Nova Scotia; and the north shore of the St. Lawrence, from Quebec. They were coming to spend money within our community.

It's important to note also that, because of that dollar leaving the reserve, the benefit isn't just enjoyed by our community. There is a ripple effect to the economic benefit as it rolls out around because we leave the reserve to buy our commodities, our manufactured goods, so there's a sharing of the wealth. The whole province benefits from seeing 15 economically deficient communities change over to 15 communities enjoying prosperity.

**The Chair:** Thank you very much, Ms. Idlout.

That concludes our panel. I just want to thank all of our witnesses for being here and for their patience as we worked through some technical difficulties. I really appreciated all of your testimonies today. As Ms. Idlout said, I'm sure it will feed into some really wise recommendations in this report. Thanks again for being here.

Before we adjourn, I just want to flag for members that on Monday we are going to be doing the studies on two different AG reports. We will have Minister Hajdu and Minister Fraser for the report on "Housing in First Nations Communities" and Minister LeBlanc for the one on the "First Nations and Inuit Policing Program". Afterwards, we will have some time for drafting instructions. I mention that so you can plan accordingly.

With that, is it the will of the committee to adjourn the meeting?

**Some hon. members:** Agreed.

**The Chair:** The meeting is adjourned.

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