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Mr. Leon Benoit

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● (0850)

[*English*]

The Vice-Chair (Mr. Claude Gravelle (Nickel Belt, NDP)): I call the meeting to order.

Good morning and welcome to the natural resources committee. It looks like the chair is a little bit late this morning, so we're going to start without him.

We're going to start with the witnesses as they appear on the agenda. Our first witnesses are from Noront Resources: Wes Hanson, president and chief executive officer, and Olya Yousefi, manager, corporate communications. I'd like to welcome all of the witnesses here today.

Go ahead, Mr. Hanson.

Mr. Wes Hanson (President and Chief Executive Officer, Noront Resources Ltd.): Thank you, Mr. Chairman. It's a pleasure to be here today to discuss the Ring of Fire with the committee.

My name is Wes Hanson. I'm the president and CEO of Noront Resources. I'm a professional geologist by trade. I've practised my trade for 30 years, mostly in northern Canada. I believe before the meeting many of you received a copy of a brief that Noront prepared in advance of the meeting. The brief basically describes my qualifications, the history of Noront, the history of the discoveries in the Ring of Fire, and Noront's future plans in the Ring of Fire.

It's certainly heartening, from Noront's perspective, to know that this is receiving some form of recognition at a federal level, and this committee's discussing it is very heartening and promising for us.

The Ring of Fire, in my mind, represents perhaps one of the greatest mineral discoveries in the history of the world. I don't say that lightly. I have the experience and the qualifications to be able to make that judgment. I've actually travelled and seen many of the great mineral discoveries of the world in South Africa and Russia and other parts of the world, including the Sudbury camp in Canada.

The promise and the potential of this area are second to none. It's going to take a lot of work, a lot of investment, and a lot of cooperation between various levels of government, the first nations, and industry to realize the true potential of this tremendous opportunity, but I think it's a challenge that we can all rise up to meet together. Noront is certainly committed towards that path. We are looking at working cooperatively with all levels of government to see responsible development of this particular region. We think that at some point in time not only will nickel be produced from this region, but also chromite, and potentially copper and zinc, potentially gold. The opportunities are endless. This is an opportunity that everyone should take very seriously.

I know we have a number of speakers here. Most of the points that I want to make in regard to Noront are laid out in the brief.

In short form, Noront made the original discovery in the Ring of Fire that triggered the staking rush—that was a nickel sulphide discovery similar to the deposits in Sudbury. That staking rush led to the discovery of chromite in the Ring of Fire. Chromite gets a lot of the focus, both on the federal government level and on the provincial government level, largely because these chromite discoveries in the Ring of Fire will someday rank amongst the largest in the world. The chromite market is tight. Most of the chromite in the world is currently consumed in Asia, so getting it to the marketplace at a cost-competitive price is going to be a difficult challenge for Canada, but certainly it's something that could potentially happen in the not-too-distant future.

Those are my opening remarks. Thank you.

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)): Thank you very much, Mr. Hanson. We appreciate your concise remarks. You'll of course get questions later.

Now, from MacDonald Mines Exploration Limited, we have Kirk McKinnon, president and chief executive officer. Go ahead, please, Mr. McKinnon.

Mr. Kirk McKinnon (President and Chief Executive Officer, MacDonald Mines Exploration Ltd.): Thank you. My name is Kirk McKinnon. I'm the president and CEO of MacDonald Mines.

I just was reading *The Globe and Mail*. The article talked about Ontario's challenges being unprecedented, but I have to disagree with Mr. Drummond when he says economic growth will not save Ontario this time. Perhaps we can start there.

Here's a brief history of James Bay. I share Wes's opinion on the opportunities James Bay holds. I have, working in our company, two of the most renowned geologists, Dr. Jim Franklin and Dr. Larry Hulbert, and they basically talk about James Bay as being a jewel box, but I'm not sure that situation is understood.

Two things are required for something to really change. More than 400 years ago, the Hudson's Bay Company in James Bay and in Hudson Bay dominated the world. I think it owned 10% of the world's land mass, and the reason was the fur trade and the huge demand for furs. We see an example of that today in Alberta, where we have the oil and the huge demand for oil.

The opportunity in James Bay, in my opinion, is unprecedented. The issue for the government, I believe, is to recognize that opportunity. I have a proposition for you, and the proposition is very simple. It is that if you believe there is an opportunity in James Bay that is unparalleled in Canada—and I urge you to have your people search that out—then that opportunity would provide, in my opinion, for the province of Ontario an economic growth engine that would be unprecedented, especially in this time of need in this province. The opportunity, for me, is being lost because of lack of recognition. You see here at this table different people who represent different desires and different directions. There is no clear, concise process as it relates to the interface with the first nations. Sometimes I quarrel with our friends in Quebec, but I tell you in all honesty that they have a system in the province of Quebec that is by far the best in Canada and is recognized throughout the world as that.

Look hard at that, because it is a system through which they have made the necessary arrangements to work in concert with the first nations and mining communities. We do not have that kind of opportunity. If you believe that the Ring of Fire and the James Bay lowlands offer the opportunity that I'm outlining for you, then it requires government leadership to bring stability, discipline, and direction.

I can tell you we have an investment partner in our company, HudBay, and HudBay is highly reluctant to operate in this province —I'm probably not supposed to say that—because of uncertainty. Big companies do not like uncertainty. They are spending more than $1 billion in Peru, with the issues in Peru, and they're reluctant to spend it in Canada.

Cliffs, as Wes mentioned, has on the table $2,250,000,000. That's ready to go. De Beers spent north of $1 billion on Victor in James Bay, so you have evidence of expenditure. Our scientists tell me that we haven't even scratched the surface yet, so why are we challenged in James Bay? There are two reasons: first, the wetland environment is challenging; second, there is uncertainty.

Here's my proposition. When the government awarded the contract to build the navy vessels—I think the contract went to Saint John, New Brunswick, and a smaller part of it went to Vancouver—to me that was somewhat synonymous, in that you had a situation that had to move forward. Money was spent, and I don't have to explain to you the benefit to those areas.

I would like you to designate James bay, the Hudson Bay lowlands, and the James Bay lowlands as a special area worthy of special attention, not because I want it but because of the opportunity it holds. We can quantify that for you.

● (0855)

If you look at the metals in James Bay—copper, zinc, nickel, chrome, titanium, vanadium, gold, and lead—there has never been a treasure trove like this anywhere. Unless we get out and treat this differently, it's just going to sit there and languish.

The other thing is, we have a quote in here from the Premier of the Province of Ontario, and it makes me sad. He says: “We may not have natural resources...”. In fairness to the Premier, I think he's saying it relative to what they have in Alberta. We have the opportunity in James Bay to make something significant happen, so I'm asking you to designate that area.

What can you do? You can double the flowthrough opportunity for investment and you can fund feasibility studies. There are necessary mechanisms in place to do that. We're not asking for money; we're asking for you to stimulate investment. If you do that, the treasure trove and the metals in that area will pay back big time.

Thank you.

The Chair: Thank you very much, Mr. McKinnon, for your presentation.

Now, from AurCrest Gold, we have Ian A. Brodie-Brown, president and chief executive officer. Go ahead, please, sir, with your presentation.

Mr. Ian Brodie-Brown (President and Chief Executive Officer, AurCrest Gold Inc.): Thank you.

I'd like to thank the committee for inviting me to address this important issue, as well as thank my colleagues who are talking today.

I'll take the lead from Kirk on the sad report yesterday to save Ontario's economy. I'm just going from what Evan Solomon kept saying on CBC last night about the need for more lotteries and liquor stores. What we want to say about resources is that I am proud. I think Ontario and Canada need to take a second look at what drives this economy, who we are, and what brought us here. If the solution is between liquor and gambling on the one hand and developing the north on the other.... That's offhand, but it's what we're seeing in the media.

Let's have some attention on our assets as Canadians—hewers of wood and drawers of water. What's wrong with that? We can go ahead in Ontario developing assets that in today's dollars are in the trillions and trillions of dollars. People take numbers from when nickel was at a $1.65 to $2.50, or when gold was at $250, but if you apply today's prices, you're talking about trillions of dollars. I encourage you to look at it that way.

An important issue that is not going to go away and is relevant throughout the world is first nations. That's in the paper I submitted to you. I am co-founder of a drilling company that's partly owned by the first nations, CYR Drilling International. I have financing in AurCrest by the Lac Seul First Nation. They put in half a million dollars and sit on our board of directors. This issue will never go away, and it needs to be addressed.

If you look at Australia, you will see that they have just 4.5% unemployment and a net migration of labour from the urban centres to the interior. That's all around jobs in the resource sector, and they're proud of it. I am proud.

Canada has 7.8% unemployment, but we have native reserves with 90% unemployment. To take the resource sector where it needs to go is to address this problem. I feel that this problem has been ignored both federally and provincially. It has been handed off to us, the businessmen and businesswomen, the entrepreneurs.

If we have no road map.... I have a different agreement with Webequie. Two years ago the Ring of Fire was blockaded, and we were the only company sanctioned to drill, because we had an agreement in place with Webequie. I'd started a drilling company with them. With Lac Seul, they sit on my board of directors, but not everybody has half a million dollars to put into a junior mining company. They received a $27 million payment for mismanagement of their timber rights years ago. I was then contacted by another group in Thunder Bay that had just received $175 million, asking if would advise them on how they might spend that money.

That leads to a potential answer that needs a lot more looking into: establishing a way for the first nations to be involved in the ownership of the companies, because it's not just staking and line-cutting or owning a store that's necessary. Everybody in Canada, whether they've been here for a month or a year or several generations.... I am proud to be a Canadian, and we have that one last item we need to take care of, and it's instrumental to where our assets are. Our resource assets are in the first nation territories. They need to be involved.

It's no longer something that can be left to develop organically. We have to solve the problem and have a study or committee to look into a fund that might support them to buy into junior companies to get these resources. The resources are out there, but as Kirk said, people are leaving the country, and it's not just the big companies. I'm on the board of directors of a company called Bold, which is a major player in the Ring of Fire. That's their only property in Ontario; they're going to Quebec, and then outside the country.

● (0900)

For these assets to be valuable, people like us have to spend. I think, Kirk, you've spent close to $20 million, and I have no idea how much Noront has spent. We've spent close to $4 million in the Ring of Fire. A fortune has to be spent, but the first nations need to be involved in order to find those assets and bring them forward.

My main issue here—and I look forward to questions—is how we involve the first nations in the development of an asset that we as Canadians need to advertise a little more and need to be a little prouder of. It's a wonderful opportunity to bring the first nations and the rest of Canadians together. It is “the” opportunity.

Thank you.

The Chair: Thank you, Mr. Brodie-Brown.

From the Marten Falls First Nation, we have Chief Elijah Moonias. Please go ahead with your presentation, sir.

Chief Elijah Moonias (Marten Falls First Nation): Thank you for allowing me to speak here for the few minutes I have. I hope in this short time I do some justice to the people I represent.

We are located on the Albany River, at the junction of the Ogoki and Albany Rivers. We were the third peoples that signed Treaty 9, in 1905. We are about 150 kilometres from Nakina and another 150 kilometres from the Ring of Fire, which is our territory. The Black Thor, Eagle's Nest and Big Daddy deposits are major deposits and are in our territory. They are not Webequie's or Lansdowne's or Matawa's; they are ours, and for what happens there, you'll have to get our agreements first.

The exploration in the area is huge, and those huge deposits will take a long time, for years to come. Industry will become wealthy. The federal government will have its taxes. These things happen. It is obvious that this is what will take place.

However, we would like to point out our situation in Marten Falls. You need to ask those of us who have lived there for who knows how long. Our own history is in the petroglyphs. They point out a history of 16,000 years in this area. We have been here a long time.

What do we want from the developments? That is the question. You have heard from Cliffs what they want to do with the chromite deposit. We say that these are not just big holes in the ground. These will be dug in the muskeg, in our wetland sponge area, not in the highlands and grasslands, as in Kimberley, South Africa, where the Big Hole is. This will be on top of the water, on top of the sponge.

We understand that the Cliffs company wants to make a road or a railroad on the north-south corridor to connect to Nakina. We understand that electricity will be supplied by fuel oil. Using fuel oil to generate electricity is not great and adds to the issue of environmental concerns.

We heard Noront's presentation today. They want to develop a nickel deposit on the ground and transport this as slurry through an underground pipeline through thousands of freshwater lakes.

● (0905)

They want to build an access road to Webequie to be taken west, I assume, to Pickle Lake.

We said that it doesn't do justice to these projects to simply call them “mines”. They are not just tools in the ground where the proponents can simply scoop up minerals and take them away. Getting the ore from the ground will require people, power, processing facilities, and hundred of kilometres of roads to be built in our territory, crossing at least three major rivers, hundreds of streams, sensitive boreal forests, and wetlands. Also, they want to cross two riverway parks.

From everything we have heard here, we know that government wants to expedite the approval of these developments and will likely subsidize their construction, but again I ask, what about us? We know these developments will forever change our community and our way of life. We know that whatever happens at the mines has the potential to spread hundreds of kilometres through the rivers and wetlands.

We know that if this doesn't get done right, and if there isn't any proper attention given to the environment and the needs of our people when decisions are being made, we will end up with either disaster or disappointment. This is the story of development in the north, and it is a story that needs to change.

From our perspective, we need a thorough process to be applied to the study of these proposed developments, and we need to be involved in the decisions that are made. No one can represent our views or decide what is best for us. Only we can do that.

This is why we have been proposing a joint panel review. We first asked for this process to be used back in May 2011, but the companies and the federal government have decided that they will use a comprehensive study process. This type of process will not work for our people. It is conducted entirely on paper, does not provide for hearings, and is ultimately conducted by consultants and bureaucrats who have no knowledge of our community or any connection to it.

Most of our elders do not speak English, and for many of us English is not our first language. We do not have the technical capacity in our community to read the technical reports or to set out our concerns in writing so that the consultants and bureaucrats will fully appreciate them.

Even the proponents, Cliffs and Noront, have recognized that there must be hearings with translation in order for our people to fully and meaningfully participate in the environmental assessment. Canada has not changed course. It has offered us $28,200 to participate in the Cliffs review, as though a little bit of money will solve these problems, but how can we participate in a process that we know, and they know, is flawed?

It is insulting for Canada to offer us only a tiny fraction of what we realistically require to meaningfully consider and address the significant issues that these multi-billion dollar developments pose for our community.

This is why we asked the Minister of the Environment for Canada to negotiate an agreement with us on the terms of a joint review panel environmental assessment. This is why we are in court today: to stop what we consider to be a sham of an environmental assessment. We want a negotiated process in which we are full partners in setting the terms for the review and in the design of a process that meets our needs, and we want to be full participants in making decisions after it's complete.

Our inherent right is with the lands and waters and in the animals, fish, and fowl that sustain us. We did not give up those rights when the treaty was signed. In fact, they were affirmed.

● (0910)

The commissioners negotiated the treaty and said in their own reports that when the Indians were assured their way of life would not be disturbed, they signed. That's in the Treaty 9 document. We need to know whether our way of life will be disturbed by the proposed big holes in the muskeg, by the tailings, the slurry, the access roads, the fuel oil generation, and all of the other things that these mines represent.

Canada has a constitutional obligation to answer this question and to make decisions in accordance with the treaty and with our constitutionally protected rights. We understand all too well that leaving such decisions to ministerial discretion can result in disaster. We only need to consider the situation now in Alberta, the poisoning of the Athabaska River by the tar sands tailings, and the circumstances of the aboriginal communities in that region. We don't want that situation repeated here.

There is no way to quantify the billions and billions of dollars that companies have taken out of the ground in Canada and elsewhere around the world, while natives continue to suffer because few of these benefits come back to us. Things that you take for granted—clean water, sewers, houses without mould, schools that educate instead of assimilate, good jobs for your children in your own communities—are things that are still beyond our reach.

Will we have imperialism, meaning you take the wealth and leave the natives barefoot, or will we have development? I'm referring to that big hole in South Africa, from where Cecil Rhodes and the De Beers brothers took three tons of diamonds, and now Zimbabwe is dying of AIDS without any modern medical facilities to fight their disease. That's the imperialism I'm talking about.

If development does occur, we question whether development would damage our lands, air, waters, and wildlife, and we definitely oppose development that would leave us destitute. Nothing lasts forever, and these mines are but a moment in time, even if they last for a century. When they end, we will need our lands to continue the way of life that has sustained us.

Development has to occur in a way that Marten Falls First Nation can accept, and this means having a final say in whether and how it happens. We share a responsibility with Canada under our treaty to make sure that development in the Ring of Fire is sustainable and environmentally sound.

Make no mistake: either we will be part of the decision-making for these developments or there will be no development.

● (0915)

The Chair: Thank you, Chief Moonias.

Next we have, from the City of Greater Sudbury, David Kilgour, councillor, and Ian Wood, director of economic development.

Welcome, gentlemen. Go ahead with your presentation as you've planned.

Hon. David Kilgour (Councillor, City of Greater Sudbury): Thank you very much, Mr. Chair, honourable members and fellow witnesses.

On behalf of Her Worship, Mayor Marianne Matichuk, members of city council and the citizens of the City of Greater Sudbury, I am very pleased to be here this morning to discuss some of our history in mining and resource development in northern Ontario. It's a subject we've been dealing with for more than 100 years.

Greater Sudbury is an undisputed global centre of mining expertise. Over the past 130 years, billions if not trillions of dollars in nickel, copper, platinum, gold, and many other minerals have been mined, milled, smelted, and refined in our city. Today, even with more than a century of mining activity, an estimated $40 billion of mineral reserves have been currently identified, and constant exploration adds to this total every day. We are the largest geographic municipality in Ontario. Within our municipal boundaries, there are approximately 7,000 workers employed directly in mining production and mineral processing, while about twice that number work in the mining supply and services industries.

Nowhere else in the world will you find this level of mining activity within a fully urban city. Our community is an outstanding example of where the mining industry has been and where it's going. We lived through the environmental devastation of the antiquated mining and mineral processing methods that were in place up until the 1960s. People in Sudbury and our constituent communities of Garson, Copper Cliff, and Coniston faced the sulphurous fumes of the roasting beds and smelters, living in a landscape devoid of vegetation and hostile to the eye, but over the past 40 years, we have reclaimed our environment by planting almost 10 million trees, neutralizing acidic soils, and improving lake water quality.

Our mining industry partners have joined us in these efforts and made substantial changes to their processes and facilities. Sulphur emissions have been reduced by as much as 90%, dust has been controlled, and tailings drainage is now treated and contained. The result is a regional capital of 160,000 people in a city that contains over 330 freshwater lakes amid the natural beauty that is northern Ontario. We are a green and beautiful city, but we remain a mining giant. In 2011 alone, operations in Greater Sudbury produced 106,000 tonnes of nickel, 164,000 tonnes of copper, more than 3,000 tonnes of cobalt, and more than 73,000 ounces of precious metals.

Where does this leave us? What can the City of Greater Sudbury offer to your study on mining and resource development in northern Canada?

We believe very strongly that Sudbury's history and experience provides a unique perspective and significant lessons for new developments such as the Ring of Fire. We believe as well that the federal government has an important role to play in advancing these developments and the entire mining and mineral processing industry in the coming decades. More than ever before, Canada requires a national mining strategy, a policy framework that recognizes the high-tech, research-driven nature of modern mining and positions the resource-rich areas of our country to realize maximum benefits from the riches under our feet.

There is no doubt that the consolidation and expansion of international mining players will continue to have an impact on our resource sector. It is important that global companies be able to invest in Canada, as they are able to access the large amounts of capital required to bring large projects like the Ring of Fire into development and production. At the same time, however, it is critical that the federal government ensure that Canada’s natural resources are developed in a way that benefits the region and the province in which they are found. This balance is challenging to achieve, but is critical to the long-term future of our resource sector.

The next 10 to 20 years present an historic opportunity for Canada in terms of mineral development. Global demand for commodities will allow continued expansion of our mining sector, and new discoveries are being readied for development on a regular basis. The challenge for the federal government is to respond with a regulatory regime that protects the legitimate interests of Canadians while encouraging timely development.

At the present time, Canadian mines and mining companies have a technological and political advantage over emerging areas. We need to maintain this momentum by responding aggressively to develop our in situ resources.

● (0920)

As mining opportunities like the Ring of Fire continue to expand in more remote areas of Canada’s north, there is a need for the federal government to work proactively to assist in workforce development. These new projects will require thousands of workers directly, and a great number along the supply chain. Local communities, particularly first nations, need active support and capacity-building programs in order to realize the potential of these opportunities. At a macro level, federal policies should allow access for foreign workers when necessary, but they should ensure robust local workforce development prior to moving offshore.

The federal government can also assist by helping communities such as Greater Sudbury and our industry partners to counter the misconceptions and misperceptions of modern mineral development. Today’s Canadian mining industry has changed dramatically from the practices of the past and operates in a manner that is sensitive to the environment and to its local host communities. It offers excellent employment opportunities for educated and skilled workers alike, and will provide important economic development opportunities for all of northern Canada.

Mining and mineral processing is an industry that has learned the lessons of the past and adapted to current realities. We need to communicate this message in order to foster the workforce expansion required to meet the Canadian industry’s current and future needs. We need to communicate this message in order to create the political will to move projects forward to production with shorter timelines.

To take full advantage of existing and emerging opportunities, strategic infrastructure investments will be required. The federal government must share in these investments, in partnership with other levels of government and the private sector, of course. This new infrastructure development should be strategic, so that it enhances community and economic development in addition to simply meeting the goals of resource development. One example of this infrastructure development is a project in Sudbury called the Maley Drive extension, which we've been trying to put forward for the last few years; this project will simply to take the 15 million tonnes of ore that is moved across our city streets every year and put it on a drive so that is going to be more feasible and easier to handle. Another example would be the transportation corridor to the Ring of Fire. If this were also connected with James Bay, it would be a good way for the federal government to get involved in open access to James Bay and the lower James Bay area.

As you continue to examine the future of mining in northern Canada, we urge you to consider both sides of the mining equation: on the one side, the need to encourage investment and to bring new projects on stream, and on the other, the need to for reasonable regulation to maximize benefits to local communities, to provinces, and to the people of Canada as a whole.

I'd like to thank you for your time and attention this morning.

● (0925)

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

Thank you all, once again. It was a very diverse set of presentations, and I think we'll learn more that way.

We'll start the process with Mr. Allen, followed by Monsieur Gravelle and then Mr. McGuinty.

Go ahead, please, Mr. Allen, for up to seven minutes.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you very much, Mr. Chair.

Thank you to our witnesses for being here today.

I would like to start with Mr. Hanson and Noront Resources.

I noticed in your brief that you've spent about $150 million in the Ring of Fire on exploration and development activities, but you also indicate in here that you've filed an application with the Canadian Environmental Assessment Agency just this past March. Where do you stand in that process, and how far away do you believe you are from actually starting to develop?

Mr. Wes Hanson: Noront's plan is to be in commercial production by 2016. We have filed our project description with CEAA, and it's already gone out for the first round of public comment. Reasonably speaking, we'd expect that process to last another nine to 12 months before the CEAA process is through.

The final permits for the mine development would be sometime in mid-2013 to the third quarter of 2013. That's the timetable we're working towards.

Mr. Mike Allen: Okay.

I understand you've also signed a partnership agreement with the Marten Falls First Nation. What are the basic tenets of that partnership agreement?

Maybe the chief could talk about that agreement. Is there economic development built into it? Is there training for the first nations community? What is in that partnership agreement?

I'd be interested to hear the chief's perspective on that too. If that agreement has been signed, what are they expecting to get out of it?

Mr. Wes Hanson: We had an historic exploration agreement with the community of Marten Falls and we've tried to renew it. I believe the proposal went before chief and council in 2010 for a renewed exploration agreement.

Noront's approach with all of the communities we deal with in the Ring of Fire is that it's unfair to negotiate any impact benefit agreements until we have a feasibility study completed. We hope to have our feasibility study completed in March or April of this year. Once that feasibility study is completed, we'll look at negotiating independent IBAs with all of the affected communities in the Ring of Fire, such as Marten Falls, and with communities that are adjacent to the Ring of Fire, such as Webequie and Nibinamik and Eabametoong and some of the communities that would follow our proposed access road forward.

Mr. Mike Allen: If you've done this before, what would be some of the key principles in that agreement?

Mr. Wes Hanson: Training is absolutely critical. Perhaps one of the shortfalls of industry is that we don't take training seriously enough or don't consider it soon enough in the equation. If you're looking at the timeline for Noront to be in production by 2016, which isn't all that dissimilar from what the Cliffs project has proposed, it gives us a good four to five years to establish training programs.

The first focus would be on tradespeople such as electricians, carpenters, plumbers. Then we'd start looking at training some skilled underground labour, because we're going to be an underground mine, not an open-pit mine. That would mean training miners in the mining process and in operating heavy equipment. At the same time, we're encouraging all the communities to stay in school, get their grade 12 education, and look at post-secondary education. Noront has actually established a post-secondary bursary program to encourage kids from the communities to go on to university and start studying things such as geology and engineering and environmental sciences.

We've sponsored Mining Matters camps in the communities of Marten Falls and Webequie, where we've taught very young children what mining and mineral exploration are all about and what kinds of opportunities and careers will be there for the future.

That process has to start immediately, essentially.

● (0930)

Mr. Mike Allen: The chief indicated in his comments that there's also a language issue, and in some cases it is a difficulty from the English language standpoint. I'd like to ask the chief whether, if some of this development of your people can be done, you see that as a positive sign. What would you see as the baseline training that some of your folks would need in order to be participants in this development?

I'm assuming you would want them to be participants in the development.

The Chair: Chief, go ahead, please.

Chief Elijah Moonias: Concerning your question on whether we had agreements with Noront, we had an agreement for settlement of past activities. Those past activities are the drilling that they have done in our territory. That's not an IBA; it has nothing to do with an IBA or any settlement like that. It's just compensation for digging holes in the ground in the territory.

This past settlement issue agreement that we have done with Noront and with Cliffs and others—Spider was the other one—doesn't mean that we agree with what's happening there. Those were just agreements to compensate us somewhat for the environmental issues that had occurred in their disturbance of the traditional territory.

Now, you asked about training—

Mr. Mike Allen: Yes. I asked about training and being part of future development. I'm assuming that you would like your people to be part of it.

Chief Elijah Moonias: In my last comment in my submission, what I said is that we have a system now that keeps us breathing. That's the Indian Act and the reserve system. I think those archaic systems will eventually go. I don't see your people continuing the imperial colonial system that is in place. Even though Harper has said he has no imperial colonial history, how do you explain the Indian Act reserve system, if you don't have that history? What else is it?

Supposing that—

Mr. Mike Allen: It's a discussion, but I think my time's up.

Chief Elijah Moonias: When he was on TV, he said that. He said that to an international audience. He said Canada had no colonialism, no colonial past, and no imperialism. How do you explain that, with the reserves the way they are, and the Indian Act? You can't.

● (0935)

Mr. Mike Allen: Thank you, Chief.

Chief Elijah Moonias: Anyway, I'm not done yet. I want to answer your question. You asked how we are going to benefit with this development if it occurs.

As I said in my submission, we don't want to be stuck with this system that we have there, but it keeps us breathing, you know. If you don't do away with it in the future eventually and set it aside as you should, then we want to go back to that country that has sustained us for centuries—nobody knows how long. We don't want that territory turned into a river of mercury and arsenic, which is what you're turning the Athabasca River into as I speak here.

We don't want that endangered environment. Should we have to return there eventually, when it's all said and done, when you say you'll no longer have this system for the Indians—that's what you call these native people, “Indians”—then we will have to go back to our lands and live there. The treaty guarantees us that we can return there.

Mr. Mike Allen: Thank you.

Chief Elijah Moonias: Therefore, if you do have to establish a development there, then we want to be part of it, and we need the training to do that. We need education and educated people. We need the reserve school to work. Right now, that reserve school system is a failure. Our grade 8 in Marten Falls is grade 6 in Geraldton, in the provincial system. That's how far behind it is.

The Chair: Thank you, Chief.

Thank you, Mr. Allen. Your time is up.

We'll go now to Monsieur Gravelle. You have up to seven minutes, sir.

Mr. Claude Gravelle (Nickel Belt, NDP): Thank you, Mr. Chair.

Thank you to the witnesses for being here.

My first question is going to be to the City of Sudbury.

You said in your brief that “it is critical that the federal government ensures that Canada's natural resources are developed in a way that benefits the region and province in which they are found”. Generally speaking, can you speak about the economic benefits for a community in having this resource refined in the province?

Hon. David Kilgour: Thank you for the question.

In the northern part of Ontario—and I realize this is not a federal thing at this point in time—right now we're fighting issues such as representation at the provincial and federal levels. Our populations are going down. Literally trillions of dollars of resources have been taken from northern Ontario, and you can only imagine the number of tax dollars that flow through because of the resources that are taken out of the ground.

We have to maintain and we have to do a lot of things in the areas where a lot of these resources are taken from in order to prolong life and to continue further expansion and further development in those areas.

The City of Greater Sudbury is here today not to lobby for the refinery in Capreol—which is the town I'm from, by the way—but rather to lobby from the point of view that northern Ontario, as an entity, produces an awful lot of wealth for the entire country and for the province of Ontario. We think it's very fair that some of those dollars go back and continue to encourage development and further growth in those areas.

We realize there is going to be a corporate decision on the business case, especially for where the refinery is going to be set up, and there are no two ways about that. We stand on our strength as being a good location for it, but again, that's not why we're here.

I mentioned a couple of things in my talk. One was using the whole idea of the Ring of Fire not as an entity unto itself but as a pathway to the future for all of Canada. I've heard that the potential for wealth in the James Bay area is half again larger than in the Sudbury-Timmins area, or maybe twice as large, and that's huge.

If you take that area, and Attawapiskat and Moosonee and James Bay, and you take the sovereignty of northern Canada, then rather than treating this just as the Ring of Fire unto itself, treat it as a way for the northern part of Canada to protect sovereignty and perhaps develop even further resources in that area.

● (0940)

Mr. Claude Gravelle: Thank you.

My next question is for Mr. Hanson.

I have an email here that is far too long for me to read completely, so I'm just going to summarize it. Last year Sinopec, a Chinese company, bought part of Syncrude, and with their stake in the Syncrude oil company, they have a veto for refining oil in Canada. Now Hong Kong-based Baosteel Resources has purchased 9.9% of your company, and they have an opportunity to buy 19.9%. Can you tell me whether they have a veto right on refining minerals in Canada?

Mr. Wes Hanson: No, they do not at all. The Baosteel investment in Noront was a strategic investment. We used it basically so we could fund the completion of the feasibility study on our nickel sulphide deposit and increase our chromite resources at our Blackbird chromite discovery.

Ultimately about 50% of the world's chromite is consumed in China, and about 65% is consumed in Asia as a greater market. That's where it's all flowing right now. Twenty-five years from now, it will be India, and 25 years after that it will probably be Africa. That's the sort of globalization trend we're seeing, and Canada is just one of many contributors in a global market of raw materials.

The reason China is consuming all of the chromite and a lot of the nickel is simply that they're currently the world's largest manufacturer of stainless steel. China and Asia produce probably about 70% of the stainless steel in the world, while North America produces about 3% to 5%, or in that range, so that's the market situation.

Mr. Claude Gravelle: Where are you planning to refine your ore?

Mr. Wes Hanson: Well, hopefully it will be in Sudbury. There is excess capacity for our nickel ore in Sudbury.

Noront has always had the approach that we are going to mine our nickel ore first, simply because that offers us a greater return on our investment, because it's worth much more than the chromite is. In the future, if chromite is still available, and depending on what happens with the Cliffs development, Noront would look at trying to supply the North American market with chromite, because that would be a good fit for a company of Noront's size. Again, it would be produced here in Canada and shipped throughout North America.

Mr. Claude Gravelle: Are you planning on using the same refinery or smelter as Cliffs Resources?

Mr. Wes Hanson: Well, we'd probably build our own.

Mr. Claude Gravelle: You would build your own?

Mr. Wes Hanson: If that opportunity were still available, we'd probably look at building our own from cashflow from the nickel project.

Mr. Claude Gravelle: Would it be in northern Ontario?

Mr. Wes Hanson: The most logical place to put a smelter is immediately on top of the deposit. Unfortunately, because of the soil conditions in the Ring of Fire, that's not going to be possible. As Chief Moonias has pointed out, it's like trying to build on a sponge.

That's one of the reasons Noront is focused on doing all of its development underground. That includes our tailings storage and the transportation of our concentrates. Placing it underground significantly limits its impact on the environment.

Mr. Claude Gravelle: You just said something there that caught my attention. Are you going to store your tailings underground?

Mr. Wes Hanson: That's correct.

Mr. Claude Gravelle: Is that so there will be no effect on the environment whatsoever?

Mr. Wes Hanson: That's correct. It will all be recycled underground and stored as a cemented paste backfill, so basically, after we create holes underground during the mining process, we'll place our tailings back underground in those holes.

Mr. Claude Gravelle: Thank you.

Now—

[*Translation*]

The Chair: Thank you, Mr. Gravelle.

[*English*]

Your time is up.

Mr. Claude Gravelle: Is my time up already?

The Chair: Time flies when you're having fun. You know that.

Mr. McGuinty, you have up to seven minutes.

Go ahead, please.

Mr. David McGuinty (Ottawa South, Lib.): Thank you, Chair.

In Tuesday's testimony, we heard very different perspectives from private sector actors and from our first nations representatives.

Again today, Mr. Hanson, I hear you speak, and it's all hands on board, we're moving forward, we're in third gear, and we're making our application for environmental assessment. Chief Moonias turns to us and says that he doesn't have an IBA with you, that he was compensated for holes that were bored or drilled in his territory, but nothing's going to happen and that this is in court, so as they say in French,

[*Translation*]

who is telling the truth?

[*English*]

I'm reminded of the time I was training new Russian officers after the wall fell and the Soviet Union had to negotiate. A very bright Russian executive said to me, “Well, when you're negotiating with a mining company who is a foreign direct investor and you just don't think you can get any more, and your negotiator comes back and tells you there's just no more to be had, what do you do?” I looked at the young executive and said, “Well, the golden rule of negotiation is that you change negotiators and start again.”

Here we have a situation in which the first nations people are saying they're not moving forward without a joint review panel. Mr. Brodie-Brown has, I think properly, testified that we have to take these agreements to the next generation, which is equity participation.

What's going on here? What are we supposed to do? We've heard a couple of practical recommendations from Mr. McKinnon in terms of the federal role. You say we're moving forward and that this is happening, but the chief says it's going nowhere until this issue is resolved. What's happening here?

Maybe we can start with you, Mr. Hanson.

● (0945)

Mr. Wes Hanson: I understand the confusion. We are moving forward—I mean the company. That's what we have to do in order to survive. That's not to say that we're moving forward and we're going to trample the human rights of the aboriginal peoples in the Ring of Fire. We want to negotiate with them, but I think that desire has to be reciprocated. They have to want to negotiate with us. It has been extraordinarily difficult.

Noront has had a great deal of success in working directly with a number of the communities in the Ring of Fire, including Marten Falls. We hope to continue to build on that relationship.

It's unfair to ask Noront to enter into an IBA negotiation until we really understand the true value of what it is we propose to develop. We'll have that in March or April. Then we'll be approaching the chief and his councillors, and not just those of Marten Falls but the other communities in the Ring of Fire as well. We'll be approaching the communities directly, not an umbrella organization, and start to negotiate IBAs with those communities based on the value of the deposit.

Mr. David McGuinty: Let me ask you a question, and perhaps Mr. McKinnon as well. It's the question I put to Cliffs Natural Resources on Tuesday. Are your companies prepared to enter into equity participation agreements with first nations people?

Mr. Wes Hanson: If you want, I'll go first, or—

Mr. David McGuinty: Have you done it before? Have you actually entered into an equity arrangement with first nations people anywhere in the world?

The Chair: Go ahead, Mr. McKinnon.

Mr. Kirk McKinnon: Are you asking me?

Mr. David McGuinty: The question is to both of you, please.

The Chair: Go ahead, Mr. McKinnon.

Mr. Kirk McKinnon: The answer is no.

Mr. McGuinty, I think we're putting the cart before the horse here. We're carving up pies that we don't have. I humbly submit that this James Bay activity is not moving forward unless Cliffs gets in the game—that's number one—and, in my subjective opinion, until there are more discoveries. The critical mass required to make James Bay go is borderline right now. The opportunity—

Mr. David McGuinty: Mr. McKinnon, if we can we step back for a second—

Mr. Kirk McKinnon: Yes.

Mr. David McGuinty: —to even before putting the cart before the horse, what we're hearing from first nations people and leaders is that nothing is going to happen—

Mr. Kirk McKinnon: Well—

Mr. David McGuinty: —until some kind of formal arrangement is going to be created—

Mr. Kirk McKinnon: I understand that.

● (0950)

Mr. David McGuinty: —between three or four parties: federal government, provincial government, private sector actors, and first nations representatives.

Mr. Kirk McKinnon: Okay, here's the issue. Chief Moonias certainly has his issues, and our problem is that he said that the area where the discoveries are falls within Marten Falls; he said it's not Webequie, etc. If you talk to the people at Webequie, they say they're in the mix. Attawapiskat says they are in the mix, and they are significantly farther east, and Kasabonika, who are northwest, says they're in the mix.

Who's going to adjudicate this, David? It's not us.

I take a little bit of offence from the chief when he talks about how poorly mining projects have moved forward in the north. I think Victor Mine did a very fine job. I think Lac de Gras did a very fine job. I think you hear from Sudbury that there were mistakes there and that through evolution the activity got better. If he would move forward in his comments and basically say what he really needs.... His community is having significant issues and the younger people are not tied to the areas that they used to be, but we don't get any pragmatism; we just get debates. Unless we get leadership—

Mr. David McGuinty: Who—

Mr. Kirk McKinnon: —from the government, because we.... I told you that the best form or the best agreement comes.... You can go and look at it in the province of Quebec. They have a blueprint.

Mr. David McGuinty: Right, and we've—

Mr. Kirk McKinnon: I know you've heard it many times—

Mr. David McGuinty: No, no, we haven't heard testimony on that, for sure. No.

Mr. Kirk McKinnon: —but on a singular basis, we cannot adjudicate for all the different communities. I respect that Chief Moonias has his issues, as the other ones do, but I humbly submit that we have a very tough environment in which to raise money and drive these businesses forward. To be deflected by having to deal with first nations issues.... Just tell us the rules. Make the rules, tell us the rules, and we'll all play by them. If you can get us there—

Mr. David McGuinty: Well, Mr. McKinnon, what we're hearing I think from first nations leaders—unless I'm misunderstanding—is that they're not going to be mere participants anymore. I think what we're hearing asserted by different first nations representatives is that they want to be beyond mere consultation. They want to be partners. They want to be part of the review process.

Mr. Kirk McKinnon: That's no problem. You tell us—

Mr. David McGuinty: They want to be equity owners.

Mr. Kirk McKinnon: —what our obligations are. I am the president of a company that has shareholders and trades on the stock exchange, so I have an obligation to follow the rules as outlined there. For me to just give away part of the asset to the community because that's going to facilitate something.... How much do I give, and how does it all work?

Somebody has to say what the rules are. Once we understand the rules and we all sign on to them, whatever they may be, we can move this thing forward.

I know we're out of time, but I just would like to say that if we can facilitate more discovery.... We keep carving up things we don't have. Let's find it first. I've asked you to help us find more of it. If you create great wealth up there, you know, money solves all the problems; there will be enough of it to go around for everybody.

Mr. David McGuinty: Thanks.

The Chair: Thank you very much, Mr. McKinnon and Mr. McGuinty.

We'll go now to the five-minute round, starting with Mr. Trost. Then we'll go to Mr. Anderson and Mr. Rafferty.

Go ahead, please, Mr. Trost.

Mr. Brad Trost (Saskatoon—Humboldt, CPC): Thank you, Mr. Chair.

As was noted, these are five-minute rounds, so please try to keep your answers concise.

My first question is for both Mr. Hanson and Mr. McKinnon, in whatever order they care to share it. It's on lessons learned.

Mr. McKinnon, you've been referring to Quebec. I did mineral exploration in Quebec before I got into politics, so I have some experience of what you're talking about.

Mr. Hanson, your project seems to be the most developed. What lessons can you apply from each of those two varied experiences that would help us? What has helped in the Noront development in Ontario and what have been your major bottlenecks as it has been developed? I'm not talking about geological bottlenecks, of course; I'm talking about governmental ones.

Then, Mr. McKinnon, perhaps you could answer from your experience in Ontario and Quebec.

Mr. Kirk McKinnon: I'll be very quick. We have working agreements with Kasabonika, Webequie, and Summer Beaver. We don't have any working agreements with Marten Falls because I'm not sure whether they think we fall into their territory. Maybe we do and maybe we don't.

The issue is very simple: just tell us the rules. There are no rules. Each community has its different desires and negotiations, so—

Mr. Brad Trost: Is that a lack of clarity by the provincial government, the federal government, or the local—

Mr. Kirk McKinnon: It's whoever is responsible for sitting down with the natives and saying to them, “Okay, this is how it's going to be.”

If that means that there is an equity position in our companies and those are the rules.... I have other companies that operate in Madagascar. At some point, we're going to have to maybe give up a piece of that.

Mr. Brad Trost: That's the main problem. You mentioned Quebec. What works particularly well in Quebec?

Mr. Kirk McKinnon: There are rules.

Mr. Wes Hanson: I think the Quebec advantage is largely that the provincial government has taken over the duty of consultation with the first nations communities in northern Quebec. It's become a very tried-and-true process. It was led by the development of the James Bay hydro projects, and it's evolved. It has 25 or 35 years of history.

That's what's missing in Ontario. Right now, Noront is working individually with communities and negotiating with the individual communities separately, and that's just not efficient. That's probably the least efficient aspect of the whole process.

Mr. Brad Trost: You have navigated your way through, or you're very close to it, so what has worked for you?

Mr. Wes Hanson: You have to just keep going. You can't—

Mr. Brad Trost: You have sufficient capital. The ore body is of such a quality that it overcomes the bureaucratic obstacles. What have been the successes? We've already identified the one major problem.

● (0955)

Mr. Wes Hanson: It's that focus on continuing to go back to the communities, time and time again, even though you've been rejected for meetings, or refused meetings, or meetings have been delayed. You have to just keep going back and exercising some patience.

I think we do that better than anybody.

Mr. Brad Trost: I don't want to put words in your mouths, but both of you would say the major bottleneck has been with the provincial government in Ontario.

Mr. Wes Hanson: To a degree, that's true.

Mr. Brad Trost: You can blame the federal government here. It's part of testimony, but would that be a fairly accurate description?

Mr. Kirk McKinnon: I don't think it's really fair to blame the provincial government. I really think it's a marriage between the federal and the provincial governments. The provincial government may execute, but at the same time, there has to be some belief that from the native communities....

Here's what happens. The money comes from the federal government; the natives are short of money, and they come to the provincial government. The provincial government says that it comes from the federal government, so we're the last stop.

Mr. Brad Trost: It's a lack of someone taking responsibility.

Mr. Kirk McKinnon: That's it, exactly.

Mr. Brad Trost: Chief Moonias, let me ask you about your observations. Not everything everywhere has been a failure. There are aboriginal bands in Saskatchewan that have had good experiences with mining corporations and agreements that have worked fairly well. What would you view as a success, and what sort of pattern would you try to imitate to have a success in your area?

You've noted that you don't feel the oil sands production in northern Alberta has been successful, but there are other aboriginal communities across Canada. Is there anyone you look to as a pattern to follow? Is there anyone who you would say has the sorts of goals that you would like to achieve for your community, and that you think could be positive for Marten Falls and the people who reside there?

Have you looked into positive examples, and looked at how to incorporate their successes?

The Chair: Go ahead, Chief.

Chief Elijah Moonias: When I mentioned the oil sands, I was specifically referring to the failure of the berm by the side of the river, which has dumped the poisons—arsenic and mercury—into the river. That's what I was referring to there. The berm failed; that's what I was saying.

I also know that in the Athabasca situation there was a failure to consult in that area. The natives had to go to court to settle the issue. That doesn't change the fact that arsenic and mercury have seeped into the river. Some shortcomings have occurred there. Whether it was the federal EA process and the fast-tracking that took place, I don't know, but that's what I suspect.

Mr. Brad Trost: What do you look to as a success?

The Chair: I'm sorry, Mr. Trost; you're out of time.

Mr. Anderson, go ahead, please.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Thank you, Mr. Chair.

I want to thank the witnesses for coming forward.

I'd like to follow up on that question, because I think it's important. Do you have anyone that you look to? I asked this question the other day of Mr. Ferris, who I'm glad to see back again today. Where do you go for your examples of success? Do you have any, or are you just beginning to look for those examples?

Chief Elijah Moonias: Well, I don't go to Osoyoos, that's for sure.

Mr. David Anderson: Okay. Well, where—

Chief Elijah Moonias: What happens there, I don't know. That's a weird situation there. If I wanted something for a good example, I definitely would not go to Osoyoos.

Mr. David Anderson: Okay. Can I ask you a question that I asked —

Chief Elijah Moonias: Your question is if there has been any development that occurred around or near a native community that had a satisfactory outcome. To me, that's what you were asking. Has there ever been a development like that? Is that what you're asking?

● (1000)

Mr. David Anderson: Well, I'm just going to change that because I'm not.... How big is your community? How many people do you represent, and how many people are in the area? Typically those numbers can be different. How many people are in your area that you represent?

Chief Elijah Moonias: We are a very tiny community.

Mr. David Anderson: Okay.

Chief Elijah Moonias: We've always been called “tiny Marten Falls” in the newspapers. Whenever we complain about something, they say “tiny Marten Falls”, as if we don't have a voice, right?

Mr. David Anderson: Well, I come from a tiny community as well. I'm just wondering how large your community is.

Chief Elijah Moonias: It has 600 members on the list, and about half live on the reserve.

Mr. David Anderson: We heard the other day that there were several thousand job opportunities. Perhaps I'll follow up later and ask the folks here how many jobs they're providing, but would you accept having these developments in your area if they would provide employment for virtually any employable person in your community who could get the educational opportunities to achieve that? Is that something you would look forward to as a chief?

Chief Elijah Moonias: Yes, I would. As I said, this experiment, this reserve Indian Act experiment, has failed. History proves that.

Mr. David Anderson: Okay, but there are other communities—

Chief Elijah Moonias: Now—

Mr. David Anderson: —that have overcome that, though. You don't like Chief Louie, but there are other communities, such as the one in Saskatchewan at the Meadow Lake Tribal Council, that have done a very good job of working with local communities and local businesses to develop their resources and their economic activity for their young people. Would you see them as an example of a group you could learn from?

Chief Elijah Moonias: I don't understand the question.

Mr. David Anderson: Okay. We've spent quite a bit of time talking about northern development. Consistently we hear that often the challenges are that the communities are isolated and educational opportunities aren't what they are in other areas, but we've also heard that there's a huge demand for human resources for the next generation. I know that in Saskatchewan there has been a real focus by the government and the aboriginal community to try to make sure the aboriginal community can participate fully in that future demand. The leadership comes both from the government and from the aboriginal community.

What I'm hearing is some of the same discussion here. We've also heard in it our other sessions on northern development; we heard that we need those same types of things to happen across this country. It has worked in our part of the world, to some extent; there's a lot of room for improvement, but I'm excited to hear that there are the same opportunities in northern Ontario. I hope that people get that opportunity to participate and to be part of it, and I hope that their leadership takes the opportunity.

Chief Elijah Moonias: Maybe I can best illustrate the answer to your question this way. Just as an analogy, OPG approached us about five years ago. They said they were going to do a study on the Albany River for further development. There's development already at Lake St. Joseph. There's a dam there. The river is diverted west from there into the Wabigoon and English River system into Manitoba to the Winnipeg River.

They said they wanted to come and look at Cat River—that's a site 40 miles down from us—and Hat Island further down, to see if they could develop that potential. We said, “Okay, fine; go there and do your study.”

Then our people began to question us about it. They asked what we were doing and if we were planning to work with these people and put a dam there.

OPG offered us revenue-sharing from the system once it would be in place. Presumably that would bring capital, well-being, nice houses, and stuff like that, maybe even jobs for some people once we were to agree to that.

Then we began to question. Was it worth it to do that, destroy the river some more, stop the sturgeon from swimming? The sturgeon have done that for 300 million years. Do we have the right to do that, to further disturb that, just because we want to be comfortable? Just because we want a job and a nice house, do we have the right to do that? As aboriginal people, can we say we have the right to do that? We have certain principles that we follow with Mother Earth.

That same question applies to the development here.

● (1005)

The Chair: Thank you, Chief.

Thank you, Mr. Anderson. You're out of time.

We go now to Mr. Rafferty. You have up to five minutes. Go ahead, please.

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Thank you very much, Chair. I'm happy to be here today. I have many family members in the mining engineering field. I have a daughter who works out in the mining industry in B.C., and I'm a resident of Northern Ontario, so I'm pleased to have this opportunity to be here today.

I'll start at that end of the table and see how far I can work down in five minutes. Feel free to keep your answers brief if you wish.

Mr. Hanson, we've heard about roads. We've heard about transportation, electrical lines and so on, east-west and north-south. Can I ask you why Hudson Bay was not considered as a viable route for shipping?

Mr. Wes Hanson: Basically our analysis indicated that James Bay was too shallow to accept vessels of sufficient draft to be able to reduce shipping costs dramatically.

Noront's situation is a bit different from that of Cliffs and some of the other companies in the Ring of Fire. We're only looking at shipping 150,000 tons of concentrate a year. We could do that easily through a combination of a concentrate pipeline and a permanent road.

Mr. John Rafferty: You mentioned Sudbury as a destination for processing. Can I ask you why Thunder Bay or maybe even Nakina is not considered as a possible processing site?

Mr. Wes Hanson: We would certainly consider those areas if we were building our own ferrochrome facility, but there's already smelter capacity available in Sudbury for nickel, which is what we're producing, so it's less of a footprint.

Mr. John Rafferty: Does the price of electricity in Ontario cause you some concern?

Mr. Wes Hanson: Both on a personal and a professional level, yes, it does.

Voices: Oh, oh!

Mr. John Rafferty: Thanks for that.

Mr. McKinnon, what is your personal understanding of treaty rights and traditional lands? I'm leading to another question.

Mr. Kirk McKinnon: It's really a mixed bag. I think it's a very honourable thing, but I think the problem is that the communities themselves are at a crossroads with how the older people view their land and their association with the land.

I have great friends in Kasabonika, the Semples, Harry and Jodie. Before we started to drill, we went out to the site and held hands and said a prayer; it was a special time. I understand the reverence they have for the land. It's difficult for the chief, because he has so many different factions and views.

The issue for us is the development that has to happen in order to bring the benefits that I think would accrue, and I think that's what you were looking for. That can't be held up, or nothing is going to happen. I come back to my original request—

Mr. John Rafferty: Actually, that's the second part of my question, if I can ask it.

Mr. Kirk McKinnon: I don't want to leave that.

Mr. John Rafferty: You talked about the urgency. How would you go full steam ahead with first nations partners right now if you had the chance? You had some good suggestions.

Mr. Kirk McKinnon: One of the issues is that if we're going to make them equity partners, then we have to have that kind of clarification come from the government, which then allows us to go back to our shareholders and the stock exchange and have that validated.

I have an exploration company that's made some terrific discoveries in Madagascar. At some point, we're going to have to give them a piece of the pie. We're not familiar with that situation or how much that should be or whether it should be a stepping process, etc., so maybe we're back to the rules again.

I don't begrudge doing that. If we can get the magnitude of the discovery—and I'm just speaking of James Bay—to a level where the native communities would get an appropriate amount of money to do the training and things of that nature, they're only going to move themselves forward, but they're going to have a fight in the community between the older people and how they view the land and the younger people who want to work. That's a tough one.

● (1010)

Mr. John Rafferty: Thank you, Mr. McKinnon.

I wanted to get to Mr. Brodie-Brown because he's been left out of this discussion so far. It's about training. Training was talked about on Tuesday, and training is being talked about today.

We've heard in this committee that we're already behind in training. For a number of years, I've heard from chiefs right across northern Ontario that one of the things lacking is long-term professional training. In other words, it would create an opportunity if band members could be mobile and go where the work is and so on, instead of spending a year and a half at a construction job that disappears, and then everybody is unemployed. That's certainly where things are going for that professional designation.

Mr. Brodie-Brown, what would you do immediately, if you had an opportunity right now? Everybody has indicated that you're already behind; what would you do right now to get the process moving with training and education?

Mr. Ian Brodie-Brown: South of this area, down near Rainy River, we trained 20 first nation drillers in one year on the Osisko contract, which was Brett Resources at the time. Our drilling company is owned partly by a first nation.

Lac Seul would like to open a drilling school. We'd like to see people from the Ring of Fire trained at a first nations drilling school.

Mr. John Rafferty: What about training people in terms of professional or trade qualifications—for example, to become electricians or plumbers—so that once work was finished 10, 15, or 20 years down the road, they would be mobile and could move to other places and continue to have full employment?

Mr. Ian Brodie-Brown: Absolutely. Now, electricians are a bit off of my professional training; the drillers are the immediate need. The electricians are there. There are plenty of colleges in the north they could go to. The jobs are there.

I'd like to get one crack at the real, direct thing that Kirk has been saying. I have a negotiation with Webequie for an exploration agreement. The one I'm about to sign with Lac Seul is different. Lac Seul has put a half-million dollar investment into our public company; will they be seen as getting favouritism because they gave us money?

I have a different agreement with every band that I sign with. They keep those agreements private to themselves. We don't know whether we're signing something similar or who's getting a worse deal. We put all of ours on the public listing, the SEDAR site, so that they are available to everybody.

I think the point we're trying to get across is that there has to be a comprehensive negotiating agreement between companies and first nations. We respect that there will be things that need to be discussed culturally and socially, but there has to be a set guideline so that the companies know, or you're going to have a league with about 1,800 teams in it playing every single game by different rules. In about 10 years, in the north you're going to have a conflagration of agreements signed by different companies and different bands. Each band will have 12 different agreements with 12 different companies. It's just unregulated in that fashion. This is provincial in our case, but it has been left for the companies to negotiate.

That's just my entrepreneurial opinion of why my deals are different from somebody else's.

Mr. John Rafferty: Do we still have a moment left?

The Chair: No, you certainly do not, Mr. Rafferty.

Thank you both.

Go ahead, Mr. Daniel, for five minutes.

Mr. Joe Daniel (Don Valley East, CPC): Mr. Hanson, I just have a quick question. How many jobs do you think you are going to create on this project in the Ring of Fire?

Mr. Wes Hanson: For the nickel mine itself, probably somewhere in the range of 200 to 300, and during the construction phase, probably double that.

Mr. Joe Daniel: Is that for all trades?

Mr. Wes Hanson: It will be a mixture of trades, skilled labour, and unskilled labour. It will be 60% unskilled labour, 20% skilled labour, and 20% professional.

● (1015)

Mr. Joe Daniel: Okay. I will ask the same question to Mr. McKinnon.

Mr. Kirk McKinnon: We haven't made the kind of discovery they have. I would say to you that, just on the drilling process, we hired people on the drill crews. We hire them to work in the camps and things of that nature on a very regular basis. That's part of our agreement.

I would like to make this one point. If you help us stimulate discovery and we create the critical mass that I'm talking about, then you will force much of this activity because the opportunity sitting there will have been quantified.

Mr. Joe Daniel: You commented at the beginning of your speech about a lack of recognition. Can you expand on that a bit? It's a lack of what recognition?

Mr. Kirk McKinnon: I'm not sure what you mean.

Mr. Joe Daniel: When you talked earlier, you said a number of things, including a lack of recognition, no clear process, and no system. There's a lack of recognition of what? I just didn't understand it. It's probably not worth spending time on.

I will ask the same question to you about potential employees and the number of people.

Mr. Ian Brodie-Brown: Again, with the advent of Webequie owning the drill company, both companies on my left use Cyr Drilling and employ first nations people from that community.

Going back to the question on electronics, I'd be happy to start a company that deals with training aboriginals in those technical skills. I'm not going to, but somebody will. Then we'll partner with them, because the jobs are all there. They are very significant, high-paying jobs. As for the transfer and where they can go afterwards, Canadian drillers, as we all know, work all over the world. They are highly sought after. Our mine expertise has always been sought after. We're everywhere.

In the situation we're discussing, the job side is a community of 300 people being fully taken care of. It's training, and that takes a generation, Chief, for us to bring that through. For small companies like ours, one of the jobs that Lac Seul has is on my board of directors. They have a direct say in what the aboriginal issues are. I don't suggest that any of our other directors are experts or have a clue about what it's like.

Mr. Joe Daniel: Chief Moonias, do I have it right that you have about 600 people, of whom 300 are living in that area?

Chief Elijah Moonias: Yes, it's about half of our—

Mr. Joe Daniel: Is this group growing, or is it shrinking, or...? Is your native group expanding?

Chief Elijah Moonias: It is growing.

Mr. Joe Daniel: Okay. You've heard about all of these wonderful jobs these folks have. Are those the sorts of jobs that native folks, such as your group, would like to actually have?

Chief Elijah Moonias: I think someday we would like to have our people put their own bread on the table, instead of lining up for the welfare office and getting the government to do that. I think everybody wants that—

Mr. Joe Daniel: Right. How would you do that?

Chief Elijah Moonias: —whether you're a native or a black person in Rhodesia, or Zimbabwe, or whatever you call it now. You want to put your own bread on the table. Well, that's what we want to do too.

Mr. Joe Daniel: That's good.

Chief Elijah Moonias: We don't want to end up like those Zimbabweans. They live in mud huts now, and their children are barefoot after Cecil Rhodes took the diamonds out. We definitely don't want that.

Mr. Joe Daniel: It sounds, in that case, as though you are interested in developing some of these lands to produce these jobs that will actually be effective for your community.

Chief Elijah Moonias: Yes, but we don't want to pour arsenic into the Muketei River or the Attawapiskat to do that.

Mr. Joe Daniel: I don't think anybody really wanted to do that in the first place—

Chief Elijah Moonias: But you have. You have done that.

Mr. Joe Daniel: Accidents do happen; yes, I agree with that.

Chief Elijah Moonias: You have done so in the Athabasca.

Mr. Joe Daniel: I'm sure I don't think it was done deliberately.

Chief Elijah Moonias: Prove it to us that you're not going to do that in those rivers.

The Chair: Thank you, Mr. Daniel. Your time is up.

Mr. Hyer, you have up to five minutes, please.

Mr. Bruce Hyer (Thunder Bay—Superior North, NDP): Thank you very much.

First of all, I'm sorry that I was 15 minutes late and missed some of your presentations, but I've read them all. They were good, and I think I understood them.

I'd like to start with a couple of comments.

My first comment is to Chief Moonias. Chief Moonias, I truly believe what I'm about to say: if first nations people in northern Ontario do well, we're all going to do well, and if you don't do well, none of us will do well. Our future is your future. We're joined at the hip and we need to get it together.

We have a group of intelligent and, I think, well-intentioned people here today. I sense the frustrations, but also, to be honest, I'm honoured to be here today, because I'm very excited about the potentials if we can get it together and do these developments in an environmentally, socially, economically sustainable way, including you.... Your people have been treated badly for over a century. One example that hasn't come up today is that for the elementary school and secondary school levels, the federal funding is roughly $5,000 per student. Difficult circumstances should require extra money, but you get about half of the $11,000 stipend that Ontario gives to non-aboriginal schools, so the challenges are huge. I'm personally committed, Chief, to doing what I can to help.

I'd like to give a compliment to Noront. I haven't met you before, Mr. Hanson, but I have met some of your staff. I flew myself in to the Ring of Fire to visit your exploration camp there. It was well managed. It was a real leader in environmental controls. I was blown away by the sophistication of the environmental controls, which could be tech-transferred to other places, as we work in northern locales. Obviously you have made a successful effort to hire first nation employees; I met a number of them at the camp there. They were happy and productive, putting bread on the tables for their families, learning skills, and being well treated. I was generally impressed with the open, professional, and progressive approach by your company, which is borne out by your very thoughtful submission here today, so kudos to you.

Mr. Wes Hanson: Thank you.

Mr. Bruce Hyer: I have a specific question, and it's a big question. In your answer, could you be short, because I've been long? What alternatives do we have to diesel power in the short, medium, and long term? It has seemed to me, from the beginning, that one big obstacle is working out relationships with first nations, clearly, but the other huge obstacle is the cost and availability of affordable and adequate power in northwestern Ontario. Do you have ideas on the short-, medium-, and long-term plan?

● (1020)

Mr. Wes Hanson: We have a lot of ideas. Briefly, we'll separate the mine from the processing facilities for ferrochrome. For the mine site itself, you need about 20 megawatts of power, and you can easily manage that with diesel generators and probably augment it with some sort of photovoltaic cells or something like that.

One of the reasons Noront has proposed the east-west corridor from Pickle Lake up to Webequie is that Ontario Power Generation has proposed that same routing to bring line power into the communities, the first nations communities along that same corridor, so we're sort of dovetailing with what's already been proposed by other experts, which is never a bad thing.

In terms of long-term power for the ferrochrome facility, depending on big you make it, it's going to range from 200 megawatts to 400 megawatts. Right now, depending on who you talk to, that amount of power is not available in northwestern Ontario. The only place it's available is in the Sudbury region, but in 2020 or 2022, when we would be looking at developing ferrochrome, if that opportunity still exists for Noront and its shareholders and stakeholders, then there may be sufficient power available in northwestern Ontario, such that we'd be able to take advantage of it for the people of the northwest.

Mr. Bruce Hyer: Okay.

I have a question for Mr. Hanson and also for Mr. Brodie-Brown.

What do you think is the best way to do an adequate environmental assessment, one that doesn't stop development but that does a really good job? I used to read and write environmental assessments for a living. I found that often these are just really good business plans that are holistic. They actually make things better for everybody and they're worth the investment, the time, and the energy if they're done well. Do you have ideas on how to move through this process effectively?

Mr. Wes Hanson: Sure. It has to involve the first nations. You have to get the traditional knowledge of the first nations communities on whose land you're going to work, but that being said, that process has to be driven by experts, such as environmental experts. I understand Chief Moonias' point about the Athabasca River. I mean, we've seen it with the nuclear reactor in Japan: accidents do happen. Despite whatever level of engineering you take, there's always a possibility that something can go wrong, something unforeseen, something unexpected. What we try to do as engineers and professionals is engineer things to the best means possible based on our best knowledge at the time.

In the mining industry, perhaps more so than in any other industry I've ever seen, we carry the sins of our fathers quite heavily because of mistakes in the past and because of what happened in Sudbury. Everybody talks about Sudbury, not for the wealth it generated for Canada but because it was the place where the U.S. astronauts went to train to go to the moon. That's just wrong. That's a sideline. The real truth about Sudbury is that it developed Canada, and the Ring of Fire offers the same opportunity for the next century.

● (1025)

The Chair: Thank you, Mr. Hyer. I'm sorry, but you are out of time.

Go ahead, Mr. Calkins, for up to five minutes.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Chair.

It's been quite a while since we've heard from the departmental officials who came to talk to us, whether from NRCan or the major projects management office and so on, so I'm going to ask this of the mining company representatives here: have you dealt with the major projects management office in any way, shape, or form to help you advance your goals and objectives?

If so, can you describe what those negotiations and discussions were, or what kinds of help the major projects management office has provided and how useful that help has been?

Mr. Wes Hanson: We have not. Noront has not as yet. We're starting to make those inroads again. You have to remember that this is an early stage in the development. I would think that the major projects group would be the group that would get involved once we have completed our feasibility study and have started to go out and arrange financing.

Mr. Blaine Calkins: So this is a bit premature.

Mr. Wes Hanson: It's a timing issue for us.

Mr. Blaine Calkins: Okay.

Mr. McKinnon, have you something to offer there?

Mr. Kirk McKinnon: We're certainly not there yet.

Mr. Blaine Calkins: Okay, fair enough.

We've also heard from NRCan with regard to geomapping and the geomapping project they've used. Have any of you used any data at all from the geomapping? Can you comment on any usefulness it has and on where it can be improved?

Mr. Kirk McKinnon: I'd like to speak to that. The GIS just did an absolutely terrific survey in conjunction with the Ontario government—a gravity survey—and for us it has been a catalyst in our exploration efforts, so kudos to both the federal and the provincial governments for that.

The upsetting part of it is that it was without consultation with the mining companies. Part of the area that was proposed to be flown over happened to be on our property and on Ian's property. They went to the community of Webequie, and Webequie said, “Don't fly over it”. Now, we get along very well with Webequie, but we didn't have an opportunity for any interaction.

I'm absolutely thrilled by the results we got, because it went over enough of our land to become a catalyst for something else, but that survey could have been even broader had there been some discussion with the mining community. Not to take away from the first nations, the first nations can get all kinds of time with the Premier and ministers on an ongoing basis, while the next time I get invited down to talk to a minister will be the first time.

There are two sides to this equation. We're looking to develop and we're looking to partner, but we need some help, and that was great help that the government gave. Both the provincial and the federal governments should take some kudos for that. It will help discovery in the Ring of Fire for sure.

Mr. Blaine Calkins: Mr. Brodie-Brown, did you want to comment on that at all?

Mr. Ian Brodie-Brown: I would just add to what Kirk said about consultation, because as partners of ours in the drilling, the first nations would want to talk to us about that side of it. That's business development for them, and it's not necessarily something they're familiar with. The majority of highly paid individuals in this business are obviously ethnically non-native, from Canada or from anywhere else, but first nations don't have that expertise, so a chance to have talked to us about how important it would be to them to allow it in their area would have been useful, that's all.

However, I second Kirk: it was a great project, and more should be done. They should fly the entire region.

Mr. Blaine Calkins: Understood.

I want to go back to a comment I believe you made, Mr. Hanson, in your testimony or in a line of questioning. I think it was Mr. Allen who asked you. You said that you're currently slated to go to about 2016 before the real action starts and you're going to get to about the third quarter of 2013 before some of the regulatory stuff you're dealing with now gets the approvals you need.

What's going to happen between the third quarter of 2013 and 2016? What happens in that timeframe?

Mr. Wes Hanson: Hopefully it will be construction. Once the permits are in place, we'd start construction of the roads and the airstrips and the underground facilities that we're looking to build.

Again, Noront's plan is an all-underground one. We're hopeful that this will become a model mine for the next century. It will be one of the greenest mines in the world, with limited environmental footprint and limited environmental impact. Everything will be stored underground. You should be able to walk over the mine site and see nothing except the camp and the airstrip.

● (1030)

Mr. Blaine Calkins: Others who have come before this committee have said the permitting process was going to take significantly longer than what you've indicated here today. Because your mine site is underground, I'm assuming that's maybe a saving grace for you, but which departments have you been dealing with in the permitting process?

Mr. Wes Hanson: Concerning the permitting, we're basically using the timelines that the various government agencies are giving us. One of the advantages we do have is not so much that it's underground—well, that's part of the benefit, so you're not creating a big hole in the sponge—but that we're avoiding most of the major river crossings with the route proposed for our road. They're already in place at Pickle Lake and elsewhere, so we're sort of coming off an established facility. We're working in areas that are previously disturbed. Our permanent road route follows the existing winter road route. We see these as benefits to the permitting process, which may give us a leg up, but we're basically assuming the timelines as stated by most government agencies and we're assuming that there'll be no snags or hang-ups.

Mr. Blaine Calkins: Thank you.

The Chair: Thank you, Mr. Calkins.

Mr. Gravelle, you have up to five minutes. You may go ahead.

Mr. Claude Gravelle: Thank you, Chair.

I've got a few more questions, but this time I've only got five minutes, so I'm going to try to make it quick.

Mr. McKinnon, I've heard you say several times today, "Tell us the rules." If the government were to tell you there's going to be a full joint review process, would you be in agreement?

Mr. Kirk McKinnon: Absolutely.

Mr. Claude Gravelle: Would you participate?

Mr. Kirk McKinnon: Absolutely.

Mr. Claude Gravelle: Thank you, sir. Thank you very much.

My next questions are for the City of Sudbury and then to Chief Moonias.

The aboriginal skills and employment partnership has created 18,000 jobs for aboriginal workers in Canada since 2003. Can you tell me how important this program would be, first of all, to the City of Greater Sudbury, and then to the first nations?

Hon. David Kilgour: Thank you very much for that question as well.

It's a little outside my area of expertise, but I've had two recent presentations over the past month, one from Cambrian College and the other from Laurentian University. I believe 30% of Cambrian College's enrolment in the trades is now fully native, which is absolutely amazing, and they're very proud of that. As for Laurentian University, they've got a full native graduate program coming out of there now. Once again, this is a definite move forward, not only for those two institutions but also for Canada as a whole and for the whole native or aboriginal group of people.

Mr. Claude Gravelle: If I hear you correctly, those natives who wanted to work in the Ring of Fire could be trained in trades or engineering or all kinds of good things at the university in Sudbury?

Hon. David Kilgour: I think those things should certainly be done. Mr. Gravelle, it's also important to note that it doesn't have to be done in Sudbury either. Both of those programs, especially the one at Cambrian College, can be done on the spot. It's the same thing with NORCAT; their mining courses can be done over the Internet or on location.

Mr. Claude Gravelle: Thank you.

Chief Moonias, how important for your people is the aboriginal skills and employment partnership?

Chief Elijah Moonias: What partnership is that?

Mr. Claude Gravelle: The aboriginal skills and employment partnership is a program that trains aboriginal people. About 18,000 have been trained since 2003, but this program is being cut back. If this program were to keep going and train people in the Ring of Fire, would that be very important for your people?

Chief Elijah Moonias: We're looking at any kind of training that could be available near us. I know that being tiny is difficult, in terms of having a community-based training centre, but I've never heard of this training you're talking about. I don't know whether some of the colleges have training programs in other areas.

As I have said here, the failure of the education system on the reserve has contributed to the lack of access to these training facilities for our people. For example, if you don't have grade 12, you can't get in. You need that grade 12. You need to have upgrading first in order to access the kind of training you're talking about.

We have a very difficult road ahead. First you have to address the failure of your education system on the reserve, where your grade school graduates are at the grade 6 level, and then they try to get into the provincial grade 9 without grades 7 and 8. It's very difficult to succeed.

● (1035)

The Chair: Thank you, Monsieur Gravelle.

I go now to Mr. Anderson for five minutes.

Mr. David Anderson: I would like to talk about a couple of things.

We haven't talked about infrastructure necessities yet. We did talk about it somewhat the other day, when Mr. Rafferty talked about diesel power and that kind of thing.

Do you have any comments about the necessity for infrastructure, such as roads and transportation infrastructure or energy infrastructure? Somebody mentioned pipeline as well.

Does anyone have comments about that, or do you just want to leave it where it was the other day?

Mr. Kirk McKinnon: May I ask you a question? Did you meet with Cliffs and—?

Mr. David Anderson: Yes, they were here on Tuesday. They talked about the necessity of a road into the area. We didn't talk a lot about energy requirements. Mr. Rafferty touched on it a little bit earlier.

I'm wondering whether you have any thoughts on those things.

Mr. Kirk McKinnon: They're the leaders. Basically, if they've committed to moving forward, they're the ones who will be the catalyst for that forward movement. I have some doubt that they are going full bore right now without some help from the governments, and I'm sure you know that.

Mr. David Anderson: They were calling for some cooperation among different levels of government and industry.

Mr. Kirk McKinnon: That's not a surprise at all.

Mr. Wes Hanson: The development of infrastructure is critical. It's absolutely something that has to happen.

Natural Resources Canada estimates that exploration costs for a remote site are 10 times what they are for a site that's beside a road. If we're truly going to see the potential of northern Ontario, we have to get some development up there.

That's something Quebec realized about 35 years ago. If you look at the road network in northern Quebec, northern Saskatchewan, northern Manitoba, and northern British Columbia, you see that thousands of kilometres of roads have been built in these northern regions so that the provinces and the country as a whole can benefit from further exploration and mineral resource development.

It has to happen.

Mr. David Anderson: You may have addressed this point a little earlier, but how are you planning to power your project?

Mr. Wes Hanson: Our original plan, basically, is to establish a diesel generating station close to the community of Webequie, bringing in a power line from that point and using diesel-generated power. Hopefully that's a first nations business that the community of Webequie and some of the other communities in the Ring of Fire can operate together, so that those communities will benefit.

As for what has to happen in the Ring of Fire, I've heard talk about equity ownership and I'm just going to bounce to that for a second. I know it's off topic, but in order for the communities to earn an equity ownership position in these mineral companies, they have to start establishing businesses, whether those are hotels, power generation, or running a filtering and drying plant. They have to take advantage of the opportunities that are there for them now, generate cash flow, and invest it in the mining companies.

We work for a publicly traded company. They're more than welcome to buy our shares and become shareholders in our company.

Mr. David Anderson: Okay.

Mr. Brodie-Brown—

Mr. Ian Brodie-Brown: May I say that on infrastructure, you only get one chance to build these roads or pipelines or whatever. They're not pushed anywhere; they're pulled. They're pulled from an asset, and it's going to come from the south. It will hopefully go through as many native communities as possible, or those people will miss their chance to put themselves on a road that they've been asking for for ages. That's all.

● (1040)

Mr. David Anderson: Okay, and that actually ties into something I'd like to follow up on that you said earlier. You talked about Australia experiencing movement from urban to rural. I come from a very rural area. We have strong energy development going on right now. It's keeping our young people in the area and doing wonders for our communities.

We're going to be doing a report from this committee. Do you have any suggestions or any more comments on how we might encourage that movement from urban to rural, or to isolated areas? It's sometimes difficult to get professionals to move to areas without amenities and that kind of thing. Do you, or others who may want to, have any comments on that aspect?

Mr. Ian Brodie-Brown: We need an advertising slogan like “Be Proud of It”. Let's put a little bit of advertising into our industry.

Every time there's a hot number one legal show—maybe it's this new *Arctic Air* TV show or something like that—advertising helps make these kinds of things exciting. People flood into the medical profession when that's the number one. We have those studies.

Without being trite, advertising about these things would be great. As I said, a “Be Proud of It” slogan or campaign would draw people in.

Mr. Wes Hanson: Innovation, I think, is the key. We have an opportunity here to develop mines that are probably the most technologically innovative mines in the world. That will attract young people and that will bring them into the northwestern Ontario region.

Mr. David Anderson: I only have a short time left. This question refers to that aspect as well, the technology.

Are your companies going to be allowed to pollute rivers and dump chemicals wherever they want?

Mr. Wes Hanson: Of course not.

Mr. David Anderson: Okay.

Mr. Kirk McKinnon: In fairness, you asked a question about the Ontario government. The Ontario government has a program right now for environmental control on the sites. It's actually a very good one, and they've mandated us to follow it, and we're doing that. I think it's done at a very high level. From what we see and what people are commenting on, everybody is very pleased.

Mr. David Anderson: How strict are those controls?

I think Mr. Kilgour wants to address this issue too.

Mr. Kirk McKinnon: Well, they come around and they check it on a regular basis.

Hon. David Kilgour: I just want to add something. I know there's a very deep concern by everybody about the environment and I want to point out a program that's happening in Sudbury now.

Vale has just announced that they're going to be putting somewhere around $2 billion into their structures in Sudbury over the next two years for an AER program, an atmospheric emission reduction program.

I mentioned that 90% of the sulphuric acid that used to be in the air is now gone; this AER program will take out another 70% of the remainder. The technologies they're talking about now are not the technologies that were there when we were complaining back in the sixties and seventies, and I think we have to be very aware of that fact. It's a different world, and anything built now is going to be at a much higher standard than was ever there before.

The Chair: Thank you.

You can give a very short addition, Mr. McKinnon.

Mr. Kirk McKinnon: Mr. Chairman, are we allowed to ask any questions?

The Chair: Go ahead. I don't know who will answer them, but go ahead and ask the questions, certainly.

Mr. Kirk McKinnon: I just have one. I will address it to Mr. Allen and Mr. McGuinty.

I proposed today that you look at the Ring of Fire on a special case basis and look at ramped-up flowthrough funding, say for a period of three years to five years. I think it would stimulate significant interest and I think I've spoken to the benefits.

Is that something you could support?

Mr. Mike Allen: Did you say a flowthrough?

Mr. Kirk McKinnon: No, I mean an increased flowthrough. It could be doubled specifically, say, for the Ring of Fire, for a specific period of time.

The Chair: Mr. McKinnon, I think your point is made and I appreciate your comment.

Mr. Kirk McKinnon: I just wonder whether it's possible to support this idea.

The Chair: The committee will be looking at all the issues that we've heard about. We've heard about this now, so we'll see what comes from it.

Mr. Claude Gravelle: May I answer that, Mr. Chair, just for a brief second?

The Chair: Actually, we have to go. Our time is up.

Thank you for the question. It is interesting.

Mr. Anderson, you want to comment.

Mr. David Anderson: Vivian Krause had said she'd provide some more information the other day. I wonder if you can get that from her, particularly the grid that links the funding. I think she may have mentioned this aspect in her testimony. If not, it's a document she has that I think she's willing to provide to the committee.

The Chair: She did say that. Let's make sure we get it.

Thank you very much to all of the witnesses for your presentations and for your answers, and to all members of the committee for really stimulating and helpful questions and comments.

The meeting is adjourned.

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