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Mr. Leon Benoit

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● (0845)

[*English*]

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)): Good morning, everyone. Welcome.

Of course, we are here today to continue our study on resource development in northern Canada.

We have here with us today three witnesses. From the City of Dawson, we have Peter Jenkins, mayor; from the Hamlet of Rankin Inlet, we have Pujjuut Kusugak, mayor; and from the Hamlet of Baker Lake, we have Peter Tapatai, councillor. Welcome to you all.

Your trips here make ours seem relatively easy, those of us who have eight-and-a-half hour trips. I know it's a long journey, and I really do appreciate your taking that journey and being here with us today.

We're looking forward to your presentations. We hope you have timed those at about 10 minutes. Then we'll go to questions and comments, because a lot of the information we get is from questions and comments.

We'll start in the order on the agenda with Mr. Jenkins, mayor of the City of Dawson.

Go ahead with your presentation, please, sir.

Mr. Peter Jenkins (Mayor, City of Dawson): Thank you very much, sir.

Good morning, all. Thank you for the invitation to appear before this committee.

Currently, I am serving as the mayor of Dawson City, having served previously as mayor from 1980 to 1994. I served as a member of the Yukon Legislative Assembly for Klondike from 1996 to 2006, both on the opposition side and on the government side. On the government side, I served as Deputy Premier, Minister of Health and Social Services, Minister of the Environment, and minster responsible for the workers' compensation board.

Being part of the private sector and having served in government, both at the municipal level and at the territorial level for several decades, I believe I have a somewhat unique perspective on what governments should and shouldn't be doing to promote development in the north, and in particular in Yukon Territory. It is a fact that the Yukon's past, present, and future are inextricably tied to the development of its natural resources. The Yukon territory owes its very existence to the Klondike gold rush of 1898. Yukon's economic and social well-being to this very day are dependent upon the level of activity in the territory's natural resources sector.

This morning I would like to raise with the committee three matters that are currently affecting or will affect the level of natural resource development activity in the territory. The first matter involves the development of strategic infrastructure—namely transportation and energy—which I believe the Government of Canada should be working with the provinces and territories, as well as the private sector, to advance. The other two matters are specific to natural resource development in Yukon and concern environmental assessment and land use planning, both of which emanate from the Umbrella Final Agreement of 1993, settling Yukon first nations land claims.

I will start with transportation and energy infrastructure. History has a lesson for us that is still relevant today. The Fathers of Confederation envisioned a Canada extending from sea to sea, from the Atlantic Ocean in the east to the Pacific Ocean in the west. In the four years between 1881 and 1885, Canada was forged into one nation by the building of the Canadian Pacific Railway. One of Yukon's leading authors, Pierre Berton, in *The National Dream* and its sequel *The Last Spike*, chronicled the story of how the building of some 2,000 miles of track bound a fledgling nation together with a ribbon of steel. The building of the CPR was a major infrastructure project that defined Canada as a nation and shaped the perception of Canada as a nation extending from east to west. It in fact ensured that Canada would grow all the way to the Pacific coast.

One of the most important legacies today was when the Right Honourable John George Diefenbaker envisioned a new Canada—a Canada of the north—and the Dempster Highway was started, which connects my home town of Dawson City, Yukon, to Inuvik in the Northwest Territories. I commend the Government of Canada for its current plans to continue the construction of the Dempster Highway from Inuvik to Tuktoyaktuk. I believe that with the coming of age of the three northern territories, climate change, and the developing territorial economies, Canadians' perception of our country will change once again. Canada will be perceived as extending from sea to sea to sea, with the Arctic Ocean and Beaufort Sea defining Canada's northern boundary. I believe in future years the focus of southern Canadians will become more and more fixed north of the 60th parallel.

My point here is that the Government of Canada has an important role to play in developing strategic transportation infrastructure in the north. It is my contention that just as the building of the CPR defined Canada as a nation extending from east to west, it is now time for Canada to invest in the development of strategic transportation infrastructure that will also define Canada as a nation extending from north to south. The extension of the Dempster Highway from Inuvik to Tuktoyaktuk is a good start, but much, much more can be done.

There are several strategic transportation infrastructure projects in Yukon that would provide tremendous economic and social benefits to Yukon and to all Canadians. One such project is the Alaska-Yukon railway project. The concept of building a railroad from the lower 48 states to Alaska is an old one dating back to 1848. The Alaska-Yukon railway project did not have sufficiently high priority as compared to the production of the weapons of war and accordingly was not built. The Government of Yukon and the State of Alaska revisited the concept and released "The Alaska Canada Rail Link Project, Phase 1 Feasibility Study: Rails to Resources to Ports" in March 2007. The report provides a quantitative outlook on the potential for a rail connection through Alaska, Yukon, and northern British Columbia, linking northern Pacific Rim markets in the shortest trade corridor between north Asia and North America.

● (0850)

Drastic changes in global demand driven by Asian markets have sharply raised the value of mineral resources in northwestern Canada and Alaska. The Alaska-Canada rail link could most effectively move those resources from remote development sites to tidewater export positions.

The estimated cost of the Alaska-Canada rail link is $11 billion; however, the economic impacts for Alaska and Canada comprise, over a 50-year life cycle, additional economic output in GDP of $170 billion and 25,000 new jobs. I would urge the standing committee members to examine the findings of the Alaska-Canada rail link project.

With climate change and the opening of the Northwest Passage, Canada could be well advised to consider the development of a deepwater port at King Point on Yukon's north shore in the Beaufort Sea. Road access to King Point could be provided off the Dempster Highway. Having a secure coastal marine facility at King Point would help address Canada's significant sovereignty concerns with the opening of the Northwest Passage.

The Alaska-Canada rail link I referred to earlier would be of tremendous benefit to the development of the massive Selwyn Mine located at Howard's Pass in Yukon.

These are just some of the transportation infrastructure initiatives that I would urge the Government of Canada to consider. The return on their investment would be enormous.

I will now switch to energy infrastructure. Once again I commend the current Government of Canada for its $71 million investment in the $160 million project to connect the Whitehorse-Aishihik-Faro grid to the Mayo-Dawson transmission line and to upgrade the Mayo hydro dam known as Mayo B. Its $5 million investment in the Aishihik third turbine to generate a further seven megawatts at the Aishihik hydro plant is also welcomed.

Once again, I would emphasize that these investments should be a start, not an end. The development of affordable energy is the biggest single impediment to developing the north's economy and in fact all the economies here in Canada.

In Yukon, our government has been working to eliminate the need for expensive diesel-powered electric generation. Currently, Yukon is generating most of its power from hydro. However, even with Mayo B and the third turbine at Aishihik, we are reaching the upper limits of our hydro capacity. Yukon's total current capacity is 129.6 megawatts, with 76.7 megawatts being generated from hydro facilities. The Casino mine alone will require 100 megawatts, and the Selwyn and Mactung mines on the eastern border require an additional 33 to 45 megawatts.

Yukon has a substantial number of potential hydro sites that could be developed in the future, subject to two requirements: investments by the Government of Canada and the private sector—because the development of these sites will be beyond the fiscal capacity of the Yukon government—and connection of the territorial grids to grids in British Columbia and Alaska and/or both, which will require investments by the Government of Canada, other governments, and the private sector. These potential hydro sites will take considerable time and money to develop and will not meet the short-term and medium-term needs for affordable energy. Liquefied natural gas would appear to be the most viable alternative. Nuclear energy could also be considered.

I want to make the point that if Canada is going to realize its full potential as a global leader, it must develop a national energy strategy in cooperation with the provinces and territories that will support federal investment in environmentally, socially, and economically sustainable infrastructure. Such a national energy strategy is of critical importance to the development of the north and to expanding the vision of Canada as a nation from sea to sea, from the Atlantic Ocean in the east to the Pacific Ocean in the west to the Arctic Ocean in the north.

I would now like to deal with two other matters that are specific to natural resource development in Yukon. The Yukon Environmental and Socio-economic Assessment Act, commonly referred to as YESAA, is the fulfillment of a commitment agreed to by Canada, Yukon, and Yukon first nations in the umbrella final agreement settling Yukon's first nations land claims in 1993. YESAA is a single assessment process and replaces the Yukon Environmental Assessment Act and the Canadian Environmental Assessment Act. YESAA up to this point in time has been the most progressive assessment and permitting process in Canada, with its fixed timelines providing certainty for investors.

● (0855)

There have been some problems with YESAA, which came into full force on November 28, 2005. However, I understand many of these problems may have been addressed by the five-year YESAA review. One problem that remains, which is causing difficulties and is undermining the timelines and thus the certainty of the process, concerns adequacy. There appear to be some different interpretations as to when enough information has been submitted on a project to assess the project and the decision body being able to make its decision.

We have even heard of one project that was delayed—with an extension being granted to consider the project—because the individual making the request for an extension was away on holidays. This is unacceptable. I would propose that the act be amended to allow the decision body to make the determination that the information submitted through YESAA is adequate.

There is another mining project, 40 kilometres outside of Dawson, the old Viceroy mine, which is now Golden Predator. They have all the permitting in place, yet an interpretation of just one part of their permit by the Yukon government administration has required that Golden Predator go back to the beginning and start the YESAA process all over again. This lack of understanding of permitting sends an extremely negative message to the mining industry and the investment community.

In view of the fact that the current Government of Canada has prepared a new Canadian Environmental Assessment Act, CEAA 2012, modernizing the regulatory system for project reviews, I would recommend further amendments to the Yukon Environmental and Socio-economic Assessment Act in order to make improvements.

The YESAA assessable activities regulation was heavily influenced by the CEAA inclusion list, exclusion list, law list, and comprehensive study list regulations. At the time, the CEAA agency wanted to ensure that all projects or activities that were assessable under CEAA would be captured by the YESAA process. If CEAA is moving away from assessing smaller-scale projects, the YESAA regulation should be reconsidered in this light.

Many minor projects are currently assessed under YESAA that would not be assessed in any other Canadian jurisdiction. The potential environmental and socio-economic impacts of these projects are mitigated through existing regulations. These types of projects include individual power pole installations, paving driveways, reconstruction of schools, and replacing culverts and highways, to name but a few. Assessment of these types of projects requires considerable resources from proponents, both private and government: the Yukon government and the Yukon Environmental and Socio-economic Assessment Board, or YESAB.

Section 37 of YESAA allows YESAB to create standard mitigating measures for classes of projects. This option would allow a reduction in the level of assessment by developing ready-made terms and conditions for groups of projects, such as all culvert replacement under highways. However, the major focus should be on major projects and revisiting the activity list in the YESAA regulations. Any amendments to YESAA would require full consultation with Yukon first nations.

My final comments are reserved for the land use planning process that is set out in chapter 11 of the umbrella final agreement. The objectives of chapter 11 are as follows: to encourage the development of a common Yukon land use planning process outside community boundaries; to minimize actual or potential land use conflicts, both within and between settlement lands and non-settlement lands; to recognize and promote the cultural values of Yukon Indian people; to utilize the knowledge and experience of Yukon Indian people in order to achieve effective land use planning; to recognize Yukon first nations responsibilities pursuant to settlement agreements for the use and management of settlement land; and to ensure that social, cultural, economic, and environmental policies are applied to the management, protection, and use of land, water, and resources in an integrated and coordinated manner, so as to ensure sustainable development. Sustainable development means beneficial socio-economic change that does not undermine the ecological and social systems upon which communities and societies are dependent.

There has been only one land use plan since the umbrella final agreement was signed in 1993, and that is the north Yukon land use plan, in 2009. The latest land use plan, the Peel watershed regional land use plan, encompasses an area that is about the size of New Brunswick, or 67,431 square kilometres. The Peel planning commission has effectively reinterpreted sustainable development to mean no development.

● (0900)

The Chair: Mayor Jenkins, I'm going to have to ask you to wrap it up fairly quickly. We do have two other presentations, and then we will have lots of questions for you.

Our members do have a copy of your presentation, or they soon will have. I can see that you still have quite a bit left. Please wrap it up, and hopefully we'll get the other information during the question and comment period.

Mr. Peter Jenkins: The issue I'd like to make clear here is that there's a group of people in the U.S. and they are heavily funding bodies in the north as to the direction in which things should go. The Yellowstone-to-Yukon concept is alive and well and is being pushed by these groups. It's a Y2Y to turn Yukon into a park and decimate the territory's resource-based economy. The Canadian Parks and Wilderness Society, the Yukon Conservation Society, and the Suzuki Foundation are all part of it.

In summation, there are three issues: transportation, energy, and proper land use planning with an efficient, effective, and time-sensitive review process.

Thank you very much.

The Chair: Thank you very much, Mayor Jenkins from Dawson City. Thank you in particular for the specific recommendations.

We'll now go to Mayor Kusugak from the Hamlet of Rankin Inlet.

Please go ahead with your presentation, sir.

Mr. Pujjuut Kusugak (Mayor, Hamlet of Rankin Inlet): *Qujannamiik uqaqtitaujunnarama ublumi pivalliajuniriniup miksaanut ukiuqtaqtumit.*

Thank you, Chairman Benoit and the Standing Committee on Natural Resources, for this opportunity to speak about the socio-economic impacts of development in the north

Rankin Inlet is the second-largest community in Nunavut, with a population of just under 3,000. We're on the west coast of Hudson Bay. Originally a mining town in the fifties, Rankin is on the verge of opening another mine 25 kilometres north of the community, this time for gold.

The company, Agnico-Eagle, hopes to begin production in 2017 and hopes the mine will have a lifespan of 15 years or longer. There is also the potential for 500 to 600 jobs during construction and the creation of another 500 to 600 jobs once the mine goes into production. This is great news, not only for the community of Rankin Inlet or the region of the Kivalliq, but also for the Territory of Nunavut. We are a business and transportation hub in the Kivalliq region and the gateway to Nunavut from central and western Canada.

Due to the large volume of traffic through the area, we also have a history of regional government, mining, and exploration. So Rankin has developed a strong task force of entrepreneurs. There are 150 registered businesses in Rankin, including freight expediters, equipment suppliers, and outfitters who are interested in providing services in different areas within the sector.

Rankin is an ever-expanding community, with the opening of the wellness correctional centre, a trade school, and tremendous potential for mining. Rankin is a great place to live, to visit, to work, and to start a business. The Nunavut government is the largest employer, but this could change with the Meliadine project.

Over the past year, regulatory processes were halting development due to the long and drawn out phases. An example of this is the all-weather road that was proposed for the Meliadine project. However, new policies that are being put in place have allowed for development and a more accurate use of these processes.

Regulatory boards have the responsibility for overseeing safety for all people, land, and animals. We are grateful for their work and dedication. It does take a lot of time. There has been criticism that sometimes they make it too difficult and delay projects, thus harming the chances of projects to develop, but at the same time it's also very important that these be in place for the safety of all in our region and territory, especially our people.

There are challenges evident in the north: employee retention, attendance, training, and qualified beneficiary employees. Some employees tend to go home because of homesickness, family issues, and/or co-worker issues.

We would like to see more beneficiaries in the higher positions, such as supervisors, managers, etc., but the reality is they don’t have the experience, qualifications, or training. Hopefully, with the Kivalliq Mine Training Society, this will not be a problem for long.

High school students need to be engaged by outside investors or universities to show that there are opportunities and options out there. This needs to begin probably in junior high and continue on right through high school to grade 12. Our children need to know about these opportunities, and it's very important that the parents and adults who are in their lives are also engaged to help encourage these children.

Even with all the mining developments going on in Nunavut, unemployment is still very high. However, in the Kivalliq region there are many opportunities to work. Individuals just need to sacrifice in order for this to happen. A lot of shifts are two weeks in, two weeks out. As I said at the beginning, it causes a bit of strain also.

● (0905)

We need more tradesmen. Nunavut Arctic College is starting to work on that by having a trade school located in Rankin Inlet.

We need more Inuit in management and professional positions. There are many opportunities in mining and resource development. There are also other economic opportunities in business development and spinoffs from the increase in mineral exploration and mining.

An example of this is the $30 million spent by Agnico-Eagle, just on exploration. We understand that development involves sacrifices for opportunities. Well, our sacrifice in our region and community is our land, which we sacrifice so that our people will have jobs. Jobs are needed. This can help deal with many issues that are prevalent in the north: high unemployment, high suicide rates, a high birthrate, and issues with health care and housing. All of these are interrelated. We can't just brush them off, and we cannot deal with just one area. We need support and help all over.

Nunavut Tunngavik Incorporated, also called NTI, and the regional Inuit associations, such as the Kivalliq Inuit Association, look after beneficiaries to make sure that Inuit are consulted on all projects. They're also responsible for negotiating impact benefit agreements and making sure that reclamation is scheduled to happen once projects are completed. The RIAs also help monitor the animals in our area to ensure that they're taken care of properly.

In Nunavut we need more infrastructure, such as ports and airports. In Rankin Inlet we are looking at a $20 million port facility. We recently received funding to develop a business case to see whether it is feasible for the hamlet and potential investors to pursue this. This funding came from CanNor, and we're very grateful for that.

I would also like to thank the government for the approval of the much needed expansion of the Rankin Inlet terminal. This will help the rest of Nunavut accommodate the growth we are experiencing.

I would like to make a few recommendations. First, communication is an extremely important component in the north. All mining and exploration companies need communications people. It has to be enforced at all levels of government that there needs to be effective communication in Inuktitut, English, and, in some communities, French.

Community consultations are necessary for these companies. At times, the companies have these meetings when really, there's nobody around in the community, especially at this time of the year, when everybody wants to be out fishing, goose hunting, and drying out caribou meat. These are the realities of our home. Right now, I'm sitting here when I could be out fishing; I could be out goose hunting. But it's really important to have this opportunity to speak with you. So again, thank you very much for the opportunity.

We also need to ensure that all mining and exploration companies know the Nunavut Land Claims Agreement signed by the federal government and the Inuit of Nunavut.

Industry also needs to help build relationships within the community. This will help gain trust from the community members. This is not something that is going to happen overnight, but it's a process that is absolutely necessary.

Another recommendation would be to deal with the housing shortage. Homes are desperately needed. I'm sure that everybody here is aware of that. This causes overcrowded housing, which causes many health and well-being issues. This then stresses the health care system. We need more doctors. We have a hospital in Rankin and in Iqaluit, but again, there's a shortage of doctors and nurses.

Also, the government needs to work with NTI and the RIAs, which are the Inuit organizations, to tackle social issues, such as the ones mentioned earlier. This is so there's help for the north and so we can accommodate the potential growth of the socio-economic sector.

● (0910)

Another area I'd like to have recognized is that we have many employees who come from the south who are working in areas like Meadowbank and Meliadine, and for all the other construction companies that do come up north. Because they're from the south, the north is contributing greatly to the southern economy and the families the workers have. They make all their money up north and then bring that money home. So the north really is supporting the south. The infrastructure built in the north would be a huge investment, and we're looking for support from the south to make sure the north develops properly.

In conclusion, really, wouldn't we all rather see fewer problems and work towards the prosperity the north has to offer? That's what I'd like to leave you with.

Again, thank you very much for this opportunity. I will try to answer any questions you might have to the best of my ability.

Qujannamiik.

● (0915)

The Chair: Thank you, Mayor Kusugak, for your presentation. You're, of course, from Rankin Inlet.

And thank you for the invitation; I think I heard an invitation to go fishing and hunting up there.

An hon. member: Hear, hear!

The Chair: Thank you very much.

We go now to the final presentation, from Baker Lake, Peter Tapatai, councillor.

Go ahead, please, sir, with your presentation.

Mr. Peter Tapatai (Representative, Hamlet of Baker Lake): [*Witness speaks in Inuktitut*]

Thank you very much.

I would like to make a correction. A formal invitation was given to the mayor and the other members of the council of the Hamlet of Baker Lake to bring up matters to this committee relating to socio-economic impacts. The mayor and the council do send their regrets, as they are unable to appear before this committee. I would like to thank the Baker Lake hamlet council for having the confidence in me to act as their representative to bring forward very important issues before this committee.

I would like to thank the House of Commons Standing Committee on Natural Resources for providing me the opportunity to come and share my experiences in Baker Lake and what I have learned while seeing a mine project developed, constructed, and operated near my community.

As you know, Nunavut is the most remote, the most sparsely populated, and the least developed of the three northern territories of Canada. The economy of Nunavut is far too dependent on government expenditures and federal transfers. We have the highest percentage of aboriginal residents with relatively low levels of education and employment.

On the other hand, Nunavut has huge non-renewable resources potential. Every study of the Nunavut economy undertaken by the government and by non-government organizations over the last decade has come to the same conclusion: by far the greatest economic potential for Nunavut lies in the development of its non-renewable resources. This remains the only hope for significantly increasing employment and reducing dependence on government transfers.

Two key things are required from the government to realize this potential.

First is investment in people. Centralized education and training programs are required to ensure Nunavut residents can participate in the economic benefits of development.

Second is investment in infrastructure. This means better seaports and airports, power, communications, and community transfer...I mean infrastructure—excuse me, but English is not my first language, sorry—and housing. We don't expect highways, but we must rely on the best possible air and marine facilities.

Today, Baker Lake and the Kivalliq region are leading Nunavut in non-renewable resources development. Agnico-Eagle Mines has completed construction of the Meadowbank gold mine north of Baker Lake.

By the way, it was sure a pleasure last year to see our Prime Minister, Stephen Harper, along with his colleagues, come to our community to see the Meadowbank mine for themselves. It was a very satisfying feeling to see somebody from Parliament come up here—especially our Prime Minister—to see the actual mine. It is so important for southern Canadians, especially those from the House of Commons, to see for themselves what the Meadowbank mine is.

This mine alone will add some 30% to the Nunavut GDP. It is already providing over 100 jobs, as well as training, to our residents, and opportunities for our businesses.

The whole purpose of appearing before the committee is to bring forward issues that are of utmost importance to the Hamlet of Baker Lake. I will make every effort to try to complete my presentation in a timely way in the time allocated for me. I will be covering five main points: overview of Baker Lake; federal-territorial process and environmental considerations; aboriginal considerations; what the socio-economic impacts were in Baker Lake; and recommendations for the government.

● (0920)

First, let me tell you a little bit about Baker Lake.

Ottawa may be Canada's political centre, but Baker Lake is the geographical centre of Canada. If you go north, south, east, and west, we're right smack in the middle. It is a Nunavut community with a population of about 1,900 people, and it is the only inland community in Canada's Arctic.

Our community is not accessible by road. This means we get all of our supplies by sealift and by air. This means that everything from buying groceries to maintaining a house to running a business is very expensive in Baker Lake, as it is in the rest of Nunavut.

Temperatures in Baker Lake can be below minus 50 degrees and colder, at minus 70 degrees with wind chill—a little cool.

We are also the only community in Nunavut that supports an operating mine, Agnico-Eagle Mines. While it is hard to estimate what the real unemployment rate in Baker Lake was before the mine, it would have been at least 40%. Today we are at below 5%. Anyone who wants work can find work.

Now I will turn to the Baker Lake federal and territorial regulation process and environment consideration. The Baker Lake hamlet council was active in representing the community's interests in this whole mining process.

The Hamlet of Baker Lake has taken the position that it welcomes this mine. Our goal is to maximize employment, business, and infrastructure benefits while minimizing potential negative impacts. The hamlet council did a study in support of this goal.

I will now briefly touch on Nunavut's regulatory process and the process of getting a mine permitted in Nunavut. Simply put, the process is far too long and too complicated. Because of its remoteness, Nunavut is an expensive place to operate, and the additional regulatory issues mean that we can often scare away companies interested in exploring, mining, and helping to develop Nunavut.

Once projects enter the regulatory phase, they slow down significantly. There are various challenges, including not enough board members, board members with little experience, and simply too many parties reviewing every project.

While our regulatory process is too long, it is important to make sure that projects are developed properly and responsibly. We Inuit care about our land, and we want to see a balance between development and protection of the environment.

It is also important to explain projects and their environmental impacts to our elders and youth. I have seen Agnico-Eagle and Areva Resources do this well by taking elders and members of the community to visit similar projects in Canada and other parts of the world. We Inuit like to see things with our own eyes. When we go see these projects, it helps us to understand that these projects can be developed safely and responsibly.

Cumberland Resources, the company that previously owned the Meadowbank project before it was a mine, updated us regularly about their project and provided us with the opportunity to ask questions and grow comfortable with this project.

Companies now understand that, first and foremost, Inuks need to know about and understand the projects in their communities, and that when projects happen on Inuit land, Inuit are the ones who can make these projects happen by supporting and participating in them. The Inuit are the ones who can benefit by learning new skills and establishing new businesses to service these projects.

In terms of aboriginal considerations, Nunavut is a young and inexperienced territory. Our people are also young and inexperienced. As we learned with the Meadowbank mine, it is very important to start training and preparing our workforce as early as possible so that Inuit can fully participate in this new economy. This kind of education has to start before the mines come, and in school, not on the job.

● (0925)

Training is not only important for the resource industry, but for the Nunavut hamlets and businesses too. What we have learned is that high-paying mine jobs will make it difficult for hamlets and for our local businesses to keep staff. We have seen quite a few of the hamlets in our region lose heavy equipment operators and other key staff to the mines. If we don't focus on training our youth to prepare for the growth that will come from resource development, we will not only miss out on the benefits from these developments, but we will also see our communities suffer, as municipal service levels will decline. That has happened in Baker Lake. It has a huge impact.

When the road from Baker Lake to Meadowbank was built, the company building the road came to Baker Lake looking for employees. Most of these employees came out of Baker Lake when the work started. We saw benefits to locals and the community right away. At one time, jobs in Baker Lake were scarce, but with the building of the road we saw a shift, and Inuit who were not working before were suddenly working and earning a regular paycheque.

We saw what these jobs really meant when we saw the first barge arriving that summer. Normally we see vehicles belonging to the federal government or to the territorial government. Suddenly we saw the mine workers or people who worked for the mine purchasing personal vehicles. These were mostly for the mine workers, and this was a big and sudden change. People were buying not just pick-up trucks, but Inuit were buying ATVs, Ski-Doos, and household items. Even a new co-op was built—that's a store.

The other thing is we were used to seeing only hamlet employees bringing up new snowmobiles, but suddenly this was not the case anymore. We saw that those who were never able to afford those things suddenly had spare money to make their lives better. It used to be that women were the ones who used to do the odd jobs, but suddenly the man was working, a fine example for their children, and there was suddenly a sense of pride among the whole family.

Agnico-Eagle has been doing its best to live up to and even exceed commitments made by Cumberland. Local businesses have been very busy. Agnico-Eagle estimates that there has been over $140 million in contracts to Nunavut businesses, including about $8 million in Baker Lake.

Once the construction was completed, a new phase started. This was an everyday routine. At the end of 2008, a total of 150 Inuit were working in new jobs for Agnico-Eagle and its contractors.

Before the construction of the road and the mine, the hamlet had been trying very hard to find training funds, as they anticipated the loss of employment to the mine, but no training money ever came. Now that people have a choice about where to work, finding reliable staff becomes a new challenge for the hamlet and the private sector in Baker Lake. We can see that it is important to start the training programs before the mine starts, so that Inuit are ready to participate in the new economy.

You need to remember that this is a new lifestyle, and it is a very attractive one. It is two weeks in and two weeks out. Today is Thursday; it's payday every Thursday.

What can I say? Training is the key to making sure the economy—

● (0930)

The Chair: Excuse me, Mayor. You're at about 15 minutes. I don't want to cut you off. I would recommend that you maybe go to the recommendations for government on page 5 and give us those recommendations, and then hopefully the other information will come out in questions and comments.

Mr. Peter Tapatai: I was just going to move to it. Thank you, Mr. Chairman.

The Chair: Thank you very much.

Mr. Peter Tapatai: Here are our recommendations to the government.

At least 7% of our population is under 25. The workforce is rapidly changing, so we need to provide our youth with better education and much needed training opportunities. If Nunavut is to succeed as a territory and if our children and our communities are to have opportunities to better themselves, we need to work together to train our people, and especially our youth, to be ready for the new non-government economy that is coming. We need to work together with resource development to help develop strong and sustainable private sector business. That is how our community benefits.

We need to streamline regulatory approaches so that projects don't get hung up in a very long assessment, but we also need infrastructure. The cost of operating in Nunavut is very high. We all know that. In the Yukon, it takes $200 million to start up a mine because they have access to ports and roads. We don't have these things in Nunavut. That's why the cost of a mine in Nunavut is between $1.5 billion and $1.6 billion. We will never see small, $200 million mines in Nunavut until we get more infrastructure. Today, each project needs to plan to build its own supporting infrastructure, including rail, roads, and ports.

Our priorities are training, infrastructure, and business development. In the future, we hope we can work better in partnership with the government and KIA to meet the full potential of our community.

Thank you. *Ma'na*.

The Chair: Thank you very much for your presentation.

Thanks to all of you.

We will go now to questions and comments, starting on the government side with Mr. Trost, for up to seven minutes. Go ahead, please.

Actually, before you start, Mr. Trost, I do want to say that nobody has a copy of these presentations because they haven't been translated yet. As soon as they are translated, you will get a copy of them.

Go ahead please, Mr. Trost.

● (0935)

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

Since a couple of the witnesses went a little bit long, I'll first give Mr. Jenkins a minute or so to summarize anything he couldn't quite cover.

Then I'll go over to our councillor from Baker Lake. I'll give you another minute.

Mr. Peter Jenkins: Thank you very much, sir.

The major issue today in bringing any project online in the Yukon is the regulatory regime that is in place, the timeline surrounding that regulatory regime, and the undue influence being placed on that process by associations, groups, and NGOs like the Canadian Parks and Wilderness Society, CPAWS, the Yukon Conservation Society, and the David Suzuki Foundation. Millions of dollars are being funnelled from U.S. foundations into these groups.

The concept is to make one park from Yellowstone to Yukon, and that is the concept that is being worked on. Right now, the thrust is on the Peel region, which is very rich in mineralization and has a great potential. No one's saying don't create a park. That's probably the area that I'd like to—

Mr. Brad Trost: So your basic concern is that outsiders are trying to push around the Yukon and limit your economic development for their own purposes. Have I got that right?

Mr. Peter Jenkins: Not just the Yukon—Canada.

Mr. Brad Trost: But you represent the Yukon.

It was noted to me earlier that your MP, Mr. Ryan Leef, is a small guy, but we learned that you don't push him around. He was very insistent in making sure that you and the Yukon were represented here today. I should acknowledge that.

I actually worked at Meadowbank as a geophysicist back in 2000, so I've been to Baker Lake and am a big advocate to go up there and see the results of my work.

I would be glad to hear anything on which you need a minute or two to sum up your remarks.

Mr. Peter Tapatai: I can't help but stress that if Nunavut is to get independent, we need to really focus our energy on training our youth, not during the construction of a mine but before. We are impacted greatly by lack of training, a workforce that could have stepped right into doing work. Training is a key component to our needs.

Thank you.

Mr. Brad Trost: To follow up on that, you've gone through that experience. When I was working in Baker in 2000, I saw what you saw—very high unemployment at the time. What has worked and what has not worked? You're the community that's successful. Rankin is undoubtedly looking to your experience. What would you say has been effective in your community, and what would you say we shouldn't try again because it wasn't productive?

Mr. Peter Tapatai: I'll be honest. Nobody heard us. We went to our RIOs. We went to our territorial government. It just fell on deaf ears. Baker Lake had a very high rate of unemployment. We wanted to make sure we maximized our benefits by training our workforce, but it just fell on deaf ears. Now we are paying for it, because the community could have benefited. It would have been not just for Baker Lake. We want to share our experiences, and train our workforce not just for Baker Lake but for the region.

Mr. Brad Trost: So what training, what programming, what specifically has been most effective and has worked for your community?

Mr. Peter Tapatai: It may sound very simple, but it would be heavy equipment operators. In our community, municipal services are not being done very well because the municipal service workers who used to work are working at the mine. We thought that when they came home on their two weeks off, they would work, but they don't. They want their two weeks off to be with their family. So heavy equipment operators are very difficult to come by.

Mr. Brad Trost: So would I be interpreting this right if I said you need specific job skills and training for specific jobs?

Mr. Peter Tapatai: Yes.

Mr. Brad Trost: That's what you're looking for?

Mr. Peter Tapatai: We want to run programs in our community. It has been our experience that when you train people in your community, the success rate is far higher than it is if somebody goes out of the community and lives somewhere else. They're home with their family and there is still the home environment.

Mr. Brad Trost: We heard from other witnesses here earlier about how people had been trained for the development of the Mackenzie Valley pipeline and it hadn't really come to fruition. They were trained so far in advance of the project that they weren't really able to work on the project, and they ended up migrating away from their home communities.

That leads me to this question. How far in advance of a project do the companies start to do training programs? That's a question I'll put to all three of you, if you are interested in answering it.

I'll start with Baker.

● (0940)

Mr. Peter Tapatai: A good training program is not a loss. If you train heavy equipment operators in work geared towards a mine, they can put that training to use for things like municipal services. So when training is pushed by a community, it has already planned the sort of training it wants.

Mr. Brad Trost: Do the other two gentlemen want to take that one?

The Chair: Go ahead, Mayor Kusugak.

Mr. Pujjuut Kusugak: Thank you, Mr. Chairman.

I would say start the training now, because 2017 isn't very far away. In our community, we have 30 to 40 graduates a year. Some communities have an even smaller population, meaning fewer graduates. The dropout rate is 75%. We need to be able to take advantage of the ones who are graduating and promote the completion of high school. What I have found is that in southern culture, high school is not the finish line. It's almost implanted in you to further your education, to get your university degree or college degree, and to go past that. For many people back home, high school is the biggest accomplishment that will happen within their family, because they can't leave home due to sickness, family obligations, or things like that.

To be able to do the training Mr. Tapatai is talking about at home would be a huge advantage. But training would need to start now, not just for heavy equipment operators but for other things, such as engineers, surveyors, and tradespeople. I mentioned earlier about having to branch off from just the small positions, such as janitors or helpers in the kitchen and things like that. There really does need to be a supported effort all around by all levels of government, and by our regional and territorial Inuit organizations, to promote that.

The Chair: Thank you, and thank you, Mr. Trost.

Mr. Jenkins, we don't have time for you to answer that question now. I hope somebody will give you an opportunity with a question soon.

Mr. Julian, you have up to seven minutes, please.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Thank you very much, Mr. Chair. Thanks to our witnesses as well.

We've had very interesting witnesses today. We had very interesting witnesses on Tuesday as well, including Melissa Blake, who's the mayor of the Regional Municipality of Wood Buffalo, the area of Fort MacMurray.

Ms. Blake talked about cutbacks in federal funding for infrastructure. One of the things she has just let this committee know about is that the federal government cut funding in the amount of $334,000 that was going to the Fort Chipewyan airport, in the area north of the oil sands.

I'm very interested in learning from each of you to what extent the federal government is walking the talk. We certainly heard from Ms. Blake that there are huge shortages in infrastructure and problems in health care funding and getting doctors. There are issues around infrastructure funding and the airports, of course, a whole range of problems, where the federal government isn't present, isn't providing funding, or has, in the case of the airport, cut back on funding.

To what extent do you see the federal government providing the infrastructure and funding that is important both for quality of life and economic development?

I direct the question to all three witnesses. Could I have brief responses? I have some follow-up questions.

● (0945)

The Chair: We'll start with Mr. Jenkins.

Mr. Peter Jenkins: Thank you very much, Mr. Chair.

To respond to your question directly, I don't believe Yukon has anything but praise for the federal government, its existing programs, and the moneys that come into Yukon.

That said, if you want to look at doctors in Yukon, we have one of the highest ratios of doctors to population of any jurisdiction in Canada, and it's because of the quality of life and the infrastructure that's in place. If you want to look at—

Mr. Peter Julian: Yes, thank you. Because I have a number of other questions, I'll ask Mr. Kusugak and Mr. Tapatai to respond as well.

Mr. Pujjuut Kusugak: Thank you.

We can have up to 11 planes at our airport at one time. As I mentioned, it's the hub. The apron and terminal will be expanded, which is great to hear. We will also be receiving funding for the business case for a possible port facility. Receiving this kind of funding shows how feasible it is, but also these types of infrastructure are extremely important for development, to be able to accommodate the growth in our communities.

If you have something you want to follow up on, I can try to answer that also.

Mr. Peter Julian: More specifically, is funding available for the airport expansion?

Mr. Pujjuut Kusugak: It was awarded to us last spring. Because we have to ship everything by barge, now we have to wait for the construction season. So if you miss the boat, you've missed the boat.

Mr. Peter Julian: Thank you.

Mr. Tapatai.

Mr. Peter Tapatai: I'm not aware of any federal funding for our community, but Baker Lake is a hotbed for exploration. We have a mine, and they have an offloading facility. We don't even have proper infrastructure for a port to offload our barges. A floating barge offloads all their materials. Companies are expected to take this out of their existing budgets. If we are to become independent, we need to have better docking facilities. We need better airports so we can keep attracting exploration companies to continue to work in our region.

Mr. Peter Julian: Have you applied to the federal government to fund any of those projects?

Mr. Peter Tapatai: They have tried.

Mr. Peter Julian: And there has been no response from the federal government? That's important to know.

Mr. Peter Tapatai: No. I'm not sure if it's from the federal government. It probably went through the Nunavut government. We've got some work on our buildings in Baker Lake this summer.

The Chair: Did you want to add something, Mayor Kusugak?

Mr. Pujjuut Kusugak: I forgot to mention that with the funding we got for the port facility business case study, what we're trying to do is access the P3 funding.

Mr. Peter Julian: [*Inaudible—Editor*]...the training programs? I know it applies best to the Yukon. Certainly in my area, in British Columbia, there's been a lot of concern.

The federal government cut back on funding for the ITAC, which is the Industry Training and Apprenticeship Commission. As a result of that, ITAC no longer exists, which means that we're not getting the apprenticeships and having young people actually developing trade specialties. Instead, the federal government seems to be bringing in temporary foreign workers, which is completely counterproductive in terms of building a robust, modern economy.

Are you seeing any federal funding for the apprenticeship programs that are important in both of your communities?

Mr. Pujjuut Kusugak: The funding for the Nunavut Arctic College is through the territorial government, which gets its funding from the federal government. That's as far as I can answer that.

Mr. Peter Julian: Okay.

Mr. Tapatai.

Mr. Peter Tapatai: From the territorial government, we recently got airport improvements. But that's just a band-aid solution.

We would like to see a jet landing there some day. We see a lot of resource development coming our way, and we want to be ready.

● (0950)

Mr. Peter Julian: So there's money going out of your community, but there's not a lot of money coming back in once it leaves.

Can I ask you a final question, Mr. Tapatai? Because you have a mine in the community, has there been any support for environmental monitoring?

Certainly Mayor Blake mentioned that it's very important. She stressed that the federal government should be providing funding for ongoing monitoring of the environmental implications of oil sands development. I'm wondering to what extent, in your community, there's been any support by the federal government for monitoring the environmental impact of mining.

Mr. Peter Tapatai: I am not aware of it. I will certainly bring this matter up with the hamlet council. I have your card.

Mr. Peter Julian: Yes.

Mr. Peter Tapatai: I will see what I can do to provide you with information on it.

Mr. Peter Julian: We'd be pleased as well to come to the community. All three communities are beautiful and have a reputation in the south. More southerners should go up north.

The Chair: Thank you, Mr. Julian. That's eight minutes.

Mr. McGuinty, you have up to seven minutes. Go ahead, please.

Mr. David McGuinty (Ottawa South, Lib.): I'll take eight.

The Chair: Okay.

Mr. David McGuinty: Thanks very much, Mr. Chair.

Thank you very much, gentlemen, for being here. It's a long trip, I know. Thank you for making the effort to be here.

Mr. Jenkins, I wanted to go back to some of your comments, which really disturbed me, at the end of your testimony, when you were given an opportunity by Mr. Trost. I wanted to explore that a little bit.

You said that timelines are a huge problem in the Yukon context. Just this week, the government dispatched 10 ministers across the country to talk about the two-year timeline for regulatory reform, only to have it confirmed that in fact clock stoppages on behalf of a proponent of a project will delay way beyond two years, in most cases some of the largest projects we have. For example, in the context of the NWT, Imperial Oil was responsible for four years of delay—four years of delay—for the pipeline. It had nothing to do with the regulatory system.

I want to come back to the comments you made, which were really troubling for me, as a Canadian. You talked about undue influence by outsiders. You named the Yukon Conservation Society. You named the Canadian Parks and Wilderness Society and the David Suzuki Foundation. You said they were funnelling money from the United States. Can you tell us how you know that? How do you know they're funnelling money from the United States?

Mr. Peter Jenkins: You can just visit the websites and see where their money originates. It comes from a number of major foundations in the U.S. It comes into Canada, and it's dispersed by these groups.

Mr. David McGuinty: Sorry, it's coming in through what mechanism?

Mr. Peter Jenkins: It's a direct amount that's provided to these various NGOs from U.S.-based foundations.

Mr. David McGuinty: What would be the largest company in the Yukon right now looking to, for example, get a project going?

Mr. Peter Jenkins: There are numerous ones, from Kinross to Golden Predator, for instance.

Mr. David McGuinty: Where does their capital come from?

Mr. Peter Jenkins: Money markets in the U.S. and in Europe.

Mr. David McGuinty: Are they funnelling money into Canada through a Canadian company? Are they taking money from the New York Stock Exchange, or from institutional retail investors? Is that undue influence? Would you consider that to be the same?

Mr. Peter Jenkins: There is the money side of it for investment opportunities. Money knows no boundaries. It moves wherever it's going to get a good rate of return, and where there is a secure, sound basis for their investment. Canada has provided that in many instances. The influence that's being exerted on the regulatory process through some of these other foundations and groups is affecting that investment opportunity.

Mr. David McGuinty: If we follow your logic, then, money knows no boundaries and is like electricity. It follows the path of least resistance, but it should know boundaries when it comes to receiving moneys for other interests other than pecuniary interests, is that right?

Mr. Peter Jenkins: No, sir. It's not the case.

Mr. David McGuinty: It's funnelling money when it comes to bringing money into Canadian foundations and environmental NGOs, but it's not funnelling money when it brings money in from outside of Canada for capitalizing big mining projects, for example?

● (0955)

Mr. Peter Jenkins: If you look at the end result of that money, you will find that in some cases it's for investment opportunity and for the return on the investment. With respect to a lot of this foundation money that is flowing into Canada, it's to create a park, from Yellowstone National Park to Yukon.

Mr. David McGuinty: Right. I know all about the Yellowstone to Yukon conservation initiative, and it's all about trying to maintain Canada's stable population of predatory species, particularly the grizzly bear. We know the park system in Canada is not working. We know that if parks aren't connected and buffered, they don't work. We've known for almost 50 years that if we don't buffer and connect our parks, they become islands of extinction. We have some dramatic cases in the United States where parks that were set aside as parks now have species of flora and fauna that were never indigenous to those parks because they have completely changed.

Who are the members of the Yukon Conservation Society? Are they Canadians?

Mr. Peter Jenkins: By and large, yes.

Mr. David McGuinty: The Canadian Parks and Wilderness Society, are they Canadians?

Mr. Peter Jenkins: Yes.

Mr. David McGuinty: The David Suzuki Foundation, are they Canadians?

Mr. Peter Jenkins: Yes. In fact, David Suzuki's son is a resident of our community.

Mr. David McGuinty: Right. I am having a hard time trying to distinguish here what constitutes funnelling money and not funnelling money. I can't follow the logic.

I'm going to go back and try again. You are suggesting that if money comes into Canada for good economic purposes, say to capitalize a major mining project in the Yukon, that's great. It's good. It's acceptable as part of our international free trade agreements, as part of our capital flows, and as part of the free market. But if money comes from outside donors to help save the grizzly bear as a predatory species, that's not good.

Mr. Peter Jenkins: If you want to look at the Yukon for grizzly bears, our population of grizzly bears is one of the highest it's ever been. Our caribou herds have rebounded tremendously. There's a restriction on hunting by all Canadians, first nations and everything.

We probably have just a fundamental disagreement on how many parks we need. Currently, the Yukon protects almost 13% of our land base.

Mr. David McGuinty: I hear you. You and I are now in violent agreement. There is definitely a disagreement about how many parks we need.

But I am very concerned about the talk that is coming from the government and from select witnesses who are coming to the committee trying to claim, or frankly make the spurious allegation, that money coming into Canadian conservation groups is somehow sullied, dirty, or inappropriate money. We had a witness come here and suggest it was illegal money. Not you, sir. I think that's very dangerous. I am very disappointed in the government's conduct in this regard. We have had ministers call groups who are very concerned about Canada's conservation standards and levels “radicals”. We have had a cabinet minister stand up and allege they are funnelling and money laundering—money laundering money. Of course, when he is asked to actually provide names outside the immunity of the House of Commons, he doesn't have the guts to do it.

I am very concerned when we hear this kind of talk. I think Yukoners would want to see a good balance here. I just can't see why Yukoners don't want to see an appropriate role by both the private and of course the government sector, the regulatory sector, and of course from NGOs. I don't understand why there is such an animosity here for the appropriate role of an actor in civil society. I don't get that.

Mr. Peter Jenkins: I believe the Yukon currently has a very good balance for the amount of area set aside for parks. I believe we have an extremely good conservation program with respect to our wild game. I believe we have achieved that balance.

Mr. David McGuinty: Do your companies and Yukoners now realize that when the government goes out and spends hundreds of thousands of dollars jetting ministers around the country to tell Canadians that there's now a new two-year timeline for environmental assessments...? Do Yukoners now realize that's actually quite misleading, and that if a project proponent says they need to year to do the science or the analysis, or get the water quality studies done, the entire things stops?

Mr. Peter Jenkins: If you want to look at the number of projects that are under way just in close proximity to my community, there are a lot of the major mining companies. We've experienced a new gold rush. Probably the biggest and most renowned is Kinross. They're out there now doing their due diligence. They haven't made any application, but they were in there over the course of the whole winter pulling water samples, doing land use studies, and addressing all of the responsibilities they have under the YESAA regulatory regime.

Mr. David McGuinty: They also have—

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

Mr. David McGuinty: Thank you, sir.

The Chair: We'll go now to Mr. Anderson for up to five minutes.

Go ahead, please, sir.

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

Mr. Jenkins, I don't think you need to go any further than Mr. McGuinty's line of questioning to know why you should be concerned. When you're talking about things like buffering parts from one end and connecting the parts that are already in place, I think those of us who live in rural areas understand what's being suggested there, which is that our areas do get made into huge parks that people basically cannot use, and development cannot take place.

Actually, years ago, I had a member of Parliament and his party telling me that he was excited and he said they could hardly wait until western Canada was one big park.... Now, he was semi-exaggerating—

A voice: Why not the whole country?

Mr. David Anderson: —but I think we've just heard more of that this morning. When you talk about foreign money coming in through groups specifically set up to advocate, and comparing that to investment in our economy...I think you can see where Mr. McGuinty and the Liberal Party are coming from. You should be concerned, and I don't think we've ever seen it as clearly as we just did in the last few minutes. Anyway, I'm glad he pursued that line of questioning, to make you a little bit more aware of what you need to be looking for.

I would like to actually go back to the issue of education and training, because we've had quite a long series of hearings here at the committee and we've gone to a number of rural areas. We talked about the Ring of Fire in northern Ontario, and Plan Nord as well, and some of the challenges that are faced by communities. We've had leaders come in here who basically have said that they are not really interested in their communities changing, that they'd like to leave them as is, but also with the consequences of probably not having some of those advancements made in their communities either.

I'm just wondering if you can tell me.... You said you had 95% employment, or that everyone who wants a job in Baker Lake basically can have one. How have you worked with your young people—I know you still have issues and challenges there—to get them focused on education to the point that they are employable and are moving up the work chain?

I'd like to ask both of you that question, because I find it exciting to hear about that happening in your communities and I'd just like to know what your experience is. How have you kept young people in the school system as much as you have? How are you training them? And at what stage are you starting with them to get them into the workforce?

● (1000)

The Chair: Go ahead, Mayor Kusugak.

Mr. Pujjuut Kusugak: Thank you for the question.

In our community, there have been a few—what are they called again?—career fairs, and there have also been trade shows that have gone on in our region. They've been extremely successful in the last couple of years. That has involved a lot of youth, making sure they're part of what's going on.

There has been a lot of effort. There have been presentations, and also, in a way, job experiences, not just in the mine, necessarily, but in summer programs where students are learning about water analysis, surveying, and things of that sort. Also, Agnico-Eagle Mines recently had an agreement with the Government of Nunavut Department of Education to work on education programs so that youth are able to look into careers, I guess, in the mining sector.

But I think it's important to note that once you have this kind of training, you can take your trade or position anywhere, not just within Canada but anywhere in the world, and those are the kinds of things we're trying to expose youth to. I'm actually a teacher by trade, so I have a few years of experience in high school.

The youth are ambitious. It's the opportunities that are needed and also the ways of learning how to live away from home. I left high school. At 16 years of age I left Rankin to go to school in Toronto, at St. Michael's College School. After that, I moved to Ottawa for three years. I was lucky to have experience in leaving home.

These kinds of programs are what's needed by many youth.

Mr. David Anderson: Can I say that it's important to your community that you've actually returned to it as well? I come from a community of 300 people, and I hear some of the same issues—health care, staff retention, municipal levels, those kinds of things, but particularly keeping our young people interested in coming back to the community. You're an example of someone who has come back.

Both of you are there, leading your communities. I think that's part of the success.

I'm just wondering, as the economy improves—

● (1005)

The Chair: Sorry, Mr. Anderson, your time is up. You'll get another chance.

Mr. Daniel.

Mr. Joe Daniel (Don Valley East, CPC): Mr. Chairman, thank you very much.

Gentlemen, thank you for being here.

We've really focused very much on the mining industry and the development of mines, etc. What other natural resources—forestry, for example—can play a part in your community in terms of the spread of activities that you can do?

That's to all of you.

Mr. Peter Jenkins: Yukon has a very, very active exploration program for oil and gas on the Eagle Plains north of my community of Dawson. It's just off the Dempster Highway. I believe the drilling will take place this fall and winter. They're looking for natural gas.

In the Kotaneelee in southeast Yukon, just south of Watson Lake in the east, there's another field that's actually tied into the grid. In addition to that, there are capped oil wells, which are stranded, north of Dawson City.

As for the forestry industry, we don't have a very good track record in that regard. A previous Minister of Indian and Northern Affairs gave a quota to a company in Watson Lake, which has very good stands of timber. It subsequently was overturned. It resulted in a major lawsuit. I believe the award granted was something like $65 million. I believe it's still under appeal. That federal Liberal minister is no longer. His officials in the Yukon kind of circumvented the whole process.

But we could have a very viable forestry industry.

Mr. Joe Daniel: Okay.

Your Worship?

Mr. Pujjuut Kusugak: I can tell you that we have zero forestry back home. The only trees I grew up with were the power poles.

Voices: Oh, oh!

Mr. Joe Daniel: How about tourism or other things that are affiliated, not necessarily mining, that your community could be expanding into for sustainability over the long term?

Mr. Pujjuut Kusugak: There's been a strong push for tourism. Just in Rankin alone, there's a strong whaling history. In a community south of us, a place called Arviat, formerly known as Eskimo Point, there's a strong push for ecotourism.

In Rankin there's also a meat processing plant. There have been caribou products, char products. We also have a territorial park in our community, Iqalugaarjuup park.

Mr. Peter Tapatai: Baker Lake is the geographical centre of Canada, and that has been our slogan to try to help attract tourism. I think prior to the mine, we had a lady named Jessie Oonark, a very famous printmaker, who was an attraction for tourists.

The problem is that for anybody to come up to our community, the costs are extremely high. The airfare and the hotel take up maybe 80% to 85% of the cost. Whatever little extra they want to buy in the community, the spinoff...I don't know if it's fair, because I think one industry takes most of the money. If a person from the south came up and wanted to buy something little, a carving or whatever, there's not much left.

Prior to the mine, the main attraction was canoeing. Environmental people and others like to paddle down the Thelon and the Kazan. By the time they come back, they've paddled a long trip. If they want to buy a little souvenir or something, carvings can be pretty expensive.

So I don't know where the funding would be, but arts and crafts is a cottage industry, and Baker Lake is still trying to go.... I think among the young people, not a lot are artists. They're looking to find new work.

● (1010)

Mr. Joe Daniel: We've also heard from previous witnesses that one of the biggest problems with these remote communities is the high fallout at high-school level and that not many people are actually getting to complete their high school. But those who do get to high school go on like yourselves and become very successful professionally in terms of getting higher qualifications, etc.

Do you have any thought on the teaching process or the teaching style that actually contributes to the reason there is such a big fallout before getting to high school?

The Chair: I have to ask you for a very short answer. Go ahead, please, Mr. Kusugak.

Mr. Pujjuut Kusugak: Thank you.

Education system style is a very culturally...there was a lot of observation taught and hands-on education. For my parents' and Mr. Tapatai's generation, that was the mode of education. Now it's turning into a very southern style, where you're sitting in a classroom. It's very structured. It's almost a conflicting style of education, which really does contribute to the difficulty and stresses at home and just on the students themselves.

Mr. Peter Tapatai: We really need good role models. We need good role models to look up to, who will help our youth better understand how education can pay off for their future.

The Chair: Thank you, Mr. Daniel. You are quite a bit over time.

We have to go to the next speaker on the list.

We will now go to Mr. Bevington for up to five minutes.

Mr. Dennis Bevington (Western Arctic, NDP): Thank you, Mr. Chair. I am very pleased to be here and to have a chance to have a five-minute discussion with you on a couple of issues.

In the last committee hearing, there was a presentation by Qulliq Energy Corporation, and they talked about the impossibility of the territorial government investing in the hydro project there because of the borrowing limit.

This is a very important issue right now because the federal government, in this budget implementation bill, is bringing in regulations that the federal cabinet can set the conditions for borrowing. One of the key issues was identified in the last meeting, in that self-financing, as in utility companies, is being put under this borrowing limit. So a project like a hydro project, which has a payback to government and is not going to be a burden on government, will be included in this borrowing limit. For Nunavut it is $400 million. For Yukon it is $400 million. So this pretty well takes the two territories, and my territory as well, out of the opportunity to invest in these self-financing projects.

This is a very important question, because the federal government hasn't set these regulations yet, but I have seen copies of these regulations that say they're going to put the self-financing loans under the borrowing limit. Do you think this is a good idea, or do you think our territories should have the ability to invest in projects that provide them a rate of return?

Mr. Peter Jenkins: The short answer is yes. It was my privilege, sir, to sit on the board of directors of Northern Canada Power Commission for a number of years back in the 1970s, representing Yukon. So the power situation north of 60 is something I'm reasonably familiar with.

That said, to contain the borrowing limit of the various territories in the cap for all of that territory is something that may need to be carefully considered. All you have to do is look at Quebec Hydro and Ontario Hydro as to the amount of their indebtedness. But it gets a rate of return as long as you have a market that's going to service that debt.

The market in the north is very, very fragile, in that if you have a mine shut down it could take away...like the Faro mine, the Anvil mine, which took away about a third of the revenue from the energy corporation, or NCPC in the day. So you have to be very, very careful as to how you structure it, because it can look good one day, but if there is an economic downturn and you only have one or two customers on that grid, you've got a serious problem. It's all about rate of return on your investment.

● (1015)

Mr. Dennis Bevington: Well, in order to borrow money now, the three territories have to go to the private market. Private investors are also very concerned about those rates of return as well. Do you think the determination of the value of the investment is better held in Ottawa or in your individual territory?

Mr. Peter Jenkins: I would see that as something that's going to have to be decided, given the order of magnitude of the dollars that are going to be involved in the very near future in major hydro projects and major energy-related projects.

Nunavut has a very serious problem supplying energy, and it's going to become more and more acute. It's basically fossil-fuel-based. The Yukon is fortunate; we have a large capacity of hydro.

This is an area that should be carefully examined. The Government of Canada is going to have to play a very pivotal role in overseeing the financing, because that's the whole basis of that field.

Mr. Dennis Bevington: Mayor Kusugak, your community is getting quite large, and of course you're running on diesel gensets. If you look to the Northwest Territories, this summer Diavik mine is erecting a very major wind farm in an area where the wind resource is not even as good as in Rankin. Do you see some hope for renewable energy in your region?

Mr. Pujjuut Kusugak: We would love to see any way of bringing down costs, for everything, energy especially. The cost of fuel is extremely high.

The advantage other places have is that they have highways that can bring up these supplies year-round. Our shipping season is two and a half months. To be able to bring in all of these building materials for things like windmill farm energy will be quite difficult.

I invite anybody or any company that wants to do a pilot project to come to Rankin or Baker Lake, where there are two mines—one operating and one possible—to see if the cost of energy can be brought down and to see if it's feasible in the north.

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

Mr. Galipeau, up to five minutes.

Mr. Royal Galipeau (Ottawa—Orléans, CPC): Thank you very much, Mr. Chairman.

Mayor Jenkins, Mayor Kusugak, and Councillor Tapatai, I want to tell you how touched I was to hear your testimony today. We are hardened parliamentarians, and we hear a lot of testimony at this table. You didn't only give us information, you gave us heart, and for that I want to thank you. I want to thank you for the sacrifices you've made to get here.

Mr. Tapatai, I want to thank your city council for trusting you as their delegate here. You've done them proud.

I want to apologize for not wearing one of my silk ties that was made in Baker Lake. When I saw you, I thought, oh, I should have done that. I get more compliments for them than for anything else.

You get your goods from the south through the sealift. It comes in about July, I suppose.

Mr. Peter Tapatai: It will start coming in July, give or take, when the ice leaves. We'll be done in October.

Mr. Royal Galipeau: It is the same thing in Rankin Inlet.

I've visited the capital cities of all three territories, but I've not been in any of your communities.

Ten years ago or so, my wife and I were involved with the Canadian Association for Suicide Prevention, and we organized conferences at Inuksuk High School, in Inqaluit.

Is there a high school in Rankin Inlet, too?

Mr. Pujjuut Kusugak: Yes, there is. It's called Maani Ulujuk Ilinniarvik, and until recently it was also the regional high school. Many high school students had to come to Rankin, until recently.

● (1020)

Mr. Royal Galipeau: I think your member of Parliament went to that school.

Mr. Pujjuut Kusugak: I can't confirm that.

Mr. Royal Galipeau: She's our Minister of Health now.

Is there a high school in Baker Lake?

Mr. Peter Tapatai: Yes. We have Jonah Amitnaag high school.

Mr. Royal Galipeau: Mr. Jenkins, could you expand on Dawson City's current relationship to gold mining exploration and development?

Mr. Peter Jenkins: It is a very good one, sir.

Our first nations, the Tr'ondëk Hwëch'in, are well involved in the community. Of the 22 self-governing first nations in Canada, 11 of them are in the Yukon. Tr'ondëk Hwëch'in has set up a number of different companies. One is a fuel distributor, one is a trucking company, one is a construction company. They are servicing the mining industry with their well-trained first nations people.

They are very integrated into the community. They built a number of houses right in the municipal limits after their land claims were settled and signed, and agreed to abide by the City of Dawson's municipal bylaws.

We have an excellent working relationship. Chief and council and the mayor and council meet on a regular basis, at least quarterly, and go over areas of mutual concern.

They're actively involved in the mining community. Some of the best highway foremen are first nations descendants and they're working for the Government of the Yukon. They're very integrated into the community, and we're probably ahead of the curve in Canada in that regard, and we're very thankful.

Mr. Royal Galipeau: Mr. Jenkins, you've already been involved in political life at all levels for a few decades. Have you ever made a contribution to political advocacy in a foreign country?

Mr. Peter Jenkins: I never have.

Mr. Royal Galipeau: I didn't think so.

We know your views about financial contributions to political advocacy from foreign countries. Do you think they should be made illegal?

Mr. Peter Jenkins: They should have parameters around how that money flows into Canada and how it's dealt with and used within Canada. The point of origin of that money and its intended purpose should be duly recognized.

Guidelines might be put around the type of money flowing into Canada, yes.

I might add that I'm well involved in Alaska and the business community there, and I know what's going on in that area.

It's amazing to—

Mr. Royal Galipeau: You don't get involved in political advocacy there?

Mr. Peter Jenkins: No, sir.

Mr. Royal Galipeau: You know that's a foreign country.

Mr. Peter Jenkins: That's correct.

The Chair: Thank you, Mr. Galipeau—

Mr. Royal Galipeau: Before I go, Mr. Chairman, I wonder if I could have a seconder for this motion: that we adjourn this meeting to Rankin Inlet and go fishing.

Voices: Oh, oh!

The Chair: I'm going to rule that out of order, as much as I'd love to go along with it.

Mr. Jamie Nicholls (Vaudreuil-Soulanges, NDP): I'd like to challenge the chair.

Voices: Oh, oh!

The Chair: Mr. Nicholls, you have up to five minutes. Go ahead, please.

Mr. Jamie Nicholls: Thank you, Mr. Chair.

Welcome to the south.

I realize it's very good of you to come here before the committee, and I wish there were more exchanges so we could go to the north. I hope I'll be able to travel in the north in the next couple of years and visit you in your own communities.

Mr. Kusugak, I have a question about funding for something called the Mine Training Society, a partnership with first nations. Is the funding still in place for that program? Could you speak to that?

Mr. Pujjuut Kusugak: As far as I know, the Kivalliq Inuit Association is part of the Kivalliq Mine Training Society. I think they also work with the Government of Nunavut or the Nunavut Arctic College.

I can't answer about the funding. I don't want to give the wrong information, if funding is still there or where the funding comes from.

Mr. Jamie Nicholls: But there's a federal component to that funding, I understand?

Mr. Pujjuut Kusugak: I believe so. From what I understand...I can't remember exactly who the funding agency was. I work at the Kivalliq Inuit Association also, but I didn't get the specific funding program.

● (1025)

Mr. Jamie Nicholls: I also have some questions about the royalty regime and devolution in your territory. Considering that the current negotiations between the Government of Canada and Nunavut over control of natural resource revenues....

Do you find it appropriate that Aboriginal Affairs and Northern Development Canada and the Canadian Northern Economic Development Agency aren't analyzing the potential effects of devolution of northern communities for self-determination, self-sufficiency, and control over your resources? Instead, devolution is being studied as a financial issue by the Government of Canada within the Department of Finance.

Could you speak to the ongoing negotiations?

Mr. Pujjuut Kusugak: The territory of Nunavut was created so that the people of Nunavut could become independent and not be so dependent on the rest of Canada. Just for everybody's information, Inuit do pay taxes. We're contributing Canadians. This way, we can contribute towards everybody else, but also, the royalties and things of that sort can help the Nunavut territory. I think it's really a matter of pride. You want to be able to look after your own people. You want to be able to provide for your families—not just for you but for everybody else after you—and that's the whole point of devolution, I believe.

Mr. Jamie Nicholls: It's more than just a financial question. It's really a social and self-determination question as well, is it not?

Mr. Pujjuut Kusugak: I believe so. It can't just be about finances. There are so many things attached to this issue.

Mr. Jamie Nicholls: For instance, on a tangent, Mr. Tapatai, I understand that the Baker Lake Hunters and Trappers Organization recently voiced concerns about the Kiggavik mine project's potential effects on caribou. A problem was raised concerning how the English documents weren't effectively read by or translated for elders. Is that accurate? Has that been rectified?

Mr. Peter Tapatai: I am not aware of it. The process is just starting.

For the record, I'd like to say that we have a gold mine. Caribou do migrate through that area. You know, a blast can be quite a loud thing. We see caribou sitting along the side, right at the mine, after an explosion. I think something can be done to ask what the effects of mining on the caribou are. I have not seen anything change. I'm not a caribou, but you know—

Voices: Oh, oh!

Mr. Peter Tapatai: —if I could, I would share it with you. I think there is a lot that can be shared. If you'll take a look at what is happening in Baker Lake with the mine, with the wildlife and stuff, a very big migration of caribou goes through there.

The Chair: Thank you, and thank you, Mr. Nicholls. Your time is up.

We'll go to Mr. Allen.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you very much, Mr. Chair, and thank you to our witnesses for being here today. I appreciate the testimony. We've heard a lot of varied thoughts and opinions.

Mr. Jenkins, I'd like to start with you. I just want to make sure that I'm very clear on the process for the environmental reviews and assessments. Under that framework agreement, does that mean, for want of a better word, that there's an equivalency at the local level in the territory for the environmental assessment of any major project?

Mr. Peter Jenkins: Yes. There are regional boards in all of the major communities. There are basically three and sometimes four. Dawson has a regional office for YESAB, and their recommendations go forward to the main office in Whitehorse.

Mr. Mike Allen: Okay. So you each have one, and they're all within the territory, basically. That, presumably, would be approved at a higher level after that.

Mr. Peter Jenkins: Yes.

Mr. Mike Allen: Okay. Thank you.

I want to talk to you folks a little bit about resource development, people resource development, actually.

Mayor Kusugak, I found your comments interesting, with respect to how the education system has changed a lot to maybe being more of a southern type of delivery.

Back in New Brunswick a number of years ago, we made a huge mistake when the provincial government took trades education out of our schools. We lost a generation of tradespeople. It's been a major concern to us as we're trying to catch up now.

Can you, and Mr. Tapatai as well, talk to me about the profile of the education system in the territories? How broad is the delivery and the nature of the programming delivered to the students at the junior high and high school levels in terms of the basics or in terms of trades?

Second, have you gotten together with the companies to try to develop a long-term resource plan so that the territory can actually develop the education system so that these students are coming out at least at the preliminary stages of their trades education?

● (1030)

Mr. Pujjuut Kusugak: On the long-term resource plan, as I mentioned earlier, Agnico-Eagle Mines does have an agreement and a partnership working towards skills in the mining sector. I think the education system in Nunavut is pretty good, having worked there, having had some of the best colleagues I've ever worked with there, but there are some improvements that do need to be made. In reality, not everybody is made to be a university student. There are some people who are more skilled with their hands, in things like the trades. There does need to be some kind of streaming towards the trades area, and also for students who are more interested in the technical areas, such as engineering, surveying, things of that sort. So there really need to be improvements there.

I don't know if that answers your question.

Mr. Mike Allen: Partially. I guess the improvements would be picked up in this trade school and the trades training as well.

Mr. Tapatai, are you seeing the same thing in your area, that some of the students are getting the opportunity to at least get started in the trades? I'm thinking that as we start to get into post-secondary education and further training in the trades, there at least has to be that base in the school system.

Mr. Peter Tapatai: I would like to use myself as an example. I went to a residential school in Churchill, Churchill Vocational Centre. There's a school there focused on what sorts of skills the Inuit people had. One of the things that made it interesting is that we were able to look at being a mechanic, a drafter, or a welder, and at the same time we still did the other in-class math and reading.

I think Inuit are capable of working very well with their hands, and maybe more vocational-type classes can be put into schools, so that you utilize.... There is a big difference in percentage in people who will take academic...probably a bigger portion will be doing vocational, practical things that will make them.... But there is no money allocated for those things. I think those things are very valuable. Academics seem to be pushed in schools. As Mayor Kusugak said, we're not all going to be doctors and lawyers; some are going towards a vocational end, and we should have homegrown vocational right in the high schools.

Mr. Mike Allen: Thank you.

The Chair: Thank you, Mr. Allen. You're out of time.

We will finally go to Ms. Liu, for five minutes.

Ms. Laurin Liu (Rivière-des-Mille-Îles, NDP): Thank you.

May I ask the committee for unanimous consent to continue after the bells start for the vote?

● (1035)

The Chair: You've heard the question. Ms. Liu is asking for unanimous consent to finish her round of questioning if the bells start. Is that agreed?

These gentlemen have come a long way, and we certainly want to get in as many questions as possible.

Some hon. members: Agreed.

The Chair: Go ahead, please. That's agreed.

Ms. Laurin Liu: I appreciate that. Thanks to the committee.

Also, thanks to the witnesses for coming down here. I'd like to reiterate my colleagues' welcome to the south.

I'd like to start my line of questioning with Mr. Jenkins. I was reading the Yukon energy strategy last night with great interest. I see that there is, as a goal, increasing energy efficiency by 20% by 2020. What is the progress that's been made on that so far?

Mr. Peter Jenkins: Actually, our demand for electrical energy is ever increasing because of the high cost of fossil fuels, and more and more are converting to electric heat, which is hydro-generated. So all of our new condos and residences, primarily in Whitehorse, are electrically heated. Even in rural Yukon, in our community, which is now on hydro, electric heat is more in place than fossil fuel heat.

It's probably an opportunity for Canada to look at a multitude of areas. The one that everybody is afraid to look at, which is being looked at in Alaska, is a lot of the small nuclear reactors that come in a sea-can and that you bury in the ground. They run unattended for 30 years, and then you dig them up and take them out. But because of the consequences of what happened in Japan, with nuclear energy and nuclear reactors, everyone is afraid to even consider it or look at it. But I believe it's an opportune time, because the demands for energy are going to ever increase, and it might be an opportunity to get off fossil fuel, use nuclear energy for generating electricity, and use electricity to heat our various residences.

Ms. Laurin Liu: Right. Do you have any information on the specific progress that has been made on this and on the follow-up or...?

Mr. Peter Jenkins: I'm not aware of the results of the follow-up.

Ms. Laurin Liu: Okay.

Mr. Peter Jenkins: I'm aware that the Yukon Energy Corporation and the Yukon Electric Company Limited, which is an ATCO company, are heavily involved in this, and it's demand-side management.

Ms. Laurin Liu: Okay.

I also know that one of the priorities within the strategy is the issue of home retrofits. Do you know if the federal program of home eco-retrofits has been widely used in Yukon? What's the complement between the provincial program and the federal program?

Mr. Peter Jenkins: It is well used. It's administered by the Yukon Housing Corporation. The funding is flowing into all of the respective communities, not only for retrofitting but for upgrading houses under a new construction plan to have R values of 100 for a roof or ceiling and 60 for walls. But the biggest problem is doors and windows, where the maximum R value you can get is probably about 8 or 9. That's the issue, and it's going to continue to be the issue.

Ms. Laurin Liu: I know that in Yukon they are also planning the development of geothermal. What's the progress on that? Can you give us a portrait of that sector?

Mr. Peter Jenkins: The geothermal industry could be very alive and well in the Yukon, but unfortunately there have been some impediments put in the way in various communities—Haines Junction and Mayo—that have major potential. In fact, Mayo uses one well, a hot well, to mix with the cold water, because the water comes out of the ground for potable water use at right around zero degrees Celsius. So you have to heat it to circulate it, but there have been impediments put in the way by the environmental side of our regulatory regimes.

Ms. Laurin Liu: But on the issue of R and D, is there more that could be done in terms of investing in development of geothermal?

Mr. Peter Jenkins: There's always more that can be done, yes, but it is under way.

Ms. Laurin Liu: Great.

In your communities as well, Mr. Kusugak and Mr. Tapatai, in terms of renewable energy.... Sorry, but I see I'm running out of time, so I'd like to go straight to my last question, which is for Mr. Tapatai.

The 5% unemployment rate is very, very low. What have been the consequences of that within the community? Has that resulted in inflation of salaries? Have you seen any consequences of that?

Mr. Peter Tapatai: Sorry...?

Ms. Laurin Liu: In terms of the very low unemployment rate in your community, what have been some of the ripple effects? Have there been any inflationary effects on the salaries? Have the salaries been bumped up because of such a low employment rate?

● (1040)

Mr. Peter Tapatai: I am not aware of that. The only thing I see, the biggest problem that I see happening, is that our territorial government.... I think some of the people who would like to work and who could work will quit, because a quarter of your salary has to go to pay for housing, for example, and it's probably easier not to work because your rent scale is so much lower.

An average salary, worked out, is $66,000 a year for a person who is working at the mine. If you take a quarter of that, the territorial government is collecting an awful lot, and it seems as though it's better to be on social assistance than to work, because the rent is probably lower. There doesn't seem to be that balance.

I don't know if that answers your question.

Ms. Laurin Liu: I've run out of time, but thank you for your testimony.

The Chair: Thank you, Ms. Liu. Your time is up.

The bells are starting, so we'll have to adjourn the meeting.

I would like to thank you all very much, Mayor Jenkins, Mayor Kusugak, and Councillor Tapatai. Your testimony—

Mr. Peter Julian: Mr. Chair, we had agreed, with unanimous consent, to have the final—

The Chair: Oh, great. I misunderstood the intent of the motion.

I have thanked you.

We will go to Mr. Calkins for three minutes or so.

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

Thank you to my colleagues.

I want to touch on some things briefly. I'm fascinated. When I was going to university I spent some time at Great Bear Lake as a fishing guide, so I spent some time in the Territories. I was in Coppermine, but at that point it was still the Northwest Territories; it wasn't Nunavut then. I haven't been to the Yukon yet, but I'm hoping to fix that this summer.

I truly hope that as a committee we can have a serious discussion about visiting some of these communities, because I find northern Canada to be absolutely stunning and beautiful. The best part about it, of course, is the people who live there.

Mr. Jenkins, I think you have a unique opportunity to tell us about the difference. Right now we're going through our budget bill, Bill C-38, which is going to harmonize and find the most common sense path so that we don't have duplication and get bogged down. We're putting in some definitive timelines when it comes to the government's responsibilities in permitting and the environmental assessment process.

You talked about YESAA. I want you to have an opportunity to reiterate, even though some shortcomings have been identified. How much of a benefit was it to go to that one review, that simplified, streamlined process? Have you seen any indication that there has been any degradation of the environment, or that any environmental considerations have been put at risk because of that harmonized regulatory and legislative approach?

Mr. Peter Jenkins: On the contrary, it's been much improved. The regulatory regime that's in place currently...mining reclamation is part of the mining process. They have to get involved to a great degree in all of those, either in the placer mining business or by going back over old mines and reopening them.

Canada might want to look at the Faro mine site, where I first came to the Yukon to work back in 1969 as mechanical superintendent. That is probably a liability in the billions of dollars for Canada today. That wasn't vetted through a process that was reasonable or sane, and that was back in the sixties.

But that said, today any of the new mines going through the process, like the Viceroy mine.... It went through the whole process, and it looks as if they have done a stellar job of reclaiming the area after the price of gold dropped to $280 and they were forced to close. But they're reopening.

Mr. Blaine Calkins: That's fantastic.

Mr. Tapatai, you talked about the significant changes you've noticed anecdotally in your community when it comes to individual disposable income. Instead of only government vehicles showing up, you now talk about personal vehicles showing up—pickup trucks, new snowmobiles, all-terrain vehicles, and so on. Where are most of those vehicles made, and what sector do we call that in Canada?

● (1045)

Mr. Peter Tapatai: I'm not sure.

Mr. Blaine Calkins: It's called the manufacturing sector. Lately comments have been made by certain political parties in this country that resource development and so on is creating an inflated dollar, a.k.a. the Dutch disease, which is harmful to other sectors of our economy, particularly the manufacturing sector.

Would you say that the mining and resource sector is beneficial to the manufacturing sector in your community?

Mr. Peter Tapatai: We had been told, when we were doing community consultation, that for every one mining job there were two jobs in the south. That's a pretty darned good return, the way I understand it. I think for Nunavut to move forward we need to have resource development. It's an extremely important part of the territory.

Mr. Blaine Calkins: Thank you very much.

The Chair: Thank you, Mr. Calkins.

Our time is up.

Thank you to all members of the committee for your cooperation and for your questions.

Your testimony today was not only interesting and helpful, but it was exciting, and this study is an exciting study, a bright future for the north.

Thank you very much.

The meeting is adjourned.

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