

NORTHERN MINERAL ADVISORY COMMITTEE

Notes of a Meeting

Cyprus Anvil Boardroom, Marine Building, Vancouver, B.C.

December 15, 1978 from 9:00 a.m. to 4:15 p.m.

Present were: Bob Cathro, Chairman, Robert Hornal, Dan MacKinnon, Harry Woodward, Jack Paterson, Cam Ogilvy, Ron Hawkes, David Emery (substituting for R. Douglas), Murray Trigg, W. Jeffery, Bill Irvine, Richard Joy.

The agenda for the day as per attached was followed more or less and the notes below cover some of the points made.

1. TERRITORIAL REPRESENTATION

There was considerable discussion on this. It was felt that it would be preferable to have the Deputy Commissioners of each Territory on the committee. MacKinnon thought that the Commissioners should rather sit on sub-committees to discuss such items as land use, infrastructure and so on. This didn't receive too much or any obvious support from the rest of the committee and it was agreed that John Bruk write to the Deputy Commissioners asking that senior people be appointed to the committee as full members.

Cathro noted that rather than take a vote on this and make proceedings too formal, we should just try to attempt to get consensus, and for that reason there was no vote taken.

2. BROAD POLICY

The committee then next got into the policy statement of the N.W.T. Chamber carrying on from where they left off at the last meeting. The points discussed were as follows:

- i) Mineral Rights: There was considerable discussion of the COPE settlement. Ogilvy brought out three large maps of the Yukon showing--
 - a) mineral claims as they presently exist (40,000 claims)
 - b) a map showing the ground that could be tied up by a COPE type settlement giving mineral rights of two square miles per person. The map showed the band locations and the probable areas of influence that they would have in choosing the mineral rights and it was noted that theoretically, with the 5000 native people in the Territories, they could acquire 10,000 square miles essentially covering all the ore-bodies presently in existence.

- c) the third map showed 74,000 square miles of surface rights that the natives could control. Ogilvy pointed out, with the maps, that if a COPE type settlement was made in the Yukon, essentially it would kill resource development.

There was some discussion as to whether any of the present communities that natives occupy are historic native sites. It was concluded that not many, as most grew up as a result of the white man's entry into the country. Exception noted was Old Crow.

The question was also raised about what would the COPE type settlement do for the rest of the N.W.T. The N.W.T. Chamber response to the Nunavut proposal was mentioned where it was suggested that two square miles per person be allotted (surface rights only?).

One of the members suggested we should be talking to Neil Faulkner about land claim settlements. Trigg and Emery both questioned how we got into considering mineral rights for natives who traditionally never have been miners. Woodward replied that fee simple arrangements were quite common to encourage farmers to develop the prairies and they were also used to encourage companies like the CPR and Reed Paper. He indicated that it wasn't the initial intention to have resources go to the natives, but in response to pressures there has been some yielding in this regard. He suggested that the committee recommend that alienation of lands be kept to the barest minimum and access kept to a maximum. He further suggested that, where mineral rights have been granted to natives, some provisions be made to enable development to take place. Members of the committee questioned this concept. Jeffery noted that you couldn't bestow mineral rights with a caveat and it didn't sound like the suggestion was too practical.

Irvine thought that the natives should get the same royalty as government and this should not be on top of present royalties. Emery suggested a compromise--ie. bestowing royalty rights by the government instead of mineral rights and that the royalties be that which would normally be received by the government or a portion thereof. The committee discussed various aspects of mineral rights and as it seemed to be holding up the meeting, a sub-committee of Ogilvy and Jeffery was formed to come back with possible wording that the committee could endorse. The sub-committee subsequently in the day recommended four points as follows:

1. Mineral rights remain with the Crown as the preferred option.
2. That the COPE settlement not be a precedent and that the mineral rights alienation in the COPE settlement not be used as a feature of all following negotiations.
3. That due to the various needs of natives in different locations, no one settlement should be accepted as a precedent.
4. That government royalties, or part thereof, be made available to the natives as part of the settlement.

- ii) Access: Joy felt that access was fundamental to development and used the Yukon map as an example of how development could be stopped if natives were to get control of substantial areas and deny access. MacKinnon feels that once natives do get control they seem to be easier to deal with on development. Hernal asked if the committee couldn't support access. MacKinnon stated that we have to concern ourselves as to whether we should support access to parks. Hawkes indicated he wanted to have assurance of access. Woodward suggested the following:

"Access to the surface should be assured to the mining sector to explore and develop the mineral resources of northern Canada under conditions appropriate to reasonable concern for the natural environment."

A discussion followed of the need for government to make a statement that they want development and to reassure the mining industry that they were wanted. MacKinnon stated that it was not hard to give reassurance, but a definition of what is reasonable re environmental aspects is one of the problems. We need help in working out a solution in practical terms as to what is reasonable.

- iii) Land Use Policies: MacKinnon thought that there would be no problem supporting the wording as indicated in the third paragraph of the N.W.T. statement re Land Use Policies. He suggested that representatives should be available in Ottawa to discuss native claims, land use and the Queen's Report. There was some discussion on the need to get into the implementation of land use policies. Hawkes wanted some reference to the fact that due consideration would be taken into account of the mining needs in the definition of a land use policy.

A discussion of priorities followed and just where does mining fit. It was pointed out that mining seems to be at the low end of the totem pole and that a higher priority is needed if we're to have northern mineral development.

Woodward noted that in the early 70's things changed from mining to a more social and environmental slant. Legislation came forth and industry had a relatively low profile while the other aspects caught up. It is now realized by government that all must go ahead and an optimum balance is required. There is a need for flexibility and better balance than in the past. Trigg questioned as to what we can do to get going in the right direction. Woodward suggested that's what we are all up to now.

The Chairman suggested that a statement be made about optimum land use however Hawkes thought this might lead to an either/or situation in land use.

3. QUEEN'S REPORT

Discussion on this item was deferred to the next meeting.

4. FORMING OF SUB-COMMITTEES

Forming of various sub-committees was deferred to the next meeting.

5. FUTURE COMMITTEE ACTIVITIES

It was agreed that minutes and agenda be mailed well in advance of subsequent meetings. The minutes were to be full minutes and not abbreviated as was received last time.

The next meeting was set for January 11th and 12th in Ottawa, a two day session to enable meeting with different branches of government on the first day and further deliberations on the second. It was also decided there should be a meeting of the committee on the morning of January 19th in the Cyprus Anvil Boardroom in Vancouver if it is available. A follow-up meeting was planned for February 7th and 8th in Whitehorse.

It was requested that there be an update of the Yukon parks situation for the meeting in Ottawa. As for an agenda, on the first day the committee would talk to the Parks people, Land Use people and someone knowledgeable of the Queen's Report. Other topics suggested were proposed legislation, the Whitepass situation and taxation. It was felt that possibly local situations such as the Whitepass and taxation could be better handled by sub-committees.

Hornal felt that the elements we had been discussing all day should be thought about and that we should think about a strategy for each of the points for discussion in Ottawa. Woodward suggested that we would have to review not only the points made today but any of the information that is presented on January 11th in Ottawa. There was some feeling that the information presented on the 11th may tie in with the policy that we are trying to develop.

General Comments

Throughout the discussions some concern was expressed as to the direction being taken by the committee and its function. There seemed to be some differences of opinion. MacKinnon felt that Federal people were there to get the views of industry so this could be taken into account in formulation of policy. Others felt that the idea was for the committee to cooperate and jointly present views to the Minister, ie. a joint strategy rather than something coming from one side or the other. MacKinnon suggested we probably will have no problem with points as a committee but may have trouble when other departments become involved and therefore may have to give and fall back somewhat. He noted that the committee is already influencing the Minister in his statements and quoted as an example his recent meeting with the Urangesellschaft people. He felt that the Minister is expecting changes in priorities.

- iv) Fiscal Policy: Woodward suggested the following wording reading from a prepared statement he had with him:

"Administrative and fiscal terms and conditions established by owners of the mineral resources and governing the disposal of mineral rights to the private sector should be reasonable and stable, and should provide incentives commensurate with the difficulties and the risk of mineral exploration and mine development in Canada's north."

It was suggested we should get a position paper from the Mining Association of Canada together with a response from a Provincial-Federal study for inclusion by the committee. MacKinnon thought that an appropriate fiscal regime for the north could be developed by the MAC. He felt that there was a lot of foreign money coming into the country now and we should be doing something to encourage Canadian investment.

- v) Employment: There was some discussion as to the definition of a northern person. MacKinnon suggested that as far as the government was concerned, northern means native. In the Yukon it is more of a question. He noted that quotas and targets are not really workable and government is moving away from this concept due to the realities of the situation. He pointed out it's no use to set too high targets and asked if it would be appropriate to have a mining school in the north. It was noted that it didn't seem to work in the Yukon and it was agreed that it was necessary to consider the whole spectrum of mining and that an information program to show the possibilities is required. Cathro felt an exchange of ideas between government and industry is required, but as a principle we all seemed to agree it was necessary to involve northerners.
- vi) Transportation, Energy and Infrastructure: Government reps felt that the wording in the third paragraph was too strong particularly the word "sponsored". The suggestion was made that the wording should be rearranged to say that government will take into account these things when mining develops. There was some suggestion that government is getting away from pumping in infrastructure costs for single mines because of fiscal restraints. Woodward suggested the following wording, "Government planning and development of infrastructure should be timely re mining industry and prioritized".
- vii) Restructuring: There was general agreement that this was not a policy matter and it should be deleted from the paragraph. It would follow later under Step 2 of the N.W.T. Chamber brief in response to a new policy.
- viii) Withdrawals: The representatives stated that they needed assurance that there wouldn't be withdrawals. The government reps indicated that they are aware of this concern but that the Minister has already said no to any blanket statement about withdrawals.

With reference to the points covered in today's meeting, the members felt that the points should be reconsidered and synthesized for the next meeting. It was felt that there was a need for a better statement re Land Use at the Ottawa meeting. Woodward explained that he was having some difficulty with the part about royalties rather than mineral rights.

The Chairman felt that there was need to keep the dialogue going after the work of the task force is completed. It is not just a matter of meeting once a year as has been done in the past.

MacKinnon suggested that IBP sites shouldn't be closed forever. Woodward suggested that there should be a reduction in the size of the areas that are being permanently withdrawn and that the GSC should have opportunities and the right to enter parks for reassessment periodically as changes in technology develop. MacKinnon stated that we should be getting more information on the need for roads as it doesn't seem unanimous right now where roads to resources should go.

The meeting of the committee concluded about 4:00 p.m. and industry representatives stayed behind to discuss their role on the committee. There was some argument as to the need for industry reps to meet first to ensure that everyone was on the same wave-length before talking to government officials. Others felt we should not appear to be taking an adversary position but rather working together. It was felt by some that an open and frank discussion was a benefit to all and that the committee should be trying to work together rather than forming sides.

A handwritten signature in black ink, appearing to be 'V. E. ...', located in the lower right quadrant of the page.

AGENDA FOR NORTHERN MINING ADVISORY COMMITTEE MEETING, VANCOUVER, Dec. 15/78

1. Possible inclusion of representative of Territorial Government Committee.
2. Continue discussion on broad policy toward a mineral strategy in the north (sub-Committees)?
3. Review and discussion of Queen's Report. What action will this Committee recommend.
4. Forming of various sub-Committees.
5. Schedule of future Committee activities.

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