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from Joyce Wilby 11/30

Minutes of the meeting of the

Northern Mineral Advisory Committee

Friday, 15 December 1978

355 Burrard Street,  
Vancouver, B. C.

Present:

Mr. R. J. Cathro  
Mr. Robert Hornal  
Mr. D. G. MacKinnon  
Dr. H. W. Woodward  
Mr. Jack Patterson  
Mr. Cam Ogilvy  
Mr. Ronald J. Hawkes

Mr. Dave Emery  
Mr. Murray Trigg  
Dr. W. G. Jeffery  
Mr. Nick Joy  
Mr. W. Irvine,  
Executive Secretary

**RUSH TO**

**TNR. 21-12-78**

**MS. SUE PERDUE  
Suite 2100**

**IR Jones**

1.

*Mr. Irvine*  
2/30

The meeting was chaired by Mr. Cathro, who reported that Mr. John Bruk could not be present due to illness. He will be present at the Ottawa meeting in January however, and in his absence the meeting was chaired by Mr. Cathro.

The chairman referred the members of the Committee to the minutes. It was explained by Mr. Irvine that the reason they were not sent out earlier was that they had to be seen by Mr. Bruk, which was delayed due to his illness. It was noted that on page 3 the date of today's meeting had been omitted. It was noted also that the next meeting will be in Ottawa at 9:00 A. M. on January 12, and a further meeting in Vancouver on January 19.

The list of names attached to the minutes was queried by Mr. Ogilw.

The name of Mr. Bonus was questioned: Mr. Irvine said this should be deleted. Dr. Jeffery noted that the name of R. J. Sherill should be corrected to R. J. Shank.

The adoption of the minutes was moved by Mr. McKinnon and seconded by Mr. Hornal.

Mr. Cathro said that the first item on the agenda was discussion of representation on the Committee of the Territorial Governments. Mr. Hawkes reported that his Chamber had been in touch with the Deputy Commissioner to ascertain if he would be interested in having representation. A letter had been written to John Bruk with a copy to Mr. Irvine, and it had been left in John's hands to contact him.

Mr. Cathro said that the Territorial Government had been approached to see if this is acceptable.

Mr. Irvine said that the Committee is to provide advice to the Territorial Government with respect to mineral rights. Mr. McKinnon said that he didn't know whether his Department had a position one way or another, and pointed out that John Parker is on twenty-five committees already.

Mr. Cathro reported that in the Yukon a task group is being set up regarding land management, chaired by the Territorial Government. The responsibility for getting people together must be the Territorial Government's.

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Mr. Irvine

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Mr. McKinnon said that the representatives to the committee should be senior personnel. The Governments should send people who could deal with executive committees and other heads of departments. Otherwise, the value of their presence is lost.

Mr. Cathro agreed. It was suggested the perhaps people could be invited by name to become members of the Committee. Mr. MacKinnon said this might be difficult, but that at least the level of person required should be indicated. Mr. Cathro suggested this could be left to the Northwest and Yukon Chambers to arrange personally.

It was agreed that the first item of business was to formally invite these two people (i.e., John Parker and Doug Bell).

Mr. Irvine will see they are written to ensure they are invited by resolution of the Committee to become members. A letter is to go under John Bruk's signature.

#### Second item of agenda

Mr. Cathro said that concern has been expressed about the Committee becoming too structured and formal. It was pointed out that the idea of the Committee was to obtain a consensus, and to develop a broad policy regarding mineral strategy. Mr. Irvine said that the government should do everything possible to foster mining interests, allowing development to proceed before settlement of native land claims. When such claims are settled, it should provide incentives to mining to be active in the north. Departmental procedures and guidelines should be clarified and made more flexible. A balance between mining development on one hand, and wilderness and wild life disturbance on the other, must be struck. The Committee was asked if this statement would be too complex.

Mr. Cathro said he didn't want to get hung up on this aspect today. It could perhaps be brought to the Ottawa meeting semi-complete, for approval.

Mr. Trigg said the Committee was placed to develop policy and should get down to it today. Paragraphs 1 and 2 were okay: Paragraph 3 needed discussion. The crux of the matter was Paragraph 3, line 2.

Mr. Ogilvy said that an unfortunate precedent had been established in the COPE agreement. Mineral rights should be retained by the Crown. He showed a staking sheet showing every claim of mineral claims. He said it had been said there were between five and seven thousand eligible natives in the Yukon - the Minister's figures. There are ten thousand square miles of mineral rights around their communities. He pointed out that the towns tend to be historically mining towns, and located in

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Dr. Woodward agreed, remarking that moving west from Manitoba fee simple becomes less and less common.

Mr. Hawkes said that in Newfoundland families were given land in fee simple.

Mr. Irvine asked why it was that certain areas from time to time were withdrawn from around the settlements. Was it to protect native communities from development, or to give them income from minerals and land?

Mr. Hornal said that it was his impression the reason was to give them protection for the lands they used most often, at the same time allowing them to consider development in that land closest to the municipality where they would obtain support. COPE recognized the difficulty in oil and gas exploration in that part of the country, also involving the land most used by them for their "traditional pursuits". There is one other area, Cape Bathurst, in which they have lived in the past and are now trying to establish a community.

Mr. Cathro said that the problem <sup>with their</sup> is/migrating into the area now involved in mining. What is concerning the industry is the statement that this will be used as a precedent. We must use the time in Ottawa to discuss with Mr. Faulkner how serious this is when applied to the Yukon and the Canadian Shield.

Mr. Hornal said that he could assure the Committee and industry that this concern was recognized in Government. There had been discussions between the Oil & Gas Section and the Native Claims Section.

Mr. Woodward said the thing is we don't know what goes on. It is a question of the identification of values of minerals, oil and gas in these areas. There has been strong pressure from native groups to get some of the royalties. This is to give them fee simple in lands near their communities. <sup>they want</sup> On one hand/it in fee simple: this precludes industrial activity. On the other hand, as soon as they think they will be getting such protection, they start indicating what they are going to do themselves with the land. Alienation of Crown lands must be kept to a bare minimum - zero, if possible. Where indeed there is alienation of land, that too should be available to the mining industry,



With the white settlements.

Mr. Irvine said that Community and Land Claims should be restricted to historic native settlements. He asked if this applied.

Mr. Ogilvy said it didnt. It was explained that they are seasonal communities, occupying an area for perhaps three months at a time. Mr. Ogilvy said that it was his impression that Old Crow was the only historic site. There may be other small ones. Some camps have no people there now, but are still classed as historical.

Mr. Emery said the Chamber has presented a brief against this. One argument has been that the rights should be vested in the Crown. Two square miles per native was proposed. If the Government of Canada is committed to foster, promote and encourage mining, how do we approach mineral rights remaining vested in the Crown, and access to mineral rights being assured?

Mr. MacKinnon said we should have someone from Native Claims present. It was suggested by Mr. Emery that this problem could be given to Native Claims.

Mr. MacKinnon pointed out that the problem was one of access.

Mr. Trigg asked if Mr. Faulkner could come and discuss the philosophical difficulties between ourselves in mining and himself. The mineral rights are being vested in the people, and this has never been the case before.

Dr. Woodward mentioned that in fact it had been, in Ontario for example, in fee simple. Only in Saskatchewan and Alberta minerals were held in right of the province. Mr. Cathro mentioned that in B. C. and the Yukon it was never the tradition - mineral rights were vested in the Crown.

Mr. Ogilvy agreed, pointing out that we have a precedent back to 1905 which we are dealing with here.

J.R. 7/10/00 6/30

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for access through another owner. These two elements must be expressed. A recognized condition must be that these lands must be available to mineral development. Mr. Emery asked Dr. Woodward how he saw this happening. Dr. Woodward replied this could be done by covenant; that fee simple would carry the understanding of the possibility of development. Mr. Emery remarked that in other words, if a company found something the owner would be forced to deal with this company for development. Mr. Irvine raised the question of unreasonably high royalties, which should be in line with royalties to the Territorial Government - not on top of such royalties. Mr. Hawkes pointed out that to give the natives land rights in these circumstances would not be in fact to be giving them anything.

Mr. Trigg said that we have been looking for guarantee of access, guarantee of the use of roads on their land. This is in line with what is happening in Canada in general.

Mr. McKinnon said there would not be a topping up of royalties. Mr. Emery remarked that total royalties last year were eight hundred thousand dollars. Mr. Ogilvy said they would be about four million dollars now, and added we are looking to reduce the give-away to a minimum. Dr. Jeffery said that economic forces should play their part here. Mr. Hawkes said that we enter into agreements like this every day.

Mr. MacKinnon said a man shouldn't be forced to deal with you if he doesn't want to. Mr. Hornal said that he thought we were here to reach a consensus acceptable to the Minister to enunciate and support.

Dr. Jeffery said that the concern is that the COPE settlement has been stated as a precedent, and it shouldn't be. The statement of principle is that no agreement as to alienation should be a precedent for another agreement, because of differing conditions.

Mr. Emery suggested that instead of bestowing mineral rights, we bestow royalty rights. They would get the benefit of anything coming out of the ground, but would have no control over who starts exploring.

*Mr. Irvine 7/20*

6.

Mr. Ogilvy said that Mr. Buchanan in Whitehorse published the government's offer for settlement. The Crown would retain all mineral rights. Five thousand square miles of surface would be held in fee simple, excluding mineral rights. Twenty thousand square miles would carry 25% of royalties to the Indians, and 50% within two classes of their surface lands.

Mr. Cathro asked if this is still operating. Mr. Ogilvy replied we must presume it was rejected by the natives.

Mr. Cathro said that we all share concern over a COPE-type of alienation. He said this could be explored more thoroughly in Ottawa.

Mr. Trigg said that regardless of how you look at the settlements, the last one would always form a precedent for the next negotiations. Mr. Joy remarked that the government has trouble keeping a difference in negotiations for sensitive and non-sensitive areas. Mr. MacKinnon said he could not agree with anything that says the COPE settlement is a bad settlement for the mining industry. He pointed out that he was a member of the government that approved it.

Mr. Irvine said that industry has already gone on record as not liking it. People who were giving the Minister resources advice were not as close to the Minister as those speaking on the other side.

Mr. Ogilvy said that government is committed to ensuring a broad equity between settlements.

Mr. Cathro said we have identified one area where there is partial agreement and partial disagreement on problems. Industry must recognize that the government is in a delicate position in this regard. The Minister must be told there is disagreement on the transfer of the COPE settlement to the other areas in the North.

Mr. Trigg said that there is disagreement on the transfer of mineral rights to anyone outside the Crown.

Mr. Irvine raised the question then of multi-land use. Mr. Hawkes said that we hadn't talked about access yet. Mr. Irvine agreed that question had not been dealt with.

*Mr. Irvine 8/29*

7.

Mr. Emery asked if we were leaving this transfer for the present?

Mr. Irvine replied that we are going to say there is disagreement between the industry position and the government policy as stated in the COPE agreement. We are very much opposed to the government position.

Mr. Emery agreed this is what industry saying, but asked what the Committee was saying.

Mr. Irvine replied that we could not have too fractured a position. Dr. Woodward interjected that alienation should be kept to a minimum. He said we should not let COPE be a precedent which binds us in formulating a mineral policy.

Mr. Ogilvy agreed that we must clarify the point that the COPE agreement should not be regarded as a precedent. We should establish agreement that mineral rights must remain with the Crown.

(At this point Mr. Ogilvy and Dr. Jeffery withdrew to discuss the matter further.)

Mr. Irvine opened the subject of access. Mr. Joy said that access is fundamental to development. If the COPE agreement applies, we are completely sewn up: there is no access. We would have to get an agreement with them to cross their land. There is supposed to be a way to settle this, but it causes delay.

Mr. Irvine said there is confusion about how much control the natives are to have. The Yukon Chamber thinks natives are to dominate the Committee.

Mr. MacKinnon said the natives are the owners of the land. In large areas they have various types of control, but there is access guaranteed in the agreements.

Mr. Irvine said natives would not have control. They would have a voice, but not control.

Mr. MacKinnon said that the arbitrator is Government, when there is a question of two competing interests. The Government would make its decision in that larger area. If there was a prospect of a very important find, of importance to Canada, then the decision would be in favour of development.

Mr. Patterson cited the three objectives: to acquire, to explore, and to develop ground.

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He said that of these three, development is basic and covered by agreement. The first two could become very difficult if you had to go to the organization to stake claims.

Mr. MacKinnon said that this made one more layer of decision-making or bureaucracy.

The Department of Native Claims would say it is a misunderstanding of their position. They want control to run against development. To have control is the first objective: when they have that, they are easier to deal with.

Mr. Irvine said that what we are looking for is that rights don't block access.

Mr. MacKinnon said we can't assure access.

Mr. Irvine said that we want to make sure the importance of access roads is protected.

We have seen these routes jeopardized in recent years.

Mr. Hornal said that Baker Lake was a good example: also Fort Resolution.

Mr. Irvine mentioned that guidelines had been so stringent that access across the river was damaged. If the wilderness aspect of the river is emphasized, there is jeopardy to access. No single use of land should be authorized until other benefits have been considered. There is a direct challenge, for example if a caribou herd is given primary consideration. There are places where the people who make land use decisions will have a conflict of interests.

Mr. Hawkes suggested the wording could be changed to "access to mineral distribution for the purposes of mining will be assured." What would be left out would be staking in parks and other protected areas.

Dr. Woodward said that as soon as you stake a claim, those rights are vested in you in law.

Mr. Hawkes expressed doubt of that, on which Dr. Woodward suggested a lawyer be consulted.

Mr. Irvine remarked that it was a matter of getting into the sites: not being blocked off by some parks or wilderness areas.

Mr. Hornal suggested an amended wording: "Access to mineral properties for the purpose of mining will be assured."

Mr. Emery said we must have a modifying of that word "assured."

Mr. Hawkes said that ten square miles could not be pointed out on a map of the Yukon where a could go and develop the land.

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Dr. Woodward suggested: "Access to the surface should be assured to the mining sector to explore and develop the potential mineral resources of northern Canada under conditions appropriate to reasonable concern for possible disturbance of the natural environment." The Minister must make judgments in all these conflicts. What is a reasonable judgment among these conflicts?

Mr. Hornal remarked that we had been assured until 1970. Now we needed to be reassured.

Mr. Emery said that we are all concerned about the environment. Sometimes these concerns get over-blown, and no assessment is made. I would like a cost-benefit analysis.

Mr. Hornal said this was coming down later.

Mr. MacKinnon said that from the government's point of view, giving assurance or reassurance of access was easy enough in one sense. Where the difficulty lies, as has been said already, is in what is reasonable. We do have problems making these judgments, and we get criticized after we have made them. Baker Lake is an example. There is a challenge to industry people to help us work out solutions to define in practical terms a definition of what is reasonable. We are sensitive to criticism. We would also like to get you people involved in what is a better way of doing it. Mr. Hawkes said that we couldn't give blanket coverage to every situation that will arise. The Minister must call and ask for the general feeling.

Mr. Cathro said that we were now getting into multiple land planning. Baker Lake could be used as an example.

Mr. MacKinnon suggested the wording: "Land use policy will not be formulated without considering the impact on mining." On things like Baker Lake the Department lost a battle.

Mr. Cathro suggested "Land should not be alienated for any purpose until its optimum use has been evaluated."

Mr. Emery said what it boils down to is what is the Government's intentions for the North.

Mr. Cathro said that you have to accept the fact that if the people of the North want mining, there will be mining. If they don't, there won't. We must find some way to

~~influence the people who are making the decisions.~~

Mr. Irvine  
11/30

10.

Mr. Cathro said that the question is what is the primary value of an area. We must make sure that when all the maps are laid down on the table, there is a mining map among them. Mr. Irvine said that the Parks people in this respect are a solid wall. They won't even let you in with a geology pick. After the first stage of land use decisions, shouldn't you leave it open?

Dr. Woodward said that it seemed to him that it really comes down to "reasonable concern for the possibility of disturbance of the natural environment." He suggested all this discussion be subpointed under that. The principle alone is enough to get the Minister's endorsement. The principle opens up an area for discussion and argument.

Mr. Cathro said the reason he didn't think it was covered was, for example, water use. Everyone has to go to a public board where the privilege of use of water is publicly discussed. In the case of land this doesn't apply. The Minister can withdraw use with a stroke of his pen. We are concerned with the secrecy of this: that this should be done, instead, in public.

Mr. MacKinnon said this had been discussed with the Minister a couple of months ago. Perhaps there should be some equivalent to the water board. I share the view that this is one big principle, but how do you flesh that out? In the next Ottawa meeting, we might consider having someone from Native Claims there. At some point we must get down from that principle to how it is actually going to work out.

Mr. Cathro asked if we could arrive at a consensus or not on whether the whole principle of optimum land use could be arrived at.

Mr. Hawkes asked if it was land use, or access, or vesting of rights in the Crown; or is it that second paragraph, "The government is committed" etc. With that as the headline, these other items are taken into consideration.

Mr. Emery asked if you had accepted this second paragraph after your last meeting. Mr. Gornal said yes. Mr. MacKinnon said that made him feel better.

12.

Environment as well as social development use all must go ahead, but indeed where is the optimum balance? Sometimes one side is going to win: sometimes the other. The Minister who is charged with trying to find an accommodation between the parties must have some room to move. The only blanket regulations must be reasonable by their application in particular circumstances. Judgments must be kept in better balance. Mr. Trigg said that we had been criticized in those early years for being too strident. Have we learned from hindsight? Is the industry doing everything it can?

Dr. Woodward said that at that time it was a matter of conflict and confrontation: now, hopefully, it is a matter of co-operation.

Mr. Cathro said that Bill had asked him to read the following change: "land should not be alienated for any purpose until its optimum value has been evaluated."

Mr. Hawkes said he could foresee a scene in which we forced ourselves into deciding it is either this use or that use. If we do go along with this type of statement, we decide the optimum use and then account accordingly. For example, Baker Lake - Suppose a viable uranium deposit on a caribou ground. What you are asking someone to decide is what is the optimum use, development of UG or protection of the caribou? Are they compatible? An 'either - or' decision.

Mr. Cathro said this was not necessarily so.

Mr. Hawkes said he didn't think it had to be that way.

Mr. Cathro said that his statement would imply it shouldn't be alienated to one or the other unless there was one overriding value. He said he was talking about alienation.

(Mr. Cathro)  
Mr. MacKinnon said that he was talking about process, and Ron was talking about principle. What about adding "without the mining industry being consulted"? At Baker Lake, the decision has already been made.

Mr. Cathro asked what about the next caribou herd, though.

Mr. MacKinnon replied that that is where we get into the process. It's a question of how consultation takes place.



11.

Mr. Cathro said that the problem was that this Minister and previous ministers could support this, and then withdraw land and see no conflict. We want the Minister to act more openly.

Mr. MacKinnon said that it appeared everyone agrees to the second paragraph, but you can throw in other things. These things are competing with each other.

Mr. Cathro said that priorities are political decisions.

Dr. Woodward said they are subject to time and circumstances and locality. What we are trying to do here is recognize that even in the 1972 policy statement they put social development first, mining development last. Recently there has been some prospect of these priorities being changed.

Mr. Hawkes said that it was <sup>not</sup> in this Committee that the decision as to these priorities would be made.

Mr. Emery said the reason we are meeting is that the Minister felt it was time we got off the bottom.

Mr. Trigg asked if the people in Government could give an assessment of what things they wanted, one way or another. He said it was essential that we develop a policy, and implement it.

Mr. Irvine said that we made a statement about the land use, and asked for it to be read again. Mr. Cathro asked for a comment from Dr. Woodward before that.

Dr. Woodward said that prior to 1970, the North was the free miners' right. In the late 60's and 70's it began to be recognized that certain lands were being damaged by industrial activity. Many people in Canada were concerned for more recreational land. Chretien said he would establish ten national parks. Others said something must be done about the environment. A balance between these points of view had to be struck. Various acts were developed, all with a view to protecting the quality of the environment. Developers and industrial companies kept a low profile as a result. The other side has now caught up: in fact/<sup>it</sup> has now been recognized as being a disadvantage to develop.

13.

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Mr. Cathro said that Resources should be consulted.

Mr. Hawkes suggested the amendment "without seriously considering their impact on mining."

Dr. Jeffery said he thought Ron was talking about priorities, while what Bob was arguing was a point of principle this committee should make, even if the industry went right down to the bottom of the heap again. The industry should be consulted.

We talk about the clause in the beginning of the third paragraph, "ownership of minerals should remain vested in the Crown". I tried to summarize what has been said in this committee in four statements. Can would like a footnote to that clause.

Mr. Ogilvy asked if we were trying to come out with something of one page, or several pages.

Dr. Woodward said the statement should be what the circumstances require.

Mr. Hawkes agreed that he didn't think the Committee should limit itself. Mr. Cathro agreed.

Dr. Jeffery said he had four statements:

1. With respect to ownership of mineral rights in the Territories, the Committee considers that a preferred option is that all mineral rights remain vested in the Crown.
2. Although we recognize that some mineral alienation has occurred in the COPE settlement, the Committee does not regard this part of the agreement as a binding element within future settlements. This view is not regarded as inconsistent with achieving "a broad equity between settlements" as enunciated by the Minister.
3. In any event, due to the considerable variation in conditions, and native needs and aspirations throughout both Territories, the Committee contends that no one settlement should be regarded as a precedent or example for negotiations in other areas of the North.

14.

4. In recognizing the need to negotiate the rights of traditional native communities and their immediate surroundings, the Committee recommends that serious consideration be given to the transfer of Government royalties or a part thereof to the native community, although the control of mineral rights would be retained by the Crown.

Dr. Jeffery continued that his understanding was that the Committee was starting the beginning of a report to go to the Minister, not to be public until the Minister wished. Mr. MacKinnon asked what time that would be, January? Mr. Jeffery said that it was his understanding it should be April.

Mr. MacKinnon said that the Minister was coming to Vancouver to make a major policy speech. He would try to indicate in the clearest possible terms his support of the mining industry in the North. The time might be out of phase. Mr. MacKinnon said he hoped we were not going to spend six months drafting a report to the Minister on these points. He said that at some stage we would have to deal with what these things mean.

Mr. Cathro said it shouldn't take six months. By the end of today we should be almost through the paragraph.

Mr. Trigg asked if the Government would accept this type of input through the Committee. We seem hung up on trying to enunciate the policy, but we seem to be agreed on some basic statements if someone could write them out. ~~What Jeff has brought back expresses what~~  
we would like to do.

Mr. MacKinnon said the attitude in the Department was that policy must be settled as policy in the Department, and that means with the Native Claims and Environmental people as well.

Mr. Cathro said that if the Minister couldn't accept what we had given him, then we would have a fight on our hands. The objective is to get the industry viewpoint to the Minister, and get a close exchange of ideas.

Mr. MacKinnon suggested we may sometimes have been blunting our views. We have to get to the source of the problems.

15. 16/20

Dr. Woodward said that he could certainly see the first statement. Mr. Cathro said that this is the application of the principle that mineral rights should be vested in the Crown.

Dr. Woodward said he thought the principle enunciating the essential position of the industry was reflected in the first statement that had been read off.

Mr. MacKinnon said that would help us speak to the Minister and say "that is what is meant". We all understand the Minister has his own mind, and has other interests too. If after the January speech there is still difficulty, then we pick him up again.

Mr. Ogilvy said that when the Committee last met the only objection to mineral rights in the Crown was that a precedent had already been established.

Mr. MacKinnon said no: the COPE thing was based on a precedent on another precedent: it was a legal argument - the whole principle of aboriginal rights.

Mr. Ogilvy said that another point was that possibly the difficulty was in someone expecting you to commit your Minister. He said, as he saw it the trouble was that one Minister, not three or four, had to decide.

Mr. Hawkes said that on October 13th the Minister and industry had agreed to continue the dialogue by striking a Committee on joint development of mineral strategy.

Mr. MacKinnon said that it was apparent at the Yellowknife meeting that you had wanted to concentrate on this policy statement. He said he thought we were over that policy part of it, and that he didn't think we would be disappointed in the Minister's speech.

The meeting reconvened following a break for lunch.

Mr. Cathro opened the afternoon session by stating the suggestion had been made that the Committee stay an extra day in Ottawa. This would involve the 11th and 12th of January. This was felt to be acceptable.

It was suggested that John Bruk and Bill and Dan should organize some meetings on their return. Mr. MacKinnon is being seconded to another job as of next Friday.

so would not, he said, be available for about six months.

Mr. Cathro asked for a suggested date and place for meeting No. 5 following the meeting with the Minister on January 19th. Mr. Ogilvy suggested the North, for early February, in Whitehorse on 7 and 8 February. Mr. Ogilvy is to arrange for a place to meet and for secretarial help. The January 19 meeting is to be in Vancouver, at the same place as today's meeting, 351 Burrard Street, in the morning, and seeing the Minister again in the evening, possibly at the Hotel Vancouver.

Mr. Ogilvy suggested for the Whitehorse meeting a room in the public library.

Mr. Trigg said that Ben Baldwin will be the Alberta Chamber alternate, and requested that this be read into the minutes.

Mr. MacKinnon brought up the subject of the planning of the meeting in Ottawa. Minutes should be circulated early, and agenda also, with any papers that would be useful. It was suggested it would be useful to have someone from Native Claims come and outline their position to us. It was further suggested regarding land-use policy that we should attempt to circulate a paper on this subject, and have someone from the Department also to talk to us. The Queen's Report has been circulated. Both industry and Government people should come to the meeting with their thoughts. Something should also be circulated in advance regarding legislation. Mr. MacKinnon said that they did have in the Department proposed legislation, and would like to get going on these things. Members of the Committee should come with their comments prepared.

Dr. Woodward said that the Whitehorse meeting might be a more appropriate time to circulate a discussion paper.

Mr. Ogilvy said that we could possibly make a submission to the Department before Christmas.

Mr. MacKinnon said that someone from Parks should perhaps come in and talk to the Committee about their plans.

Mr. Cathro said it was important that this be settled. Let the specialist come and speak to the committee, and let him hear the committee's problems.

17.

Mr. MacKinnon said that if possible something should be circulated in advance.

Dr. Jeffery said he would like to bring an alternate from his department to sit in.

Mr. Trigg said he agreed with Dan. He said it looked like more than an afternoon, and he agreed it was most important.

Mr. MacKinnon went over the list: Parks, Native Claims, Land Use policy, Queen's Report. He added he was also going to suggest White Pass.

Mr. Cathro said the first difficulty was the Queen's Report. A subcommittee?

Mr. Hornal said his purpose would be to look at the Queen's study as how it applies to the Northwest Territories.

Mr. Cathro said we could perhaps use time in Ottawa to get it more forward. Dr. Woodward said there were people already working in that area.

Mr. Hornal said land use discussion should be definitely had. Mr. Cathro agreed.

Mr. Cathro mentioned the White Pass, and said it was too specialized for this Committee.

Mr. MacKinnon said they were having trouble just continuing the White Pass with no imminent return. The Minister intends to ask people in the Yukon what they think about it. I am asking for views as to how important this transportation link is.

Mr. Ogilvy said he wasn't sure if this should be done through the Committee, or through the Chamber of Mines.

Mr. Cathro said it was a Yukon problem. There was not much use, he said, in talking about this unless the oil pipe line also was considered that went beside it.

Mr. Hornal said there was also the tax problem to tackle in Ottawa.

Mr. Cathro said it was unfortunate John Bruk wasn't here to advise us what he is going to do in this regard. It was hoped he would be on his feet again by that time.

John Bruk will co-ordinate with Dan and get it all going and get background papers to you in good time. Now, is there anything to fear in this longer four-sentence statement?

18.

Mr. Cathro here quoted from the statement: "With regard to ownership of mineral rights in the Territories, the Committee considers that a preferred option is that all mineral rights remain vested in the Crown." Although we recognize that some mineral alienation has occurred in the COPE settlement, the Committee does not regard this part of the agreement as a binding element within future settlements. This view is not regarded as inconsistent with achieving "a broad equity between settlements" as enunciated by the Minister. In any event, due to the considerable variation in conditions, and native needs and aspirations throughout both Territories, the Committee contends that no one settlement should be regarded as a precedent or example for negotiations in other areas of the North. In recognizing the need to negotiate the rights of traditional native communities and their immediate surroundings, the Committee recommends that serious consideration be given to the transfer of government royalties or a part thereof to the native community, although the control of mineral rights would be retained by the Crown."

Dr. Woodward said he was concerned with the relevance of the fourth item.

Dr. Jeffery said he thought it gave leeway, and we could carry it to other parts of the Department as an alternate.

Dr. Woodward said he was concerned as to whether the Committee need suggest solutions to the problem.

Dr. Jeffery said he thought the Committee was anxious to suggest a way round.

Mr. Emery said perhaps the wording should be that there should be a settlement, but that ownership should remain vested with the Crown. Was the mention of royalties bothering you, he asked.

Mr. Cathro said that we were suggesting the Minister return to his 1975 position.

Mr. Ogilvy said we were speaking specifically about mineral rights.

Mr. Cathro suggested we put it on the table and think about it, and bring it up again at Ottawa.

20.

Mr. Cathro said the problem between Government and the mining industry is not primarily a taxation problem.

Mr. Hornal said that taxation is not a problem, but there might be other financial areas where the fostering of the mining industry could be encouraged, other than by straight taxation of producing operations.

Dr. Woodward asked if the Federal-Provincial paper was going to be publicized.

Mr. Cathro replied it had been publicized now.

Mr. MacKinnon said that he was interested in this. He said they were not that well set up in the Department for fiscal analysis, and asked the Committee what it thought about the mining industry coming back with a draft proposal looking at what might be an appropriate fiscal regime in the North. He pointed out that there was a lot of European money coming into the North because of the European tax situation, and asked how much Canadian money we were getting in the North.

Mr. Hawkes agreed, asking how the Government of Canada could respond with fiscal policies that would reach that objective.

Mr. Cathro said he would certainly pass these comments on. Proceeding then to No. 5, "the employment of northern people in mining will be encouraged." The difficulty is to define what is meant by 'northern people'.

Mr. MacKinnon asked how you did the encouraging. He did not think there would be any trouble in the Northwest Territories, but in the Yukon there might be.

Mr. Hornal said that he would prefer "employment of northern people in the mineral industry would be encouraged."

Mr. MacKinnon said this had been talked about once before, and he thought there had been a move away from it. He said that the employment should be encouraged, but the reality was that there was no sense in setting quotas: you couldn't find enough people in the area.



Mr. Hornal suggested attaching to the minutes of this meeting any other papers such as Mr. Trigg's (attached). He asked the Executive Secretary to examine them and see if there were elements in common from which he could possibly take a second 'cut' of the third paragraph the Committee had been looking at in the past two meetings, this 'cut' to be looked at once more at the third meeting.

Mr. Cathro said that in other words we were going to table the matter and sleep on it, and come back next month in Ottawa to look at it again.

Mr. Cathro said then that it had been decided that the idea of multiple use of optimum land should be left out for a while.

Mr. Hawkes quoted: "land use policy not being formulated before considering the effect on mining."

Mr. Hornal proposed: "land use policy designed to optimize use of lands will not be formulated without due consideration of mineral interests."

Mr. Cathro suggested the Committee sleep on the matter until the Ottawa meeting. He then raised the subject of fiscal policy.

Dr. Woodward said that administrative and fiscal terms or conditions should be reasonable and stable, and provide incentives commensurate with the risks in Canada's North.

Mr. Cathro said he thought that should be tabled for further study by John Bonus.

Dr. Woodward said that it must be recognized that exploration is vital to Canada, and it is in the capacity of the Government to do something about this: that Government should make sure incentives are provided in keeping with the risks.

It was suggested that the question of land use policy and fiscal matters be gone into in depth at Ottawa.

Mr. Hawkes said it must be made clear it is a total fiscal package, not just taxation.

Mr. MacKinnon asked if the mining association should be present at Ottawa with proposals, or whether the Committee should have some analysis which could be presented.

21.

He asked how the encouraging was to be done. Some people had suggested a mining school, and the Department found a certain attraction in the idea.

Mr. Cathro said that it had been proven an idealistic dream in the Yukon, and the school had closed.

Mr. Patterson remarked that they had been thinking of things that might be more appealing to the Inuit.

Mr. MacKinnon suggested just exposing people to the various aspects of the mineral industry to see what interest could be aroused.

Mr. Ogilvy said that no one was quarrelling with the employment of Northern peoples: enough said.

Mr. MacKinnon asked how the Committee was going to structure the discussions in Ottawa, and said he could have someone prepare a paper to amplify this.

Mr. Hornal said that discussions will have to be very vague and imprecise at the first meeting. There would be a lot of ideas to be developed later into papers.

Mr. MacKinnon suggested we put this on the agenda: are we committing ourselves to come to the meeting to talk it in more detail than we are now?

Mr. Cathro said you should give your ideas. If the natives don't want to work in mines, should there be no mines? As a principle we are agreed nothing has ever restricted native people working in the mines.

Mr. Cathro then raised the matter of transportation and sponsorship, remarking that 'sponsored' did not necessarily mean 'financing'.

Mr. Ogilvy said the Government had once looked at places like Craigmont. Why should industry have to make up the basic infrastructure?

Mr. Woodward said it should be the responsibility of Government to do so, within a proximity of two hundred miles. Planning should be timely in respect to the short and medium -term requirements of mining development. This is what the whole road policy is about.

Mr. Ogilvy said he could see that, but suggested amending by taking out the word 'met' and substituting the word 'anticipated'.

Mr. MacKinnon said it was too strong. He said we were past the time when the Government was going to make investment solely for the benefit of one mine. If it were for three or four, it might be a different kettle of fish. The whole idea now is to have infrastructure that serves a whole region.

Mr. Emery said this was a basic policy of the Government, and asked if it could meet some of its obligations by going ahead and putting in roads and power stations, etc.

Dr. Woodward said there would have to be enough on the horizon to make it a worthwhile risk.

Mr. Hawkes said this was a real problem area. His own company was looking for base metals all over the Northwest Territories, without any understanding that anyone was going to build a railroad. They were going in there on a buyer-beware basis. Perhaps what we should be looking at is a possibility of three or four in the area to make it feasible. But how do you do that? Perhaps by loosening up conditions so that people with Canadian funds socked in the bank will go in there.

Mr. Trigg said the future would reflect the past. Nothing really is going to change: for example, in northeastern Saskatchewan, uranium at Rabbit Lake led to a road which helped exploration in Saskatchewan, which led to the discovery of more deposits. The first road was paid for by the Saskatchewan government, after a great deal of consultation with Gulf. It cut exploration costs, and enabled people to get into the area and do a lot of work. When we talk about the area northeast of Yellowknife, we do have deposits there, and my argument is that a road in there would lead to more exploration. A road is not the ultimate end, but it certainly helps.

Mr. Cathro said that in the Yukon nothing was being done to plan for mines in the future. It would slow up development if each mine had to develop its own power.

23.

24/30 Mr. Trigg

Dr. Woodward said that government planning and development of infrastructure in the Northwest Territories should be timely and prioritized in significant measure to the short and medium-term requirements of mining exploration and mining development.

Mr. Cathro suggested that this be tabled, and thought about over the holidays.

Mr. Ogilvy suggested that the phrase that Harry had used should be on record.

Mr. Cathro said the Committee had completed the day's discussion of the third paragraph, step one. Items one and two on the agenda have been completed. No. 3 is a discussion of the Queen's Report: what action does the Committee recommend?

Mr. Emery asked first what about the fourth paragraph,

Mr. Cathro replied that the Minister had already made a statement in parliament saying that he would not hold up development. He said that development would not be impeded while waiting for land claim settlements.

Mr. Ogilvy asked if that meant that Paragraph 4 was acceptable as written. He suggested striking out "will not make any land" etc

Mr. Trigg said that was what the Minister wanted to formulate as policy.

Mr. Hornal said that his department was aware of industry's concern and desire for this to happen, and they would have it in mind when they went ahead and withdrew those other areas.

Mr. Cathro said that he thought the fact that this Committee was meeting was proof of the new spirit, and he thought that the Minister would recognize any further withdrawals would jeopardize the work of this Committee.

Mr. Ogilvy said that when the members left this meeting, they wanted to know what they had agreed on.

Mr. Cathro said the Minister wasn't prepared to restructure the Department at this time. He would not however close the door forever.

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Mr. Trigg said this had been submitted to the Minister, and he had been asked to consider these things.

Mr. Ogilvy said he was not trying to force the issue: he just wanted to know what had been decided.

Mr. Cathro said he didn't think No. 7 was appropriate, and Mr. Ogilvy said then it should be crossed out.

Mr. Hawkes mentioned the last phrase - the part of the sentence that followed the last comma - does not that intimate that restructuring is a policy?

Mr. Cathro went on to the Queen's Report, and Dr. Woodward suggested that the right time to bring that up would be the January 11 meeting.

Mr. Cathro asked if that would be agreeable to everyone.

Mr. Hawkes said that the Chamber in Yellowknife had received no copies as of last Saturday.

Mr. Cathro said that Item 3 had been tabled for the January 11th meeting. Item 4 with regard to the forming of various sub-committees: what is to be done there?

Mr. Ogilvy was of the opinion that nothing was necessary now.

Mr. Cathro proposed leaving that then, and said that Item 5 had been discussed earlier. He asked if there were any further questions.

Mr. Hawkes said that he was interested in minutes and agenda. He said it would be helpful if he could receive whatever information there was well in advance of the meeting. As far as the minutes were concerned, it didn't matter that there might be errors; and it was unnecessary for them to be perfectly correct. He just wanted to see some sort of draft of the minutes within the week after the present meeting. Then they could be read at the next meeting, and any corrections or alterations and omissions made and adopted.

25.

Mr. Cathro agreed to this. The objective would be to have the minutes in everyone's office two or three days after the holidays.

Mr. MacKinnon mentioned that it had been suggested that minutes, agenda and papers be got out soon for Ottawa. For the agenda we have Parks, Native Claims, lands policy, the Queen's Report, and taxation. In support of Native Claims, parks, land policy and the Queen's Report we would have the people in the departments whose business it was come and talk to the Committee. He asked about legislation: these people could come and explain what they are doing. If there is a draft policy, that paper ought to be circulated to the members of the Committee.

Mr. Patterson mentioned the proposed Yukon park, and said it was very hard to get an idea of what was happening.

Mr. Cathro said that was an example of the new way of disposing land as opposed to the old way. There will be an open public task force of all interested parties who will all have a chance to give their opinions. This is a step forward because it will be public.

Mr. MacKinnon said we should arrange to have someone come in and talk to us about this.

Mr. Cathro agreed, provided it was not too premature. It might be useful to discuss some of the ideas that might come for the implementation of policy. He said that another idea is that there should be some kind of public land use committee, like the water use committee.

Mr. Hornal pointed out that there is such a thing, under the COPE agreement.

Mr. Cathro objected that representation there is very narrow.

Mr. Hornal said that there was an approach that allows for public debate. The land use planning commission looks at the broader picture.

Mr. Cathro said that in the Yukon there is a water board. A large number of the members are private citizens (six out of nine). It was felt that people are better protected from bureaucracy when they have their own people on the committees.

29/30

28.

react to. Most reaction should be on the 12th, not the 11th. Industry will not always agree with the principles outlined, and we may have to go over these principles on the 12th.

Mr. Hawkes asked if any dialogue would be required at that time.

Mr. MacKinnon replied that there might not be as much time for that as everyone would like.

Dr. Woodward said that after hearing these things, we would identify points of concern and points of conflict.

Mr. MacKinnon said he saw no problem in brief challenges. He cautioned, however, that the Committee would hear some things on the 11th that represent policy or developing policy and still did not fit with some of the stuff Bill is going to synthesize for our discussions on the 12th. The weakness of this Committee is that it isn't making Government policy, but trying to influence the formation of Government policy. The strategy may end up more important than the principle. People in the Department are going to have to change and give some ground.

Mr. Emery asked whether it would be what industry wants, or what we are trying to put out, that will be acceptable.

Mr. MacKinnon replied that on the Committee as officials we must go and argue with Parks and Native Claims and Environment, and be prepared to be overruled. We must be prepared to fall back on our next position - access, for example, to see it isn't unreasonably denied. The very existence of this Committee has already influenced the Minister and his action on certain issues. Certain changes will definitely be made, particularly regarding priorities.

(the Minister)

Mr. Hornal said that he has said he would consider it a failure if there was no 'give' on the part of industry.

Mr. Hawkes asked if someone was going to make a presentation on the Queen's Report.

Mr. Hornal suggested it be taken as a sub-issue under land use.

47/30

26.

Mr. Faulkner's view of the commission was read.

Mr. MacKinnon said that we attacked that from the point of view of people who live in the area. That is how they would get control over what happens in the area.

Mr. Cathro said that the system he foresaw would be of everybody getting a just hearing. Applications from Cominco would be received, but also from Parks Canada. The map of the North shows seventy park sites. Some are in conflict with mining, but nobody takes them off the map. We need some system to deal with this. Park planning principles must be brought to the public notice so people can see the conflict for themselves. Mr. Cathro showed maps which displayed classic cases of bad land-use planning.

Mr. Hornal remarked that mining isn't always in conflict with IBP sites.

Mr. MacKinnon said he was interested in the prospect of being able to go over parks or IBP sites fifty years from now - that the door shouldn't be closed forever. There should be some way of taking exploration people to see if there is anything valuable there.

Dr. Woodward said that the Committee should look again at National Parks policy.

Mr. MacKinnon asked him if he was saying this exploration could be done.

Dr. Woodward asked why would it be done, with no rights?

Mr. Hawkes said that there was no legislation to cover the new Arctic wilderness sites.

Dr. Woodward said that it was his understanding that they are trying now to classify it.

Mr. Trigg said that one thing which must be done is to get the philosophy of one side looking at the philosophy of the other. Our philosophy should not be one-sided.

Mr. Trigg asked a question: If the Committee continued after a certain time, what would be the status of the East Arm Reserve?

Mr. Cathro replied that the Committee was engaged in a special task, and one recommendation must be some way of keeping this dialogue going. A once-a-year meeting in the North wasn't enough; nothing got done.



28/30

27.

Mr. Cathro asked how, when the Committee is in Ottawa, it could best use its time.

Mr. Hawkes said that we must take a policy statement, and consider the items one by one.

Mr. Hornal raised the question of the seven items in the Committee's policy. The general statement of Paragraph 2 said that we loved the mining industry. There is to be a statement that we are looking for some sort of statement concerning the rights of the Crown. We are looking for some sort of statement concerning administrative and fiscal policies reflecting the Government's desire to strengthen the mineral industry. We are requesting a statement regarding access, requesting a statement

regarding land use and optimization thereof. We are looking at something concerning benefits to Northerners including employment, also infrastructure. These were the elements we have so far agreed to identify as requiring some sort of remarks on in a sort of policy document. The first three are critical.

Mr. Cathro said that the first three require a shift, or policy, by the Department.

Mr. Hornal said that the rest require some strategy. Should we think about these seven elements on the 12th, and consider the strategy necessary to implement them?

Mr. Hawkes said he would like to go through the agenda and see what he should do.

Mr. Cathro said we would be meeting with a bunch of organizers in the Department to bring us up to date. On the 12th we will talk about implementation, and that will be the primary item on the agenda.

Dr. Woodward said we had already identified some of these problem areas. On the 11th we have a number of papers to meditate on. On the 12th, the first item would be to review this synthesis, and come to some consensus as to whether we have our seven principles articulated reasonably well. Then we discuss these problem areas we have heard about the day before, and see what tasks we have in implementing strategy.

Mr. MacKinnon said the Committee would get material the members could think about and

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29.

Mr. Cathro suggested a breakfast from eight to ten o'clock with the industry people.

Mr. Hawkes asked about the time for land use policy and the Queen's Report.

Dr. Woodward suggested it be left with Bill Irvine to get together with Mr. Faulkner.

Mr. Cathro said that it was thought the meeting would take place between ten and five o'clock, with a break for lunch. On the 12th the Committee would get together at 9:00 or 9:30 for a big session. The Minister is in Australia on the 12th, but we meet him in his room in Vancouver on the 19th. We will be prepared: he will be suffering from jet lag. We have a week to tidy things up between the Ottawa meetings and seeing the Minister in Vancouver.

Mr. MacKinnon said that the meeting on the 11th, if it was done properly, would be laying out for this Committee, industry people included, what has been going on in the Department.

Mr. Cathro said that something should be sent in advance. Mr. MacKinnon agreed to this.

Mr. Cathro said that on the 12th, then, we talk about implementation.

Mr. MacKinnon added, and a reaction day to what was heard on the 11th.

Mr. Cathro thereupon called for the adjournment of the meeting.

Dr. Jeffery suggested that the sympathy of the Committee should be conveyed to Mr. Bruk.

Mr. Trigg again stressed the importance of the point made by Mr. Hawkes: that the minutes should be circulated before editing as soon as possible, and that they should  
be as extensive as possible.

The meeting then adjourned.