August 6, 2018

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [IIAS 010 2018]

On June 13, 2018, the Intergovernmental and Indigenous Affairs Secretariat (Indigenous Affairs) received your request for access to the following records/information:

"Please provide all information related to the protests in Cartwright in September of 1996 against the development of a sports fishing camp by KGY on the Eagle River in Labrador: all briefing materials including information notes, meeting notes, decision notes and cabinet submissions; press releases, news clipping, interview recordings, photos, video recordings, and written and email correspondence."

Please be advised that a decision has been made by the Deputy Minister for Indigenous Affairs to provide access to some of the requested information (attached). Access to the remaining records, and/or information contained within the records, has been refused in accordance with Sections 30(1)(a), 30(1)(b) and 40(1) of the Access to Information and Protection and Privacy Act (the Act). A list of these sections is enclosed.

As required by 8(2) of the Act, we have severed information that is exempt from disclosure and have provided you with as much information as possible.

Please be advised that you may appeal this decision and ask the Information and Privacy Commissioner to review the decision to provide partial access to the requested information, as set out in section 42 of the Act (a copy of this section of the Act has been enclosed for your reference). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal.
The appeal may be addressed to the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John's, NL A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act (a copy of this section of the Act has been enclosed for your reference).

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you require any further questions, please contact me by telephone at (709) 729-7487 or by email at RCarter@gov.nl.ca.

Sincerely,

Ruby Carter
ATIPP Coordinator

Enclosures
Legal advice

30. (1) The head of a public body may refuse to disclose to an applicant information

(a) that is subject to solicitor and client privilege or litigation privilege of a public body; or

(b) that would disclose legal opinions provided to a public body by a law officer of the Crown.

(2) The head of a public body shall refuse to disclose to an applicant information that is subject to solicitor and client privilege or litigation privilege of a person other than a public body.

Disclosure harmful to personal privacy

40. (1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party's personal privacy.

Access or correction complaint

42. (1) A person who makes a request under this Act for access to a record or for correction of personal information may file a complaint with the commissioner respecting a decision, act or failure to act of the head of the public body that relates to the request.

(2) A complaint under subsection (1) shall be filed in writing not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16 (2).

(3) A third party informed under section 19 of a decision of the head of a public body to grant access to a record or part of a record in response to a request may file a complaint with the commissioner respecting that decision.

(4) A complaint under subsection (3) shall be filed in writing not later than 15 business days after the third party is informed of the decision of the head of the public body.

(5) The commissioner may allow a longer time period for the filing of a complaint under this section.

(6) A person or third party who has appealed directly to the Trial Division under subsection 52 (1) or 53 (1) shall not file a complaint with the commissioner.

(7) The commissioner shall refuse to investigate a complaint where an appeal has been commenced in the Trial Division.

(8) A complaint shall not be filed under this section with respect to

(a) a request that is disregarded under section 21 ;

(b) a decision respecting an extension of time under section 23 ;

(c) a variation of a procedure under section 24 ; or
(d) an estimate of costs or a decision not to waive a cost under section 26.

(9) The commissioner shall provide a copy of the complaint to the head of the public body concerned.

Direct appeal to Trial Division by an applicant

52. (1) Where an applicant has made a request to a public body for access to a record or correction of personal information and has not filed a complaint with the commissioner under section 42, the applicant may appeal the decision, act or failure to act of the head of the public body that relates to the request directly to the Trial Division.

(2) An appeal shall be commenced under subsection (1) not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16 (2).

(3) Where an applicant has filed a complaint with the commissioner under section 42 and the commissioner has refused to investigate the complaint, the applicant may commence an appeal in the Trial Division of the decision, act or failure to act of the head of the public body that relates to the request for access to a record or for correction of personal information.

(4) An appeal shall be commenced under subsection (3) not later than 15 business days after the applicant is notified of the commissioner's refusal under subsection 45 (2).
Press Release: Labrador Metis Demand Inquiry Over New Eagle River Camp

Happy Valley-Goose Bay, Labrador

(May 23, 1996: FOR IMMEDIATE RELEASE) The Labrador Metis Association is calling for an independent inquiry into the provincial government’s decision to license yet another group of non-resident investors for a new commercial fishing camp on the Eagle River. “This is a thinly disguised effort to divert 300 salmon from Metis harvesters to benefit Newfoundland investor interests,” said President Todd Russell. “Time after time the province has allowed outsiders to come in to exploit our resources, while prosecuting our people when they fish for food, and denying any license for commercial camps to Metis applicants.”

The provincial government has awarded a license on the Eagle River to Ms. “Goodie” Hutchings and a Ms. Rice, both from the island of Newfoundland. Ms. Hutchings is the daughter of Arthur Lundrigan, and the wife of Mr. George Hutchings, a Corner Brook lawyer who acted as Crown Prosecutor against Ms. Violet Brown, an Eagle River Metis who was convicted for a fisheries violation in early 1995. Ms. Hutchings new camp is to be located at the second steady on the Eagle River. This location is a traditional Metis fishing station and on the Brown family trapping and hunting grounds.

“300 salmon were stolen from the Metis, as far as we are concerned”, said Mr. Russell. “We have a very clear mandate from our people, and the province is fully aware of it, as is the federal Fisheries Minister. Our fishing and prior rights for local economic development will not be bartered away in St. John’s. This challenge will not go unanswered.”

LMA officials met with the proponents for the camp and the Minister of Government Services and Lands, Mr. Ernie McLean, in an effort to determine why Metis requests were turned aside and how the salmon allocation was acquired from the federal Department of Fisheries and Oceans. “I realise the Ernie McLean got dumped into the middle of this controversy by the shady kind of deals that are put in place in St. John’s for
outfitter camps in Labrador," said Mr. Russell. "But unless the province is willing to review its camp licensing policies and bring them into line with Metis land and resource rights, then conflict is all that can reasonably be expected."

It appears from comments made by Ms. Hutchings that she began working on her proposal for the camp in October of 1995. "This was three months before the province issued a public call for proposals," noted Mr. Russell, "and it was the same month that DFO decided to shut down all negotiations with the LMA on food harvest plan for the Eagle River and other sites. I find it pretty hard to explain these so-called coincidences to my people. When they have tried to establish camps, they get blocked politically on the island. When they try to catch some fish for their supper, they get their gear seized and face jail terms, again with political pressure from the province."

Mr. Russell added that the 300 salmon "granted" to Ms. Hutchings camp had originally been allocated by DFO to the Defence Department VIP camp nearby. "We lobbied hard to get that camp closed," he said, "and we are still trying to negotiate a return of the property to Metis control. So this new license being issued is the worst kind of provocation. It thumbs the province's nose at our people, and at our rights."

The LMA is asking both Premier Tobin and Federal Fisheries Minister Fred Mifflin to agree to a full joint inquiry with the LMA. "These 300 salmon must be returned to their rightful owners," said Mr. Russell. "The reality is that DFO is on the hook for allowing its old allocation to UND to be hijacked by provincially sponsored commercial interests. At the same time, DFO is talking about shutting down Metis commercial fish operations in Labrador, and is prosecuting our food fishers for exercising their constitutional rights. The ball is in Fred Mifflen's court now. As for the province, Brian Tobin has promised a new style of government, and Metis want to see this in action. We want a public inquiry."

contact: Todd Russell, President: Tel: (709) 896-0592
July 3, 1996.

Honorable Brian Tobin  
Premier of Newfoundland & Labrador  
Confederation Building  
St. John’s  
Newfoundland & Labrador  
via fax 709-729-5875

Dear Mr. Premier:

The placement of the commercial lodge on the Eagle River by the KGY Group has ground to a halt because of circumstances related to the Labrador Métis Association and their claims with respect to the Eagle River. A summary of our recent negotiations with the LMA and resultant actions is attached.

On Saturday, we had decided to proceed with site preparation, and deal with the matters at hand as they arose. We were informed by the owners of the vessel chartered to carry our materials, however, that they refused to do so until the situation is resolved because of threats of damage to their properties. Also LMA members have established themselves in the area of our proposed lodge, and we have been advised by the RCMP that at least one member has a firearm permit and is carrying firearms. Several threats have been made against us and people with whom we connect, as well as about other sport fishing lodge operations in Labrador.

At present, it is apparent that we will not be able to proceed with our proposed development in 1996. In our view, it is unlikely that issues raised by the LMA will be resolved in the near future, therefore we do not expect to be in business for the 1996 season. The majority of clientele booked for periods during July and August have already cancelled their reservations because of the situation.

To further complicate matters, we are assured by a large number of people in the Cartwright community, and several members of the LMA, that they stand firm with us and want us to proceed. We are told that there is only a handful of troublemakers that are making things difficult for everyone. Rozalee Learning, the Mayor of Cartwright, initially opposed to the development of the lodge, is now
interested in how the area can benefit directly and indirectly from the sportfishery. She now sees the benefits to her area by such development as we are proposing.

On the other hand, the Labrador Métis Association, who state that they speak for the people of Cartwright, appear convinced that they have full support and assures us that the entire community is opposed to our operation. While they argue that they are acting in the interest of the people they represent, there is significant concern expressed to us by their members that they are in fact stifling economic and social development opportunity.

For your information, the Labrador Métis Association are pursuing funding to purchase our building and effects with the intent of operating a commercial sport fishing lodge themselves, however we have not signed an agreement of sale. In responding in good faith to the Call for Proposals, one of our principal objectives was to enrich the sportfishing industry in Labrador. We are not confident that the LMA will be able to honour our commitments, and are not prepared to hand over full obligation to them.

We are told by our supporters in the Cartwright area that they are planning on taking the matter in their hands and asking the community for its support on paper to forward to you and other elected representatives of our government. They hope that this will bring positive attention to the matter so it may be resolved in the best interest of the sincere people in the area. As an aside, we were also told that a certain faction in the Town has intimated that the lodge would be burned if the Métis Association should proceed with development in our stead.

If we are not able to go ahead with our operation, which reflects the long term goals of the province, we shudder to think what this may do for future development in our province, especially Labrador. We feel that we have done everything we can to resolve this matter for the benefit of all parties involved. We are now asking you, as Premier of the Province, to do whatever is in your power to settle the issues in such a way that we may proceed.

Sincerely,

Gudrid Hutchings
KGY Group Limited

Katharine Rice

cc. Hon. Sandra Kelly
    Hon. Ernie MacLean
    Hon. Judy Foote
    Hon. Charles Furey
    Mr. Cal Yates, Dept. of Tourism
SUMMARY


- KGY Group Ltd. selected as successful bidder. Notification: mid-April, 1996.

- To keep all interested parties informed about matters surrounding lodge construction and operation, the KGY Group asked for meetings with:

  Labrador Métis Association:
  Meeting held May 9, 1996.
  Present: LMA representatives
          Gudrid Hutchings
          Hon. Ernie MacLean
  Outcome: LMA firmly opposed to lodge development

  Cartwright Development Association:
  Meeting held May 30, 1996.
  Present: CDA representatives & Town Council
           Gudrid Hutchings & Katharine Rice
           Cal Yates, representative of Dept. of Tourism
           Frank Phillips, Dept. of Tourism
  Outcome: CDA requested KGY presence at public meeting

- Immediately following the meeting with the CDA, the KGY Group, Mr. Yates and Mr. Phillips attended the public meeting called to discuss the RFP and tendering process, as well as general potential of the recreational fishery. Sentiments related to lodge operation included:
  - the Investment Group from Cartwright should have been given primary consideration in the RFP process
  - economic benefit from current lodge operations in the area is relatively non-existent
  - in the past, people from the Sandwich Bay area have been prohibited from independent sportfishing related and eco-tourism initiatives

Outcome: community opposition to further lodge development unless local people are involved
KGY Group share certain sentiments expressed at the public meeting. To help resolve matters, KGY Group offered to share their salmon allocation 50/50, and approached Government to allow the Cartwright Investment Group to proceed with their original proposal.

Outcome: Cabinet approval granted providing the town of Cartwright supports development of both lodges.

KGY Group invited to attend a meeting with Cal Yates, Dept of Tourism, and representatives of Cartwright Town Council, Development Association, and Labrador Métis Association.

Outcome: Opposition to KGY Group development.

While in Cartwright for one day, approximately 30 people applied in person and by telephone for jobs with the KGY Group. An additional 25 from the Sandwich Bay area, and several people from Goose Bay, applied by telephone.

KGY Group and LMA representatives met on two occasions on Tuesday, June 25 to discuss areas of compatibility and explore areas of disagreement with a view to resolution.

Agreement: KGY agrees to provide benefits to the Sandwich Bay area in the following ways:
- employment of local construction workers and guides
- on-the-job sportfishery related training
- educational scholarships for SB applicants
- contribution to conservation and protection of the Eagle River natural resources
- foster and assist with development of other tourism related local initiatives.

Disagreement: partnership mechanism
- LMA asked for percentage ownership through Caines Investment
- KGY suggested establishment of a Board to monitor socio-economic promises and suggest ways to enhance local investment.
June 27, 1996

Hon. Ernie MacLean
Minister of Government Lands and Services
North West River, Labrador

Dear Mr. Minister:

The Labrador Métis Association and the KGY Group Ltd. have had several discussions related to the construction of a lodge on the second steady of the Eagle River. The purpose of these meetings was to discuss ways in which the interests of the two groups were compatible, and to explore ways to resolve residual areas of conflict.

We are pleased to report that, with the help of [Section 40(1)], agreement has been reached and work on construction of the lodge will proceed. A major point of agreement dictates that the Labrador Métis Association and the KGY Group will work together in future calls for development proposals in sportfishery and other eco-tourism related areas in Labrador. Other areas of agreement surround employment, education and training initiatives, and resource conservation and protection, as well as respect for the environment.

With respect to our proposed partnership in future development, may we together urge that the Government of Newfoundland and Labrador consider an early call for proposals to develop commercial sportfishery operations on other rivers, specifically the White Bear, Alexis, North, and Paradise rivers. Additionally, we urge that the Government take whatever steps are necessary to ensure that the Labrador Métis Association, as well as other individuals and groups resident in Labrador, be kept informed and encouraged to submit quality proposals.

If further information about our agreement is required, please let us know.

Sincerely,

Todd Russell, President
Labrador Métis Association

Gudrid Hutchings, President
KGY Group Ltd.

Advisor and Mediator
**Summary Update**

- **Thursday, June 27/96** – Meeting between LMA (Todd Russell & [Redacted]) and KGY (Gudrid Hutchings & Katharine Rice) with [Redacted] as Mediator. After discussion about the partnership mechanism, an agreement in principle was reached.

  Substance of the agreement: the LMA and KGY would collaborate on future Requests for Proposals related to the sportfishery and/or eco-tourism, and the current lodge would proceed as planned. Together the two groups would urge the provincial government to call for proposals for commercial sportfishery operations on the other rivers in the South East Labrador area.

  The group met with Hon. Ernie MacLean to inform him of the agreement. Minister MacLean asked for a letter outlining the agreement and request for early action with respect to other rivers.

- 1:30 p.m.: Todd Russell departed for Cartwright to attend a public meeting jointly with Hon. Lawrence O'Brien, MP, and Yvonne Jones MHA. Together, they were to visit three communities on the Labrador coast.

- Draft letter prepared (attached), approved by [Redacted] as true reflection of the proceedings and agreement. KGY Group was informed the morning of June 28th, by [Redacted] of LMA, that they disagreed with the content of the letter and that agreement had not been reached.

- **Friday, June 28** – second meeting between LMA & KGY with [Redacted] as mediator. Mr. Russell stated that he had the support of the elected representatives of the area, as well as the people of Cartwright. Purpose: to further discuss the agreement of the previous day.

  LMA stated that if a joint ownership agreement could not be reached, then on-the-ground action would be taken to prevent KGY from doing any work on the lodge site or bringing materials into the area. In addition, the LMA promised disruption to other lodge operators and their guests.

  **Outcome:** LMA representatives reiterated the desire for 50% ownership in the name of Cain Development Group. KGY refused. LMA indicated a willingness to purchase the lodge and effects for $1,000,000. KGY asked that an offer be extended by mid-afternoon of Friday, June 28. At that time LMA asked for an extension to Tuesday, July 2, at 10:00 a.m.
Saturday, June 29: Cpl. Power, RCMP officer departing from Cartwright as result of detachment closure, informed KGY Group that a few boats were assembling in the Sandwich Bay area with the intent to block arrival of lodge materials.

Monday, July 1: KGY informed by [redacted] skipper of the vessel chartered to carry lodge materials, that while at sea on Saturday he had received a 'shore-to-ship' call from [redacted] cautioning him against carrying KGY materials. Mention was made of possible damage to [redacted] business property in Pac's Harbour. [redacted] reported that his daughter-in-law was afraid to do business in Cartwright.

Outcome: [redacted] indicated strong concern about the safety of the materials and his property. Agreed to delay decision about loading and transporting materials until Wednesday, July 3. This was later extended to Friday, July 5.

Canada Day Weekend: People from Cartwright continue to call KGY seeking employment and offering support and encouragement. Discussion with Rozalee Learning, Mayor of Cartwright, revealed an interest in learning more about development potential of the recreational fishery, and some of the economic benefits which could accrue to the people of Cartwright.

Outcome: The Mayor asked if an invitation were extended to the KGY Group to visit Cartwright on Wednesday or Thursday to give interested people the opportunity to talk with Gudrid Hutchings and Katharine Rice, would we accept. We informed her that we would as long as the group was seriously interested in listening.

Tuesday, July 2: 10:00 a.m. - KGY informed by Todd Russell of the LMA interest in purchasing the lodge. LMA intent followed up by letter. Mr. Russell also informed the KGY Group that he had sent his people into the Eagle River.

10:30 a.m.: KGY Group informed by Cpl. Power, RCMP officer now stationed in Mary's Harbour, that people have gone up the Eagle River by boat and by float plane to construct a building where it is expected the KGY lodge will be situated. Cpl. Power cautioned KGY that some aboriginal members of the group may be carrying firearms and have the right to do so for hunting purposes.

Cpl. Power later confirmed that one member of the group has a license to carry firearms. He also informed KGY that it is the intent of the LMA to keep people on site, on a rotating basis, for the entire summer. The R.C.M.P. and the Department of Wildlife intend to visit the area at the end of this coming week.
RCMP notified KGY of Metis interference in the landing of a helicopter carrying guests to [redacted] camp.

**Conclusion:** KGY Group want to proceed with construction but are prevented from doing so because:
- the first carrier [redacted] has refused to transport the materials because of the situation with the LMA and their members in Cartwright;
- the second carrier [redacted] is unwilling to transport the materials without a letter from the LMA guaranteeing that no damage will come to his property;
- other carriers refuse to consider transporting the materials because of the situation;
- LMA members have occupied a site on the second steady of the Eagle River with the intent to disrupt KGY lodge construction;
- firearms are known to be in the hands of at least one LMA person on the second steady site;
- clientele registered for July and August bookings have withdrawn because of the situation.
TO: Ray

☐ PREPARE REPLY FOR PREMIER'S SIGNATURE
☐ PREPARE REPLY FOR MY SIGNATURE
☐ PREPARE REPLY FOR YOUR SIGNATURE
☐ NOTE AND FILE
☐ INVESTIGATE AND REPORT TO ME
☐ SEE ME ON THIS
☐ TAKE APPROPRIATE ACTION
☐ ACKNOWLEDGE WITH THANKS
☐ FOR YOUR INFORMATION

COMMENTS:

What should be the next step from this letter?
Should you bring issue forth to Premier?

July 04/96

Date

Signed
July 3, 1996.

Honorable Brian Tobin
Premier of Newfoundland & Labrador
Confederation Building
St. John's
Newfoundland & Labrador
via fax 709-729-5875

Dear Mr. Premier:

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On Saturday, we had decided to proceed with site preparation, and deal with the matters at hand as they arose. We were informed by the owners of the vessel chartered to carry our materials, however, that they refused to do so until the situation is resolved because of threats of damage to their properties. Also LMA members have established themselves in the area of our proposed lodge, and we have been advised by the RCMP that at least one member has a firearm permit and is carrying firearms. Several threats have been made against us and people with whom we connect, as well as about other sport fishing lodge operations in Labrador.

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interested in how the area can benefit directly and indirectly from the sportfishery. She now sees the benefits to her area by such development as we are proposing.

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Sincerely,

Gudrid Hutchings
KGY Group Limited

Katharine Rice

c.c. Hon. Sandra Kelly
Hon. Ernie MacLean
Hon. Judy Foote
Hon. Charles Furey
Mr. Cal Yates, Dept. of Tourism

Section 40(1)
SUMMARY


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  Hon. Ernie MacLean
  Outcome: LMA firmly opposed to lodge development

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  Gudrid Hutchings & Katharine Rice
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  Outcome: CDA requested KGY presence at public meeting

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**Disagreement:** partnership mechanism
- LMA asked for percentage ownership through Caines Investment
- KGY suggested establishment of a Board to monitor socio-economic promises and suggest ways to enhance local investment
June 27, 1996

Hon. Ernie MacLean  
Minister of Government Lands and Services  
North West River,  
Labrador

Dear Mr. Minister:

The Labrador Métis Association and the KGY Group Ltd. have had several discussions related to the construction of a lodge on the second steady of the Eagle River. The purpose of these meetings was to discuss ways in which the interests of the two groups were compatible, and to explore ways to resolve residual areas of conflict.

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If further information about our agreement is required, please let us know.

Sincerely,

Todd Russell, President  
Labrador Métis Association  
Gudrid Hutchings, President  
KGY Group Ltd.

Advisor and Mediator
Summary Update

Thursday, June 27/96 — Meeting between LMA (Todd Russell & Gudrid Hutchings) and KGY (Katharine Rice) with as Mediator. After discussion about the partnership mechanism, an agreement in principle was reached.

Substance of the agreement: the LMA and KGY would collaborate on future Requests for Proposals related to the sportfishery and/or eco-tourism, and the current lodge would proceed as planned. Together the two groups would urge the provincial government to call for proposals for commercial sportfishery operations on the other rivers in the South East Labrador area.

The group met with Hon. Ernie MacLean to inform him of the agreement. Minister MacLean asked for a letter outlining the agreement and request for early action with respect to other rivers.

1:30 p.m.: Todd Russell departed for Cartwright to attend a public meeting jointly with Hon. Lawrence O’Brien, MP, and Yvonne Jones MHA. Together, they were to visit three communities on the Labrador coast.

Draft letter prepared (attached), approved by as true reflection of the proceedings and agreement. KGY Group was informed the morning of June 28th, by of LMA, that they disagreed with the content of the letter and that agreement had not been reached.

Friday, June 28 - second meeting between LMA & KGY with as mediator. Mr. Russell stated that he had the support of the elected representatives of the area, as well as the people of Cartwright. Purpose: to further discuss the agreement of the previous day.

LMA stated that if a joint ownership agreement could not be reached, then on-the-ground action would be taken to prevent KGY from doing any work on the lodge site or bringing materials into the area. In addition, the LMA promised disruption to other lodge operators and their guests.

Outcome: LMA representatives reiterated the desire for 50% ownership in the name of Cain Development Group. KGY refused. LMA indicated a willingness to purchase the lodge and effects for $1,000,000. KGY asked that an offer be extended by mid-afternoon of Friday, June 28. At that time LMA asked for an extension to Tuesday, July 2, at 10:00 a.m.
Saturday, June 29: Cpl. Power, RCMP officer departing from Cartwright as result of detachment closure, informed KGY Group that a few boats were assembling in the Sandwich Bay area with the intent to block arrival of lodge materials.

Monday, July 1: KGY informed by [redacted] skipper of the vessel chartered to carry lodge materials, that while at sea on Saturday he had received a 'shore-to-ship' call from [redacted] cautioning him against carrying KGY materials. Mention was made of possible damage to [redacted] business property in Pac's Harbour. [redacted] reported that his daughter-in-law was afraid to do business in Cartwright.

Outcome: [redacted] indicated strong concern about the safety of the materials and his property. Agreed to delay decision about loading and transporting materials until Wednesday, July 3. This was later extended to Friday, July 5.

Canada Day Weekend: People from Cartwright continue to call KGY seeking employment and offering support and encouragement. Discussion with Rozalee Learning, Mayor of Cartwright, revealed an interest in learning more about development potential of the recreational fishery, and some of the economic benefits which could accrue to the people of Cartwright.

Outcome: The Mayor asked if an invitation were extended to the KGY Group to visit Cartwright on Wednesday or Thursday to give interested people the opportunity to talk with Gudrid Hutchings and Katharine Rice, would we accept. We informed her that we would as long as the group was seriously interested in listening.

Tuesday, July 2: 10:00 a.m. - KGY informed by Todd Russell of the LMA interest in purchasing the lodge. LMA intent followed up by letter. Mr. Russell also informed the KGY Group that he had sent his people into the Eagle River.

10:30 a.m.: KGY Group informed by Cpl. Power, RCMP officer now stationed in Mary's Harbour, that people have gone up the Eagle River by boat and by float plane to construct a building where it is expected the KGY lodge will be situated. Cpl. Power cautioned KGY that some aboriginal members of the group may be carrying firearms and have the right to do so for hunting purposes.

Cpl. Power later confirmed that one member of the group has a license to carry firearms. He also informed KGY that it is the intent of the LMA to keep people on site, on a rotating basis, for the entire summer. The R.C.M.P. and the Department of Wildlife intend to visit the area at the end of this coming week.
RCMP notified KGY of Metis interference in the landing of a helicopter carrying guests to [REDACTED] camp.

**Conclusion:** KGY Group want to proceed with construction but are prevented from doing so because:
- the first carrier [REDACTED] has refused to transport the materials because of the situation with the LMA and their members in Cartwright;
- the second carrier [REDACTED] is unwilling to transport the materials without a letter from the LMA guaranteeing that no damage will come to his property;
- other carriers refuse to consider transporting the materials because of the situation;
- LMA members have occupied a site on the second steady of the Eagle River with the intent to disrupt KGY lodge construction;
- firearms are known to be in the hands of at least one LMA person on the second steady site;
- clientele registered for July and August bookings have withdrawn because of the situation.
July 5, 1996

Premier Brian Tobin
Government of Newfoundland & Labrador
Box 8700
St. John's, NF
A1B 4J6

Dear Mr. Premier:

The recent dispute involving the Labrador Metis and a proposed outfitting development on the Eagle River in Labrador is worrisome to the Atlantic Salmon Federation. The sustainable development of the recreational fishery in Labrador is wise both from an economic and conservation point of view. The actions of the Labrador Metis threaten the economic well-being of Labrador and the very survival of the Atlantic salmon. The Atlantic Salmon Federation urges you to address this important matter immediately.

Please be assured that you have our full support in any action you take that ensures the conservation and wise management of the Atlantic salmon and its environment.

Respectfully yours,

Bill Taylor
President
DATE: July 9, 1996

TO: Ray Hawco

COMPANY: Native Policy

FAX NUMBER: 729-4900

FROM: C. Yates

DIVISION: Tourism Development

FAX NUMBER: 729-0474

NUMBER OF PAGES INCLUDING COVER SHEET: 2

TELEPHONE: 729-6857

SUBJECT:

Labrador Metis Association.

Please see the attached for your information. This article appeared in the Examiner in Goose Bay. It concerns a new "policy" they have issued dealing with existing outfitters and new outfitters south of the Hamilton inlet.
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Call from Malcolm Rawe re HMA:

Robert Thompson - DM, Ex. 729-8853

- Lab Metro Assoc:
  - Support fishing guidelines on Metes land
  - Ask for Lab newspaper
  - HMA would buy back cabins from
    people who had built in Metes land
  - Speaker modest Cabinet in saying that
    intended fisheries was being
    interrupted (Riv Contractors by HMA)
  - Premier indicated that was going to
    for Mr. McLean was directed to state
    that HMA have no right to
    establish such guidelines.
  - Minister of Culture & Rec was directed
    to write all the cabin & lodge
    owners
Mr. Ray Hawco  
Assistant Secretary to Cabinet  
Aboriginal Affairs

Subject: Labrador Métis Association/Fishing Lodges

Following the Cabinet meeting in Corner Brook last week Malcolm Rowe spoke to me about the discussion in Cabinet on the Labrador Métis Association and requested I follow-up as appropriate. It is in this context that I am writing you.

Cabinet expressed concern that the Labrador Métis Association was using intimidation tactics against a company which is building a fishing lodge on the Eagle River. I suspect the letter to Premier Tobin from Gudrid Hutchings, a copy of which is attached, was the catalyst for the discussion. Concern was also expressed that the Labrador Métis Association were issuing guidelines for the establishment of fishing lodges on "their land" and were using federal funds to buy-out fishing lodges in the area. Cabinet did not condone this kind of activity and Ministers McLean and Kelly were instructed to take appropriate action. In addition, the Premier indicated he intended to speak to Minister Irwin about the use of federal funds for these activities, and request that this not be allowed to continue.

Before the Premier calls the federal Minister a briefing note should be prepared from him on this issue in order that he can speak with complete knowledge on the issue. The briefing note should:
(1) outline the Province's position with respect to the Labrador Métis Association;

(2) outline the federal government's position with respect to the Labrador Métis Association;

(3) identify funds the Labrador Métis Association is receiving from the federal government and the purpose of such funds;

(4) place the Labrador Métis Association within the context of National Aboriginal Organizations;

(5) provide an assessment of the likely response of the federal government to expressions of concern on this matter by the Province; and,

(6) recommend an appropriate course of action and strategy for the Province on this issue.

I would appreciate being copied on your memo to the Premier. I understand from Malcolm that there is some urgency on this issue.

[Signature]
Barbara Knight
Secretary to Cabinet
for Intergovernmental Affairs

BK/cab

Attach.

cc: Mr. Malcolm Rowe
Date: July 30, 1996  Pages (including cover sheet) 3

To: Mr. Ray Hawes

Company:

Fax Number:

From: Mike Brist

Division: AOM Tourism & Recreation

Telephone: 729-2821

Fax: Internet:

Comments: Can you please read the attached over to see if it is okay.

Please let me know. Thanks.

NEWFOUNDLAND & LABRADOR

Divisional Phone:
Memorandum

To: All Labrador Sport Fishing Lodge Operators
From: Honourable Sandra Kelly
Minister, Tourism, Culture and Recreation
Subject: Policy Regarding the Operation and Establishment of Commercial Fishing Operations in Labrador
Date: July 18, 1996

Dear Operator:

On Friday, July 6, 1996 an article appeared in 'The Examiner' in which the Labrador Metis Association Board of Directors announced a new policy regarding the operation and establishment of commercial fishing operations in Labrador.

I want to assure you that these 'guidelines' have no validity and that the Government has made no change in current policy.

If you have any questions, please contact the Department of Tourism, Culture and Recreation.

Thank you and best wishes for a productive season.

Sincerely

Sandra Kelly, M.H.A.
Gander District Minister

P.O. Box 8700, St. John's, Newfoundland, Canada, A1B 4J8, Telephone (709) 729-0859, Facsimile (709) 729-0662
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Executive Council
Labrador and Aboriginal Affairs

July 19, 1996

Honourable Brian Tobin
Premier

For your information, I have prepared the attached Briefing Note with respect to the LMA.

I am available to discuss further at your convenience.

Ray Hawco

RAY HAWCO
Assistant Secretary to Cabinet
( Aboriginal Affairs )

/st
Attachment
BRIEFING NOTE

SUBJECT: LABRADOR MÉTIS ASSOCIATION (LMA) ACTION RESPECTING FISHING LODGES IN LABRADOR

BACKGROUND:

It has been reported the LMA have been using intimidation tactics against a company wanting to construct a commercial fishing lodge on the Eagle River in southern Labrador. It has also been reported that the LMA were using federal funds to buy out fishing lodges in the area. In 1995, the LMA issued their own fisheries guidelines including tags and quotas and prosecuted a food fishery without DFO agreement.

Relevant Issues:

1. Background regarding LMA:
   - Association incorporated in 1986.
   - Present membership claimed to be approximately 4,000.
   - Membership resident primarily in southern Labrador and Happy Valley/Goose Bay.
   - President - Todd Russell.

2. LMA in the National Context:
   - LMA is an affiliate of the Congress of Aboriginal Peoples - CAP (formerly the Native Council of Canada - NCC) which claims to represent up to 750,000 non-status, off reserve Indians and Métis.
   - President is Jim Sinclair, with head office in Ottawa.

3. Province’s Position regarding LMA:
   - Members of the LMA do not enjoy existing Aboriginal and treaty rights "as Métis under Section 35(1) of The Constitution Act, 1982.

   Section 30(1) and (b)
Individual LMA members may indeed be of Aboriginal ancestry - either Innu or Inuit.

4. **Federal Government’s Position regarding LMA:**

- There does not appear to be a consistent federal position respecting the LMA with respect to program funding.

- Ottawa rejected the LMA land claim in 1992 and indicated further research was required.

- The land claim was resubmitted in February 1996 with an extended claim area including Voisey’s Bay. There is no indication of Ottawa’s current position.

- However, in a May 1995 meeting with former Premier Wells, Minister Irwin confirmed that any statement of claim by the LMA would be judged on exactly the same basis as other land claims, i.e. the Baker Lake criteria.

- In view of the fact that Minister Irwin’s Executive Assistant, Mr. Brad Morse, had acted as legal counsel for the CAP (formerly Native Council of Canada - NCC), federal officials seem to think the LMA file is being pursued fairly aggressively.

4. **Funding to the LMA from the Federal Government:**

Identified sources of recent funding to the LMA from the federal government are as follows:

**DIAND:**

- $300,000 since 1993 for land use, genealogical and archival research in support of their land claim.

**Heritage Canada:**

- $80,000 in June 1996 for core funding for the Association.

- $7,000 to the LMA Women’s Association for organizational purposes.

- $2,000 to prepare public information materials.
Human Resources Development Canada:

- In 1995, the LMA was provided (through the Pathways program) a share of $2.5M allocated to the Innu, Inuit and LMA to purchase seats in training programs.

In addition, the LMA recently applied for funding under the Labrador Co-operation Agreement to conduct a feasibility study into a commercial seal fishery for its members. There has been no decision on this to date.

6. Anticipated Federal Reaction to Province’s Concerns:

- Regarding Intimidation Issue: If this were raised, the federal Minister may suggest if there is basis for this charge it is a provincial issue and a matter for the police.

- Regarding LMA Issuing of Fisheries Guidelines and Conducting of a Food Fishery: Minister Irwin will likely indicate this is a DFO matter to be taken up with Minister Mifflin. The LMA have initiated an action in federal court against DFO for denial of an Aboriginal food fishery.

- Regarding Federal Funding to Buy Out Fishing Lodges: This report appears unfounded. The LMA has proposed to DFO a study under the Aboriginal Fisheries Strategy with respect to entering the recreational fishing industry either by setting up new ventures or buying out existing ventures. DFO officials indicate the LMA have not received any DFO funding for this purpose and most likely will not.

RECOMMENDATION:

- It has been suggested the Premier contact Minister Irwin on this matter. It is not clear what this might accomplish. Minister Irwin’s department has not provided any program funding to the LMA. (It has, however, provided funding for land claim research.)

- Discussion with DFO officials indicates no funding has been provided to LMA to buy out or establish fishing lodges on the Eagle River.

Labrador & Aboriginal Affairs
July 19, 1996
Stella,

Can you pass this info on to Ray, in response to his query this morning?

My best info is that DIAND has not provided funding for anything related to fishing or Eagle River (still awaiting info from Region - unlikely from there though).

I understand that DFO (Fisheries) had provided funding in prior years to identify economic development opportunities related to commercial fishing but no funding for 1996 (they are now being sued by them for not granting a commercial fishing licence).

Greg
GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Executive Council
Intergovernmental Affairs Secretariat

FACSIMILE COVER SHEET

DATE: July 31, 1996
TIME:
OPERATOR: P. Hynes

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 3

TO: Mike Buist - 0870
    Mike Samson - 4900

FAX #:

FROM: Sean Dutton

FAX NUMBER: 729-5038  TELEPHONE: 729-2380

Please review attached draft and get back to me with comments.
July 31, 1996

Mr. Bill Taylor
President
Atlantic Salmon Federation
P.O. Box 429
St. Andrews, New Brunswick
B0G 2X0

Dear Mr. Taylor:

Thank you for your letter of July 5, 1996 regarding the proposed outfitting development on the Eagle River in Labrador. I note your concerns regarding the actions of the Labrador Metis Association (LMA) with respect to this development. I presume you were specifically concerned about the LMA's opposition to the establishment of a camp by KGY Group Ltd., and the LMA's publication of "guidelines" for sports fishing lodges. However, these guidelines are not valid, and the Government of Newfoundland and Labrador has made no change in its current policy on the establishment and operation of commercial fishing camps in Labrador.

The Province supports the Atlantic Salmon Federation's view that the Labrador sports fishery must be managed in the interests of sustainable development. We are of the view that establishing a new camp on the Eagle River, utilizing the quota that would earlier have been assigned to the former Department of National Defence camp, is consistent with this position.

Thank you for your expression of support on this issue.

Sincerely,

Brian Tobin
July 5, 1996

Premier Brian Tobin
Government of Newfoundland & Labrador
Box 8700
St. John's, NF
A1B 4J6

Dear Mr. Premier:

The recent dispute involving the Labrador Metis and a proposed outfitting development on the Eagle River in Labrador is worrisome to the Atlantic Salmon Federation. The sustainable development of the recreational fishery in Labrador is wise both from an economic and conservation point of view. The actions of the Labrador Metis threaten the economic well-being of Labrador and the very survival of the Atlantic salmon. The Atlantic Salmon Federation urges you to address this important matter immediately.

Please be assured that you have our full support in any action you take that ensures the conservation and wise management of the Atlantic salmon and its environment.

Respectfully yours,

[Signature]

Bill Taylor
President
GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Executive Council
Intergovernmental Affairs Secretariat

FACSIMILE COVER SHEET

DATE: September 11, 1996  TIME: ______________
OPERATOR: P. Hynes

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 2

TO: Mike Buist - 0662
    Mike Samson - 4900

FAX #: 

FROM: Sean Dutton

FAX NUMBER: 729-5038  TELEPHONE: 729-2980
August 13, 1996

Mr. Bill Taylor, President
Atlantic Salmon Federation
P. O. Box 429
St. Andrews, NB
E0G 2X0

Dear Mr. Taylor:

Thank you for your letter of July 5, 1996, regarding the proposed outfitting development on the Eagle River in Labrador. I note your concerns regarding the actions of the Labrador Metis Association (LMA) with respect to this development. I presume you are specifically concerned about the LMA's opposition to the establishment of a camp by KGY Group Ltd., and the LMA's publication of "guidelines" for sports fishing lodges. However, these guidelines are not valid, and the Government of Newfoundland and Labrador has made no change in its current policy on the establishment and operation of commercial fishing camps in Labrador.

The Province supports the Atlantic Salmon Federation's view that the Labrador sports fishery must be managed in the interests of sustainable development. We believe that establishing a new camp on the Eagle River, utilizing the quota that would have been assigned to the former Department of National Defence camp, is consistent with this position.

Thank you for your expression of support on this issue.

Sincerely,

BRIAN TOBIN
- Harold called me in MA + Eagle Room and asked what of anything we have done re this matter.
- I indicated we had not done anything but in fact we had prepared a briefing note at Malcolm Ramsay's Bank Holidays request and sent this to the Premier on July 19. (Subsequently advised Harold feel the other) There was no response back from the Premier re the briefing note.

- Harold suggested we need to ensure the Premier is:
  1) aware of the present situation
  2) what actions/actions, etc we have taken
  3) what actions are now necessary to control the situation

- When I passed the July 19 briefing note to Harold, I asked if he could review and suggest what else may have to be required.

03/07/96

Told Joy called me above. I suggested she call Transport Dept to see what has been done in respect of the Cabinet direction on this matter. I suggested a response should not go from the Premier but rather from the Minister since it goes more than is just an abnormal issue (etc). I also agreed to discuss with Harold and get back to her later.
96.09.03

Ray,

Could you please call
Saul Gay (Premier's Office, 2578)
re letter from Sadrid Hutchings.
She was wondering if the letter
was ever responded to or what is
the status? She wants to know to
close off the file she has.

In our file, you will find Sadrid's
letter & action that you took. After that,
I don't know what was done. I told her
I would check with you & get back to
her. Thanks.

PS. The letter & your note
have a yellow sticky
on them.
Beurden Hutchinson's July 3 letter

Talked to Saul Joffe; indicated we did not prepare a
draft response but did provide a briefing note
to the Chermes on July 19 (No reason back or
further request).

I undertook to check with Saul Joffe & Zavvari
As per y either has prepared a draft response for
the Chermes since the letter is now over 2 months old.

Awaiting new or call back from Zavvari (Lytaor)
Subject: Update - KYC Group (AndREW Hutchings) x HMA x Eagle liners

July 3/96: Letter received from KY Hutchings re occurrence of proposed venture. The action taken by the HMA and urging the Premier's attention.

July 4/96: Letter conveyed to Key Harris by Peter Joyce (handwritten)

July 10/96: Key Harris discussed the caveat with Premier and Justice and presented a draft response.

July 12: Review discussed by Ministers in Cabinet.

July 12-14: Mr. Hutchings met privately with Premiers on two occasions was encouraged to continue her project.

July 13-14: Mr. Hutchings met with Ministers McLean, Doyle and Kelly re restoration of good support for the venture.

September 5, 1996

Ms. Gudrid Hutchings
Ms. Katharine Rice
C/O KYG Group Ltd.
P.O. Box 594
Corner Brook, NF
A2H 6G1

Dear Ms. Hutchings and Ms. Rice:

This is a belated acknowledgement of your July 3, 1996 letter seeking the Premier’s assistance in resolving problems associated with the assertion by members of the Labrador Métis Association to claims on the Eagle River.

As a result of your meetings this past summer with the Premier and also with Ministers Kelly, McLean and Foote, I feel confident you are aware that government is very supportive of your initiative respecting the Eagle River.

I understand there continues to be a regular and positive contact with government officials respecting your project. I wish you much success and trust your hard work and determination will soon see your objectives fully realized.

Sincerely,

GAIL V. JOY
Special Assistant to Premier
Briefing Note

Sportsfishing Lodge on the Eagle River

- December 7, 1993 - Department of National Defence announces plans to close its fishing camp on the lower Eagle River; this action opens opportunity to establish a new commercial sportsfishing operation that would provide economic benefits at the local and regional level.

- January 20, 1996 - Department of Tourism, Culture and Recreation announces a public proposal call for persons interested in establishing a sportsfishing lodge on the Eagle River. A proposal call was considered to be the best method to ensure fairness to interested parties and a top quality operation. The information package indicated that proposals would be assessed on the quality of the operation and ability to compete in the international marketplace. For conservation reasons, it was also specified that any new operation would be limited to a maximum of 300 retained salmon on an annual basis (the same level as the DND camp).

- 56 information kits were mailed to persons who expressed interest (40 from Newfoundland, 10 from Labrador, 3 from British Columbia and 1 each from Nova Scotia, Ontario and Manitoba).

- February 23, 1996 - Deadline for proposals; three (3) proposals received - two from Newfoundland companies and one from a Labrador group. Proposals were assessed by staff of Departments of Tourism, Culture and Recreation and Forest Resources and Agrifoods.

- The proposal by KGY Group Limited of Corner Brook, NF was accepted; KGY Group Limited proposed to construct a modern full service quality lodge of 6400 square feet.

- KGY proposal stated that fourteen (14) labourers to be employed during construction with 10 staff employed on a seasonal basis thereafter. All staff to be hired locally and trained to operate a high quality facility.

- April 18, 1996 - Government approves KGY proposal.

- May 9, 1996 - Honourable Ernest McLean, Minister of Government Services and Lands and Gudrid Hutchings of KGY meet with representatives of the Labrador Metis Association in Goose Bay to outline the result of the proposal call and explain the type of operation and benefits to the local economy.

- May 30, 1996 - Officials of the Department of Tourism, Culture and Recreation meet with the Eagle River Development Association and the general public in Cartwright. Approximately 200 residents attend the public session. Sentiment expressed at the public meeting indicated that while the community understood that the approval for the new lodge
was through a public proposal call, they felt that the local Labrador bidder, the Investment Group, should have been the successful bidder.

June/July 1996 - Significant efforts made by KGY, Ministers and Government officials to accommodate local concerns, to the point that KGY offered to provide half of the 300 salmon allocation to a local company to establish a second lodge. In meetings with local residents, KGY offered to:

1. share their annual catch quota on a 50/50 basis with the local company;
2. hire local staff to construct/operate the lodge;
3. do staff training for other community members so they would be qualified for jobs in other outfitting operations in Labrador;
4. establish educational scholarships for Sandwich Bay students;
5. work for the further conservation and protection of the natural resources of the Eagle River;
6. foster and assist with the development of other tourism related local initiatives; and
7. collaborate and assist local groups on any future requests for proposals related to sportsfishing and adventure tourism projects in the region.

While these arrangements satisfied many local concerns, they continued to be unacceptable to the Labrador Metis Association.

Since these meetings, over 85 people from Labrador have come forward seeking employment with KGY - 64 of these people from Cartwright. Also, on July 4, 1996 the government received a petition from Cartwright in which some 150 people indicated support for the KGY proposal, 24 were opposed and 22 people were neutral and did not express any opinion. This petition was circulated on the initiative of several local residents.

August/September, 1996 - KGY makes arrangements to transport materials to Eagle River site. Labrador Metis Association make public statements that action will be taken to prevent the transport and construction of the lodge.
EVALUATION OF PROPOSALS

Proposals were assessed by staff of the Tourism Development and Marketing Divisions in consultation with the Department of Natural Resources. Proposals were reviewed as per the specific information requested in the Terms and Conditions and were scored out of 100 points. The proposals received, scores obtained on the evaluation, cost of development and ranking are outlined below.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>EVALUATION SCORE/100</th>
<th>COST</th>
<th>RANKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>KGY Group Ltd.</td>
<td>85/100</td>
<td>$675,000</td>
<td>1st.</td>
</tr>
<tr>
<td>Gudrid Hutchings</td>
<td></td>
<td></td>
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<tr>
<td>Katherine Rice</td>
<td></td>
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</tr>
<tr>
<td>Portland Creek Outfitters Ltd.</td>
<td>46/100</td>
<td>$200,000</td>
<td>2nd.</td>
</tr>
<tr>
<td>Aster Caines</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Leonard Payne</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Investment Group</td>
<td>22/100</td>
<td>Not Stated</td>
<td>3rd.</td>
</tr>
</tbody>
</table>

It should be noted that the KGY Group Ltd. proposal is for a new lodge located some 22 kilometres up river from the former DND camp. Portland Creek Outfitters Ltd. propose to construct a new lodge on the old DND site, while the Investment Group propose to use the old DND site and some of the current DND infrastructure. Given the scores obtained, requirements outlined in the Terms and Conditions and the direction of MC 95-1361 regarding location, proposals submitted by Portland Creek Outfitters and the Investment Group are not acceptable.
FINANCIAL CONSIDERATIONS:

The proposal from KGY Group Ltd. is for a modern full service quality lodge of 6400 square feet. The facility will have 7 double occupancy guest bedrooms, each with private bath. The facility will have a fireplace, recreation room, hot tub, sauna and related amenities. A gift shop will be included. Guides and staff will have separate living quarters. Helicopter fly-outs to other lakes/rivers for sports fishing and scenic tours will be provided.

All building materials and furnishings will be purchased locally. Cost to build and equip the lodge and related expenditures for boats, motors and site landscaping brings the total cost of development to $675,000. Construction is to be completed and the facility operational by July 1, 1996. The proposal also contains a $140,000 marketing plan for the first three years of operation.

Packages will sell for $4600 per week and gross revenues are estimated at $396,000 annually based on 86 guests per season. Fourteen (14) labourers will be employed during construction with 10 staff employed on a seasonal basis thereafter. Staff are to be hired locally (Labrador & Island) and trained to operate a world class facility. The two owners, Gudrid Hutchings and Katherine Rice, have extensive backgrounds in the tourism/hospitality industry, have strong marketing backgrounds/skills and will be on site when the facility is in operation.

Given the overall proposal, this operation will be a significant improvement to the quality of facilities/services available within Labrador to the non-resident sportsfishing market. This operation should improve the reputation of Labrador as a sportsfishing destination, enhance the image of its outfitting industry and lead to increased visitation. Currently, international tour operators regard the
MEMO TO FILE

RE: EAGLE RV R PROTEST

15 SEPT 1996 11:15 PM

TODD RUSSELL, PRESIDENT OF THE LABRADOR METIS ASSOCIATION (LMA) CALLED AND MADE THE FOLLOWING POINTS IN THE MATTER OF THEIR PROTEST:

A) THE LMA ARE VERY ADDAMENT ABOUT THE CONTINUATION OF THEIR PROTEST BUT THAT DOES NOT MEAN THAT THEY ARE NOT WILLING TO TALK

I EXPLAINED THAT THE MATTER HAD BECOME A POLITICAL ISSUE TO DEAL WITH WHEN THE PROTESTERS HIGHJACKED THE HELICOPTER AND INTERFERRED WITH THE RIGHT OF THE PRIVATE INDIVIDUAL TO PURSUE THE PROJECT THAT WAS AUTHORIZED BY GOVERNMENT.

I EXPLAINED THAT GOVERNMENTS CAN NOT ALLOW ACTIONS OF INSURRECTION NO MATTER THE CIRCUMSTANCES AND THAT MOST OTHER PROTESTS ACROSS THE COUNTRY DID NOT INVOLVE THE COMMENDERING OF PRIVATE PROPERTY AND THE INTERFERENCE WITH THE PRIVATE WILL OF A CITIZEN.

B) HE SAYS THAT THE GOVERNMENT IS HOLDING A SHOTGUN TO THE HEAD OF THE PEOPLE WHICH HE DOES NOT UNDERSTAND BECAUSE HE BELIEVES THERE IS ROOM FOR COMPROMISE

C) HE SAYS THEIR ACTIONS ARE NOT UNPRECENTED, THAT OTHER GROUPS HAVE TAKEN SIMILAR ACTION AND HAS RESULTED IN MEANINGFUL DISCUSSION AN EXAMPLE OF WHICH IS DAVIS INLET.

D) HE SAYS THAT THE LMA HAVE ALWAYS BEEN WILLING TO TALK ABOUT THE PROCESS

E) HE SAYS THE LMA HAVE CERTAIN VIEWS ABOUT DEVELOPMENT AND THE DOORS ARE OPEN FOR DISCUSSION OF THEM BUT THEY CAN'T SIT AT THE TABLE ALONE.

F) FUNDAMENTALLY, THEIR POSITION ON MATTERS OF DEVELOPMENT IS "CONTROL"

G) HE SAID HE COULD UNDERSTAND HOW THIS MATTER COULD BE SEEN AS IN THE CONTEXT OF THE LANDCLAIMS PROCESS AND THAT THERE WAS A NEED FOR THE ESTABLISHMENT OF INTRIM MEASURES.

I TOLD HIM THAT IT WAS NOT POSSIBLE FOR THE GOVERNMENT TO ENTER NEGOTIATIONS ON MATTERS OF LANDCLAIMS UNTIL THERE WAS AN ACCEPTANCE BY GOVERNMENT THAT THE CLAIM WAS PROVEN AND LEGITIMATE.
H) He said that the Wells Gov't had refused to accept any information from the Metis concerning their claim.

I) I put a hypothetical position to him.... if the Gov't could meet with the LMA is there middle ground in this matter.

J) Russell suggested that the establishment of a tribunal board to deal with matters relating to the people of Labrador and the matters of development policy and priority is an option.

I suggested that the establishment of the regional boards were a step toward the establishment of direct regional and local influence on the planning and priorities of the regions and was that not enough as a first step.

He said that the people do not want to eliminate outsider involvement but they do want first right of refusal on opportunities.

K) In closing he suggested that Gov't should take advantage of compromise, that Gov't should be sensitive to the people and should consider another option.

L) I told Russell that it was unlikely that Gov't could respond in the manner that he suggested until there was a complete stepping down from the protest and there is no longer a breaking of the law.

I assured him that I would relate our conversation to officials and if there was anything of substance that I could relate to him I would call him.

Subsequent to the Russell call I spoke with Malcolm and we discussed the situation.

We essentially determined that the process is out of Gov't's hands as long as there are laws being broken.

We discussed a "what if".... what if in the encounter between the RCMP and the protesters they offer an opportunity to discuss the issue. What if they step down from their protest in exchange for a short term delay in the progress of the project and request meetings with government officials....

Our first thought was that Gov't would consider any reasonable opportunity to talk the matter out in preference to confrontation if the protesters step back from their law breaking activity.

Note: There has been no contact with Russell since his call to me at 11:15 PM last night.
MEMO: HON. ERNIE MCLEAN

FROM: H. MARSHALL

RE: EAGLE RIVER PROTEST

15 SEPT 1996 6:45PM

AT APPROXIMATELY 6:15 PM I RECEIVED A CALL FROM IVONNE JONES, MHA CARTWRIGHT-L’ANCE AU CLAIR WHO DESCRIBED THE SITUATION AS FOLLOWS:

THERE ARE ABOUT 120 PEOPLE WHO ARE OUT IN SUPPORT OF THE PROTEST OF WHICH 25 ARE FROM OUTSIDE CARTWRIGHT. THEY HAVE BEEN MANNING THE SITE IN SHIFTS.

SHE SAYS THAT THE MATTER IS NO LONGER AN ISSUE OF THE CAMP ON THE EAGLE, BUT IS ONE OF PROTECTING THE INTERESTS OF THE LABRADOR PEOPLE AND THEIR DESIRE TO PLAY A PART IN WHAT GOES ON IN THERE REGION.

THE PEOPLE WANT SOMEONE TO MEET WITH THEM OUT OF CONSIDERATION FOR THEIR INTERESTS.

TODD AND THE LMA HAVE BEEN THE KEY ORGANIZERS OF THE PROTEST AND NOT ALL OF THE PROTESTERS ARE METIS.

THE METIS WANTED HER TO PRESENT A FORMAL REQUEST TO GOVERNMENT FOR A MEETING WITH SOMEONE FROM GOVERNMENT.

"CONSIDER THIS TO BE A FORMAL REQUEST TO MEET WITH SOME REPRESENTATIVE OF THE PROVINCIAL GOVERNMENT"

SHE SAYS THEY WILL NOT AGREE TOHALTING THE PROTEST.

SHE ASKED WHAT THE POSSIBILITY WAS OF GOVERNMENT AGREEING TO MEET WITH THE METIS ASSOCIATION.

I TOLD HER THAT I THOUGHT THE POSSIBILITY WAS ZERO AS LONG AS THE PROTEST CONTINUED TO INTERFER WITH THE NORMAL FREE ENTERPRISE PROCESS.

SHE INDICATED THAT THERE WOULD BE A MAJOR DEMONSTRATION ON MONDAY AND THAT THE MEDIA WOULD BE PRESENT.

SHE SAID THAT SHE HAD HEARD A RUMOUR THAT THE COASTGUARD WAS ENROUTE TO CARTWRIGHT AND IF I WAS AWARE OF THAT, I SAID THAT I
HAD NO KNOWLEDGE OF THE COASTGUARDS INVOLVEMENT.
SHE ASKED IF RUSSELL WANTED TO GET IN TOUCH WITH ME IF HE COULD CALL TO THIS NUMBER. I SAID THAT I WOULD BE AVAILABLE ALL NIGHT AT MY HOME AND HE COULD CALL ME IF HE WISHED.

HAROLD.
COMMUNICATIONS MATERIALS
LABRADOR METIS ASSOCIATION PROTEST
CARTWRIGHT, LABRADOR
SEPTEMBER 16, 1996

1. COMMUNICATIONS PLAN
2. SPEAKING POINTS
3. MEDIA STATEMENT
4. BACKGROUNDER: LMA PROTEST
5. BACKGROUNDER: SPORTS FISHING LODGE ON THE EAGLE RIVER
Communications Plan
LMA Protest in Cartwright

Prepared: September 15, 1996

Issue

LMA have disrupted the transportation of building materials for the approved construction of a lodge on the Eagle River by a private developer.

Response Options

1. RCMP to take actions as they see fit, without any government intervention;
2. Government intervention to try to settle the problem.

(Note: Section 30(1)(a) and (b)

Public Environment

- Any situation in which government is perceived to be trampling on or denying rights - particularly aboriginal rights could portray the province negatively in the national and international media (who may be somewhat sympathetic).
- The media will be anticipating confrontation; their presence may serve to enhance its likelihood.

Target Audiences

- News Media - Local and National
- MHA’s
- Aboriginal Groups
- Business Community
- Members of the Public

Media Lines

- This issue came up as a result of a decision to call for proposals for the development of a quality sports fishing camp on the Eagle River in Labrador. This was made possible when DND closed its camp and forfeited a 300 salmon per season quota.
- Government took the position that this salmon quota should be used as a basis to establish a new commercial sports fishing lodge which would enhance its tourism infrastructure and draw tourism expenditures in Labrador.
- A thorough and legitimate process was followed; 56 information kits were distributed as a result of the proposal call, and 3 proposals were submitted. The best proposal, from KGY group, was accepted.

- KGY is now trying to develop the lodge. However, when the company tried to move materials to the site to begin construction, it was prevented from doing so as a result of actions by Metis representatives.

- At this point, KGY requested police assistance. This matter is now a law enforcement issue, and as such, it is in the hands of the police. Details as to the police operations will have to come from the RCMP.

- This is not an aboriginal land claims issue, as it has been portrayed by some Metis spokespersons. There is a very distinct and structured process to be followed to establish the legitimacy of an aboriginal land claim. The LMA is at the very early stage of that process. This is different from the processes with the Innu and Inuit, with whom land claims negotiations are taking place.

- The LMA have just begun the process, relatively speaking. We need to let it move forward and not hijack it by methods such as this protest.

- I am also concerned, as the Minister for Labrador, about the impact that actions such as those by the LMA, may have on economic development for Labrador. The government of this province, and the people of Labrador, are working very hard to try to bring economic development opportunities to Labrador. Actions such as those taken by the LMA can only harm Labrador's prospects in the global market place. At a time when we have high hopes for business and industrial development in Labrador from Voisey's Bay and other opportunities, we should be sending a message that we are open for business. Illegal activity such as this protest sends this wrong message about Labrador to investors and potential investors.

Spokespersons

- Honourable Ernie McLean - Lead spokesperson, as Minister responsible for Labrador.
- Premier Brian Tobin - Alternate spokesperson, in role as Leader of the Government and Minister for Intergovernmental Affairs.
Communications Plan - LMA Protest in Cartwright

Action Plan

- Minister McLean to issue a press statement which explains that government will leave the RCMP to deal with the matter; to explain that [redacted] and to outline the process which must be followed.

- Minister McLean to do media interviews on this issue, possibly by means of a media briefing or scrum.

- Minister McLean to make personal contact with key influencers in the community to inform them of the government’s position and to encourage their support.

- Minister Kelly to be prepared to address the need for the fishing lodge, and to initiate media contact if necessary.

- Media should be referred to designated RCMP spokesperson for questions about the law enforcement operation.

- Contact should be made with the LIA and Innu Nation to determine their positions and likely responses.

Communications Materials:

- Backgrounders on:
  - The sports fishing lodge
  - Position on LMA Land Claim

- Press Release/Statement by Minister McLean

Monitoring and Evaluation:

- All media will be monitored. Based on responses, adjustments may be made in the planned comments and responses.
This issue came up as a result of a decision to call for proposals for the development of a quality sports fishing camp on the Eagle River in Labrador. This was made possible when DND closed its camp and forfeited a 300 salmon per season quota.

Government took the position that this salmon quota should be used as a basis to establish a new commercial sports fishing lodge which would enhance its tourism infrastructure and draw tourism expenditures in Labrador.

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The RCMP informed the government this morning that it has taken action to end interference by members of the LMA, with the activities of a private company seeking to develop a sports fishing lodge in the Eagle River.

I will leave the details to the RCMP to disclose, as it is their operation. However, I want to say that it is most unfortunate that the LMA has allowed this matter to get out of hand. Illegal activities can only harm our attempts to show the world that Labrador is a good place in which to do business.

There is a structured and legitimate process to be followed by groups who wish to make aboriginal claims. The Innu and Inuit are in the midst of that process. The Metis, however, are in the early stages. They have to let the process follow its course.

That is what I hope they will now do - go through the necessary process to determine whether they have the basis for a land claim that can be negotiated.
Issue: Sports Fishing Lodge

- LMA takes the view that the sports fishing lodge is being built on the aboriginal land: this is not acceptable to them.

- LMA have refused an offer by the developer to share the salmon quota for the lodge with a local LMA outfitter.

- Government gave approval for the development of the sports fishing camp because such a camp is needed to support commercial and sports fishing development in the area; and because the successful developer had a very good proposal. The approval includes a salmon quota.

- The Government of Newfoundland and Labrador views this matter as a commercial dispute, and will look to the relevant police forces to respond, at their discretion, if and when there is a need to do so.

Issue: LMA Land Claims

- The Government's position is that members of the LMA do not enjoy existing Aboriginal and treaty rights as "Metis" under section 35 of the Constitution Act, 1982.

- The Province has agreed to negotiate land claims issues on a "without prejudice" basis with the Inuit and Innu of Labrador only.

September 16, 1996
BACKGROUNDER

Sportsfishing Lodge on the Eagle River

- December 7, 1993 - Department of National Defence announces plans to close its fishing camp on the lower Eagle River; this action opens opportunity to establish a new commercial sportsfishing operation that would provide economic benefits at the local and regional level.

- January 20, 1996 - Department of Tourism, Culture and Recreation announces a public proposal call for persons interested in establishing a sportsfishing lodge on the Eagle River. A proposal call was considered to be the best method to ensure fairness to interested parties and a top quality operation. The information package indicated that proposals would be assessed on the quality of the operation and ability to compete in the international marketplace. For conservation reasons, it was also specified that any new operation would be limited to a maximum of 300 retained salmon on an annual basis (the same level as the DND camp).

- 56 information kits were mailed to persons who expressed interest (40 from Newfoundland, 10 from Labrador, 3 from British Columbia and 1 each from Nova Scotia, Ontario and Manitoba).

- February 23, 1996 - Deadline for proposals; three (3) proposals received - two from Newfoundland companies and one from a Labrador group. Proposals were assessed by staff of Departments of Tourism, Culture and Recreation and Forest Resources and Agrifoods.

- The proposal by KGY Group Limited of Corner Brook, NF was accepted; KGY Group Limited proposed to construct a modern full service quality lodge of 6400 square feet.

- KGY proposal stated that fourteen (14) labourers were to be employed during construction with 10 staff employed on a seasonal basis thereafter. All staff were to be hired locally and trained to operate a high quality facility.

- April 18, 1996 - Government approves KGY proposal.

- May 9, 1996 - Honourable Ernest McLean, Minister of Government Services and Lands and Gudrid Hutchings of KGY meet with representatives of the Labrador Metis Association in Goose Bay to outline the result of the proposal call and explain the type of operation and benefits to the local economy.

- May 30, 1996 - Officials of the Department of Tourism, Culture and Recreation meet with the Eagle River Development Association and the general public in Cartwright. Approximately 200 residents attend the public session. While the community understood that the approval for the new lodge was through a public proposal call, they felt that the local
Labrador bidder, the Investment Group, should have been the successful bidder.

**June/July 1996** - Significant efforts were made by KGY, Ministers and Government officials to accommodate local concerns. KGY offered to provide half of the 300 salmon allocation to a local company to establish a second lodge. In meetings with local residents, KGY offered to:

1. share their annual catch quota on a 50/50 basis with the local company;
2. hire local staff to construct/operate the lodge;
3. do staff training for other community members so they would be qualified for jobs in other outfitting operations in Labrador;
4. establish educational scholarships for Sandwich Bay students;
5. work for the further conservation and protection of the natural resources of the Eagle River;
6. foster and assist with the development of other tourism related local initiatives; and
7. collaborate and assist local groups on any future requests for proposals related to sportsfishing and adventure tourism projects in the region.

While these arrangements satisfied many local concerns, they continued to be unacceptable to the Labrador Metis Association.

Since these meetings, over 85 people from Labrador have come forward seeking employment with KGY - 64 of these people from Cartwright. Also, on July 4, 1996 the government received a petition from Cartwright in which some 150 people indicated support for the KGY proposal, 24 were opposed and 22 people were neutral and did not express any opinion. This petition was circulated on the initiative of several local residents.

August/September, 1996 - KGY makes arrangements to transport materials to Eagle River site. Labrador Metis Association make public statements that action will be taken to prevent the transport and construction of the lodge.

**September 15, 1996**
September 16, 1996
(Government Services and Lands)

The following statement was issued today by Ernest McLean at a news conference held at Confederation Building:

The government was informed by the RCMP on Friday that it had been called to Cartwright to deal with protesters who were interfering with the commercial activities of a private company seeking to develop a sports fishing lodge in the Eagle River.

I will say up front that the government did not call the RCMP. That call was made by a private citizen. Consequently I will leave any comments about the police operation to the RCMP.

My purpose is to bring you up to date on the government's views on the protest situation. I want to say that it is most unfortunate that the leaders of the protest have allowed this matter to progress to this stage. These kinds of activities can only harm our attempts to show the world that Labrador is a good place in which to do business.

I would like to give you a little background on this issue.

This issue came up as a result of a decision to call for proposals for the development of a quality sports fishing camp on the Eagle River in Labrador. This was made possible when DND closed its camp and made available a 300 salmon per season allocation.

Government took the position that this salmon allocation should be used as a basis to establish a new commercial sports fishing lodge which would enhance its tourism infrastructure and draw tourism expenditures in Labrador.

A thorough and legitimate process was followed; 56 information kits were distributed as a result of the proposal call, and three proposals were submitted. The two proposals not approved were from Portland Creek Outfitters Ltd. and the Investment Group (a Labrador Company). The KGY proposal was accepted based on higher levels of proposed investment, better quality, commitments to marketing and commitments to local economic benefits.

KGY is now trying to develop the lodge. However, when the company tried to move materials to the site to begin construction, it was prevented from doing so because of the actions of protesters in Cartwright.

At this point, KGY requested police assistance. This matter is now a law enforcement issue, and as such, it is in the hands of the police.

It should be noted that, in light of local concerns, KGY offered to give up half of the approved salmon allocation to a local outfitter. However, this offer was not taken up.

It should also be recognized that this issue is not only about whether a fish camp should, or should not be established on the Eagle River. It is about the actions of a group who are trying to establish an aboriginal land claim.
The LMA has accepted more than $500,000 in federal funds since 1993 to support claim preparation through the federal system. However, they are at the initial stage. They only filed their claim in March 1996. Clearly they have not followed the process through to its conclusion.

This situation appears to have begun as a protest about a fishing camp. However, if the issue for the protestors is, in fact, land claims, then there is a structured and legitimate process to be followed by groups who wish to make aboriginal claims. The Innu and Inuit are in the midst of that process. The LMA, however, are in the early stages. They have to let the process follow its course. Instead, however, they have abandoned the process in mid stream, and elected to use threats and intimidation to hijack the process.

I am also concerned about the impact that actions such as those by the LMA, may have on economic development for Labrador. The government of this province, and the people of Labrador, are working very hard to try to bring economic development opportunities to Labrador. Actions such as those taken by the LMA can only harm Labrador's prospects in the global market place.

At a time when we have high hopes for business and industrial development in Labrador from Voisey's Bay and other opportunities, we should be sending a message that we are open for business. Activities such as this protest send this wrong message about Labrador to investors and potential investors.

I hope the protestors will now reconsider their actions, and choose to go through the necessary processes to determine whether they have the basis for a land claim.

**BACKGROUNDER - LMA LAND CLAIM**

- There is a well established process in place through which the legitimacy of Aboriginal land claims is established. This process is clearly outlined in the Comprehensive Land Claims policy of the Government of Canada.
- In November 1991, the LMA submitted a preliminary statement of claim to the federal government claiming an area of Labrador south of a line drawn from Cape Harrison to the height of land.
- In 1992, the federal government rejected the claim because the LMA had not demonstrated it was the "present day representative of an organized aboriginal society" or that its members practised "traditional and current use of land and resources within the land claim area." The Minister of Indian and Northern Affairs suggested the LMA contact the Innu Nation and the Labrador Inuit Association "to explore the possibility of participating as beneficiaries to any future comprehensive land claim settlement agreement with them."
- Since 1992 the federal government has provided the LMA $300,000 to conduct land use, genealogical and archival studies. The LMA resubmitted its documentation to the federal government in March 1996. This secondary statement of claim now includes an area to the north of the original claim area, including Voisey's Bay. The federal government is currently reviewing this renewed documentation.
- Land Claim documentation is assessed on the basis of legal criteria established by the Supreme Court of Canada. The assessment process involves reviewing submitted documentation to determine whether it meets the criteria established by the Court as necessary to demonstrate the existence of Aboriginal rights and title.
- At such time as the federal government determines whether it will accept the revised LMA claim, the province will be called upon to assess the documentation and decide whether it establishes a valid basis upon which the province should pursue negotiation of a comprehensive land claim.
• Both the Labrador Inuit Association and Innu Nation were required to go through this process to establish a basis for negotiation of their comprehensive land claims. Similarly, other organizations, notably the Micmac of Conne River, have submitted land claim documentation which has been rejected by the federal government and the province as failing to demonstrate a valid basis for negotiations.
• The process applies to all potential comprehensive land claims and is being applied on an equal basis to the claim of the LMA. Until such time as the process has run its course, it is not possible to determine the validity of the LMA claim.

BACKGROUNDER - Sportsfishing Lodge on the Eagle River

• December 7, 1993 - Department of National Defence announces plans to close its fishing camp on the lower Eagle River; this action opens opportunity to establish a new commercial sportsfishing operation that would provide economic benefits at the local and regional level.
• January 20, 1996 - Department of Tourism, Culture and Recreation announces a public proposal call for persons interested in establishing a sportsfishing lodge on the Eagle River. A proposal call was considered to be the best method to ensure fairness to interested parties and a top quality operation. The information package indicated that proposals would be assessed on the quality of the operation and ability to compete in the international marketplace. For conservation reasons, it was also specified that any new operation would be limited to a maximum of 300 retained salmon on an annual basis (the same level as the DND camp).
• A thorough and legitimate process was followed; 56 information kits were distributed as a result of the proposal call, and three proposals were submitted. The two proposals not approved were from Portland Creek Outfitters Ltd. and the Investment Group (a Labrador Company). The KGY proposal was accepted based on higher levels of proposed investment, better quality, commitments to marketing and commitments to local economic benefits.
• February 23, 1996 - Deadline for proposals; three proposals received - two from Newfoundland companies and one from a Labrador group. Proposals were assessed by staff of Departments of Tourism, Culture and Recreation, and Forest Resources and Agrifoods.
• The proposal by KGY Group Limited of Corner Brook was accepted; KGY Group Limited proposed to construct a modern full service quality lodge of 6400 square feet.
• KGY proposal stated that 14 labourers were to be employed during construction with 10 staff employed on a seasonal basis thereafter. All staff were to be hired locally and trained to operate a high quality facility.
• April 18, 1996 - Government approves KGY proposal.
• May 9, 1996 - Ernest McLean, Minister of Government Services and Lands, and Gudrid Hutchings of KGY meet with representatives of the Labrador Metis Association in Goose Bay to outline the result of the proposal call and explain the type of operation and benefits to the local economy.
• May 30, 1996 - Officials of the Department of Tourism, Culture and Recreation meet with the Eagle River Development Association and the general public in Cartwright. Approximately 200 residents attend the public session. While the community understood that the approval for the new lodge was through a public proposal call, they felt that the local Labrador bidder, the Investment Group, should have been the successful bidder.
• June/July 1996 - Significant efforts were made by KGY, ministers and government officials to accommodate local concerns. KGY offered to provide half of the 300 salmon allocation to a local company to establish a second lodge. In meetings with local residents, KGY offered to:

1. share their annual catch quota on a 50/50 basis with the local company;
2. hire local staff to construct/operate the lodge;
3. do staff training for other community members so they would be qualified for jobs in other outfitting operations in Labrador;
4. establish educational scholarships for Sandwich Bay students;
5. work for the further conservation and protection of the natural resources of the Eagle River;
6. foster and assist with the development of other tourism related local initiatives; and
7. collaborate and assist local groups on any future requests for proposals related to sportsfishing and adventure tourism projects in the region.

- While these arrangements satisfied many local concerns, they continued to be unacceptable to the Labrador Metis Association.
- Since these meetings, over 85 people from Labrador have come forward seeking employment with KGY - 64 of these people from Cartwright. Also, on July 4, 1996 the government received a petition from Cartwright in which some 150 people indicated support for the KGY proposal, 24 were opposed and 22 people were neutral and did not express any opinion. This petition was circulated on the initiative of several local residents.
- August/September 1996 - KGY makes arrangements to transport materials to Eagle River site. Labrador Metis Association make public statements that action will be taken to prevent the transport and construction of the lodge.
19 September 1996

Dear Minister:

I am writing to seek the assistance of the Government of Canada in curbing illegal acts by the Labrador Métis Association (LMA) in Labrador.

On September 13th, representatives of the LMA took action to block the movement of construction materials to the site of a proposed fishing camp on the Eagle River in Labrador. While the immediate protest in Cartwright has since ended, the LMA has committed publicly to stopping this development, and LMA representatives are continuing to threaten the operator of the camp and the individuals who are transporting construction materials.

The LMA has opposed the development of this camp, arguing that any further development of the Eagle River should only occur with the agreement of the LMA. The LMA is seeking to use this situation to coerce Government into accepting that the LMA has a valid land claim in the area.

Hon. Ronald Irwin
Minister of Indian Affairs & Northern Development
Room 583, Confederation Building
House of Commons
Ottawa, Ontario
K1A 0A6
As you are aware, both of the Government of Newfoundland and Labrador and the Government of Canada recognize the land claim process as the essential means of addressing claims respecting aboriginal rights and title over lands. The land claim negotiating process is meant to determine the most appropriate means by which aboriginal groups may eventually direct or participate in decision making regarding the lands and resources which they claim. Negotiations with the Labrador Inuit Association and the Innu Nation are presently underway on this basis.

In the past, the LMA sought to engage in land claims, and while it submitted initial studies to the Government of Canada in 1991, these materials were found to be insufficient to substantiate its claim. Since 1993 the Government of Canada has provided significant funding to the LMA for further research and claim documentation. As well, core funding was provided by the federal government to the LMA as recently as this July.

Through its current actions, the LMA is abandoning the land claims process and seeking to achieve its goals instead by illegal activities. This approach is one I cannot accept, and one which I am confident you will not either. In this context, I request that the Government of Canada suspend current funding arrangements with the LMA and that it provide no further financial support to the Association until its illegal activities are at an end.

Your support on these matters is most appreciated.

Sincerely,

Brian Tobin
Province of Newfoundland & Labrador
P.O.Box 8700
Confederation Building
St. John's
Newfoundland & Labrador
via fax: 709-896-2569

ATTN: Mr. Harold Marshall

Dear Mr. Marshall:

As you are well aware, we still believe in the potential of the recreational fishery industry for our province and are determined to work through the challenges, which we are presently facing from the Labrador Metis Association, to assure our goals. The Rifflin' Hitch Lodge plans on delivering to the province an operation which will put us on the international tourism scene in our field.

Our initial plans and budgets were based on us being operational by the middle of the 1996 season. With all the delays and additional costs incurred by all the interfering of the LMA, we find ourselves drastically out of our planning. We will be ready for the 1997 season and are already taking bookings. However the additional capital costs recently incurred are a threat to us being able to survive over the winter months when cash flows will be very light. For example, our transportation costs have already doubled from original estimates and we are not completed yet.

I am writing today to ask that you, and the respected representatives, revisit our request put to the Premier earlier this summer asking for some financial assistance to see us through with our original plans for Labrador. Realistically, we should stop the project now and leave the rest to be completed next spring and summer when our finances should be more stable. However, by doing this many concerns come to light. The LMA would perceive that they have "won" by us leaving; no segment of the tourism industry for the province, especially Labrador, needs any further bad publicity; we would be delayed in opening for the start of the season next year and we have already canceled people that had booked for this year - the domino effect could be devastating for the area.
Both my partner and I are very grateful and appreciative of the support which the province and the government has shown, especially over the last few weeks. No country or province can allow violence and lawlessness to rule our lands. We have an elected democracy ruling and we are proud of that.

I plan on being in St. John's on the 9 & 10 of this month and would love to have an opportunity to sit with you and any others whom you think appropriate in this matter.

Once again, thank you for all your support.

Sincerely,

Gudrid Hutchings
President
KGY Group Limited
Mr. Mike Buist  
Assistant Deputy Minister (Tourism)  
Department of Tourism, Culture & Recreation  
2nd Floor, West Block  
Confederation Building

Subject: October 31, 1996 Letters to Premier from [redacted] and to Todd Russell (LMA) from Len Riche

When we discussed [redacted] letter some time ago, you indicated you would be seeking information from Goose Bay RCMP and subsequently drafting a response for the Premier’s signature.

In light of the recent (attached) note and correspondence relayed by Minister Tulk to the Premier, there may well be questions raised to us on this matter. Could you, at your convenience, provide me a note on the current status of this matter and any proposed action.

RAY HAWCO  
Assistant Secretary to Cabinet  
(Aboriginal Affairs)

P.O. Box 8700, St. John’s, Newfoundland, Canada, A1B 4J6, Telephone (709) 729-6062, Facsimile (709) 729-4900
Department of
Forest Resources & Agrifoods
Office of the Minister

November 25, 1996

Honourable Brian Tobin
Premier

Honourable Chris Decker
Minister of Justice

Honourable E. McLean
Minister of Government Services & Lands

Dear Colleagues:

Enclosed please find a copy of a letter from Mr. Len Rich, President of Labrador Outfitters Association Inc. concerning the Eagle River fishing camp which is self-explanatory.

I believe you should be aware of the concerns outlined in Mr. Rich's correspondence.

Yours sincerely,

BEATON TULK
Minister

Encl.
Dear Todd:

Members of our Association have watched with great interest the recent public demonstrations and other incidents in the Cartwright area which were organized in opposition to the proposed Eagle River fishing camp. We are all well-acquainted with reasons for your opposition and appreciate your thoughts on these matters.

Following a call from [redacted] in which he asked (on your behalf) for a public statement by our Association regarding our position, I polled a cross-section of members for their reaction. Regardless of any personal opinions, the Association has not changed its stance.

We will not become involved in this process, which is a matter between government and your group, until such time as the proposed camp is in operation, applies to become a member of our Association and is accepted as a member. During the interim, our position must be to remain neutral observers while your group, the proponent, and government attempt to resolve the issues.

The announcement this morning by Premier Tobin that a task force will probe expansion of sportfishing camps is encouraging. We don’t mind either more or fair competition, since I feel that all Labradorians will and should gain from this industry. Our prime concern is that current operators should be protected and that the quality of angling should not be compromised. I am hopeful that our respective associations will be invited to take an active role in negotiating a new direction for development of Labrador’s unique, world-class angling opportunities.

However, I must advise that we are extremely disturbed by recent events centered around one of our members, [redacted] who owns a house in Cartwright and has operated three sport fishing camps in Labrador for several decades. Damage to [redacted] house and personal property, theft of articles, and anonymous telephone threats of bodily harm are unacceptable actions. [redacted] is not involved in the Eagle River camp and has no interest in it whatsoever. He is a taxpayer in Cartwright, supports local businesses, and employs people from the community in his seasonal operations. He has spent over 35 years providing Labrador with flying services, operating an air ambulance, and supporting Labradorians and their rights. He deserves some respect for these efforts, not harassment. Considering this, perhaps you can explain why he is being targeted by area residents?
While I am aware that your Association has denied responsibility for this and other recent incidents, I understand that some of the individuals involved were identified as members of the Labrador Metis Association. I further understand that some of these individuals have threatened to destroy fishing lodges on Sandhill River as retaliation for the Eagle River situation. I have to wonder what they hope to achieve by these actions.

I believe I transmitted to [redacted] during our brief Goose Bay meeting that we are reasonable people trying to make a living from small, seasonal businesses which bring a few sportsmen to Labrador each summer. These clients create jobs and income for staff and support services. Continued negative publicity from these incidents of insurrection will have the effect of jeopardizing the jobs enjoyed by both Metis and other Labradoreans. I'm sure you don't want that to occur.

Strong arm tactics are not the way to resolve these issues. Destruction of property, threats of bodily harm, and thefts certainly do not create a favorable atmosphere for negotiation. They DO create a feeling of negativity and frustration among our operators, who up to this point have offered to work responsibly with you where possible.

If you, [redacted], or anyone in your organization have any control over events occurring in Cartwright, please ask members of your Association to desist from harassing [redacted] and threatening his livelihood. A continuation will accomplish little except to alienate us from sympathizing with your cause and may destroy opportunities for many Labradoreans who currently work in this industry.

Cordially Yours,

Len Rich
President

CC:
Hon. Sandra Kelly
Hon. Beaton Tulk
Mr. Wally Anderson, MHA
Mr. Bob Mercer, MHA
Call Carl Gray 3579 re: Butterworth. 4/18

-Above has that after receiving the July 3 letter there were several meetings with Ministers
  - Premier (Ture)
  - McLean, Kelly, Zoots on the topic of the July 3 letter

- The Premier, Ministers assured Mr. Butterworth that govt is totally supportive of his proceeding with his planned commercial lodge on the Eagle.

- Current status:
  - site has been cleared
  - foundation for lodge?
  - construction of lodge?

- Recommendation:
  - No need to respond unless just to acknowledge and sequence the meetings above and govt's commitment of support.
The submission of the Honourable the Premier respecting the establishment and operation of sports fishing lodges in Labrador, in particular on the Eagle River, was considered. Cabinet directed:

1. the Minister of Government Services and Lands to state publicly that "guidelines" published by the Labrador Metis Association are not valid;

2. the Minister of Tourism, Culture and Recreation to forward correspondence to operators of sports fishing lodges informing them as above; and,

3. the Minister of Justice and Attorney General to take such steps as are appropriate in light of the foregoing with continued emphasis on consensual means of dispute resolution, wherever possible.
memo: BRIAN
from: HAROLD
re: EAGLE RVR MATTER

HAD A CALL FROM HENDERSON (RCMP) THIS MORNING TO TELL ME THE FOLLOWING

\textbf{Section 40(1)}

a) \underline{\text{HOME IN CARTWRIGHT IS BEING VANDALIZED BROKEN WINDOWS, BROKEN DOORS, WATER SYSTEM CUT}}

\textbf{Section 40(1)}

b) \underline{\text{HAS BEEN DISCOURAGED FROM GOING IN TO DO THE REPAIRS HIMSELF AS HE WANTED TO DO}}

\textbf{Section 40(1)}

c) \underline{\text{CHOPPER WENT IN TO EAGLE RVR YESTERDAY AND THE CANADIAN CHOPPER THEN TOOK A MAINTENANCE PERSON TO CARTWRIGHT AND THE CHOPPER LANDED AND TOOK OFF THREE TIMES FROM THE LANDING PAD IN CARTWRIGHT.}}

d) \text{ON THE THIRD AND FINAL TRIP SHORTLY AFTER TAKEOFF THE PILOT HEARD A NOISE THAT HE ATTRIBUTED TO MOVEMENT OF CARGO ON THE AIRPLANE. WHEN HE LANDED AT EAGLE RVR HE DID AN INSPECTION AND FOUND THAT HE HAD BEEN SHOT AT AND SOME PELLETS FROM A SHOTGUN HAD PENETRATED THE AIRCRAFT, ONE OF THE PENETRATIONS BEING WITHIN A SIX INCHES OF THE FUEL TANK.}}

e) \text{RCMP TREATING THIS AS VERY SERIOUS MATTER AND WILL BE SEEKING HELP THROUGH THE "CRIME STOPPERS" PROCESS}}

f) \text{TWO OFFICERS WILL BE GOING TO CARTWRIGHT ON MONDAY TO MONITOR THE COMMUNITY AND CONTINUE THE INVESTIGATION.}}

g) \text{HENDERSON SAYS THIS EVENT CHANGES THE COMPLEXION OF THE MATTERS IN THE EAGLE RVR ISSUE.}}

HM/EGLRVR96
RE: Eagle River - Government's financial assistance to KGY Group

ISSUE: As a result of the intervention of the METIS in the establishment of an outfitter camp at the Eagle River, there was a statement to the media and to the Labrador Metis Association LMA that there was no grant funding made available to the proponent from Government for the construction of the facility.

The Department of Development and Rural Renewal was not aware of the loan made to the group by ACOA to the KGY Group.

The project was delayed by virtue of local people intervening and the consequence was that the Company created no revenue in the first summer season as was planned. The Company anticipated a revenue in excess of $150,000.00.

Application was made to the Department of Development and Rural Renewal on or about 28 November 1996 for financial assistance in the amount of $100,000.00. The approval was given for the loan on 11 December 96 for $100,000.00 at an interest rate of 7 3/4%.

Harold F. Marshall
Secretary to Cabinet
(Labrador & Aboriginal Affairs)
DATE: Jan 20, 1997
TO: Howard Marshall
COMPANY: 
FAX NUMBER: 
FROM: C. Jeter
DIVISION: 
FAX NUMBER: (709) 729-0474
TELEPHONE: 
SUBJECT: 
Re: Kodak Group - Telegraph Story
Mr. Harold Marshall
Secretary to Cabinet for Labrador
and Aboriginal Affairs

1997 01 20

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Department of
Tourism, Culture and Recreation

RE: Telegram Story - Friday, January 17th, 1997
KGY Group Financing - LMA Comment

In all public statements since the controversy over this matter started the government's message has been consistent - the development is being financed by business loans - there are no government grants involved in this development.

1) On May 30, 1996, there were two meetings held in Cartwright. One with the Eagle River Development Association and a public meeting. C. Yates, F. Phillips, Katherine Rice and Gudrid Hutchings attended. We clearly indicated that there were no government grants involved - development financed by business loans.


3) C. Yates, M. Joy met Todd Russell in St. John's during summer - no government grants.

4) Minister Kelly did several public interviews over the summer and indicated - no government grants.


Sincerely,

CALVIN C. YATES
Manager - Outdoor Development

cc: Mike Buist
Juanita Keel-Ryan
July 2, 1996

Ms. Yvonne Jones, M.H.A.
Cartwright - L’Anse au Clair
P.O. Box 8700
St. John’s, NF
A1B 4J6

Dear Ms. Jones:

I acknowledge your letter of June 6, 1996 regarding the development of a sportfishing lodge on the Eagle River by Gudrid Hutchings and Katherine Rice of KGY Group Ltd.

On December 7, 1993 the Department of National Defence announced that it was closing its fishing camp on the lower Eagle River. With the closure of the DND camp, the government saw an opportunity to allow a commercial outfitting operation to establish for the economic benefits to be derived at the local, regional and provincial level. With the announced closure, a number of interested parties came forward with proposals/requests to use the facility and site or asked to be allowed to put another lodge on the river.

On January 20, 1996, the Department of Tourism, Culture and Recreation announced a public proposal call for persons interested in establishing a sportfishing lodge on the Eagle River. This was the best method to ensure we got a first class quality lodge capable of catering to international sportfishing markets. It was also judged to be the fairest way to proceed because it gave all interested parties an opportunity to submit proposals.

A comprehensive information package with specific “Terms and Conditions” outlining the development opportunity was supplied to interested parties. The information package indicated that proposals would be assessed on the quality of the operation and its ability to compete in the international marketplace. This is very important. While there are many exceptions, overall, facilities and levels of service within Labrador lodges are below market expectations and demand. For conservation reasons, it was also specified that any new operation would be limited to a maximum of 300 retained salmon on an annual basis, for the first five years of operation. This was the average annual retained catch of the former DND camp.
In total, 56 information kits were mailed to persons who expressed interest in submitting a proposal. These involved 40 from the Island, 10 from Labrador, 3 from British Columbia and 1 each from Nova Scotia, Ontario and Manitoba.

The proposal call was four weeks - this is standard industry practice. By the deadline for receipt of proposals, 4:30 p.m., February 23, 1996, three (3) proposals were received - two from Island companies and one from a Labrador group. Proposals were assessed by staff of the Tourism Development and Marketing Divisions in consultation with the Department of Forest Resources and Agrifoods.

The proposal by KGY Group Ltd. of Corner Brook, NF was accepted. It was judged to be the best overall proposal. The proposal from KGY Group Ltd. is for a modern full service quality lodge of 6400 square feet. The facility will have 7 double occupancy guest bedrooms, each with private bath. The facility will have a fireplace, recreation room, hot tub, saunas, and related amenities. A gift shop will be included. Guides and staff will have separate living quarters. Helicopter fly-outs to other lakes/tributaries for sportsfishing and scenic tours will be provided.

All building materials and furnishings will be purchased within the province. Cost to build and equip the lodge and related expenditures for boats, motors and site landscaping brings the total cost of development to $750,000. The proposal also contains a $140,000 marketing plan for the first three years of operation. Total investment is $890,000 and this is being financed by business loans. There are no government grants involved in this development.

Fourteen (14) labourers will be employed during construction with 10 staff employed on a seasonal basis thereafter. Staff are to be hired locally and trained to operate a world class facility. Given the overall proposal, this operation will be a significant improvement to the quality of facilities/services available within Labrador to the non-resident sportsfishing market. This operation should improve the reputation of Labrador as a sportsfishing destination, enhance the image of its outfitting industry and lead to increased visitation and enhanced tourism benefits for the entire region.

The government recognizes that there is strong community concern over this development. We are certainly sensitive to this as is the KGY Group. The company wishes to work with the community. KGY Group Ltd. has brought forward a proposal to share half their annual catch quota (150 salmon) with the Investment Group, the local Labrador company whose proposal was not accepted, if the province would then allow the local company to proceed with a lodge as per their original submission. This is under active consideration and meetings are planned with the Eagle River Development Association and the Cartwright Town Council to discuss this matter.

On another point, we are committed to having strong local input/control over development of the province’s sportsfishing industry. This is outlined in our Strategic Economic Plan and this year the province was successful in receiving $235,000 under the Cooperation Agreement for Salmon Enhancement and Conservation (CASEC) to develop a “model” river program. Under this
program a community based board with representation from local stakeholders will be given direct input into how local rivers are managed and developed. The above funds are to be shared equally to establish this model river approach on the Humber River and the Gander River on the island and the Eagle River and adjacent rivers in Sandwich Bay in Labrador.

In closing, I thank you for your letter of concern and rest assured that we are actively working to resolve this issue to everyone's satisfaction and benefit.

Yours truly,

SANDRA C. KELLY
Gander District
Minister

e.c. Honourable Brian Tobin, Premier
Province of Newfoundland and Labrador

Honourable Beaton Tulk, M.H.A.
Minister of Forest Resources and Agrifoods

Honourable Ernest McLean, M.H.A.
Minister of Government Services and Lands

Honourable Judy Foote, M.H.A.
Minister of Development and Rural Renewal

Labrador Metis Association
Battle Harbour Regional Development Association
Eagle River Regional Development Association
Labrador White Bear Development Association
Labrador Straits Development Association
Southeastern Aurora Development Corporation
Labrador Straits Development Corporation
January 7, 1997

Principal
Henry Gordon Academy
P.O. Box 59
Cartwright, LB
A0K 1V0

Dear Principal:

I acknowledge receipt of the recent petition circulated by students of Henry Gordon Academy in which they express concern over the development of a sportsfishing lodge on the Eagle River. Could you please thank the students on my behalf and make them aware of my response.

On December 7th, 1993, the Department of National Defence announced that it was closing its fishing camp on the lower Eagle River. With the closure of the DND camp, the government saw an opportunity to allow the establishment of a commercial outfitting operation for economic benefits to be derived at the local, regional and provincial level. With the announced closure, a number of interested parties came forward with proposals/requests to use the facility and site or asked to be allowed to put another lodge on the river.

On January 20th, 1996, the Department of Tourism, Culture and Recreation announced a public proposal call for persons interested in establishing a sportsfishing lodge on the Eagle River. This was announced in newspapers in Labrador and on the Island. It was also the best method to ensure we got a first-class quality lodge capable of catering to international sportsfishing markets. I want to stress that this approach was judged to be the fairest way to proceed because it gave all interested parties an opportunity to submit proposals.

A comprehensive information package with specific “Terms and Conditions” outlining the development opportunity was supplied to interested parties. I have included a copy for your information. The information package indicated that proposals would be assessed on the quality of the operation, the economic benefits for Labrador and its ability to compete in the international marketplace. This is very important. While there are many exceptions, overall facilities and levels of service within Labrador lodges are below market expectations and demand. For conservation
reasons, it was also specified that any new operation would be limited to a maximum of 300
retained salmon on an annual basis, for the first five years of operation. This was the average
annual retained catch of the former DND camp. In total, 56 information kits were mailed to
persons who expressed interest in submitting a proposal and developing a lodge on the Eagle
River. These involved 40 from the Island, 10 from Labrador, 3 from British Columbia and 1 each
from Nova Scotia, Ontario and Manitoba.

The proposal call was four weeks - this is standard industry practice. By the deadline for
receipt of proposals, 4:30 p.m., February 23rd, 1996, three (3) proposals were received - two
from island companies and one from a Labrador group. Proposals were assessed by staff of the
Tourism Development and Marketing Divisions in consultation with the Department of Forest
Resources and Agrifoods.

The proposal by Gudrid Hutchings and Katherine Rice of KGY Group Ltd. of Corner
Brook was accepted. It was judged by far to be the best overall proposal. The proposal from
KGY Group Ltd. was for a modern full service quality lodge of 6400 square feet. The facility will
have 7 double occupancy guest bedrooms, each with private bath. The facility will have a
fireplace, recreation room, hot tub, saunas, and related amenities. A gift shop will be included.
Guides and staff will have separate living quarters. Helicopter fly-outs to other lakes/rivers for
sportsfishing and scenic tours will be provided.

The KGY proposal indicated that all building materials and furnishings would be
purchased within the province. Cost to build and equip the lodge and related expenditures for
boats, motors and site landscaping brings the total cost of development to $750,000. The
proposal also contained a $140,000 marketing plan for the first three years of operation. This
brings the total investment to $890,000 and this is being financed by business loans. There are no
government grants involved in this development.

The company committed to hiring local labourers during construction with 10 staff being
employed on a seasonal basis thereafter. I want to stress that staff are to be hired locally and
trained to operate a world-class facility. This is very important given the unemployment rate in
Cartwright and along the Labrador Coast. Given the overall proposal, this operation will be a
significant improvement to the quality of facilities/services available within Labrador to the non-
resident sportsfishing market. Indeed, this facility will be the highest quality lodge in the whole
province and one of the best in all of eastern Canada. We hope that it will be an example for
other developments in the future. This operation should improve the reputation of Labrador as a
sportsfishing destination, enhance the image of its outfitting industry and lead to increased
visitation and enhanced tourism benefits for the entire region.

The government recognized that there is strong community concern over this
development. We are certainly sensitive to this as is the KGY Group. While there have been
protests over this development, I suggest that you invite Gudrid Hutchings and Katherine Rice to
address the students of your school. It is important as future leaders of our society that students
hear all sides of an issue.
With regard to future decisions, we are committed to having strong, local input/control over the development of the province’s sportfishing industry. This is outlined in the government’s Strategic Economic Plan and this year the province was successful in receiving $235,000 under the Cooperation Agreement for Salmon Enhancement and Conservation (CASEC) to develop a “model” river program. Under this program, a community based board with representation from local people will be given direct input into how local rivers are managed and developed. The above funds are to be shared equally to establish this model river approach on the Humber River and the Gander River on the island and the Eagle River and adjacent rivers in Sandwich Bay in Labrador. The group for the Sandwich Bay - Eagle River area has already been set up.

In addition, the Premier has committed to establish a task force in Labrador for the specific purpose of providing government with local insight into the future development of the sportfishing/outfitting opportunities in Labrador.

In closing, please thank the students for their expression of concern and rest assured that we are actively working to resolve this issue to everyone’s satisfaction and benefit.

Sincerely yours,

SANDRA C. KELLY
Minister

c.c. Honourable Ernest McLean, Minister
Government Services & Lands

Mr. Harold Marshall
Secretary to Cabinet for Labrador and Aboriginal Affairs

G. Hutchings
K. Rice
January 29, 1997

Mr. Ray Hawco
Assistant Secretary to Cabinet
Aboriginal Affairs
East Block, Confederation
St. John's, NF

Dear Mr. Hawco:

Re: Your letter of December 4, 1996 to Mike Buist
Request for Update - Eagle River

1) The lodge is basically completed. The only outside work to be done is to finish application of weather stain. Inside, all major work is done with the exception of trim, etc. The hardwood floor will be laid in May. The builders were afraid the floor would "heave" over the winter in the unheated building. Two watchmen are on staff 24 hours each day to guard the property. All staff (6 - 8) were hired from Cartwright except the foreman from Highland Homes Ltd. He was there to ensure the lodge, which is in kit form, was erected properly.

2) Lawrence O'Brien, M.P. and Yvonne Jones, M.H.A. visited the site late last fall. Ms. Jones stayed in the helicopter but Mr. O'Brien toured the facility. He indicated to Gudrid Hutchings that he had "no idea" of the size and quality of the development. He complimented her on the quality of the development.

3) Over 40 persons have been charged with various offences related to the protests.

4) The people (3 - 4) who broke into home and other property in Cartwright have been charged by the RCMP. (Section 40(1))

5) The shooting at the helicopter is still under investigation. The RCMP indicate that they "know" who did this but as yet have insufficient evidence to take the matter to court. They are confident that they will be able to lay a charge in this matter.
6) A "Model River" Committee has been formed with funding from the Salmon Enhancement Agreement (CASEC). Committees are in place for the Eagle River - Sandwich Bay area, and the Gander and Humber River areas. The Model River process is designed to given local stakeholders a say in how local rivers are developed. The Committee from Cartwright, which included LMA members, met in Corner Brook on January 10th and 11th with the other two committees to discuss the opportunities available from the development of sportfishing initiatives. At the first day, the Committee from Cartwright was "hostile" to the process but when they heard from invited speakers and the other Model River Committees on how enthusiastic they were over rec fish development, there was a perceptual change in their attitude - outlook. Members present essentially advised the Cartwright delegation that they had wonderful opportunity for development on the rivers of South Eastern Labrador. As part of this process, the Cartwright committee have contacted Denis Peck Associates (Goose Bay) to assist them to prepare a development plan.

I feel that once the Premier's Task Force is in place to further explore local involvement in rec fish development initiatives, this matter can and will be resolved to the satisfaction of all parties.

Yours truly,

CALVIN C. YATES, Manager
Outdoor Product Development
To: Honourable Ernest MacLean, Minister
   Government Services & Lands

   Honourable Sandra Kelly, Minister
   Tourism, Culture & Recreation

   Honourable Charles Furey, Minister
   Industry, Trade & Technology

   Honourable Judy Foote, Minister
   Development & Rural Renewal

   Mr. Harold Marshall
   Secretary to Cabinet for Labrador & Aboriginal Affairs

Bcc: Copy of letter to Premier Tobin from Gudrid Hutchings
    (KGY Group Ltd)

Date: February 26, 1997

Pages: 4, including this cover sheet.

Ms. Hutchings faxed this letter to the Premier's attention today and asked that my office forward it to you attention.

Calvin C. Yates
Manager
Outdoor Product Development

From the desk of...

Calvin C. Yates
Outdoor Product Development, Tourism Division
Department of Tourism, Culture & Recreation
P.O. Box 6700
St. John's, Newfoundland, A1B 4J6

(709) 729-8557
Fax: (709) 729-0474
February 26, 1997.

Hon. Brian Tobin
Government of Newfoundland & Labrador
Confederation Building
St. John's
Newfoundland
via fax 709-729-5875

Dear Mr. Premier:

Thank you so much for your time this week on your visit to Corner Brook. New developments have appeared and I would like to address, again, at this point, the major issue I brought to your attention.

Enclosed you will find a copy of a memo, from Todd Russell, President of the Labrador Metis Association, inviting directors and communities to attend a gathering at our site on the Eagle River on March 8 and 9. He plans to "assert presence and position". Obviously, this matter is far from resolved.

Financially, what the protest did to our operation last year was very trying. We, or the province, cannot afford a repeat of those escapades. Our investment in the area is over $1 million. We are employing Labradorians as carpenters and builders and have employed and are training Labradorians to work with us in daily operations of our facility. We have and hope to continue to purchase supplies from Labrador. All of this, coupled with the caliber of clientele we are attracting to our resort, make us an operation of substantial economic benefit to the people of Labrador and to the recreational industry of the province. If this presence by the L.M.A. is not dealt with in the immediate future, the long term results to any development in rural areas is phenomenal. Also the impact to tourism will be devastating.
It appears that they are trying to put us out of business. I suggest that you and your government take action to deal with this Association before they can do more damage to our province.

Please feel free to all at any time if you or your colleagues require any additional information in dealing with this important issue.

Sincerely,

Guthrie Hutchings
President KGY Group Limited
operators of Riffin' Hitch Lodge

encl.

cc. Hon. Ernest MacLean
    Hon. Sandra Kelly
    Hon. Charles Purdy
    Hon. Judy Poole
    Harold Marshall
    Cal Yates
DATE: February 25, 1997
TO: All Directors, Community Committees and Contacts
FROM: Todd Russell
RE: Gathering on the Eagle River

As you are all well aware the Eagle River matter is an important and yet unresolved issue. To once again assert our presence and position, a gathering is going to take place on March 5th and 9th, 1997 on the second steady of the Eagle River, the site of the Hutchings proposed camp.

Please organize your respective communities and areas by getting the message out and having people join in the action. Individuals or communities must assume their own expenses as the Labrador Metis Association (LMA) is unable to do so at this time.

Your efforts are appreciated and see you on the Eagle.

I ask that you publicize this in your respective communities and areas. If you could also begin to organize individuals to participate it would be greatly appreciated.
To: Mr. Harold Marshall  
Secretary to Cabinet for Labrador and Aboriginal Affairs

Mr. Ray Hawco  
Assistant Secretary to Cabinet (Aboriginal Affairs)

Mr. Goronwy Price  
Regional Director - Labrador  
Tourism, Culture & Recreation

Bcc: Update - KGY Group Ltd. - Eagle River

Date: February 28, 1997

Pages: 7, including this cover sheet.

Attached is the most recent up-to-date information supplied to Premier Tobin prior to a meeting he had with Ms. Gudrid Hutchings, President of KGY Group Ltd., on February 24, 1997.

CALVIN C. YATES  
Manager - Outdoor Product Development  
Department of Tourism, Culture & Recreation

From the desk of...  
Calvin C. Yates  
Manager - Outdoor Product Development  
Department of Tourism, Culture & Recreation  
P.O. Box 8700  
St. John's, Newfoundland, A1B 4J6  
(709) 729-8857  
Fax: (709) 729-0474
GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

Department of
Tourism, Culture and Recreation

February 19, 1997

Mr. Mike Buist
Assistant Deputy Minister
Tourism, Culture & Recreation

Dear Mr. Buist:

RE: Background notes - KGY Group Ltd. Lodge - Eagle River

Please find attached the background note you requested on the above noted lodge. I have also included a copy of your recent letter to Ms. Jessie Bird which gives the full sequence of events related to the Public Proposal call, government approval, dates financing was approved, etc. This letter also outlines the Model River process and makes reference to the Premier's Task Force on recreational fishing development issues in Labrador.

Please note that the LMA - Todd Russell and [redacted] - had intended to extend the local protest this summer to harass guests of the lodge while they were fishing. Should this occur, it will have a very serious impact upon the financial viability of this lodge and other sportfishing operations in Labrador. The possibility of this happening has lessened with the involvement of LMA members in the Model River process and the announcement of the Premier's task force. Tourism staff are still monitoring the situation. However, Ms. Hutchings will ask the Premier that if she feels this is going to occur that the Premier or government ministers meet Russell and Learning and tell them that all government funding (provincial and federal) will be stopped if this occurs.

Yours truly,

CALVIN C. YATES, Manager
Outdoor Product Development

cc. J. Keel-Ryan
GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Department of
Tourism, Culture and Recreation

BACKGROUND - KGY GROUP LTD. LODGE - EAGLE RIVER

1) The lodge is basically completed. The only outside work to be done is to finish application of weather stain. Inside, all major work is done with the exception of trim, etc. The hardwood floor will be laid in May. Two watchmen are on staff 24 hours each day to guard the property. All construction staff (6 - 8) were hired from Cartwright except the foreman from Highland Homes Ltd. He was there to ensure the lodge, which is in kit form, was erected properly.

2) The lodge is due to open for guests for the first week of July. As of February 18, 1997, 30 clients are booked for this summer at $4000 US/week.

3) All staff (7), 6 guides and 1 cook, will be hired locally from Cartwright. The six guides are now taking a Guide Training Course, developed by the owners, through correspondence. Guides will also receive two weeks on-the-job training at the lodge in June. Owners are having difficulty finding a chef locally.

4) This operation will be a significant improvement to the quality of facilities/services available within Labrador to the non-resident sportsfishing market. This facility will be the highest quality lodge in the whole province and one of the best in all of eastern Canada.

5) Jon Wulff and three writers from US sportsfishing magazines will visit the lodge this summer.

6) Lawrence O’Brien, M.P. and Yvonne Jones, M.H.A. visited the site late last fall. Ms. Jones stayed in the helicopter but Mr. O’Brien toured the facility. He indicated to Gudrid Hutchings that he had “no idea” of the size and quality of the development. He complimented her on the quality of the development.

7) Over 45 persons have been charged with various offences related to the protests.

8) The people (3 - 4) who broke into the home and other property in Cartwright have been charged by the RCMP. 

Section 40(1)
9) The people (2) who broke into the house at Cartwright have been charged by the RCMP.

10) All charges related to the public protests and break-ins will be heard in April in Cartwright before Judge Donald Luther.

11) The shooting at the helicopter is still under investigation. The RCMP indicate that they "know" who did this but as yet have insufficient evidence to take the matter to court. They are confident that they will be able to lay a charge in this matter.

12) A "Model River" Committee has been formed with funding from the Salmon Enhancement Agreement (CASEC). Committees are in place for the Eagle River - Sandwich Bay area, and the Gander and Humber River areas. The Model River process is designed to give local stakeholders a say in how local rivers are developed. The Committee from Cartwright, which included LMA members, met in Corner Brook on January 10 and 11 with the other two committees to discuss the opportunities available from the development of sportfishing initiatives. At the first day, the Committee from Cartwright was "hostile" to the process but when they heard from invited speakers and the other Model River Committees on how enthusiastic they were over rec fish development, there was a perceptible change in their attitude - outlook. Members present essentially advised the Cartwright delegation that they had a wonderful opportunity for development on the rivers of South Eastern Labrador. As part of this process, the Cartwright committee has contracted Dennis Peck Associates (Goose Bay) to assist them to prepare a development plan. A further meeting of the local Model River Committee was held in Cartwright on February 3 - 4. Tourism staff attended to point out development opportunities and Bob Kelly represented the Labrador Outfitters Association. Follow up meeting planned for March 3 - 4, 1997.
GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Department of
Tourism, Culture and Recreation

February 17, 1997

Ms. Jessie Bird
Councillor
P.O. Box 129
Cartwright, Labrador
A0K 1VO

Dear Ms. Bird:

At the Combined Councils meeting in Goose Bay on January 24, 1997 you asked a number of questions related to the recent development of a sportsfishing lodge on the Eagle River by KGY Group Ltd.

On December 7, 1993, the Department of National Defence announced that it was closing its fishing camp on the lower Eagle River. With the closure of the DND camp, the government saw an opportunity to allow the establishment of a commercial outfitting operation for economic benefits to be derived at the local, regional and provincial level. With the announced closure, a number of interested parties came forward with proposals/requests to use the facility and site or asked to be allowed to put another lodge on the river.

On January 20, 1996, the Department of Tourism, Culture and Recreation announced a public proposal call for persons interested in establishing a sportsfishing lodge on the Eagle River. This was announced in newspapers in Labrador and on the Island. It was also the best method to ensure we got a first-class quality lodge capable of catering to international sportsfishing markets.

I want to stress that this approach was judged to be the fairest way to proceed because it gave all interested parties an opportunity to submit proposals.

A comprehensive information package with specific "Terms and Conditions" outlining the development opportunity was supplied to interested parties. I have included a copy for your information. The information package indicated that proposals would be assessed on the quality of the operation, the economic benefits for Labrador and its ability to compete in the international marketplace. This is very important. While there are many exceptions, overall facilities and levels of service within Labrador lodges are below market expectations and demand. For conservation reasons, it was also specified that any new operation would be limited to a maximum of 300
retained salmon on an annual basis, for the first five years of operation. This was the average annual retained catch of the former DND camp. In total, 56 information kits were mailed to persons who expressed interest in submitting a proposal and developing a lodge on the eagle River. These involved 40 from the Island, 10 from Labrador, 3 from British Columbia and 1 each from Nova Scotia, Ontario and Manitoba.

The proposal call was four weeks - this is standard industry practice. By the deadline for receipt of proposals, 4:30 p.m., February 23, 1996, three (3) proposals were received - two from island companies and one from a Labrador group. Proposals were assessed by staff of the Tourism Development and Marketing Divisions in consultation with the Department of Forest Resources and Agrifoods.

The proposal by Guadrid Hatchings and Katherine Rice of KGY Group Ltd. of Corner Brook was accepted. It received government approval on April 18, 1996. The KGY Group Ltd. submission was judged by far to be the best overall proposal. The proposal from KGY Group Ltd. was for a modern full service quality lodge of 6400 square feet. The facility will have 7 double occupancy guest bedrooms, each with private bath. The facility will have a fireplace, recreation room, hot tub, sauna, and related amenities. A gift shop will be included. Guides and staff will have separate living quarters. Helicopter fly-outs to other lakes/ways for sportfishing and scenic tours will be provided.

The KGY proposal indicated that all building materials and furnishings would be purchased within the province. Cost to build and equip the lodge and related expenditures for boats, motors and site landscaping brings the total cost of development to $750,000. The proposal also contained a $140,000 marketing plan for the first three years of operation. This brings the total investment to $850,000 and this is being financed by business loans. There are no government grants involved in this development. This last point seems to have caused some confusion. While there are no government grants involved in this development, the company has secured government loans. The Atlantic Canada Opportunities Agency (ACOA) approved a repayable loan of $525,338.00 on June 26, 1996 while the Department of Development and Rural Renewal approved a further repayable loan of $100,000 on December 11, 1996. The balance of the financing to cover the cost of development is financed through a private bank.

The company committed to hiring local labourers during construction with 10 staff being employed on a seasonal basis thereafter. I want to stress that staff are to be hired locally and trained to operate a world-class facility. This is very important given the unemployment rate in Cartwright and along the Labrador Coast. Given the overall proposal, this operation will be a significant improvement to the quality of facilities/services available within Labrador to the non-resident sportfishing market. Indeed, this facility will be the highest quality lodge in the whole province and one of the best in all of eastern Canada. We hope that it will be an example for other developments in the future. This operation should improve the reputation of Labrador as a sportfishing destination, enhance the image of its outfitting industry and lead to increased visitation and enhanced tourism benefits for the entire region.
With regard to future decisions, we are committed to having strong, local input/control over the development of the province's sportfishing industry. This is outlined in the government's Strategic Economic Plan and this year the province was successful in receiving $235,000 under the Cooperation Agreement for Salmon Enhancement and Conservation (CASEC) to develop a "model" river program. Under this program, a community based board with representation from local people will be given direct input into how local rivers are managed and developed. The above funds are to be shared equally to establish this model river approach on the Humber River and the Gander River on the island and the Eagle River and adjacent rivers in Sandwich Bay in Labrador. The group for the Sandwich Bay - Eagle River area has already been set up and have retained Dennis Peck Associates to assist in the preparation of a development plan for the area.

In addition, the Premier has committed to establish a task force in Labrador for the specific purpose of providing government with local insight into the future development of the sportfishing/outfitting opportunities in Labrador.

In closing, thank you for your expression of concern and rest assured that we are actively working to resolve this issue to everyone's satisfaction and benefit.

Sincerely yours,

MIKE BUIST
Assistant Deputy Minister
Tourism and Recreation

o.c. Mr. Graham Letto, Chairman
Combined Councils of Labrador

Mr. Harold Marshall
Secretary to Cabinet for Labrador and Aboriginal Affairs

G. Hutchings
K. Rice
Subject: RMA intent to protest on Eagle, Mar 5-9/77

I called Insp. Henderson to ascertain RCM intent with respect to the proposed protest. He provided the following information with the overall objective being that the RCM will provide a measured response to any protest or activity.

- There will be 5 members of the Cartwright detachment available locally to deal with the proposed protest.
  - 2 will be at the site Sunday morning, Mar 7
  - 1 will be in Cartwright
  - 2/3 will be in Moose Harbour

- The 3/4 members not on site will be in constant communication and can be on site quickly if needed.

- The RCM will use video cameras to record all activity at the site

- Current situation at Eagle River site
  - 3 RMA members are already on site across the river from the lodge clearing a campsite
  - Site a 3 hour ride from Cartwright and is untented. This may be about 60 people making the trip with some staying overnight at the campsite or in local cabins.

- Colette Hutchins will be going to the Lodge on Tuesday.

- I informed Robert Thompson of the above at 1530 today.

- Alwood Herald of the above Mar 5/77.
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