

SPECIFIC CLAIMS TRIBUNAL

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	June 23, 2014 Guillaume Phaneuf	
Ottawa, ON		1

BETWEEN:

WE WAI KAI NATION

Claimant

v.

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
As represented by the Minister of Indian Affairs and Northern Development

Respondent

DECLARATION OF CLAIM

Pursuant to Rule 41 of the
Specific Claims Tribunal Rules of Practice and Procedure

This Declaration of Claim is filed under the provisions of the *Specific Claims Tribunal Act* and the *Specific Claims Tribunal Rules of Practice and Procedure*.

June 23, 2014

Guillaume Phaneuf

(REGISTRY OFFICER)

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I. Claimant (R. 41(a))

1. The Claimant, WE WAI KAI NATION, also known as the Cape Mudge Indian Band, confirms that it is a First Nation within the meaning of s. 2(a) of the *Specific Claims Tribunal Act*, in the Province of British Columbia.
2. The First Nation's Representative is Allan Donovan, Donovan & Company, 6th floor, 73 Water Street, Vancouver, BC, V6B 1A1. Telephone number: (604) 688-4272. Email address: allan_donovan@aboriginal-law.com.

II. Conditions Precedent (R. 41(c))

3. The following conditions precedent as set out in s. 16(1) of the *Specific Claims Tribunal Act*, have been fulfilled:
 16. (1) A First Nation may file a claim within the Tribunal only if the claim has been previously filed with the Minister and
 - (a) the Minister has notified the First Nation in writing of his or her decision not to negotiate the claim, in whole or in part.
4. On December 11, 1998, and in the supplementary submission on May 24, 2009, the We Wai Kai Nation filed the Rebecca Spit Specific Claim with the Department of Indian Affairs, Specific Claims Branch. The claim related to the breaches of duty by Canada that resulted in the We Wai Kai Nation's loss of its entitlement to a portion of the Drew Harbour Indian Reserve.
5. In a letter dated December 24, 2010, the Department of Indian and Northern Affairs Canada informed the We Wai Kai Nation of the Minister of Indian Affairs and Northern Development's decision not to accept for negotiation the We Wai Kai Nation's Drew Harbour Indian Reserve specific claim.

III. Claim Limit (Act, s. 20(1)(b))

6. For the purposes of the claim, the Claimant does not seek compensation in excess of \$150 million.

III. Grounds (Act, s. 14(1))

7. The following are the grounds for the specific claim, as provided for in s. 14 of the *Specific Claims Tribunal Act*:

14. (1) Subject to sections 15 and 16, a First Nation may file with the Tribunal a claim based on any of the following grounds, for compensation for its losses arising from those grounds:

(b) a breach of a legal obligation of the Crown under the Indian Act or any other legislation – pertaining to Indians or lands reserved for the Indians – of Canada or of a colony of Great Britain of which at least some portion now forms part of Canada;

(c) a breach of a legal obligation arising from the Crown’s provision or non-provision of reserve lands, including unilateral undertakings that give rise to a fiduciary obligation at law, or its administration of reserve lands, Indian moneys or other assets of the First Nation; and

(d) an illegal lease of disposition by the Crown of reserve lands.

V. Allegations of Fact (R. 41(e))

Original Allotment of Drew Harbour Indian Reserve

8. On October 13, 1879, Reserve Commissioner Sproat wrote his Minutes of Decision of Laich Kwil Tach Indians (We wai a Kay subgroup), Drew Harbour Indian Reserve (“the Reserve”). Sproat’s allotment was never surveyed and was disallowed by British Columbia.

Survey of Rebecca Spit

9. On August 28, 1884, Mr. E. Priest carried out a survey of 54 acres of Rebecca Spit (Lot 33) for Mr. J. Miller. The survey noted the existence of the Reserve at Drew Harbour. The Reserve was shown to lie south of Rebecca Spit in accordance with Sproat's disallowed 1879 allotment.
10. The survey, taken at high tide, began southwest of Rebecca Spit and proceeded northeast to encompass the whole of the spit. The plan notes that, up to the northernmost tip of the spit, the shoreline is unbroken and there is no existence of any passage or other interruption in the shoreline.

Re-Allotment and Approval of the Reserve

11. On October 29, 1886, Indian Reserve Commissioner O'Reilly enclosed his Minutes of Decisions and sketches to the Chief Commissioner of Land and Works. In his Minutes of Decision, O'Reilly included Rebecca Spit as part of the Drew Harbour Reserve, stating in writing that the Reserve's northern boundary was outlined by "following the shore" to the place of commencement. The sketch that accompanied O'Reilly's Minutes of Decision showed the Reserve encompassed only a portion of Rebecca Spit up to an indicated narrow passage. The sketch indicated that the land north of that passage was not part of the Reserve.
12. On November 5, 1886, William Smithe, Chief Commissioner of Lands and Works for British Columbia, informed O'Reilly of his approval of his reserve allotments to the Laich kwil tach Indians, as described in O'Reilly's Minutes of Decisions and sketches. This approval included the Drew Harbour Reserve.

Provincial Crown Sale of Lot 33 to William P. Sayward

13. In the November, 1886 edition of the BC Gazette, William P. Sayward announced his intention to apply to purchase Lot 33 at Rebecca Spit.
14. On January 29, 1887 the Surveyor General for British Columbia plotted Priest's 1884 Survey.
15. On February 10, 1888 British Columbia's Ministry of Lands and Works issued Crown Grant 287/29 to W.P. Sayward for the 54 acre Lot 33.
16. There is no evidence that O'Reilly or B.C. Indian Superintendent Powell protested the fact that the Province's issuance of a Crown Grant for Rebecca Spit to William Sayward overlapped with the boundaries as described in O'Reilly's Minutes of Decisions which had been approved by the Chief Commissioner of Lands and Works on November 5, 1886.

Survey of the Reserve

17. On April 28, 1888, Indian Reserve Commission Surveyor Ashdown Green instructed Surveyor E. M. Skinner to survey the Drew Harbour Reserve.
18. On July 28, 1888, Skinner surveyed the Reserve. Skinner, following O'Reilly's Minutes of Decision, followed the eastern shore of the Reserve north towards Rebecca Spit but concluded that he was unable to continue as he encountered the southern boundary of Sayward's Crown Grant, Lot 33. As such, Skinner did not continue his survey so as to include Rebecca Spit.
19. Skinner reported to O'Reilly that he had completed the surveying of the Euclataw [Laich kwil tach] reserves. He commented on alterations he had made to two of these reserves, but made no mention of the fact that he was unable to survey the boundaries of Drew Harbour Indian Reserve as described in O'Reilly's Minutes of Decision. The survey he submitted, however, did not include the full Drew Harbour Reserve as described by the Indian Reserve Commissioner in his Minutes of Decision. Neither did it include all of the

land up to the perceived passage noted on the sketch that accompanied O'Reilly's Minutes of Decision.

Approval of the Reserve as Surveyed

20. On May 18, 1889, F.G. Vernon, Chief Commissioner of the Department of Land and Works and O'Reilly signed and approved Plan ATBC 184 of the surveyed Laich-kwiltach Indian Reserves, Sayward and Coast Districts.
21. On August 14, 1914, The Royal Commission of Indian Affairs of BC (McKenna-McBride Commission) issued a Minutes of Decision confirming Drew Harbour Indian Reserve. This Minutes of Decision was approved by BC Order in Council 911 on July 25, 1923 and by OCPC 1265 on July 19, 1924.

The We Wai Kai Nation's Loss of a Portion of the Drew Harbour Reserve

22. The We Wai Kai Nation has, since the 1888 Crown Grant to Sayward, been deprived of its interest in Rebecca Spit as part of its Drew Harbour Indian Reserve.
23. In the alternative, the We Wai Kai Nation has, since the 1888 Crown Grant to Sayward, been deprived of its interest in the lower portion of Rebecca Spit up to the perceived passage shown in the sketch that accompanied O'Reilly's Minutes of Decision for the Drew Harbour Indian Reserve.

VI. The Basis in Law on Which the Crown is said to have Failed to Meet or Otherwise Breached a Lawful Obligation:

24. This claim is based upon Canada's breaches of:
 - a. A statutory duty to appropriately administer its laws in relation to reserve creation; and
 - b. A common law fiduciary duty arising by virtue of Canada's special relationship with aboriginal peoples with respect to their interests in land.

25. The We Wai Kai Nation submits that Canada breached its statutory and fiduciary obligations owed to the We Wai Kai Nation when dealing with the Band's legal interest in the Reserve. In particular:
- a. The reserve approval mechanism set out in Order in Council PC 1334 appointing Commissioner O'Reilly was a mandatory and statutory process.
 - i. As a result of PC 1334, only two options were available to the provincial and federal governments upon their review of O'Reilly's allotments: agreements with the allotment, or referral of their disapproval to the Lieutenant Governor for resolution.
 - ii. It was not open to either government to unilaterally alter or veto O'Reilly's allotments. The Provincial Government purported to unilaterally alter the boundaries of O'Reilly's allotment at Rebecca Spit, and the federal Crown itself took no step to ensure compliance with or enforce the mechanism set out in PC 1334.
 - b. During the allotment of the Reserve:
 - i. Canada had a fiduciary obligation of loyalty, good faith and full disclosure to the We Wai Kai Nation.
 - ii. Canada had an obligation to act reasonably and with diligence in the best interests of the We Wai Kai Nation.
 - iii. Canada failed to act reasonably and diligently in representing the Band's land interest in Rebecca Spit.
 - iv. In the alternative, Canada failed to act reasonably and diligently in representing the Band's land interest in the lower portion of Rebecca Spit up to the perceived passage shown in the 1886 sketch that accompanied O'Reilly's Minutes of Decision.

c. In accepting the Provincial Crown Grant to Sayward and Skinner's survey of the Reserve:

- i. Canada failed to preserve and protect as much of the We Wai Kai Nation's interest in the Reserve as it could; and
- ii. Canada failed to obtain compensation to the We Wai Kai Nation for the loss of its interest in the Reserve.

26. In the alternative, if the Reserve was not created at law in 1886, this land was provisionally allotted as an Indian Reserve when the Chief Commissioner of Lands and Works approved O'Reilly's Minutes of Decision.

a. Through the establishment of a provisional reserve, a cognizable Indian interest was created in relation to these lands, which Canada assumed discretionary control over.

b. In the provisional reserve context:

- i. Canada had a fiduciary obligation of loyalty, good faith, full disclosure and ordinary prudence with a view to the best interest of the We Wai Kai Nation.
- ii. Canada had an obligation to act reasonably and with diligence in the best interests of the We Wai Kai Nation.
- iii. Canada failed to fulfil its fiduciary duty to the We Wai Kai Nation when it omitted to take reasonable steps to resolve the discrepancy between O'Reilly's Minutes of Decision and the accompanying sketch.
- iv. Canada breached its fiduciary duty to the We Wai Kai Nation when it failed to complete the reserve creation process in relation to the Rebecca Spit, or alternatively, the lower portion of Rebecca Spit up to the perceived passage.

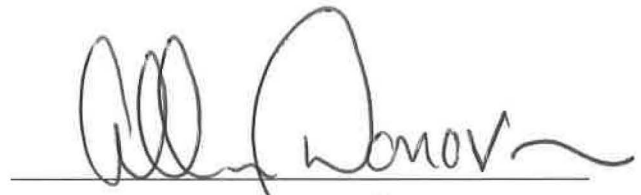
- c. Before accepting the Provincial Crown Grant to Sayward and Skinner's survey of the Reserve:
 - i. Canada breached its fiduciary duty when it failed to request the Province to suspend all alienations within the We Wai Kai Nation's region pending the allotment of reserves there.
 - ii. Canada breached its fiduciary duty when it failed to advise the Provincial Government that the lands sought by Sayward were located within a reserve allotted to the We Wai Kai Nation.
 - iii. Canada failed to fulfil its fiduciary duty when it did not inquire into, or react to, Sayward's Notice and application for Rebecca Spit.
 - iv. Canada breached its fiduciary duty when it failed to rely upon the statutory provisions in place at the time that disallowed a Crown Grant over reserve lands.
 - v. Canada failed to fulfil its fiduciary duty to the Band when it omitted to inform the We Wai Kai Nation that a Crown Grant was sought for a portion of the reserve allotted for its use, benefit and enjoyment.
- d. Once the Province issued a Crown Grant to Sayward:
 - i. Canada breached its fiduciary duty to the We Wai Kai Nation when it failed to take any steps to respond to and rectify the issuance of a Crown Grant on reserve land.
 - ii. Canada failed to fulfil its fiduciary duty to the We Wai Kai Nation it omitted to inform the Band that a Crown Grant had been issued within its allotted Reserve.

VII. Relief Sought

27. The We Wai Kai Nation seeks:

- a. Equitable compensation from Canada to compensate for Canada's breaches of lawful obligation; and
- b. Such other damages or compensation as this Honourable Tribunal thinks just.

Dated this 9th day of June, 2014

A handwritten signature in black ink, appearing to read "Allan Donovan", written over a horizontal line.

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