

To His Excellency  
The Right Honourable Ramon Hnatyshyn  
Governor General of Canada  
May It Please Your Excellency:

I have the honour to submit to Your Excellency the annual report of the Department of Indian Affairs and Northern Development for the fiscal year beginning April 1, 1988, and ending March 31, 1989.

It was a year of many transitions and, at the same time, a year of significant progress. The two northern territories took important steps forward in their quest for greater autonomy. Many Indian and Inuit groups, in their own way and at their own pace, continued to work toward self-government within the fabric of Canadian society. The department continued to meet its downsizing goals while, at the same time, providing a high level of service to the native peoples of Canada.

In many cases, the department met these goals by transferring control of social and economic development programs into the capable hands of native leaders and entrepreneurs. Increasingly, native people are assuming responsibility not only for the administration of programs formerly run by my department but for their design as well. None of this work prejudices, in any way, the strong desire among native people for a Constitutional guarantee of aboriginal rights. Discussions continued on ways and means to restart talks on entrenching these rights within the Constitution.

These accomplishments have been made possible through consultation and collaboration with our clients, and through the sustained and creative work of the employees of this department. I am proud of our joint accomplishments.

*Respectfully submitted,*  
*H. Cadieux, P.C., m.P.,*  
*Minister of Indian Affairs and*  
*Northern Development*

Published under the authority of the  
Hon. Pierre H. Cadieux, P.C., M.P.,  
Minister of Indian Affairs and  
Northern Development,  
Ottawa, 1989.

QS-6051-000-BB-A1

Catalogue No. R1 - 1989

ISBN 0-662-57007-3 (c) Minister of Supply and Services Canada

## TABLE OF CONTENTS

### **DEPARTMENTAL PROFILE**

Mandate

### **HIGHLIGHTS**

### **INDIAN AND INUIT AFFAIRS PROGRAM**

#### **SELF-GOVERNMENT SECTOR**

- Self-Government Negotiations Branch
- Policy and Implementation Branch
- Comprehensive Claims Branch
- Indian Fishing Policy Branch

#### **ECONOMIC DEVELOPMENT SECTOR**

- Economic Development Programs
- Significant Achievements

#### **LANDS, REVENUES AND TRUSTS SECTOR**

- Lands and Environment Branch
- Membership, Revenues and Band Governance Branch
- Specific Claims Branch
- Legal Liaison and Support Directorate
- LRT Review

#### **INDIAN SERVICES SECTOR**

- Education Branch
- Social Development Branch
- Band Support and Capital Management Branch
- Alternative Funding Arrangements (AFA)

#### **NORTHERN AFFAIRS PROGRAM**

- Constitutional Development and Strategic Planning Branch
- Natural Resources and Economic Development Branch

## **COGLA**

- Rights Management
- Exploration
- Development
- Environmental Protection
- Resource Evaluation
- Employment and Industrial Benefits

## **ADMINISTRATION PROGRAM**

## **FINANCE AND PROFESSIONAL SERVICES**

- Finance Branch
- Management Services Branch
- Support Services Directorate
- Contract Policy and Services Directorate
- Quantitative Analysis and Socio-Demographic Research
- Audit Branch
- Technical Services

## **HUMAN RESOURCES BRANCH**

## **COMMUNICATIONS BRANCH**

## **EXECUTIVE SUPPORT SERVICES BRANCH**

## **REGIONAL OFFICES**

Atlantic

Quebec

Ontario

Manitoba

Saskatchewan

Alberta

British Columbia

Yukon

Northwest Territories

## **APPENDIX I**

Budgetary Expenditures

## **APPENDIX II**

Statutes Administered

## **DEPARTMENTAL PROFILE**

### **MANDATE**

The Department of Indian Affairs and Northern Development was created in 1966, headed by a Minister responsible for Indian and Inuit affairs as well as for the Yukon and Northwest Territories and their resources. The department's responsibilities are to:

- fulfil the obligations of the federal government arising from treaties, the Indian Act and other legislation listed in Appendix II;
- provide for the delivery of basic services to status Indian and Inuit communities;
- assist Indians and Inuit to acquire employment skills and develop businesses, and obtain benefits from their natural resources;
- negotiate community-based arrangements that result in enhanced decision-making and authority for Indian communities;
- support constitutional discussions regarding the definition of the rights of aboriginal peoples and related matters;
- provide transfer payments to the governments of the Yukon and Northwest Territories;
- support the economic development of the North and protect the northern environment, including Arctic seas;
- foster the political development of the northern territories and coordinate federal policies and programs in the North; and
- administer lands and resources in the North.

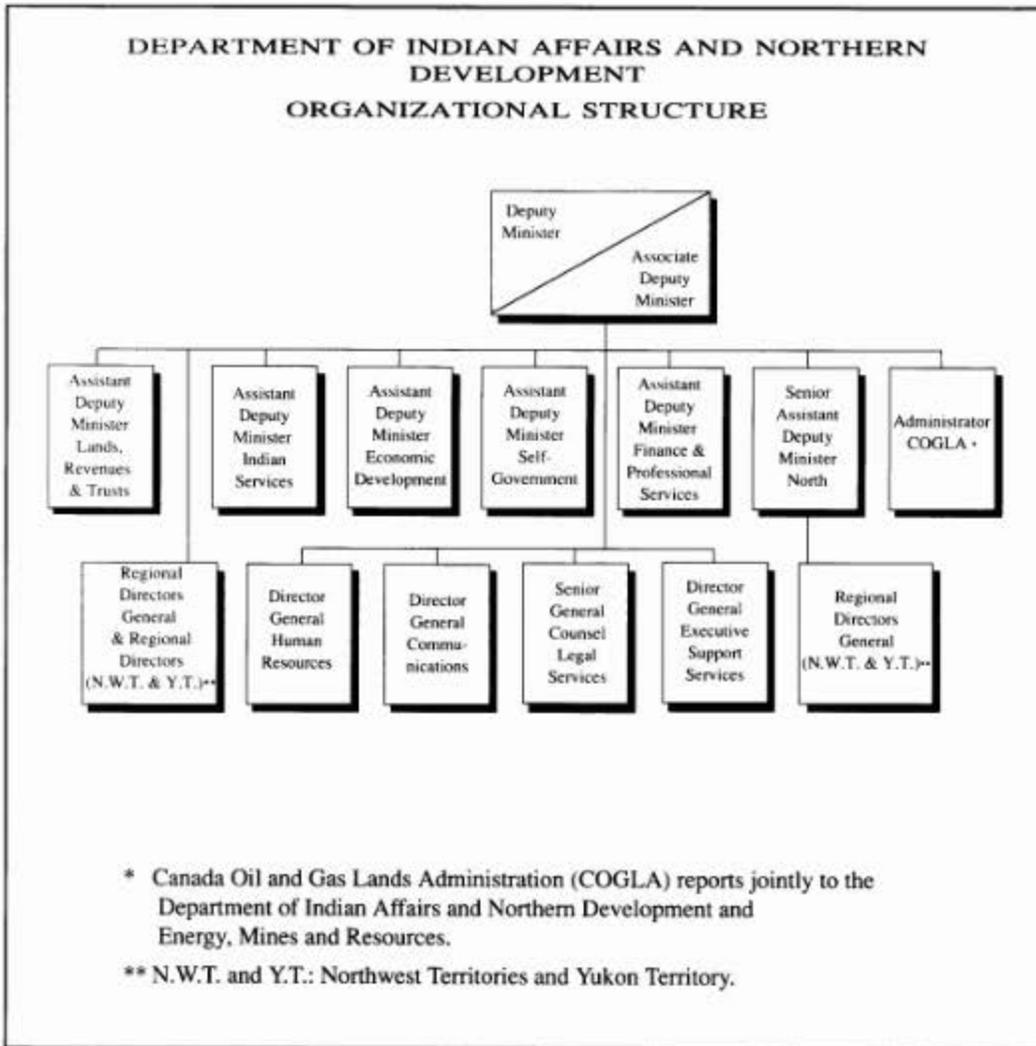
The Canada Oil and Gas Lands Administration (COGLA) is responsible for regulating oil and natural gas exploration and development on Canada's frontier lands. COGLA administers the Canada Petroleum Resources Act and the Oil and Gas Production and Conservation Act, reporting to the Minister of Indian Affairs and Northern Development and the Minister of Energy, Mines and Resources.

Fiscal year 1988 - 89 was a time when the department concentrated on implementing federal government programs and policies for Indian and Inuit citizens. These programs and policies were aimed at supporting the development of self-government by Indian and Inuit people, improving their economic prospects, better managing Indian lands and monies, improving the conditions in Indian communities, and protecting the special relationship that exists between the federal government and the Indians and Inuit of Canada.

As the lead agency for implementing the Northern Political and Economic Framework, the department coordinates all federal activities in the North. Specifically, the department is involved in the transfer of provincial-type responsibilities to northern governments, the promotion of economic development and the settlement of land claims in the North. The department also advances specific initiatives concerned with reinforcement of Arctic sovereignty.

# DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

## ORGANIZATIONAL STRUCTURE



## **HIGHLIGHTS**

### **PROGRESS IN A TIME OF TRANSITION**

Progress continued on many fronts during 1988 - 89, a time of transition for the Department of Indian Affairs and Northern Development. Community services were improved. Progress was made in settling native claims. The territorial governments achieved a new level of autonomy, and there was a significant increase in the number of self-government initiatives by Indian bands across the country. The Hon. Pierre Cadieux was appointed Minister of Indian Affairs and Northern Development in January, 1989, succeeding the Hon. Bill McKnight. At the same time, the Hon. Kim Campbell was appointed Minister of State.

### **TERRITORIAL AUTONOMY**

A Memorandum of Understanding on Devolution for the Yukon was signed in September 1988. Work continued on a similar agreement with the Northwest Territories. The MOUs lay the groundwork for transferring provincial-type programs to the territorial governments. Agreements-in-Principle were achieved with both territorial governments on Northern Oil and Gas Accords. The accords would establish revenue-sharing between the governments and transfer responsibility for onshore oil and gas management to the North while sharing management of the offshore regions.

### **NORTHERN SCIENCE CENTRES**

Both Northern Scientific Resource Centres were transferred to the Government of the Northwest Territories during the year.

### **COMPREHENSIVE CLAIMS**

Prime Minister Brian Mulroney signed an Agreement-in-Principle to settle the Dene/Métis comprehensive claim in the Northwest Territories. Under the agreement, the Dene and Métis will receive 180,000 square kilometres of land and a cash settlement of \$457 million. Negotiations were also completed on other Agreements-in-Principle, with the Council for Yukon Indians and the Tungavik Federation of Nunavut (TFN). Federal, Cree, Naskapi and Inuit negotiators signed Agreements-in-Principle during the year on the final implementation of the James Bay and Northern Quebec Agreement and the Northeastern Quebec Agreement.

### **KAMLOOPS AMENDMENT**

Bill C-115, known as the "Kamloops Amendment," was proclaimed into law on June 28, 1988. This legislation established the authority of band councils to tax all interests on reserves. It was the first amendment to the Indian Act led by Indian people.

### **NORTHERN ECOSYSTEM STUDIES**

The department coordinated an interdepartmental and intergovernmental investigation into the contamination of northern ecosystems and native diets. All available data were scientifically evaluated by circumpolar experts from around the world.

## POST-SECONDARY EDUCATION

A new post-secondary student assistance program, to take effect in September 1989, was announced during the year. The program provides tuition assistance to all Indian and Inuit students enrolled in post-secondary programs of more than one year. Students also receive assistance for travel and living expenses. The program offers incentive scholarships for graduate studies, academic achievement and studies that support Indian self-government.

## INDIAN SELF-GOVERNMENT

Since 1986, the department has received 115 self-government proposals representing 285 Indian bands. This year, the department entered into substantive negotiations with three Yukon Indian groups and the Alexander Band in Alberta. Further, the Self-Government Negotiations Branch has received and reviewed 50 new proposals.

## HOUSING

More than 3,400 new housing units were built on reserves during the year and more than 4,500 were renovated. In total, the department contributed more than \$124 million towards new housing on reserves.

## ALTERNATIVE FUNDING ARRANGEMENTS

Thirty-eight bands were managing their own funds during the year, through Alternative Funding Arrangements (AFAs) signed with the department. Another 72 bands were at various stages of the AFA entry process. A total of \$62.2 million in band funds were administered under AFAs.

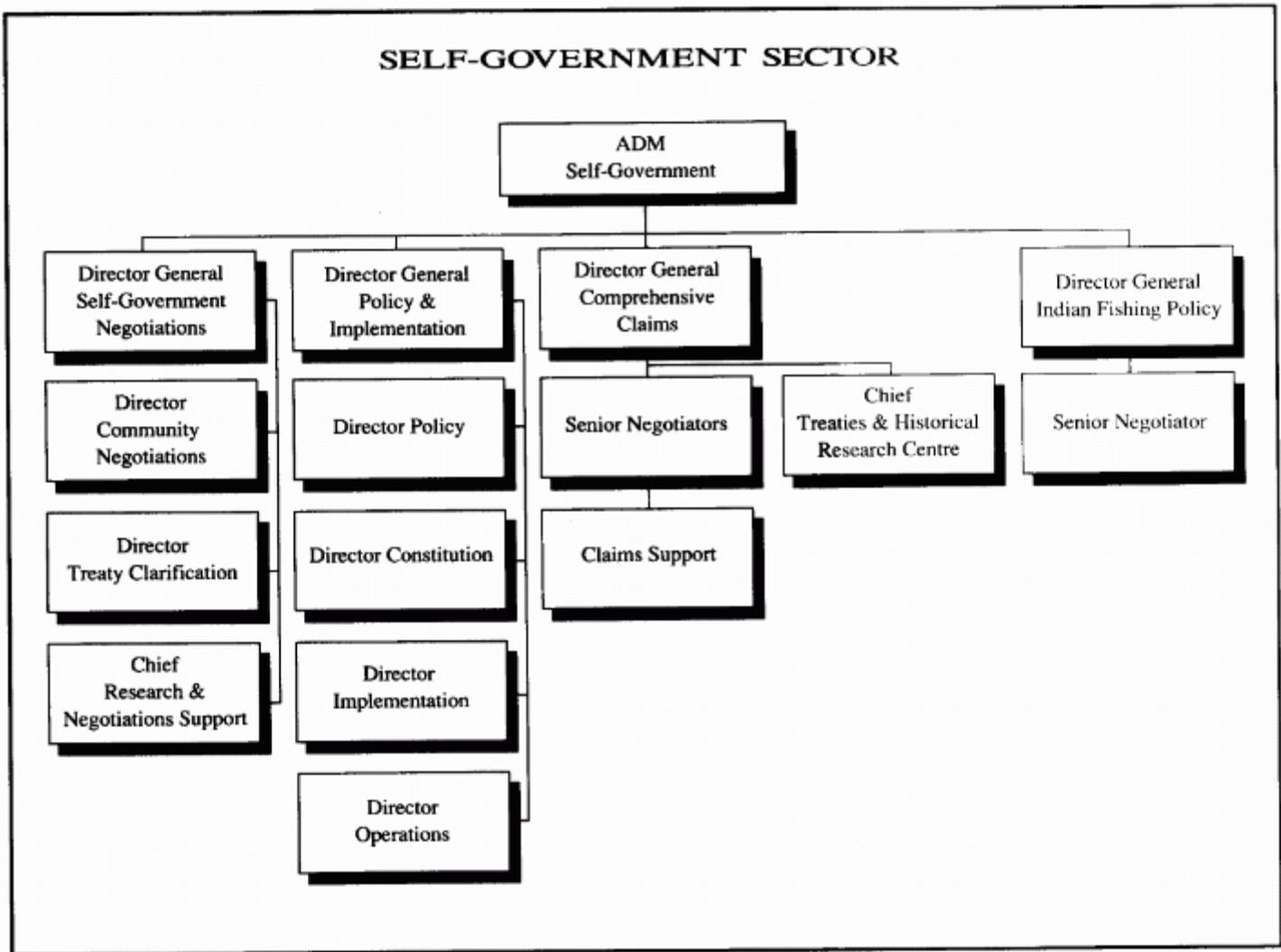
# INDIAN AND INUIT AFFAIRS PROGRAM

## SELF-GOVERNMENT SECTOR

The Government of Canada is committed to the principle that Indian and Inuit communities wishing to govern themselves should do so. The government is further committed to the idea that the pace and the manner of this transfer should be controlled by Indian and Inuit people themselves. The goal is to establish new relationships between the government and the aboriginal peoples of Canada that respect the distinctive characteristics and needs of Indian and Inuit communities. This commitment to aboriginal self-government is a major focus of the department, and the chief responsibility of the Self-Government Sector.

Working with communities, other government departments and other levels of government, DIAND made significant progress toward Indian self-government during 1988 - 89.

## SELF-GOVERNMENT SECTOR



Agreements-in-Principle were achieved by federal, Naskapi, and Inuit negotiators on the implementation of the James Bay and Northern Quebec Agreement (JBNQA). Long-standing financial issues with the Cree of James Bay were settled, and negotiations were undertaken with the province of Quebec on issues of mutual concern.

The sector also participated in the department's representation on the United Nations' Working Group on Indigenous Populations (WGIP) and the International Labour Organization (ILO). The ILO was in the final year of revising its Convention on Indigenous and Tribal Populations.

## SELF-GOVERNMENT NEGOTIATIONS BRANCH

Interest in the self-government negotiations program continued to increase. The branch entered into substantive negotiations with three Yukon Indian groups, and received and reviewed 50 new proposals representing 133 other bands across Canada.

Since its inception in April 1986, the branch has responded to a total of 115 proposals representing approximately 285 bands. This year:

- three member bands of the Council of Yukon Indians entered the substantive negotiation stage as a result of a sub-agreement on self-government pursuant to their comprehensive land claim;
- 16 proposals, involving 58 bands, were at the stage at which a framework for substantive negotiations could be developed;
- 57 proposals, involving 227 bands, were at the stage of conducting such work as research and community consultation;
- 11 proposals were at the stage where information workshops were being organized for communities contemplating self-government;
- 10 workshops were completed; and
- 21 communities withdrew from the process.

The Self-Government Negotiations Branch was reorganized to reflect both the developmental and the negotiation phases of the self-government process. The branch also prepared detailed information packages on the process of community self-government negotiations.

## POLICY AND IMPLEMENTATION BRANCH

Negotiations continued on the implementation of the JBNQA and Northeastern Quebec Agreement. The federal negotiator met with the Inuit, the Naskapi, and the James Bay Cree of Quebec as well as with the Government of Quebec and Hydro Quebec. The Policy and Implementation Branch researched issues, prepared legal assessments, developed federal negotiating positions and coordinated the involvement of federal departments and agencies.

There was a \$2.5 million settlement for relocation of the Inuit residents of Port Burwell, N.W.T. With the assistance of a mediator, federal and Inuit negotiators also reached an Agreement-in-Principle on several other

outstanding JBNQA issues. A mediator also assisted successful negotiations between the federal government and the Naskapi of Schefferville.

Past operational funding disputes with the Cree were settled in the summer of 1988 and an initial lump sum payment of \$6 million was made. Canada also provided base level funding of \$16 million for the Cree and \$1 million for the Naskapi. These funds, provided annually, will be indexed according to population and cost changes.

The branch produced guidelines for comprehensive claims and self-government agreements to ensure that they are accompanied by implementation plans that outline activities, assign responsibilities, and estimate the timing and costs.

Since 1978, the Ontario Tripartite Process has served as a forum for resolving issues of concern to the federal and provincial governments and the First Nations of Ontario. The branch supported the regional office this year in a variety of ways, including the negotiation of agreements on education, fishing, migratory birds and policing.

## COMPREHENSIVE CLAIMS BRANCH

The Prime Minister signed an Agreement-in-Principle on the Dene/Métis comprehensive claim in September 1988. The AIP sets out provisions for a settlement that will give the Dene and Métis ownership of 180,000 square kilometres of land and cash compensation of \$500 million. Settlement of the claim will give the Dene and Wits a share of any future resource royalties the government collects in the settlement area. It will also provide them with a voice in the management of land, wildlife and renewable resources through membership on management boards. The agreement also covers preferential hunting and fishing rights and exclusive trapping rights in the region. Negotiations toward a final agreement began during the year.

In Yukon, an Agreement-in-Principle was ratified by the Council of Yukon Indians in December 1988, by the Yukon Government in January 1989 and by the federal government in March 1989. The AIP provides for \$232 million cash compensation and 41,439 square kilometres of lands, of which 25,899 square kilometres includes subsurface title.

Negotiations toward the conclusion of an Agreement-in-Principle with the Tungavik Federation of Nunavut (TFN) progressed. Land quantum was negotiated in five of the six land use regions. Agreements on wildlife compensation, the impact of development, title to Inuit lands and several other topics were also initialled.

In September 1988, the first framework agreement under the revised federal policy on comprehensive land claims was signed with the Conseil Attikamek-Montagnais and the Province of Quebec.

Negotiations for the Labrador Inuit claim, which covers northern Labrador and the adjacent offshore, began in January 1989. Progress was made on a Framework Agreement and interim protection measures. The negotiations included the Government of Newfoundland and Labrador, as well as the federal government and the Labrador Inuit Association.

In British Columbia, a Framework Agreement was initiated by negotiators for Canada and the Nisga'a Tribal Council. Discussions were held on the coordination of comprehensive land claims and self-government negotiations.

## INDIAN FISHING POLICY BRANCH

In cooperation with the Department of Fisheries and Oceans (DFO), DIAND undertook 22 fisheries cooperative management projects in British Columbia. These pilot projects demonstrated the practicability of cooperative management of local fisheries with Indian bands. DIAND contributed \$523,000 of the total \$873,000 committed to this work in 1988 - 89. DIAND and DFO established a joint working group to conduct a comprehensive review of fisheries policy in B.C. DIAND and DFO also supported the British Columbia Aboriginal Peoples' Fisheries Commission through contributions of \$50,000 each.

In Atlantic Canada, DIAND consulted with various bands on the need for fisheries management and economic initiatives to reduce tension over the native food fishery. The Native Economic Development Program; DIAND; DFO; the Department of Industry, Science and Technology; and the Atlantic Canada Opportunities Agency cooperated in assisting the Kingsclear Band with the \$6.4 million development of a sports fishing lodge.

In Ontario, the branch continued consultations with Indian organizations preparing to negotiate tripartite fishing agreements.

## **ECONOMIC DEVELOPMENT SECTOR**

The department continued to make progress on five central economic development strategies. These are: increased access to the mainstream business economy; an improved legal regime to increase Indian community economic growth; support for Indian - Controlled natural resource development; training of Indian adults for business and employment; and improving federal program coordination to assist Indian economic development.

The Economic Development Sector also made progress in the continuing devolution of its programs to Indians. Regional and national strategies for encouraging the development and strengthening of Indian economic development organizations were prepared.

Bill C-115, also known as the "Kamloops Amendment," was proclaimed into law on June 28, 1988. The first-ever Indian-led change to the Indian Act, it established the power of band councils to tax all interests in Indian lands including leasehold developments. The amendment also created the concept of designated land, in which land remains part of the reserve while being set apart for commercial development, including mortgaging. Chief Manny Jules of the Kamloops Indian Band was appointed Chairman of the Indian Taxation Advisory Board, which advises the Minister on policy issues and on individual bylaws. The board, which has a majority of Indian members, also provides advice and guidelines for bands on bylaw development. The first meeting of the board was held in February, 1989.

Following two years of financial and advisory assistance from the Economic Development Sector, an agreement concerning St. Joe Canada's Golden Patricia mine at Horn Lake was signed by the Cat Lake, Osaburgh and Slate Falls bands, the Windigo Tribal Council, the company and both the Ontario and federal ministers. A Canada/ Ontario Resource Development Agreement on renewable resources was extended to 1992 and signed by the Treaty 3, Nishnawbe-aski Nation, the Association of Ontario Indians and the Ontario and federal ministers.

Indian Oil and Gas Canada was successful in attracting key technical and managerial talent and is currently involved with bands in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario assisting with the development of hydrocarbon resources.

Consultations continued, during the year, with the Indian Resource Council (IRC) concerning regulatory amendments and mechanisms for increased Indian management and control of oil and gas resources. The IRC membership consists of tribal council members and representatives from reserves having major oil and gas production.

The sale of portions of the Indian Economic Development Fund (IEDF) to two Indian organizations, the Native Fishing Association and the Manitoba Indian Agricultural Association, was approved. Several other Indian organizations indicated interest in administering and collecting portions of the loan portfolio.

A joint initiative was implemented by the Indian Community Human Resource Strategies (ICHRS) program, together with the Social Assistance Directorate of the Indian Services Sector, whereby \$2.5 million of social assistance funds were used for developing permanent employment for Indian social assistance recipients.

In 1988 - 89, the first year of a two-year initiative was launched to provide entrepreneurial opportunities to Indians through a comprehensive program of selection, training, internship, equity assistance and aftercare.

## ECONOMICAL DEVELOPMENT SECTOR



Seven working groups were formed to implement the Canada/Quebec Memorandum of Understanding on native economic development. The working groups had membership from both the federal and provincial governments and involved extensive consultation with native people. Reports were prepared on forestry, agriculture, employment and training, commercial fisheries, tourism and mineral resources.

## ECONOMIC DEVELOPMENT PROGRAMS

The sector managed five distinct programs:

- the Indian Delivery System program contributed more than \$17 million to assist bands, tribal councils and Indian - Controlled economic institutions in providing advice and third-party contributions for new or expanded economic development projects;
- the Indian Community Human Resource Strategies program provided approximately \$27 million to communities and individuals to increase employability through academic upgrading, skills training, on-the-job training, entrepreneurship, employment creation and economic and human resource planning;
- the Indian Business Development program provided \$11 million in contributions, \$5 million in direct loans and \$2 million in guaranteed loans as well as management and advisory services to Indian businesses;
- the Resources Development program provided approximately \$4 million to assist bands in identifying and exploiting mineral holdings and in managing renewable resources; and
- the Indian Oil and Gas program conducted engineering and geological studies to assess oil and gas potential, tendered land for permit and lease and collected and verified royalty revenues to ensure that on-reserve wells produce to the maximum benefit of the bands.

## SIGNIFICANT ACHIEVEMENTS

Indian economic development activities supported by the department included:

- funding for 380 advisors in 200 bands and 55 tribal and sectoral development corporations to assist hundreds of Indian businesses, and thousands of self-employed farmers, fishermen, trappers, outfitters and arts and crafts producers;
- provision of work experience for 1,500 Indians in community enterprises, and another 2,700 on housing construction and maintenance projects;
- financial support to 2,800 individuals in training institutions and to 1,600 on-the-job trainees to increase their long-term employability prospects;

- assistance to 670 businesses which maintained 2,400 existing jobs, created 1,750 new jobs and generated more than \$35 million in income for Indians;
- syndication of business development assistance which created \$80 million of investment in Indian businesses from private and public sources;
- oil and gas developments which resulted in \$67 million in royalties and \$4.4 million from fees, rentals and bonuses; and
- the drilling of 44 wells on 12 reserves; 39 of these were completed: eight were for heavy oil, three for conventional oil, and 28 for gas.

## **LANDS, REVENUES AND TRUSTS SECTOR**

The Lands, Revenues and Trusts Sector is responsible for the government's legal obligations in matters respecting Indians and lands reserved for Indians.

### **LANDS AND ENVIRONMENT BRANCH**

On July 28, 1988, the Indian Lands Agreement (1986) Act received royal assent. This Act permits Ontario bands to negotiate agreements with the province and Canada to remove provincial interests in surrendered Indian lands and minerals.

The branch formally approved and issued a Lands Management and Procedures Manual. The manual is a comprehensive operational guide that will help departmental land managers provide better and more consistent service to Indian bands. Three lands administration courses were also begun during the year, providing in-depth training to departmental personnel and Indian band employees.

More than 13,711 hectares of land were added to the reserve land base by federal orders-in-council during the year. This brought the total reserve land in Canada to more than 2,673,148 hectares. A total of \$3.61 million was contributed nationally to assist bands in administering their lands.

Contribution agreements worth \$1.9 million were signed with the Northern Flood Committee, representing the five bands in Manitoba covered by the Northern Flood Agreement, for planning, implementation and negotiation activities under the agreement. Canada appointed a negotiator to resolve outstanding issues under the agreement.

The department also provided bands and Indian organizations across the country with advisory, technical and other support to deal with environmental problems. Approximately \$640,000 was provided directly to Indian groups to analyze environmental problems, participate in assessment and regulatory processes, negotiate compensation for environmental damages, or to take part in workshops and conferences.

### **MEMBERSHIP, REVENUES AND BAND GOVERNANCE BRANCH**

The department administers approximately 23,000 accounts for minors, other individuals and deceased Indians. In August 1988, Bill C-123 was proclaimed law, amending the Indian Act to enable band councils to play a greater role in managing the monies of Indian minors. More than \$180 million was released to bands during the year.

A total of 15,172 individuals applied for registration as status Indians under the Indian Act. Applications covering 31,351 individuals were reviewed during the year, resulting in 19,942 registrations and 11,409 denials.

Membership control was transferred to 16 bands, bringing the total number of bands having such control to 229, or 39 per cent of all Indian bands.

In September 1988, Bill C-150 was proclaimed. This bill corrected a deficiency in the Indian Act commonly

known as the "death rule." (Certain provisions of the Indian Act (1985) had denied some persons registration as Indians, solely because of the death of their parent before April 17, 1985.)

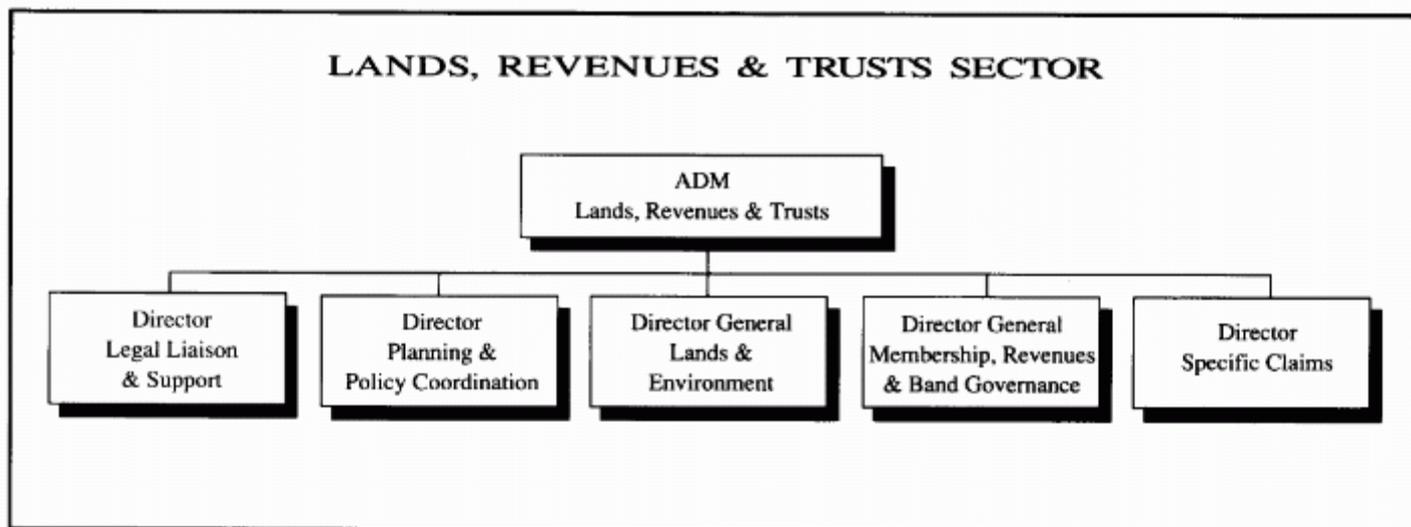
#### **SPECIFIC CLAIMS BRANCH**

The government is committed to resolving claims of Indian bands in a fair and equitable manner. "Specific claims" may relate to specific incidents or may be linked to land owed bands under treaty. The Specific Claims Branch implements this policy, which entails determining whether the federal government has breached a lawful obligation to an Indian band, and compensating the claimants where this has been proved.

Fifty specific claims were processed during the year, dealing with grievances arising from governmental management of Indian land and resources or for fulfilment of entitlement due under treaty. The major developments were:

- the Big Cove, River Desert and Eagle Lake specific claims were settled at a cost of \$6,352,187;
- three settlements were concluded and awaited approvals;
- 10 claims were in negotiations;
- four claims were accepted for negotiation;
- four claims awaited acceptance, with the balance undergoing historical or legal review;
- 14 new claims were received for review;
- two large treaty land entitlements were settled by bands, Canada and Alberta, and were awaiting approvals.

#### **LANDS, REVENUES & TRUSTS SECTOR**



## LEGAL LIAISON AND SUPPORT DIRECTORATE

The Legal Liaison and Support Directorate administers the Test Case Funding Program, which provided funding in support of 18 litigation cases during the year. Four of these cases involved issues relating to Bill C-31. Decisions were rendered in the Bear Island and Saanichten Marina test cases.

## LRT REVIEW

A review of Lands, Revenues and Trusts continued during the year. It developed into the most fundamental analysis of the Indian Act ever conducted.

Phase II of the study focused on a detailed analysis of issues identified in Phase I, and on suggestions from Indian people, DIAND staff and consultants on options to address these issues.

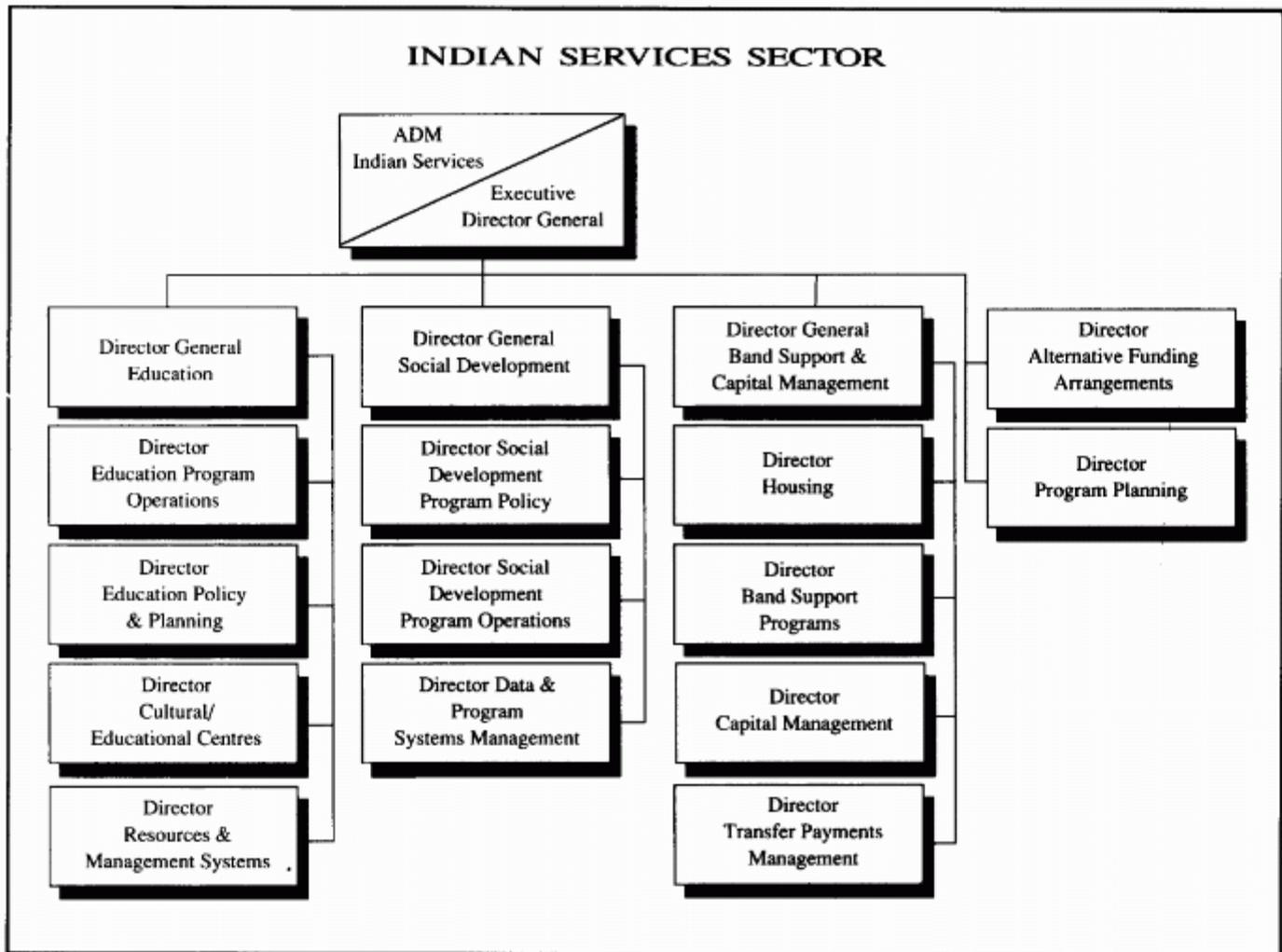
Extensive discussions were conducted with national and regional organizations and with 135 individual bands and member bands of tribal councils.

## INDIAN SERVICES SECTOR

The Indian Services Sector supports Indians across Canada and the Inuit of northern Quebec and Labrador. It provides funding and services for education, social development, housing, community infrastructure and band management.

This fiscal year was one of important change for many native Canadians. Progress was recorded in many areas. Indians and Inuit took increased control of education, band finances, construction programs and social services.

## INDIAN SERVICES SECTOR



## EDUCATION BRANCH

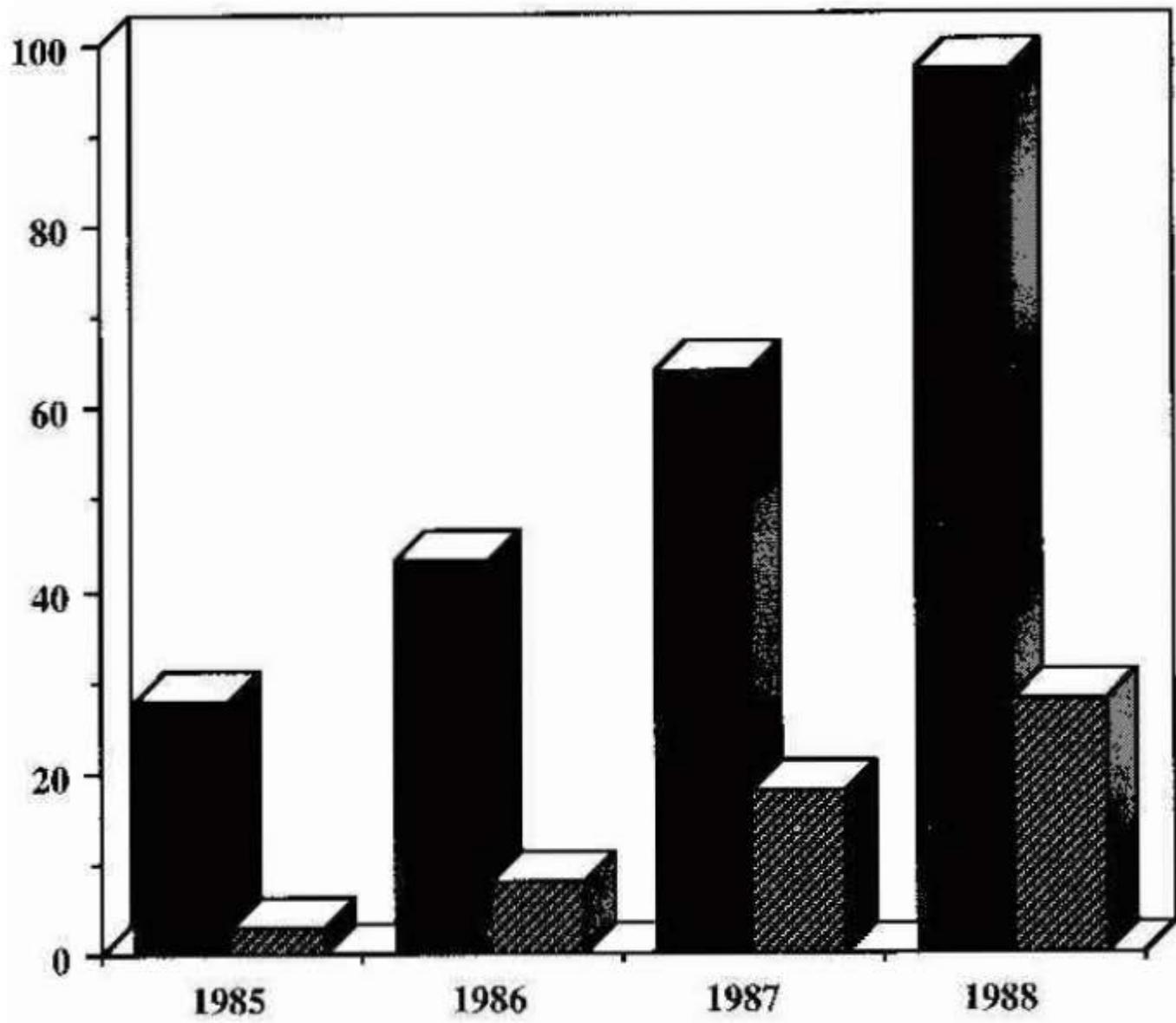
The Education Branch provided a full range of education services to more than 85,000 elementary and secondary students living on-reserve. These services were provided by federal or provincial schools through tuition agreements, or by bands funded through contribution agreements or Alternative Funding Agreements.

Twenty bands assumed control of 23 schools during the year, increasing to 285 the number of on-reserve schools operated by band authorities. The number of federally operated schools was reduced to 99. Almost 30,000 students were enrolled in band schools, twice as many as in federal schools. During the same period, 18 bands received pre-takeover funding for future school transfers.

Financial and instructional support was provided to more than 15,000 Indian and Inuit post-secondary students at a cost of 122 million. Indian authorities

## **INDIAN MANAGEMENT ASSISTANCE PROGRAM (IMAP)**

### **FOUR-YEAR GROWTH RATE OF IMAP & NATIVE STUDENT PARTICIPATION**



now manage 70 per cent of this program through contribution agreements.

The department provided \$7.2 million for cultural educational services; the monies were distributed to 42 band - Controlled centres and 27 corporate centres.

The Assembly of First Nations (AFN) issued a report, National Review of First Nations Education, during the year, calling for the continued transfer of jurisdiction over education to Indian authorities. The four-year study leading up to this report was assisted by funding of \$6 million. Work began on a departmental response to the report.

The Minister announced a new post-secondary student assistance program to replace former guidelines. The new policy, effective September 1989, provides tuition assistance to all students enrolled in post-secondary programs of more than one year. Full-time students receive assistance for travel and living expenses. The program offers incentive scholarships for graduate studies, academic achievement, and studies that support Indian self-government. Indian authorities can administer the program and apply their own guidelines.

#### SOCIAL DEVELOPMENT BRANCH

The Social Development program provides social assistance, child welfare and adult care services to Indian families and individuals residing on reserves or on Crown land. In 1988 - 89, the program spent \$478 million to provide benefits to members of 576 bands.

Social assistance amounting to \$351.1 million was provided to approximately 127,433 recipients.

An economic development and social development project provided training in entrepreneurial skills.

During 1988 - 89, \$11.4 million, representing 3.2 per cent of social assistance funding, was provided for band-designed employment creation and training programs.

Child welfare services were delivered through agreements with provincial or Indian-operated agencies. In 1988 - 89, 36 child welfare agreements, covering 193 bands, were renewed. Work proceeded on developing a framework for the establishment of Indian child and family service agencies.

A Family Violence Initiative was announced in June 1988. Along with the Department of National Health and Welfare, DIAND administered a \$1 million contribution fund for projects in Indian and Inuit communities. An Advisory Committee composed of Indian and Inuit representatives was established to help administer these monies. Seventy-five projects were funded, including public awareness sessions, conferences, workshops, and training programs.

#### BAND SUPPORT AND CAPITAL MANAGEMENT BRANCH

The Band Support and Capital Management programs provide funding for band government, for the development of management skills, and for establishing and maintaining the level and quality of capital facilities, family housing and other elements of community infrastructure.

#### BAND SUPPORT

The Band Support Programs Directorate provides grants and contributions to Indian regional governments for management and delivery of programs to their members. In 1988 - 89, approximately \$170 million was transferred to bands and tribal councils for these purposes.

The directorate administered the distribution of additional funds provided for the expanding Indian population, a result of the 1985 amendments to the Indian Act (Bill C-31). It also coordinated the implementation of the five-year devolution plan and the allocation of related funds. Directorate staff completed a major re-estimation of the potential cost of implementing Bill C-31.

## CAPITAL MANAGEMENT

The Capital Management Directorate assists Indians in establishing and maintaining community capital facilities on reserves, including water, sanitation, electrical systems, roads, fire protection systems, schools and community buildings. In 1988 - 89, approximately 91 per cent of capital and 84 per cent of associated operations and maintenance budgets were administered by band councils or their representatives.

A new long-term capital plan for 1989 - 90 to 1993 - 94 was developed.

## HOUSING

The Housing Directorate established a process for a review of Indian housing policy, developing a working paper on a number of policy issues. The Assembly of First Nations, the Federation of Saskatchewan Indian Nations and the Dakota Ojibway Tribal Council were provided with funding to develop parallel working papers from the Indian perspective, to ensure input in any major policy change.

Construction of 3,408 new housing units and the renovation of 4,538 units on Indian reserves were started or completed during the year. In total, the department contributed more than \$120 million towards new housing and renovations. Ministerial guarantees were provided for 226 loans worth \$75.4 million for the construction of new houses, and 53 loans worth almost \$1.2 million were provided for renovations.

Canada Mortgage and Housing Corporation provided interest write-down assistance to reduce mortgage interest on the construction of 1,054 of these new units and approximately \$8.5 million in forgivable loans to assist with renovations.

## TRANSFER PAYMENTS MANAGEMENT

In keeping with the recommendations of the Auditor General and the department's devolution initiatives, new terms and conditions were developed for flexible transfer payments. The new terms and conditions, which simplify the administration of funds transferred to Indian bands and increase Indian management flexibility, will be tested as a pilot project with the Chiefs of Ontario.

The analysis of 1987 - 88 audits of Indian bands and organizations indicated that the number of recipients in a serious deficit situation requiring a financial management plan has stabilized since 1986 - 87. The number of recipients with an unqualified audit continued to increase.

The Indian/Inuit management development component of this unit provided management training and advisory services to Indian bands and their organizations. There was a trend toward computer system development and training.

The Canadian Executive Services Organization (CESO) and Indian Management Assistance Program (IMAP) provided 15,080 consultant days of service to Indian people, businesses and communities. The Canadian Native Program of CESO delivered advisory services with the assistance of volunteers who shared their expertise and skills with the native community. Most bands now deal directly with CESO rather than through the department, as a result of restructuring of the

CESO Agreement. Approximately 1,500 projects were initiated during 1988 - 89.

In addition, 95 university students provided management and economic development advisory services to bands and tribal councils under IMAP. Twenty-four of these students were native.

#### ALTERNATIVE FUNDING ARRANGEMENTS (AFA)

Through AFA, bands and tribal councils receive as much flexibility as possible under the Indian Act to redesign programs and manage funds in accordance with their own needs and opportunities.

Thirty-eight bands were managing their own funds during the year through AFAs. Another 72 bands were at various stages in the AFA entry process. Entrants ranged from urban to remote, and had on-reserve populations from 39 to 2,583. In total, \$62.2 million was provided through AFA agreements, approximately five per cent of all funds administered by Indians.

An evaluation of AFA indicated that the arrangements lead to improved community services and help to increase management skills. The study showed that many bands see AFA as a step toward self-government.

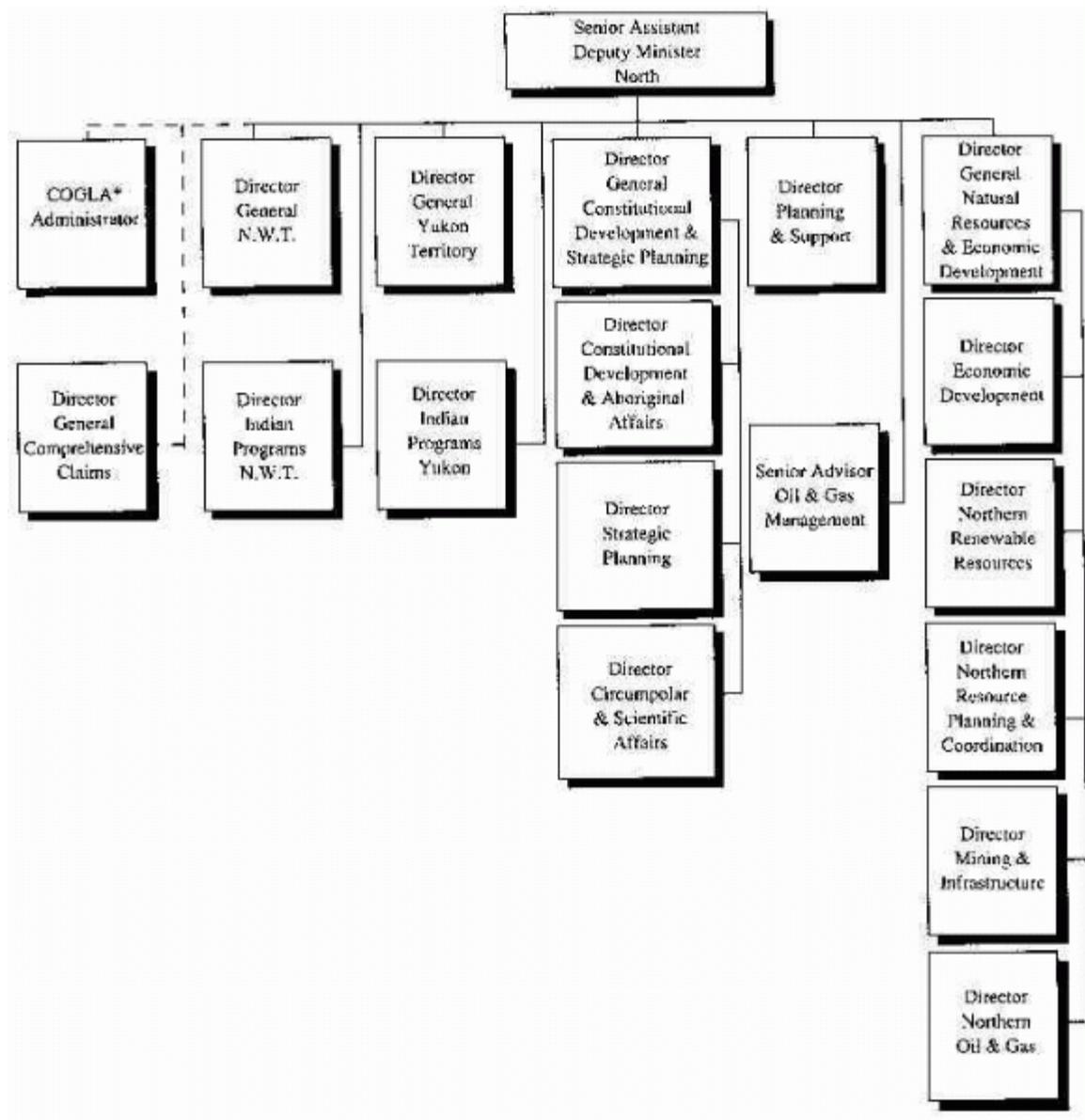
#### NUMBER OF BANDS WITHIN AFA PROCESS

...	1986 - 87	1987 - 88	1988 - 89
With Authority	0	21	38
Declared Eligible	20	28	27
Application Made	12	23	45
TOTAL	32	72	110

## NORTHERN AFFAIRS PROGRAM

The Northern Affairs Program (NAP) is responsible for resource management in the Yukon and Northwest Territories; assisting northerners with political, economic and social development; coordinating the federal government's activities in the North; maintaining the quality of the northern natural environment; fostering knowledge of the North through scientific investigation and

## NORTHERN AFFAIRS PROGRAM



technology; and providing a forum for international circumpolar affairs. In conjunction with the territorial governments, and through coordination of the activities of federal departments and agencies, the program seeks balanced, sustainable and environmentally sound development of northern natural resources - oil and gas, minerals, water, lands and forests. Through such development activities, which promote northern self-reliance and a continuing northern presence, the Northern Affairs Program enhances Canadian sovereignty in the Arctic.

The program has three major strategies:

- support for the development of political, social and cultural institutions and processes;
- direct funding and coordination of economic initiatives by industry and other federal departments; and
- management of natural resources and protection of the northern environment.

## **CONSTITUTIONAL DEVELOPMENT AND STRATEGIC PLANNING BRANCH**

The comprehensive Northern Political and Economic Framework lays the groundwork for transferring programs resembling provincial programs to territorial governments. It encourages the development of northern political institutions and diversification of the economy, thereby reinforcing Canadian sovereignty over Arctic lands and waters.

A Memorandum of Understanding that will govern the transfer of programs from the department to the Yukon Territorial Government was signed in September 1988. Work continued on a similar Memorandum of Understanding with the Government of the Northwest Territories.

In May 1988, the branch participated in negotiations with the Yukon government on an agreement concerning the use of French, English and aboriginal languages in the territory. Territorial legislation and amendments to the Yukon Act were enacted to implement the agreement.

A contribution of \$228,000 was made to the Constitutional Alliance of the Northwest Territories to assist in the development of proposals for the constitutional evolution of the N.W.T.

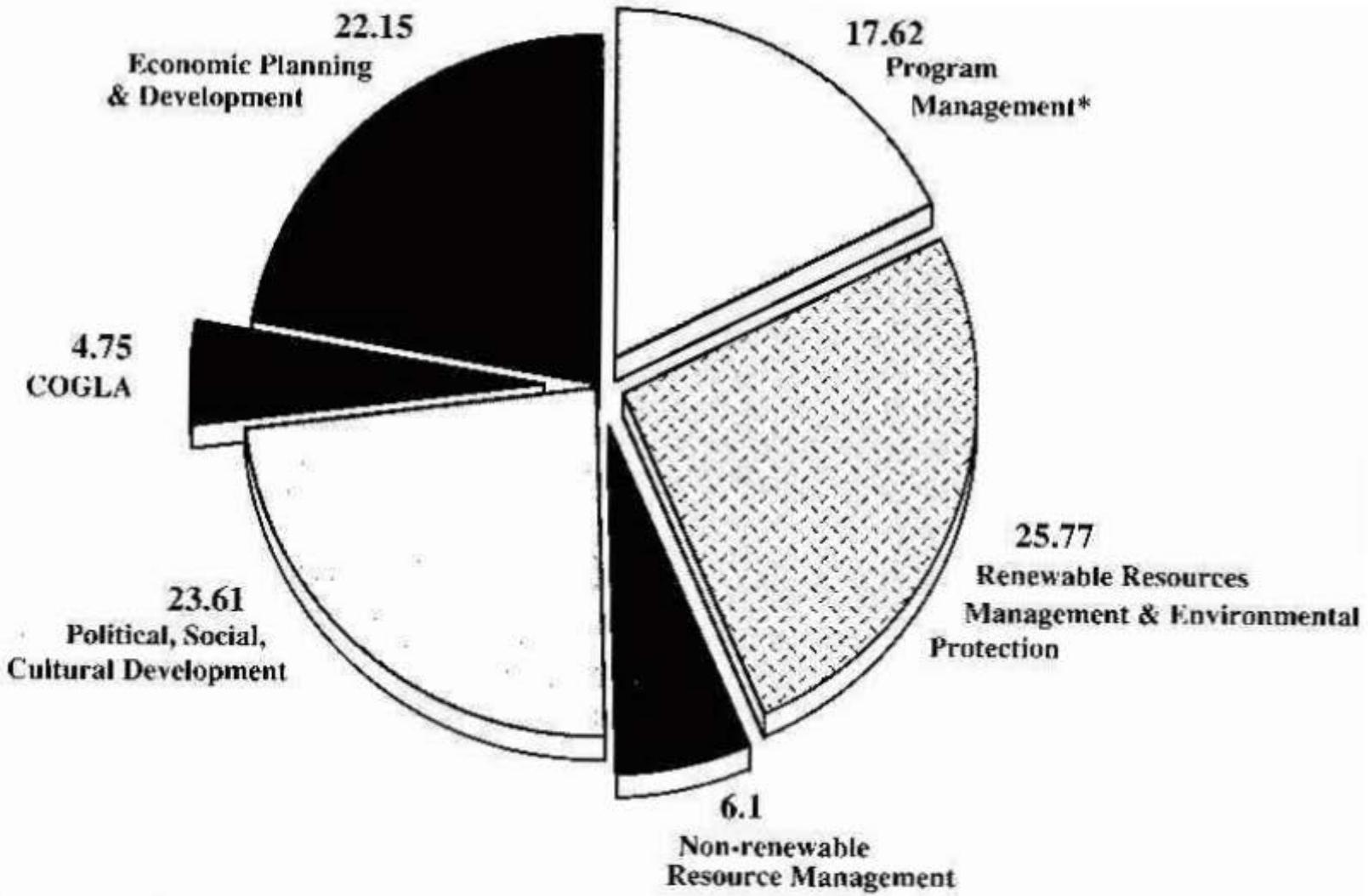
In May, the final transfer of the Northern Canada Power Commission was completed with the signing of an agreement between the federal government and the Government of the Northwest Territories (GNWT).

Modifications to the Annual Northern Expenditure Plan were undertaken, reflecting a new format and emphasis based on the new Northern Political and Economic Framework. The new version of the plan was published at the end of the year.

The final phase of the Resolute Bay/Grise Fiord relocation was completed in 1988 - 89. Seven Inuit families totalling 40 people were relocated from Grise Fiord to Inukjuak during the summer and fall.

An agreement was reached in March 1989 to transfer a large portion of the Inuit Art Collection to four institutions: the Inuit Cultural Institute in Arviat, the National Gallery of Canada, the Canadian Museum of Civilization and the Winnipeg Art Gallery. The Inuit Art Section continued to maintain and develop its unique computerized Inuit art research and documentation centre and to update artists' biographies.

**GROSS EXPENDITURE BY ACTIVITY IN PERCENTAGE**



The Northern Oil and Gas Action Program, a seven-year program that commenced in 1984 - 85, continued to develop hydrocarbon reserves in the Beaufort Sea and Mackenzie Delta.

## WESTERN ARCTIC CLAIM SETTLEMENT - THE INUVIALUT FINAL AGREEMENT

The Western Arctic Claim Implementation Secretariat coordinates Canada's implementation responsibilities under the Inuvialuit Final Agreement (IFA), the first comprehensive claim settlement north of 60 degrees.

During the year, Bill C-102, which enables the Governor-in-Council to consent to amendments to the IFA on behalf of Canada, became law. Amendments to the enrolment provision were carried out, and the official Enrolment List of Beneficiaries of the Settlement was published in the Canada Gazette on October 1, 1988. The Chairperson, Vice-Chairperson and the federal members of the Arbitration Board were appointed.

## NATURAL, RESOURCES AND ECONOMIC DEVELOPMENT BRANCH

The Natural Resources and Economic Development Branch continued to review its programs and environmental resource management regulations and legislation to provide for an orderly transition to territorial management.

The branch processed 137 water licences, prepared 86 order-in-council submissions and transferred 47,000 hectares of land to the two territories.

The branch conducted environmental programs, and administered the Northern Environmental Studies Research Fund and the Northern Land Use Planning processes. Policies and programs were developed and implemented to promote the fur industry. The branch also made progress toward the negotiation of a new Canada/Yukon Economic Development Program.

## OIL AND GAS MANAGEMENT

Work continued throughout the year on the development of a Northern Oil and Gas Accord that would transfer the management of oil and gas reserves to the territorial governments. Agreements-in-Principle with both territories were signed in September 1988.

The Northern Oil and Gas Management Directorate coordinated government activities relating to oil and gas exploration and development north of 60 degrees. Preparations were completed to grant oil and gas rights in the Beaufort Sea. Planning continued on hydrocarbon development in the Mackenzie Delta and Beaufort Sea sectors. The directorate also managed the Crown's interest in the oil field at Norman Wells.

## BIOLOGICAL RESOURCES

An agreement was reached with the Department of the Environment, the Department of Fisheries and Oceans, GNWT and the Inuit to establish an interim wildlife management advisory board for the eastern Arctic.

The Biological Resources Division provided administrative support for the development of certain provisions in the Inuvialuit Final Agreement. It participated, as well, in negotiations to amend these provisions.

The division also supported studies into the sustainable use of fish in the Mackenzie Valley region by the Dene, and into the development of a community-based reindeer management regime in the Belcher Islands.

This was the first full year of the fur development program. Core funding was provided to the Indigenous Survival International Organization and the Aboriginal Trappers Federation of Canada. The division entered into contracts with provincial and territorial governments and trapper associations to provide trapper education to natives and northerners. Funding was also provided to assist native organizations in the development of the fur and sealing industries.

## LAND MANAGEMENT

The Land Management Division was involved in negotiations for the transfer to GNWT of the Land Titles Act, forestry, Department of Transport airports, and National Health and Welfare medical facilities. The transfer of the Northern Canada Power Commission to GNWT included a significant land component. Work proceeded on modernizing northern legislation, focusing on amendments to the Territorial Lands Regulations.

Federal positions on technical and resource management issues were advanced in the negotiation of land and resource-related elements of the three northern comprehensive claims. Discussions with the territorial governments and other federal departments were initiated to develop a new Surface Rights Act.

The division also developed a five-year program to clean up wastes abandoned on Crown land. As well, it launched a limited clean-up program to deal with the quantities of abandoned wastes that exist throughout the North.

## WATER RESOURCES

The Water Resources Division was authorized to consult on and draft amendments to the Northern Inland Waters Act. The division also continued negotiations on transboundary water management agreements between the department, the territorial governments and the provinces of British Columbia, Alberta and Saskatchewan.

## ENVIRONMENTAL SERVICES

A proposal to develop a uranium mine at Kiggavik in the Keewatin was referred to the Minister of the Environment for a full public review under the Federal Environmental Assessment and Review Process. An independent panel was established to conduct the review. The branch provided technical support to the panel.

The Environmental Services and Research Division continued to coordinate an interdepartmental and intergovernmental investigation into the contamination of northern ecosystems and native diets. A scientific evaluation of all available data was undertaken by circumpolar experts from around the world.

The branch published six comprehensive research projects during the year, dealing with issues related to environmental management.

Negotiations began with the Council for Yukon Indians and the Yukon Territorial Government towards the creation of a development assessment process, which will apply to development and commercial projects in the Yukon.

## LAND USE PLANNING AND CONSERVATION

A major restructuring of land use planning in the Northwest Territories was completed in 1988. The N.W.T. Land Use Planning Commission and the Policy Advisory Committee were dissolved and replaced by a Management Steering Committee. The final draft of the Lancaster Sound Regional Land Use Plan was presented to the

federal and territorial ministers in February 1989 in Iqaluit.

In the Yukon, the Greater Kluane Regional Planning Commission was appointed in August 1988, the first such commission in that territory.

Support continued for the preparation of northern conservation strategies, including the development of an action plan. A working group on the North was created to participate in the Man and Biosphere Program, an international conservation program.

## ECONOMIC DEVELOPMENT

About 200 projects, worth more than \$7 million, have been approved under the Canada/N.W.T. Economic Development Agreement (EDA) since its inception in 1987. In the Yukon, there were 139 projects worth \$3.3 million. Work began on renewing subsidiary agreements under the Canada/Yukon EDA, which expired during the year.

There was a significant increase in mineral production and oil and gas activity during the year. As well, the North Warning System of the North American Air Defence Modernization process brought well over \$100 million into the territories, and created an estimated 250 jobs. An increase in capital expenditures on construction also occurred in both territories.

The Inuit Tapirisat of Canada, with DIAND funding, began to rebuild the economies of communities affected by the collapse of the sealing industry. Included in this initiative was the introduction of small tanneries and the manufacture of seal leather products for local and international markets.

## NORTH AMERICAN AIR DEFENCE MODERNIZATION (NAADM)

Environmental reviews were completed and clearances issued for the construction, operation and maintenance of nine long-range radar stations and 32 short-range radar stations in the Yukon and N.W.T.

Environmental approval was given to upgrade the airport at Rankin Inlet to make it a suitable Forward Operation Location for military aircraft exercises. Branch staff, working with officials from the Department of National Defence (DND), negotiated significant northern economic benefits with NAADM contractors.

DND awarded a contract for the operation and maintenance of the North Warning System chain of radars. Branch staff negotiated northern benefits commitments of \$29 million in direct expenditures, with training for 163 northern residents.

## MINING AND INFRASTRUCTURE

The outstanding financial obligations of Curragh Resources Inc. to the federal government were discharged following an assessment of the value of the loan. The total payment will be \$15 million, of which \$9 million was paid in December 1988.

Neptune Resources Corporation's request for financial assistance to develop its Colomac gold mine project was assessed. The directorate participated in the negotiation of a socioeconomic agreement between the company and local native people.

Documentation was prepared to obtain approval for funds to reconstruct 10 kilometres of the Dempster Highway at Inuvik. Work continued on the extension of the Mackenzie Highway to Wrigley and on the reconstruction of both the South Klondike Highway and the Mackenzie Highway near the Alberta border. A new bridge was installed on the Cameron River on the Ingraham Trail near Yellowknife. Several smaller projects on the Liard Highway and the Mackenzie winter road system were also completed.

In 1988, seven mines operated in the N.W.T. and four mines plus 234 seasonal placer gold properties were operated in the Yukon Territory. The value of mineral production was \$766 million in the N.W.T., and \$645 million in the Yukon. Mineral exploration expenditures in the N.W.T. and the Yukon were \$112 million and \$50 million respectively. Royalties collected in 1988 - 89 amounted to \$728,235 in the Yukon and \$12,968,582 in the N.W.T.

Other accomplishments of the Mining and Infrastructure Directorate included:

- a policy review of mine site abandonment in the N.W.T. and Yukon;
- a seminar held in Rankin Inlet to discuss native participation in mining; and
- joint management, with GNWT, of a study of port facilities in Keewatin.

## COGLA

In September 1988, the Government of Canada agreed to negotiate the transfer to the territorial governments of the administrative and legislative powers to manage northern onshore oil and gas resources. These Agreements-in-Principle also provide for negotiating joint management of the offshore areas. During the year under review, the Canada Oil and Gas Lands Administration (COGLA) began preparing to consult with territorial governments on all regulatory decisions affecting northern hydrocarbon exploration and development activities.

### RIGHTS MANAGEMENT

Most first-term exploration licences in the North ended in 1987. However many were eligible for renewal. In 1988, COGLA issued nine exploration licences, providing owners with a second term, generally for three or four years. Most of these exploration licences were issued in the Mackenzie Delta/Beaufort Sea region.

There were 82 significant discovery licences issued for the North in 1988. These licences preserve an owner's right to the discovery and to obtain a production licence.

A total of six million hectares, including significant discovery areas, remained under licence. A further 3.5 million hectares, where exploration activity has been suspended, remained in the hands of industry.

### EXPLORATION

The Beaufort Sea continued to be the most important area for exploration activity in the North. Several companies conducted geological or geophysical programs during the year. Esso completed three seismic programs; two onshore, and one offshore. Amoco concluded a regional seismic program and conducted several site-specific high-resolution surveys in the west Beaufort. It also undertook a large airborne geochemical survey over most of the Beaufort. Geophysical Services Inc. carried out a three-dimensional seismic survey in the offshore, and Gulf completed a small electromagnetic survey over a potential pipeline route to the Amauligak oil and gas discovery site.

Four delineation wells and one exploratory well were active in the Beaufort Sea area in 1988. The delineation wells were all drilled from the east berm location of the Amauligak discovery. One well was abandoned without testing; another well was a successful gas delineation well; and two delineation wells flowed oil from several zones at good rates. Only one exploratory well was drilled during the year, at a location just west of the Amauligak field.

Several companies conducted geological and geophysical surveys on the mainland. Chevron conducted a seismic survey, a geological field survey and an extensive gravity survey near Fort Good Hope, N.W.T. Mobil undertook a small three-dimensional seismic survey in the same area. Both Shell and Petro Canada conducted seismic surveys in the southern N.W.T. Northcor completed a large aeromagnetic survey along the southern border of the N.W.T. Three exploratory wells were also drilled. All were abandoned without testing. No exploration activity

took place in the Arctic Islands during the year.

## DEVELOPMENT

In 1988, Esso, Shell and Gulf submitted applications to the National Energy Board for licences to export gas from discoveries in the Mackenzie Delta/Beaufort Sea region. These applications represented the first phase of a process that could lead to the development of an estimated 302.9 billion cubic metres of discovered gas.

COGLA reviewed gas reserve estimates and production capabilities for all Mackenzie Delta/Beaufort Sea gas discoveries. The Administration also completed a detailed geological and engineering study of the Taglu field, including two-dimensional and three-dimensional computer simulation studies. Plans were under way to conduct similar studies on other significant fields such as Niglintgak, Parsons Lake, Amauligak and Issungnak.

Gas production from the Pointed Mountain gas field decreased from 156 million cubic metres in 1987 to 154 million cubic metres in 1988.

Oil production from the Norman Wells field totalled 1.728 million cubic metres, an increase from 1.531 million cubic metres in 1987. Gas production in 1988 decreased to 138 million cubic metres from 163 million cubic metres in 1987.

Panarctic continued seasonal production at the Bent Horn oil field on Cameron Island, and made two tanker shipments of oil to southern markets. From the first shipment of 23,761 cubic metres of oil, 1,700 cubic metres were dropped off at Resolute for the Northwest Territories Power Corporation. There was a second shipment of 23,200 cubic metres.

## ENVIRONMENTAL PROTECTION

COGLA continued to work closely with the Beaufort Sea/Mackenzie Delta and Lancaster Sound Regional Land Use Planning Commissions, providing technical information on hydrocarbon potential, petroleum geology, exploration methods, and the oil and gas regulatory regime.

Gulf conducted a winter oil-spill exercise with the assistance of several government organizations. Gulf spilled Amauligak crude oil on landfast ice in the Beaufort Sea to assess different burning techniques. (Previous exercises had focused only on open-water operations.)

A Management Board was established for the Environmental Studies Research Funds in 1988. During the year under review, the board assessed program effectiveness and published a guide to help authorities decide whether or not to use chemical dispersants on oil spills in the southern Beaufort Sea.

## RESOURCE EVALUATION

COGLA and the Institute of Sedimentary and Petroleum Geology of Calgary completed a hydrocarbon assessment of the Mackenzie Delta/Beaufort Sea basin. The assessment estimated potential oil and gas resources at 1.12 billion cubic metres of oil and 1.9 trillion cubic metres of natural gas.

In cooperation with the Canada-Newfoundland Offshore Petroleum Board, COGLA issued the "Offshore Waste Treatment Guidelines." The publication provides technical guidance to petroleum operators on the treatment and disposal of wastes generated by hydrocarbon exploration and production.

## EMPLOYMENT AND INDUSTRIAL BENEFITS

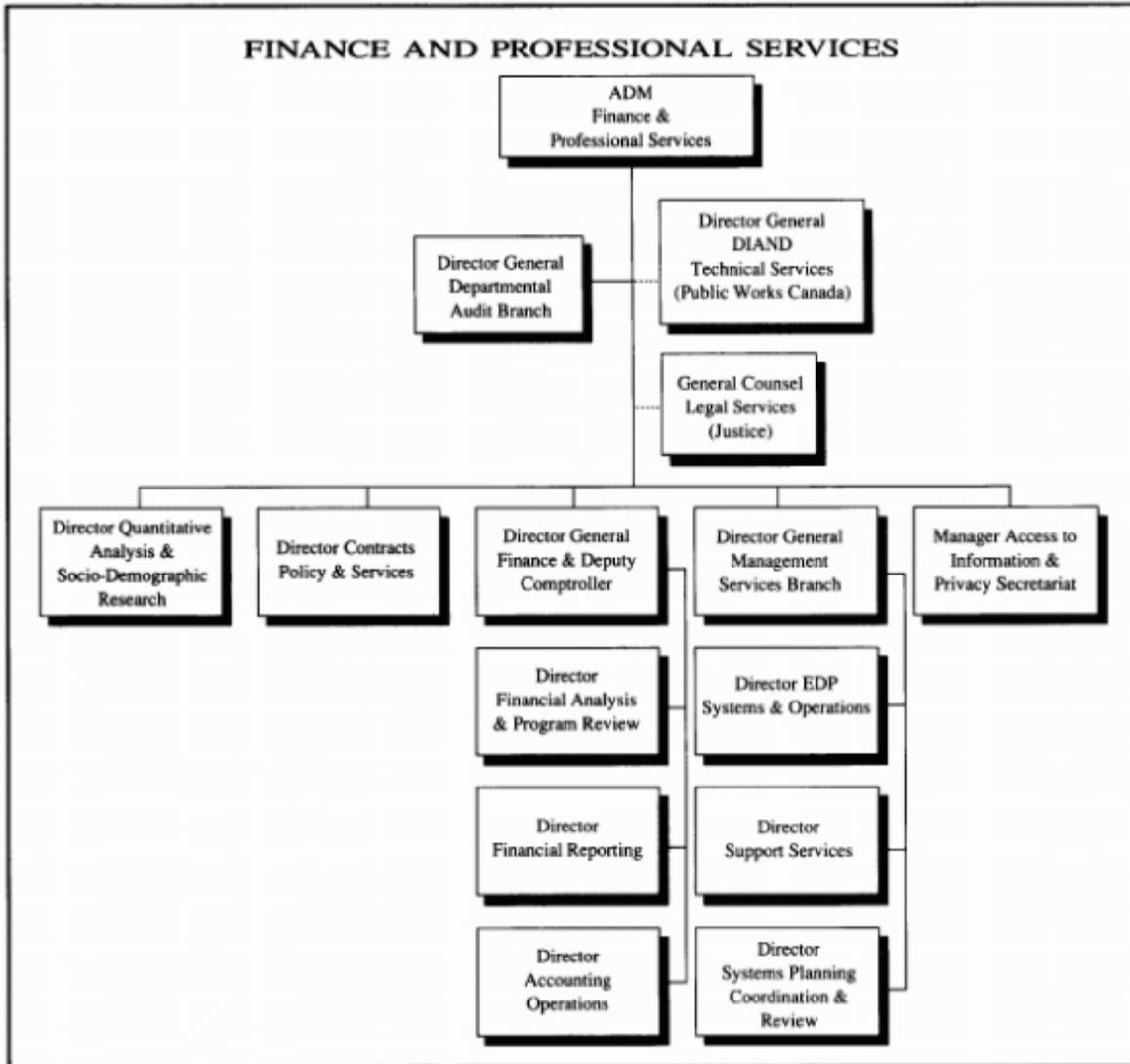
The Chevron-Fort Good Hope joint venture created many jobs for residents in the community and surrounding areas. These activities helped to moderate the slowdown caused by the completion of Esso's infield drilling program at Norman Wells. A total of 1,575 jobs were created in the North, the result of on-land and offshore activities. Northerners filled 23 per cent of these jobs.

## ADMINISTRATION PROGRAM

### FINANCE AND PROFESSIONAL SERVICES

The Finance and Professional Services Sector provides financial, administrative and management services to the department. In 1988 - 89, a new unit, the Quantitative Analysis and Socio-Demographic Research group, was established to improve socio-demographic statistics and analysis.

### FINANCE AND PROFESSIONAL SERVICES



## FINANCE BRANCH

The Finance Branch directed the regular review of corporate and regional resource requirements and utilization. The branch monitored commitments and expenditures and, consequently, minimized the departmental variance from budget.

Improvements to funding and accountability mechanisms were initiated as part of the department's preparation for the Increased Ministerial Authority and Accountability (IMAA) regime.

A "Strategic Visions" project was begun with a view to redesigning the department's financial systems to better serve the needs of the department in the 1990s.

## MANAGEMENT SERVICES BRANCH

All computer terminals were replaced by personal computers during the year. More than 1,000 PCs were installed, either at headquarters or in the regions, and nearly 700 employees were trained in the use of PCs and bilingual word processing.

New computer facilities were installed in Calgary for Indian Oil and Gas operations, including the design and development of a resource information management system.

The branch established review committees for each sector of the department. Work was completed on the native reinstatement and human resources information systems. The Yukon Fire Management system was initiated.

## SUPPORT SERVICES DIRECTORATE

An Administrative Reform project was launched in 1988 to complement the government's IMAA initiative. The project is designed to eliminate red tape and improve procedures. In line with this project, the Support Services Directorate delegated more authority to managers, eliminated many reporting requirements and simplified procedures.

## CONTRACT POLICY AND SERVICES DIRECTORATE

During the year, 1,318 contracts and change orders, valued at \$16 million, were processed and entered into for construction work, consulting, professional and other types of services. These included 128 contracts, worth \$1.4 million, awarded to native entrepreneurs. Fifteen contract administration courses were presented to 296 participants, including 11 courses to 245 Indian band staff representing 108 bands.

## QUANTITATIVE ANALYSIS AND SOCIO-DEMOGRAPHIC RESEARCH

The mandate of this new group is to provide and ensure the use of reliable and uniform socio-demographic statistics and analysis. This work provides insights into the conditions of Indians, Inuit and northerners. Work this year was directed to improving corporate socio-demographic data bases, developing a long-term costing model and reporting on the changing socio-demographic conditions of Indians.

## AUDIT BRANCH

Twelve audit projects were conducted by the Audit Branch during the year. Three of these required a review of the management practices and controls of an entire region.

The branch coordinated the Office of the Auditor General's comprehensive audit and annual "attest and authority" audit of the department.

The branch increased its use of microcomputers and initiated plans to further expand the automation of the audit function.

## TECHNICAL SERVICES

The dedicated sector of Public Works Canada (PWC) continued to provide all professional architectural and engineering services for the department. The ongoing capital program and assets maintenance program had a value of \$476 million. Assistance and advice was given to bands and tribal councils, as well as to departmental staff, to assist devolution and the transfer of technical services. The fourth year of downsizing was completed with a reduction of 46 positions nationally.

## **HUMAN RESOURCES BRANCH**

The Human Resources Branch provides management support in the areas of classification, official languages, human resources planning, staff relations, staffing, compensation, training, native employment and employment equity programs, workforce adjustment, and employee assistance.

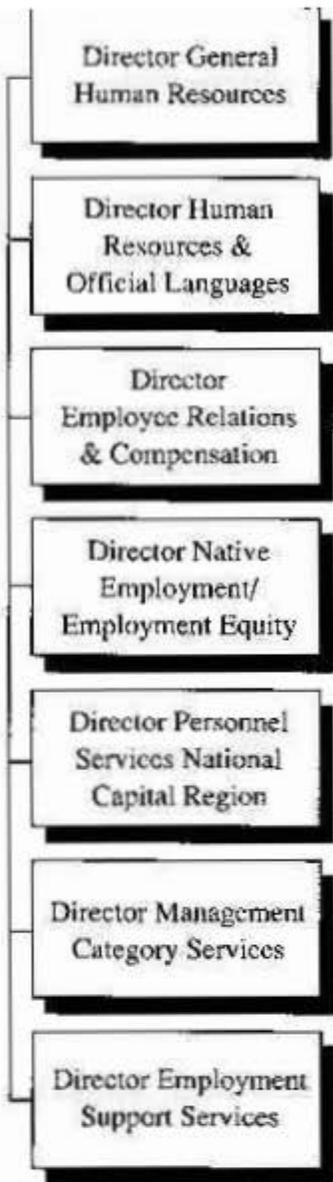
More than 98 per cent of surplus employees were successfully placed in the public service or with other agencies during the year. The branch provided these employees with counselling and job placement services. A booklet and a video explaining workforce adjustment were produced and made available to all employees and managers.

More than 59 natives were placed through the department's Indian and Inuit Recruitment and Development Program (IIRD). Five graduates of the business course of the Saskatchewan Indian Institute of Technology were recruited by the Finance Branch.

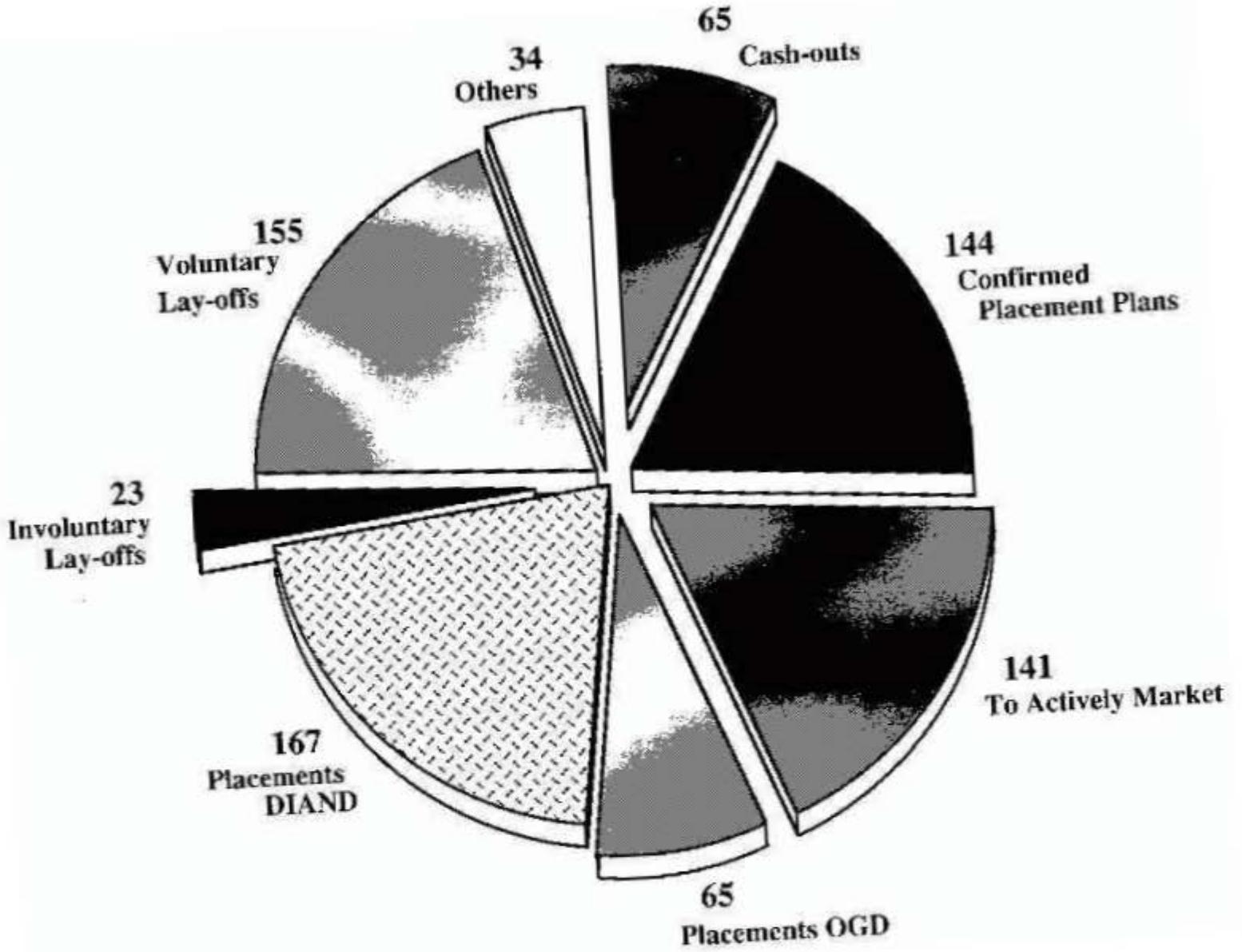
A departmental training committee, made up of regional directors general and assistant deputy ministers, was established during the year to provide direction in training and development programs. Among the initiatives was the development of a 10-course training program for Lands, Revenues and Trusts. An orientation program with a video was developed and implemented for new employees.

The departmental staffing manual was updated to reflect the delegation of staffing responsibilities to line managers. Management training sessions were offered to managers and personnel officers in all regions. The branch also introduced a new computerized human resources information system in all regions. A monthly personnel newsletter was launched.

## **HUMAN RESOURCES BRANCH**



DISPOSITION OF DIAND PRIORITIES 1988 - 89



## COMMUNICATIONS BRANCH

The Communications Branch has three main objectives:

- to inform DIAND's client groups about the policies, programs and activities of the department;
- to inform all Canadians about DIAND and about Indians, Inuit and the North; and
- to provide the federal government and the department with feedback on the interests and concerns of Canadians with respect to DIAND's responsibilities.

Transition, the department's external periodical, was launched in June 1988. Its aim is to inform Indians, Inuit and northerners, among others, about current policy and program initiatives as well as describing new and successful endeavours in aboriginal and northern communities.

A series of information sheets was produced, with titles ranging from "Indian and Inuit Education" to "The Fur Issue."

Among publications produced or updated in the fiscal year were: Canada's North: The Reference Manual; Lands, Revenues and Trusts Review (Phase I); Post-Secondary Student Assistance Policy; the 1987/88 departmental Annual Report; and A Time of Transition, an orientation booklet for new employees.

Twelve issues of the staff newsletter, Intercom, were distributed and a new monthly staff newsletter, the Personnel Bulletin, was produced for the Human Resources Branch.

Several audio-visual projects were undertaken. Two of these were produced with the Human Resources Branch: "A Time of Transition" became part of the orientation package for new employees. "Work Force Adjustment" assists employees whose jobs are affected by downsizing in the department and by the devolution of services. Both audio-visuals won Information Services Institute awards.

Three of the department's most popular publications were made available in narrated audio form for the visually impaired, as part of the department's action plan for the disabled.

A number of exhibitions were mounted. These included the Northern Science Award, International Women's Week and the Universal Declaration of Human Rights exhibitions.

The branch responded to more than 18,000 enquiries from across Canada and distributed publications and audiovisual productions to special interest groups, to the general public and to Canadian embassies and high commissions.

The branch provided communications support for the Prime Minister's trip to the North in September 1988. It provided similar assistance to the Minister when he signed the Northern Accord Agreements-in-Principle with the Yukon and Northwest Territories governments and the Agreement-in-Principle with the Dene and Métis on their land claim in the N.W.T.

Ongoing work included media relations and monitoring, the preparation of communications plans and strategies, and support at ministerial and departmental media briefings and news conferences.

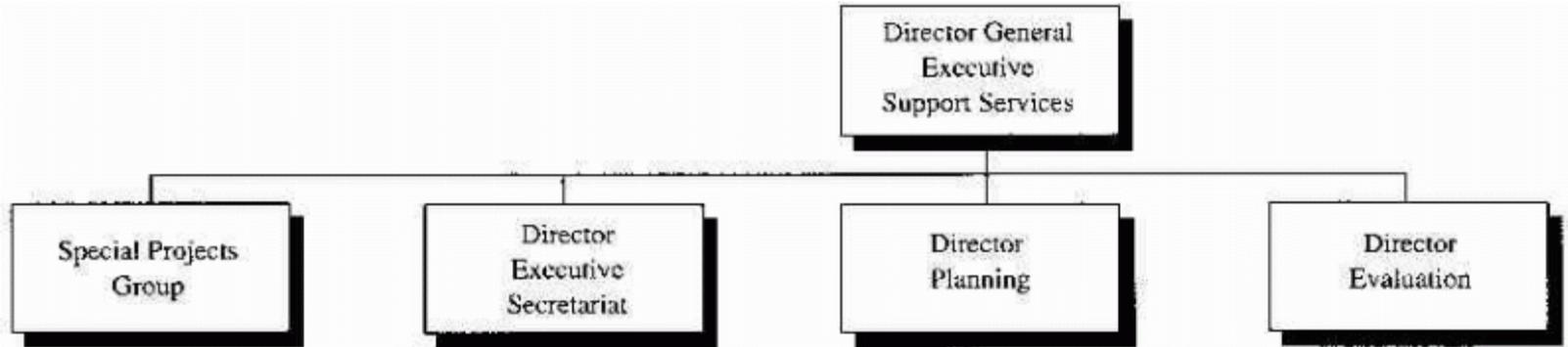
**EXECUTIVE SUPPORT SERVICES BRANCH**

The Executive Support Services Branch is the central link between the programs and the Ministers' offices on such items as Cabinet submissions, regulatory reform, parliamentary relations, briefings, and correspondence. It also conducts program evaluations and undertakes special projects.

The Planning Directorate provides the Ministers, Deputy Ministers and senior management with the advice and analysis necessary for the Ministers to operate effectively in Cabinet and Parliament. The Policy and Strategic Analysis Section coordinates the processing of Cabinet submissions and proposed regulations. The Parliamentary Relations Section coordinates and reviews responses to oral and written questions in Parliament, and prepares information for use in debates. The Briefing Unit coordinates the preparation of briefing notes for the Minister, the Parliamentary Secretary and Deputy Ministers.

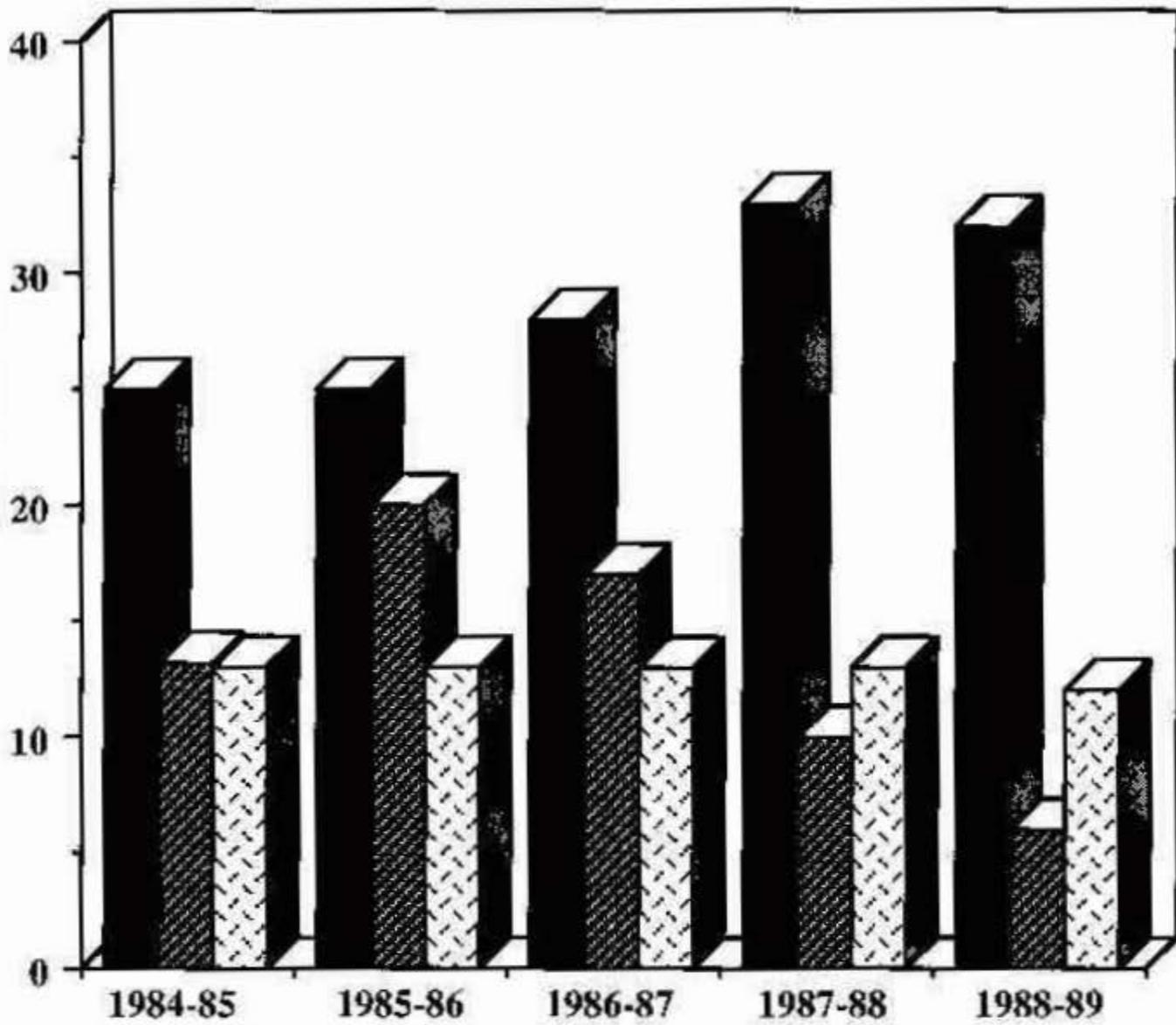
The Executive Secretariat is responsible for preparing responses to correspondence received by the

**EXECUTIVE SUPPORT SERVICES BRANCH**



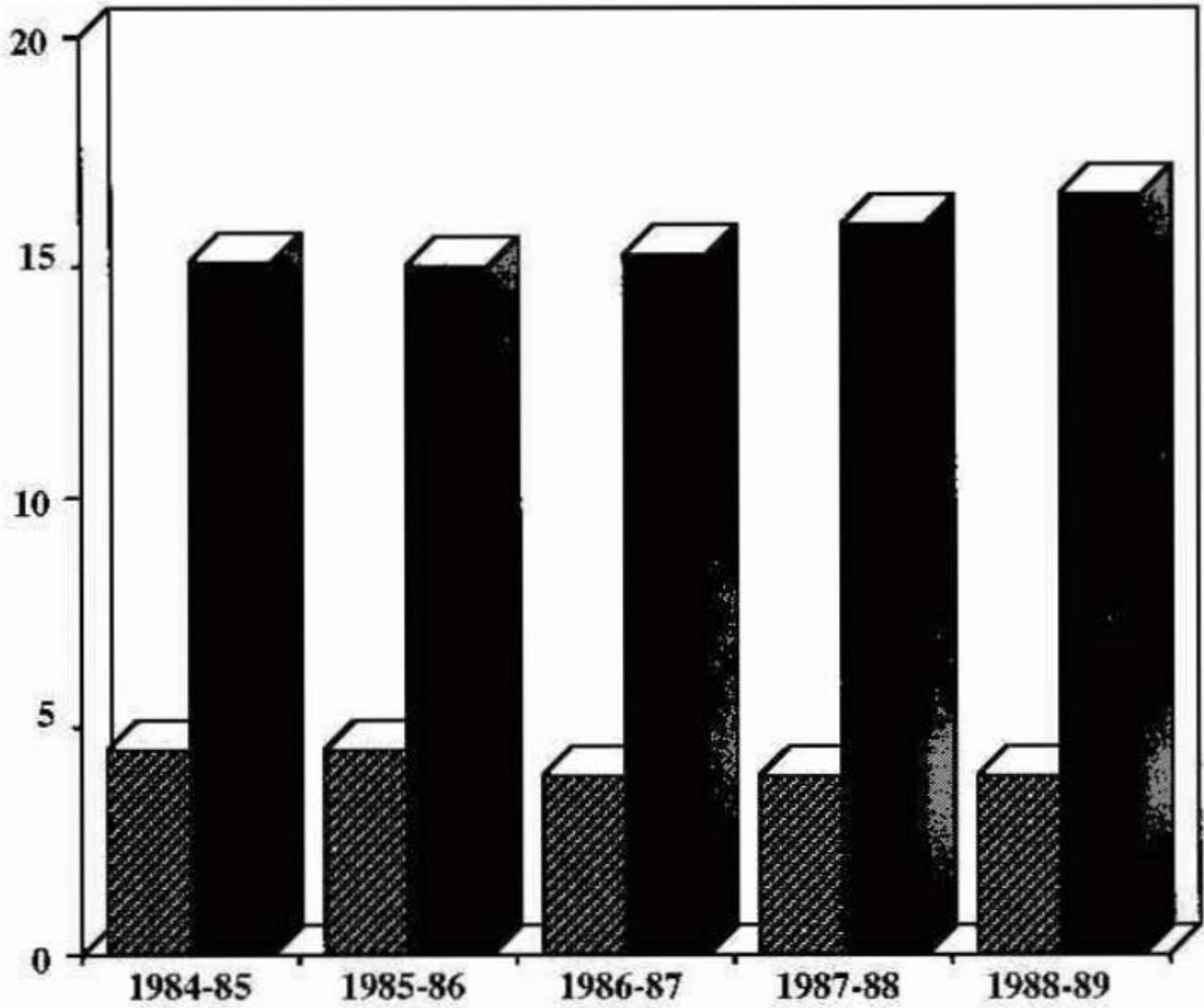
**CONTRIBUTIONS & LOANS TO CLAIMANT GROUPS**

**FUNDING FOR COMPREHENSIVE & SPECIFIC CLAIMS**

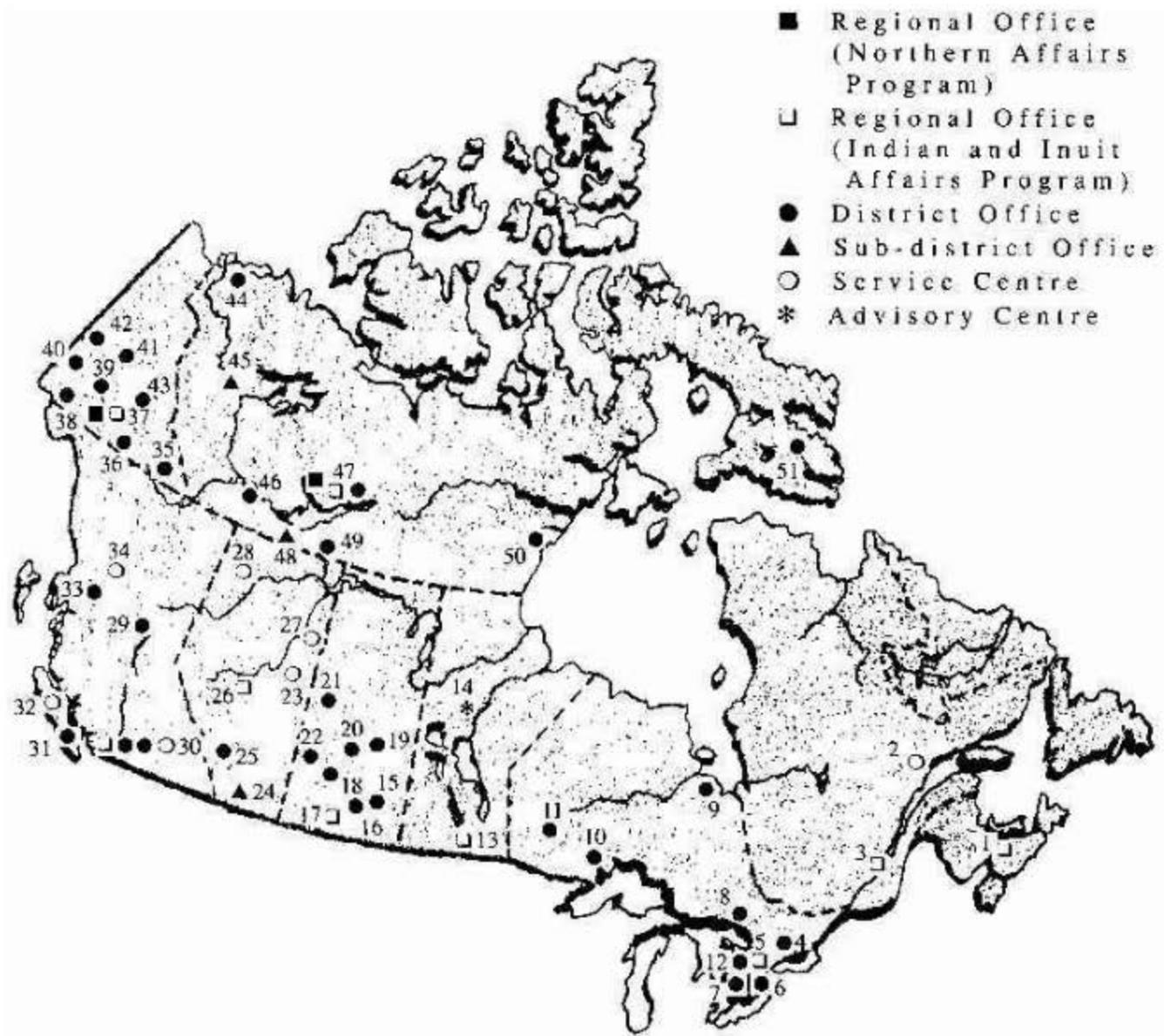


**CONTRIBUTIONS & LOANS TO CLAIMANT GROUPS**

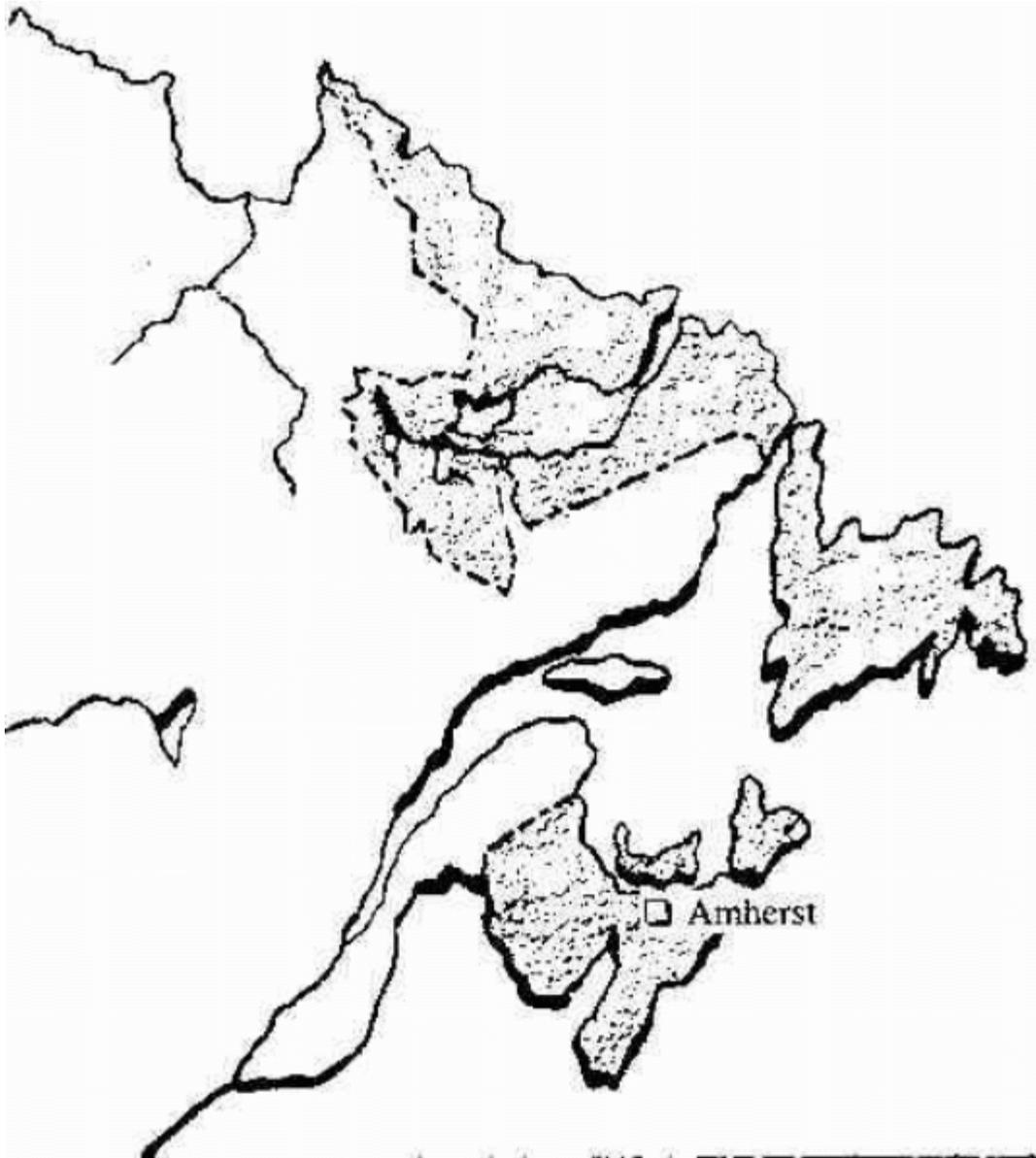
**TOTAL EXPENDITURES (\$ MILLIONS)**



# REGIONAL OFFICES



## ATLANTIC REGION



Devolution and centralization were key words in the Atlantic Region during 1988 - 89. The Halifax, N.S., and Fredericton, N.B., offices were closed and operations centralized in Amherst, N.S.

Three Alternative Funding Arrangements were finalized with two bands in Prince Edward Island and one in Nova Scotia.

## CAPITAL MANAGEMENT

Emphasis was placed during the year on providing fire protection on reserves. A monitoring program was initiated to improve such services. Two tribal councils hired professional staff to provide technical advice, which had been previously supplied by the department.

Fully 98 per cent of capital construction on reserves was handled by band councils during the year. Eight agreements, under which municipalities provided services to bands, were revised and updated.

## INDIAN GOVERNMENT SUPPORT

Three new self-government agreements were initiated during the year, bringing the regional total to nine. The Tobique Band coordinated an Atlantic regional workshop on self-government. Work continued with the Miawpukek Band of Newfoundland on the implementation of their funding agreement, and negotiations progressed on two agreements for the Inuit and Innu of Labrador.

## ECONOMIC DEVELOPMENT

Seventy-two businesses were funded, creating or maintaining a total of 263 jobs. An entrepreneurship program, involving 25 band members, was undertaken. Twenty-one native students graduated and 11 businesses were assisted with funding.

## EDUCATION

Extensive consultation was conducted on the department's post-secondary education policy. Each band and tribal council, as well as all major associations, were consulted.

## LANDS, REVENUES AND TRUSTS

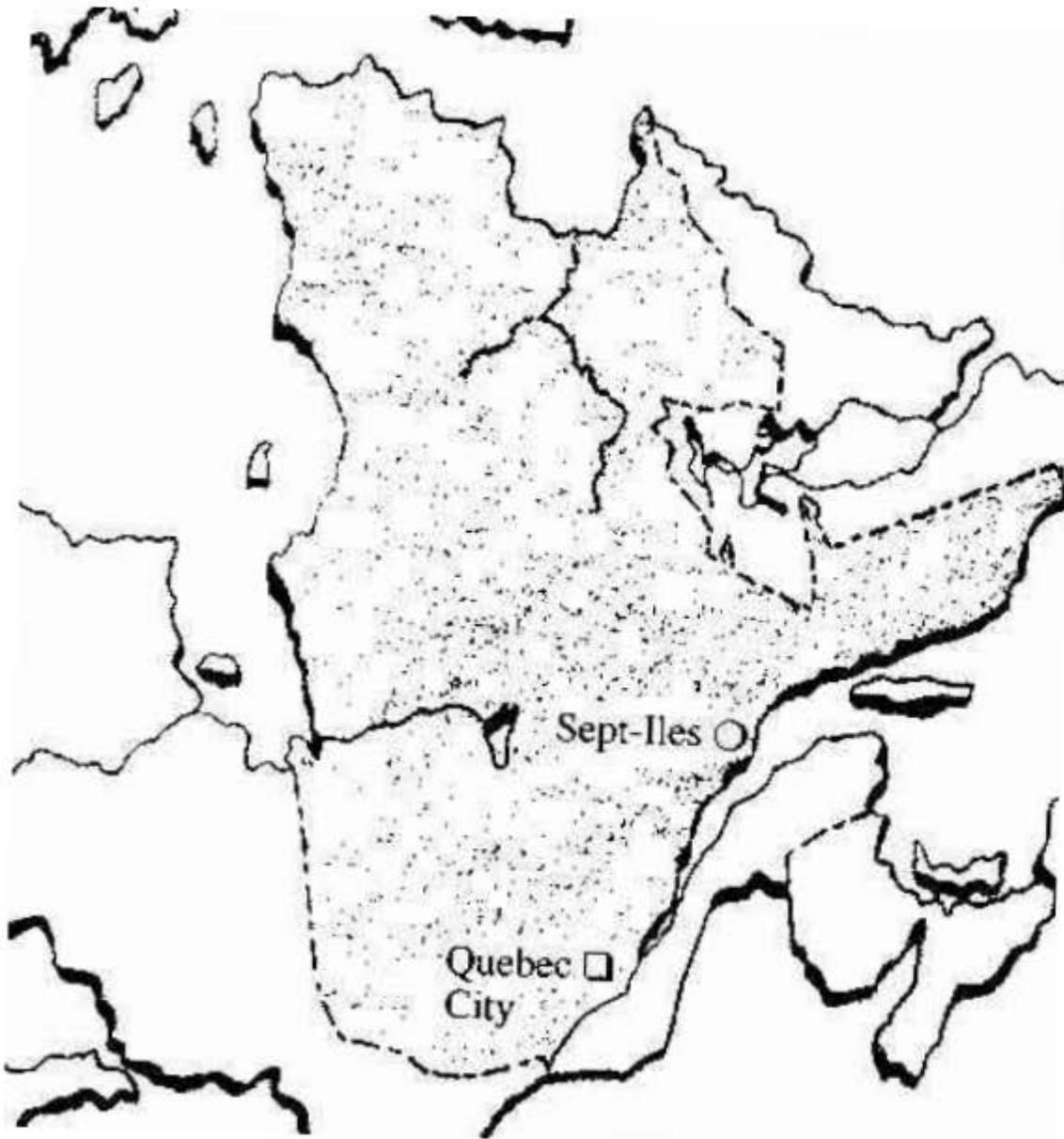
A major land claim settlement was achieved with the Big Cove Indian Band in New Brunswick. A total of \$3 million was paid in compensation for approximately 606 hectares of land.

A total of 165 estate cases, from a backlog of 286, were settled during the year. As well, 79 new files were processed and closed.

During the year 119 applications for reinstatement of Indian status were received. One hundred individuals gained status under Bill C-31, for a total of 2,280.

## QUEBEC REGION

The Consultation Accord on Native Economic Development moved into the implementation phase during 1988 - 89, enabling the working groups to prepare recommendations; negotiations on the James Bay and Northern Quebec Agreement continued; the expansion of two reserves was approved during the year; negotiations intensified on the transfer of hydro-electrical production and distribution installations on the Obedjiwan and Weymontachie reserves to Hydro-Quebec.



## LANDS, REVENUES AND TRUSTS

The department acquired 43.7 hectares during the year, for an expansion of the Huron Village of Wendake, an urban reserve on the periphery of Quebec City. The reserve had insufficient lands to pursue development. The purchase, at a cost of \$645,000, will permit the residents of this native community to meet their housing needs.

Authorization was received to acquire 73.98 hectares free from the Province of Quebec for an expansion of the Natashquan Reserve. All parties concerned have recognized the need for this action. This project conforms to federal and provincial social policies governing the enlargement of Indian reserves.

During 1988, 3,118 people obtained Indian status. Since the passage of Bill C-31, Quebec's Indian population has gone from 35,329 in 1985 to 44,104 as of December 31, 1988, a growth of 15,428. Of this number, 6,140 new registrations were specifically attributable to the reinstatement of rights lost before 1985.

On March 31, 1989, the Minister transferred control over membership to the Huron Nation Wendat Band, following the adoption of membership regulations.

Finally, within the framework of the Lands, Revenues and Trusts review, consultations were held with representatives of band and tribal councils and an Indian association on subjects as varied as real estate management, lands registry, elections, and by-laws.

## CAPITAL ASSET MANAGEMENT AND BAND SUPPORT

A new tribal council, uniting four bands, was created during the year. The Mamit Innuat Group Inc. includes members from the Mingan, Natashquan, Romaine and Pakua Shipi (St-Augustin) Indian bands.

Ten maintenance management systems for schools and communities were developed or updated during the year. There were 27 such maintenance management systems in operation at the end of the year, shared by 20 communities.

Negotiations continued on an agreement under which Hydro Quebec will take over installations at the Obedjiwan and Weymontachie reserves. Discussions continued with the Government of Quebec on the repair and maintenance of access roads to Indian communities in the Upper Mauricie.

Two wastewater treatment projects, at a cost of \$3.2 million, were completed during the year in the Betsiamites and Manouane communities. These projects were undertaken as part of a five-year program of construction, renovation and expansion of wastewater treatment installations.

A total of 234 housing units were built and 399 others upgraded during the year.

A process was initiated to permit two important Quebec bands to participate in the alternative funding arrangements process. Both bands manage budgets of over \$10 million per year. The process has also been initiated with the native police force, who are responsible for police and fire protection services for about 20 Quebec reserves.

## SOCIAL DEVELOPMENT

The Schefferville Naskapi Band assumed control during the year of their own social assistance program. Another band, the Sept-Iles and

Maliotenam, completed a related study leading to the transfer of their own social assistance program in 1989.

Under the federal initiative on family violence, 10 projects (including one dealing with child sexual abuse) presented by Quebec native groups were approved. Moreover, five native groups presented proposals during the year for the creation of group homes for native women who are victims of family violence. These projects are currently being studied.

Also, following the results of a study conducted by the Attikamek Nation Council, an action plan was drawn up to establish a group home in La Tuque for Attikamek youths with behavioural problems.

Sixteen native students undertook a college-level training program in special education, to prepare them for work in a native group home to be set up in the community of Uashat.

## EDUCATION

The Kahnawake Band assumed responsibility for administering the community's federally operated school during the year. Discussions continued with six other bands also wishing to take control of their education services.

Negotiations took place on implementation of the education provisions of the James Bay and Northern Quebec Agreement and the Northeastern Quebec Agreement.

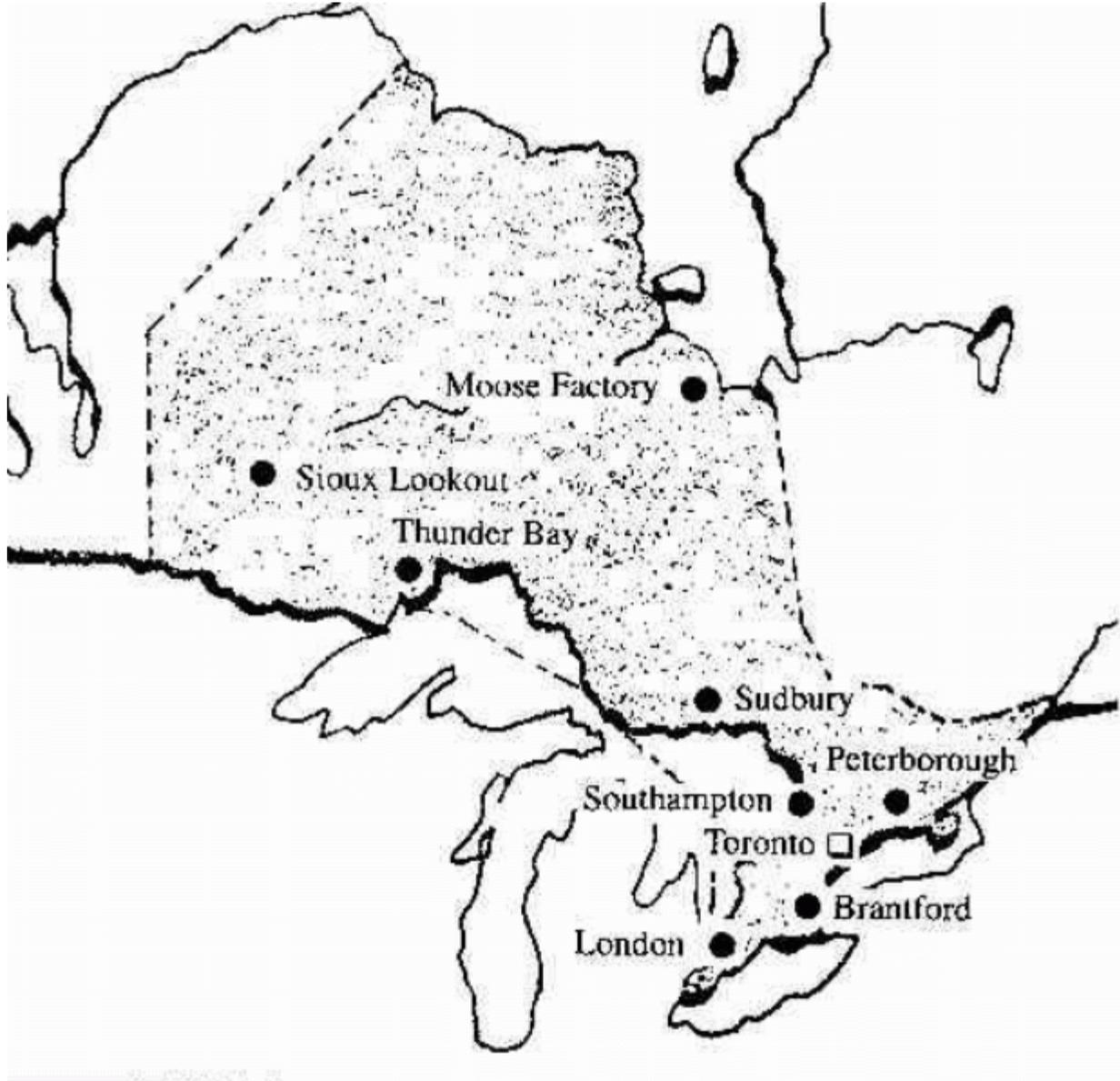
## ONTARIO REGION

During the year under review, the Ontario Region focused on developing tribal councils, promoting self-government and delivering services to Indian communities. Discussions proceeded on 10 self-government proposals. Three Alternative Funding Arrangements were signed. Control of education was transferred to 10 more bands, and the authority for administering membership functions was transferred to the Pwi-Di-Goo-Zing-Ne-Yaa-Zhing Tribal Council. Four district offices were in the process of being amalgamated into a new Southern District Office, to be located on the Six Nations reserve.

### INDIAN SELF-GOVERNMENT

First Nations and tribal councils continued to develop self-government proposals during the year.

The first Six Nations policing agreement and an improved Ontario-wide policing agreement were signed during a Tripartite Council meeting on March 2, 1989. Negotiations proceeded under the Nishnawbe-Aski self-government Memorandum of Understanding, particularly in the areas of lands, resources, environmental issues and social services. Similar negotiations on education continued with several associations under the Declaration of Political Intent. It was agreed to extend the Indian Commission of Ontario and the tripartite process for one year while reviewing and implementing recommendations to improve their effectiveness.



## LANDS, REVENUES AND TRUSTS

A total of 249 active estate files, including 156 backlog files, including 156 backlog files, were closed by Lands, Revenues and Trusts during the year.

First Nation bands in Ontario received approximately \$4 million in rentals on 3,629 recreational and commercial leases.

Several First Nations took part in remedial planning for polluted waters near their reserves. Assistance was provided to First Nations governments on timber management, hydroelectric power and other environmental issues related to off-reserve development.

Negotiations for specific agreements began with a number of First Nation communities and the province on land agreements involving unsold surrendered reserve lands and \$4 million of royalty revenues from non-renewable resources.

## ECONOMIC DEVELOPMENT

The department's Business Development Program funded 208 businesses with a total of \$6.3 million during the year. These projects included enterprises ranging from on-reserve computer manufacturing to a restaurant in the greater Toronto area employing native women. More than 1,000 Indian businesses were in operation during the year, with estimated aggregate annual revenues of \$100 million.

These businesses were serviced and funded by Indian Delivery Mechanisms (IDMs) such as the Association of Indian Reserves for Improving Social Economics, the Nishnawbe-Aski Development Fund, and the Indian Agricultural Program of Ontario. Chartered banks provided funding to Indian businesses, frequently using the department's Indian Economic Development Fund (IEDF) Guarantee program, amounting to \$1 million in IEDF loan guarantees. There were only three direct IEDF loans, for a total of less than \$100,000.

Economic Development resources were used to cover the cost of core administration of sectoral institutions such as Indian Art-I-Crafts of Ontario, the Northern Ontario Tourism Association and the Indian Forestry Development Program of Ontario, and to cost-share major resource development projects, for a total of \$2.6 million.

At the community level, 108 economic development officers carried out business and employment services costing \$3 million, including training of a number of officers. A total of \$4.7 million was decentralized to communities for employment and training projects. Overall, sector activities assisted in the creation and maintenance of jobs for 2,193 Indian people.

## EDUCATION

In September 1988, schools were transferred to band control at Wunumin Lake, Wapekeka Lake, Muskrat Dam, Kingfisher Lake, Kasabonika, Fort Severn, Bearskin Lake, Pikangikum, Sachigo/Ponask, and Cat Lake.

Special education plans were implemented in all districts, and special education services were provided to native students in provincial, federal and First Nation schools.

A reading program for native students was completed during the year. This program, known as the English as a Second Language Circle Reading Series, is currently being used by federal, First Nation and provincial schools in Manitoba, Saskatchewan, N.W.T. and Quebec.

A jointly funded and implemented native as a second language" program was continued with the provincial Ministry of Education. The department also funded the employment of three native language consultants for all three school systems.

A total of 6,120 student applications for post-secondary assistance were approved during the year. Regionally sponsored courses for native classroom assistants, welfare administrators, social counsellors and community health representatives were continued.

Arrangements were made to transfer counselling programs to the Nipissing Band for the Sudbury District, and to the London District Education Council for services in the London area.

## SOCIAL DEVELOPMENT

The Social Development Program completed the transfer of administrative responsibility for general welfare assistance to nine remaining bands. At the Six Nations Reserve, plans were completed for the establishment of a family resource centre and program.

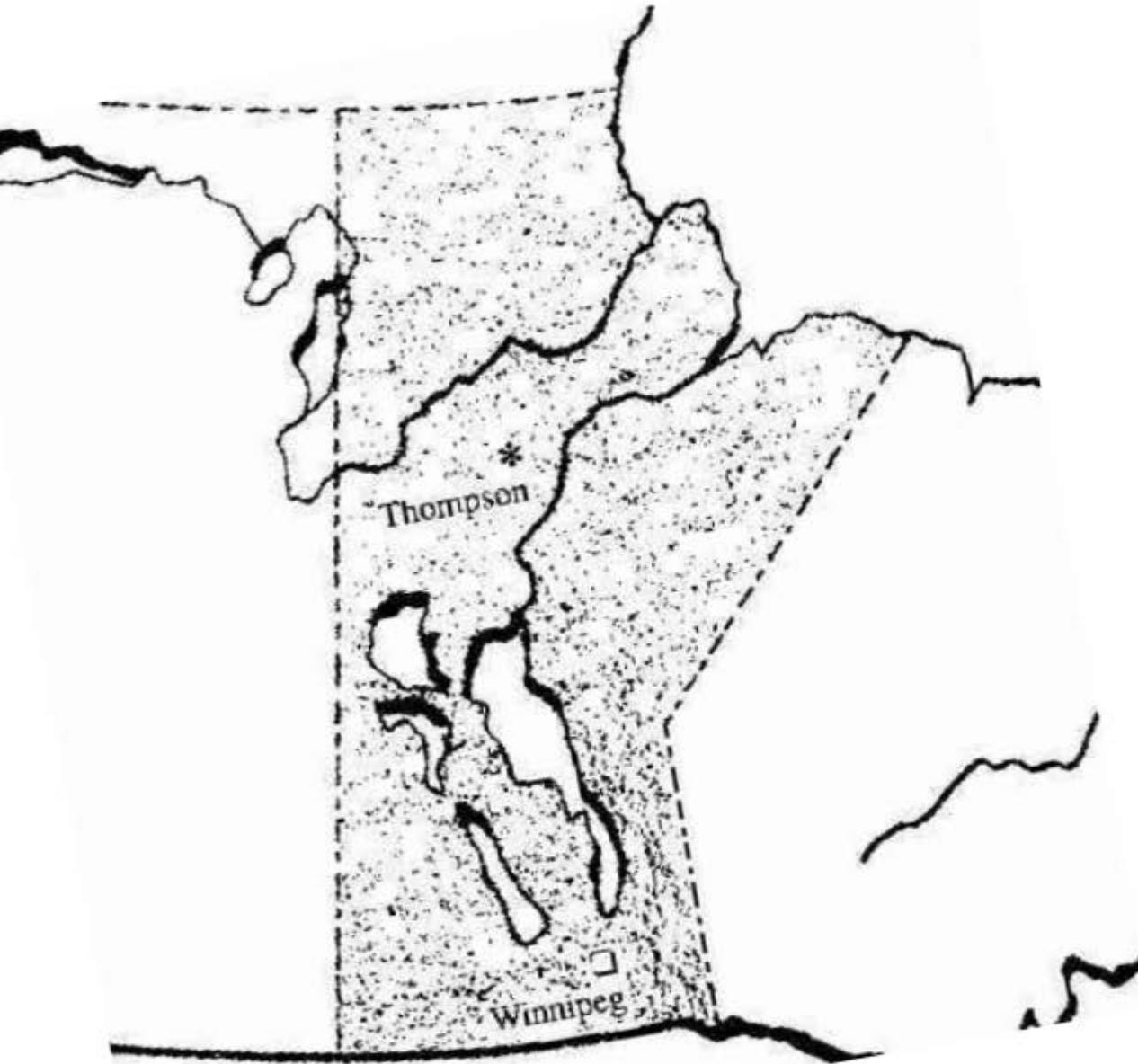
The department assisted the Ojibway Tribal Family Services Agency to consider assuming full responsibility for child and family services.

## BAND SUPPORT AND CAPITAL MANAGEMENT

All First Nations were involved in the planning and overall administration of their major projects. Band members received specialized technical training on the operation and maintenance of capital facilities and equipment. Construction began on 20 major capital projects during the year. Preliminary negotiations were conducted with seven tribal councils on the establishment of tribal council technical units. A fire protection and prevention study was initiated, which will lead to a unified course of action for the region.

## MANITOBA REGION

The Manitoba Region was involved in the signing of five Alternative Funding Arrangement agreements (AFAs) during the year, including the largest in Canada. The Manitoba Resource Development Impacts Office provided funding and technical assistance to Indian organizations addressing environmental issues affecting their reserves or interests.



Devolution funding was used to develop a three-year plan to implement a maintenance management system with a majority of the bands. An improved asset inventory system was also established.

## LANDS, REVENUES AND TRUSTS

Sixteen parcels of land, totalling 64,358 hectares, were added to the region's reserve land base during the year.

The Chemawawin Band will receive 27,454 hectares of provincial Crown land in a two-for-one exchange for flooded reserve lands. The province transferred the land to Canada on the last day of the fiscal year. After land exchange negotiations with the province, 939 hectares were set aside as a reserve for the God's River Band.

The backlog of estate files was reduced by 90 per cent during the year.

## RESOURCE DEVELOPMENT

A contribution agreement worth \$88.5 million was signed in April 1988 with the five Northern Flood Agreement (NFA) bands. Under the agreement, modern water and sewage treatment systems will be constructed in Norway House, Cross Lake, Nelson House, Split Lake and York Landing. The funds will fulfil Canada's obligation to ensure the availability of potable water for the five reserves.

The Northern Flood Capital Reconstruction Authority, an NFA band - Controlled corporation, completed \$20 million worth of construction during the year. Approximately 300 band members, out of a total labour force of 400, were employed on this work.

A total of \$1,942,000 was provided to the Northern Flood Committee, representing the five NFA bands. In November 1988, Canada appointed its negotiator to the comprehensive implementation negotiations. In January 1989, the negotiators began working toward the implementation of the agreement.

Another \$132,000 was provided in funding and technical assistance to six other Manitoba bands, permitting them to respond to environmental issues, including outstanding provincial obligations to bands affected by hydro developments in Saskatchewan.

## EDUCATION

An evaluation model for school programs was developed during the year. The Cross Lake and Shamattawa Schools came under band control on September 1, 1988; and approximately \$3.1 million was transferred to the two Indian First Nations for education. Schools worth \$8 million were constructed at Roseau River and Long Plain.

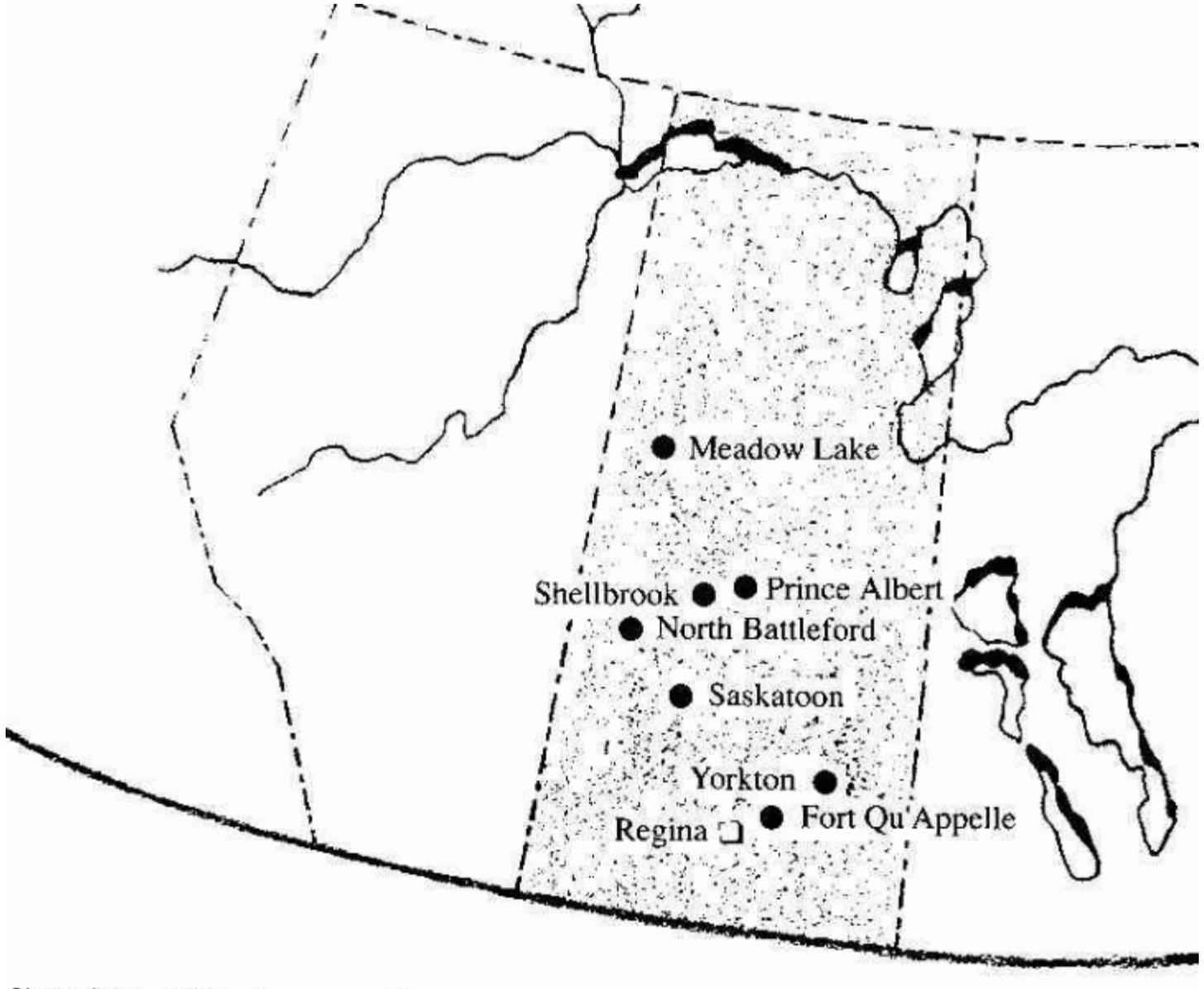
## SOCIAL DEVELOPMENT

A total of \$2 million was contributed to 88 band employment projects under the Work Opportunity Program. This increased total work-months in the region by 3,600. In April 1988, a personal care home opened at Oxford House. Operations and maintenance funding provided by the department enabled the band to administer nursing care to 32 senior citizens.

## TECHNICAL SERVICES

A total of 272 capital projects totalling \$27 million were managed during the year. Approximately \$20 million in water, sewer and related works were installed in five communities under the Northern Flood Agreement. A fire safety workshop for native volunteer firefighters was held in the region. Two fire and safety officer positions were staffed at the tribal council level. In housing, 16 band housing inspectors were trained.

## SASKATCHEWAN REGION



Indian people continued to take increasing control of programs in the Saskatchewan Region during 1988 - 89. Bands and other Indian organizations administered programs accounting for more than two-thirds of the regional budget. Of the positions funded by the region, 82 per cent were controlled by Indian groups.

## EDUCATION

Bands and tribal councils operated 50 schools, an increase of three over the previous year. As well, the region administered 16 federal schools and provided funding for education services in 193 provincial schools. Elementary and secondary education enrolment for

the 1988 - 89 academic year was 7,054 in band schools; 1,637 in federal schools; and 4,604 in provincial schools. Total enrolment was 13,295. Funding was provided to 1,870 fulltime and part-time post-secondary students.

The construction of new schools and major additions was funded at Ochapowace, Big C, Waterhen, Makwa Sahgaiehcan and Morin/Hall Lake.

## BAND SUPPORT AND CAPITAL MANAGEMENT

The program provided \$44.5 million in operational funds to bands and tribal councils. Capital funding totalled \$43.8 million in 1988 - 89.

More than \$15.5 million was provided for construction of 339 housing units and the renovation of 792 others. Other capital funding included \$11.3 million for community infrastructure and \$14.8 million for education capital. In addition, \$2 million was provided under Bill C-31 for the construction of 53 housing units for families moving back to reserves.

Alternative Funding Arrangement agreements were signed with five Saskatchewan bands during the year, totalling \$44.7 million.

Work continued on the Athabasca power line to bring electrification to the communities of Black Lake, Fond du Lac and Wollaston Lake. The department provided \$250,000 of \$2.5 million committed to this project.

Eleven advisory services positions were transferred to five tribal councils during the year.

## SOCIAL DEVELOPMENT

Forty-seven bands administered their own social assistance programs during the year. A monthly average of 29,678 persons received benefits under the Social Assistance Program.

The Work Opportunity Program provided work training for welfare recipients. In 1988 - 89, 129 projects worth \$1.7 million created 2,550 person-months of employment.

The La Ronge Band received funding to develop a computerized administrative system for social assistance which could be portable to all bands in the Saskatchewan Region. The North Battleford Indian Health Centre also received monies for the development of a model for in-home care services for adults living on reserves. The region provided funds for a researcher to investigate the feasibility of an alternative income program for northerners who engage in traditional economic activities such as hunting, fishing, trapping and gathering.

Early childhood intervention services, focusing on disabled children under age six, were extended on reserve with the cooperation of the province and community boards. Twelve Indian organizations received funding under the Family Violence Initiative.

## ECONOMIC DEVELOPMENT

The Economic and Employment Development Program funded 101 business development projects, creating 303 full or part-time jobs.

Funding was provided to the Saskatchewan Indian Equity Foundation and to three sectoral institutions: the Saskatchewan Indian Agriculture Program, the Saskatchewan Indian Arts and Crafts Program and the Indian Products Marketing Company. The region also worked with the Saskatchewan Indian Institute of Technology to establish an entrepreneurship training program.

The Economic Development Program settled 152 loans totalling \$2.6 million. Indian Community Human Resources Strategy funds were used to support 128 projects, creating 544 jobs.

## SELF-GOVERNMENT

A self-government unit was established and negotiations continued with a number of Saskatchewan bands. A self-government workshop with the Federation of Saskatchewan Indians was held in January. By March 31, 1989, 44 bands, either individually or as members of tribal councils, were prepared to examine self-government proposals.

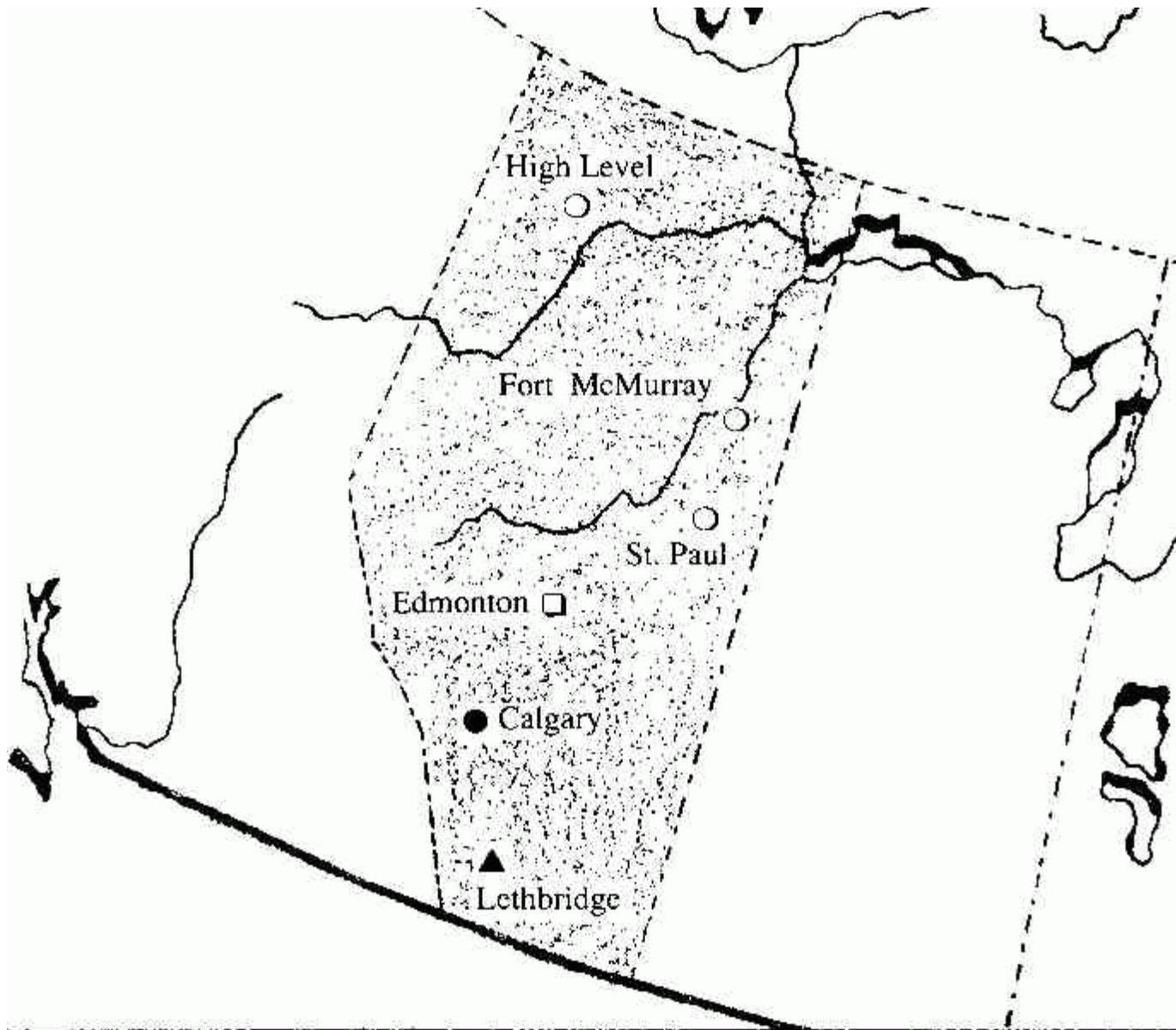
## LANDS, REVENUES AND TRUSTS

The Lands, Revenues and Trusts program provided 68 Saskatchewan bands with services in the areas of land management, membership entitlement, trust funds, elections, band governance and environmental protection. Courses were given to 50 potential electoral officers, and 16 elections were held using electoral officers appointed by Indian governments.

A series of environmental workshops was held, enabling bands to identify environmental concerns and develop approaches to deal with them.

The Muskeg Lake Band concluded a Treaty Land Entitlement agreement resulting in the creation of a 14.3-hectare reserve within the City of Saskatoon. The Lucky Man Band reached a similar Agreement-in-Principle for a 3,107-hectare rural reserve.

## ALBERTA REGION



Priorities during 1988 - 89 were the promotion of Alternative Funding Arrangements and Indian self-government. The region prepared a number of financial overviews that examined the expenditure patterns of bands with oil and gas revenue. A soil rehabilitation strategy was developed to address drought-induced erosion conditions on reserves. An extensive reorganization of the regional office began during the year, involving all major programs.

### ECONOMIC DEVELOPMENT

Indian business developers were encouraged during the year to propose and implement new business initiatives. Successful endeavors included a hydroponics plant at Kehewin; a chopstick plant at Sturgeon Lake; golf courses at the Paul and Enoch Bands; and a major recreation complex at Beaver Lake.

The region funded the development of a corporation, which includes Indian groups in northern Alberta, to assess the impacts of provincial forestry projects.

## LANDS, REVENUES AND TRUSTS

Alberta became the region with the greatest area of reserve land this year, as a result of the Cree Band land settlement. The settlement gave the band nine reserves, for a total of 4,969.5 hectares.

Alberta bands held 92 per cent (\$774 million) of all band funds in Canada. Expenditures of \$160 million were processed during the year.

Work began on implementing Bill C-123, affecting the per-capita distribution of funds to minors. A pilot project was launched with the Education Program to improve money management by minors. Related courses were taught in Grades 7, 8 and 9.

The Alberta Region provided substantive technical expertise to the LRT Review process and participated fully on the Indian monies review committee.

## BAND SUPPORT AND CAPITAL MANAGEMENT

The First Nations Resource Council, an Indian organization, used Indian Management Assistance Program funds in order to sponsor 60 university students working on various band projects.

Two additional tribal councils were formed and funded during the year. Comprehensive contribution arrangements were completed with all band governments before March 31, 1989, for a total value in excess of \$107.3 million.

Approval was obtained to construct schools at the Alexis and Sturgeon Lake reserves.

A new strategy was initiated to assist bands to maintain more than \$500 million in capital assets. Tribal councils and bands were funded to hire 15 engineers and technical personnel to undertake this activity.

Fifty modular homes, used in the 1988 Winter Olympics, were sold to some bands.

## EDUCATION

The Blood Tribe assumed control of its three federal schools. Successful negotiations concerning planned school transfers were conducted with the Alexis, Blackfoot, Sunchild, and O'Chiese bands. Discussions were also held with the Stoney Tribe concerning the transfer of one school, and with the Four Nations Administration concerning the transfer of schools to band control.

Bands administered 80 per cent of funding for the region's post-secondary program. A total of 1,948 students received assistance for their post-secondary studies.

The Blood Tribe entered into four tripartite tuition agreements with the department and the province. Negotiations for a similar agreement took place with the Alexis Band.

## SOCIAL DEVELOPMENT

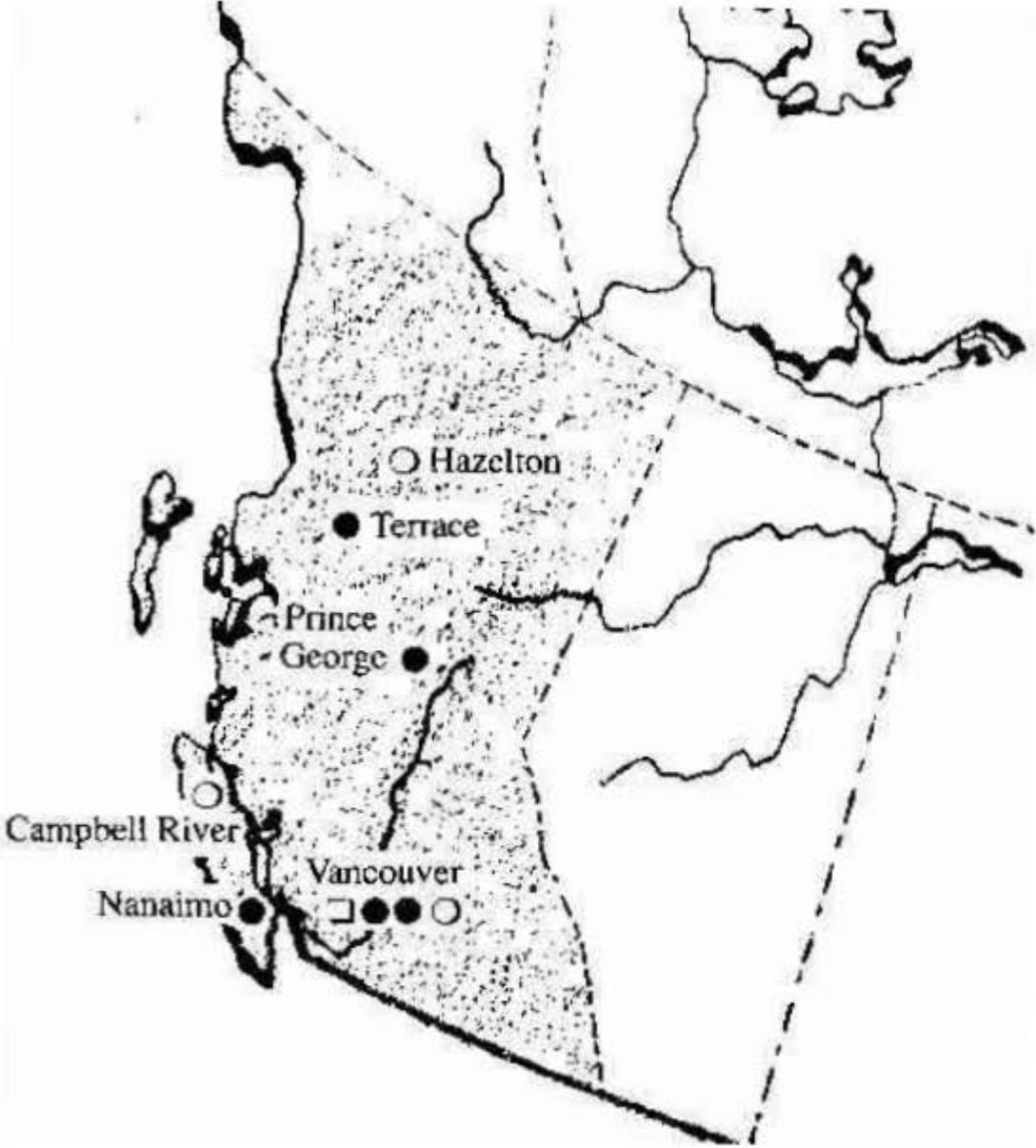
Thirty-nine of Alberta's 41 bands administered their own social assistance programs. The department transferred 4.5 per cent of allocated social assistance funds to economic and employment development initiatives that generated 3,400 months of employment.

An in-depth review of the Blackfoot Tribe tripartite agreement on child welfare was completed.

Resources for the development of adult in-home care programs were provided to 15 bands.

**BRITISH COLUMBIA REGION**  
**ECONOMIC DEVELOPMENT**

The Economic Development Program continued to devolve operations to native organizations through agreements on 19 Indian Delivery Mechanisms.



## B.C. REGION ECONOMIC DEVELOPMENT PROGRAM

### PERFORMANCE INDICATORS TO MARCH 31, 1989

#### INDIAN ECONOMIC DEVELOPMENT FUND

CATEGORY	AMOUNT
NUMBER OF LOANS & GUARANTEES	16
VALUE OF LOANS	\$1,690,525
NUMBER OF CONTRIBUTIONS	100
VALUE OF CONTRIBUTIONS	\$1,161,691
PERSONAL EQUITY INVESTED	\$2,842,463
LEVERED FUNDS	\$12,244,249
JOBS CREATED/MAINTAINED	864
FULL-TIME JOBS PRODUCED	276
SALES VOLUME	\$20,490,463
SALARIES	\$6,794,264
PROFITS GENERATED	\$1,786,100

#### SOCIAL DEVELOPMENT

The Social Assistance Program continued to be devolved to Indian people. Only nine bands received on-reserve service directly from the department, and four received services from the provincial government. Ninety-three per cent of the bands in British Columbia administered the program.

#### LANDS, REVENUES AND TRUSTS

Lands, Revenues and Trusts maintained approximately 3,300 leases for B.C. Indians during the year. Revenues from land transactions were in excess of \$20 million.

The automated Indian Land Registry System was installed, and 753 documents were registered. The region opened 250 estate files and closed 273. It received and registered 150 wills, opened 364 trust accounts and released monies to 152 minors upon reaching the age of majority. As of March 31, 1989 there were 477 open estate files in process within the region.

An Indian Registry reporting course was launched during the year. The Indian Registry Program was transferred to 14 bands, making a total of 87 Indian administering authorities.

#### BAND SUPPORT

The tribal council funding base in British Columbia increased by \$857,800 to \$7,878,700 in fiscal year 1988 - 89.

Fifteen new advisory positions were approved for tribal councils during the year, bringing the total to 98.

Twelve Indian bands and two tribal councils which applied for entry into Alternative Funding Arrangements were assessed by the Indian Management Development unit. Approximately \$307,000 was allocated for management training for representatives of bands and councils.

Indian band pension plans received \$311,100 in support payments during the year.

## CAPITAL MANAGEMENT

All band-managed projects were completed on time and within their budgets during 1988 - 89.

An agreement to transfer the administration of the capital program to a tribal council was ready for signature at year end. Another was under negotiation.

A total of 561 new houses were completed and 811 renovated in the 1988 - 89 fiscal year. In addition, 288 social housing units were constructed, representing 25 per cent of the national total.

## EDUCATION

The education program provided elementary and secondary education services to approximately 13,500 students: 525 in 10 federal schools; 3,675 in 90 band-operated schools; and 9,300 in provincial, parochial, and private schools. There were 583 students in Grade 12. One federal school was transferred to band operation during the year.

The post-secondary education program sponsored a total of 2,187 students: 1,767 under the regular program and 420 under the Indian Act (Bill C-31) funding program. Eighty per cent of these attended community colleges, and 20 per cent were enrolled at universities.

## EXECUTIVE SERVICES

The region provided advice and assistance in public relations campaigns for seven bands and five band-operated economic development projects.

**YUKON REGION**  
**NORTHERN AFFAIRS PROGRAM**

1988 - 89 was a year of significant progress in the transfer of provincial-type responsibilities to the Yukon Government. A Memorandum of Understanding (MOU) on the devolution of powers and an Agreement-in-Principle on a Northern Accord for oil and gas were signed by the Minister on September 22, 1988, in Whitehorse.



largest forest operator was negotiated for another 10-year period.

The department continued to cooperate with the Yukon Government in obtaining benefits for northerners from construction of the North Warning System and from hydrocarbon development in the Beaufort Sea.

The region's On-the-Job Training Program placed 92 trainees for a total of 425 training months. More than 90 per cent of trainees were then placed in continuing employment.

Approximately \$3.52 million was approved under the Canada-Yukon Economic Development Agreement for 137 projects, up from 106 projects during the previous year. Assistance was provided for such projects as: the upgrading of tourist accommodations; construction of a commercial greenhouse; purchase of soil improvement equipment; development of a musk-ox game farm; a salmon habitat improvement study; and a survey of regeneration of forests.

## INDIAN AND INUIT AFFAIRS

An Agreement-in-Principle to settle a land claim by the Council for Yukon Indians (CYI) was ratified by the federal and Yukon governments during the year under review. It was a major step towards a land claims settlement under the new Comprehensive Claims Policy. The region noted an accelerating interest in self-government, especially in the establishment of tribal councils.

An AFA agreement, the first north of 60 degrees, was completed with the Champagne-Aishihik Indian Band. Negotiations on AFAs continued with other bands.

## ECONOMIC DEVELOPMENT

The region provided funding of \$452,000 to assist in the establishment of a two-year Entrepreneurship Development Program. The Yukon Indian Development Corporation will provide training for 25 participants. This project was designed to establish 16 new businesses, creating the equivalent of 30 full-time jobs.

Sixty-seven students were trained under the Occupational Skills Training Program. The Socio-Economic Skills Program sponsored 11 projects, yielding 465 weeks of employment.

## BAND SUPPORT AND CAPITAL MANAGEMENT

All Yukon bands received assistance and support for five-year capital management plans, or management development plans, during the year.

A relocation project for the Kwanlin Dun Band proceeded throughout the year. The band's administration complex was designed and constructed by the band's Tagish Kwan Corporation.

## EDUCATION

All bands in the region participated in national consultations on the department's Post-Secondary Education Assistance Program. A total of 109 Yukon students were enrolled in post-secondary education institutions under this program during the year. Six students graduated.

Elementary and secondary school support was provided to a total of 1,200 students during the year under review. There were 37 graduates.

## LANDS, REVENUES AND TRUSTS

The region continued to acquire land for the construction of urgently needed band housing. Bands participated in these acquisitions, learning how to take part in boards and committees to be established under the comprehensive land claim.

A total of 250 persons applied for Indian status under the Indian Act during the year; there were 384 reinstatements. The 1,500 persons who have been reinstated as status Indians by the end of the fiscal year represent about half of the expected total.

A new band, the 127-member Dease River Band, was created by the Minister during the year.

## SOCIAL DEVELOPMENT

Use of social development assistance remains substantially below the national average. This situation is due primarily to the subsistence economies of most Yukon Indian bands. Chiefs and band councils recommend that social assistance be offered to band members only as a last resort.

Negotiations continued during the year for the establishment of an extended care facility for mentally handicapped persons, to be constructed and operated by the Kwanlin Dun Band.

**NORTHWEST TERRITORIES REGION**  
**NORTHERN AFFAIRS PROGRAM**

Responsibility for the Northern Scientific Resource Centres at Iqaluit and Igloolik was transferred to the Government of the Northwest Territories (GNWT) on November 1, 1988.



Negotiations toward a Memorandum of Understanding on the devolution of programs continued, as did discussions on the transfer of responsibility for inter-territorial roads.

An agreement to pursue a Northern Energy Accord was signed in Yellowknife

The region was also involved in the implementation of the economic clauses of the Inuvialuit Final Agreement.

The N.W.T. Executive Council approved the Northwest Territories land titles transfer agreement.

Mineral exploration set new records during 1988 - 89, with 65 companies spending nearly \$113 million exploring 157 properties. Just over \$45 million was spent on advanced exploration and development.

Twenty-four prospecting permits were issued, and 970 claims totalling 659,993 hectares were recorded. The first dredging leases for placer mining in the N.W.T. were issued for 56.3 kilometres of the Liard River.

Gold remains the main exploration target, with work being concentrated in the areas between Great Slave Lake and the Coronation Gulf, and between Ennadai Lake and Rankin Inlet.

Six producing mines - four gold and two lead-zinc operations - employed 1,895 persons, 1,000 of them residents of N.W.T. The mines produced an estimated \$754 million worth of ore and spent \$126 million on purchases, \$104 million on payroll, and \$9 million on local taxes.

DIAND continued to fund four subsidiary agreements under the Economic Development Agreement: arts and crafts, mineral development, renewable resources, and economic planning. The department's share of funding for 129 projects was \$2.6 million.

The N.W.T. land use planning program was restructured during the year. The N.W.T. Land Use Planning Commission was disbanded. Regional commissions for Lancaster Sound and the Mackenzie Delta/Beaufort Sea area continued to function under a new advisory body, the Management Steering Committee.

Consultation and preparation of the final land use plan was undertaken for Lancaster Sound. The proposed plan was presented at a press conference in Iqaluit in February 1989.

The Mackenzie Delta/Beaufort Sea Regional Commission distributed an interim report in August 1988. The Commission prepared and hosted several workshops on issues and concerns to be addressed in a final plan for the region.

There were 314 land transactions completed during the year and 121 applications for land use activity processed. Land transfers associated with the devolution of certain responsibilities of the Department of National Health and Welfare and the sale of the Northern Canada Power Commission to the GNWT were completed.

The Regional Environmental Review Committee screened five projects, including proposals for gold mining, oil and rare earth extraction. Transboundary water negotiations continued throughout the year with Saskatchewan, Alberta, British Columbia and Yukon.

District offices conducted a number of land and water use inspections and snow surveys. Fort Smith District staff participated in an ice thickness monitoring program through the winter on Hay River, and assisted in the spring flood watch.

## INDIAN AND INUIT AFFAIRS PROGRAM

The region provided support for statutory and treaty entitlements, band government and economic development to 9,900 status Indians in 19 bands, eight sub-bands located in 25 communities and two reserves.

## INDIAN SERVICES

The Indian Services sector gave the Dene Cultural Institute a \$192,000 operating grant under its Cultural/Educational Centres program, to promote Dene languages and culture.

Twenty-seven post-secondary Dene students received financial assistance, amounting to \$152,000, under the University/College Entrance Preparation program.

A Tripartite Services Review Committee was established, with representatives from the department, the Dene Nation and the N.W.T. Government, to study programs and services provided to status Indians by both the federal and territorial governments.

The department provided \$2,156,000 in band support funding. Allowances for sub-band offices and remoteness factors were increased this year, providing an additional \$400,000 for N.W.T. bands.

Approximately 2,000 certificates of status were issued during the year. There were 500 entries in the Indian Register, and the number of reinstatements under Bill C-31 increased to 950.

## ECONOMIC DEVELOPMENT

A major Dene/Métis conference was organized during the year to consider economic planning for land claims.

The Economic Development Sector assisted with the initiation of a regional RCMP native constable program.

Six new or expanded joint ventures were undertaken during the year, combining Indian skills and access to resources and non-native capital and management expertise.

A major agreement was negotiated between the Dogrib Band and a mining company, providing for native employment and business opportunities arising from the construction and operation of a gold mining venture.

The region contributed \$832,000 to 32 applicants for business development projects. Eleven contributions amounting to \$182,000 were directed to community and regional economic planning. Approximately \$417,000 was provided for 25 human resource development initiatives.

## APPENDIX I

### BUDGETARY EXPENDITURES

...	1987 - 1988	1988 - 1989
Operating Expenditures	...	...
Indian and Inuit Affairs	\$ 242,110,997 *	\$ 245,559,713
Northern Affairs	94,470,848**	100,727,869***
Administration	42,517,861	42,906,585
Capital Expenditures	...	...
Indian and Inuit Affairs	30,976,322	15,454,374
Northern Affairs	16,698,463	18,995,824
Grants, Contributions and Other Transfer Payments	...	...
Indian and Inuit Affairs	1,569,078,540 *	1,772,924,660
Northern Affairs	36,609,268	38,757,443
Territorial Government	738,420,300	850,890,122
Environmental Studies Research Fund	934,538	0
TOTAL	\$2,771,817,137	\$3,086,216,590

[\*amends reporting in previous year's figures.] [\*\*\$33,126,083 relates to the Northern Canada Power Commission debt deletion.] [\*\*\*\$43,128,838.42 relates to the Northern Canada Power Commission debt deletion.]

**REVENUES**

...	1987 - 1988	1988 - 1989
Indian and Inuit Affairs	\$13,904,113	\$17,403,487
Northern Affairs	34,924,625**	39,281,239
Administration	137,087	113,341
<b>TOTAL</b>	<b>\$48,965,825</b>	<b>\$56,798,067</b>
<b>NON-BUDGETARY EXPENDITURES</b>	...	...
...	1987 - 1988	1988 - 1989
Loans, Investments and Advances	...	...
Indian and Inuit Affairs	\$47,404,860	\$34,654,959
Northern Affairs	40,028,393*	(97,226,843)
<b>TOTAL</b>	<b>\$ 7,376,467*</b>	<b>\$62,571,883</b>

[\*amends reporting in previous year's figures.] [\*\*figures for the Northern Canada Power Commission are now reported under Northern Affairs instead of Administration.]

## APPENDIX II

### STATUTES ADMINISTERED

The department administers, in whole or in part, the following statutes:

- Alberta Natural Resources Act
- Arctic Waters Pollution Prevention Act
- British Columbia Indian Cut-Off Lands Settlement Act
- British Columbia Indian Reserves Mineral Resources Act
- Canada Lands Surveys Act
- Canada Petroleum Resources Act
- Caughnawaga Indian Reserve Act
- Condominium Ordinance Validation Act
- Cree-Naskapi (of Quebec) Act
- Department of Indian Affairs and Northern Development Act
- Dominion Water Power Act
- Fort Nelson Indian Reserve Minerals Revenue Sharing Act
- Grassy Narrows and Islington Indian Band Mercury Pollution Claims Settlement Act
- Indian Act
- Indian Lands, Settlement of Differences Act
- Indian Oil and Gas Act
- Indian (Soldier Settlement) Act
- James Bay and Northern Quebec Native Claims Settlement Act
- Land Titles Act
- Manitoba Natural Resources Act
- Manitoba Supplementary Provisions Act
- Natural Resources Transfer (School Lands) Amendment Act
- New Brunswick Indian Reserves Agreement Act
- Northern Canada Power Commission (Share Issuance and Sale Authorization) Act
- Northern Canada Power Commission Yukon Assets Disposal Authorization Act
- Northern Inland Waters Act
- Northwest Territories Act
- Nova Scotia Indian Reserves Agreement Act
- Oil and Gas Production and Conservation Act
- Public Lands Grants Act
- Railway Belt Act
- Railway Belt and Peace River Block Act
- Railway Belt Water Act
- St. Peter's Indian Reserve Act
- St. Regis Indian Reservation Act
- Saskatchewan and Alberta Roads Act
- Saskatchewan Natural Resources Act
- Sechelt Indian Band Self-Government Act
- Songhees Indian Reserve Act
- Territorial Lands Act
- Waterton Glacier International Peace Park Act
- Western Arctic (Inuvialuit) Claims Settlement Act
- Yukon Act
- Yukon Placer Mining Act
- Yukon Quartz Mining Act