

Indian and Northern Affairs Canada

1978-1979
Annual Report

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Contents

Parks Canada Program

Introduction

Parks Canada Policy

Parks Canada Capital Program

National Superintendents' Conference

Parks Are For People

Parks Canada Scholarships

National Parks

National Park Centennial

New Park Proposals

Townsite Administration

Gentilcore Study

National Park Zoning

Native Involvement

Extension Programs

Western Region

Prairie Region

Northern Wilderness Areas

Ontario Region

Quebec Region

Atlantic Region

Management Plans

National Historic Parks and Sites

Western Region

Prairie Region

Ontario Region

Quebec Region

Atlantic Region

Agreements for Recreation and Conservation

New Agreements

Existing Agreements

Major Planning Studies

Canada - United States Heritage Waterways Seminar

World Heritage Convention

Other International Activities

Indian and Inuit Affairs Program

Introduction

Education

Operational Support and Local Government

Housing

Economic and Employment Development

Indian Economic Development Fund

Guaranteed Loans

Grants and Contributions

Re-assessment and Operational Improvement Process

Socio-economic Development

Reserves and Trusts

Lands

Indian Land Registry

Property and Estates Management

Membership

Statutory Requirements
Indian Minerals and Other Resources
Special Projects
Policy, Research and Evaluation
Policy

Research
Research Funding
Treaties and Historical Research
Program Evaluation
Tripartite Processes
Office of Native Claims
Introduction
Comprehensive Claims
Labrador
Nova Scotia
Northern Quebec
British Columbia
Yukon
The Northwest Territories
Dene and Métis
Inuit
Inuvialuit
Specific Claims
The Maritimes
Ontario
The Prairies
Outstanding Treaty Land Entitlements
Other Claims on the Prairies
British Columbia
Northern Affairs Program
Introduction
Constitutional Development
Education
Vocational Training and Post-secondary Education
Social and Cultural Development
Economic Development
Hay River Economic Conference
General Development Agreements
Northern Canada Power Commission
Eskimo Loan Fund
Arctic Co-operatives
Small Business Loan Fund
Northern Environment
Environmental Protection
Renewable Resource Management
Non-renewable Resource Management
Oil and Gas
Mining
Northern Pipelines
Transportation and Communications
Northern Social Research
Administration Program
Introduction
Finance and Professional Services
Management Systems
Information Systems
Data Processing

Management Consulting
Administrative Services
Internal Auditing
Engineering and Architecture
Departmental Accounting
Resource Planning and Analysis
Corporate Personnel
Corporate Policy
Regional Offices

Introduction

Helping to give Canadians - particularly native people and northerners - more opportunity to determine their future was the focus of attention for the Department of Indian Affairs and Northern Development during the 1978-79 fiscal year.

As in other years, native people continued to press for control of their own affairs and to seek redress for long-standing grievances. Strides were made in the social, economic, and political development of the North. The system of national parks was enhanced and improved to ensure public enjoyment of Canada's natural and historic heritage in years to come.

During the year the government signed a historic agreement-in-principle with the Committee for Original Peoples' Entitlement which represents some 2 000 western Arctic Inuit. In the Northwest Territories, consultations were conducted on measures to change the constitutional framework of the territory and in the Yukon, the terms of reference of the newly appointed commissioner were amended to reflect greater local control.

Preparatory work on amendments to the Indian Act, unaltered since the early 1950s, also highlighted the year. The department continued to relinquish control and direction in favour of support for Indian and Inuit initiatives and encouraged native participation in decisions, especially concerning education, economic development and housing.

Within Parks Canada, responsible for preserving the country's natural and human heritage, the highlight of the year was approval by cabinet of a new comprehensive policy document. Intensive public consultation preceded approval, with the government receiving more than 120 briefs. The policy paper is the long-term key in helping Canadians understand the evolution of natural and historic environments.

This is the last year in which Parks Canada will appear in the annual report of the Department of Indian Affairs and Northern Development. Following the May 1979 general election, Parks Canada became the responsibility of the Minister of the Environment.

This annual report describes the events, the actions and the appropriations necessary to fulfill the department's mandate on behalf of all Canadians.

Financial Summary

Comparative summary of expenditure and revenue (in millions of dollars) for the fiscal years ending March 31, 1978 and 1979.

| | 1977-1978 | 1978-1979 | Increase or (decrease) |
|--|-----------|-----------|------------------------|
| Budgetary expenditure and revenue | | | |
| Operating expenditure | ... | ... | ... |
| Administration | 23.4 | 24.2 | 0.8 |
| Indian and Inuit Affairs | 268.4 | 288.4 | 20.0 |
| Northern Affairs | 50.4 | 42.6 | (7.8) |
| Parks Canada | 98.7 | 107.9 | 9.2 |
| Capital expenditure | ... | ... | ... |
| Indian and Inuit Affairs | 115.7 | 118.4 | 2.7 |
| Northern Affairs | 36.2 | 29.8 | (6.4) |
| Parks Canada | 82.6 | 84.5 | 1.9 |
| Grants, contributions and other transfer payments | ... | ... | ... |
| Administration | 0.6 | 1.4 | 0.8 |
| Indian and Inuit Affairs | 259.3 | 272.8 | 13.5 |
| Northern Affairs | 234.5 | 256.2 | 21.7 |
| Parks Canada | 0.2 | 1.5 | 1.3 |
| Total budgetary expenditure | 1 170.00 | 1 227.7 | 57.7 |
| Revenue | ... | ... | ... |
| Administration | 18.8 * | 16.3 * | (2.5) |
| Indian and Inuit Affairs | 7.2 | 9.9 | 2.7 |
| Northern Affairs | 15.1 | 20.2 | 5.1 |
| Parks Canada | 11.5 | 13.0 | 1.5 |
| Total revenue | 52.6 | 59.4 | 6.8 |
| Comparative summary of non-budgetary items (in millions of dollars) for the fiscal years ending March 31, 1978 and 1979. | ... | ... | ... |
| Non-budgetary expenditure | 1977-1978 | 1978-1979 | Increase or (decrease) |
| Loans, investments and advances, etc. | ... | ... | ... |
| Indian and Inuit Affairs | 0.3 | 8.9 | 8.6 |
| Northern Affairs | 4.3 | 1.6 | (2.7) |
| Total non-budgetary expenditure | 4.6 | 10.5 | 5.9 |

* Represents revenue received from Northern Canada Power Commission.

Indian and Inuit Affairs Program

Introduction

The Indian and Inuit Affairs Program assists Indian and Inuit people - 302 749 Indian and 7 550 Inuit in participatory decision-making through their band councils and associations. The program also assists Indian people to achieve their cultural, economic and social aspirations within Canadian society. These efforts are all part of the department's changing role from one of control and direction to one of support.

Over the last year, there has been a concentration of effort on the development of Indian self-government based upon Indian desires to be responsible for their own economic, social, cultural and political development.

Changes in the administration of programs have resulted in more responsibilities being delegated to Indian bands. As a consequence of this delegation a number of bands now manage virtually the complete range of departmental programs including, among other things, Indian education services and capital construction projects on reserves.

This administrative control by Indians has been supported by the transfer of funds through contributions to bands, which during the 1978-79 fiscal year amounted to \$195 million. Core funding (to cover the cost of basic program administration) is also provided to bands in order that they can develop their own internal administrative structures and mechanisms to support these programs and their delivery.

In addition, new contribution arrangements enable bands to transfer funds between programs and provide for multi-year funding arrangements, give expanded powers to band councils to plan, manage and account for the funds they receive, and relax somewhat the supervisory role of the department.

Proposed revisions to the Indian Act were developed in consultation with Indians, and discussions continued throughout the year. A central theme of the proposed revisions is the creation of a statutory framework for the assumption of powers and responsibilities by Indian bands.

An example of the transfer of control from the department to Indian control is the Dakota Ojibway Tribal Council (DOTC), founded in 1974 by a group of seven bands in southwestern Manitoba. Their objective is to strengthen local control of services and developments in their own communities, to assume responsibility for program delivery, and to plan and implement programs consistent with their community needs and aspirations. Since 1975, the DOTC has delivered the following programs previously administered by the department: local government advisory services, band finance, housing inspection, fire prevention, community counselling, band economic development, and student counselling services.

The DOTC is presently negotiating with the department for further delivery of program responsibilities in the areas of membership, social development, and education (post secondary). With the closing of the department's service centre in Brandon and the transfer of programs, the federal staff went from 28 in 1974 to 3 in 1979. DOTC has a staff of 39 native and non-native employees.

A further example of the transfer of programs was the creation in 1978 of the Cree and the Kativik provincial school boards under the James Bay and Northern Quebec Agreement. The elected commissioners are Cree and Inuit and have full responsibility for the administration of education. The boards are responsible for approximately 4 500 students at the elementary and secondary levels, as well as approximately 175 students attending schools in other provinces.

As a consequence of the creation of the boards, 104 federal teachers and teacher's aides were transferred to the Cree school board. Sixty-five per cent of the teachers employed by the boards are Crees, and 60 per cent of the 110 teaching staff of the Kativik board are Inuit.

Education

The goals set forth in the 1972 National Indian Brotherhood policy paper entitled "Indian Control of Indian Education" were adopted as the program's education policy in 1973. The paper stressed the importance of parental responsibility and local control. One hundred and four Indian communities now operate their own local schools with federal funding, and most other bands control their educational programs in varying degrees.

During 1978-79, 34 401 students were enrolled in federal and band schools, and 40 513 in provincial and private schools, for a total of 74 914 students in pre-primary to secondary grades. There has been a continued growth of kindergarten programs in communities where they are desired and pupil numbers warrant.

University and college enrollment was 4 201, and more than 4 500 students were enrolled in various vocational programs. Financial and counselling assistance were provided to Indians and Inuit who were accepted into post-secondary and occupational programs.

In co-operation with colleges, universities and Indian organizations, special education programs were established. The major ones were for teachers and education para-professionals. Special training in areas such as social work and police work was also provided.

The Cultural/Educational Centres Program sustains 59 centres for the preservation and revitalization of Indian and Inuit languages and culture. Each is autonomous, with an Indian or Inuit board of directors responsible for administration, program development and delivery of services.

The main objective of the department's education program in the immediate future is to improve the rate of retention of Indian students at the secondary level.

Operational Support and Local Government

The department funds and, in many cases, administers on behalf of Indian communities, a broad range of local programs and services.

An increasing number of bands are choosing to administer and to manage their own local programs. These band-operated programs are encouraged by the department through the Contributions to Bands Program. Contributions to programs operated by the bands increased from \$4.8 million (1968-69) to \$195 million (1978-79). The range of programs varies with the wishes of the bands, and may include education, social services, policing, community infrastructure, and other local services.

In addition, the department provides core funds to band councils to pay honoraria for chiefs and councillors and expenses necessary for the operation of council offices, support staff and related services. Funds are also provided for the overhead expenses associated with the administration of individual, locally operated programs.

Housing

Housing assistance is provided for registered Indians and Inuit.

Indians living on reserves may get housing through the Subsidy Housing Program. Nearly 14 000 houses were built and renovations to 18 000 existing homes were undertaken under this program during the past seven years; a total of \$190 million was provided for this purpose. In 1978-79 an estimated 2 300 new houses were built and 6 500 renovated.

The On-Reserve Housing Program enables steadily employed Indian people to receive Central Mortgage and Housing Corporation loans guaranteed by the minister. In 1978-79, 68 houses were constructed and 78 repaired for which \$1.7 million was guaranteed by the minister. During a six-year period ending in March 1979, 400 houses were constructed and 101 repaired for which \$7.9 million was guaranteed by the minister.

Over the same six-year period, 621 houses were constructed through the use of project loans to bands which amounted to \$11.9 million guaranteed by the minister. In 1978-79, 167 were constructed, with \$4 million guaranteed by the minister.

In September 1977, the Minister of Indian Affairs and Northern Development announced a new housing policy for Indians living on reserves. The policy combines the resources of the department, Central Mortgage and Housing, and the Canadian Employment and Immigration Commission. In addition, individuals and bands contribute in cash and/or labour. In 1978-79 studies continued to refine the new policy and streamline the delivery of housing. Indivi-

duals as well as bands are involved in the consultation process and in the design and construction of houses on reserve lands.

Indians living off reserves, who are able to provide assurance of continuing employment, can qualify for a repayable first mortgage from Central Mortgage and Housing Corporation and a forgivable second mortgage from the department. Since 1967, some 2 339 houses have been purchased at a cost of \$19.1 million in second mortgages. In 1978-79, 188 houses were purchased at a cost of \$1.8 million in second mortgages.

Economic and Employment Development

Indian Economic Development Fund

Through the Indian Economic Development Fund (IEDF), established in 1970, the department assists Indian people develop income opportunities and creates employment by providing capital to individuals and businesses. An important provision of the fund is that Indians be involved in the design and delivery of economic programs.

Through the IEDF, 814 jobs were created or maintained in 1978-79 in enterprises such as agriculture, forestry, fishing, trapping, construction, real estate, manufacturing, transportation, communications and wholesale/retail operations.

Guaranteed Loans

During 1978-79 the Indian and Inuit Affairs Program approved 313 loans totalling \$3.8 million and guaranteed, in whole or in part, loans from conventional lenders amounting to \$11.1 million.

Grants and Contributions

In 1978-79, the department provided \$20.1 million in contributions to assist in the development of Indian - Controlled enterprises such as the Manitoba Indian Agricultural Program. To help Indian people establish their own enterprises, the department assisted by providing professional and technical services.

Re-assessment and Operational Improvement Process 1978-79 was the second of a three-year re-assessment of the Indian economic development program.

This re-assessment included a project-by-project analysis of the business activities undertaken by Indian people with the assistance of the IEDF. The analysis resulted in a planned stabilization of the fund over three years. The objective is either to maintain projects, some of which may require fundamental changes to structure and capitalization, or to wind some up. The department continues to re-capitalize and re-structure worthwhile projects during this re-assessment process.

In general, the program re-assessment has concluded that conventional approaches to development have imposed inappropriate technologies on Indian businesses and communities. It has also established that prolonged subsidization is often necessary for Indian enterprises to prosper and for management to mature.

Socio-economic Development

A new approach to Indian socioeconomic development is being developed which consolidates and redistributes program resources, and makes more efficient use of other departments' and agencies' resources. The new approach is being developed within the framework of the proposed amendments to the Indian Act and within the political structure of the Indian community. It also takes into account current tripartite (federal and provincial governments and Indian associations) negotiations, and the financial management and administrative structure of the program.

In April 1978 Jack Beaver was appointed as a special adviser to the minister and to the president of the National Indian Brotherhood. Mr. Beaver and his committee undertook an in-depth review of Indian economic development in order to provide comments on departmental policies and programs and the effectiveness with which goals are being achieved.

Reserves and Trusts

The Reserves and Trusts Directorate ensures that treaty obligations and trust responsibilities concerning lands, band funds and membership are fulfilled. It administers those sections of the Indian Act dealing with elections, referenda, by-laws and lands, and provides management and entrepreneurial expertise in response to band council requests-for development of mineral resources owned by the band.

Lands

The Lands Branch administers crown land set apart for the use and benefit of Indian bands. The Indian Act is the major statute which governs branch activities. Other statutes such as the Public Lands Grant Act have an effect on activities related to the branch.

During 1978-79 the total land administered was 6.5 million acres made up of 2 233 reserves and involving 572 bands.

Indian Land Registry

The Indian Land Registry, responsible for the maintenance, protection and dissemination of the records of legal interests on reserve lands, registered 6 000 transactions in 1978-79, affecting Indian as well as non-Indian interests. The more than 100 000 original instruments in the registry's custody substantiate the known legal interests in Indian lands; these instruments are supported by a comprehensive library of over 60 000 plans complementing the registered legal interests. The confidential custody of 6 000 Indian wills also forms part of the registry's service.

The registry began preliminary studies of the cadastre concept of land definition in conjunction with the Department of Energy, Mines and Resources. Investigations began into the applicability to land administration of an automated information storage and retrieval system. The results of these two studies will facilitate the administration of lands for the Indian people.

With respect to the 1924 Ontario Lands Agreement, titles to 12 000 parcels or tracts of land were researched and verified during 1978-79. Tripartite discussions (federal and provincial governments and Indian associations) are taking place in order to establish schedules of all unextinguished Indian interests in lands already surrendered for sale. These schedules will be included in a proposed revision to the 1924 Ontario Land Agreement Act.

Property and Estates Management

Discussions and negotiations with the governments of Quebec, Ontario and Saskatchewan have reached a point at which agreements and legislation are expected to place an additional 2.5 to 3 million acres of land under the department's jurisdiction for the use and benefit of Indians.

With decentralization and increased estate administration by family members, the headquarters role has become one of support to the regional offices. In 1978-79, the Alberta Region assumed responsibility for all surrogate and probate functions for lands in its jurisdiction and the Northwest Territories agreed to assist the department in the administration of Indian estates within its territorial boundaries.

Membership

The Membership Division is responsible for the administration of a number of related programs most of which result from various statutory obligations under the Indian Act. These include responsibility for determining who is entitled to be registered as an Indian and to membership in an Indian band; maintaining a continuous register of persons who are entitled to Indian status; the enfranchisement of Indians; the administration of trust funds of enfranchised minors and Indian children who have been adopted by non-Indians; and the collection and coding of Indian population data for computer application.

Last year 22 000 changes were made to the Indian register and 46 applications for enfranchisement were reviewed. Under a program started in 1970, the administration of membership functions has been transferred from district offices to band offices. To date these functions are being carried out by 111 bands representing approximately 20 per cent of the total number of Indian bands and 35 per cent of the registered Indian population.

Native people of Newfoundland and Labrador are not registered as Indians under the Indian Act. In response to requests for registration, the department set up advisory committees to examine proposals for the establishment of Indian bands made up of native groups at Northwest River and Davis Inlet in Labrador and at Conne River in Newfoundland. Decisions on the formation of bands in these communities are expected in 1979-80.

Statutory Requirements

The Statutory Requirements Division, in its role as trustee, manages Indian monies and band loans, and the administrative functions of the government's treaty obligations. As of March 31, 1979 band funds totalled \$177 847 070 of which \$153 135 778 belonged to Alberta bands. The division also provides advice pertaining to the by-laws and regulations of Indian band councils and applies the regulations under, and arising from, those sections of the Indian Act dealing with Indian band elections, referenda, traffic, council meetings, and so on. During 1978-79

the division processed 78 by-laws, 198 band elections, and 32 election appeals. In addition, the division is responsible for the amalgamation or division of Indian bands, for the administration of statutory appointments (such as commissioners for oaths) and electoral officers, and for the funding of certain court appeals in matters of general application which may involve Indian treaty or other rights.

Indian Minerals and Other Resources

The Indian Minerals Division is responsible for resource-related activities on Indian lands. The resources include oil and gas, metallic and non-metallic minerals, structural minerals, sand and gravel and ground water, and timber. The division provides advice, guidance and assistance to bands in the negotiation, documentation, administration and monitoring of agreements governing exploration, development and production of their mineral resources. In oil and gas contracts, it monitors and collects royalty payments, and regularly holds sales of permits and leases for hydrocarbon exploration on Indian lands.

Offices in Calgary and Toronto promote mineral development on Indian lands by setting up a communication - Consultation-collaboration process with bands, councils, departmental regions and districts and the appropriate mineral industry. In response to band requests studies and evaluations of mineral occurrences on Indian lands are conducted to determine the resource potential and economic benefits. Hiddenly because of oil and gas resources in Alberta, revenues to Indian people have increased to an annual total of \$100 million, some 20 times the revenue of 10 years ago.

Special Projects

The Special Projects Division is responsible for resolving outstanding and complex land-related issues. During 1978-79, 31 priority issues were identified and 17 were resolved.

Policy, Research and Evaluation

The Policy, Research and Evaluation Group, in consultation with Indian people, provides the direction, administration and control for the assessment and development of national policy; evaluates existing programs and determines criteria by which proposed programs will be evaluated; undertakes and supports research related to policy and program issues and to the land claims settlement process; and discusses, with provincial governments and Indian associations, priority topics of mutual concern.

Policy

During 1978-79, the main activities of the Policy Branch concerned the Indian Act revision process. Papers about Indian government, education, land surrenders, membership and anachronisms in the present act were prepared and distributed to Indian communities and leaders. These papers have engendered continuing discussions.

The branch was also involved in the development of policy positions leading to the protocol with the United States government on the Migratory Birds Convention Act, and the drafting of the Cree Act in conjunction with Indians, Inuit and the government of Quebec.

Research

The Research Division, established in 1978, directs and conducts mission-oriented research primarily through contract, to establish and maintain a research data base, and to provide research and analytical support for the development of policy options. Priority research areas include: local powers and institutions, and land tenure systems; non-Indian attitudes towards Indians, and consideration of the impact and future applicability of claims settlement provisions. Research reports concerning these subjects were completed and distributed to Indian organizations and interested administrators and scientists. A review of social data systems within the Indian and Inuit Affairs Program, and an analysis of social data in support of tripartite discussions of the delivery of programs and services to registered Indian people, were also completed.

Research Funding

During the 1978-79 fiscal year, the Research Funding Division issued and administered \$2 229 000 in accountable contributions to provincial and regional Indian associations to conduct specific claims research on behalf of their member bands, \$2 659 110 in loans to native claimants to enable them to negotiate both specific and comprehensive land claims with the government, and \$1 070 000 in accountable contributions for Indian consultations on the Indian Act revision process.

Treaties and Historical Research

In 1978-79, the Treaties and Historical Research Centre provided a wide range of historical research services to departmental officials and to native research groups. Most of the 750 requests originating from outside the department came from Indian bands and native research associations. The main thrust of these research services was in support of native claims investigations. In addition, the centre embarked on a course of providing documentation and historical background papers on policy matters to all parties involved in the Indian Act revision process. The publication entitled *The Historical Development of the Indian Act*, published in August 1978, was the first of many such papers scheduled for production.

Program Evaluation

The Program Evaluation Branch provides the department with the capability to assess program effectiveness. It initiates, co-ordinates and manages resources and activities to evaluate programs; facilitates management decision-making, policy and program development and accountability; and develops long-range perspectives, skills, and methodologies of evaluation within the Indian and Inuit Affairs Program and Indian organizations. Evaluation is carried out on existing programs and as an aid to planning future programs.

Indian people are consulted prior to the implementation of a field strategy to collect data, and normally participate in guiding evaluations in progress. In cases such as the Ontario Social Services Review, continuing and comprehensive evaluation and planning by Indians is built into the research design. In this project, four provincial Indian associations take part in the examination of the delivery of social services.

During 1978-79 approximately 40 projects, representing about 20 per cent of the Indian and Inuit Affairs Program's budget, were evaluated. The priority evaluation areas were: social assistance, education, and the capital program. Appropriate evaluation strategies are developed in all major activity areas as part of a national evaluation plan.

Tripartite Processes

In September 1978, the federal government established a Tripartite Branch in the department in response to increasing pressures from the provinces and Indian associations to enter into tripartite discussions with the federal government on a variety of subjects. Many discussions now underway involve a fundamental re-examination of the relative responsibilities of the federal and provincial governments for the provision of services to Indian people in all program areas including health, social, education, economic and justice services.

Tripartite processes vary from province to province depending upon the positions taken by the particular provincial governments and Indian associations on the provision of provincial services to Indians. Current issues range from comprehensive agreements covering all program areas to the re-negotiation of specific program agreements such as policing, social services, and so on.

In Ontario the Indian Commission of Ontario was created to facilitate this tripartite process; subsequently the Grassy Narrows/Whitedog mediation process was begun to promote the resolution of long-outstanding issues. In Manitoba and Newfoundland general services agreements were discussed. In Alberta, negotiations were conducted with the Blackfoot band about the extension of social services to on-reserve band members.

Indian and Inuit Affairs Program

Summary of expenditure and revenue (actual) for the 1978-79 fiscal year (in thousands of dollars).

| | |
|---|---------|
| By vote | ... |
| Operating expenditure | 545 257 |
| Capital expenditure | 118 386 |
| Contributions to employee benefit plans | 12 019 |
| Indian annuities | 757 |
| Contributions in respect of the James Bay development project | 3 221 |
| Total | 679 640 |
| Revenue | 9 913 |

| By activity | Operating expenditure | Capital Expenditure | Total |
|---|-----------------------|---------------------|---------|
| Administration | 50 212 | 2 028 | 52 240 |
| Policy, research and evaluation | 6 477 | - | 6 477 |
| Education | 231 898 | 34 136 | 266 034 |
| Community affairs | 215 759 | 82 222 | 297 981 |
| Indian and Inuit economic development | 44 889 | - | 44 889 |
| Contributions to employee benefit plans | 12 019 | - | 12 019 |
| Total | 561 254 | 118 386 | 679 640 |

| | |
|--------------------------------------|---------|
| Distribution of program expenditures | ... |
| Payroll costs | 114 718 |
| General operating expenditure | 182 454 |
| Capital expenditure | 109 665 |
| Grants and contributions | 272 803 |
| Total | 679 640 |

| Financial Summary | ... | ... | ... |
|---|-----------|-----------|------------------------|
| Budgetary expenditure and revenue | 1977-1978 | 1978-1979 | Increase or (decrease) |
| Operating expenditure | 508 699 | 545 257 | 36 558 |
| Capital expenditure | 115 690 | 118 386 | 2 696 |
| Contributions to employee benefit plans | 10 935 | 12 019 | 1 084 |
| Indian annuities | 700 | 757 | 57 |
| Contributions in respect of the James Bay development project | 7 411 | 3 221 | (4 190) |
| Revenue | 7 167 | 9 913 | 2 746 |

Indian and Inuit Affairs Program

Grants, contributions and other transfer payments by activity for the 1978-79 fiscal year (in thousands of dollars).

| | |
|--|------------|
| Grants | ... |
| Administration | ... |
| Indian annuities | 757 |
| Education | ... |
| To individuals or organizations for the advancement of Indian and Inuit culture | 311 |
| Community affairs | ... |
| Additional services to Indians of British Columbia including authority to transfer these funds into trust accounts on a per-capita basis | 100 |
| Indian and Inuit economic development | ... |
| To fairs, other organizations and individuals to promote agriculture, handicraft and economic enterprises | 1 336 |
| Total grants | 2 504 |
| Contributions | ... |
| Administration | ... |
| Indian associations and bands Policy, research and evaluation | 1 745 |
| Indian claimants - specific claims | 3 587 |
| Education | ... |
| Band councils and Indian associations | 67 229 |
| Student summer employment | 2 574 |
| Community affairs | ... |
| For local self-government and civic improvement, and for agreements with provincial governments for welfare and other services | 138 459 |
| In respect of the James Bay development project | 3 220 |
| Indian and Inuit economic development | ... |
| Provincial governments and Indian associations | 19 482 |
| Stabilization funds | 2 129 |
| Total contributions | 238 425 |
| Other transfer payments | ... |
| Community affairs | ... |
| General assistance to Indians, Inuit and non-Indians residing on reserves | 31 874 |
| Total other transfer payments | 31 874 |
| Total grants, contributions and other transfer payments | 272 803 |

Introduction

Native claims are not a new phenomenon. Native groups have brought their grievances forward to Canadian governments for many years.

However, in 1970, the federal government began funding native groups to enable them to research their rights and claims. By the end of March 1979 the federal government had provided \$17.1 million in grants and accountable contributions, as well as \$23.5 million in loans to native groups to enable them to research treaties and other rights based on traditional use and occupancy of land, and to research, develop and negotiate their claims.

The government's claims policy, announced on August 8, 1973 by the Minister of Indian Affairs and Northern Development formally recognized "comprehensive" claims for the first time while reaffirming the government's commitment to deal with "specific" claims.

Comprehensive claims are claims based on the traditional use and occupancy of land by native groups, where native interest has not been extinguished by treaty or superseded by law. The principal areas subject to comprehensive claims are Northern Quebec, Labrador, the Yukon, the Northwest Territories, and most of British Columbia.

The 1973 policy recognized that non-native occupancy of land in these areas had not taken this native interest into account, had not provided compensation for its gradual erosion, and had too frequently excluded native people from benefiting from developments that had taken place as a result of non-native settlement. The policy also stated that the most promising avenue for reaching settlement of comprehensive claims is through negotiation between the government and the concerned native groups.

One of the main purposes of the negotiation process is to translate native interest into concrete and lasting benefits in the context of contemporary society. Comprehensive claim settlements, for example, should contribute to the cultural, social and economic development of the native claimants. Settlements can consist of many elements, such as lands; cash; hunting, fishing and trapping rights; resource revenue sharing, and native participation in local and regional government. Benefits and undertakings are set out in a final agreement which is given effect by legislation.

Specific claims, on the other hand, are based on alleged government failures to fulfill the provisions of the treaties and the Indian Act. These grievances generally arise in areas other than those covered by comprehensive claims.

The Office of Native Claims, established within the Department of Indian Affairs and Northern Development in 1974, represents the federal government in both comprehensive and specific claims negotiations, and recommends policies relating to the development of claims and the conduct of negotiations.

Comprehensive Claims

Labrador

In July 1978, the Minister of Indian Affairs and Northern Development advised the Labrador Inuit Association, which represents 2 500 Inuit and "native settlers" (non-natives who settled in Labrador before 1940 and their children), and the Naskapi Montagnais Innu Association, which represents the Indian people of Labrador, that their claims on behalf of native people in these areas had been accepted by the government. At the same time, the minister, Mr. Faulkner, wrote to the premier of Newfoundland and Labrador to explain federal claims policy and solicit provincial participation in negotiations. Federal officials have subsequently met with provincial government representatives to elaborate on policies and to encourage Newfoundland to participate in negotiations.

Nova Scotia

In October 1978, the minister informed the Union of Nova Scotia Indians, which represents some 5 000 Micmac Indians, that its claim was unacceptable for negotiation under the 1973 claims policy because whatever "native title" that might have existed in Nova Scotia had in fact been superseded by laws passed by various colonial and provincial governments. The claim had been submitted to the government in April 1977.

Northern Quebec

In 1978, negotiations with the Grand Council of the Crees (of Quebec) and the Northern Quebec Inuit Association towards separate agreements-in-principle for rights on the Northwest Territories islands along the Quebec shore in James Bay, Hudson Bay, Hudson Strait, and Ungava Bay, continued in accordance with an undertaking made by the minister in November 1974. While substantial agreement has been reached on the terms of the agreement-in-principle with the Grand Council of the Crees, the government is awaiting further action from the Northern Quebec Inuit Association so that negotiations can continue towards a single settlement. The islands are a traditional hunting and fishing area of the Cree and Inuit of arctic Quebec and generally lie within 15 miles of the Quebec shore.

In accordance with federal claims policy, the federal government in 1977 had indicated its willingness to meet with native groups that were not signatories to the James Bay and Northern Quebec Agreement but that may have had an interest in the area affected by it. As a result, the Northeastern Quebec Agreement between the Naskapis of Schefferville and the signatories to the James Bay and Northern Quebec Agreement was signed on January 31 and came into force subsequent to an April 1978 federal order-in-council and a June 1978 bill of the Quebec national assembly.

The Northeastern Quebec Agreement provides the 400 Naskapis with specific rights and benefits similar to those granted to the Crees and Inuit under the James Bay and Northern Quebec Agreement, including \$9 million in monetary compensation, 126 square miles of Category 1 lands for the exclusive use and benefit of the Naskapis, and 1 600 square miles of Category 2 lands where they will have exclusive hunting, fishing and trapping rights. In addition, the agreement provides for the possible relocation of the Naskapi community away from the immediate urban area of Schefferville. Feasibility studies on the move are being carried out, following which the band will decide whether it wishes to relocate.

Full implementation of the agreement's provisions will be possible only at the end of the "transitional period," which is when the band has relocated if it chooses to do so, or alternatively, when lands have been set aside for the band's permanent residence at its present location. The agreement includes "transitional measures" which allow for the implementation of many of its provisions during this period. This process is now under way. On March 29, 1978, the federal government's share of the monetary compensation to the Naskapis (\$1.3 million) was deposited with a Quebec financial institution which will hold the funds in trust until the Naskapi legal entity has been created.

The federal government's responsibility for the implementation of the various provisions and programs of the James Bay and Northern Quebec Agreement (enacted in October 1977) is carried out by the department's Indian and Inuit Affairs Program, as well as certain other federal departments - such as Health and Welfare Canada and Fisheries and Environment Canada - directly concerned with some specific aspects of the agreement.

British Columbia

During the year, negotiations continued between the Nishga tribal council (which represents some 3 500 status and non-status Indians), the federal government and the province of British Columbia. The meetings followed the January 1978 federal and provincial government responses to the initial Nishga position paper.

On the condition that provincial participation is secured, the federal government accepted claims from the Gitksan-Carrier tribal council and the Kitwancool band, but to date the province of British Columbia has been unwilling to open negotiations on these claims.

Yukon

After negotiations on their original claim had broken off early in 1978, the Council for Yukon Indians, which represents all people of Yukon native ancestry, submitted a revised claim to the government on January 20, 1979. The submission was followed by clarification meetings which began in February 1979 between the council and the federal government.

The Northwest Territories

Dene and Métis

Further funding for land claims negotiations by the Dene Nation (formerly the Indian Brotherhood of the Northwest Territories) and the Métis Association of the Northwest Territories was suspended on October 1, 1978 because of the lack of substantive progress during the previous year towards agreement on a mechanism for the two groups to conduct joint negotiations with the federal government on their overlapping claims in the Mackenzie Valley. The federal government's position is that there must be a single settlement for all natives in the area since they live together in the same communities, share the same resources, and see themselves as "one" people.

The Métis Association of the Northwest Territories had been funded in 1976 to develop a separate land claim proposal. This claim, in the form of a "Proposed Agreement on Objectives," had been presented to the federal government in September 1977.

The Indian Brotherhood of the Northwest Territories had submitted a claim, calling for a separate Dene jurisdiction, to the government in October 1976. Following clarification meetings the following spring, the proposal for a separate Dene - Controlled government was rejected by the federal government on the grounds that it would create a government structure on the basis of race.

The prime minister had announced in August 1977 the appointment of the Honourable C.M. Drury as Special Representative for Constitutional Development in the Northwest Territories. Mr. Drury reports to the prime minister on wide-ranging consultations carried out with leaders of the territorial government, northern communities and native groups on measures to extend and improve representative and responsive government in the Northwest Territories.

Inuit

On February 10, 1979 the Inuit Tapirisat of Canada (ITC) board of directors announced it had abolished the Inuit Claims Commission because of the lack of progress on claims negotiations. In future, the Inuit Tapirisat, in conjunction with its three regional associations, will resume full control of negotiations with the federal government. At the time of the announcement, ITC stated that it would begin immediate, intensified negotiations which would continue until an agreement-in-principle was signed.

On December 14, 1977, ITC had presented a new claim to the minister at Frobisher Bay. This document, in the form of 11 general principles which were held to represent the views of 12 000 Inuit in the central and eastern Arctic, replaced the original claim proposal, "Nunavut," which had been presented to the government in February 1976 and subsequently withdrawn for review in September of that year.

Inuvialuit

In the western Arctic region, the federal government and the Committee for Original Peoples' Entitlement (COPE) signed an agreement-in-principle at Sachs Harbour on October 31, 1978, establishing the basis for settlement of the COPE claim. The agreement is the first to be reached by the government with a native organization north of the 60th parallel.

COPE had submitted its claim to the federal government on behalf of the approximately 2 500 Inuvialuit (Inuit of the western Arctic) on May 13, 1977. On July 14, 1978, following months of intensive negotiations, the COPE-Government joint Working Group made public a 106-page joint position paper

containing the elements for settlement of the claim. The Inuvialuit communities then discussed and ratified the joint position paper and gave COPE the mandate to sign an agreement-in-principle based on the approved paper. During the same period, the position paper was approved by the federal cabinet.

The agreement-in-principle seeks to achieve a balance of interests between the concerns and aspirations of the Inuvialuit, and national and territorial concerns for the development of energy and mineral resources in the western Arctic region of the Northwest Territories.

Specific Claims

The Maritimes

Offers to negotiate specific claims settlements were made by the federal government to the Big Cove band (New Brunswick) and the Wagmatcook band (Nova Scotia) in January 1978 and January 1979 respectively. The Big Cove band had claimed that its interest in 400 acres of land had never been properly dealt with, and in December 1978 advised the federal government that it would not accept a cash settlement but wanted the return of the land. The Wagmatcook band had claimed that part of its reserve had been improperly alienated by Canada; negotiations for settlement of the claim continued with the band during the year.

Ontario

In September 1978 the Indian Commission of Ontario was established with Mr. Justice Patrick Hartt as commissioner. The commission works under the direction, and in support, of the Tripartite Council formed in March 1978 by Ontario Indian chiefs, the province of Ontario, and the federal government to provide a forum for the discussion of issues among the native population and the two levels of government.

Apart from general government-Indian issues, the commission's mandate includes facilitating resolution of specific claims against the governments of Canada and Ontario by acting as an impartial third party in the review of specific claims. Costs will be shared by the federal and provincial governments and the four Indian associations of Ontario.

The commission has been directed by the Tripartite Council to facilitate resolution of two specific claims against Canada. Basic terms of reference and procedures for conducting the review of the claims were established with the assistance of the commission during the fiscal year, opening the way to begin review of the claims.

On January 9, 1979, the Office of Native Claims advised the Big Grassy and Sabaskong bands that their 1977 claim was negotiable, subject to participation by the Ontario government. The claim is for land on the Little Grassy Indian reserve on Lake of the Woods and amounts to 1 600 acres which had been alienated without a surrender. The federal government and the claimants are awaiting Ontario's response prior to opening negotiations.

No progress was made between the federal government and the province of Ontario during the fiscal year on the Timagami band's claim to 4 000 square miles of land near Lake Timagami. The claim is based on the band's contention that it did not sign the 1850 Robinson-Huron Treaty. The band argues that native title consists of outright ownership of the lands in question. The federal government wishes to negotiate a settlement but this requires that Ontario, whose interests and control over the land and resources are paramount, must participate; so far the province has not indicated a willingness to do so.

In 1973, when the federal government was informed that a claim would be made, the Timagami band filed cautions on the unpatented provincial crown land which fell within the limits of the land claim on the basis that it owned the land outright. judicial proceedings on the cautions are continuing, with the province of Ontario seeking clarification from the Supreme Court of Ontario on the interests that the Timagami people are claiming.

The Prairies

The question of outstanding treaty land entitlements is an old one in all three prairie provinces. Under the provisions of the treaties signed from 1871 to 1906 between Canada and the Indian people of what is now Manitoba, Saskatchewan and Alberta, reserve lands were to be set aside by the federal government for the Indian bands that were signatories. Although many bands did receive their full land entitlement under treaty, others did not.

This situation was recognized in the 1930 Natural Resources Transfer Agreements between Canada and the prairie provinces. Under Section 10 of the agreements, the provinces assumed an obligation to return, out of unoccupied crown lands which had been transferred by Canada to the provinces, lands that would enable the federal government to fulfill its obligations under the treaties.

Outstanding Treaty Land Entitlements

The federal government and Saskatchewan in February 1979 agreed to proceed with the fulfillment of outstanding treaty land entitlements in the province on an ad hoc basis. The federal government then took steps to facilitate the implementation of the province's proposal to provide provincial crown lands for Indian reserves in order for the federal government to fulfill outstanding treaty land obligations in Saskatchewan.

Fifteen Saskatchewan bands are in the process of selecting additional reserve lands as part of the current negotiations in Saskatchewan. It is anticipated that bands in northern Saskatchewan, where provincial crown lands are readily available, will be among the first to benefit.

Outstanding treaty land entitlements are also being discussed with Alberta and Manitoba.

Other Claims on the Prairies

In Alberta, court proceedings initiated by the Enoch band are continuing on a claim that 6 300 acres of reserve land were allegedly surrendered improperly and sold in 1908. In February 1979, Mr. Justice Patrick Mahoney ruled in favour of the crown on a point of law.

In September 1978, pre-trial examinations on the Peigan band claim to 23 500 acres in Alberta were adjourned indefinitely to allow both sides an opportunity to amend their lists of documents. The Peigan claim raises issues similar to the Enoch claim.

In Saskatchewan, the Federation of Saskatchewan Indians submitted a claim to the federal government in January 1979 on behalf of the White Bear band which alleges that senior officials in 1901 conspired to obtain 72 square miles of reserve land for personal gain and demands the return of the land. When the federal government offered to examine the claim and asked the band to make its research material available, the band declined.

British Columbia

A revised federal-provincial settlement offer concerning some 33 400 acres of land removed from reserve status as a result of recommendations made by the 1916 McKenna-McBride Royal Commission was presented to the Committee of B.C. Cut-off Bands on March 9, 1979. The committee represents 22 bands.

The key elements of the offer include the return to the bands of almost 30 000 acres which are still held by the province, and the provision of cash compensation for the 3 200 acres that have been sold to other parties since 1916 and the approximately 400 acres to be retained by the province for parks and other public purposes. If the offer is accepted, the final agreement would be negotiated with each band. Then the agreement would be ratified by both governments and the band membership before being executed.

Northern Affairs Program

Introduction

The principal guidance for the Northern Affairs Program in 1978-79 continued to be the national objectives for the North established by the federal government in 1972. These objectives called for provision for a higher standard of living and quality of northern life; equality of opportunity for northern residents; protection of the northern environment with due consideration to economic and social development; and meaningful progress toward self-government in the northern territories.

Constitutional Development

The Honourable Charles M. Drury, the prime minister's Special Representative for Constitutional Development in the Northwest Territories, continued his consultations on measures to change the constitutional framework of the Northwest Territories. Mr. Drury was scheduled to submit a report in September 1979.

In March 1979, parliament passed Bill C-28 which empowered the commissioner-in-council of the Northwest Territories to increase the size of the council by ordinance within the limits of 15 to 25 members. An ordinance of the territorial council established the size of the council at 22 for the next territorial election to be held in the autumn of 1979.

In March 1978, parliament enacted Bill C-33 which allowed the Yukon and Northwest Territories to assume full legislative and administrative responsibilities for the conduct of territorial elections. The Yukon council then enacted a complementary ordinance in the same month and a subsequent Yukon council general election was held on November 20, 1978, under the direction of territorial officials. A comprehensive Northwest Territories elections ordinance was enacted later in the year to govern the next council election. Following a federal-territorial agreement, the chief electoral officer of Canada will be responsible, on behalf of the territorial government, for the conduct of the next election.

Mrs. Ione J. Christensen was appointed Commissioner of the Yukon Territory on January 20, 1979. The minister's letter of instructions to Mrs. Christensen included important changes to the role of the commissioner. For example, the commissioner was directed to accept the advice of the executive committee in areas of territorial jurisdiction, except where this advice conflicted with areas of special federal interest, in particular the rights and interests of native people. Another significant change gave the leader of the majority party in the Yukon authority to select and determine the number of elected members on the executive committee; a fifth committee member was soon appointed.

Education

The Yukon school enrolment for 1978-79 stood at 5 105 as of March 1979. About 700 of these students were status Indians and approximately the same number were non-status Indians and Métis. The Remedial Tutor Program was assumed by the Yukon government in 1978-79. During the same year, the department contributed financially to the continuation of the native language program carried out under contract by the Council for Yukon Indians.

In the Northwest Territories enrolment for 1978-79 was 12 921 (including both territorial schools and school districts). About 61 per cent (7 926) of this total were Indian, Métis and Inuit students. The Teacher Training Program run by the Northwest Territories government had an enrolment of 32 and graduated 11 students. A total of 76 students have received teaching diplomas since the course was started in 1968; 43 northern native teachers were employed in the school system in 1978-79.

In addition, 128 classroom assistants were employed during the year. A variety of native language and cultural courses continued to be offered in territorial schools.

Vocational Training and Post-secondary Education

Counselling units are maintained by the department in Ottawa and Winnipeg for the benefit of Inuit students attending schools, colleges and universities in the south.

Last year 250 native students from the Northwest Territories, Nouveau-Québec and Labrador attended secondary and post-secondary institutions, business colleges and trade schools in southern Canada.

Additionally, 166 northern native people were involved in on-the-job training during the year. Approximately 80 per cent of the trainees were in the Yukon and Northwest Territories, with the balance in Nouveau-Québec, Labrador and southern Canada. They were in training for some 70 occupational categories in management, technical and administrative areas. Over 50 completed their training and were placed in jobs.

"Inuit House," which opened in Ottawa in January 1979, serves as a social and recreational centre for Inuit and is staffed by departmental counsellors on a full-time basis. The building, leased by the department, was renovated by Inuit apprentices from the building and decorating trades.

Social and Cultural Development

The department continued its grants program to encourage and enable Inuit people to maintain their cultural identity. Financial support was extended to film makers, linguistic development projects, and the publication of Inuit literature.

An important initiative was taken to extend support to enable Inuit participation in several of the Department of Communication's satellite programs, including Anik-A, Hermes and Anik-B. In the Northwest Territories, such projects were under the control of the Inuit Tapirisat of Canada (ITC), while in Arctic Quebec, they were run by Taqramuit Nipingat Incorporated (TNI).

The ITC involvement is called Project Inukshuk and uses the Anik-B communications satellite for inter-community teleconferencing and for the distribution of Inuit-produced educational, cultural and entertainment television programming. This department is totally funding Project Inukshuk over its three-year lifespan. In 1978-79, the department's contribution was \$577 000, while the total project cost will be \$1.9 million.

In Arctic Quebec, TNI operated two projects: Naalakvik I and II. Naalakvik I was implemented and completed in 1978-79, and involved a radio-linkage of communities in Arctic Quebec using both Anik-A and Hermes satellite systems. The department's contribution to this project was \$60 000, while an additional \$189 000 was made available from the Department of Supply and Services' Unsolicited Proposal Fund. Naalakvik II, which will run for four years, uses the Anik-B system to link communities via television for teleconferencing and for Inuit-produced programming. The department's total contribution will be \$324 000 over the life of the project, while \$594 000 will be made available from the Department of Supply and Services' Unsolicited Proposal Fund. This department's contribution to Naalakvik II in 1978-79 was \$48 500.

All these projects enable Inuit to implement and test a variety of communications systems which they will evaluate thoroughly to determine their applicability to permanent satellite communications systems that can be put in place and adapted to Inuit needs. These major communications projects are expected to result in increased Inuktitut television programming for northern broadcast, as well as enabling greater participation by Inuit in all aspects of northern communications.

Various Inuit art exhibitions were prepared and circulated in Canada and abroad. Included in these was a special promotional exhibition of art from Baker Lake to aid the Sanavik Co-operative which suffered a disastrous fire in 1977.

A newsletter for Inuit artists, About Arts and Crafts, published three times annually, completed its first year. Of a circulation of 3 700, 2 500 are distributed in the North.

Funding of \$5 301 360 was provided to northern native organizations for the research, development and negotiation of land claims. In response to the continuing, concerns expressed by northern native people about the environmental and socio-economic bases of northern development, funding was provided for their participation in EAMES (Eastern Arctic Marine Environmental Studies) and EARP (Environmental Assessment and Review Process) and other forums for consultation on northern development issues.

Economic Development

Hay River Economic Conference

An economic development conference convened by the Honourable J. Hugh Faulkner, Minister of Indian Affairs and Northern Development, was held in Hay River, Northwest Territories, on May 4-6, 1978. The conference was designed to give northerners an opportunity to present the northern point of view on economic prospects for the territory.

The conference was attended by more than 300 delegates from Northwest Territories communities, representatives of the federal and territorial governments, the private sector, native associations and several other organizations. The government of the Northwest Territories subsequently convened similar sessions on a regional basis.

Following the conference, a business advisory committee was established to monitor and report on subsequent government response to the conference's recommendations. The committee has concluded its task, and its report indicates that the federal and territorial governments had taken action on many of the major recommendations of the conference.

General Development Agreements

Development agreements between the department, the Department of Regional Economic Expansion, and the government of the Northwest Territories and, in addition, with the government of the Yukon Territory, were reached during 1978-79.

A five-year general development agreement was concluded between the federal government and the government of the Northwest Territories at the end of the 1978-79 fiscal year. The purpose of the agreement is to facilitate joint federal-territorial co-operation in the planning and implementation of economic and socio-economic development initiatives to be undertaken in the Northwest Territories. The general development agreement also provides for specific development initiatives and programs through subsidiary agreements between the Northwest Territories and the federal government.

A two-year interim subsidiary agreement on community economic development in the Northwest Territories was also concluded. This agreement provides money to promote and develop tourism; to develop renewable resources (for example, by examining the feasibility of inter-settlement trade and of forestry, fur, wildlife and fisheries inventories, and conducting a forest marketing study); to finance pilot projects aimed at rotating workers to job sites outside their home communities; to assist community-based planning; and to facilitate the development of a comprehensive economic planning strategy in anticipation of future development. The various projects will establish as high a native labour component as possible. The total cost will be \$3.8 million.

The federal government and the Yukon had previously signed a five-year general development agreement in 1977, and at the end of 1978-79, a subsidiary agreement covering renewable resource development was concluded. This agreement provides funds for joint federal-territorial efforts to prepare renewable resource inventories; to develop tourist and recreational facilities; and to create a manpower development corps. The total cost of the agreement will be \$6.6 million.

Northern Canada Power Commission

In order to alleviate high electricity costs to northern residential consumers, the department established a power subsidy program in November 1978 with the co-operation of the utilities companies operating in the Yukon and Northwest Territories. The program, which cost approximately \$214 000 in 1978-79, is designed to lower the electrical power costs of non-government domestic users.

In addition, the Northern Canada Power Commission was given an interest-free loan of \$7.5 million to finance working capital requirements. Funds were also approved to conduct research into the development of heat-recovery systems which would capture

waste heat from thermal generating plants and re-use it. As well, the Northern Canada Power Commission was funded to investigate hydro-electric power potential on the Yukon River near Carmacks.

Eskimo Loan Fund

The Eskimo Loan Fund is a revolving fund established in 1953 to provide money for the business needs of Inuit individuals and organizations. During 1978-79, the Eskimo Loan Fund was increased to \$7.1 million, and 41 loans having a value of over \$655 000 were made. Repayments totalling \$550 000 were received during 1978-79. In addition, contributions by the department to approved projects have been authorized since 1973 and a bank loan guarantee system was set up in 1977. Over \$1.8 million was paid in contributions to further Inuit economic development, but no bank loan guarantees were put in place.

Arctic Co-operatives

The five-year co-operative development program, initiated in 1977-78, continued in its aim to establish financial stability and to upgrade the management skills available to northern co-operatives. To mark the twentieth anniversary of the establishment of the first Arctic co-operatives, the "CO-OP 20" program was initiated by the Canadian Arctic Co-operative Federation Limited and La Fédération des Co-opératives du Nouveau-Québec. This program, designed to raise public awareness of the co-operative movement in the North, is supported by the department and the government of the Northwest Territories.

Small Business Loan Fund

Started by the federal government in 1970-71, the Small Business Loan Fund provides financing to northern entrepreneurs who have been unable to acquire funding through regular lending institutions. The Northwest Territories government assumed complete responsibility for the Northwest Territories Small Business Loan Fund on April 1, 1977. During 1978-79, 26 loans were approved for a total value of \$1 344 409.

The Yukon portion of the fund has been administered by the Yukon government on behalf of the department since 1970. A proposal to assume full responsibility is now being considered. No loans were approved in 1978-79, since entrepreneurs were able to find assistance through regular lending institutions for projects that were considered reasonably viable.

Northern Environment

Environmental Protection

The Eastern Arctic Marine Environmental Studies (EAMES) Program continued to be one of the major activities of the Northern Environmental Protection Branch.

This multi-million-dollar program of studies of the off-shore areas of the eastern Arctic gathered valuable new information on the biology, climatology, oceanography and geology of the area. Some of this information was published in the form of environmental impact statements for Davis Strait and Lancaster Sound which were submitted to the Federal Environmental Assessment and Review Office (FEARO) for consideration. Departmental personnel participated in the public hearings called as part of the FEARO review process and studied the resulting panel reports.

A report of the FEARO panel regarding the Davis Strait stated that carefully controlled drilling was feasible. As a result, drilling authorities were pending for Esso Resources Limited and Aquitaine Limited to drill the first two off-shore exploratory wells in Canada's eastern Arctic during the summer of 1979.

The consensus of the FEARO panel reviewing the Lancaster Sound environmental impact statement was that considerably more information would be needed before decisions on drilling could safely be made; the minister, Mr. Faulkner, therefore announced that no drilling would be permitted in 1979, and further studies were planned to answer some of the outstanding questions.

Bilateral marine environmental discussions took place between Canada and Denmark concerning boundary waters in Baffin Bay and Davis Strait.

The Ikaluit Laboratory in Frobisher Bay was opened by the department in 1978. It was used to capacity during the field season to support EAMES projects. During the winter the facilities are used for educational purposes in co-operation with local schools.

Renewable Resource Management

The management and protection of inland waters in the North is a federal responsibility, while the two territorial water boards licence the use of water re-

sources. During the year the territorial boards received approximately 400 applications and issued 375 authorizations for limited water use. Six licences were granted - three for mining and three for municipal purposes.

Flood hazard mapping of the Hay River area was completed by the department in conjunction with the Department of Fisheries and Environment. On April 1, 1978 the federal-provincial Mackenzie River Basin Study Agreement was signed to facilitate future planning and management of water and related resources in the basin.

Forest production maintained the same level as in the previous year. The Forest Resources Division began mapping, based on aerial photographs, forest reserves in the Liard Valley. Several companies have expressed interest in developing sawmills or a plywood plant there once the Liard Highway is opened.

Because of the small number of lightning storms in the Yukon in 1978-79, 102 wildfires burned a total area of 7 397 hectares compared to the 277 074 hectares lost to fire in the previous year. In the Northwest Territories a three-year drought subsided in 1978-79, resulting in a 40 per cent reduction in the long-term average number of wildfires; there were 156 fires, which burned 79 029 hectares of land.

More than 450 applications for land use permits, divided about equally between the two territories, were received. Approximately half were for oil and gas or mining exploration.

Under the former 1970 block land transfer policy 16 communities in the Northwest Territories and nine communities in the Yukon were transferred from federal to territorial control. This policy was suspended in 1975-76 and replaced in March 1978 by a revised policy limiting the size of transfers pending progress on land claims. During 1978-79 nine parcels of land were transferred under this new policy.

Continued efforts to meet the demand for recreational lots in the North resulted in the development of 100 lots in the Yukon and 76 lots in the Northwest Territories under the Cottage Lot Sub-division Program.

Initiatives were taken towards protecting the international porcupine caribou herd and resolving land use issues in the northern Yukon. On July 6, 1978 the minister, Mr. Faulkner, withdrew 38 700 km² of land from the further disposition of mineral and surface rights. In January 1979, during the visit of the United States Secretary of the Interior, the minister discussed with him the need for an early international agreement to protect the caribou herd.

Non-renewable Resource Management

Non-renewable resource exploration and related activities continued to occupy a central role in the economic development of the North. A shift of emphasis to the more remote and more costly regions in the North increased total expenditures for oil, gas and mining at a rate comparable to those of previous years; however, there was a decline in the total number of exploration programs.

Oil and Gas

Oil and gas exploration in Canada's north declined in numbers of wells drilled and in geophysical surveys conducted. Drilling activities in 1978 centered in the Beaufort Sea, the Mackenzie Delta and the Arctic Islands. Dome Petroleum Limited drilled two wells at the Ukalerk 2C-50 and the Kopanoar M-13 sites to depths greater than any previously reached in the Beaufort Sea, and found encouraging evidence of oil and gas. Testing programs in these two wells are scheduled for the summer of 1979 to determine whether they are significant oil and gas discoveries. Imperial Oil Limited found gas at its Isserk E-27 artificial island test site in the Beaufort Sea, as did Sun Oil Limited at its Garry G-07 site in the Mackenzie Delta. Although the Roche Point O-43 and Drake Point K-79 sites in the Sabine Peninsula area of the Arctic Islands showed evidence of gas when tested, no significant new discoveries of oil or gas were made in the Arctic Islands. The development of the Kotaneelee gas field in the southeastern Yukon continued with the successful completion of a gas well at the Kotaneelee E-37 site.

The Canada Oil and Gas Land Regulations, amended in 1977 to include some elements of the May 1976 joint ministerial statement of policy (by the ministers of Indian Affairs and Northern Development and of Energy, Mines and Resources), continued to govern the disposition and administration of Canadian oil and gas rights. The proposed replacement legislation (tabled as Bill C-20 in December 1977) was not re-introduced into parliament in 1978, but some minor revisions were made to it. Under the policy changes introduced into the regulations in 1977, Petro-Canada exercised its preferential rights to select crown reserve lands for exploration agreements amounting to some 22 million hectares of land in the North, and chose to participate in a number of "special renewal permits" in the Mackenzie Delta and Beaufort Sea area. In addition, following the lifting of a 1972 embargo on new leases by further 1979 amendments to the regulations, some 2 000 lease applications were withdrawn by appli-

cants or issued, and nearly 1 000 special renewal permits were granted. In order to facilitate land claims negotiations, any granting of Petro-Canada crown reserve land selections in the western Arctic area was deferred until August 1979.

With the continuing exploration interest in the Beaufort Sea, the Mackenzie Delta area, the Arctic Islands, and the eastern Arctic off-shore area, some 80 million hectares of oil and gas rights, 77 million hectares in permits, and three million hectares in leases, were maintained by industry. The total area held under oil and gas rights declined about 20 per cent during the year, as rights to those regions with less potential were surrendered or expired.

Because the oil and gas exploration activities were conducted in the more distant and more technologically demanding arctic regions, the cost of operations rose by at least 15 per cent. The number of geophysical surveys conducted on land in 1978 declined in relation to 1977, while the number of sea floor geophysical surveys remained the same. Similarly, 35 per cent fewer wells were drilled in 1978 than in 1977. This reduction in the number of wells was anticipated by the lower levels of geophysical activity in 1977, since geophysical activity usually precedes drilling activity.

Attention was given to the possible extension of the drilling seasons in both the Arctic Islands and the Beaufort Sea during 1978. Such an extension would reduce the average cost of wells and provide a more rapid evaluation of their potential. The use of the government ice-breaker John A. Macdonald made possible the extension of the Beaufort Sea shallow drilling season. In addition, technological advances in well control techniques may extend the 1979 "deep drilling" season in both the Beaufort Sea and the Arctic Islands off-shore area by reducing the number of days required to control a blow-out in the same drilling season by drilling another relief well to the same depth as the first well in order to cut the flow of oil.

Gas was produced in the Northwest Territories at the Pointed Mountain field and in the Yukon at the Beaver River field; the gas was later processed at Fort Nelson, British Columbia. Oil continues to be produced and processed at Norman Wells, with 39 wells producing regularly during 1978. Drilling was carried out in the Norman Wells field to prove the continuity of the reservoir and its capacity to produce

oil in that portion of the field below the Mackenzie River so that a water flood program could be initiated in 1979 in order to increase oil production and conserve the natural gas within the reservoir.

The Reserves Committee of the Canadian Petroleum Association redefined its estimate of proven reserves of gas in the area north of 60° (18.07 trillion cubic feet) and in Canada as a whole (82.424 trillion cubic feet). The committee has also estimated that the remaining proven oil reserves in the Norman Wells field hold 38 million barrels of oil. Arrangements to convert oil and gas industry measurements to SI (Système International) units by January 1979 continued under the program approved by the Metric Commission in December 1976.

Mining

Mining maintained its position as the hiddenst industrial employer in the North, with about 3 024 workers on the payroll. Five operating mines in the Yukon (one of which, the asbestos mine at Clinton Creek, closed down during the year) produced minerals valued at \$222 million, up from \$210 million in 1977. Eight operating mines in the Northwest Territories produced minerals with a value of \$310 million, up from \$250 million in 1977. Lead and zinc continued to account for the bulk of production.

Nanisivik, the Northwest Territories' newest and Canada's northernmost mining operation, in which the federal government holds an 18 per cent interest, benefited from increased prices for the lead-zinc concentrate it produces. As of November 1, the total workforce at Nanisivik was 218 of which 43 were Inuit (19.7 per cent). Between February 1 and October 31, 1978, 452 773 metric tonnes of ore were treated in the mill, averaging 1.69 per cent lead and 13.45 per cent zinc, which yielded 102 173 metric tonnes of zinc concentrates and 10 062 metric tonnes of lead concentrates. During the 1978 shipping season, 132 146 metric tonnes of zinc concentrates and 11 304 metric tonnes of lead concentrates were shipped to smelters in Europe and the United States. In three voyages the M.V. Arctic, a Canadian ice-breaking cargo ship partly owned by the federal government, carried 53.5 per cent of the total amount shipped.

Although no new mines were opened in the Northwest Territories during the year, development work continued at the lead-zinc deposits at Howards Pass and Little Cornwallis Island. In addition, Echo Bay Mines began exploring the Contwoyto Lake gold deposit discovered by the International Nickel Company in the early 1960s; the plan is to mine the deposit in the early 1980s.

Mineral exploration continued in the two territories at a slightly higher rate than in the previous year, with about \$50 million being devoted to this phase of the mining industry's operations. In the Yukon more than \$18 million was spent by more than 100 companies. During the last few years there has been more emphasis on exploration for uranium, tin, tungsten, molybdenum and coal. Lead-zinc exploration was maintained at the high 1977 levels while very little effort was expended on copper exploration. In 1978, 11 009 quartz claims totalling about 1.32 million hectares, 1 317 placer claims, and 256 placer leases were recorded; 42 446 quartz claims were in good standing.

In the Northwest Territories exploration activities accounted for expenditures of \$32 million, about the same as in 1977. The search for uranium, which accounted for about 75 per cent of the exploration dollars, was carried out in two main areas, the Dismal Lakes and Baker Lake. The Urangesellschaft Company announced the discovery west of Baker Lake of a significant deposit, and many other promising uranium prospects were located in both areas.

Base metal exploration, which declined during 1978-79, was essentially confined to the areas surrounding the Nanisivik mine on northern Baffin Island and to the Pine Point area where Western Mines had success in locating deeply buried lead-zinc deposits.

There were 1 752 claims, covering 1.44 million hectares, recorded in the Northwest Territories; 70 238 claims (2.86 million hectares) remained in good standing. This compares with 21 856 claims recorded and 76 836 claims in good standing in 1977. The apparent hidden decrease in the number of recorded claims reflects a change in the Canada Mining Regulations which now allow the staking of claim blocks each of which is the equivalent of 50 old claims.

On October 13, 1978, a meeting in Yellowknife between the minister, Mr. Faulkner, and representatives of the northern mining industry, resulted in the establishment of a mineral advisory committee to advise the minister on the preparation of a comprehensive northern minerals policy, and in the appointment of a special mineral adviser to the minister's staff. Since November 23, 1978, the committee has met seven times to review questions such as industry-government consultation, land use, fiscal regime and increased benefits to northerners from mining. In March 1979, the committee presented eight mineral policy principles to the minister; a full report was scheduled for completion in the summer of 1979.

Northern Pipelines

During 1978-79 there was a significant increase in planning activities in connection with hydrocarbon transportation initiatives north of 60°. The department was involved in planning for the Alaska Highway gas pipeline, and received applications for a number of new projects and additional documentation for projects already filed.

The department retained major responsibilities for the socioeconomic and environmental aspects of the Alaska Highway pipeline project in the Yukon and in doing so continued co operation with the Northern Pipeline Agency which was established to serve as a "single window" on the federal regulation of the pipeline project.

The Northern Affairs Program collaborated with the agency in drafting two documents which set out socioeconomic and environmental terms and conditions to be imposed on the pipeline company in the Yukon. These documents, and their discussion at public hearings in the Yukon started by the agency in March 1979, will be the basis of final terms and conditions. The department was represented on the panel that conducted the hearings. Funds were provided to native groups in the Yukon to assist their participation in the public review process. In conjunction with the Yukon territorial government and other federal departments, the Northern Affairs Program led in identifying government measures which would complement the socioeconomic terms and conditions set out in the documents by further offsetting the impact of the pipeline and by maximizing the project's benefits and opportunities to Yukoners, especially native people.

A working group from the department and the Northern Pipeline Agency began to establish the procedures to effect the transfer of certain regulatory authorities from the department to the agency, as provided in the Northern Pipeline Act.

The department was also concerned with two pipeline proposals closely related to the Alaska Highway gas pipeline. A crude oil pipeline, whose route would extend from Skagway, Alaska to the United States mainland "lower 48" and partly follow the Alaska Highway in the southern Yukon, was proposed jointly by the Foothills Pipelines (Yukon) Company and the Northwest Energy Company. On December 8, 1978, the latter made an application to the United States Department of the Interior for this project. This is one of four competing applications before the United States government for a west-east oil pipeline.

An application for the second proposal, the Dempster lateral pipeline which would connect the Mackenzie Delta-Beaufort Sea gas fields to the Alaska Highway gas pipeline, is expected to be submitted by the Foothills pipeline company at the beginning of July 1979. During the year, the department continued preliminary review and consultation concerning the Dempster lateral pipeline project; the review and consultation process was particularly concerned with the need for socioeconomic and environmental study of the route.

A partial application to build a pipeline to transport natural gas from the Arctic Islands through the Northwest Territories and northern Manitoba to Longlac, Ontario, was filed by Polar Gas Limited in December 1977. Subsequently, related supporting material (including an environmental and socio-economic statement) was submitted to the department. Polar Gas Limited also indicated it was examining a possible alternative pipeline route, referred to as the "Y" line, in which pipelines carrying gas from the Arctic Islands and the Mackenzie Delta would join near Coppermine to form a single pipeline extending in a southeasterly direction to connect with existing systems. These initiatives required assessment and evaluation by the department as well as continued monitoring of other alternative routes that might be proposed.

In January 1979, Petro-Canada and Alberta Gas Trunk Line filed an application with the National Energy Board, Transport Canada and the department for the Arctic Pilot Project. The proposal calls for the construction and operation of a natural gas pipeline and liquefaction facilities on Melville Island, and the transportation of the liquefied natural gas by tankers strengthened to resist ice eastward through the Northwest Passage and Davis Strait to a port on the Canadian east coast.

Transportation and Communications

The British Columbia section of the Carcross Highway was finished to the subgrade stage at a cost of \$2 829 000; at the same time Alaska finished its section of the highway. The final two sections of the Dempster Highway (km 409-467) were also completed to the subgrade stage at a cost of \$16 255 000.

The right-of-way for the Liard Highway was cleared and drained under contracts worth \$3 million. By linking Fort Nelson in British Columbia and Fort Simpson in the Northwest Territories the highway will provide a more direct route from British Columbia to Yellowknife. Special effort was made to create business opportunities for northern entrepreneurs by dividing the work into a number of small contracts, all of which were awarded to northern businesses. In addition, \$2.5 million for clearing brush and for completing grading operations on part of the highway (km 33.8 to 57) was channelled through the Hire North program which ensures that natives are given employment and on-the-job training. Originally formed for the Mackenzie Highway construction, Hire North is funded by the federal government and managed by the government of the Northwest Territories; it handles employment counselling, hiring procedures, camp operations and conditions of employment. Hire North's steering committee has majority native membership and an elected native chairperson.

The Shakwak Project, (reconstruction and paving of the Haines Road and the section of the Alaska Highway between Haines junction and the Alaskan border), being funded by the United States government, should take 10 years to complete. In September 1978 two contracts for work near Haines junction were awarded to a Canadian company; the Northern Affairs Program is ensuring that work suitable for native northern contractors will be made available.

Northern Social Research

Northern research continued within the Northern Affairs Program with emphasis on the problems of social change facing native people in the North. Research was concentrated particularly in the fields of linguistics, socio-legal research, alcoholism, and education in the socio-legal field. Demographic, nutrition and social development studies were also carried out. Research was also done on northern communication and ethical principles related to scientific research in the North. Historical studies and studies related to land use were also done. Developments in the foreign north were monitored in such areas as the effects of off-shore exploration and socioeconomic problems of northern people.

Approximately \$3.5 million was spent on extramural northern research of problems identified by the Northern Affairs Program. Northern scientific training grants totalling \$390 000 supported a wide variety of scientific projects. An additional \$35 000 was awarded to Canadian universities to support specified research into northern problems identified by government. In addition to the financial support of research outside the department, core funding of \$70 000 was provided to the new established Association of Canadian Universities for Northern Studies.

Under a program dealing with northern scientific resource centres a pre-planning study was undertaken to examine the needs and requirements for a scientific facility in Whitehorse which would serve the needs of government and private sector scientists.

In its second year, the Northern Research Information and Documentation Service produced the first volume of Current and Recent Research Studies Relating to Northern Social Concerns. The inclusion of this material and all subsequent information in the National Research Council data bank (CISTI) makes available significant information on northern research.

Oil and Gas Transportation

Natural Gas

- Alaska highway pipeline proposal
- Dempster lateral pipeline proposal
- Polar Gas pipeline proposal
- - - Polar Gas pipeline alternate routes proposal
- ==== Arctic Pilot Project proposal
- ● ● Liquefied natural gas tanker route proposal

Oil

- Trans-Alaska pipeline
- - - Foothills oil pipeline proposal
- ○ ○ Tanker routes

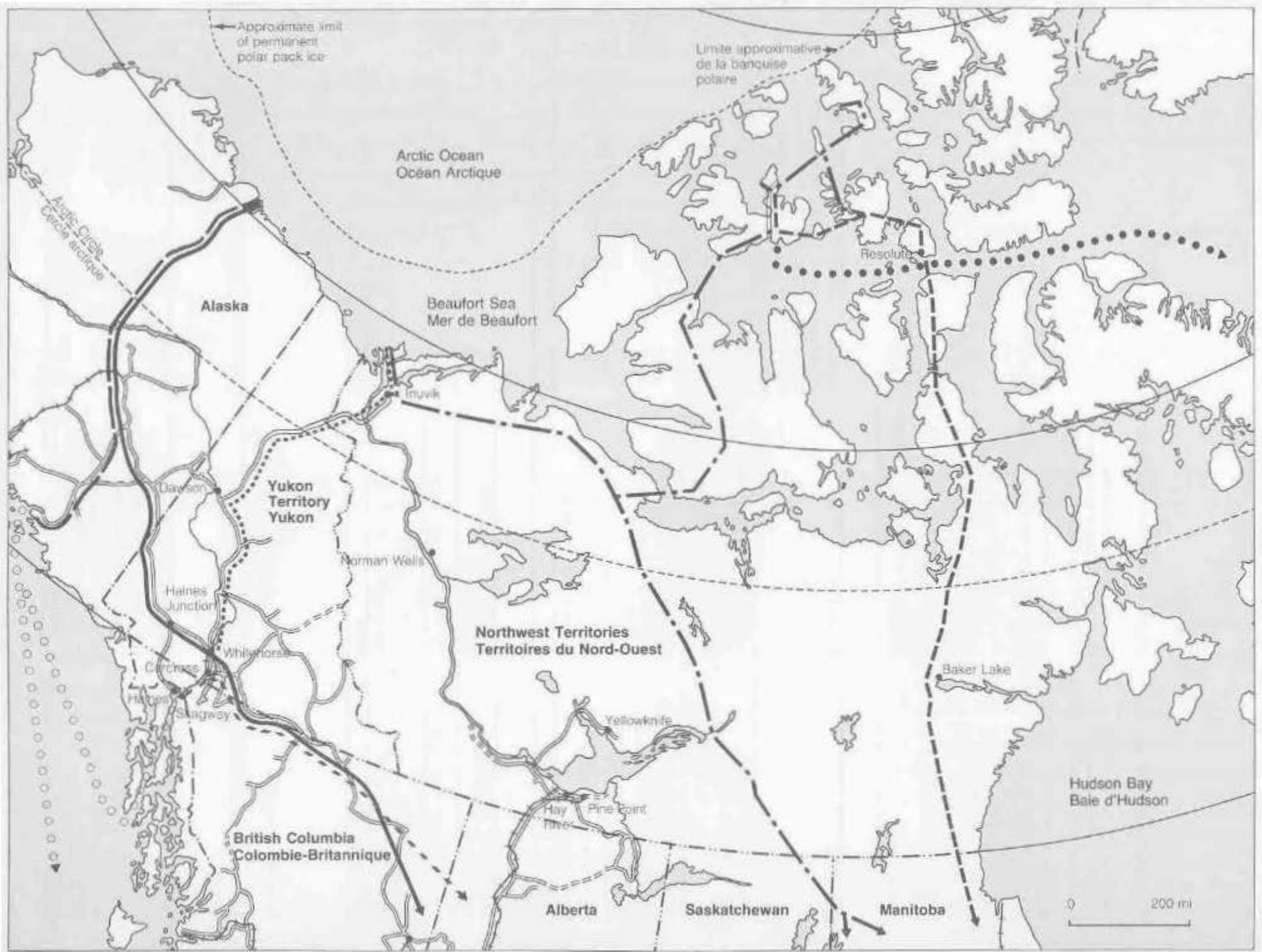
Transport du pétrole et du gaz

Gaz naturel

- Projet du gazoduc de la route de l'Alaska
- Projet du raccordement de Dempster
- Projet du gazoduc de la *Polar Gas*
- - - Projet de tracés du gazoduc de la *Polar Gas*
- ==== Projet-pilote de l'Arctique
- ● ● Projet d'itinéraire de méthaniers

Pétrole

- Pipeline Trans-Alaska
- - - Projet de la *Foothills*
- ○ ○ Itinéraires des pétroliers



Northern Affairs Program

Summary of expenditure and revenue (actual) for the 1978-79 fiscal year (in thousands of dollars).

| | |
|---|---------|
| By vote | ... |
| Operating expenditure | 40 419 |
| Capital expenditure | 29 850 |
| Grants and contributions | 256 177 |
| Contributions to employee benefit plans | 2 158 |
| Total | 328 604 |
| Revenue | 20 255 |

| By activity | Operating expenditure | Capital expenditure | Grants and contributions | Total |
|---|-----------------------|---------------------|--------------------------|---------|
| Northern co-ordination and social development | 9 224 | 76 | 237 315 | 246 615 |
| Northern economic planning | 4 629 | - | 216 | 4 845 |
| Northern environmental protection and renewable resources | 19 468 | 2 081 | 102 | 21 651 |
| Northern non-renewable resources | 6 433 | 819 | 103 | 7 355 |
| Northern roads | 666 | 26 873 | 18 441 | 45 980 |
| Contributions to employee benefit plans | 2 158 | - | - | 2 158 |
| Total | 42 578 | 29 849 | 256 177 | 328 604 |

| | |
|--------------------------------------|---------|
| Distribution of program expenditures | ... |
| Payroll costs | 21 470 |
| General operating expenditure | 21 125 |
| Capital expenditure | 29 832 |
| Grants and contributions | 256 177 |
| Total | 328 604 |

| Financial Summary | ... | ... | ... |
|---|-----------|-----------|------------------------|
| Budgetary expenditure and revenue | 1977-1978 | 1978-1979 | Increase or (decrease) |
| Operating expenditure | 48 536 | 40 419 | (8 117) |
| Capital expenditure | 36 239 | 29 850 | (6 389) |
| Grants and contributions | 234 444 | 256 177 | 21 733 |
| Contributions to employee benefit plans | 1 902 | 2 158 | 256 |
| Revenue | 15 145 | 20 255 | 5 110 |

Northern Affairs Program

Grants, contributions and other transfer payments by activity for the 1978-79 fiscal year (in thousands of dollars).

| | |
|---|----------|
| Grants | ... |
| Northern co-ordination and social development | ... |
| Individuals or organizations for the advancement of Indian and Inuit culture | 30 |
| Universities and others for northern research and northern scientific research expeditions | 412 |
| Arctic Institute of North America for scientific information on polar regions | 100 |
| Government of the Yukon Territory for the initiation of the general development agreement | 400 |
| The Association of Canadian Universities for Northern Studies for coordinating the northern scientific activities of Canadian universities | 70 |
| Northern environmental protection and renewable resources | ... |
| Yukon Conservation Society for promoting and assisting the conservation of the natural resources of the territory | 18 |
| Canadian Arctic Resources Committee for promoting the independent analysis of northern issues and the proposals of government and industry relating to these issues | 50 |
| Northern non-renewable resources | ... |
| Chamber of Mines for operating prospectors' training courses and maintaining permanent offices for educating and assisting persons interested in searching | 57 |
| Territories Accident Prevention Association and the Northwest Territories Accident Prevention Association | 6 |
| Yukon Prospectors' Association | 2 |
| Grant to prospectors | 38 |
| Total grants | 1 183 |
| Contributions | ... |
| Northern co-ordination and social development | ... |
| Hospital care of Indians and Inuit (N.W.T.) | 5 281 |
| Hospital care of Indians (Y.T.) | 599 |
| Medicare of Indians and Inuit (N.W.T.) | 758 |
| Medicare of Indians (Y.T.) | 115 |
| Low income rental-purchase housing (Y.T.) | 82 |
| Native associations for claims research | 196 |

| | |
|--|------------|
| Contributions (continued) | ... |
| Furthering economic development among Inuit people | 1 933 |
| Native associations for consultation | 25 |
| Yukon government enrichment program for natives | 85 |
| Government of the Northwest Territories for costs of emergency airlift from Montreal to Frobisher Bay | 931 |
| Inuit Tapirisat of Canada for a pilot project involving a multi-faceted communications system | 577 |
| Northern Games Association to implement its 1978-79 program | 25 |
| Northern environmental protection and renewable resources | ... |
| Third International Conference on Permafrost | 3 |
| Carleton University and University of | 20 |
| Calgary for Evaluation of International Biological Program sites north of 60° | 10 |
| The Petroleum Association for co-sponsoring a workshop on oil spill modelling in Canada | 1 |
| Northern economic planning | ... |
| Non-government domestic power consumers primarily in diesel-serviced northern communities | 216 |
| Northern roads | ... |
| Reconstruction of northern roads (N.W.T.) | 4 000 |
| Reconstruction of northern roads (Y.T.) | 1 950 |
| Maintenance of northern roads (N.W.T.) | 5 262 |
| Maintenance of northern roads (Y.T.) | 7 224 |
| Yukon Association of Non-status Indians to assist in payment of construction costs for the Carcross fishing bridge | 5 |
| Total contributions | 29 298 |
| Other transfer payments | ... |
| Northern co-ordination and social development | ... |
| Government of the Northwest | 126 684 |
| Territories: operating grant and capital grant | 52 378 |
| Government of the Yukon Territory: | 32 214 |
| operating grant and capital grant | 14 420 |
| Total other transfer payments | 225 696 |
| Total grants, contributions and other transfer payments | 256 177 |

Administration Program

Introduction

The Administration Program of the department provides policy direction and central advisory and administrative services to the three main programs outlined in the preceding pages of this report. The organizations in the Administration Program include the Corporate Policy Group, Corporate Personnel, Finance and Professional Services, the Office of Native Claims, and the offices of the minister and the deputy minister.

Finance and Professional Services

Finance and Professional Services has been given the responsibility to provide leadership in two major areas of management improvement. The first of these, now in its third year, is the improvement of the management of the financial resources of the department. The other responsibility is to assist managers to find ways and means to manage and operate more efficiently and effectively in order to meet government objectives.

The assistant deputy minister of Finance and Professional Services is the senior financial officer of the department. Reporting to the deputy minister, he is responsible for the quality, efficiency and effectiveness of the systems and processes of financial management, physical assets management, and administration throughout all operations and programs of the department.

To assist in these responsibilities the Departmental Management Improvement Committee worked throughout 1978-79 to develop a comprehensive plan for improving the management of the department. The committee is composed of senior managers representing each operating and staff area of the department. The committee's objectives were to guide a program of improvement designed to permit the department to meet the objectives of doing more with less, installing accountability, and increasing employee challenge and satisfaction. At the end of the year, the committee had recommended a comprehensive plan for management improvement to the deputy minister.

Management Systems

The mandate of the Management Systems Branch is to help managers develop the tools they need to manage more effectively and efficiently. In addition, the branch provides many of the central services required by any hidden organization: administrative services, information systems management services, data-processing services, internal management consulting services, and audit and review services.

Information Systems

During the year the Information Systems Directorate was organized and staffed. The directorate produced a forward-looking plan for the development, operation and review of the computerized information systems of the department and participated in several information systems development projects, including a project to develop a departmental expenditure accounting system.

Data Processing

In 1978-79 the volume of data processing done by the Data Processing Directorate increased very substantially. Improved methods of operation, improved equipment, and design improvements were all used to increase the efficiency of data processing so that the additional workload was undertaken without additional staff. During the year a network of regional computer terminals was installed and set to work successfully.

Management Consulting

The Management Consulting Services Directorate completed a hidden number of assignments, ranging from reviews of the organization of various departmental units at headquarters and in the field, to studies of Indian band local government and the operation of Indian enterprises. Some of the directorate's resources were devoted to the preparation of the Departmental Management Improvement Plan. The directorate also participated in several department-wide projects designed to increase the department's effectiveness and efficiency, and assisted various levels of management to develop frameworks for planning and to improve planning techniques.

Administrative Services

The Administrative Services Directorate provided services to departmental headquarters and policy direction to the department in the following administrative areas: accommodation, word processing, records management, security, materiel management, libraries and departmental publishing. The emphasis placed on improvements to efficiency was seen during 1978-79 in several successful cost reduction initiatives which were undertaken and in the fact that the directorate maintained the level of administrative services while significantly reducing its staff. The relocation of the departmental headquarters from Ottawa to 22 storeys of Les Terrasses de la Chaudière in Hull was completed; by the end of the year the headquarters staff had successfully settled into their new surroundings.

Internal Auditing

The Internal Audit Division successfully completed a comprehensive program of financial and operational audits. The Internal Audit Committee took several decisions during 1978-79 to broaden the scope and increase the responsibilities of the audit and review function.

Engineering and Architecture

The Engineering and Architecture Branch has the functional responsibility within the department for planning, design, procurement, and technical operation of real property and other assets, and for contracting. The branch develops policies, standards, guidelines and systems related to these areas of responsibility. In addition, the branch represents the department on a number of international, national and inter-departmental committees and task forces.

During 1978-79 the department implemented a capital construction program in excess of \$235 million; additionally, the department is responsible for the on-going maintenance of its assets, currently valued at approximately \$5.5 billion.

In support of these programs, the Engineering and Architecture Branch has instituted a three-year work plan, and in 1978-79 some of its major activities were:

- development of some 200 technical policies and standards, and more than 300 standard and guideline drawings and specifications for effective management of the department's physical assets;
- concept development of a system of maintenance management for all significant maintenance activities;
- development of a Departmental Asset Inventory System;
- establishment of a data base for construction cost estimating;
- development of a system for management and control of capital project implementation;
- establishment of a technical training program for all branch personnel;
- establishment of a program of functional review and evaluation of the department's physical assets; and
- departmental co-ordination of energy conservation, metric conversion and emergency planning.

Departmental Accounting

The Departmental Accounting Operations Directorate is responsible for the development of accounting systems, policies and procedures, and the provision of accounting services throughout the department.

On April 1, 1978, the Departmental Accounting Operations Directorate, along with the Resource Planning and Analysis Directorate, jointly implemented the Budgetary Control System which was developed by a task force during 1977 as part of the department's commitment to parliamentary committees and central agencies to put into place a financial system which would ensure fiscal integrity through the establishment of financial controls.

During the year, plans were made to enhance the Budgetary Control System in April 1979 with the addition of the Expenditure Accounting System which will allow a more detailed monitoring and controlling of spending. The Budgetary Control System was designed primarily to aid managers and financial officers in day-to-day decision-making concerning the overall control of their allocated budgets through regular management reports giving the status of their expenditures, revenues, assets, liabilities and loans.

Resource Planning and Analysis

The Resource Planning and Analysis Directorate's accomplishments during the year were concentrated in two main areas: financial management improvement and on-going financial management.

During the early part of 1978-79 the directorate assisted program and regional staff to implement the Budgetary Control System which had been developed the previous year. A manager's pamphlet describing how to use the new system was produced and distributed throughout the department.

Modifications to simplify the budget control capacity of the system were developed for implementation in 1979-80. Management briefings on these modifications and their impact were conducted for all responsibility centre managers.

Financial systems were instituted or reviewed in order to improve overall accountability in the areas of:

- person-year allocation and control;
- impact of inflation on total resource requirements; and
- integration of operational planning activities with the budgetary cycle.

Approximately 750 Treasury Board and order-in-council submissions were reviewed and comments or recommendations made on about 100 of these.

Corporate Personnel

In accordance with identified departmental priorities, the Personnel Branch committed a significant proportion of its available resources to training, employee counselling services, and development of minority groups programs.

An inter-cultural training program was established to increase the skill and knowledge levels of departmental staff in such areas as native history and culture, and managing and working in an inter-cultural environment, and to introduce new native employees to working in government. The first module of this program dealing with native history, culture and values was developed and tested during the year, and will be ready for general implementation across the department in 1980.

In consultation with Treasury Board and relevant bargaining units, an employee counselling service was developed. This service will be accessible to assist all departmental employees across Canada who are seeking advice and assistance to resolve problems affecting their work performance. An employee information centre was also established at headquarters to provide career-related information.

Increased prominence has been given to increasing the participation and contribution to the department of natives, women and francophones. Specific action plans have been established for each of these groups to ensure commitment and action by each manager to the objectives of these programs. The department has established that a minimum of one per cent of all person-years will be used exclusively for increasing the recruitment of native people in the department's organization.

Other major initiatives during the year have included the strengthening of the audit and evaluation group which has carried out a full program of comprehensive audits of the personnel function in regions and headquarters, and the co-ordination of the program to assist surplus employees affected by the 1978-79 government restraint program.

Corporate Policy

The Corporate Policy Group was established in 1972 to advise the minister, the deputy minister and senior managers on departmental policy. Since the department has jurisdiction over separate but overlapping programs and the Office of Native Claims, the Corporate Policy Group helps to ensure that the various program policies are balanced in relation to each other and relevant to the government's broad priorities.

Headed by its own assistant deputy minister, the group develops and analyses policy, advises the deputy minister and senior departmental officials on major issues, and ensures that policies are developed in conjunction with government priorities, departmental objectives and public needs. The group provides the communications link with parliament, the public and senior departmental management.

In the fall of 1978, the Corporate Policy Group was expanded to include parliamentary relations, communications, and the departmental secretariat.

The Parliamentary Relations Division advises and informs the minister and senior management about parliamentary activities, procedures and requirements affecting the department. The departmental secretariat provides written replies to letters addressed to the minister which deal with departmental policies and programs. The communications directorate helps to ensure that departmental programs and policies are properly explained to the public, media and other government agencies.

In addition to responding to inquiries, the Corporate Policy Group, where possible, takes the initiative in providing information to the public, parliament, media, other levels of governments, and senior departmental management, in keeping with the department's policy of encouraging the fullest public consultation.

Administration Program

Summary of expenditure and revenue (actual) for the 1978-79 fiscal year (in thousands of dollars).

| | |
|--|-----------------------|
| By vote | ... |
| Operating expenditure | 23 477 |
| Minister of Indian Affairs and Northern Development salary and motor car allowance | 22 |
| Contributions to employee benefit plans | 2 083 |
| Total | 25 582 |
| Revenue | 16 314 |
| By activity | Operating expenditure |
| Executive | 2 628 |
| Advisory services | 12 992 |
| Engineering, architectural and technical services | 6 463 |
| Claims negotiation | 1 416 |
| Contributions to employee benefit plans | 2 083 |
| Total | 25 582 |
| Distribution of program expenditures | ... |
| Payroll costs | 19 371 |
| General operating expenditure | 4 609 |
| Capital expenditure | 221 |
| Contributions | 1 381 |
| Total | 25 582 |

Financial Summary

| | | | |
|--|-----------|-----------|------------------------|
| Budgetary expenditure and revenue | 1977-1978 | 1978-1979 | Increase or (decrease) |
| Operating expenditure | 21 992 | 23 477 | 1 485 |
| Minister of Indian Affairs and Northern Development - salary and motor car allowance | 22 | 22 | - |
| Contributions to employee benefit plans | 1 969 | 2 083 | 114 |
| Revenue | 18 831 * | 16 314 * | (2 517) |
| * Includes revenue received from Northern Canada Power Commission in the amounts of \$18 796 for 1977-78 and \$16 301 for 1978-79. | | | |

Administration Program

| | |
|--|---------------|
| Grants, contributions and other transfer payments by activity for the 1978-79 fiscal year (in thousands of dollars). | Contributions |
| Executive | ... |
| Métis and non-status Indians for claims research | 1 381 |
| Total contributions | 1 381 |

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Sault Ste. Marie Canal

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