

To Her Excellency
The Right Honourable Jeanne Sauvé
Governor General of Canada

May it please Your Excellency:

The Department of Indian Affairs and Northern Development provides a broad range of services to Canada's Indians and Inuit, which are aimed at improving their overall social and economic conditions and advancing the cause of self-government. The department also promotes the economic and political development of the Yukon and Northwest Territories and coordinates federal government activities in the North.

The department builds houses and schools; provides roads, sewage systems and water supplies; negotiates land claims settlements; promotes Indian economic development; implements practical forms of self-government, as in the Sechelt Indian Band Self-Government Act; manages Indian lands and trust funds; provides a range of social and family services to Indians; supports the development of representative and responsible political institutions and political and economic development measures for Canada's North; and manages most natural resources north of 60 degrees.

This report has as its theme "A Time of Transition". Fiscal 1986 - 87 was the second year of a major restructuring of the department to reflect the government's commitment to shifting decision-making where it belongs: with Indian people and with Northerners. We are gradually shedding the aura of paternalism that characterized government policies of the past. New policies are directed to six goals. Indian self-government; economic development for aboriginal people and the northern territories; a better quality of life in Indian and Inuit communities across Canada; a better management of Indian land and monies; the transfer of provincial-type responsibilities to northern governments; and contribution to the affirmation of Arctic sovereignty.

During the year under review, I believe the department's policies and programs helped to improve the position of the Indian and Inuit peoples and Northerners in Canadian society. I am satisfied that our services were rendered professionally and in a manner which was sensitive to the needs of our client groups.

Respectfully submitted,
Bill McKnight, P.C., M.P.,
Minister of Indian Affairs and Northern Development

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Departmental Profile

Mandate

The Department of Indian Affairs and Northern Development was created in 1966, headed by Minister responsible for Indian and Inuit Affairs as well as for Yukon and the Northwest Territories and their resources. The department's responsibilities are to: - fulfill the obligations of the federal government arising from treaties, the Indian Act and other legislation listed in Appendix II; - provide for the delivery of basic services to status Indian and Inuit communities; - assist Indians and Inuit to acquire employment skills and develop businesses; - negotiate the settlement of Indian and Inuit claims; - support constitutional discussions regarding the definition of the rights of aboriginal peoples and related matters; - provide transfer payments to the governments of the Yukon and Northwest Territories; - support the economic development of the North and protect the northern environment, including Arctic seas; and - foster the political development of the northern territories and coordinate federal policies and programs in the North.

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

A Time of Transition

Fiscal year 1986 - 87 was a time of transition for the department. A reorganization which began in the previous fiscal year was completed, reflecting a fundamental change in direction. In general terms, the department moved toward becoming an "enabler" and an advocate for initiatives launched by native people themselves, rather than a controller and regulator of Indian issues.

The reorganization was designed to implement four priority themes which were identified in 1985 - 86 after intensive consultations with native peoples: self-government, economic development, quality of community life, and protection of the special relationship between the federal government and the native peoples of Canada. Consistent with those themes, broad goals were established to: shift more decision-making to Indian communities; remove barriers to economic growth; develop better housing, education and social services tailored to local needs; and achieve a better management of Indian lands and monies.

Four themes were advanced with respect to Northern policy in 1986 - 87 - the transfer of provincial-type responsibilities to northern governments, promotion of economic development, settlement of land claims, and affirmation of Arctic sovereignty.

Organization

Indian and Northern Affairs Canada has grouped its activities into four programs: Indian and Inuit Affairs, Northern Affairs, Transfer Payments to the Territorial Governments, and Departmental Administration.

The structure of the department is aligned with its programs as shown in the organizational chart. The transfer payments program is not included because it involves no person years. The organization is decentralized with approximately 75 per cent of its employees delivering services across the country.

This high degree of decentralization assists in responding to the varying needs of aboriginal people who are highly diverse culturally, economically and geographically, and provides better service to northerners and territorial governments.

Organizational Structure



**COGLA reports jointly to the Department of Indian Affairs and Northern Development and Energy, Mines and Resources Canada.*

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Highlights

As noted earlier, the 1986 - 87 fiscal year was a time of change as the department completed a fundamental reorganization that began in 1985 - 86. Nowhere was the theme of "transition" more evident than in native land claims and self-government. Among the most notable achievements of 1986 - 87 were the development of a new policy on comprehensive land claims, the taking of concrete steps toward implementation of Indian self-government, and the further transfer of responsibilities to the territorial governments.

First Ministers' Conference

The final mandated First Ministers' Conference on Aboriginal Constitutional Matters was held in Ottawa, March 26 - 27, 1987. Although no agreement was reached for a constitutional amendment on self-government, the public debate was advanced and a federal offer remains on the table.

Self-Government

In October 1986, the Sechelt Indian Band Self-Government Act was proclaimed, establishing the Sechelt Indian government. This means that Sechelt, along with the approximately 9,000 Indians in nine bands under the Cree-Naskapi (of Quebec) Act, now have legislation, outside of the Indian Act, which reflects their needs and desires for community control and decision-making.

Alternative Funding Arrangements

Treasury Board gave final approval in June 1986 for the government to enter into multi-year Alternative Funding Arrangements (AFA) with participating bands. AFA will give Indian bands more authority to control local spending, enabling bands to direct money into programs that meet the specific needs of their communities.

Comprehensive Land Claims

In December 1986, the Comprehensive Land Claims Policy was tabled in Parliament. The new policy provides for the negotiation of a broad range of matters related to economic development and self-government for those aboriginal people who wish it. Active negotiations continued on six claims. There was renewed impetus in particular to resolve the three outstanding claims in Yukon and N.W.T.

Cree Band Land Claim

The treaty land entitlement claim of the Cree Band of Fort Chipewyan was settled in December 1986. The agreement, which involved Canada and Alberta, was the largest outstanding claim of its kind in the province. It provides for more than 12,280 acres (4,969.5 hectares) of land to be set aside for the band, \$27.6 million (\$10 million federal, \$17.6 million provincial) in cash compensation and specific hunting, fishing and trapping rights.

Transfer of Northern Canada Power Commission

Bill C-45 to transfer Yukon assets of the Northern Canada Power Commission (NCPC) to the Yukon government was passed in March 1987. The assets were sold to Yukon Development Corporation (YDC), a Crown corporation of the Yukon government, at their net book value of \$95 million. The deal was signed on March 31, 1987.

Transfer of Forestry to the Northwest Territories Government

Bill C-43, which gave effect to the transfer of forestry and fire management from federal to territorial control, was passed in March 1987. This was the first natural resource management program transfer since 1967. A \$25 million budget, assets valued at \$25 million and 122 person years were transferred to the government of the N.W.T. as of April 1, 1987.

Canada Petroleum Resources Act

The Canada Petroleum Resources Act, which gives legal force to the government's Frontier Energy Policy, was proclaimed February 15, 1987. The legislation repeals the 1982 Canada Oil and Gas Act and simplifies the regulatory framework for the disposition of frontier lands, royalties and the Canadian ownership of the oil and gas industry in the frontier lands.

Grassy Narrows and Islington Bands

The Grassy Narrows and Islington Indian Bands' Mercury Pollution Claims Settlement Act, the federal legislation required to settle claims arising from the mercury pollution of the Wabigoon and English rivers, came into force on July 28, 1986. Payment of the \$2.93 million federal contribution to the settlement was made to the bands on July 29, 1986.

Northern Mineral Policy

The Northern Mineral Policy was developed to affirm the federal government's recognition of the importance of the mineral industry north of 60 degrees and to support mineral prospecting, exploration and development. Major initiatives included completing draft amendments to the Canada Mining Regulations and holding discussions with the Yukon and N.W.T. governments on plans to transfer mineral resource management programs and activities.

Relocation of Winisk

The building of the community of Peawanuck, the new home of the Winisk Indian Band, proceeded ahead of schedule and by the end of the fiscal year all necessary facilities were in place or close to completion. On May 16, 1986, the community was devastated by a flood caused by ice break-up on the Winisk river. Fortunately, plans for relocating the community 45 kilometres upstream at Peawanuck had already been developed by the community and the department when the tragedy occurred.

International Exchanges

A Canada/U.S.S.R. Arctic Sciences Exchange Program was developed to provide an ongoing dialogue and information exchange on northern scientific and technical issues of mutual interest.

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Self-Government Sector

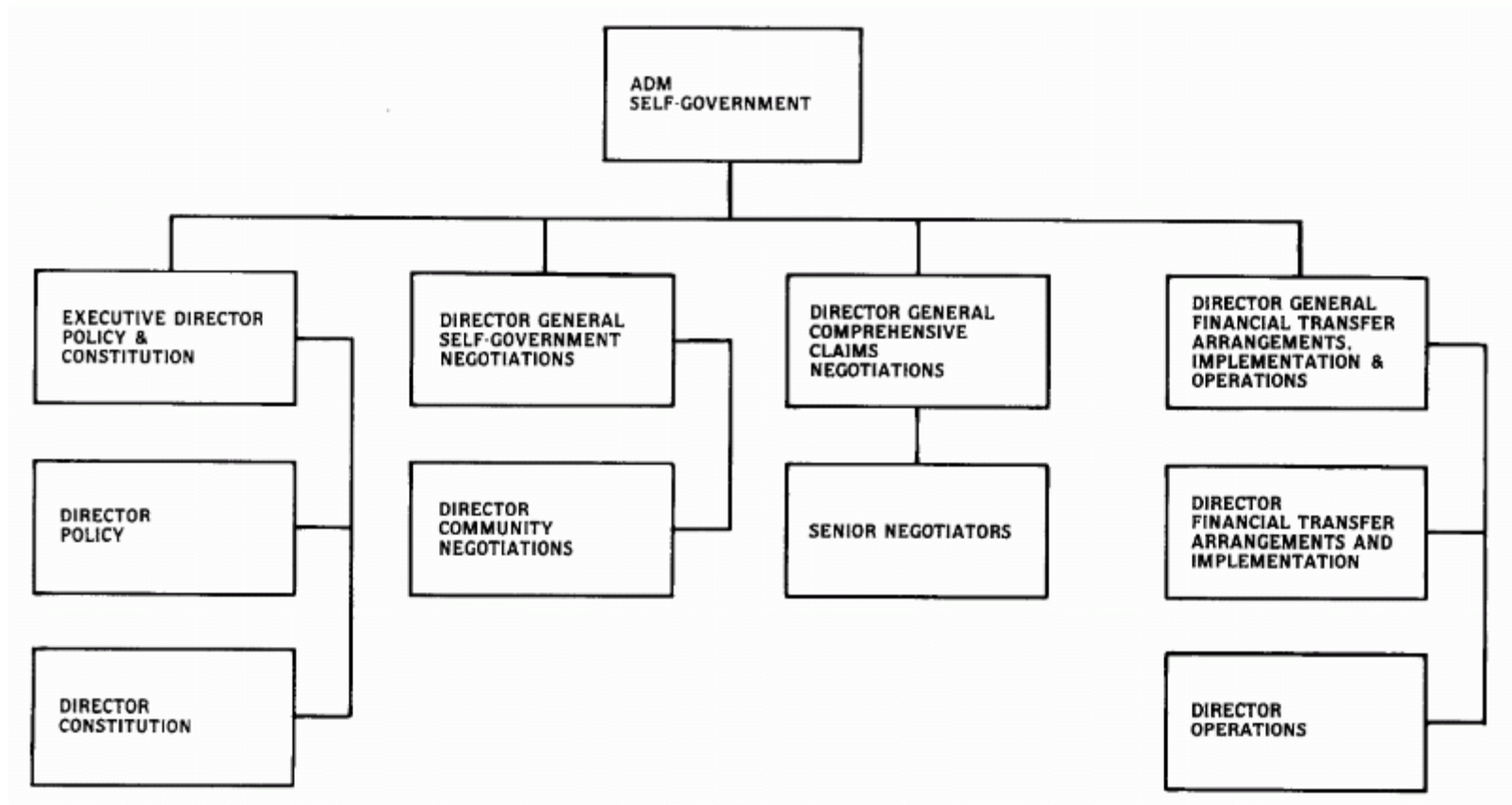
This sector continued to work toward establishing a new relationship, based on increased community control and self-reliance, between the federal government and the Indian and Inuit peoples of Canada.

A new organization was established during the year. New policies were announced by the Minister which will guide the activities of the sector in the future: a policy statement on Indian self-government at the beginning of the year and a revised Comprehensive Land Claims Policy on December 18, 1986.

Self-government was the major item on the agenda at the last of the mandated First Ministers' Conferences on Aboriginal Constitutional matters in March 1987. Preparations for this conference were a major focus of this sector throughout the year.

Policy and Constitution Branch

The branch developed the Indian/Inuit self-government policy on community-based self-government for aboriginal people in Canada. The objectives are to enhance decision-making authority at the community level, to introduce greater flexibility into arrangements with native communities and to strengthen political accountability within Indian communities. In line with this policy, the Sechelt Indian Band Self-Government Act was proclaimed in October 1986. In response to



the wishes of the Sechelt Band, the act transfers fee simple title of lands to the band, and provides for the adoption of a band constitution and a funding agreement.

The branch was also involved in revising the Comprehensive Claims Policy which, among other things, clarified that only land-based rights were to be affected in comprehensive claims negotiations. The policy also included alternatives to the extinguishment of aboriginal title and provided for negotiations on a broader range of self-government issues than previously, including resource revenue-sharing and participation in decision-making in land and other environmental issues.

Comprehensive Claims Branch

Four new claims were validated for negotiations and more than 1,000 requests for information were processed. Among the important achievements during the year: - the Tungavik Federation of Nunavut, representing the Inuit of the Central and Eastern Arctic, initialled subagreements on eligibility and enrolment and on wildlife harvesting and management; - the Dene-Métis negotiations produced understandings on a number of topics, including wildlife harvesting and management, benefits from subsurface development, Norman Wells, and financial compensation; and - negotiations in Yukon resumed with the Council for Yukon Indians (CYI) and a number of Yukon bands on land-related issues. Subagreements were reached with the Old Crow Band on boundaries, land selection and forestry.

Self-Government Negotiations Branch

The branch assisted in the development and negotiation of self-government proposals for Indian communities across Canada. The emphasis was on practical, community-based approaches.

Self-government negotiations staff met with representatives from more than 100 communities to explain the new policy and process. More than 40 proposals were assessed of which half reached the stage where a framework for substantive negotiations could be established.

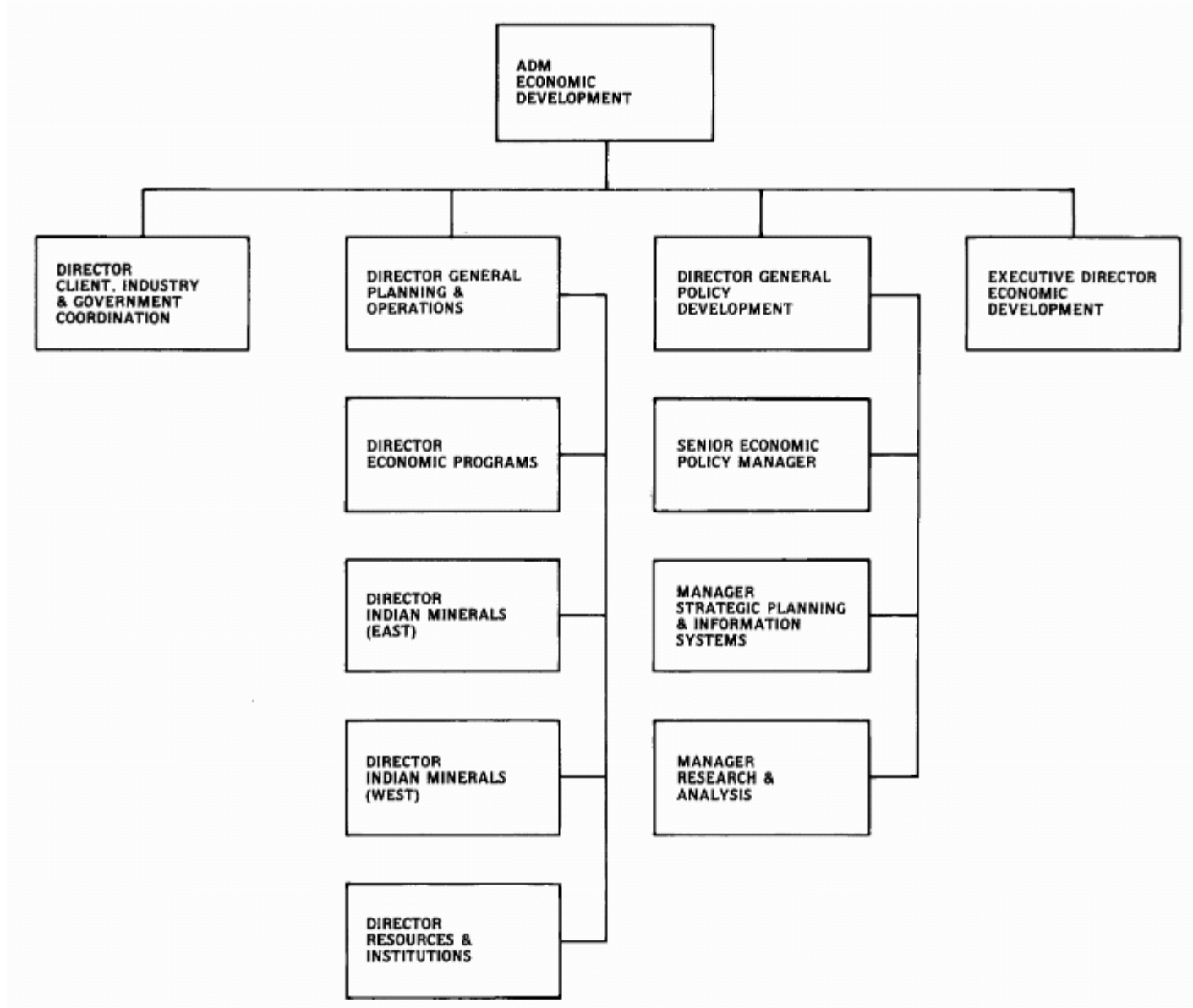
Financial Arrangements, Implementation and Operations Branch

The branch administered approximately \$95 million in loans and contributions to support Indians and Inuit participating in specific and comprehensive claims. Throughout the year, the branch held discussions with many bands on community development, human resources, financial management and funding arrangements. A federal negotiator was appointed to undertake negotiations with the Crees, Naskapis and Inuit on issues still outstanding in the James Bay and Northern Quebec Agreement and the Northeastern Quebec Agreement.

The federal and Quebec governments cooperated to increase to 60 from 30 the number of dwellings available to the village of Umiujaq, which was inaugurated on land chosen by the Inuit under the James Bay and Northern Quebec Agreement.

Treasury Board authorized the negotiation of two new funding agreements, one which would increase the base-year funding for capital and operating and maintenance to Cree and Naskapi local governments and another which would increase base-year funding for elementary and secondary schooling to the Sechelt Band in British Columbia. The latter agreement was concluded in August 1986.

Economic Development Sector



lands; train Indian adults to enter business and employment; and improve the ability of federal programs to increase Indian business development and employment.

Among achievements during this year of transition:

- Indian business now able to access the federal Small Business Loans program and Federal Business Development Bank services;
- Youth entrepreneurship and business seminar programs aimed at helping young Indian adults succeed in business;
- Agreements with some Indian economic development institutions to negotiate take over of portions of the department's small business loans program;
- An expanded capacity to assist bands to optimize economic benefits from their oil and gas holdings; and
- Improved communications with the Canadian business sector through organizations such as the Canadian Council for Native Businesses and activities such as the Native Business Summit held in Toronto, June 1986.

Operationally, the sector manages four distinct services:

- Indian business development: provides equity contributions (\$10 million), direct loans (\$7 million) and guaranteed loans (\$3 million) as well as management and advisory services to Indian small businesses;
- Human resource development: provides contributions (\$37 million) to communities and individuals to increase employability through academic and occupational skills training, and employment through on-the-job training, wage subsidies and labour market services;
- Natural resources development: provides contributions (\$10 million) to assist bands to identify and exploit their mineral and oil and gas holdings, and to manage their agricultural, forestry, fish and other renewable resources to achieve optimum revenue and employment benefits; and
- Indian - Controlled economic development institutions: provides contributions (\$15 million) to assist bands, tribal councils and sectoral business interests to establish corporations which provide financial, technical, management and advisory services aimed at developing new or expanded business projects.

Indian economic development activities supported by the department include:

- Establishment of over 500 new Indian businesses in 1986/87 which provided over 78,000 weeks of new employment and generated \$25 million in new income to Indians;

- Leverage of seven dollars of investment in Indian businesses by individuals, other federal programs and commercial banks for every DIAND business development contribution dollar;
- 1,500 long-term jobs in Indian community enterprises, and 2,500 people working on projects providing skill enhancement and work experience;
- 4,200 full and part-time trainees in classroom or on-the-job environments;
- 360 bands with long-term human resource employment and training plans;
- \$450,000 in revenues, \$3.5 million in wages and 200 jobs resulting from mineral developments;
- \$117 million in royalties and \$3.8 million from bonuses, rentals, compensation and seismic fees from oil and gas developments; and
- 300 staff in 200 bands, 66 tribal and sectoral development corporations providing Indian - Controlled financial advisory services to hundreds of Indian businesses, and thousands of self-employed farmers, fishermen, trappers, outfitters and arts and crafts producers.

Lands, Revenues and Trusts Sector

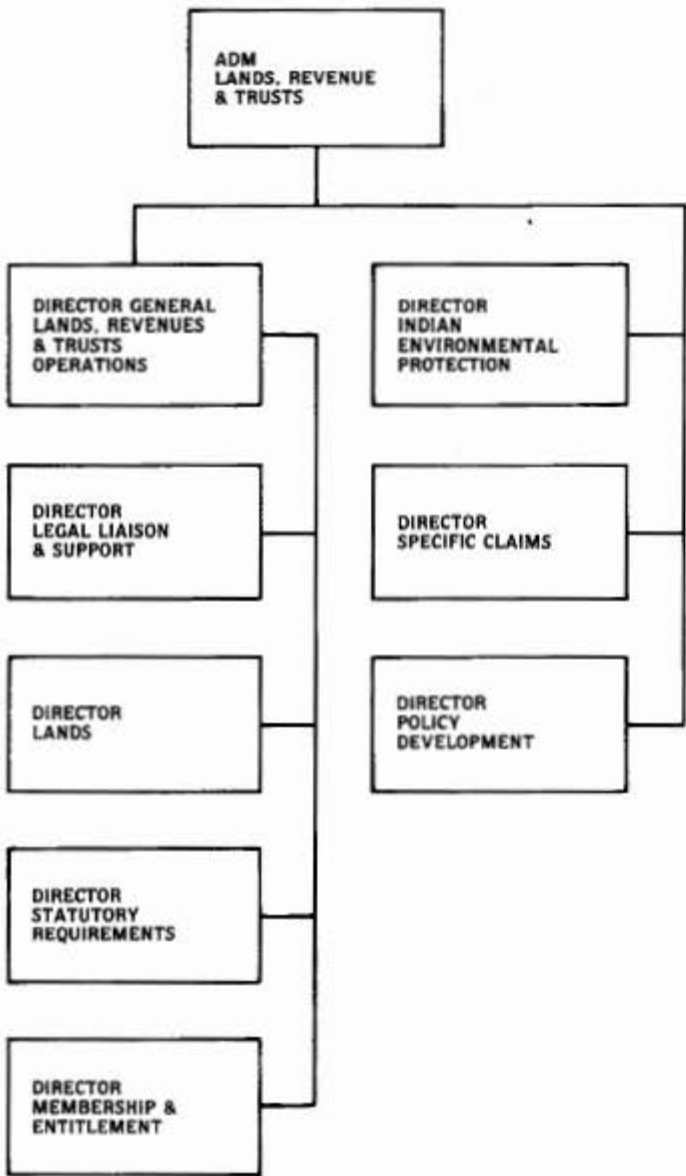
The Lands, Revenues and Trusts Sector is responsible for the legal obligations of the government in all matters respecting Indians and lands reserved for Indians, except the development of natural resources, which is the responsibility of the Economic Development Sector. Lands, Revenues and Trusts, through the Specific Claims Branch, also undertakes the assessment of specific claims submitted by Indian bands and conducts negotiations on behalf of the Minister with a view to settling all accepted claims.

Operations Branch

During the year, the branch continued to discharge the legal obligations of the government for Indians and Indian land, flowing from treaties, the Indian Act, other legislation and regulations. The branch administered and managed 2,263 reserves, comprising about 2.6 million hectares. Some 23,000 individual accounts were under administration for minors, deceased Indians, and other individual Indians.

Lands, Revenues and Trusts (Operations) entered a period of scrutiny during the year as a result of several studies, including the Auditor General's report and a review by the Office of the Comptroller General (OCG). A number of new approaches to the administration of Indian lands, estates and monies were developed and were in varying stages of implementation during the year.

Proposals were under consideration for changes in the manner of making payments to Indian parents from funds held for their



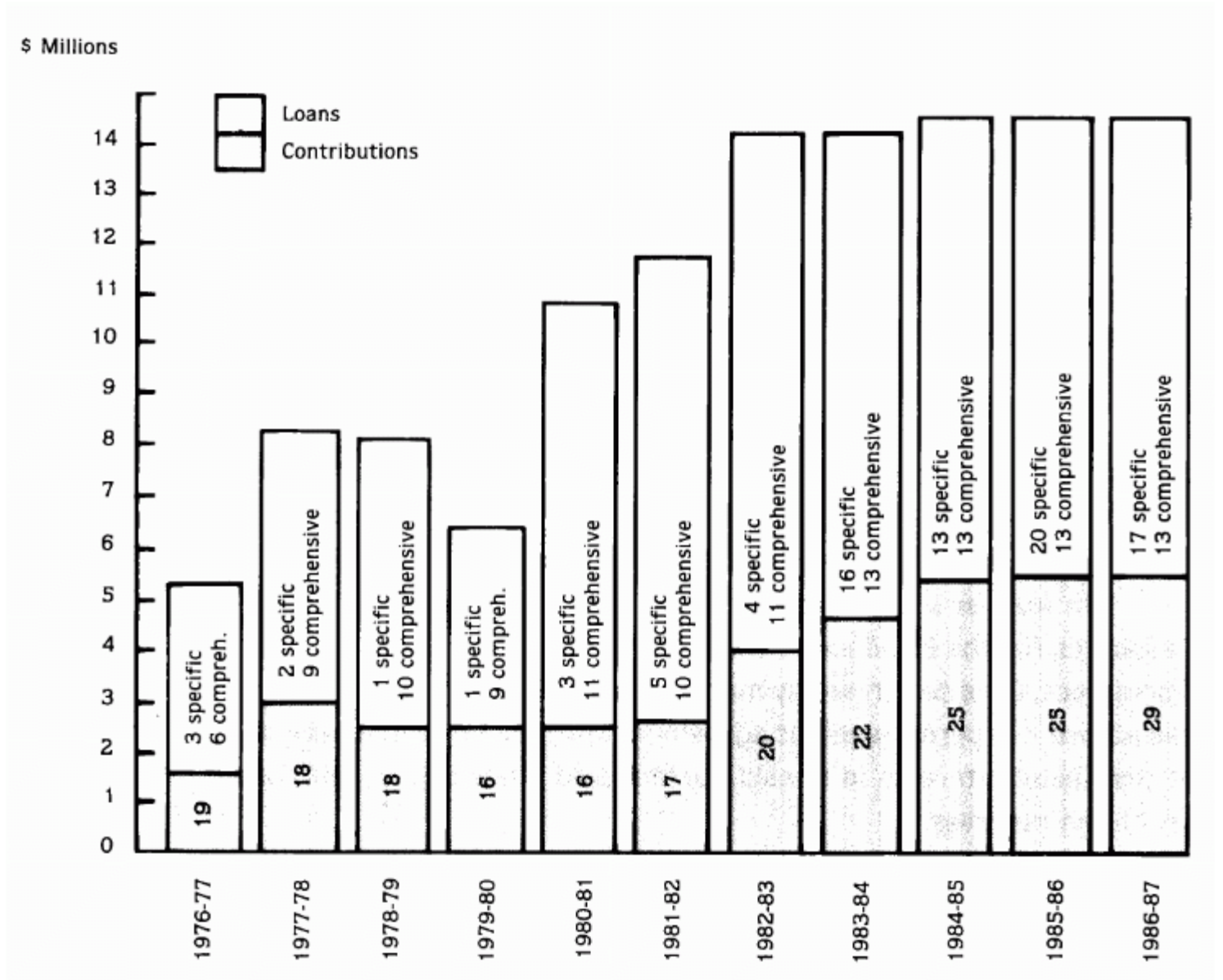
Since June 1985, grants totalling more than \$3.3 million have been provided to 451 bands to assist in the development of band membership rules. During the year, control of band membership was transferred to five bands, bringing the total to nine bands which had assumed this control by the end of March.

At the end of the fiscal year, Indian bands and individuals held a total of \$964.9 million in accounts in the Consolidated Revenue Fund, a decrease of \$39 million from the previous year.

Specific Claims Branch

The Specific Claims Branch is responsible for the assessment and settlement of specific claims. These are claims by Indian bands relating to the administration of land and other Indian assets and to the fulfillment of Indian treaties.

Contributions and Loans to Claimant Groups



During the year, 30 new specific claims were submitted. Historical analysis was completed on 18 claims which were then referred to the Department of Justice. In turn, 31 opinions were received back from the Department of Justice. Three claims were accepted for negotiation, three others were referred to other program areas for administrative remedy and another three were formally rejected during the year.

In addition, the branch continued to deal with the "cut-off" claims in British Columbia. These claims involved returns of land and compensation for lands taken away from Indian bands in the early 1900s.

Besides negotiations on the cut-off claims, 33 sets of negotiations, involving 94 bands, were conducted under the specific claims policy.

Five specific claim settlements were finalized during the year. These included the Garden River Band, Ontario; The Pas Band, Manitoba; the Cree Bands of Fort Chipewyan, Alberta; Fond du Lac, Saskatchewan; and Lucky Man, Saskatchewan. Eight tentative settlements reached during the year were awaiting completion of band ratification and government approval.

Indian Environmental Protection Branch

During the year, the branch made 128 contributions totalling \$4.7 million to bands and Indian organizations to develop response plans for projects with potential or existing socioeconomic and/or environmental impacts.

Approval was obtained from Treasury Board to construct water treatment plants, at a cost of \$5.1 million, in four of the Northern Flood Agreement communities to fulfill Canada's principal obligation under the Agreement. Discussions commenced with the Province of Manitoba, Manitoba Hydro and the Northern Flood Committee on the potential for a negotiated comprehensive settlement of other outstanding Northern Flood Agreement issues.

In consultation with the Serpent River Band and federal and provincial officials, implementation began on a management plan for the rehabilitation of the Cutler Acid site at Serpent River, Ontario. This plan calls for the removal of industrial waste located on the reserve, its disposal in a provincially certified waste site, and rehabilitation of the reserve area affected.

Implementation began on the management plan for the Cutler Acid Rehabilitation at Serpent River, Ontario.

In November 1985, an agreement was reached between the federal government, Ontario, Reed Inc., Great Lakes Forest Products Ltd. and the Islington and Grassy Narrows Bands to settle claims arising from the mercury contamination of the Wabigoon and English rivers. The terms included payment to the bands of \$16.667 million plus interest. An Order approving the settlement was issued by the Supreme Court of Ontario on June 26, 1986, and federal legislation to implement the settlement (the Grassy Narrows and Islington Indian Bands

Mercury Pollution Claims Settlement Act) came into force on July 28, 1986.

Payment of the federal settlement contribution of \$2.75 million plus interest (total \$2.93 million) was made in full to the bands on July 29, 1986.

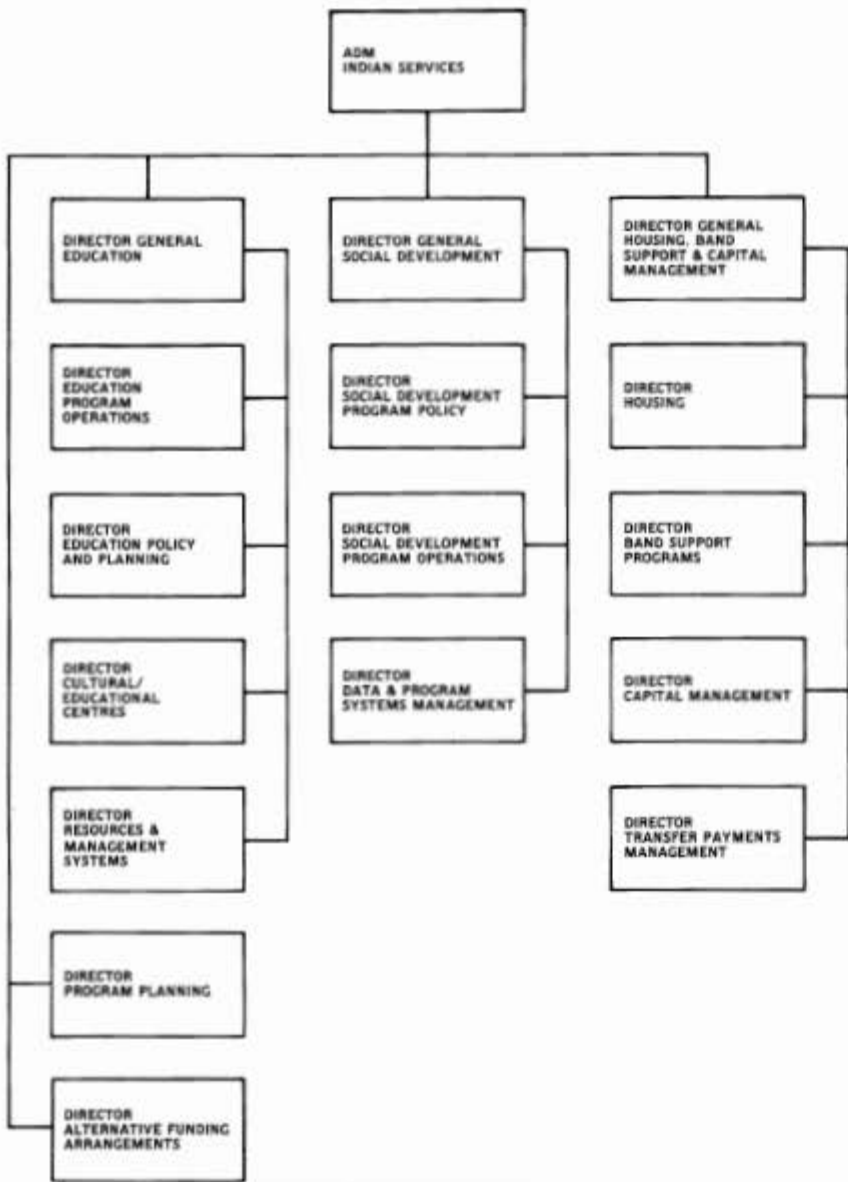
The terms of the settlement required the bands to capitalize a Mercury Disability Fund with \$2 million of the settlement amount to compensate individuals with health effects consistent with mercury poisoning. A Mercury Disability Board to supervise the administration of the Fund and to review applications for individual compensation was appointed by representatives of the bands and the governments on November 14, 1986.

Indian Services Sector

The Indian Services Sector continued to support Indians, and the Inuit of northern Quebec and Labrador, through the provision of education, social development, housing, community infrastructure and band management support services. These services were provided primarily to status Indians residing on reserve and Crown lands.

During this time of transition for the department, the sector was a key contributor to the change in role from one of delivering services directly to Indian people to one of enabling those people to deliver the services themselves. A five-year "devolution" plan was approved providing an additional \$60 million by 1990 - 91 to further the transfer process. During 1986 - 87, seven additional federal schools were transferred to band control, and the social assistance program was devolved to 12 additional bands. Through those actions and others, the share of the Indian and Inuit Affairs Program's budgetary expenditures, managed or administered by Indian and Inuit organizations, rose to an all-time high of 64 per cent.

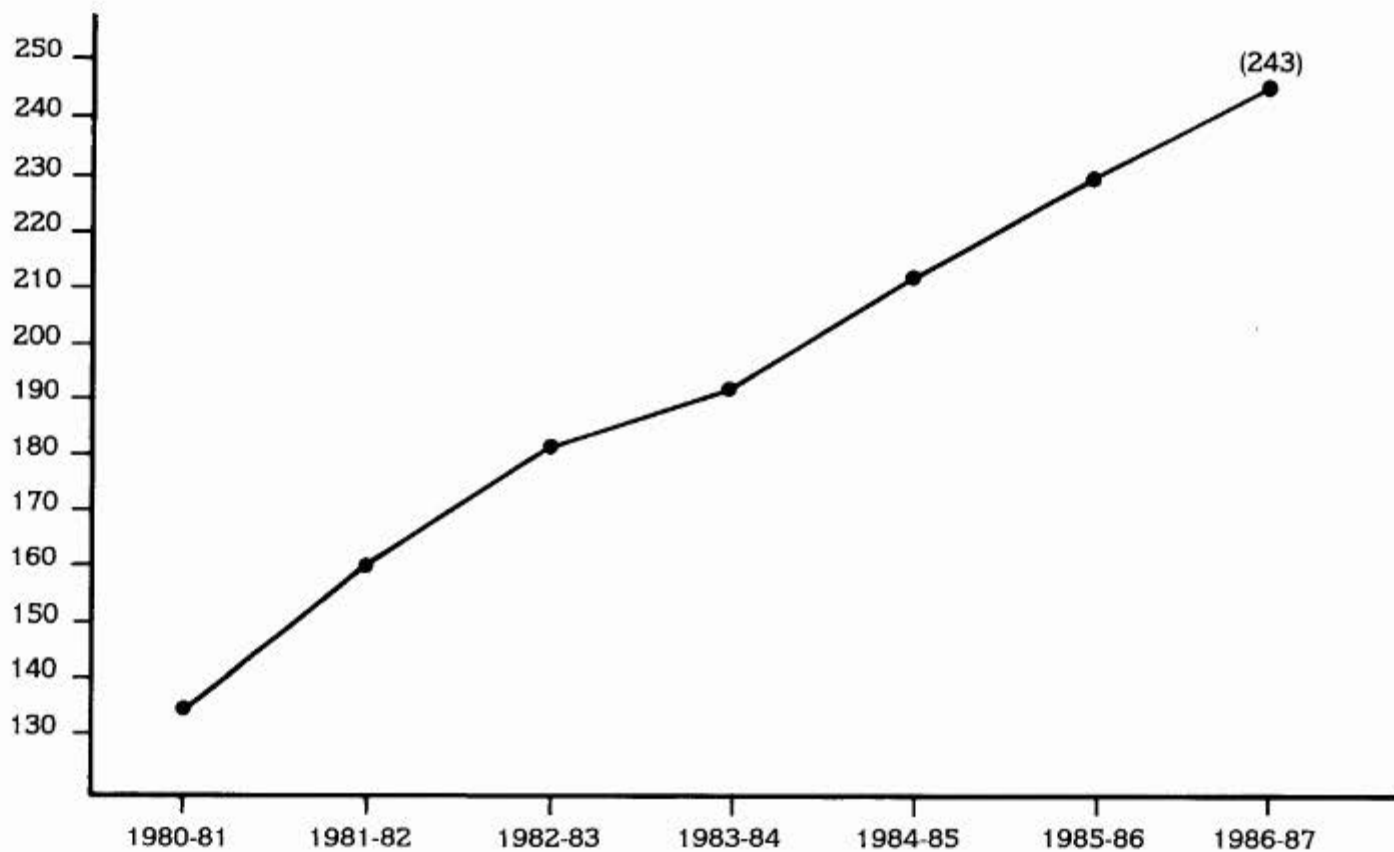
A new initiative entitled Alternative Funding Arrangements (AFA) was approved in June 1986. AFA permits eligible bands and tribal councils to negotiate new financial and administrative arrangements in which the primary accountability of Indian leaders is to their own communities. Under such an agreement, a band can have greatly expanded authority to establish programs and apply funds according to community needs and priorities, subject only to minimum departmental requirements being met. AFA is aimed at increasing local band control to the fullest extent possible under existing federal legislation. Information sessions were conducted with 286 bands/tribal councils and formal negotiations began with 19.



enrolled in their graduating year. Total elementary/secondary school enrolment of 82,271 showed a slight increase over the 1985 - 86 enrolment.

Band-operated Schools by Year

Band-operated Schools by Year



Negotiation of child and family service agreements with Indian bands continued during the year. Three new agreements covering 33 bands were concluded and funded: with Nuu-Chah-Nulth Tribal Council in British Columbia, involving 14 bands; Qjibway Child and Family Services Tribal Council in Ontario, involving 14 bands; and Yellowhead Tribal Council in Alberta, involving five bands. In addition, amendments were authorized to existing child welfare contribution agreements in Manitoba and Alberta (Lesser Slave Lake) to provide for the increased costs resulting from changes in Indian child welfare agencies.

During 1986 - 87, more than \$9.3 million, representing 3.3 per cent of social assistance funding, was transferred to the Work Opportunities and Indian Community Human Resource Strategies program to be used for employment creation.

Housing and Community Infrastructure

During the year, 2,929 new housing units were constructed and 3,490 units were renovated on Indian reserves and settlements at a total cost of \$93 million. Canada Mortgage and Housing Corporation's (CMHC) rural and Native Housing Program helped build 1,240 of the new units and provided \$8.7 million to assist with renovations.

Ministerial guarantees were provided for 281 loans at a total value of \$58.2 million for the construction of an additional 1,277 houses on reserves.

The housing program provided funding for technical and planning assistance, training courses, management support, and demonstration projects in the housing area. As well, preparatory work began for a review of Indian on-reserve housing policy in collaboration with Indian representatives, other federal departments and agencies concerned with Indian housing.

With regards to capital facilities on Indian reserves, new program service standards and school space accommodation standards were developed. Furthermore, in 1986 - 87, approximately 80 per cent of the capital (including housing) and 77 per cent of the operation and maintenance budgets were administered directly by band councils or their representatives.

Band Management Support

This program provides overhead funding to band and tribal council administrations, offers band training and advisory services, and oversees the funding transfer process with bands and tribal councils.

In 1986 - 87, Parliament approved a five per cent volume increase in band support funding, as well as an increase of \$4 million in the budget base to establish new tribal councils and support the transfer of programs and advisory services to existing tribal councils. A total of approximately \$100 million was transferred to bands and tribal councils for these purposes.

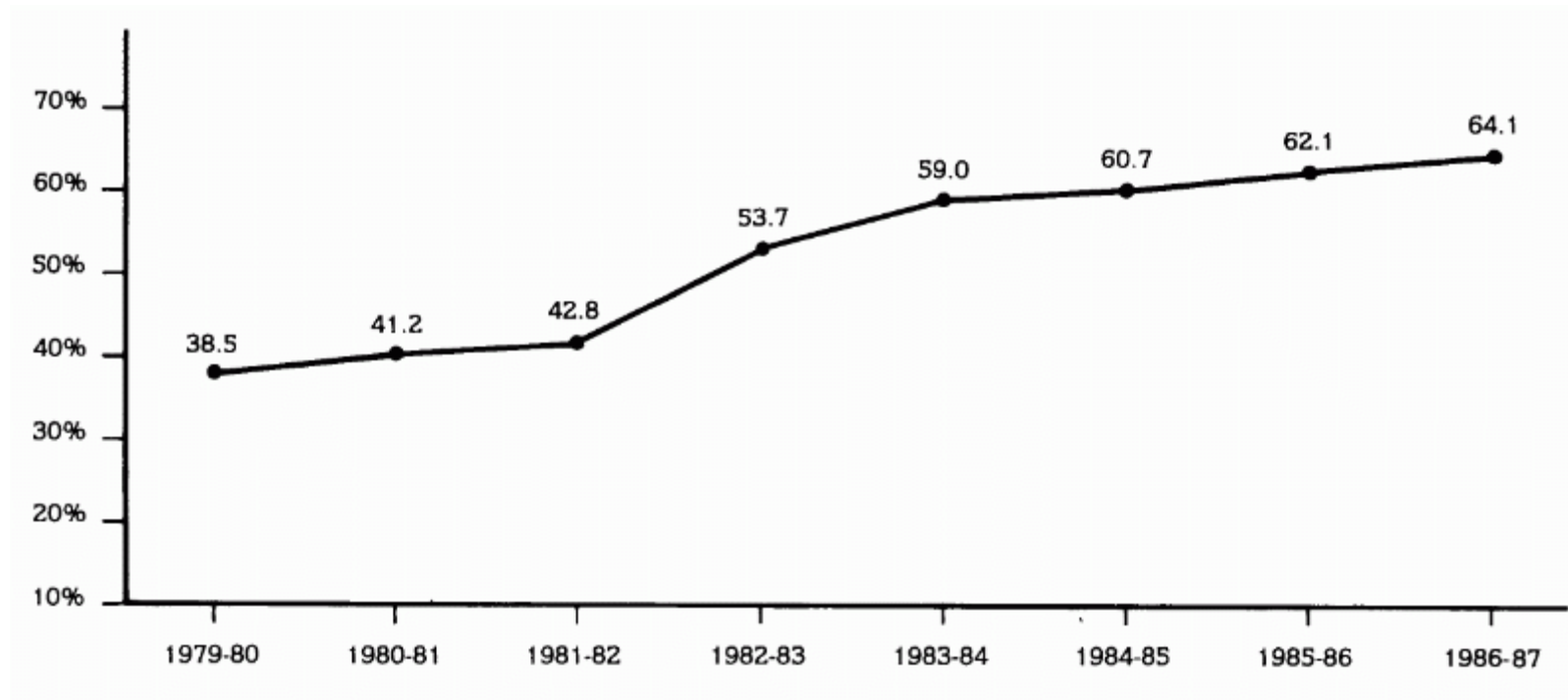
The band management support program administered the distribution of funds to the expanding status Indian population arising from the reinstatement provisions of Bill C-31, passed by Parliament

in June 1985. In addition, the program coordinated efforts toward the implementation of the five-year devolution plan and the allocation of funds set aside for this purpose.

Two-year funding agreements totalling more than \$13 million were entered into with the Province of Newfoundland and Labrador and the Innu and the Inuit of Labrador for the delivery of socioeconomic programs. These agreements foster the development of native self-management and provide native people with greater flexibility in the decision-making process.

In the area of Indian/Inuit management development, 12,570 consultant days of service were provided through the Canadian Executive Services Organization (CESO) to Indian people, businesses and communities. The department funded the Canadian Native Program of CESO to deliver advisory and consultative services supplied by retired volunteers who share their expertise and skills with the native community. In addition, 42 business and management student advisors provided advice to bands and tribal councils under the Indian Management Assistance Program.

Percentage of Program Expenditures Managed by Indians



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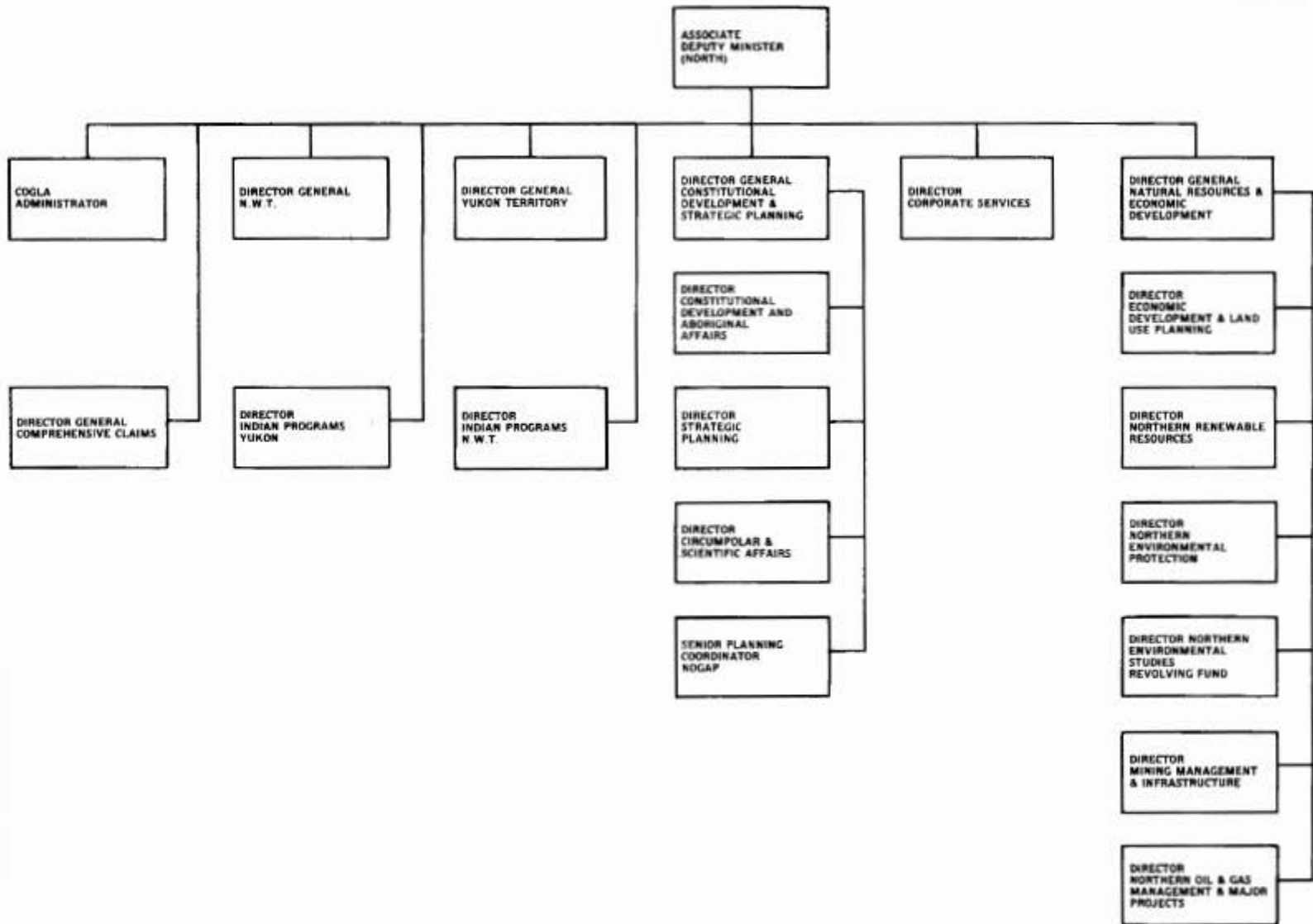
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Northern Affairs Program

The Northern Affairs Program is responsible for: resource management in the territories; for assisting northerners in political, economic and social development; for coordinating federal government activity in the North; for maintaining the quality of the northern natural environment; and for fostering knowledge of the North through scientific investigation and technology. In conjunction with the territorial governments, and through coordination of the activities of federal departments and agencies, the program's focus is the promotion of balanced and sustained development and the environmentally sound management of northern natural resources - oil and gas, minerals, water, lands and Yukon forests. Through its activities, the Northern Affairs program also supports the government's policy of enhancing Arctic sovereignty.



The program carries out its mandate through four principal operating strategies:

- support for the development of representative and responsive political, social and cultural institutions and processes;
- direct economic support and coordination of economic initiatives by industry and other federal departments coupled with comprehensive economic monitoring and strategic analysis;
- management of renewable resources (water, lands and Yu on forests) and protection of the northern natural environment; and
- management of northern nonrenewable resources (minerals, oil and gas).

Natural Resources and Economic Development Branch

During the year, the branch was active in developing northern environmental and resource management regulations and legislation. It also administered resource management legislation, including the processing of 208 water licences, the preparation of 39 Order-in-Council submissions and the transfer of some 2,030 hectares of land to the two territories.

The branch conducted environmental assessments, managed the Northern Environmental Studies Research Fund, the Northern Land Use Planning processes, and developed and implemented policies and programs to promote the fur industry. The branch also provided economic analyses for many other activities including major development projects and native business cooperatives, planned for the renewal of the Canada-N.W.T. Economic Development Agreement; and supported the Ministerial Action Force on Arctic Initiatives with development, job-creation projects and new scenarios for cooperative longrange planning in economic development with the Northwest Territories.

Renewable Resources

The year "in transition" was further illustrated in March when legislation was passed for the transfer of responsibility for forest and fire management in the Northwest Territories from the department to the territorial government. The program's \$25 million budget, 122 person years and all its assets were also transferred. The Forest Resources Division also integrated two federal CL-215 fire bombing aircraft into fire operations in the N.W.T.

The Water Resources Division contributed to the federal response to the recommendations of the Federal Water Policy inquiry. Work began with territorial governments to develop a comprehensive water policy specific to each territory. In addition, the division initiated discussions that will lead to transboundary water management agreements between the N.W.T. and the provinces of Alberta and Saskatchewan.

The Land Management Division helped negotiate the purchase and sale agreement of the Yukon assets of the Northern Canada Power Commission to Yukon Power Corporation. The division began work

with territorial governments to transfer administration of the Land Titles Act to the territories, and continued its close liaison with the Department of National Defence which is developing a modernized North Warning System of northern air defence stations.

Mining Management

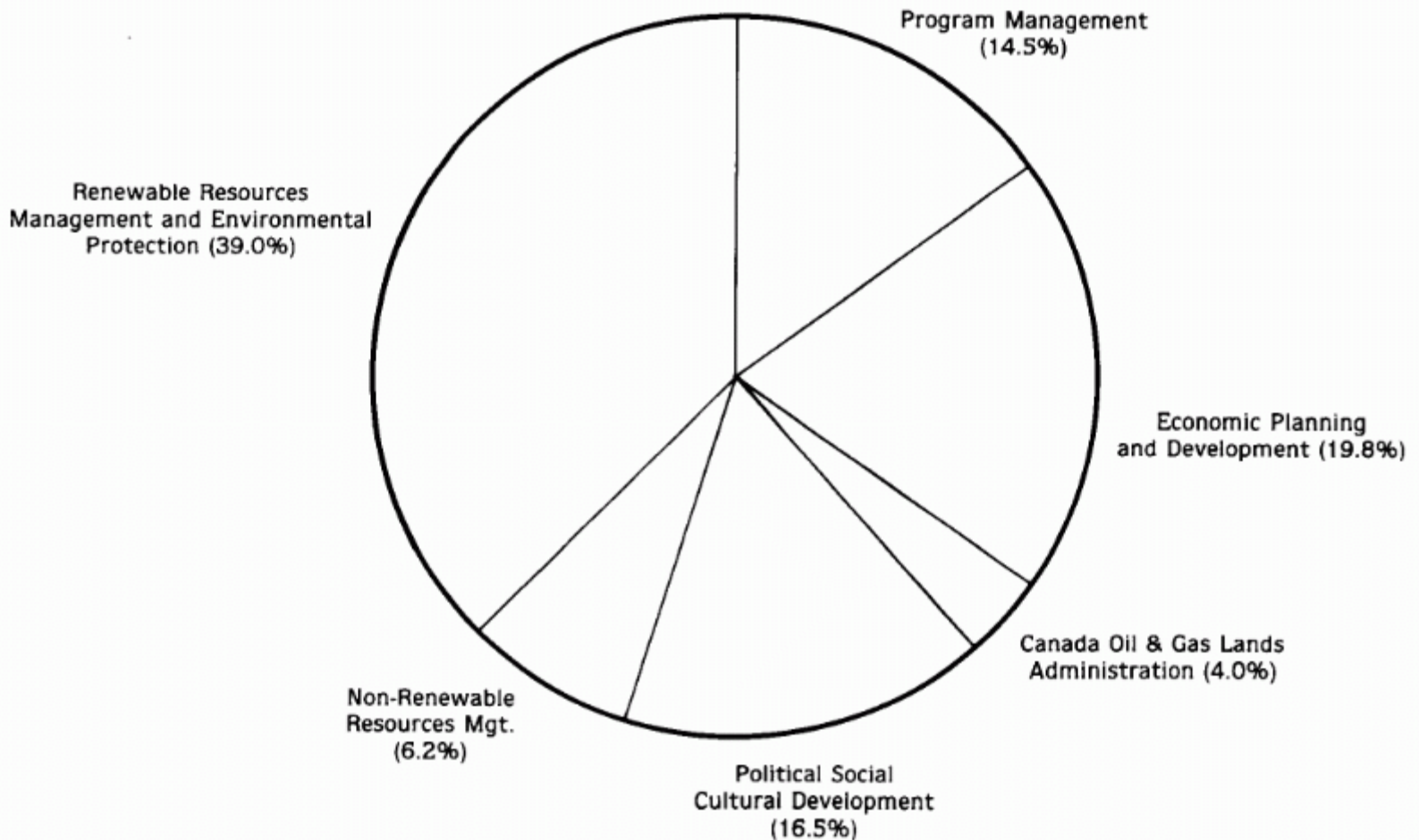
The Mining Management and Infrastructure Directorate issued the government's first "Northern Mineral Policy" which encourages mineral exploration and development. In consultation with each territorial government, the directorate developed separate action plans for the implementation of the Northern Mineral Policy. Some of the major initiatives included: completing draft amendments to the Canada Mining Regulations; organizing a seminar to improve native awareness of employment and entrepreneurial opportunities in mining; holding discussions with the governments of Yukon and N.W.T. concerning plans to transfer mineral resource management programs and activities; and establishing working groups to review conservation land requirements.

Further activities were directed toward communicating the mineral policy to native organizations and the land claims process to industry.

The directorate monitored the progress of the reopened Faro mine, a major contributor to economic growth in Yukon. It also completed negotiations which resulted in the sale of the federal government's 18 per cent equity in Nanisivik Mines Ltd.

Under the Northern Roads Program, work included a start on reconstruction of the South Klondike highway, extension of the Mackenzie highway to Wrigley and additional work on the Dempster highway.

Gross Expenditure by Activity



Economic Development and Land Use Planning

The Economic Development and Land Use Planning Directorate managed the Northern Land Use Planning Program in the N.W.T., in association with the territorial government and the Regional Land Use Planning Directorate. In January 1986, the Northwest Territories Land Use Planning Commission was established to direct overall activities in the preparation of Land Use Plans in the N.W.T., including the identification of priority planning regions.

The Lancaster Sound Regional Land Use Planning Commission was appointed in September 1986 and work is proceeding toward preparation of a regional plan by December 1987.

The Socioeconomic Agreements and Native Economy Division finalized the plans for renewal of the Canada-Northwest Territories Economic Development Agreement to ensure continued support for a variety of programs. The directorate assisted the Inuit Tapirisat of Canada to develop a strategy addressing all aspects of the seal issue, in response to the Malouf Commission Report. Finally, it helped develop the \$12.45 million Cooperative Business Development Fund Program.

Humane trapping was promoted by assisting aboriginal organizations to develop their pro-fur campaign and by providing advanced trapper programs for aboriginal people across Canada. The branch also coordinated the federal government's response to the recommendations of the Standing Committee on Aboriginal Affairs and Northern Development report, "The Fur Issue".

Environmental Protection

The Northern Environmental Protection Directorate negotiated an international agreement for the conservation of the Porcupine caribou herd, implemented the environmental screening and impact assessment process provided for in the Western Arctic (Inuvialuit) Claims Settlement Agreement, and prepared and distributed a discussion paper on waste management in the North.

A total of 37 applied scientific research projects were initiated and sponsored by the directorate in support of the Northern Affairs Program's resource management responsibilities. In addition, 13 technical reports were published.

Oil and Gas Management

The Northern Oil and Gas Management and Major Projects Directorate continued management of the Crown's interest in the Norman Wells oil field development; coordination of the government's activities regarding Gulf Canada's Amauligak activities in the Beaufort Sea; preliminary discussion with territorial governments and aboriginal groups to establish principles for northern oil and gas management devolution; and was involved in rights issuance activities in the North under the new Canada Petroleum Resources Act.

Constitutional Development and Strategic Planning Branch

Following the April 1986 reorganization, the branch continued to support the development of representative and responsive political institutions in the two territories, and undertook several initiatives in the area of northern culture and science. Furthermore, the branch assumed responsibility for analyzing the political and economic situation in the territories. The branch also became responsible for coordinating the Northern Oil and Gas Action Program (NOGAP).

During the year, the branch developed a process for reviewing and implementing transfers and provided assistance and advice to other departments on specific devolution issues. In addition, a set of transfer guidelines was established in cooperation with territorial governments, central agencies and other departments.

Federal responsibility for the provision of electricity and energy subsidies in Yukon was transferred to the Yukon government on March 31, 1987. This was accomplished through the sale of Northern Canada Power Commission (NCPC) electrical utility assets in Yukon to the Yukon Development Corporation at a fair market value of \$95 million. The assets are owned by the Yukon Energy Corporation (YEC), a subsidiary of YDC, and are managed and operated under a management contract by the Yukon Electrical Co. Ltd.

Further computerization of the Inuit art management system took place and the National Museums Task Force helped to clear the way for eventual transfer of the branch's Inuit Art Collection to the National Gallery and Northern communities. As a means of increasing self-determination for native groups, the counselling service for Inuit in the South was transferred to Inuit control. As well, a number of Inuit-initiated projects in the areas of management training, youth programming and linguistic and cultural development were supported.

The branch contributed to the government's northern foreign policy by assisting in the development of "A Northern Dimension to Canadian Foreign Policy", the government's response to the Report of the Special Joint Committee on Canada's International Relations. It also coordinated the Northern Affairs Program's support for the government's northern foreign policy themes of 1) affirming Canadian sovereignty, 2) modernizing northern defences, 3) preparing for commercial use of the Northwest Passage, and 4) promoting circumpolar cooperation.

The renegotiation of the protocol for the Canada/U.S.S.R. Arctic Science Exchange Program was completed in February and exchanges under the four themes of geoscience and Arctic petroleum, northern environment, construction and ethnography and education were coordinated.

In addition, the branch sponsored the first National Students Conference on Northern Studies; supported an expansion to the Student Field Program of the Science Institute of the Northwest Territories; and provided core funding for the Canadian regional office of the Inuit Circumpolar Conference and for Canadian Inuit to attend the Conference meeting at Kotzebue, Alaska.

The department provided further funding to the Constitutional Alliance of the N.W.T. to enable the Alliance to develop a consensus within the territories on future political development and division. A "Boundary and Constitutional Agreement for the Implementation of Division of the Northwest Territories" was signed on January 15, 1987. A plebiscite planned for May 1987 was postponed due to the inability of Dene/Métis and Inuit to agree on their claims boundary (which would also form the political boundary).

Federal and territorial preparations for new northern hydrocarbon development continued through the NOGAP program. Work proceeded on 65 projects and 99 sub-projects. These focussed largely on Beaufort/Delta production and transportation.

Other activities included funding a major workshop with Council for Yukon Indians Chiefs to explain federal and territorial programs, and completing a review of departmental services to Dene-Métis associations and of information supplied to the Dene Nation by GNWT.

The branch coordinated the involvement of various departments and agencies to establish the basis for the Housing Assistance Program in N.W.T.; transferred Canadian Forces Station (CFS) Inuvik to GNWT, creating the beginnings of the Inuvik Arctic College Campus; and provided monthly federal/territorial relations reports on all key branch activities.

During the year, 366 students from 26 universities were supported for projects in the life, physical and social sciences under the Northern Scientific Training Program. The Program supports training that gives Canadian university students professional experience in the Canadian North and encourages them to develop a commitment to northern work.

The 1986 recipient of the Northern Science Award for distinguished contributions to Northern Canada through scientific activity was Dr. Louis-Edmond Hamelin, who is deeply involved with polar environment and geography.

Western Arctic Claim Settlement - The Inuvialuit Agreement

The Western Arctic Claim Implementation Secretariat provides the focal point for the government's efforts to fulfill Canada's responsibilities under the terms of the Inuvialuit Final Agreement, the first comprehensive claim settlement north of 60 degrees. During the year, the Secretariat continued to monitor and support the establishment of joint management structures provided in the agreement such as the Environmental Screening Committee and Review Board; developed mechanisms to resolve issues; and supported the development of the Implementation Coordinating Committee, a planning and priority setting group representing the Inuvialuit and government.

1986 - 1987 A Time of Transition

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CANADA OIL AND GAS LANDS ADMINISTRATION

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Canada Oil and Gas Lands Administration

The Canada Petroleum Resources Act was proclaimed February 15, 1987. The new act gave legal force to the government's Frontier Energy Policy, announced by the Minister and the Minister of Energy, Mines and Resources in 1985. This legislation repealed the Canada Oil and Gas Act, reduced the Minister's discretion in frontier oil and gas administration and continued the Canadianization of the oil and gas industry.

Rights Management

A total of 17.4 million hectares, including significant discovery areas, remained in force; a further 6.6 million hectares, where exploration activity has been suspended, remained in the hands of industry. The reduction in rights outstanding resulted from the relinquishment provisions of the initial exploration agreements and voluntary surrenders.

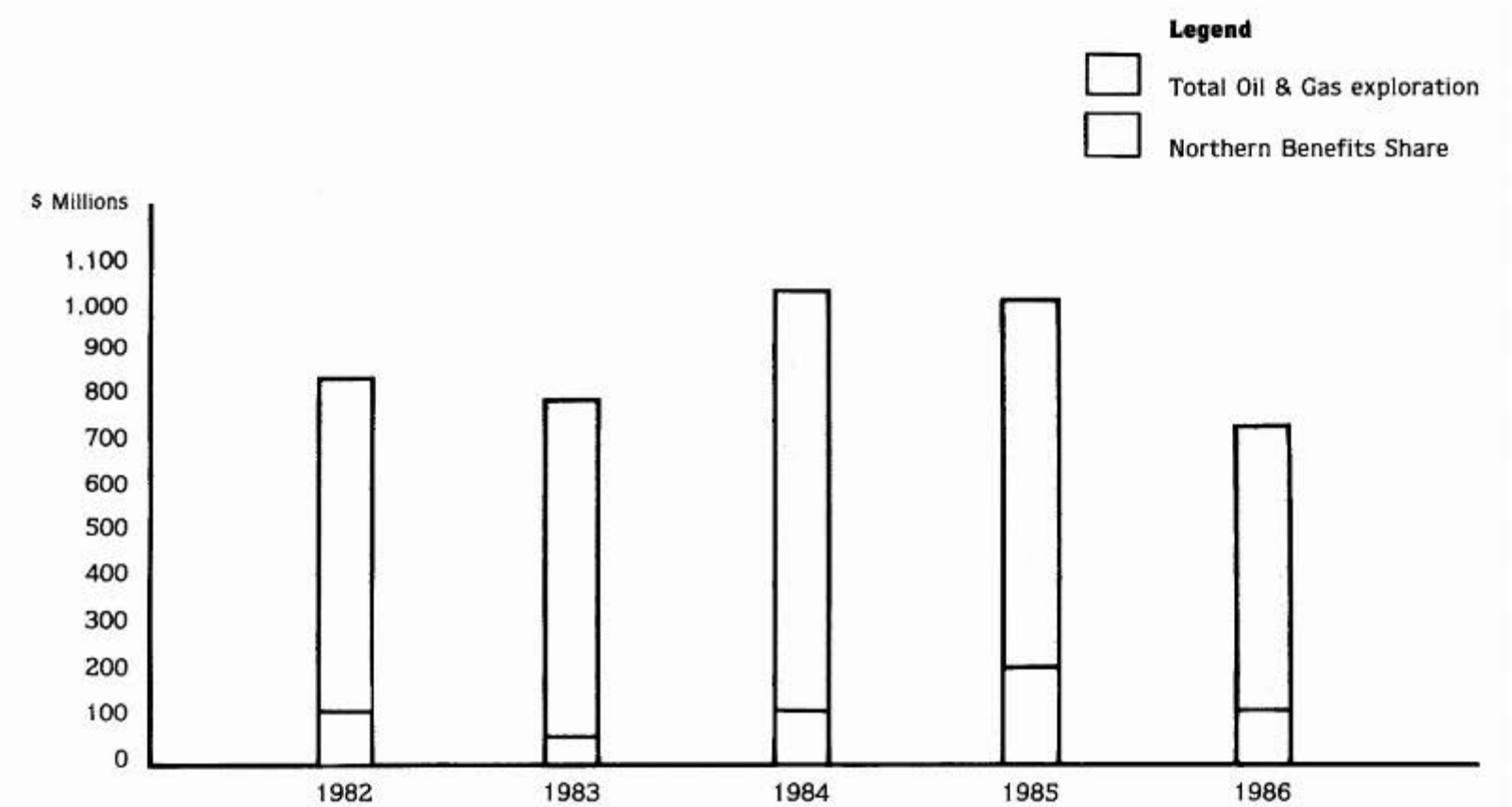
Delineation drilling at the Amauligak site confirmed that Amauligak may qualify as the lead project for Beaufort Sea development. Oil produced from three extended flow tests was transferred to the tanker Gulf Beaufort. The first shipment of Beaufort Sea oil, approximately 50,400 cubic metres, was marketed in Japan.

In September, Panarctic shipped about 16,450 cubic metres of oil from its Bent Horn oil field in the High Arctic. The MV Arctic transported the oil to Little Cornwallis Island, where open water allowed the transfer of the crude to a conventional tanker for shipment to Montreal. Production continued after loading and the storage tanks were filled with 13,540 cubic metres of oil to await shipment. Approximately 800 cubic metres were unloaded from the MV Arctic at Resolute, to be used as fuel for diesel-electric generators on an experimental basis.

New Discoveries

In 1986 - 87, 40 exploration and delineation wells were drilled in the North. There were seven new discoveries. In the southern part of the Northwest Territories, Northcor successfully tested gas at its Liard F-25A well and Petro-Canada made another gas discovery north of Norman Wells at Bele O-35. The other five new discoveries were in the Mackenzie Delta/Beaufort Sea region. Onshore, Shell's Unak L-28 exploratory well was abandoned as a gas discovery after testing, and Esso's Hansen G-07 exploratory well tested oil and gas. Offshore, Esso's et al Minuk I-53 flowed gas at rates up to 737,000 cubic metres per day, and Arnak K-06 tested both oil and gas. Dome's Havik B-41 exploratory well was abandoned after a successful drillstem test.

Oil and Gas Exploration Expenditures/Northern Benefits



1986 - 1987 A Time of Transition

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CANADA OIL AND GAS LANDS ADMINISTRATION

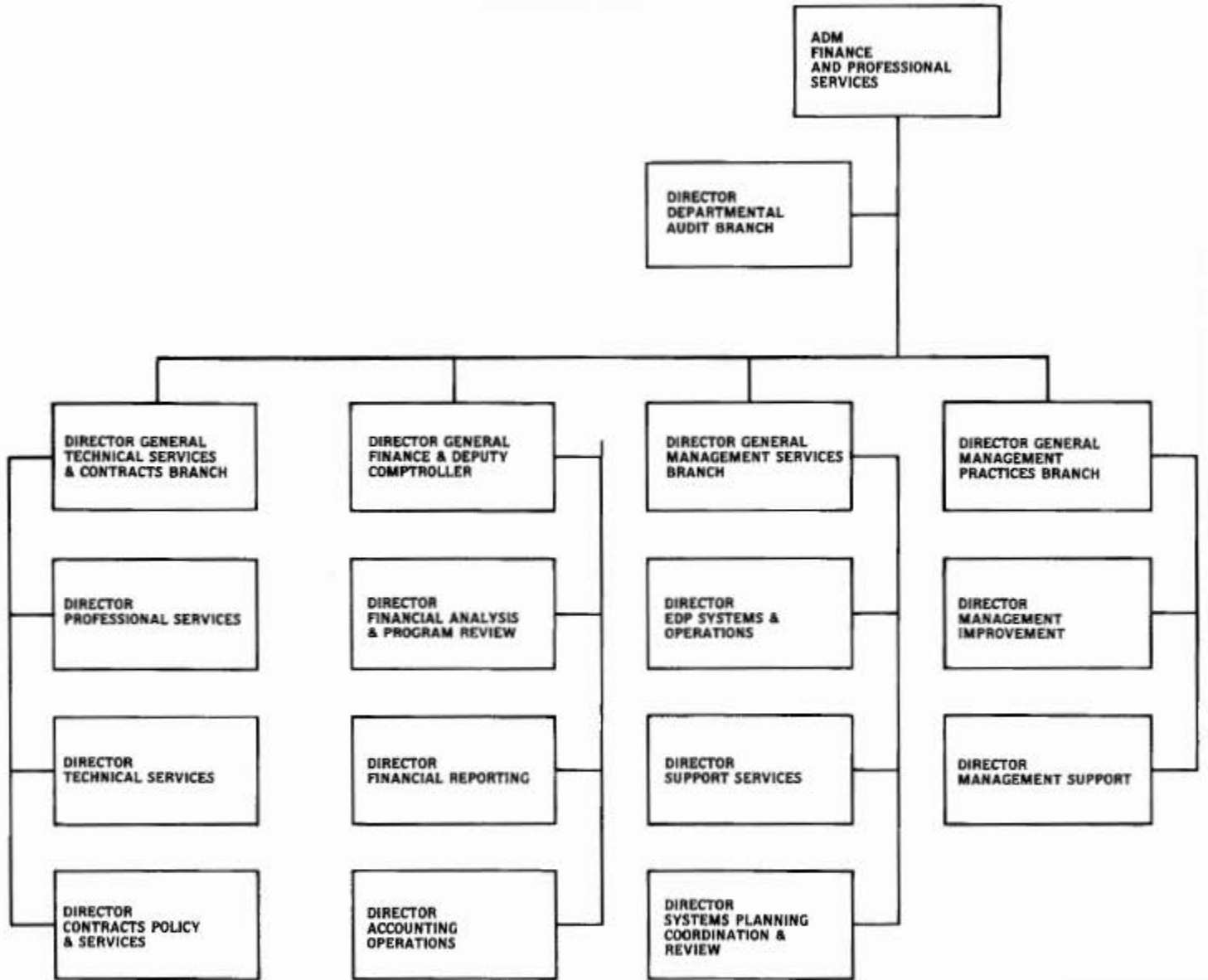
ADMINISTRATION PROGRAM

REGIONAL OFFICES

Administration Program

Finance and Professional Services

This sector provided financial, administrative and management services to the department's programs. In support of major policy and management changes in the department, the sector provided assistance and advice to program managers. Financial comptrollership was strengthened by improving authority and accountability practices within the department.



Management Practices Branch

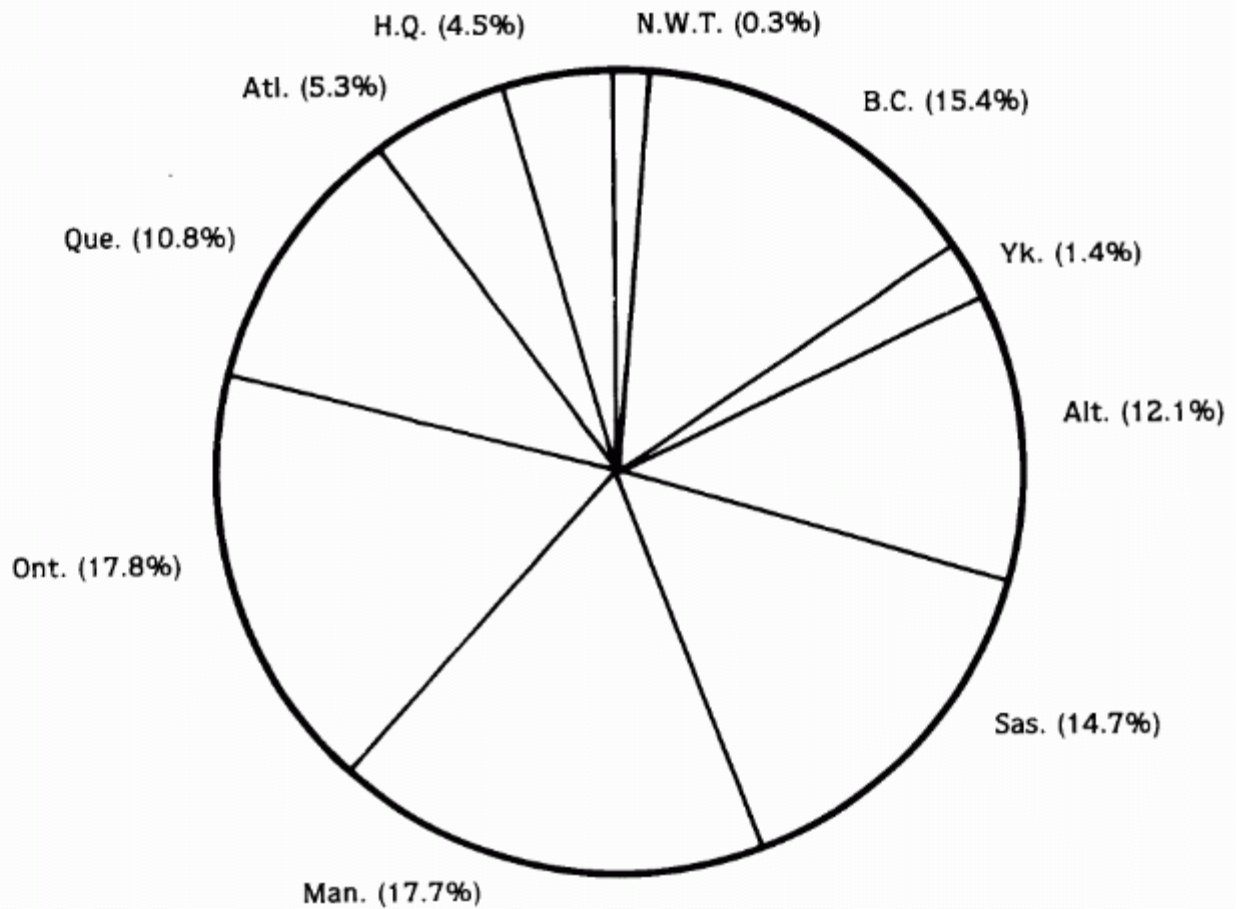
The branch served as the focal point for two major and related departmental initiatives: devolution and downsizing. Devolution is the transfer of service delivery from the department to Indian bands and tribal councils and to territorial governments. Downsizing is the reduction of departmental staff levels through greater efficiency and through devolution. With the Programs, Management Practices developed the Corporate Management Plan for managing both initiatives. The Steering Committee on Organization, which reviews downsizing and devolution plans, was provided with staff support.

The branch provided administrative support to the Departmental Expenditure Review Committee which directs ongoing government restraint measures by reviewing expenditure plans and discretionary expenditure proposals. It continued to update and refine key management accountability mechanisms. A number of studies was undertaken to improve the efficiency and effectiveness of departmental operations. For example, a productivity review of the reinstatement (Bill C-31) process was begun for the Lands, Revenues and Trusts sector. This study will help to streamline operations and reduce the backlog of requests for reinstatement.

Finance Branch

The branch directed the regular review and monitoring of corporate and regional resource requirements. Financial processes were refined to improve the resourcing and analytical capacity of the department. This resulted in a reduction of Treasury Board submissions to 86 in 1986 - 87 from 162 in 1985 - 86. Improved analytical capacity contributed to an increase of 10.2 per cent or \$253.1 million in the Main

*Expenditures by Region 1986/87



*Excludes Statutory Expenditures

Estimates for 1987 - 88 over 1986 - 87. The branch was involved in developing reports for use by senior management in reallocating resources and in the implementation of formula financing with the territorial governments.

The computerized Loan Accounting System was decentralized. Most regions thus provided more accurate and timely information. A review of the backlog of uncollectible accounts eliminated 80 per cent of these accounts. The branch ensured that financial management practices were used in the preparation of the Main Estimates, Multi-Year Operational Plan, Operational Plan Framework and Public Accounts.

Management Services Branch

Electronic Data Processing (EDP) Services concentrated on several key initiatives of the departmental strategic and long range systems plan, including the decentralization of EDP applications to regional sites, the conversion of applications and word processing documents, and staff training. EDP services also developed a national, micro-based, Project Management System for capital projects. Work continued on new systems for Human Resources and Economic Development.

The Support Services Directorate undertook a review of fleet management and improved the automated assets control system. The directorate also began implementing a new government security policy throughout the department.

The Access to Information and Privacy Secretariat handled 240 requests, a significant increase over the previous year.

Technical Services and Contracts Branch

The 1986 - 87 capital program included expenditures of \$317 million in the Indian and Inuit Affairs program and \$21 million in the Northern Affairs program. The branch managed the \$18 million Northern Roads Capital Program. Major activities included the project management of subgrade work on the Dempster highway, extension of the Mackenzie highway to Wrigley, and reconstruction of the South Klondike highway.

Work began on major modifications to the Capital Assets Inventory System to improve the storage and retrieval of information on more than \$3 billion in on-reserve assets. This included a validation of more than 14,600 asset records in the system.

Agreement was reached to transfer 310 personnel in the technical services function to Public Works Canada as part of the government's initiative to consolidate architectural and engineering services. However, these employees were to continue to be located in INAC offices to provide services to the department and its clients. They continued to deliver departmental programs and support departmental initiatives, including the transfer of services to bands and territorial governments.

During the year, 1,700 contracts and change orders, valued at \$25 million, were awarded. These include \$4 million of contracts to native entrepreneurs, a 10 per cent increase from 1985 - 86.

Technical, management and contract administration training was provided to 400 Indian band staff.

Departmental Audit Branch

The branch provides management with a systematic review and appraisal of all departmental operations to identify areas for improvement. During the year, the branch completed 24 projects as part of its cycle to audit the department's operations. In addition, on the direction of the Steering Committee on Public Accounts, the reporting on all individual Indian band revenue and capital accounts was completed.

The branch coordinated the annual attest and authorities audit for the Auditor General, as well as responses to the Auditor General's observations and recommendations resulting from the 1985 - 86 comprehensive audit.

Human Resources Branch

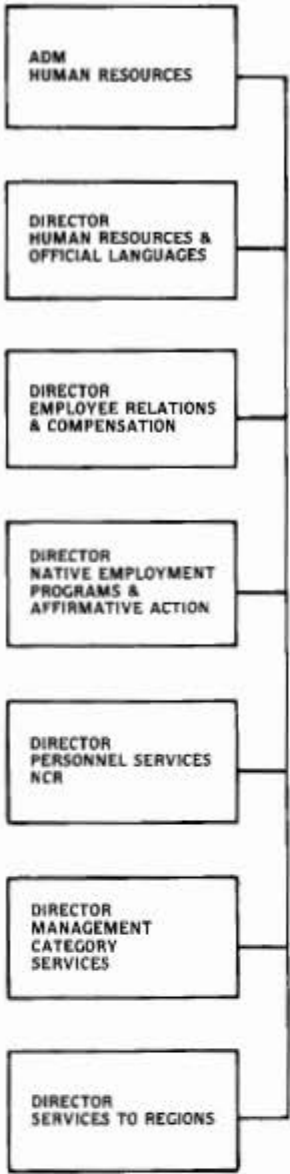
The main focus of the Human Resources Branch during 1986 - 87 was the development of a management framework to support and anticipate change, and maintain a productive work environment.

Downsizing, program transfers and reorganization resulted in 1,247 affected/surplus employees during the fiscal year. The department provided these employees with continuity of employment and attempted to place them in other positions. A creative workforce adjustment program kept the involuntary lay-off to only 1.5 per cent (19 employees). In most instances, restricted mobility was the cause of lay-offs.

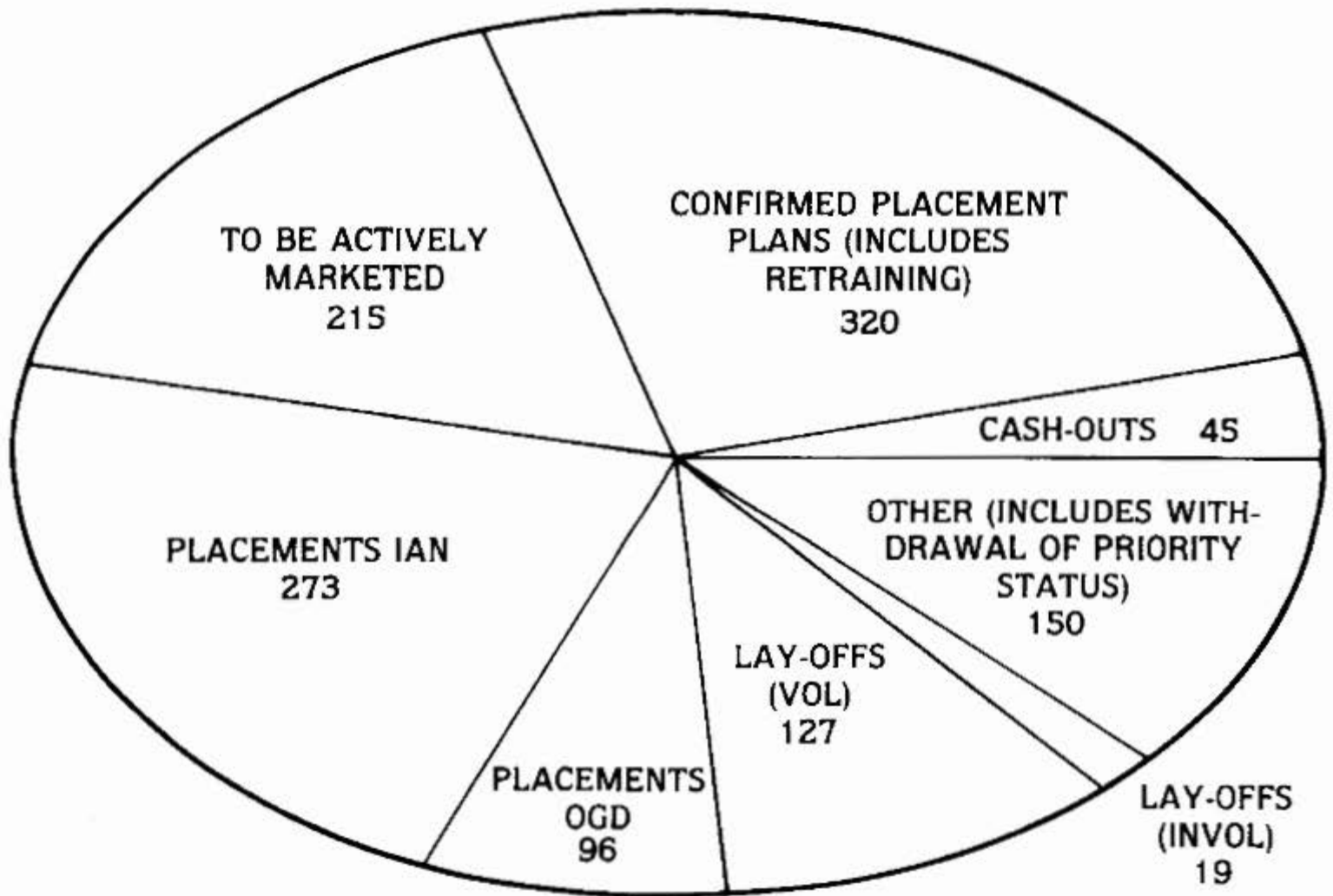
In this changing environment, managers kept unions and employees well-informed. The branch responded to job security concerns by increasing efforts to provide employees with professional advice to help them cope with the rapid changes.

In order to continue to improve the representation of natives, women and the disabled, the department launched two new programs; one to attract recent native university graduates through the Indian and Inuit Graduate Opportunity Program, the other to train women with high-potential for middle-level positions.

The branch continued to streamline operations: generic job descriptions were developed for many senior positions in the regions to standardize regional organizations; a staffing improvement project was initiated; and a pilot project on the delegation of staffing to line managers was introduced in one region.



Disposition of IAN priorities 1986 - 87



Publications include: In Print, a catalogue listing current publications available to the general public; The Canadian Indian, the origins, cultures and history of Canada's Indians to the present day; The Inuit, the origins, cultures and history of Canada's Inuit to the present day; The North, general information on the North; Comprehensive Land Claims Policy, an outline of the federal government's revised policy on comprehensive land claims; Outstanding Business, an outline of government policy on specific claims; Environmental Studies Report, a list of more than 30 studies published by the Northern Environmental Protection Branch; and On Film, which describes films available on loan.

Executive Support Services Branch
The Executive Support Services Branch was created as a result of a departmental reorganization in the fall of 1985. The branch is the central link between the programs and the Minister's office on items such as Cabinet submissions, parliamentary relations, briefings, correspondence and program evaluation.

The planning directorate provided the Minister, Deputy Minister and Executive Committee with the advice and analysis necessary for the department to operate effectively in Cabinet and Parliament. The planning section coordinated the processing of Cabinet submissions and ensured that proposals are of high quality. The parliamentary relations section provided support to the Minister by coordinating and reviewing responses to oral and written questions in Parliament, preparing information for use in debates, and assisting the Minister and senior executives to prepare for appearances before Parliamentary Committees.

The Executive Secretariat was responsible for ensuring timely and accurate responses to all correspondence received by the Minister and Deputy Minister and for coordinating the preparation of briefing notes. Approximately 8,000 pieces of correspondence were handled and several hundred briefings prepared. In May, new secretariat procedures were initiated that provided a more streamlined and efficient system of processing correspondence.

The Evaluation Directorate was responsible for conducting indepth evaluations of departmental programs. Several studies were completed including evaluations of the Indian Community Human Resource Strategies Program and the Northern Land Use Planning Program.

1986 - 1987 A Time of Transition

DEPARTMENTAL PROFILE

HIGHLIGHTS

INDIAN AND INUIT AFFAIRS PROGRAM

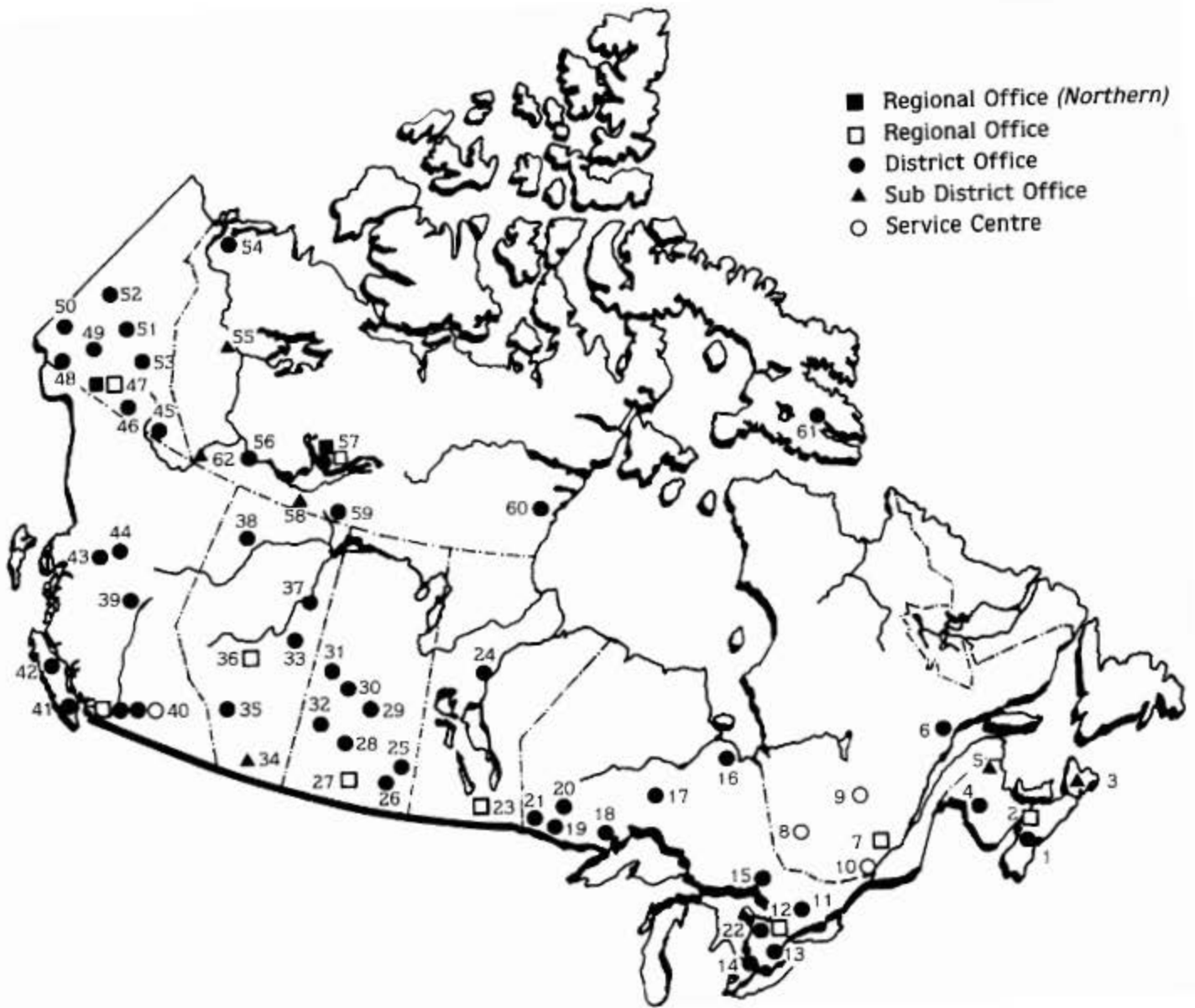
NORTHERN AFFAIRS PROGRAM

CANADA OIL AND GAS LANDS ADMINISTRATION

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Regional Offices



Atlantic Region



Economic Development

The Native Economic Development Program (NEDP) approved \$4 million in funding for Ulnooweg Inc. to establish an Indian - Controlled financial institution. NEDP approved 11 applications in New Brunswick, totalling \$510,000; 12 applications in Nova Scotia, totalling \$950,000; and one application in Prince Edward Island, totalling \$130,000.

A Youth Entrepreneurship Pilot Project was launched in Nova Scotia. Eighteen students graduated.

One hundred delegates attended a three-day Business Summit Conference in New Brunswick, including chiefs, entrepreneurs, and representatives of councils, provincial associations, and native women's groups. Cost-shared with the NEDP, the conference included exhibits presented from both the private and public sectors.

Lands, Revenues and Trusts

By the end of the fiscal year, 3,072 had applied for reinstatement of Indian status, and 1,142 individuals had been registered. This represented an eight per cent increase to the status Indian population in the region.

The region committed \$1.2 million to provide services to band councils and off-reserve individuals with restored Indian status.

The Regional Forester administered a \$146,000 budget, provided by the Canadian Forestry Service, to develop forestry management plans and construction of access roads on Indian reserves in the Atlantic region. More than \$1 million was contributed to band councils for training projects.

Social Development

The region's 11 Indian - Controlled child and family services agencies emphasized preventive services in 1986 - 87, resulting in about a 7.1 per cent decrease in the average number of days children spent in care over the previous fiscal year.

Regional Office completed a review of the region's Social Assistance Program and steps were taken to implement provincial rates and regulations in New Brunswick, Nova Scotia and Prince Edward Island.

Capital Management

During the year, the region developed an equitable distribution formula for housing, renovations and other capital facilities based on a per capita allocation with a special provision for health and safety needs. Seven municipal agreements were revised to conform with central agencies' requirements for provision of municipal services to bands.

Alternative Funding Arrangements

All band councils in the region received copies of Alternative Funding Arrangements (AFA) literature, and 90 per cent were hosts at initial information and orientation sessions.

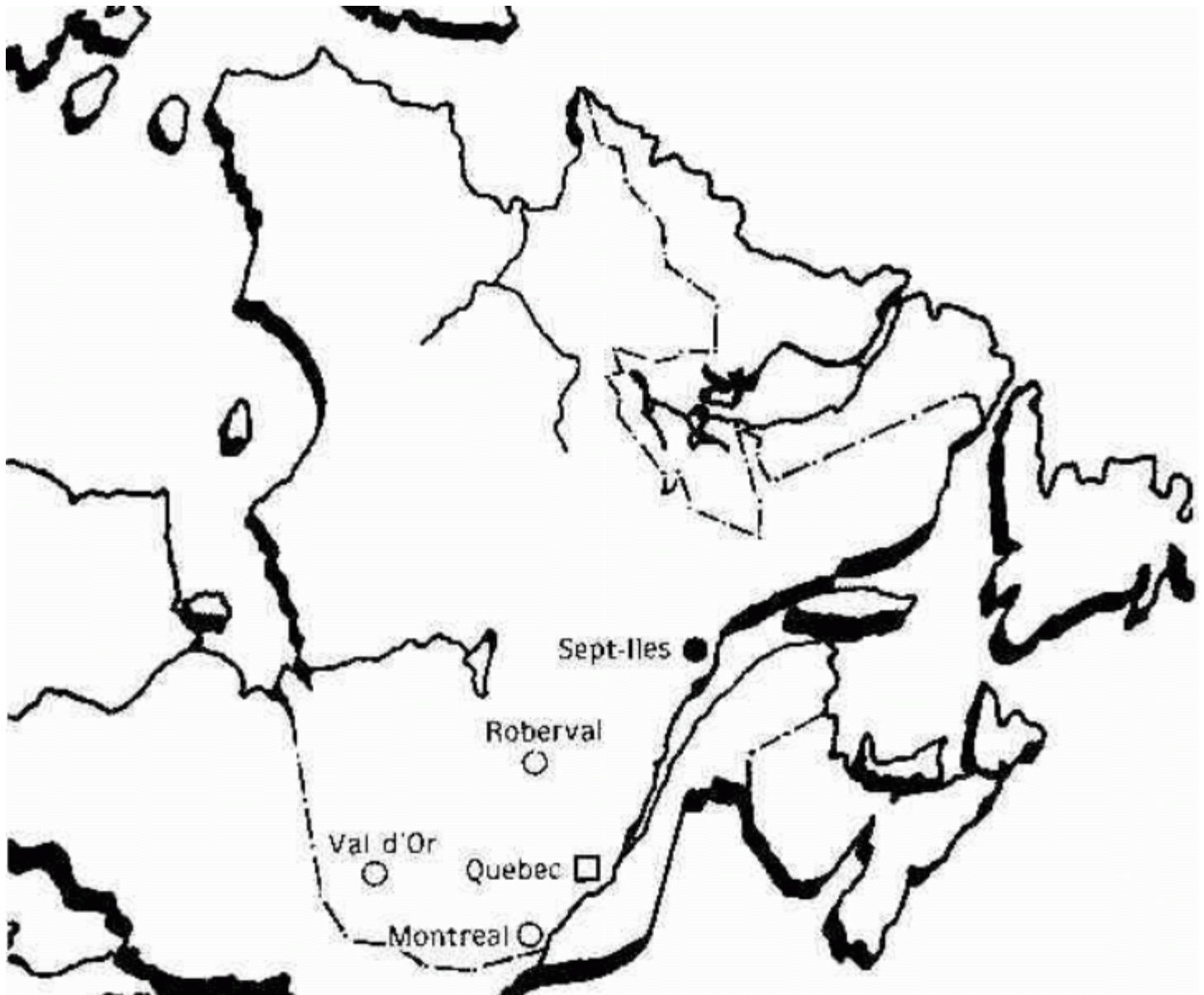
A joint project team was operating at Tobique, New Brunswick, to research and assess the band's management capacities against the entry criteria, and to coordinate subsequent requirements. The project was expected to be completed in 1987 - 88. A draft agreement for an Alternative Funding Arrangement was under active discussion with the Abegweit Band.

Technical Services

Virtually the entire capital program of \$9,947,800 under Vote 15 was delivered by Indian bands during the year. Six bands were operating under the Maintenance Management System or variations of the system by the end of the year. This represents 40 per cent of all likely candidates.

Ten technical courses were provided to bands.

Quebec Region



Economic Development

The federal and provincial governments continued to promote economic growth in Quebec. Pursuant to the Canada/Quebec Economic and Regional Development Agreement (ERDA), a Memorandum of Understanding concerning Canada/Quebec Cooperation on Native Economic Development was approved in principle by both levels of government. The memorandum will facilitate coordination of development efforts in the areas of business, forestry, agriculture, commercial fisheries and tourism as well as in employment and training, mineral resources and other sectors related to economic development.

The Interdepartmental Committee on Native Economic Development was revived, ensuring maximum participation from all interested federal departments and agencies. Three native projects were submitted to this committee.

Four officers were seconded to the Native Economic Development Program (NEDP) to assist in the drawing up of projects designed to increase local autonomy. Funding of \$4.3 million was approved for 16 projects. As a result, more than 230 jobs were maintained.

Thirty permanent trapper camps and five mini-outfitting operations were established, and approximately 67 person-years of employment were created or preserved in the forestry sector. Land occupation and fur production increased by 10 per cent. In the employment sector, 150 projects were approved, creating 731 jobs.

Lands, Revenues and Trusts

By the end of the fiscal year, 4,622 applications for reinstatement of Indian status had been received, representing 8,881 people; 2,758 of these were processed; and 3,278 people received confirmation of their status.

The region was involved in handling some 250 active estates files. Of these, 167 were those for which no settlement had been reached after five years from date of deceased or three years of opening a file.

Indian Services

Alternative Funding Arrangements (AFA) were being negotiated with the River Desert Band and the Escoumins. AFA discussions were underway with two other bands.

Four secondary-level classes in Natashquan, Sept-Iles and Betsiamites were established and a new postsecondary course, "Introduction to Law for Natives" was offered to the Algonquin Council of Western Quebec. Eleven people received entrepreneurship diplomas through the junior achievement program. Approximately 100 students received job training.

A group home was set up on the Restigouche reserve. In the area of housing, the average occupancy rate for the region at the end of the fiscal year was 4.3 persons per housing unit. This compared with 5.1 for the rest of Canada in 1985 - 86.

Ontario Region



Lands, Revenues and Trusts

The department concluded tripartite negotiations for a new enabling Act to provide an alternative to the 1924 Ontario Land Agreement which could result in the return of approximately 250,000 acres of land to reserve status.

The region provided \$250,000 to the United Chiefs and Councils of Manitoulin Tribal Council, Batchewana, Garden River, Whitefish River, Sarnia and Saugeen bands, to negotiate the return of unsold surrendered lands.

As well, boundary clarification discussions continued with the Six Nations Band, and liaison with the Department of Justice, Ontario region was maintained in the trial issues of the Saugeen boundary and the Shawanaga road dispute.

Under the Resource Development Impact Program, support was provided to 17 bands and tribal councils for a total of \$783,000. Notable among the funded projects was the Serpent River Band's negotiations for clean-up of the Cutler Acid site located on the reserve. Implementation began on a management plan which calls for removal of industrial wastes, disposal in a provincially certified waste site and rehabilitation of the reserve area affected.

The Nipissing Band received \$25,000 to manage lands under sections 53 and 60 of the Indian Act.

Lands, Revenues and Trusts ensured that all applications for reinstatement under Bill C-31 were processed. There were 11,975 applications for reinstatement and 5,649 registered with Indian status. Bands were also financially assisted to develop their membership codes.

Economic Development

The Economic Development Program continued to assist in generating employment for Indians in Ontario.

Community Economic Enterprises financed 224 bands and individuals, creating or maintaining employment for 1,570 people. Training-on-the-job assistance was provided to 212 individuals. More than 100 employment development projects employed 659 persons. Fifty-eight businesses were created or maintained by the Business Development and Financial Institutions section.

Under the Native Economic Development Program (NEDP), the Department of Regional Industrial Expansion approved a \$2.8 million loan and loan guarantee fund for Indian farmers in southern Ontario. The Indian Agricultural Program of Ontario was to administer the program with financial assistance from Indian and Northern Affairs Canada for three years. NEDP approved a similar \$7 million program for the Nishnawbe-Aski Development Fund for Treaty 9 bands.

Of 35 projects considered by NEDP, 14 were funded for a total of \$14.7 million.

The Association of Reserves for Improving Social Economics loaned \$414,000 to 48 businesses, creating or maintaining 44 fulltime and 38 part-time jobs.

The Indian Forestry Development Program completed its second year of operation under the revised organization. Plans were underway to establish an Indian board of directors and increase the representation of the program's technical advisory committee.

In cooperation with Lakehead University, the Ontario Indian Wild Rice Development Agency operated an extension program which identified over 200 lakes for potential wild rice production throughout the province. Promotional displays were sponsored by the agency at the Native Business Summit, the CNE in Toronto and the Green Week Show in Berlin, Germany.

The Canada-Ontario Resource Development Agreement provided \$500,000 for some 25 Indian projects in various natural resource sectors. The five-year agreement expired in 1986 - 87 and negotiations began to renew the agreement for a similar period.

Education

On September 1, the region implemented special education programming in federal schools across the entire region. Based on extensive and comprehensive planning, the program offered special assistance to exceptional students who might not normally benefit from regular instruction.

The region sponsored bands to study and establish a framework for locally - Controlled, band-operated schools in Wikwemikong, Akwesasne, Big Trout Lake, Gull Bay, Birch Island and Grassy Narrows.

A formula approach to funding of band-operated schools was developed and implemented with approximately 15 Ontario bands.

In cooperation with First Nations Technical Institute, the region introduced a computerized post secondary education information system to 11 districts and 26 bands.

Social Development

During 1986 - 87, three bands assumed administration of the General Welfare Assistance Program. As a result, 76.2 per cent of Ontario's bands administered this program during the year.

Fourteen more bands participated in formal child welfare agreements. As a result, 44 per cent of Ontario bands were represented by Indian - Controlled agencies during the year. Twenty-four additional bands entered the planning stage in preparation for establishing child welfare agencies.

Band Support and Capital Management

The Band Support Section produced a comprehensive policy manual for the Contribution Arrangement Management and Monitoring Process, including policies and directives on contribution management and the audit review process.

Ninety per cent of Ontario bands received an Alternative Funding Arrangements (AFA) orientation session. Detailed AFA preparatory work began with two bands.

The flood disaster of May 1986 resulted in the establishment of a new community for the Winisk Band members at Peawanuck. The department and the band constructed permanent housing and electrification at the new site. Fortunately, when the tragedy occurred, plans for relocating the community had already been developed by the community and the department.

Program Management and Administration

The Executive Secretariat became fully operational during the fiscal year. The secretariat provided a central corporate focus to the organization. It coordinated the preparation of the "Transfer Plan to Chiefs' Council," Ontario's devolution plan, and helped develop a number of management systems.

In keeping with the regional priority to strengthen financial management and accountability, the Financial Review Committee was established to implement and monitor compliance within the region.

Manitoba Region



Self-Government

Responsibility for Indian self-government and Alternative Funding Arrangements (AFA) was combined. A five-person unit was established to coordinate both functions. The unit provided a single "window" for bands to examine progress toward self-government within and beyond the Indian Act. The appointment of a regional representative for self-government also assisted bands in advancing self-government proposals. A regional AFA Steering Committee was established to provide a link with other department programs as well as with the Medical Services Branch of Health and Welfare Canada.

Discussions on self-government took place with 20 bands. Proposals were received from five bands, two tribal councils representing 11 bands, and from the Dakota Nations of Canada which represents five Manitoba bands and four Saskatchewan bands. Four of these proposals received funding to proceed toward framework agreements. AFA negotiations took place with three bands and one tribal council.

Economic Development

Nearly \$5 million was provided to 147 small businesses. Eighty-four business loans valued at \$1.8 million and three ministerial guarantees under the Indian Economic Development Fund attracted an additional \$9 million in government and private sector funding for native entrepreneurs.

Under the Indian Community Human Resource Strategies Program, 121 projects were funded with \$3.123 million. By year end, 560 Indian people had undergone training.

Manitoba region acted as an advocate for Indian projects which sought funds from the Native Economic Development Program (NEDP). Manitoba piloted three projects which established a working relationship with NEDP. As a result, 11 projects with a value of \$7.5 million were funded with \$4.7 million accessed from NEDP. Outside resourcing also supported economic development planning for tribal councils and their communities in 1986 - 87.

Manitoba Resource Development Impacts Office (MRDIO)

In 1986, the Northern Flood Agreement (NFA) bands received \$7.8 million to complete the design of the proposed water and sewer systems and construction of four water treatment plants. To facilitate the hook-up of the water and sewer systems, Canada agreed to provide an additional \$5 million for housing to the NFA communities over three years beginning in 1987 - 88.

The department received authority to enter into preliminary discussion with the NFA bands, Manitoba Hydro and the Province of Manitoba on how to accelerate implementation of the NFA. During the year, the department provided the NFA bands with \$1.7 million in organizational support funding to participate in the implementation process. As well, the department, as the lead federal agency, signed a four-party agreement on the payment of legal fees, supported

the establishment of a four-party Environmental Program Advisory Board and participated in the authorization of \$700,000 of federal environmental monitoring programs related to the NFA communities.

MRDIO also provided nearly \$500,000 and/or technical assistance to other Manitoba bands to deal with issues such as outstanding provincial obligations in the Grand Rapids Hydro development, Government of Saskatchewan hydro activities affecting a number of Manitoba bands, and the Polder III project at The Pas.

Lands, Revenues and Trusts

An agreement was reached between Canada and Manitoba on procedures for transferring Crown land, to be set aside as Indian reserves, from one government to another.

Education

A 10-year school construction plan was developed, incorporating a priority rating for facilities in Manitoba, including joint school requirements. The plan will enable the department and bands to plan school construction more effectively.

Regional support to tribal councils for special education enabled a comprehensive testing program in band-operated schools which allowed for development of a remediation program to respond to the needs of individual students. A comprehensive testing and remediation program was also implemented for students attending federal schools.

Eight tripartite tuition agreements were signed with Indian band/education authorities and provincial school divisions to permit Indian students to access a full range of educational services and programs.

A report, "Indian Education and Change: An Analysis of Evaluation of Indian Schools in Manitoba", was produced to provide bands with information on conducting evaluations of their education programs.

Social Development

Master child welfare tripartite agreements were extended into 1986 - 87. The \$14.3 million child welfare budget enabled six Indian agencies to deliver services mandated under the provincial Child and Family Services Act to all bands in Manitoba. A budget enrichment of \$1.7 million to Indian agencies allowed for additional professional supervisory services as well as resources for local child care committees.

Ninety-two per cent of the income support program was administered through Indian control in 1986 - 87. Seventy-nine per cent of the on reserve basic needs budget was controlled by bands, comparable with the national average.

Band Support and Capital Management

The regional capital allocation process was restructured to enable a more equitable distribution of capital funds. This process placed increased control of budget allocation to bands.

The region obtained funding for 100 housing units over and above the regular appropriation, to accommodate new registrants under Bill C-31.

Increased priority was placed on fire-fighting in the region's five-year capital plan. By 1990 - 91, all communities are expected to have fire-fighting capabilities, at an estimated cost of \$6.5 million.

Technical Services

Preparations were made to transfer engineering and architecture services to Public Works Canada on April 1, 1987. As a result of this transfer, the unit was expected to shift its focus from a mix of program and technical responsibilities to strictly technical activities.

The East Manitoba Landline, providing hydro service to three isolated communities, was completed. Design work on water and sewer infrastructure projects for the five bands under the Northern Flood Agreement was begun. Construction continued on six school projects worth \$53 million.

Eleven janitorial positions in federal schools were transferred to band control. As well, the regional technical unit was reduced in keeping with the projected downsizing plan and in anticipation of tribal councils assuming responsibilities for technical services.

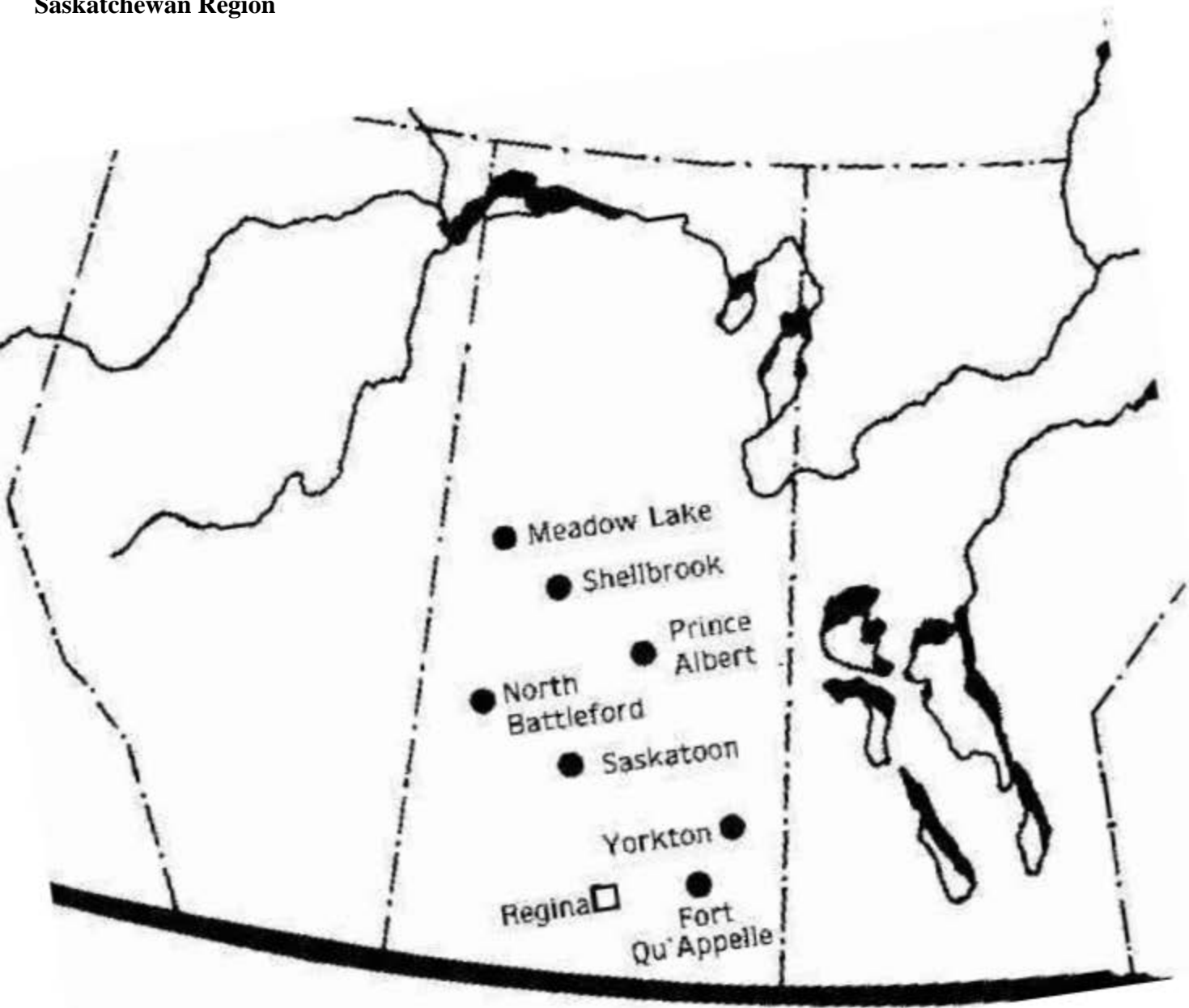
Management and Administration

A Memorandum of Understanding, to review the relationship between the department and the chiefs representing signatories to the memorandum, was signed in September by the Minister, the Manitoba Keewatinowi Okimakanak, the Southeast Assembly of First Nations and the West Region Tribal Council. A principal objective of the memorandum is to review and develop departmental policies and programs that will benefit Indian First Nations of Manitoba.

Discussions on Indian self-government were also begun with the provincial office of the Minister of Northern Affairs.

Regional downsizing and devolution continued. The region converted its one remaining district office to an advisory centre.

Saskatchewan Region

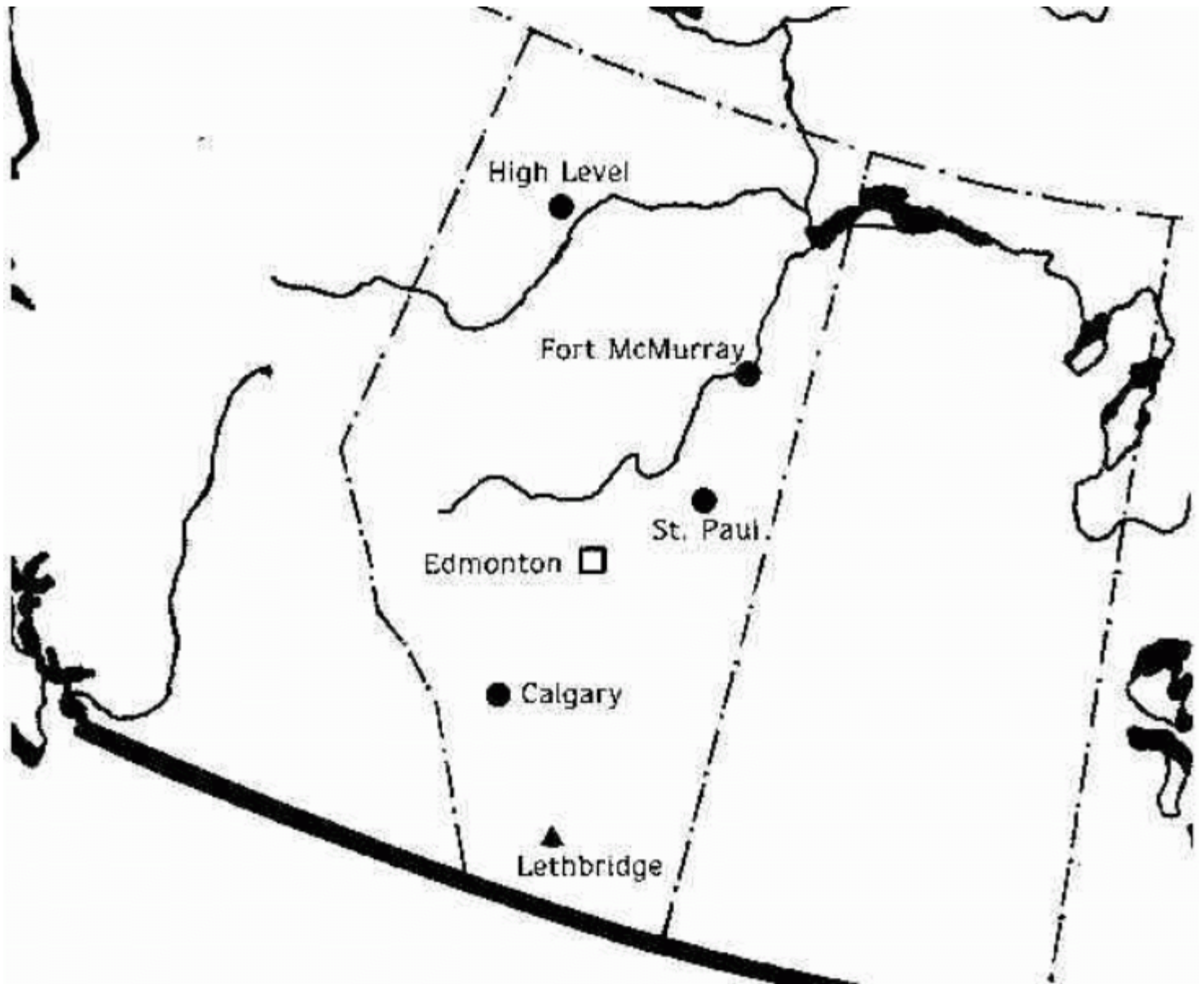


A model for transferring government programs to Indian control, developed in the previous year, was strengthened. Four schools were transferred to Indian control.

There were 353 projects undertaken to improve the quality of life in Indian communities. These included the construction of three fire halls and the construction or expansion of 15 community water/sewer systems.

Among initiatives directed by the Economic Development Sector during the year was the funding of 23 Resource Development Impact (RDI) projects. There were 73 projects supported by 39 bands under the Work Opportunity Program. These projects continued to be transferred from the Social Development Program to the districts. Sixty-six Indian Community Human Resource Strategies job creation projects resulted in 874 jobs. There were 137 Indian business projects funded and 132 businesses were coordinated with support agencies for a total of 174 jobs.

Alberta Region



a minimal number of lay-offs. Four key senior management positions - education, economic development, Indian services and the Southern Alberta district - were staffed.

The Cree Band of Fort Chipewyan agreed to the settlement of the largest outstanding treaty land entitlement claim in Alberta. The agreement provided for 12,280 acres (4,969.5 hectares) of land for Indian reserves, hunting, fishing and trapping rights and \$27.6 million in cash.

Most of the long-standing jurisdictional problems affecting the Sarcee Band's Redwood Meadows housing project were brought to a successful conclusion.

Subcommittees were established and regular meetings were conducted under the Cooperation of Native Development Memorandum of Understanding, signed earlier by Canada and Alberta.

Social Development

A total of \$992,652, nearly four per cent of the social assistance budget, was used to create jobs or provide training. This yielded 95 projects and created 1,986 person months of employment. Five bands assumed the administration of the Social Assistance Program. This brought to 31 the number of Alberta bands administering this program. Consultations began with all Alberta bands to address issues arising from social assistance policies and procedures.

In addition, the region supported para-professional training initiatives to support the devolution of government programs to Indian bands. Twenty-four Indian students graduated from this program.

Child welfare agreements, each involving approximately \$1 million, were concluded with the Lesser Slave Lake Indian Regional Council and the Yellowhead Tribal Services Agency. As an offshoot of the agreements, a two-year social services training program was established that provides a social services work certificate for graduates.

Education

Federal schools at Heart Lake, Morley and Peigan were transferred to local control. Approximately 42 per cent of the elementary and secondary school budgets, \$24 million, was administered by bands. At the same time, about 51 per cent of the regional, postsecondary, education budget was administered locally.

Band Support and Capital Management

School maintenance services were transferred during the year to the Blood Tribe, the largest reserve in Canada. A new regional formula for allocating capital and housing funds to bands was implemented.

Three pilot projects were developed for the Indian Management Development Program, which involved a competency-based needs analysis of various band management positions and the delivery of management training to 40 Indian managers. In addition, the program produced and distributed orientation guides for councils and band members. The Indian Management Assistance Program placed 16 stu-

dents. More than 30 bands were involved in orientation sessions at which Alternate Funding Arrangements were discussed.

Self-Government

Self-government proposals were submitted by, or discussions were held with, seven bands and one tribal council. Formal proposals were received from the Blackfoot, Sarcee, Saddle Lake, Frog Lake, Kehewin and the Tallcree bands.

Economic Development

Work began on renewing the 10-year Syncrude Agreement. Planned improvements included involvement by the province and Employment and Immigration Canada.

With regional support, two regional institutions received capitalization under the Native Economic Development program adding \$15 million to available funds for Indian economic development in the region. The Fort Chipewyan renewable resource and habitat improvement project was begun, providing for reflooding of dried out areas of former wetlands, improving animal stocks and examining a possible wild rice industry.

The region adopted two models for the national entrepreneurial pilot project: one in cooperation with the Federal Business Development Bank and, the second, with the Yellowhead Tribal Council.

Lands, Revenues and Trusts

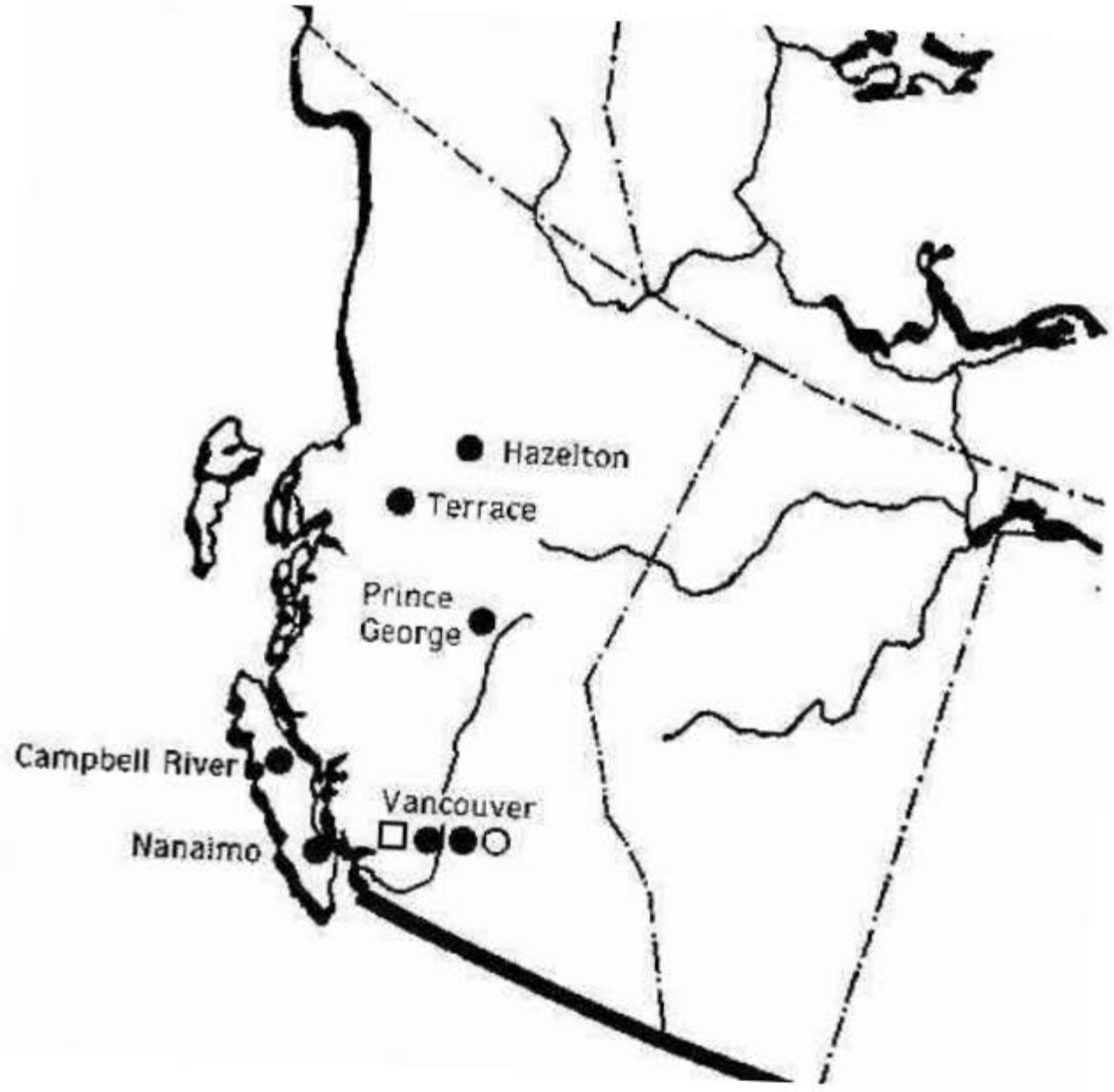
A successful liaison was achieved with the Office of the Public Trustee on the jurisdiction of estates.

Comprehensive reviews and revisions were undertaken for the Peigan and Blood agricultural permits. The Alexander Band assumed responsibility for land management under the Indian Act and a land management workshop was organized for all Alberta bands.

A regional workshop on Bill C-31 was organized. A large number of C-31 applications and inquiries was handled and approximately 10,000 requests for status cards were processed. Administration of membership was devolved to six bands, which brought the total number of such bands to 20. The department administered membership for 21 bands.

In the area of band funds, 312 Band Council Resolution (BCR) requests totalling \$260 million were administered. In addition, the region managed total band funds of approximately \$1.3 billion, 95 per cent of all band funds in Canada, and administered or monitored 120 per capita distributions to more than 27,000 band members. Twenty-six band elections were administered and treaty payments were made to 49,000 band members.

British Columbia Region



Resource, Economic and Employment Development

Under the direction of Indian leaders, an initiative began to repeal the British Columbia Indian Reserves Minerals Resources (1943) Act so that bands might benefit from royalty income.

Devolution proceeded during the year. The Western Indian Agriculture Corporation took over administration of the department's agricultural loan portfolio under the Indian Economic Development Fund.

A key area of achievement in 1986 - 87 was the enhancement of links between Indian business and the non-Indian private sector such as the folk life exhibit at EXPO '86 and the Mount Klappan Coal projects.

Lands, Revenues and Trusts

A total of 147 estate files were closed. Williams Lake and Prince George District estate operations were amalgamated.

A cooperative system of maintaining Indian Water Licences was implemented with the provincial government.

A number of workshops were conducted to prepare bands, tribal councils and district staff to deal with Bill C-31. Three, two-week training sessions were held for band membership administrators.

Indian Services

Three bands established alternative schools for students at risk and others who had already dropped out.

Progress was made toward finalizing a replacement for the current Master Tuition Agreement.

The Canim Lake, Ahousaht, and Mount Currie schools were completed and put under band management.

Social Development

Four bands assumed administration of the social assistance program. More than 89 per cent of all bands were under Indian administration at year's end. More than 73 per cent of all Social Development funds were administered by Indian organizations.

In-home care days increased to 46 per cent of all adult care days in 1986 - 87 compared with 41.8 per cent in 1985 - 86. Conversely, the number of Indian children in care decreased by 12 per cent for the same period.

Several new bands and tribal councils established planning committees to explore ways to gain more control over child welfare matters.

Band Support and Capital Management

In 1986 - 87, 89.4 per cent of the capital budget was under Vote 15.

Districts presented their five-year Capital Plans to the Regional Capital Management Committee.

Nearly all of the infrastructure facilities operating and maintenance budget was now being managed by bands.

By the end of 1986 - 87, two-thirds of B.C. bands were in the process of having Maintenance Management Plans prepared. Nearly half the bands have completed and implemented these plans.

An agreement was reached with the Justice Institute of British Columbia to provide on-site training for fire protection.

The department contributed \$11,438,000 to the construction of three major schools which were completed in the fiscal year: Mt. Currie, Canim Lake, and Ahousaht. Construction began on the Bella Coola school.

There were 682 new house completions and 766 renovations during the year. All housing funding was in the form of Vote 15 contributions to bands.

Capital Funding totalled \$3,475,100 in 1986 - 87. More than \$2 million was for the construction and renovation of houses while \$1,335,100 was used for community infrastructure.

Technical Services

The transfer of capital project management to bands was substantially completed and the department's direct involvement in project management was significantly reduced. All projects were completed to current, nationally acceptable standards.

All new housing renovations were inspected by certified inspectors. The department's direct delivery of inspections was phased out.

Fire safety inspections of all education facilities were completed on schedule and follow-up repairs were funded.

The second year of a planned program of village and school maintenance plan development was completed. on schedule.

Yukon Region



in salaries and \$140,000 in profits. Approximately \$227,000 was recovered in loan payments and four loans were paid in full.

Twenty-four applications, worth \$224,000, were made under the Indian Community Human Resource Strategies Program. Also during the year, 127 individuals were sponsored under the Occupational Skills Training program and two Indian institutions received funds totalling \$267,000.

The sector was involved in drafting the Canada/Yukon Economic Development Agreement and the Yukon 2000 economic development planning process.

The Indian Services Sector provided counselling to 130 prospective postsecondary students. Of these, 67 received assistance from the department.

Elementary and secondary school enrolment increased to 779 from 719 in the previous fiscal year. There were 76 new enrolments under Bill C-31. There were 17 grade 12 graduates during the year, up from 12 in fiscal 1985 - 86.

A social development manual for band administrators was distributed along with user instructions. Also, in the social development area, a pilot child welfare agreement was signed by the Yukon government and the Champagne Aishihik Band.

All bands submitted and implemented capital spending plans during the year. Sixty-seven Canada Mortgage and Housing Corporation housing units were built, along with 19 non-National Housing Act units. Eighty-three housing renovations were completed during the year and eight houses were under construction.

Several bands completed physical development plans. Work continued on the Kwanlin Dun relocation project and a Master Contribution Agreement was negotiated with this band to maintain a policing program.

In the area of band management, the Chiefs' Advisory Board chose a means for distributing Indian Management Development and Community-Based Planning funds. Bands chose training and planning projects according to their own priorities, often combining program funds with those from other sources. More than \$2.2 million was made available for Bill C-31 reinstatements.

Two functions (Communications/Engineering and Architecture) common to both the Indian and Northern programs were amalgamated during the year. This was part of an ongoing strategy to strengthen management links between the two programs north of 60 degrees.

Northern Affairs Program

The Northern Mineral Policy was announced in Whitehorse in December providing a clear regime for the region's key economic sector.

Mineral production rose to \$183 million during the year, up from \$60 million in 1985. The increase was due largely to production from the Curragh and Mt. Skukum mines, as well as increased production at United Keno Hill Mines. Placer gold production increased as well, to \$43.8 million from \$35 million in 1985.

Mineral exploration expenditures rose to \$28.9 million, up from \$18.9 million the previous year. A total of 6,007 mineral claims and 1,689 placer claims were recorded.

Geological and mapping projects carried out by the region focussed on lode gold and silver deposits and placer mine deposits. Three areas were geologically mapped under the Canada-Yukon Economic Development Agreement: two in the Dawson Range and one in the Rancheria area.

Eleven research projects were carried out under the Canada/Yukon Economic Development Agreement to assist in the economic and environmental performance of Yukon placer mines.

Yukon mining officials carried out mine safety inspections and assisted the Yukon government in writing a new occupational Health and Safety Act and Regulations.

Land claims activity focussed on the announcement of a new comprehensive lands claims policy and subsequently on development of a framework for Yukon negotiations.

Following the report of the Placer Mining Task Force to the Yukon Territory Water Board, the department cooperated with other federal agencies and the industry to address the problem of legal uncertainty faced by the industry.

An environmental review and water use licensing process were completed for the Ketz River project, providing for the opening of a new gold mine by the private sector.

Discussions began with the Yukon government prior to the opening of negotiations for the transfer of the forest management program and on the jurisdiction of land titles. As well, a major study of the territory's forest industry was begun in cooperation with the territorial government and the industry.

Discussions were also held with the Council for Yukon Indians and Yukon Indian bands on their participation on natural resource management advisory committees.

Approximately \$3.22 million was approved for 111 Economic Development Agreement projects, of which \$1.24 million was contributed by the department. These funds were made available under four subsidiary agreements covering renewable resources, minerals, economic development planning and tourism. The projects ranged from studies to improve local agriculture and placer mining technology to the preparation of community development plans.

In the area of economic research and analysis, an annual review of the Economic Development Agreement was prepared, along with a comprehensive report on the Yukon economy. A review of federal government purchasing practices was conducted through Supply and Services Canada.

Support was provided to the territorial government in the development of a Yukon economic strategy. The department assisted in the preparation of several sectoral and economic linkage reports. Technical assistance was also provided in the analysis of project applications under the Government of Yukon Regional Resource Roads program.

Northwest Territories Region



ority area of the Lancaster Sound Region. Arrangements were in progress for the establishment of two more regional planning Commissions, one for the Beaufort Mackenzie Delta, the other for the Mackenzie Valley.

During the year, negotiations to review the Economic Development Agreement (EDA) were underway with the territorial government. The funding proposal for the subsidiary agreements is greater than its predecessor and the federal share will be reduced to 70 per cent from 90 per cent. Six new subagreements were under negotiation.

The regional office supported the Action Force on Arctic Initiatives, formed in September and chaired by the Minister. The Action Force provided the region with opportunities for cooperation between federal and territorial officials to develop measures to help reduce the effects of the downturn in the northern economy.

Work continued on a joint policy for N.W.T. water management and on a review of water legislation and institutions.

Negotiations continued with other jurisdictions, notably Alberta, on the management of transboundary waters.

A Northern Mineral Policy was announced in December. The region will take a lead role in implementing the policy over two years. The Minerals and Economic Analysis Directorate organized interdepartmental and intergovernment meetings to begin the process of reviewing International Biological Program (IBP) sites, the Thelon Game Sanctuary and bird sanctuaries.

The closure of Pine Point's lead/zinc mine involved the region on two levels. In land use, the Fort Smith district staff worked with Pine Point Mines Ltd. to complete an abandonment plan for the site. As well, the Northern Benefits staff took part in meetings with the town administration, territorial government and mine officials.

Though the base metal industry declined, gold mining and exploration were active. The mining recorder's office reported 503 claims staked, up from 328 in the previous year. The continued high price of gold was reflected in exploration expenditures of roughly \$45 million. Mineral production rose to \$780 million during the year, up from \$722 million in fiscal year 1985 - 86. Zinc and lead production was up significantly, as Pine Point worked one or two of its richest ore bodies.

Geological and mapping projects carried out by the region focussed on areas of gold potential in the Archean Slave Structural Province.

Indian and Inuit Affairs Program

The primary objective of the Indian and Inuit Affairs Program was to assist the cultural, social and economic needs of 8,500 status Indians in the Northwest Territories. The program served 17 bands and eight sub-bands in 25 communities within the western Arctic.

Discussions began during the year to clarify the responsibility of the Government of the Northwest Territories (GNWT) for services

to Indian people. Negotiations were ongoing with the Public Trustee of the GNWT to complete revisions to an agreement on estates.

Discussions began with bands to identify local procedures for elections.

During the year, the Lands, Revenues and Trusts Sector improved the coordination of responsibilities in the administration of land set aside for Indians, defined in the Territorial Lands Act.

Membership recording, including the reduction of a backlog arising from the cancellation of a contract by the territorial government, was completed during the year.

Information was disseminated to bands on Bill C-31 and assistance was provided to individuals completing reinstatement applications. A total of \$25,500 was provided to bands for reinstatements and code funding under Bill C-31.

Triennial clothing grants were provided to bands.

The Indian Services Sector provided group training to band administrators and developed and disseminated information packages on accounting and administrative procedures. Four band administrators were trained under the Indian Management Development program.

More than \$2 million in funding was arranged for 15 new or expanded native business projects. These funds were made available from other federal and territorial programs and regional lending institutions. Of 35 projects assisted during the year, 28 were new projects, accounting for \$449,000 of the total of \$528,000 provided.

Of nearly \$1.5 million provided under Indian/Inuit Community Human Resource Strategies (ICHRS) program, \$851,000 was provided for 34 Inuit projects and \$720,000 for 50 Dene projects. An additional \$75,000 was administered under training grants to five Dene organizations.

Financial support was also provided to existing environmental monitoring and opportunity identification projects in the oil and gas industry. An example was a project to explore opportunities and benefits for the Fort Good Hope Band in a proposed exploratory program by Chevron.

Approximately 50 per cent of N.W.T. bands completed economic strategies with assistance from the Community-Based Economic Planning program.

1986 - 1987 A Time of Transition

DEPARTMENTAL PROFILE

HIGHLIGHTS

INDIAN AND INUIT AFFAIRS PROGRAM

NORTHERN AFFAIRS PROGRAM

CANADA OIL AND GAS LANDS ADMINISTRATION

ADMINISTRATION PROGRAM

REGIONAL OFFICES

Appendix I

Budgetary Expenditures	...	...
...	1985 - 1986	1986 - 1987
Operating Expenditures	...	...
Indian and Inuit Affairs	\$234,888,970	\$250,883,240
Northern Affairs	70,070,192	88,904,779
*Administration	45,916,352	63,656,993
Native Claims	8,732,018	7,421,311
Capital Expenditures	...	...
Indian and Inuit Affairs	59,360,304	56,981,609
Northern Affairs	18,618,045	20,927,396
Grants, Contributions and Other Transfer Payments	...	...
Indian and Inuit Affairs	1,269,241,647	1,436,418,973
Northern Affairs	45,249,701	37,599,016
Territorial Government	586,178,215	624,823,999
Native Claims	36,737,633	56,470,537
Environmental Studies Research Fund	942,722	1,435,655
TOTAL	\$2,375,935,799	\$2,645,523,508

[\$19,500,000 relates to the Northern Canada Power Commission debt deletion.]

Revenues	...	...
...	1985 - 1986	1986 - 1987
Indian and Inuit Affairs	\$7,592,495	\$7,087,366
Northern Affairs	14,713,090	16,234,974
Administration	23,992,662	14,874,235
Native Claims	5,347,235	1,558,378
TOTAL	\$51,645,482	\$39,754,953
Non-Budgetary Expenditures	...	...
...	1985 - 1986	1986 - 1987
Loans, investments and advances	...	...
Indian and Inuit Affairs	\$2,749,111	(\$11,031,740)
Northern Affairs	(1,214,963)	1,234,139)
Native Claims	14,726,359	39,201,822
*Administration	3,647,408	(49,266,335)
TOTAL	\$19,907,915	(\$22,330,392)

[*Figure relates to the Northern Canada Power Commission and the Yukon Power Corporation.]

Appendix II

Statutes Administered

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

- Alberta Natural Resources Act
- Arctic Waters Pollution Prevention Act
- British Columbia Indian Cut-Off Lands Settlement Act
- British Columbia Indian Reserves Mineral Resources Act
- Canada Land Surveys Act
- Canada Petroleum Resources Act
- Caughnawaga Indian Reserve Act
- Condominium Ordinance Validation Act
- Cree-Naskapi (of Quebec) Act
- Department of Indian Affairs and Northern Development Act
- Dominion Water Power Act
- Fort Nelson Indian Reserve Minerals Revenue Sharing Act
- Indian Act
- Indian Lands, Settlement of Differences Act
- Indian Oil and Gas Act
- Indian (Soldier Settlement) Act
- James Bay and Northern Quebec Native Claims Settlement Act
- Lac Seul Conservation Act
- Lake of the Woods Control Board Act
- Land Titles Act
- Manitoba Natural Resources Act
- Manitoba Supplementary Provisions Act
- National Wildlife Week Act
- Natural Resources Transfer (School Lands) Amendment Act
- New Brunswick Indian Reserves Act
- Newfoundland National Park Act
- Northern Canada Power Commission Act
- Northern Inland Waters Act
- Northwest Territories Act
- Nova Scotia Indian Reserves Agreement Act
- Oil and Gas Production and Conservation Act
- Public Lands Grants Act
- Railway Belt Act
- Railway Belt and Peace River Block Act
- Railway Belt Water Act
- St. Peter's Indian Reserve Act
- Saskatchewan and Alberta Roads Act
- Saskatchewan Natural Resources Act

- Sechelt Indian Band Self-Government Act
- Songhees Indian Reserve Act
- Territorial Lands Act
- Waterton Glacier International Peace Park Act
- Western Arctic (Inuvialuit) Claims Settlement Act
- Yukon Act
- Yukon Placer Mining Act
- Yukon Quartz Mining Act

