

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

May it please Your Excellency:

I have the honour to submit to Your Excellency the annual report of the Department of Indian Affairs and Northern Development for the fiscal year beginning April 1, 1987, and ending March 31, 1988.

During the year under review, the department concentrated on keeping its commitments to the Indians, Inuit and northern residents of Canada. We have done this in three ways: by improving community services; by strengthening self-government; and by settling native claims.

The department's Indian and Inuit Affairs Program budget increased by 31 per cent between 1984 and 1988.

Elementary, secondary and postsecondary education expenditures grew substantially in the same period. The department is dedicated to continue providing strong education, social development and economic development programs to Indians and Inuit.

The government is resolved to settle native claims. By year's end, an Agreement-in-Principle on the Dene-Métis comprehensive claim was well advanced. Five specific claims were settled in 1987 - 88 involving total compensation of approximately \$2.6 million and 186.3 hectares of land. Mediated negotiations were planned with the Cree, Inuit and Naskapi on the James Bay and Northern Quebec Agreement.

The government has met with national aboriginal leaders to discuss restarting talks on entrenching aboriginal rights to self-government in the Constitution. The government's objective is to establish, in cooperation with the appropriate federal departments and agencies and related levels of government, the formal basis for a new relationship between the federal government and Indian and Inuit people which is marked by increased community control and self-reliance.

Since 1986, 65 groups, representing 232 bands, have submitted proposals for activities related to community self-government. In 1987 - 88, approximately 67 per cent of the Indian and Inuit Affairs Program budget was administered by Indian communities, up from about 39 per cent in 1979 - 80.

The department also made significant progress during the year in promoting the development of Canada's northern regions. A comprehensive Northern Political and Economic Framework was approved that lays the groundwork for transferring the remaining provincial-type programs to the territorial governments. Also, the Yukon assets of the Northern Canada Power Commission were transferred to the Yukon Territorial Government and subsequently sold to the Yukon Development Corporation.

Throughout the year I have been pleased with the progress that Indians, Inuit and Northerners themselves have made toward the betterment of their communities. I have, also been proud of the accomplishments of this department and its employees. Through hard work and dedication, our commitments were realized to the highest degree possible. For everyone's efforts, I thank them.

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

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Minister of Indian Affairs and
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Departmental Profile

Mandate

The Department of Indian Affairs and Northern Development was created in 1966, headed by a Minister responsible for Indian and Inuit Affairs as well as for Yukon and 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, and obtain benefits from their natural resources; - negotiate community-based arrangements which result in enhanced decision-making and authority for Indian communities; - support constitutional discussions regarding the definition of the rights of aboriginal peoples and related matters; - provide transfer payments to the governments of Yukon and Northwest Territories; - support the economic development of the North and protect the northern environment, including Arctic seas; - foster the political development of the northern territories and coordinate federal policies and programs in the North; and - administer much of the land and most of the natural resources in the North.

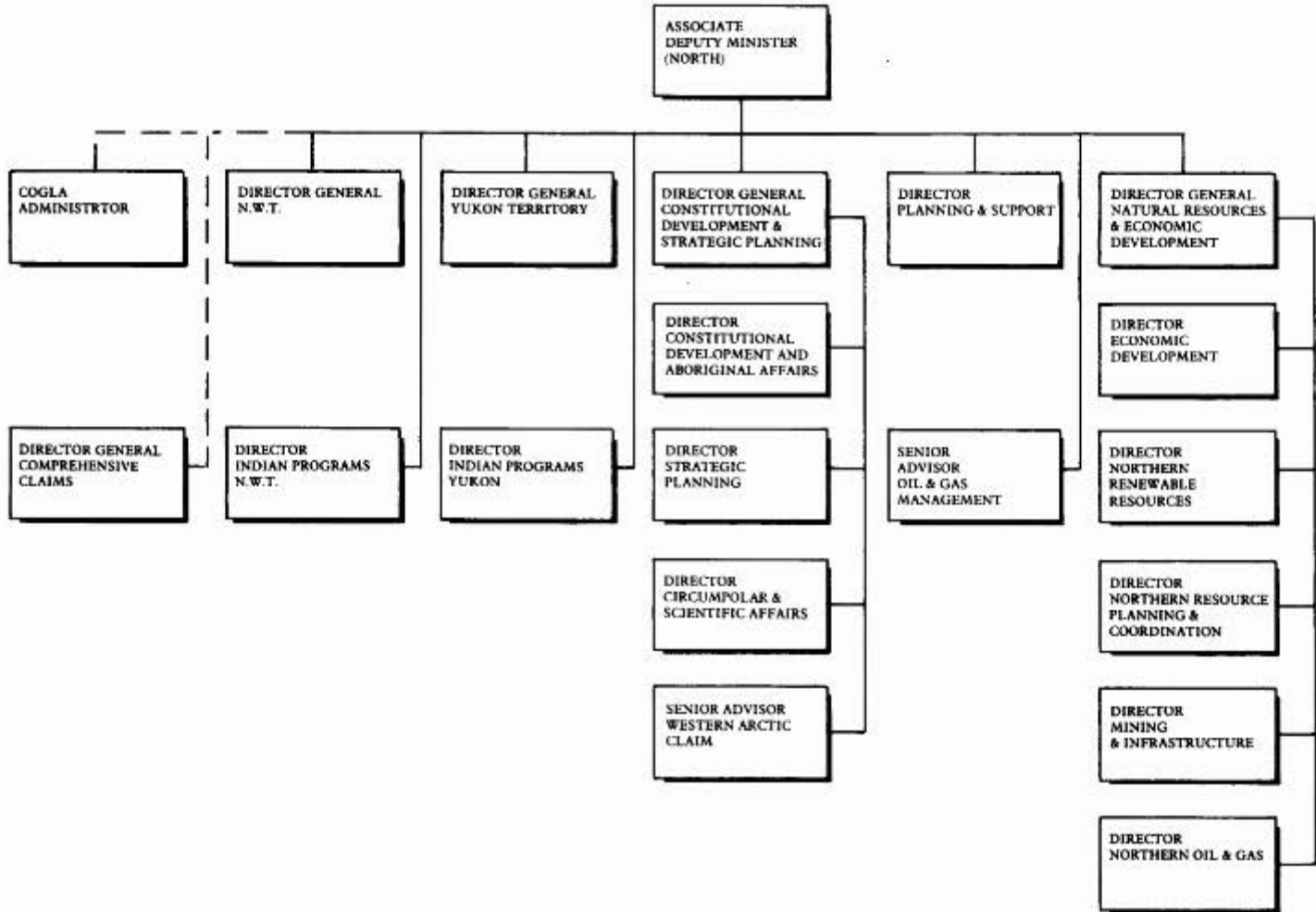
The Canada Oil and Gas Lands Administration (COGLA) is responsible for the regulation of oil and natural gas exploration and development on Canada's frontier lands. COGLA administers the Canada Petroleum Resources Act and the Oil and Gas Production and Conservation Act, reporting to the Minister of Indian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

Fiscal year 1987 - 88 was a time when the department concentrated on implementing federal government programs and policies for Indians and Inuit and non-native citizens of Yukon and Northwest Territories. These programs and policies were aimed at supporting the development of self-government by Indian and Inuit people, improving their economic prospects, better managing Indian lands and monies, improving the conditions in Indian communities, and protecting the special relationship that exists between the federal government and the Indians and Inuit of Canada.

With respect to northern development, the department is the lead agency involved in the transfer of provincial-type responsibilities to northern governments, the promotion of economic development and the settlement of land claims in the North. The department also advances specific initiatives concerned with reinforcement of Arctic sovereignty.

ORGANIZATIONAL STRUCTURE

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



Highlights

Highlights

In 1987 - 88, the department increased its efforts to fulfill its commitments to the development of Indian and Inuit community-based self-government, the transfer of programs to Indian and Inuit communities and territorial governments and the settlement of native land claims. The importance of the department's responsibilities was highlighted by the appointment, on August 27, 1987, of the Honourable Bernard Valcourt as Minister of State to support the Honourable Bill McKnight in fulfilling his role as Minister of Indian Affairs and Northern Development.

Community Self-Government Negotiations

The Self-Government Negotiations Branch responded to 42 new proposals representing 151 bands across the country; as well, it continued to deal with 23 ongoing proposals. In addition, the branch supported self-government workshops in five provinces. These facilitated 67 bands to meet and share information and experiences.

James Bay and Northern Quebec Agreement

The federal government approved the payment of \$2.5 million to the former residents of Port Burwell, N.W.T., who, because of deteriorating economic and social conditions leading to a decline in the population of Port Burwell, moved to Northern Quebec in 1978. This issue was key to the success of the James Bay and Northern Quebec Agreement (JBNQA) implementation negotiations, and its successful resolution opens the way for future negotiations.

Comprehensive Claims

A mandate for negotiating an Agreement-in-Principle with the Dene/métis of the N.W.T. was approved in May 1987. An Agreement-in-Principle was well advanced by year's end.

Negotiations began in mid-August toward an Agreement-in-Principle for the Council for Yukon Indians. The Yukon negotiation team also negotiated the transboundary claims of the Kaska-Dena Council, Dene Nation and Taku River Tlingits, officially called the Atlin Band.

In December 1987, the federal government established the mandate for negotiating an Agreement-in-Principle with the Tungavik Federation of Nunavut.

Negotiations toward a framework agreement with the Conseil Attikamek-Montagnais were progressing well.

Specific Claims

During the year, five grievances were settled transferring a total of 186.3 hectares of land to reserve status and providing \$2,587,153 in cash compensation.

An agreement was signed with Makivik Corporation covering the cost of resettling Inuit families to Inukjuak from Resolute Bay and Grise Fiord.

Canada and Manitoba concluded settlement of the Pasquia Dyke claim with The Pas Band, resulting in \$431,107 being paid jointly by the federal and provincial governments.

"Kamloops" Amendments

Bill C-115, the "Kamloops" amendments, passed first reading in the House of Commons in March 1988. These amendments permit band councils to exercise jurisdiction over designated lands, levy property taxes and facilitate commercial development. This was the first ever Indian-led change to the Indian Act. The Bill clearly established the power of band councils to tax reserve lands.

Manitoba Northern Flood Agreement

In March 1988, an \$88.5 million payment was approved for five Manitoba Northern Flood Agreement (NFA) communities to fulfill Canada's major obligation under Article 6 of the 1977 NFA. The Northern Flood Capital Reconstruction Authority, a band - Controlled institution, will manage the water and sewer project, the largest capital project ever undertaken by these bands.

Northern Political and Economic Framework

A new comprehensive Northern Political and Economic Framework was approved in June 1987. The framework's objective is to strengthen the political and economic institutions in the North within the Canadian federation. The essential elements of this policy are: to transfer provincial-type programs to the territorial governments (including responsibility for managing the North's natural resources); to pursue settlement of land claims; and to develop sound and stable economies through greater diversification, while reinforcing Canadian sovereignty over Arctic lands and waters.

Forestry Transfer

Responsibility for fire and forestry management programs was transferred from the department to the Government of the Northwest Territories. The agreement lays out details of legislative amendments, property and housing transfer, treatment of federal employees and continuing land use under overlapping jurisdiction.

Alternative Funding Arrangements

In 1987 - 88, seven Alternative Funding Arrangements (AFA) agreements were signed involving \$22.8 million in program funding in the year under review.

The largest and most complex of these AFA agreements was signed with the Nuu-Chah-Nulth Tribal Council. It covers 13 bands in British Columbia. The five-year agreement is for \$58 million.

Another 45 bands and five tribal councils were at various stages of AFA development.

Land Use Planning

The Canada-Yukon Agreement on Land Use Planning was signed in October 1987. The agreement, a cooperative process between the department, the Government of Yukon and the Council for Yukon Indians, establishes the mechanism for comprehensive land use planning throughout the territory.

Northern Canada Power Commission

Detailed surveying and other work continued in order to implement Bill C-45 which transferred the Yukon assets of the Northern Canada Power Commission (NCPC) to the Yukon Territorial Government (YTG). The assets were sold to the Yukon Development Corporation (YDC) for \$95 million. All Yukon employees were guaranteed employment with Yukon Electrical Co. Ltd., engaged to manage the utility.

Principles governing the sale and transfer of the Northern Canada Power Commission to the Government of the Northwest Territories (GNWT) for \$53 million were signed February 8, 1988. This was done in anticipation of the actual sale and transfer which was to have been completed within three to four months.

Dene Cultural Institute

The Dene Cultural Institute was incorporated in May 1987. The institute, which was established to promote Dene culture, received an operating grant of more than \$192,000 for 87/88 from the department.

Yukon Placer Mining

A new policy for placer mining in Yukon was signed by the Ministers of Indian Affairs and Northern Development, Fisheries and Oceans, and Environment. The agreement sets out requirements to protect fish and fish habitats and supports the continuation of a healthy placer industry.

Indian and Inuit Affairs Program

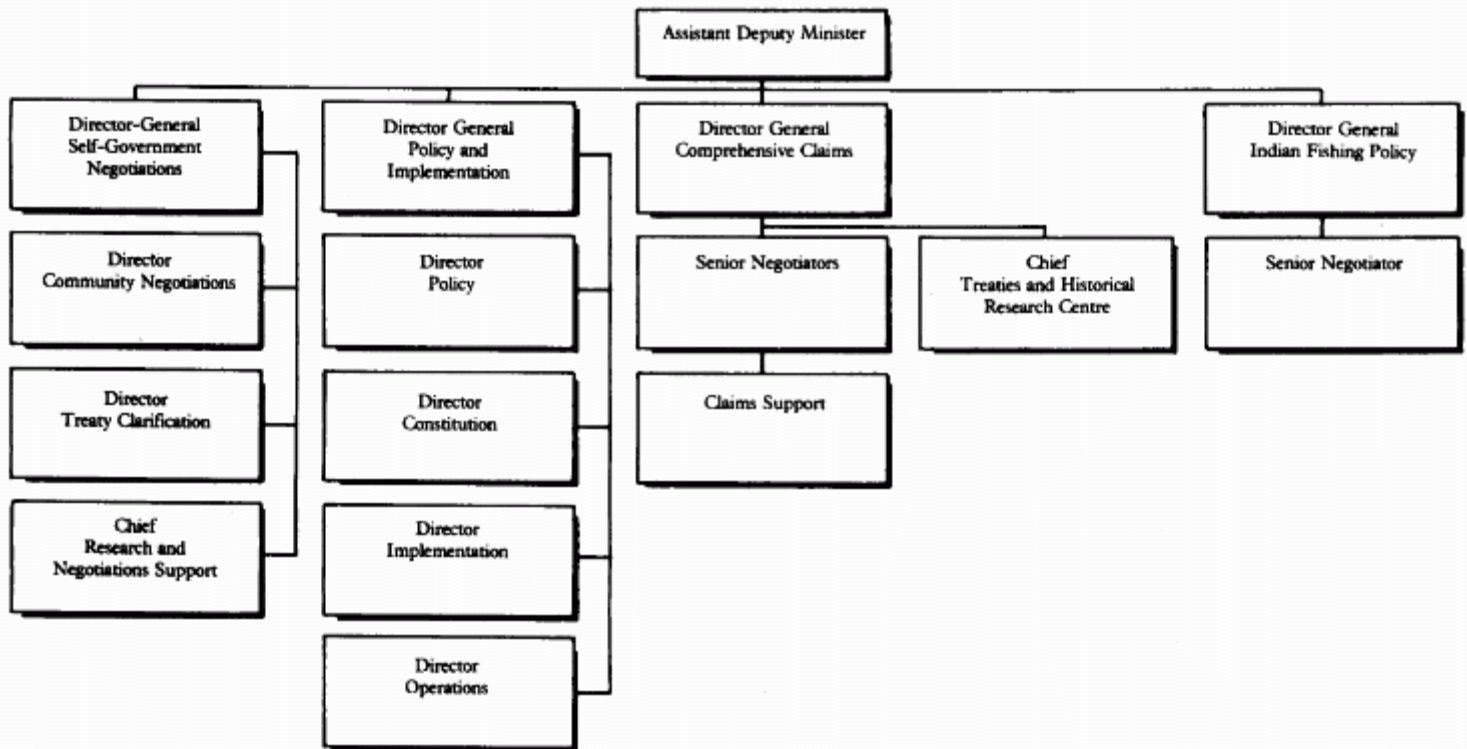
Indian and Inuit Affairs Program

Self-Government Sector

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

The process whereby government authority is transferred to Indian and Inuit people is well-established. It gained momentum during the year under review. Evidence of this included progress in negotiations toward implementing the James Bay and Northern Quebec Agreement (JBNQA), the advancement of many comprehensive claims, the settlement of subagreements in many areas, the development of several co-management projects in fisheries and progress by several communities toward concluding framework agreements in the selfgovernment negotiations process.

The sector also took part in, or provided support for, the department's



representation in several international forums. These included the United Nations Working Group on Indigenous Populations and the International Labour Organization, which is revising its Convention on Indigenous and Tribal Populations.

Self-Government Negotiations Branch

Interest in the self-government negotiations program increased considerably. Major activities undertaken in 1987 - 88 by the branch included consideration of 42 proposals representing 151 bands from across Canada. Thus, since its inception in April 1986, the branch has responded to a total of 65 proposals representing 232 bands. Of the active proposals: - 19, involving 56 bands, were at the stage of developing a framework (detailed terms of reference) for substantive negotiations; - 17, involving 42 bands, were at the stage of conducting initial development work, usually research and community consultation; and - six, involving 53 bands, were for information workshops on self-government for community members.

Other activities included the sponsoring of two national workshops for communities in the framework stage of the negotiating process. The workshops serve as a mechanism for the exchange of information and experiences among communities. The branch also developed a detailed information package on the process of community self-government negotiations.

Policy and Implementation Branch

Significant progress was made during the year on the JBNQA and the Northeastern Quebec Agreement. Discussions were held with the Inuit, Cree and Naskapi, as well as the Government of Quebec and Hydro Quebec. The Policy and Implementation Branch researched issues, prepared legal assessments and developed the federal position in these negotiations.

The Minister appointed Andrew Croll as a special federal representative to negotiate implementation of all provisions of the agreements.

The government approved a payment of \$2.5 million to the former residents of Port Burwell, N.W.T., who moved to northern Quebec in 1978. Settlement of this issue was a key factor in the negotiations to implement the JBNQA.

Mediators were appointed, or identified, for negotiations with the three native parties involved. The federal government extended the negotiations to provide native signatories with an opportunity to identify fully their concerns.

The Policy and Implementation Branch began work during the year on the development of guidelines for the implementation of comprehensive claims agreements. Among other things, the guidelines provide for a review of such agreements before implementation, to ensure that they are clear and practical. As well, the guidelines provide for the negotiation of subsidiary agreements on how comprehensive agreements will be implemented.

The branch participated in tripartite self-government discussions in Ontario, dealing with such topics as lands, resources and education. It also represented the department in Canada's response to international developments through the United Nations Working Group on Indigenous Populations and International Labour Organizations.

Together with the Cree and Naskapi, the federal government has developed a number of regulations to clarify and give precision to the intent of the Cree-Naskapi (of Quebec) Act. This cooperative effort continued throughout 1987 - 88 resulting in the drafting of three regulations: "The Cree-Naskapi Band Elections Regulations"; "Regulations Respecting the Form of Deeds Relating to Certain Successions"; and the "Cree-Naskapi Band Expropriation Regulations". Initial drafts of regulations governing special band meetings and referenda were also prepared during the year.

The Cree and Naskapi bands received more than \$25 million during the year for operating and capital costs. This included \$13.1 million for eight Cree bands and the Cree Regional Authority. A total of \$968,754 was provided to the Naskapi Band for operating costs. As well, a special contribution of \$1.1 million was provided to the Wemindji Band, to pay for electricity provided to the community on behalf of Canada. Capital grants of more than \$9.8 million were provided to Cree bands and \$330,000 to the Naskapi for housing and community infrastructure.

The Sechelt Band, exercising authority under the Sechelt Indian Band Self-Government Act, undertook negotiations with British Columbia to establish the Sechelt Indian Government District. The department secured the necessary federal approvals to give effect to the arrangements between the Sechelt and the provincial government. In addition, the department processed an amendment to the band's constitution concerning eligibility for band membership. This demonstrated an effective new relationship - joint cooperation to achieve goals of Indian self-government.

Comprehensive Claims Branch

A mandate for negotiating the Dene/Métis claim was approved in May 1987.

In December, the department received a mandate to negotiate an

Agreement-in-Principle with the Tungavik Federation of Nunavut (TFN) within 14 months. A workshop on wildlife compensation was held with industry, the TFN and government.

In Yukon, a mandate for negotiation of the Council for Yukon Indians claim was approved by the federal government in May 1987. A Chief Federal Negotiator was appointed in July, and negotiations began in mid-August toward an Agreement-in-Principle. A process was set up to protect land until final land selection takes place.

In British Columbia, negotiations with the Nisga'a focussed on the allocation and management of the fishery resource.

Negotiations toward the conclusion of the first framework agreement under the revised federal policy on comprehensive land claims were progressing well with the Conseil Attikamek-Montagnais. Negotiations were also initiated on an interim protection measures agreement.

The River Desert Band submitted documentation to substantiate a claim in the Ottawa Valley in August 1987. In British Columbia, one further claim, the Kwakiutl, was accepted in February 1988.

Indian Fishing Policy Branch

The Indian Fishing Policy Branch was created in 1987 - 88 to advise the Minister on native fishing issues.

Funding was provided to develop and test four cooperative management schemes in British Columbia. In cooperation with the Department of Fisheries and Oceans (DFO), criteria were developed for more than 40 proposed co-management projects in the province.

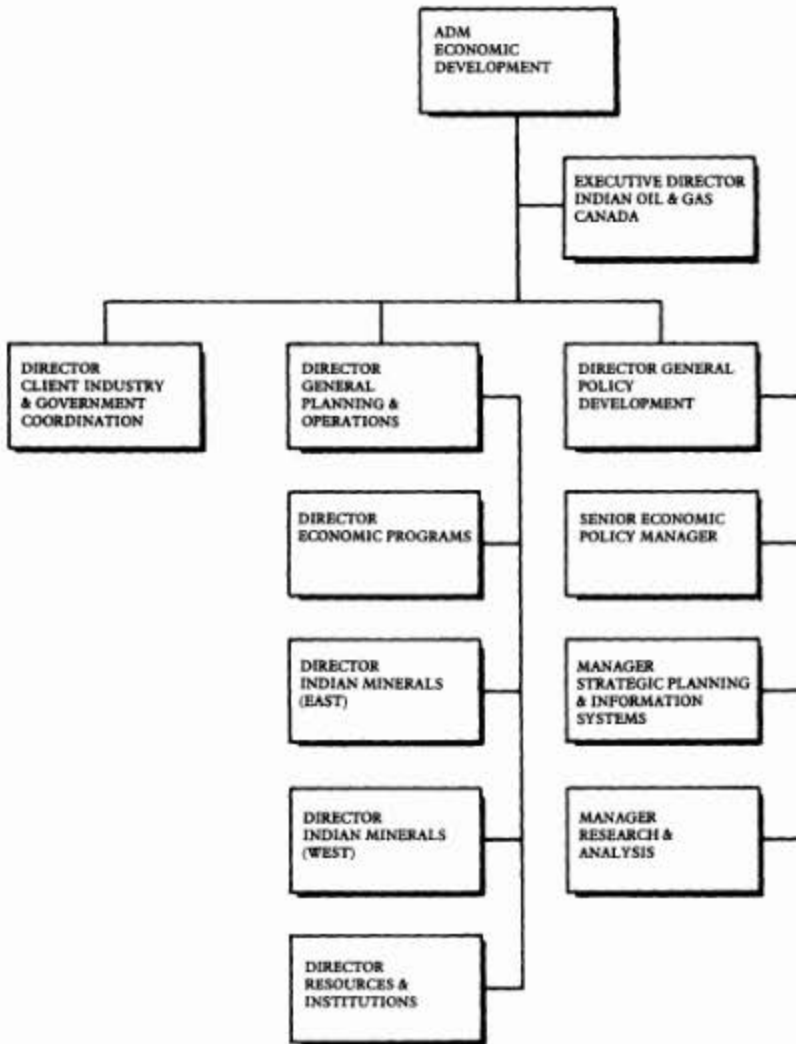
Exploratory discussions recommenced with the Six Nations of the Grand River Band in January 1988 after formal negotiations of fishing agreements were suspended in early 1987.

In Atlantic Canada, the department and DFO continued consultations with bands, the Union of Nova Scotia Indians and the Union of New Brunswick Indians concerning conflicts between regulations and treaty fishing rights. Meetings were also held with groups such as the Atlantic Salmon Federation and Fisheries Council of Canada. A formal process for negotiating fishing agreements was under consideration during the year.

The department, DFO and the Government of Quebec monitored a three-year fisheries plan implemented by Restigouche Micmac bands. The department assisted in developing feasibility studies for a proposal put forward by the Kingsclear Band, New Brunswick, to convert a food fishery to a recreational fishery. The proposal called for a motel complex to be built with federal funding assistance.

Economic Development Sector

Progress was made on five economic development strategies developed by the Task Force on Indian Economic Development. These are: increased access to the mainstream business economy; an improved taxation regime to increase Indian business growth; support for Indian resource development on Indian lands; training of Indian adults for business and employment;



and improving federal programs to assist Indian business development and employment.

During the year, the Canada/Quebec Memorandum of Understanding (MOU) on native economic development was signed. The MOU's main objective is to coordinate and harmonize policies and programs of various federal and provincial government departments in relation to native economic development.

A national guide on federal procurement and a list of potential Indian suppliers were prepared. Consultations were held with the Canadian Council of Native Businesses (CCNB) and the banking community to discuss the Small Business Loan Act (SBLA) and native access to private capital.

The sector worked on the "Kamloops" amendments on property taxation which passed first reading in the House of Commons in March 1988. These amendments will also facilitate commercial activity on "designated" lands.

In addition, a strategy was developed to enhance mineral exploration and development on Indian reserves. During the year, the Chief Executive Officer for Indian Oil and Gas Canada was also recruited.

An agreement concerning Placer Dome's gold mine at Dona Lake was signed by the Windigo Tribal Council, the Osnaburgh Band, the company and both the provincial and federal ministers.

Negotiations began with several Indian - Controlled financial institutions concerning the privatization of the Indian Economic Development Loan Fund (IEDF).

A joint Indian Community Human Resource Strategies (ICHRS) program and social assistance initiative were developed whereby funds can be used for productive economic development activities.

The sector managed four distinct programs:

- the Indian business development program provided \$10 million in contributions, \$10 million in direct loans and \$3 million in guaranteed loans as well as management and advisory services to Indian businesses;
- the ICHRS program provided approximately \$32 million to communities and individuals to increase employability through academic upgrading and occupational skills training, on-the-job training, employment creation and economic and human resource planning;
- the Resources Development program provided approximately \$4 million to assist bands to identify and exploit mineral and oil and gas holdings, and to manage renewable resources; and
- the Indian Delivery System program contributed more than \$16 million to assist bands, tribal councils and sectoral business interests to support Indian - Controlled economic institutions which provide advisory services

and third-party contributions for new or expanded business projects.

Indian economic development activities supported by the department included:

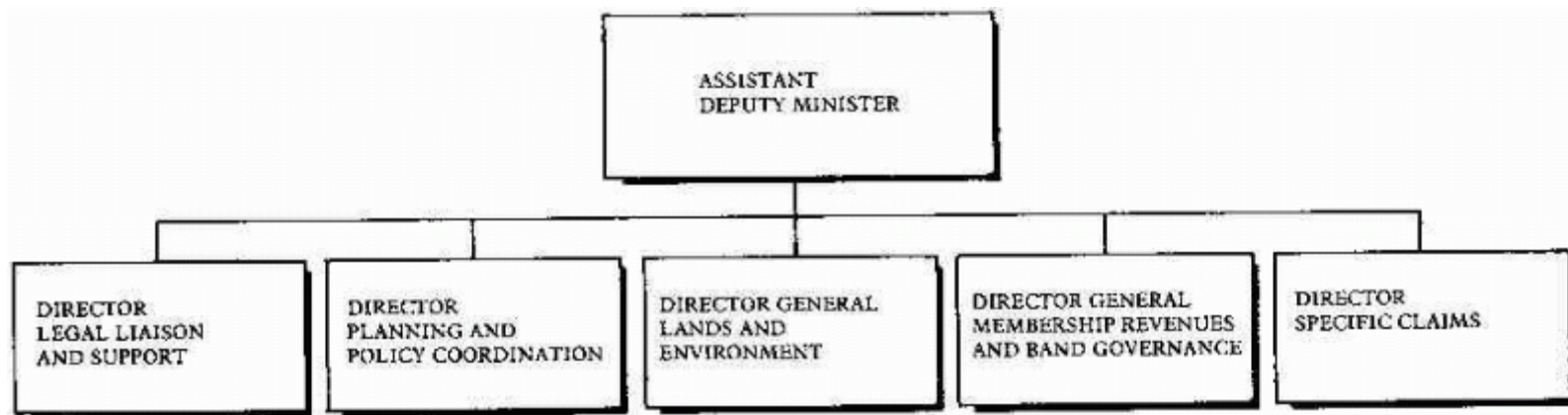
- assistance to more than 800 businesses which maintained 1,600 existing jobs, created 1,400 new jobs and generated \$16 million in income for Indians; - a business equity funding leverage factor of 8:1 (eight dollars of investment in Indian businesses by individuals, other federal programs and commercial banks for every business development contribution dollar from the department); - 1,900 long-term jobs in Indian community enterprises, and 1,000 jobs on projects providing skill enhancement and work experience; - 1,800 full and part-time trainees in classroom or on-the-job environments; - long-term human resource employment and training plans for 234 bands; - mineral development activities which resulted in revenues of \$670,000 and 180 jobs. - oil and gas developments which resulted in \$102 million in royalties and \$5.7 million from bonuses, rentals, compensation and seismic fees; and - Indian - Controlled advisory services were provided by a staff of 380 in 200 bands and 55 tribal and sectoral development corporations 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. However, the development of natural resources 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.

In 1987 - 88, legislation was introduced permitting

Ontario bands to negotiate agreements with the province; membership control was transferred to 203 bands; and an \$88.5 million payment was approved for five Manitoba Northern Flood Agreement communities.



Phase I of a major review of the Lands, Revenues and Trusts Sector was completed and Phase II was begun during the year.

A Planning and Policy Coordination Branch was created to coordinate sectoral planning and policy management.

Legal Liaison and Support Branch

The Legal Liaison and Support Branch administers the Test Case Funding Program which may provide a contribution toward an Indian test issue at the appeal stage of litigation. In support of the department and program managers, Legal Liaison and Support acts as the contact point for litigation and performs research and analysis of documentation for the purpose of formulating departmental positions on litigation. The branch also provides the Department of Justice with research support in litigation affecting the Department of Indian Affairs and Northern Development.

Since 1965, the federal government has funded the litigation of selected test cases, mainly at the appeal stage, to clarify important Indian-related legal issues.

During the year, litigation grew at the rate of five new cases per month in addition to the heavy demands imposed by major cases, such as Gitksan and Apsassin.

Lands and Environment Branch

The Lands and Environment Branch began developing regulations for the Indian Land Registry. The improved system will enhance the development of Indian lands and support the taxation powers of bands.

Bill C-73, introduced in the House of Commons in September 1987, permits Ontario bands to negotiate agreements with the province and the federal Crown to remove provincial interests in surrendered Indian lands and minerals.

During the year, more than \$1 million was contributed to bands and Indian organizations for a variety of activities including environmental workshops and consultations, the pre-

paration of responses to projects with potential and existing impacts, and negotiating settlements with the proponents of projects.

In March 1988, an \$88.5 million payment was approved for five Manitoba Northern Flood Agreement communities.

Membership, Revenues and Band Governance Branch

During 1987 - 88, 26,110 individuals applied for registration as status Indians under the Indian Act. Applications covering 24,564 individuals were reviewed and completed during the year, resulting in 16,689 registrations and 7,875 denials.

Membership control was transferred to an additional 203 bands during the same period, bringing the total number of bands having control of their membership to 212 or 36 per cent of all Indian bands.

In March 1988, Bill C-123 was tabled in the House of Commons. The effect of the Bill would be to increase a surviving spouse's preferential share in an intestacy to \$75,000 from \$2,000. The Bill would amend the Indian Act to enable band councils to play a greater role in managing the monies of minors. The department currently administers approximately 23,000 accounts for deceased Indians, minors and other individuals.

Bill C-122 was also tabled in the House of Commons in March 1988. This new amendment would:

(a) require notices of bylaws made under Sections 81, 83, or 85.1 to be published, if possible, and posted; and (b) exempt those bylaws from the application of the Statutory Instruments Act. The department adopted a policy by which Indian bands can revert to custom election if they wish to do so. During the year, 409 band election results were recorded and 205 bylaws were processed.

In March 1988, the "Kamloops" amendments (Bill C-115) passed first reading in the House of Commons. These amendments would ensure that reserve land surrendered for lease or any other restricted purpose remains part of the reserve; provide a new definition of "designated" land to replace the old term "conditionally surrendered" land; and permit all band councils to levy taxes on reserves, including designated land.

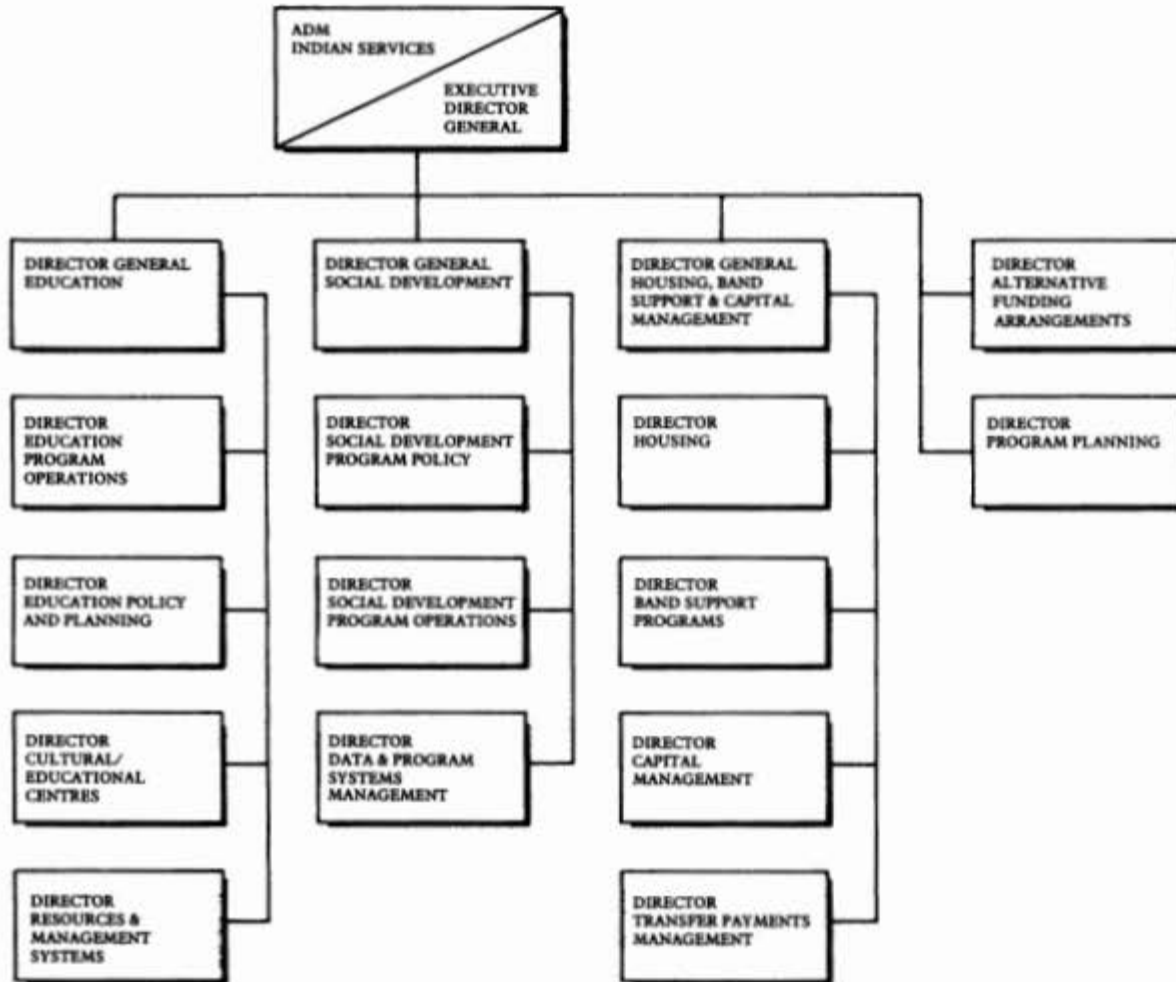
Specific Claims Branch

Five Indian band grievances were settled during the year, transferring a total of 186.2 hectares of land to reserve status and providing \$2,587,153 in cash compensation. The government concluded that a breach in lawful obligation did not occur in seven claims. Eight claims were dropped due to the bands deciding not to pursue this process. The government accepted nine new claims for negotiation. One other claim was settled by other departmental programs.

Indian Services Sector

In 1987 - 88, the Indian Services Sector continued to support Indians and the Inuit of Northern Quebec and Labrador. The sector provided education, social development, housing, community infrastructure and band management support services primarily to status Indians residing on reserve and Crown lands.

During 1987 - 88, Indians and Inuit increased control of the education program in their communities



with the transfer of 18 federal schools to band control. As well, the social assistance program was devolved to an additional 15 bands, increasing the percentage of bands administering the program to 81 per cent.

Seven Alternative Funding Arrangement (AFA) agreements were signed for an annual amount of \$22.8 million. Under such agreements, bands or tribal councils have greater flexibility in managing the funds available to them. The initiative is designed to transfer responsibility for the design of programs and establishment of priorities to Indian councils while, at the same time, making Indian leaders more accountable to their memberships for the management of resources and the development of their communities.

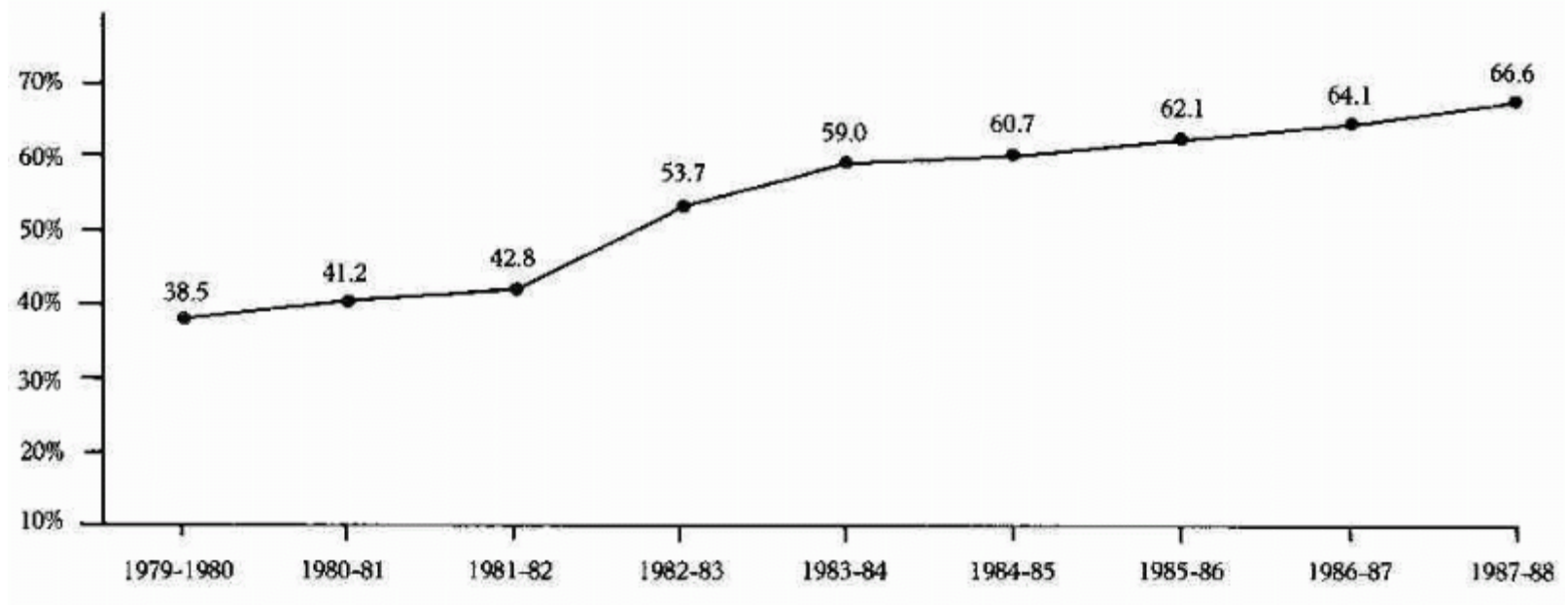
Fundamental changes in the relationship between the federal government and Indian people have affected the nature of services delivered by the department and the methods by which they are delivered. In 1987 - 88, approximately 67 per cent of the Indian and Inuit Affairs Program's total expenditures were managed or administered by Indians, compared with about 34 per cent in 1979 - 1980.

Education Branch

In keeping with the departmental commitment to encourage Indian self-reliance, the education branch focussed on providing increased access to educational opportunity and increased Indian administration of education.

The education program continued to provide a full range of education services to more than 84,000 Indian elementary and secondary students living on reserve. These services were provided directly by federal schools, by provincial schools through tuition agreements, or by bands themselves

Percentage of Indian and Inuit Affairs Program Expenditures Administered or Managed by Indians



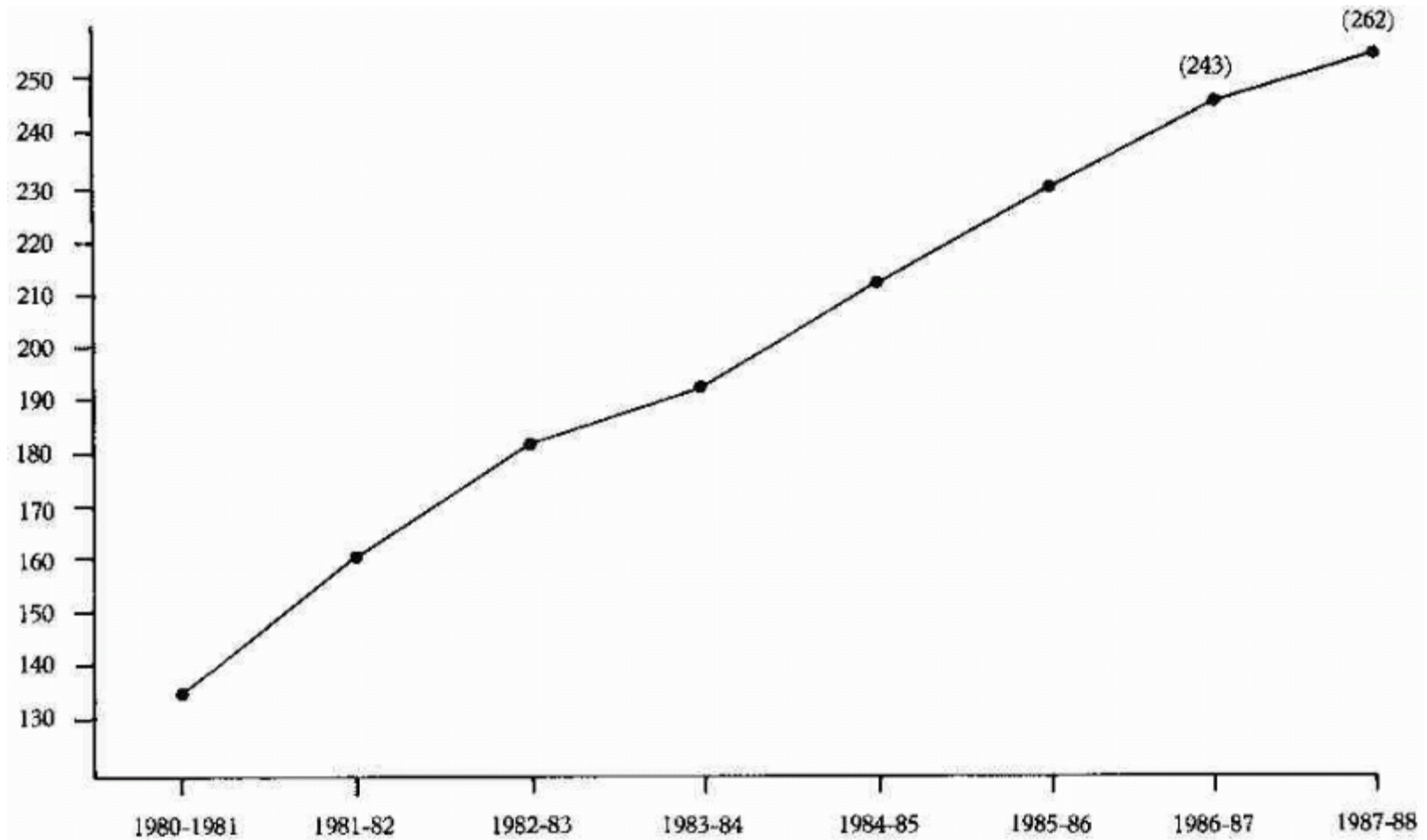
funded through contribution agreements or Alternative Funding Agreements.

In 1987 - 88, 15 bands assumed control of 18 schools, involving more than 2,200 students. During the same period, 262 on-reserve schools were operated by band education authorities. The branch established guidelines and procedures for school transfers and introduced a national formula funding system for the allocation of resources for federal and band-operated schools.

As well, the branch provided financial and instructional support to Indians and Inuit people in postsecondary education. This program has grown from 3,700 postsecondary students supported at a cost of \$8 million in 1977 to more than 13,000 students (including Bill C-31) at a cost of \$111 million in 1987 - 88. The department established priorities to manage student funding within a fixed annual budget.

The department conducted a major review of the Cultural/Educational Centres program. The department spent \$7.2 million to provide cultural services. The funding was distributed to 42 band - Controlled centres and 26 corporate centres, including first-time funding to the Dene Cultural Institute in the Northwest Territories.

Band-Operated Schools by Years



Social Development Branch

The social development program provided for social assistance, child welfare and adult care services to eligible Indian families and individuals residing on reserves or Crown land. In 1987 - 88, the program spent \$429 million to provide benefits to members of 568 bands.

The social assistance program provided \$316 million to support about 124,000 recipients. The department and band workers provided counselling and referrals to recipients to help them become more economically independent.

A joint economic development and social development initiative was established to support training and entrepreneurship leading to long-term employment.

During 1987 - 88, \$10.6 million, representing 3.3 per cent of social assistance funding was provided for employment creation.

The branch also provided child welfare, adult care, individual and family services. Child welfare services were delivered through agreements with provincial or band child welfare agencies. In 1987 - 88, 36 child welfare agreements, covering 202 bands, were renewed. As well, the Task Force on Child and Family Services conducted an intensive review of child welfare services. The final report, released in January 1988, provided a base for the development of departmental policy.

Band Support and Capital Management Branch

The Band Support and Capital Management programs assisted Indians and Inuit in developing management capability through funding for band governments, and in establishing and maintaining the level and quality of capital facilities, family housing and other community infrastructure.

Band Support Programs

The Band Support Programs Directorate provided funding, through grants and contributions, to Indian local and regional governments for management and delivery of programs to their members. In 1987 - 88, approximately \$150 million was transferred to bands and tribal councils for these purposes. The budget of the Tribal Council Funding program increased from \$8.8 million last year to \$12 million in 1987 - 88.

The directorate also administered the distribution of additional funds provided for the expanding Indian population, a result of the 1985 amendments to the Indian Act (C-31). In addition, it coordinated efforts toward the implementation of the five-year devolution plan and the allocation of funds set aside for this purpose.

Capital Management

The Capital Management Directorate assisted Indians and Inuit in establishing and maintaining community capi-

tal facilities on reserves, including water, sanitation, electrical, road and fire protection systems, schools and community buildings. In 1987 - 88, approximately 85 per cent of the capital and 88 per cent of the associated operation and maintenance budgets were administered by band councils or their representatives.

The directorate promoted the implementation of a Maintenance Management Development program to assist communities in repairing and maintaining community buildings, roads and water and sewer systems. As well, work continued toward updating the Long-Term Capital Plan that will facilitate the planning and implementation of the capital program.

Housing

In 1987 - 88, the Housing Directorate commenced a major review of housing policy in conjunction with the Assembly of First Nations and the Federation of Saskatchewan Indian Nations.

During the year, 3,087 new housing units were started and 4,141 units were renovated on Indian reserves. The contribution to housing totalled more than \$107 million. Ministerial guarantees were provided for 279 loans, worth \$72.3 million, for construction of houses on reserves. Canada Mortgage and Housing Corporation helped build 1,240 of the new units and provided approximately \$9 million to assist with renovations.

Transfer Payments Management

The Transfer Payments Management Directorate obtained special consideration concerning the government's Cash Management Policy. As a result, the current practice of extending three months' advance funding to Indian communities will continue to be permitted to provide sufficient cash flow for ongoing band management until a departmental policy is in place.

An analysis of the 1986 - 87 audits indicated that the number of bands in a serious deficit situation has begun to decline. As well, the number requiring remedial financial management plans also decreased. There was significant improvement in the existing plans.

The Canadian Executive Services Organization (CESO) and Indian Management Assistance Program (IMAP) provided 14,360 consultant days of service to Indian people, businesses and communities. The Canadian Native Program of CESO delivered advisory services with the assistance of retired volunteers who shared their expertise and skills with the native community. Most bands now deal directly with CESO rather than through the department, as a result of restructuring the CESO Agreement. More than 1,500 projects were initiated during 1987 - 88, representing a contribution of \$1.6 million to CESO in accordance with the agreement.

In addition, 62 university students provided management and economic development advisory services to bands and tribal councils under IMAP.

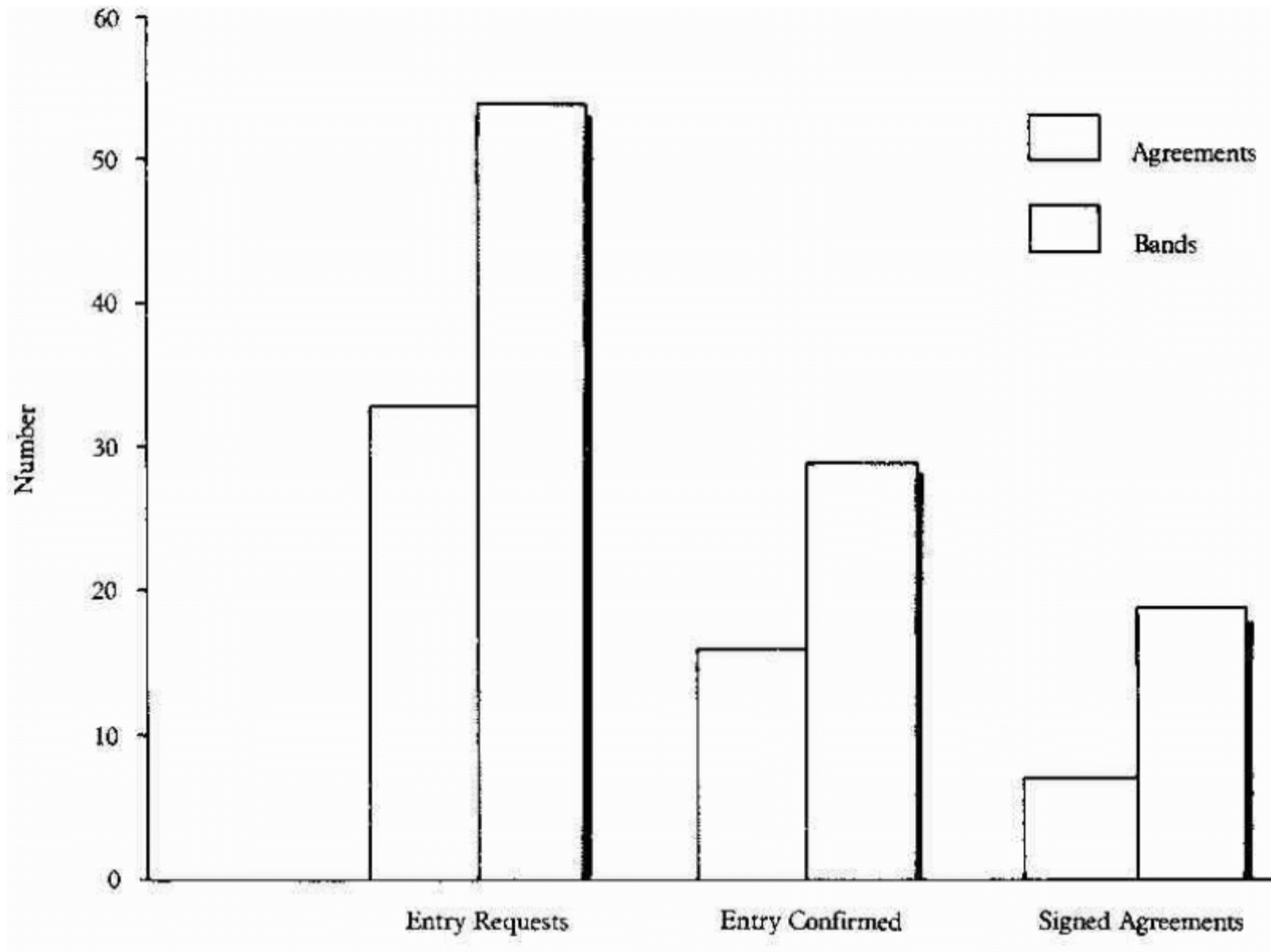
Alternative Funding Arrangements (AFA)

The AFA Directorate is responsible for directing negotiations with Indian bands and tribal councils to establish new and more flexible financial and administrative arrangements in which the primary accountability is to their own membership.

The 1987 - 88 fiscal year was a developmental period for AFA. The department held extensive information sessions, resulting in 55 bands seeking entry into AFA. During 1987 - 88, seven agreements were signed involving \$22.8 million in program funding in the year under review. The largest agreement, providing \$58 million over five years, was signed with the Nuu-Chah-Nulth-Tribal Council in British Columbia. The Council represents 13 bands with a total population of 4,474.

ALTERNATIVE FUNDING ARRANGEMENTS

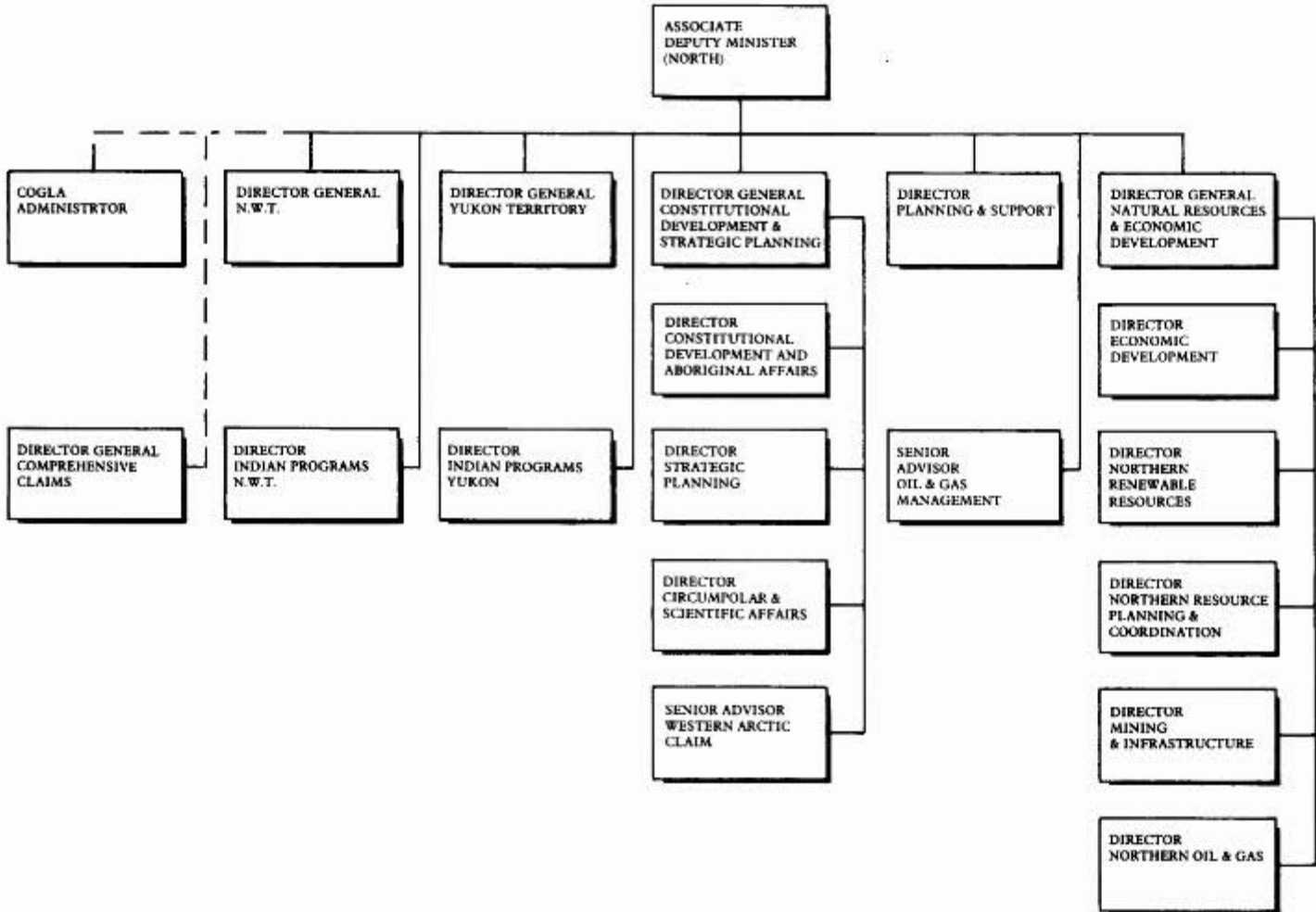
Seven AFA Agreements Were Completed During Fiscal 1987 - 88



Northern Affairs Program

Northern Affairs Program

The Northern Affairs Program (NAP) is responsible for resource management in the Yukon and Northwest Territories; assisting northerners in political, economic and social development; coordinating federal government activity in the North; maintaining the quality of the northern natural environment; fostering knowledge of the North through scientific investigation and technology; and providing a forum for international circumpolar affairs. In conjunction with the territorial governments, and through coordination of the activities of federal departments and agencies, the program seeks a balanced, sustained and environmentally sound development of northern natural resources - oil and gas, minerals, water, lands and



forests. The Northern Affairs Program thus enhances Canadian sovereignty in the Arctic.

The program has three major operating strategies:

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

Constitutional Development and Strategic Planning Branch

A new comprehensive Northern Political and Economic Framework was approved in June 1987. The framework lays the groundwork for transferring provincial-type programs to the territorial governments. It encourages the development of northern political institutions and diversification of the economy thereby reinforcing Canadian sovereignty over Arctic lands and waters.

Work continued on a Memorandum of Understanding which will govern the transfer of programs from the department to the territorial governments.

The Constitutional Development and Strategic Planning Branch participated in federal-territorial negotiations with the Yukon government aimed at securing an agreement concerning French, English and aboriginal languages.

In February 1988, formula financing agreements with both territorial governments were extended for two years to March 31, 1990.

An agreement was signed with Makivik Corporation covering the cost of relocating Inuit families who moved from Inukjuak to Resolute Bay and Grise Fiord in the 1950's. Families returning on their own initiative in the mid-70's were reimbursed. Plans were developed during the year to build 10 new housing units in Inukjuak.

The Inuit art management System continued to be automated. A bibliography of the holdings of the section was produced and distributed. A number of Inuit projects in youth programming, organizational improvement, linguistic and cultural development were supported. Inuit and Dene were assisted to participate in the opening of a \$1.2 million "Living Arctic" exhibit at the British Museum in London, England.

The Minister released a report on Canada and Polar Science. He also inaugurated a study on the creation of a Canadian Polar Commission.

The Minister, along with the Minister of State for Science and Technology and the Government Leader of the Yukon, signed the Canada/Yukon Memorandum of Understanding on Science and Technology. The memorandum calls for policies, programs and activities in which science and technology would support economic development in Yukon.

Negotiations were started for the transfer of the Northern Scientific Resource Centre to the GNWT, thus enhancing the development of science and technology in the territories.

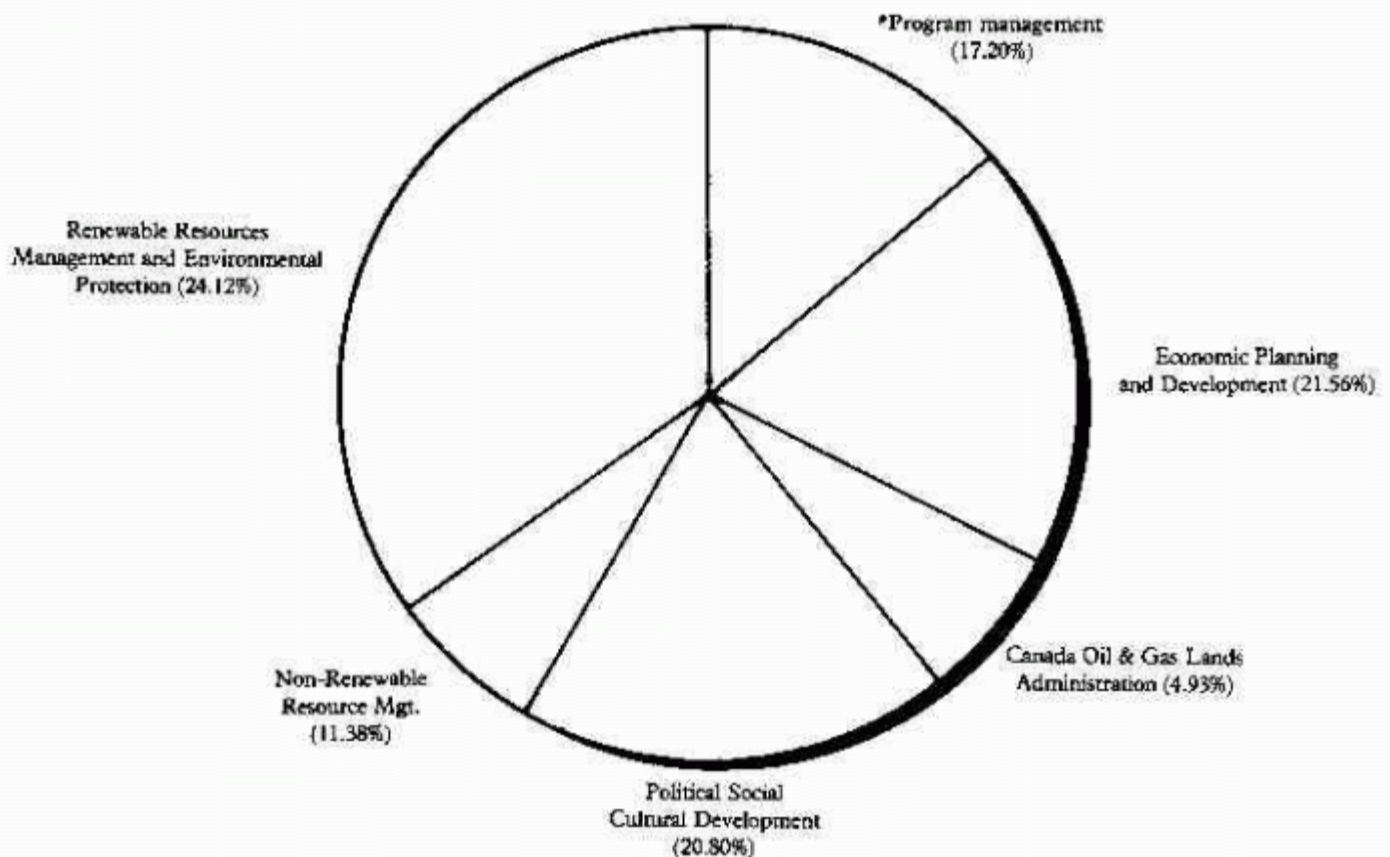
The branch continued to coordinate the Canada/U.S.S.R. Arctic Science Exchange program and provided core funding for the Canadian regional branch of the Inuit Circumpolar Conference in Ottawa and the Association of Canadian Universities for Northern Studies.

Support was provided under the Northern Scientific Grants Training Program for research projects conducted by 350 students from 27 universities. The projects included studies in the life, physical and social sciences.

The Northern Oil and Gas Action Program (NOGAP), a seven-year program, is specifically aimed at hydrocarbon development in the Beaufort Sea and Mackenzie Delta oil and gas reserves. NOGAP's 1987 - 88 research program involved approximately 160 projects and sub-projects, worth approximately \$9.2 million.

Gross Expenditure by Activity - 1987/88

Gross Expenditure by Activity - 1987/88



*Program Management includes activities of Northern Science/Circumpolar Affairs (3%) and the Inuvialuit Claim Settlement (4.2%).

Western Arctic Claim Settlement - The Inuvialuit Final Agreement

The Western Arctic Claim Implementation Secretariat coordinates Canada's implementation responsibilities under the Inuvialuit Final Agreement, the first comprehensive claim settlement north of 60 degrees. During the year, a major review of funding requirements was conducted and more than \$23.5 million was allocated to fulfill government obligations over the next three fiscal years. Bill C-102 was tabled in the House of Commons, providing a mechanism to amend the Final Agreement. As well, a mechanism was established to review proposed amendments with the territorial governments.

Natural Resources and Economic Development Branch

The Natural Resources and Economic Development Branch processed 128 water licences, prepared 78 Order-In-Council submissions and transferred 3,715 sq. km of land to the two territories.

The branch conducted environmental programs, administered the Northern Environmental Studies Research Fund and the Northern Land Use Planning processes. Policies and programs were developed and implemented to promote the fur industry. The branch also negotiated a renewed Canada/N.W.T. Economic Development Agreement.

Oil and Gas Management

Work continued throughout the year on the development of a Northern Oil and Gas Accord which would transfer the management of oil and gas reserves to the territorial governments.

The Northern Oil and Gas Management Directorate coordinated government activities related to oil and gas exploration and development in Northern Canada. Beaufort Sea activities focussed on planning for development at the Amauligak discovery by Gulf Canada. Preparations began on expanding petroleum exploration through the granting of oil and gas rights. The branch managed the Crown's interest in the major producing oil field at Norman Wells.

Yukon Placer Mining

Agreement was reached on a new policy for placer mining in Yukon, signed by the Ministers of Indian Affairs and Northern Development, Fisheries and Oceans, and Environment. The policy and supporting documents set out requirements to protect fish and fish habitats, and will support the continuation of a healthy placer industry.

Land Management

The Land Management Division was involved in program transfer negotiations and documentation with respect to lands and facilities such as the Land

Titles Act, forestry, Transport Canada classified B&c airports and National Health and Welfare medical facilities, in support of other branches and departments. It documented and obtained 78 Order-In-Council approvals covering a variety of land transactions.

The administration of approximately 1,715 sq. km and 2,000 sq. km of land was transferred to Yukon and N.W.T. respectively. Technical support was provided in the negotiation of land and resource-related elements of the three northern comprehensive claims. A program of legislative, policy and records modernization was initiated in anticipation of devolution to the territorial governments. Nine projects were completed as part of the program to develop and update a comprehensive granular resource inventory and management plan. Land Use Guidelines for Reclamation was published, the fifth in a series of guidelines for land operators and managers in the North.

Water Resources

The Water Resources Division finalized an amendment package for the Northern Inland Waters Act and held consultations with the various northern sectors. Transboundary water negotiations progressed among the department, GNWT and the provinces of Saskatchewan and Alberta. joint water quality monitoring agreements were negotiated with the Department of Environment, the Government of Yukon and the GNWT, as a follow-up to the Federal Fresh Water Policy.

Environmental Protection

An evaluation of an environmental assessment process in Yukon and N.W.T. was initiated. The branch provided technical support for the environmental review of the Amauligak oil project and organized a scientific exchange with the U.S.S.R. to examine oil pollution technologies in Canada.

Six northern conservation strategies were initiated and 34 research projects were launched to assist in resource management.

Land Use Planning

The Land Use Planning Division managed the Northern Land Use Planning Program in the N.W.T. in conjunction with the territorial government and the Regional Land Use Planning Directorate. Major activities during the year included: - the Beaufort Sea-Mackenzie Delta Regional Commission was appointed in June 1987, and work proceeded toward the first draft of a regional plan; and - an agreement on land use planning was signed with the Government of Yukon.

Economic Development

The renewed Canada-Northwest Territories Economic Development Agreement, worth \$38 million, was signed. More than 59 projects were funded under six subsidiary agreements during this first year of operation.

The Inuit Tapirisat of Canada, with department funding, completed a strategy to rebuild the economies of communities affected by the collapse of the sealing industry.

The Humane Trapping Program was expanded to provide trapper education courses, core funding for two native groups, and public education about trapping. The three-year, \$2.5 million program will also support aboriginal involvement in the secondary and tertiary sectors of the industry.

North American Air Defence Modernization (NAADM)

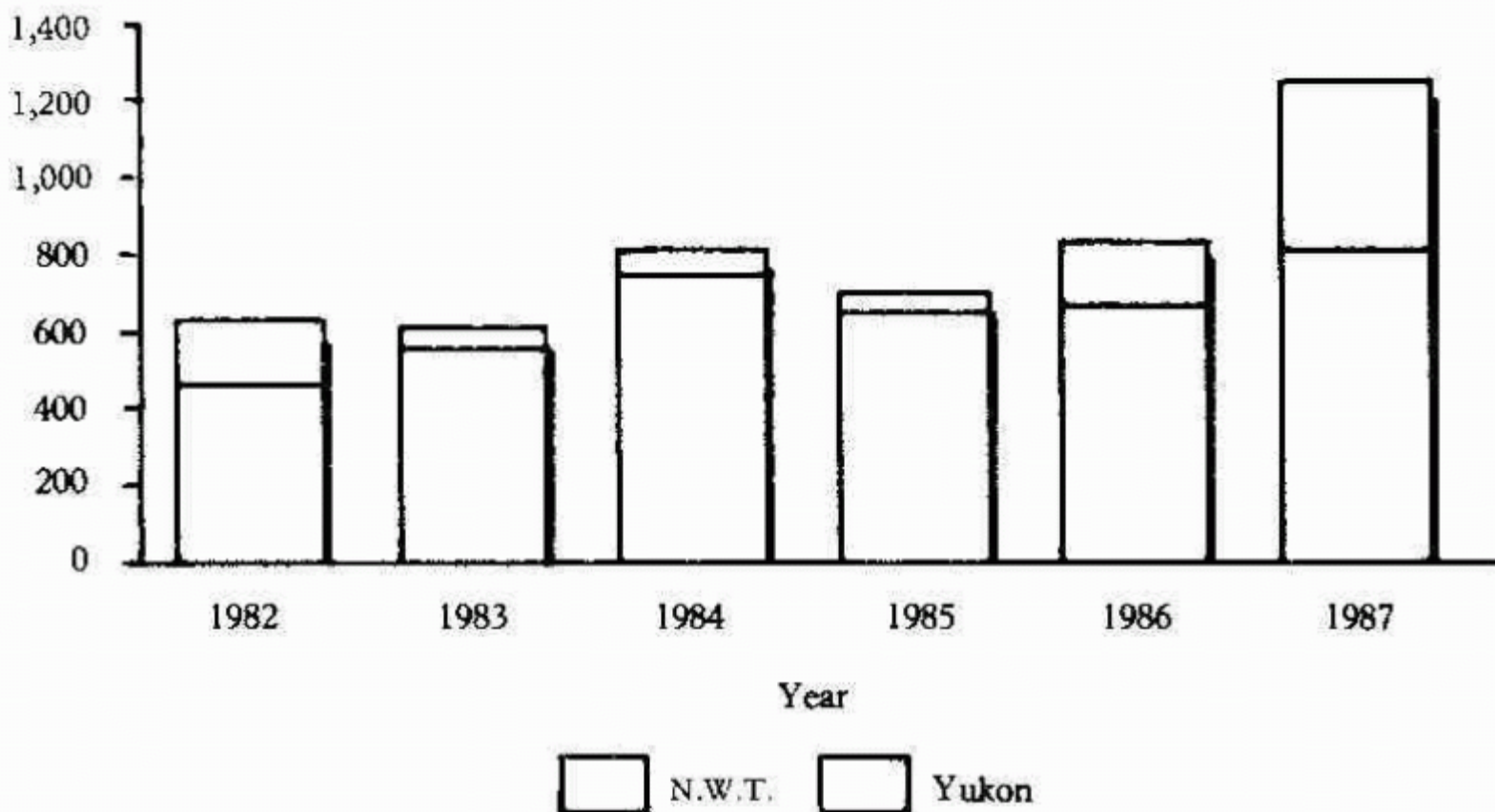
In November 1987, the Department of Supply and Services signed a contract with Frontec Logistics Corporation for the operation and maintenance of the North Warning System. The Department of Indian Affairs and Northern Development negotiated a northern benefits package for this contract, committing Frontec to an expenditure of more than \$31 million for the employment of northern residents and subcontracting to northern businesses.

MINERAL PRODUCTION

YUKON AND NORTHWEST TERRITORIES

MINERAL PRODUCTION YUKON AND NORTHWEST TERRITORIES

(Millions of Dollars)



Mining Management and Infrastructure

Accomplishments in mining management and infrastructure included: - the beginning of work on a discussion paper on a Northwest Territories Mines Act, following the announcement of amendments to the Canada Mining Regulations; - the formation of a federal-territorial Conservation Advisory Committee to coordinate reviews of International Biological Program sites and resource use in the Thelon Game Sanctuary; - safeguarding the federal investment in Curragh Resources Inc.; - work to provide for the orderly closure of the mine and town of Pine Point; and - development of a plan for use of the town site of Nanisivik after closure in the mid-1990s.

Exploration expenditures reached \$120 million in 1987 for the Yukon and N.W.T. (\$50 million in Yukon and \$70 million in N.W.T.).

In 1987, eight mines operated in the N.W.T. and five in Yukon. The value of mineral production reached six-year peaks of \$810 million and \$447.2 million in the N.W.T. and Yukon respectively.

Funds were approved for the continued reconstruction of the South Klondike Highway. Work also continued on the extension of the Mackenzie Highway. Agreement was reached on settlement of a loan to the White Pass and Yukon Corporation for the British Yukon Railway. GNWT is currently responsible for the reconstruction of roads within the boundaries of the territories. Negotiations are underway to transfer the responsibility for reconstruction of roads that go beyond the territorial boundaries.

Canada Oil and Gas Lands Administration

Canada Oil and Gas Lands Administration

The Canada Oil and Gas Lands Administration (COGLA) continued to work closely with the governments of the Northwest Territories and Yukon in regulating oil and gas activity in the North.

Rights Management

Most of the existing exploration licences in the North reached the end of their original term in 1987. These first-round licences were eligible under the Canada Petroleum Resources Act (CPRA) for renewal for a second term. As a result, 38 exploration licences were renewed during the year. These renewals were for three-year terms onshore, mostly in the Mackenzie Valley, and four-year terms offshore.

A total of 6.8 million hectares, including significant discovery areas, remained under licence, a reduction of 10.6 million hectares from 1986. A further 3.5 million hectares, where exploration activity has been suspended, remained in the hands of industry.

An exploration agreement was issued to Chevron Canada in the Fort Good Hope area, the first exploration rights granted in the Mackenzie Valley in more than 15 years via a call for bids. These rights were issued under the old Canada Oil and Gas Act, which has since been replaced by the Canada Petroleum Resources Act.

Exploration

The Beaufort Sea continued to be an important area for exploration and development in the North. At the Amauligak oil and gas discovery, Gulf Canada completed drilling three delineation wells at the east end of the field. One well was dry and abandoned, one was a successful gas delineation well, and one was undergoing drillstem testing at year end. Exploratory drilling was undertaken at the northern end of the Tuktoyaktuk Peninsula, and at the Bent Horn oil field in the Arctic Islands. On the mainland, four exploratory wells were drilled during the year, two south of Fort Norman, one in the Cameron Hills area and another in the Arrowhead area. All were unsuccessful and were abandoned without testing.

Ten geophysical programs were undertaken in 1987 - 88. On the mainland, four seismic programs totalling 1,000 km were completed during the year. Another, in the Fort Good Hope area, was still active at year end. Three gravity and aeromagnetometer programs were completed and one was still underway as the year ended. In the Mackenzie Delta, one seismic program began during the year.

Development

Storage facilities at Bent Horn were expanded in 1987 to 25,551 cubic metres from 17,161 cubic metres. In August and September, Panarctic shipped two tanker loads of oil to markets in the Arctic and southern Canada. From the first shipment of 23,930 cubic metres of oil, 1,930 cubic metres were transferred at Resolute for the Northern Canada Power Commission. Part of the second shipment of 18,689 cubic metres, 5,403 cubic metres, was transferred at the Polaris mine on Little Cornwallis Island. The remainder of the oil from both shipments was delivered to the Petro-Canada refinery in Montreal.

The issue of long-term storage of produced oil was evaluated in detail by the department's Northern Affairs Program and COGLA. Panarctic's plan to expand the capacity of oil storage at the Bent Horn site was approved.

Gas production from the Pointed Mountain gas field declined to 156 million cubic metres in 1987 from 205 million cubic metres in 1986.

Production from the Norman Wells field in 1987 totalled just over 1.5 million cubic metres of oil, an increase of more than 100,000 cubic metres from 1986. Gas production in 1987 decreased to 163 million cubic metres. A total of 35 additional development wells were drilled in 1987 - 88 using a native-owned drilling rig.

Expenditures and Benefits

Industry expenditures in the North for the calendar year 1987 were \$181.9 million, a significant decrease from \$526.3 million in 1986. Approximately 18 per cent of these funds directly benefitted the North, in the form of training, employment and business opportunities.

Environmental Issues

COGLA officials presented a summary of the regulatory aspects of various exploration activities undertaken by industry to the Environmental Impact Screening Committee (EISC), a joint Inuvialuit-government body, in Inuvik.

The Northwest Territories Regional Environmental Review Committee (RERC) of the department recommended that the Amauligak Extended Production Testing Program could proceed without referral to the Federal Environmental Assessment and Review Office for a full public review. The program was referred to the committee by the EISC.

COGLA participated with Gulf, other government agencies and the Inuvialuit Game Council in developing a wildlife compensation plan and a compliance and effects monitoring program.

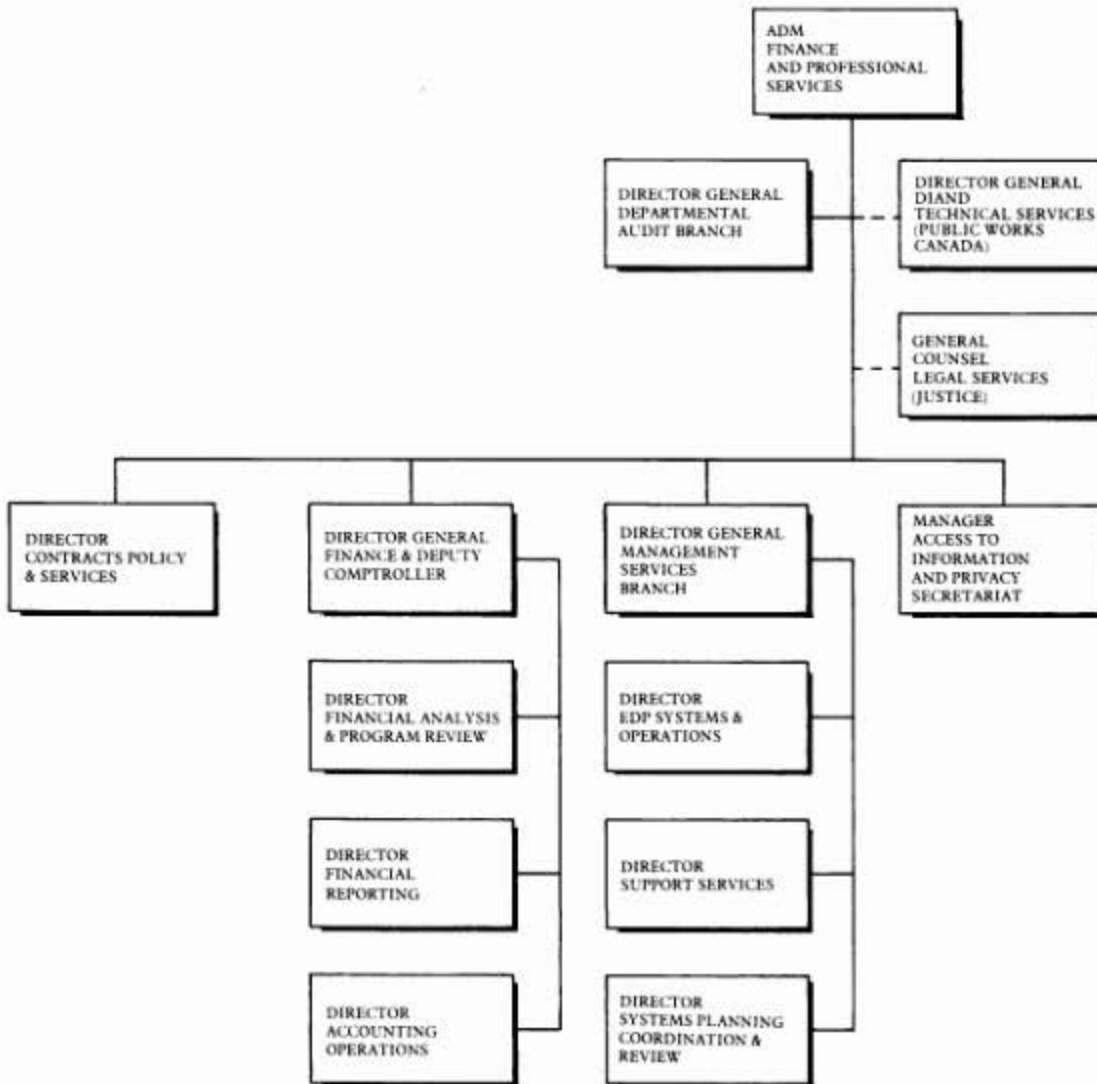
COGLA also participated in workshops convened by the Lancaster Sound Regional Land Use Planning Commission, resulting in a draft land use plan for the area.

Administration Program

Administration Program

Finance and Professional Services

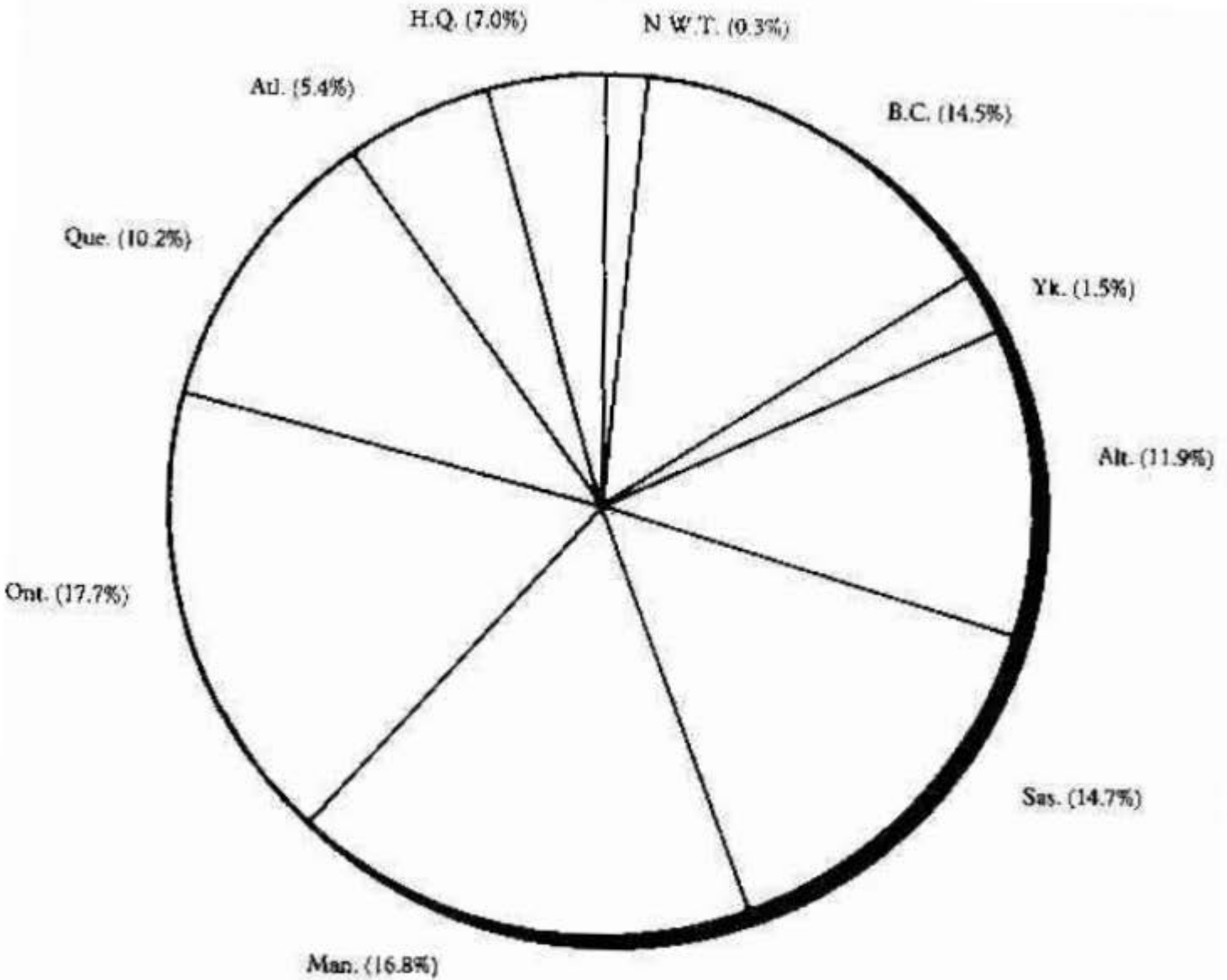
The Finance and Professional Services Sector provides financial, administrative and management services to the department's programs. In 1987 - 88, the Management Practices Branch was disbanded because its primary work had been completed. The continuing finance-related functions of the branch were transferred to the Finance Branch.



Finance Branch

The Finance 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, especially with respect to the Indian Services Sector. The overall improved analytical capacity contributed to the department's efforts to minimize supplementary estimates and to live within the resource levels established through the main estimates exercise.

*Expenditures by Region 1987/88



Management Services Branch

A department-wide informatics planning process was initiated and a steering committee re-established. The corporate computer systems group was realigned to provide a focus for each departmental program and sector.

To improve efficiency, a decision was made to replace existing computer terminals with personal computers and to move the centralized word processing functions from the corporate computers to the personal computers. The document tracking system was improved, adding bilingual capabilities and moving the system to its own computer in headquarters. A new, complete computer facility was installed in Calgary for Indian Oil and Gas.

Expenditure accounting retrieval and Indian Community Human Resource systems were implemented on each regional computer system. The loan accounting system was updated.

Contract Policy and Services

During the year, 1,291 contracts and change orders, valued at \$15.6 million, were processed and entered into for construction work, consulting, professional and other types of services. These included 116 contracts, worth \$1.4 million, awarded to native entrepreneurs. Eighteen contract administration courses were presented to 402 participants, including nine courses to 273 Indian band staff.

Departmental Audit Branch

During the year, the Departmental Audit Branch assessed several departmental operations. Recommendations were made concerning the integrity of financial information, the control over expenditures, revenues and public property and the managerial regard for economy, efficiency and effectiveness.

The audit follow-up activity was enhanced with the development of an automated system to monitor corrective actions taken by management.

Technical Services

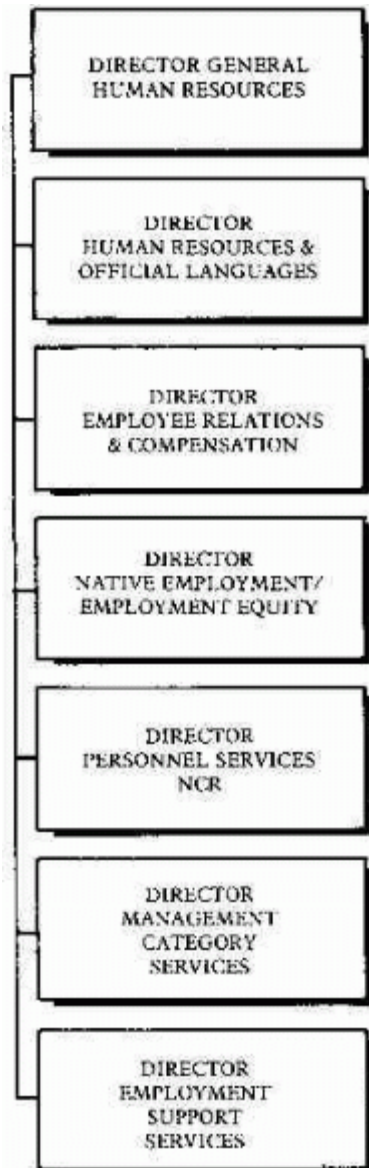
In 1987 - 88, Public Works Canada (PWC) provided all technical services to the department both at headquarters and in the regions. The PWC units ensured the effective implementation of the \$321 million capital program and the capital assets maintenance program, including project management of the northern roads program. Technical Services developed a fire protection manual for Indian communities and provided technical and fire awareness training at the reserve level, in support of the initiative to transfer responsibility for technical services delivery to Indian organizations.

An enhanced Capital Assets Inventory System was installed, and the regional assets information data base was validated.

Human Resources Branch

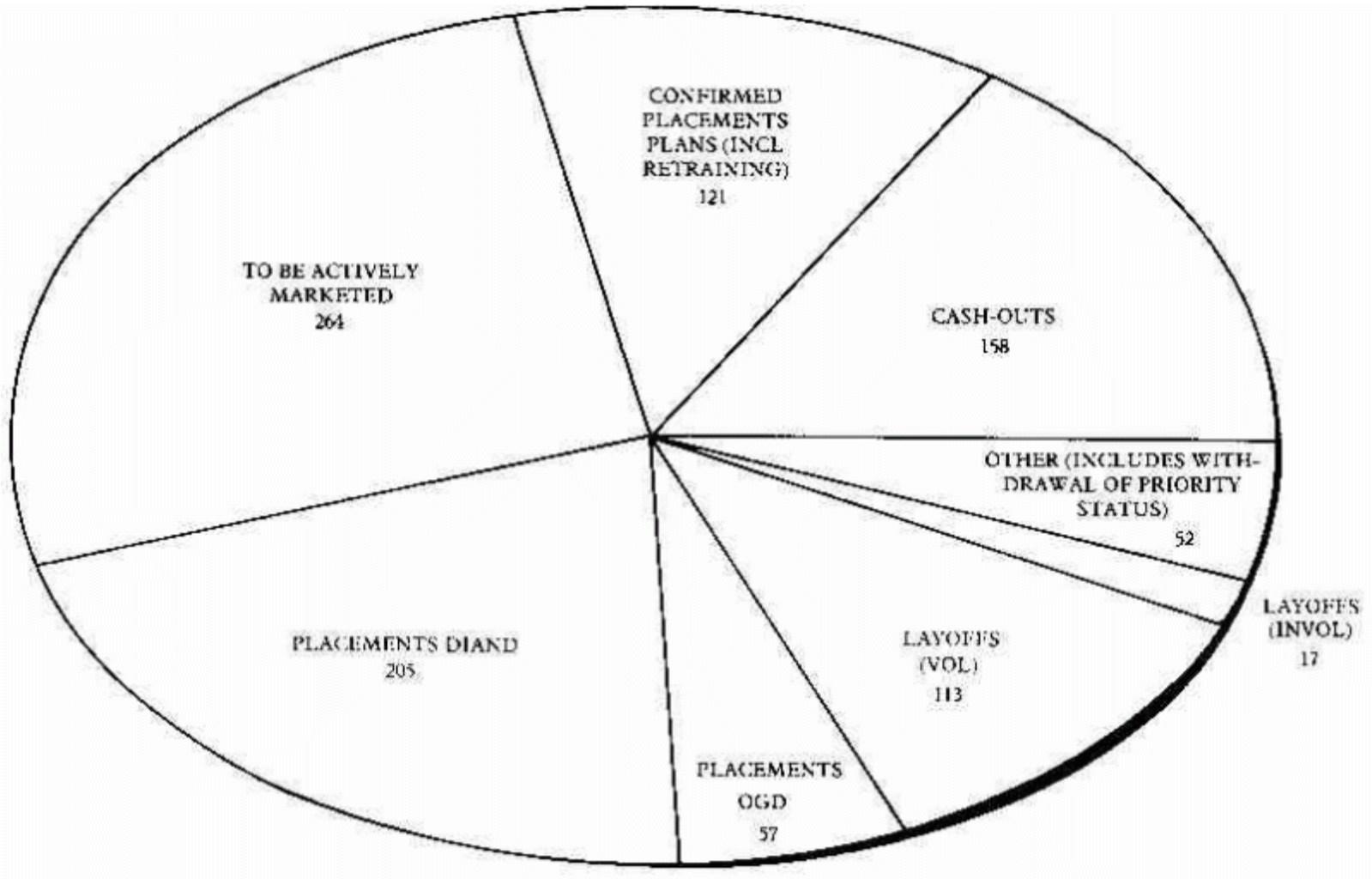
The Human Resources Branch assisted senior management in ensuring that employees' interests were considered as the department continued to downsize and transfer programs to Indian and Inuit communities and territorial governments. As a result, only 1.7 per cent of the 987 employees affected by Work Force Adjustment (WFA) were laid-off involuntarily. During the year, 158 cash-outs were processed.

Natives made up 19.4 per cent of the department's workforce in 1987 - 88, down 2.5 per cent from the previous fiscal year. Many natives leaving the department took up duties with tribal councils or band administrations as responsibility for an increasing number of programs was transferred from the department to Indian and Inuit organizations. New initiatives, such as the Aboriginal Management Program, were introduced to address the native employment issue.



DISPOSITION OF DIAND PRIORITIES 1987 - 88

- Total chart reflects disposition of departmental affected and surplus employees April 1, 1987 - March 31, 1988 (total 987).
- Layoffs (voluntary) include those who accepted band or territorial government employment resulting from program transfer.
- Layoffs (involuntary) represent those employees who indicated a continuing interest in public service employment but who were unsuccessful in finding a suitable position despite the department's best counselling and placement efforts. Most occurred due to lack of mobility.
- "Other" category includes withdrawal of priority status.
- "Placement OGD" means placement in other government departments resulting from a referral made by the Public Service Commission.



Communications Branch

The Communications Branch kept native peoples, Northerners, Parliamentarians, special interest groups and the general public informed about departmental activities with speeches, news releases, films, exhibits, special events and publications.

In 1987 - 88, the branch prepared 25 speeches and distributed 46 press releases on major issues including:

- the Minister's Two-Year Report to Parliament on the C-31 amendments to the Indian Act; - the federal offer to the Lubicon Lake Band to establish a reserve; - the interim changes to the Postsecondary Student Assistance Program; - the Pope's visit to Fort Simpson; - the Annual Northern Science Award presentation ceremony; and - the production of a detailed response to the Standing Committee's Fur Report.

The public enquiries unit processed more than 24,500 requests for information.

The Media Relations Division arranged media training for more than 40 regional and headquarters officials.

The branch was also involved in establishing media centres at the Commonwealth Conference in Vancouver and at the Winter Olympics in Calgary.

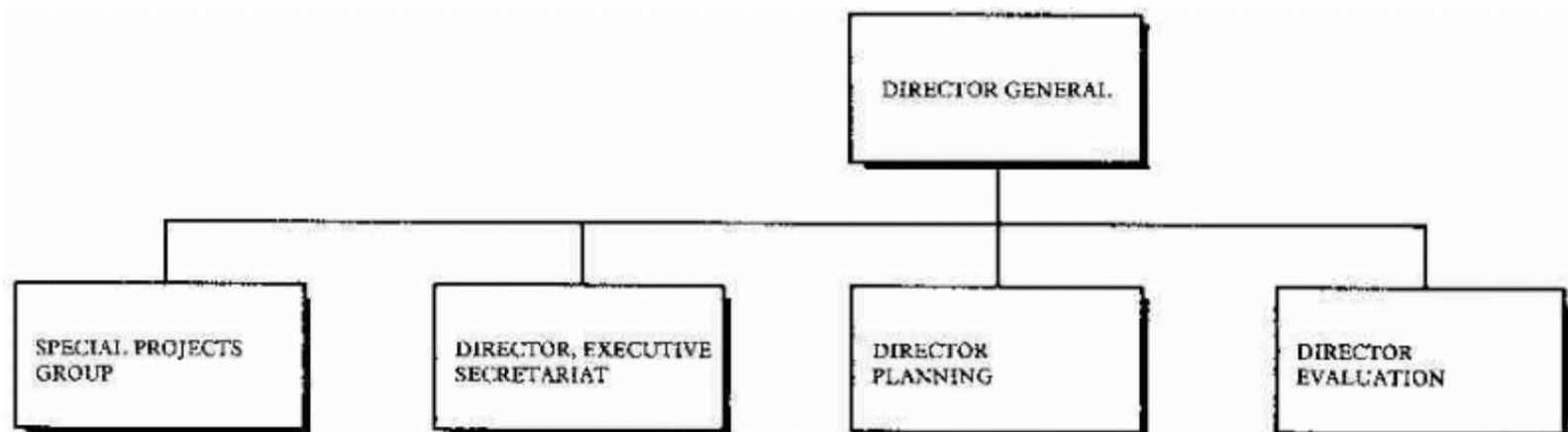
Two videos were produced - Canadian Indians Today and Canada's North Today - to inform various audiences about Indian and Inuit programs and policies.

Departmental Publications

The branch provided current information to the public on departmental programs and activities. It published widely on topics such as native claims, education and economic development, as well as stocking publications on native cultures and cultural transition. Additional publications featured themes of resource development and environmental protection.

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; Inuktitut, a magazine providing Canada's Inuit with information relating to government programs in the North and promoting the exchange of cultural information between Inuit groups in Canada; The North, general information on the North; Outstanding Business, an outline of government policy on specific claims; Comprehensive Land Claims Policy, an outline of government's revised policy on comprehensive land claims; and On Film, a catalogue of films available on loan to the general public.

Executive Support Services Branch



The Executive Support Services Branch is a link between the programs and the Ministers' offices on such items as, Cabinet submissions, parliamentary relations, briefings, and correspondence. It also conducts programs evaluation according to the procedures of the Comptroller General.

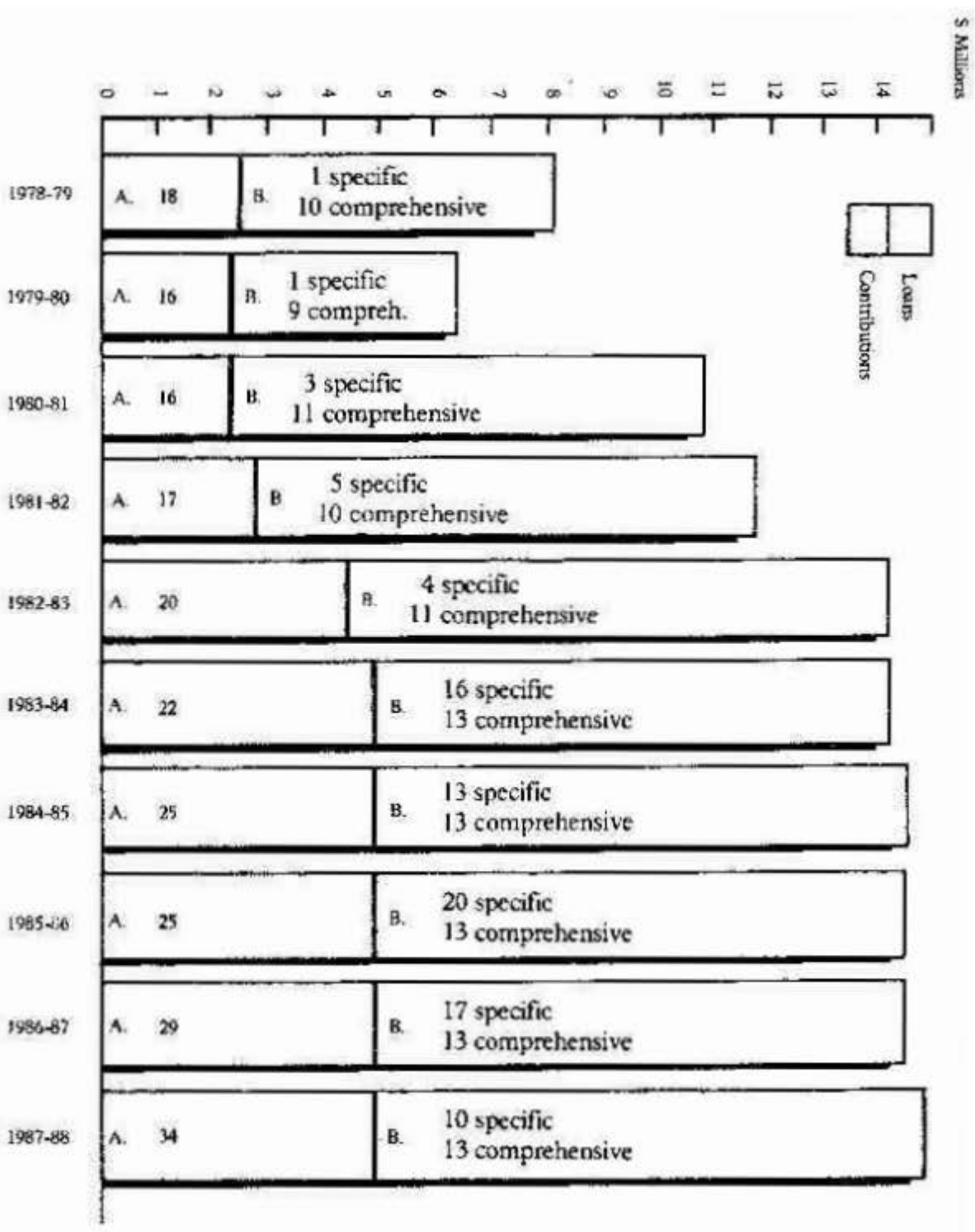
The Planning Directorate provided the Ministers, Deputy Minister and Senior Management with the advice and analysis necessary for the Ministers to operate effectively in Cabinet and Parliament. The Planning Section coordinated the processing of Cabinet submissions and ensured that proposals were of high quality. The Parliamentary Relations Section provided support, to the Ministers by coordinating and reviewing responses to oral and written questions in Parliament, preparing information for use in debates, and assisting the Ministers and senior executives to prepare for appearances before parliamentary committees.

The Executive Secretariat is responsible for preparing responses to all correspondence received by the Ministers and Deputy Minister and for coordinating: the preparation of briefing notes. Approximately 8,000 pieces of correspondence were handled and several hundred briefings prepared during the year. The secretariat is also responsible for the Research Claims Funding Section, which manages research and negotiation funding for comprehensive and specific claims.

The Evaluation Directorate conducted evaluations of departmental policies and programs. The directorate provided information and advice on the effectiveness of these programs. Studies completed during the year included assessments, of the implementation of the 1985 amendments to the Indian Act and implementation of the Inuvialuit Final Agreement in the Western, Arctic. Additional evaluations were conducted on the Northern Oil and Gas Action Program, Resource Development Impacts and Cultural/Educational Centres.

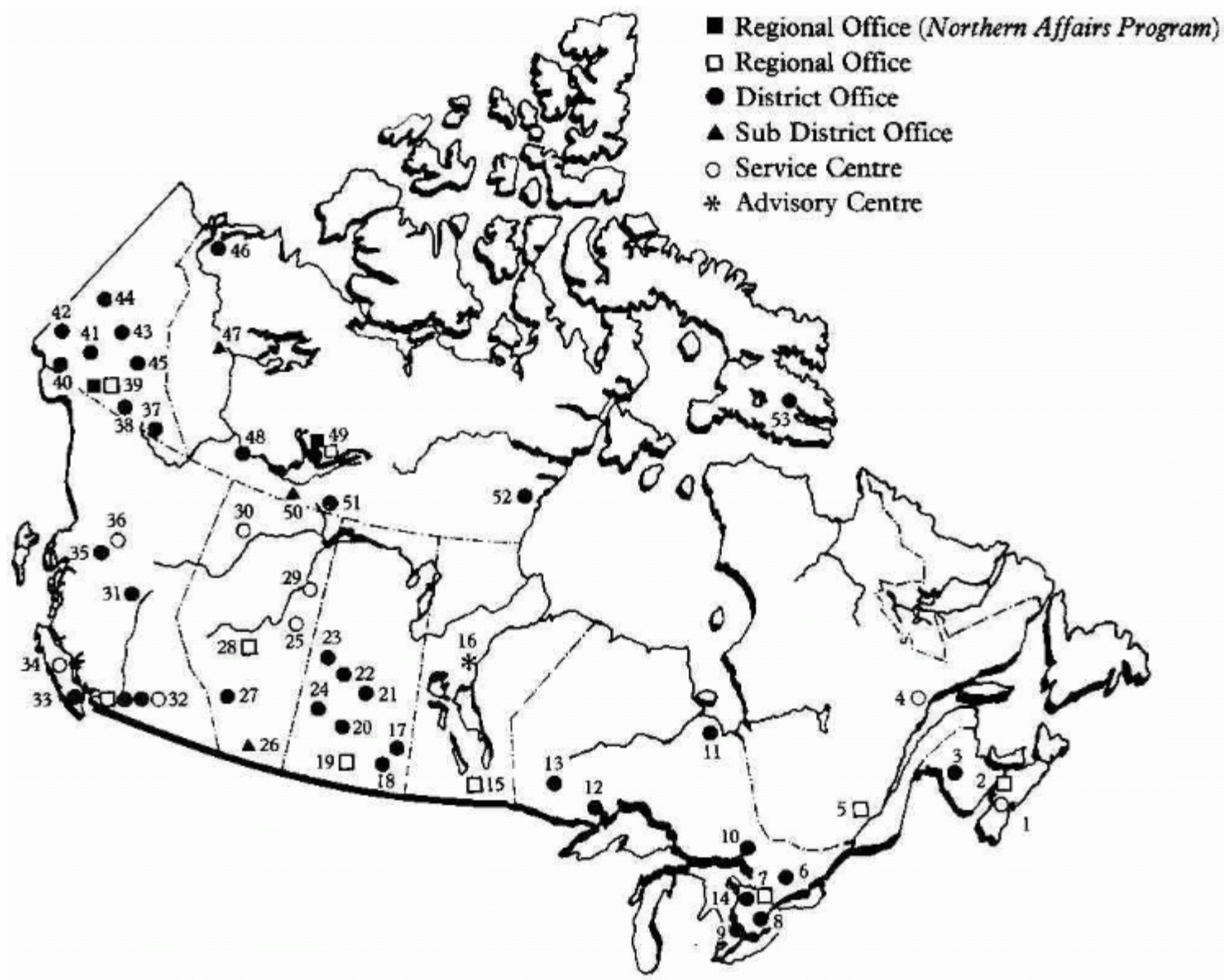
Contributions and Loans to Claimant Groups

A. The numbers shown in the contributions portion of the chart relate to the number of recipients funded to enable them to carry out the necessary research to establish a claim.
 B. The numbers in the loans portion of the chart indicate the number of claimants funded that year through loans to carry out research and negotiation on accepted claims.



Regional Offices

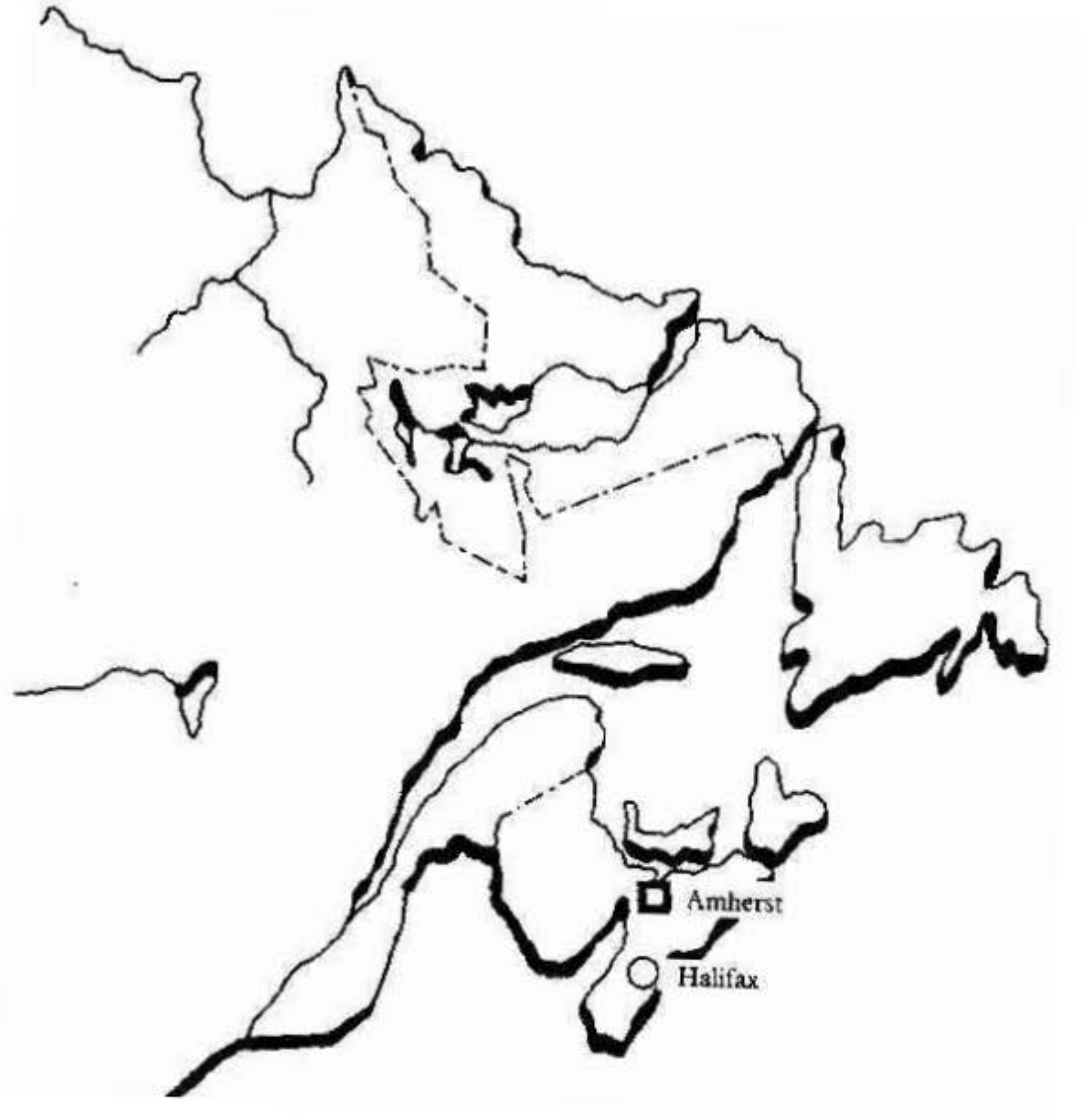
Regional Offices



Offices of the Department of Indian Affairs and Northern Development

Nova Scotia 1. Halifax 2. Amherst
 New Brunswick 3. Fredericton
 Quebec 4. Sept-Îles 5. Quebec City
 Ontario 6. Peterborough 7. Toronto 8. Brantford 9. London 10. Sudbury 11. Moose Factory 12. Thunder Bay 13. Sioux Lookout 14. Southampton
 Manitoba 15. Winnipeg 16. Thompson
 Saskatchewan 17. Yorkton 18. Fort Qu'Appelle 19. Regina 20. Saskatoon 21. Prince Albert 22. Shellbrook 23. Meadow Lake 24. North Battleford
 Alberta 25. St. Paul 26. Lethbridge 27. Calgary 28. Edmonton 29. Fort McMurray 30. High Level
 British Columbia 31. Prince George 32. Vancouver 33. Nanaimo 34. Campbell River 35. Terrace 36. Hazelton
 Yukon Territory 37. Watson Lake 38. Teslin 39. Whitehorse 40. Haines Junction 41. Carmacks 42. Beaver Creek 43. Mayo 44. Dawson 45. Ross River
 Northwest Territories 46. Inuvik 47. Norman Wells 48. Fort Simpson 49. Yellowknife 50. Hay River 51. Fort Smith 52. Rankin Inlet 53. Iqaluit

Atlantic Region



another tribal council was in the development stage. At the end of the fiscal year, 16 of 31 bands in the region were members of tribal or district councils.

A system for managing financial arrangements with bands was developed and included 95 per cent of regional bands. A uniform contribution arrangement was introduced with terms and conditions.

Regional indebtedness increased during the year, mainly because of overexpenditures on housing. As a result, 15 financial management plans were required. Of these, three plans were in the developmental or revision stage while 12 plans were in place.

A centralized audit review system was implemented. The number of audits increased due to increases in the number of tribal councils.

Education

The Wagmatcook Federal School and Lennox Island Federal School were transferred to band control during the year. The provincial tuition program was transferred to four bands. Formula funding was introduced in all schools. As well, a number of initiatives were taken to ensure equitability in the distribution of education funds.

Capital Management

An equitable distribution formula for housing, renovations and other capital facilities was implemented in 1987 - 88. Eleven municipal agreements for the provision of services to bands were revised and signed to conform with the requirements of central agencies.

Another initiative included the introduction of advisory services for tribal council initiatives related to capital facilities.

Indian Government Support

The region continued to implement the Miawpukek Funding Agreement, a model for other communities seeking to develop self-government.

Interim agreements were implemented with the Government of Newfoundland and Labrador for the benefit of the Innu and Inuit communities.

Three self-government proposals, affecting nine bands in the Maritimes, received developmental funding during the year.

Alternative Funding Arrangements (AFA)

Band and tribal councils showed increased interest in the flexibilities afforded by AFA. The Lennox Island Band was declared conditionally eligible and assessments of management capability were begun on three other bands.

Information and orientation sessions were provided for most band and tribal councils.

Economic Development

Funding of \$3.5 million was tentatively approved for tourism development by the Kingsclear Band under the Native Economic Development Program (NEDP). A total of \$400,000 was tentatively approved for aquaculture development by the Tobique Band. Nine applications worth \$650,000 were approved in New

Brunswick and five others, worth \$480,000, were approved in Nova Scotia.

Eight band members graduated from the Youth Entrepreneurship Project, seven of whom intend to start their own ventures.

Fifteen band members attended a three-day development training seminar in New Brunswick.

Lands, Revenues and Trusts

Progress continued on categorizing estate files. A total of 145 current and outstanding cases were resolved.

There were 463 applications for reinstatement of Indian status. A total of 731 persons gained status during the year.

A leasing arrangement was negotiated between the Red Bank Band and Salar Industries, which operates a fishing lodge. The arrangement provides the band with a total of \$250,000 over five years.

Additions to three reserves - Annapolis Valley, Afton and Yarmouth - were approved.

A new reserve was established at Conne River, Newfoundland, for 685 members of the Miawpukek Band.

Architectural and Engineering Services

Uniform technical terms and conditions were implemented for all bands. The technical services unit was centralized to make better use of resources. Technical services were made available to bands in both official languages.

Quebec Region

The fiscal year under review was busy for the region. Negotiations continued on the James Bay and Northern Quebec Agreement, a memorandum of agreement on native economic development was signed by the federal and provincial governments, control over membership was transferred to three bands and two Alternative Funding Arrangements agreements were signed.

Self-Government

The region assisted the Native Training Institute of Quebec in organizing a colloquium on native self-government, to be held in Quebec City.

Lands, Revenues and Trusts Nineteen bands requested that their reserves be enlarged for several reasons but mainly because of lack of



economic development was signed. The main economic development sectors identified in the agreement were: business, forestry, agriculture, commercial fisheries, tourism, employment and training, and mineral resources.

A committee to coordinate implementation of the agreement was set up along with seven working groups. These groups reviewed the Canada-Quebec subsidiary agreements, analyzed employment and training agreements, analyzed both governments' programs and policies on improving native access to available programs, and identified restrictive criteria in existing programs.

The region helped finance 64 businesses, providing more than \$5.4 million in direct loans, guaranteed loans and equity contributions. This generated \$3.2 million in outside funding. These projects created 325 jobs and maintained approximately 500 others. The employment development sector approved 106 projects, representing a budget of nearly \$7 million. Of this total, \$1.8 million came from the Indian Community Human Resource Strategies (ICHRS) program and \$325,000 from the department's social assistance program. The balance was provided by other departmental programs and by the programs of other government departments.

The Youth Entrepreneurship program accepted 10 participants for the first phase, four of whom submitted business plans. Twelve applicants were selected for the second phase.

Thirty-nine forestry projects were started with approximately \$5.5 million contributed by outside agencies. A seed bank of about 680 kg of wild rice was established.

Indian Services

In 1987 - 88, the Quebec Region's only district office, located in Sept-Iles, closed. The office was temporarily replaced by a service centre, which administered the social assistance program for the Montagnais bands on the North Shore. The centre will close when the new Marnit Innuat tribal council is ready to take over the social assistance program, which is expected to occur by March 31, 1989.

At year's end, a project to enlarge the reserve of the Montagnais de Schefferville Band was being studied.

Alternative Funding Arrangements (AFA)

In 1987 - 88, the Montagnais des Escournins Band and the River Desert Band signed three-year AFA agreements.

Education

Primary and secondary school enrolment reached 90.3 per cent of students aged five to 18 and the number of secondary school graduates rose to 146 in 1987 - 88 from 112 in 1985 - 86. Postsecondary enrolment increased to 20.2

per cent of students aged 19 to 24. The number of postsecondary graduates increased to 118 in 1987 - 88 from 80 in 1985 - 86.

The Montagnais de Schefferville Band took over administration of the existing federal school. The Gaspé Band took over all elementary, secondary and postsecondary education services.

The percentage of bands administering all primary, secondary and postsecondary education programs increased to 71.2 per cent in 1987 - 88. At year's end, the bands administered 89.3 per cent of education program funds.

Some 125 college students took part in training programs adapted to native requirements including youth entrepreneurship and office automation. This included programmer-analyst programs provided for 60 students at the CEGEP de Lévis-Lauzon. In addition, the CEGEP de Chicoutimi admitted 25 students into a program in social sciences and 10 students into aviation training. Agreements were reached with the University of Quebec at Chicoutimi for a teacher training program and with the Institut éducatif et culturel Attikamek-Montagnais for an integrated community health training program.

Social Development

The River Desert Band assumed control of its social services program during the year. Two new takeover studies were underway at year's end: one regarding social services at Rapid Lake; the other concerning social assistance at Kipawa.

In 1987 - 88, a decision was made to establish a group home on the Sept-Iles reserve for socially and emotionally maladjusted youths. The home, expected to open in September 1990, will provide rehabilitation services to Montagnais and Naskapi on the North Shore.

Capital management and Band Support

A total of \$3.6 million was used in 1987 - 88 to fund programs for beneficiaries of C-31 legislation.

Ten maintenance management systems were developed, updated or initiated and eight bands instituted operational maintenance management systems. Negotiations for transferring responsibility for fire prevention and protection services to the Quebec Amerindian Police were completed. Administration of these services was transferred to 17 bands.

Housing

During 1987 - 88, 236 new housing units were built and 243 units were renovated. The region's occupancy rate as of March 31, 1988, was 4.28 persons per housing unit.

Ontario Region



ded for negotiations on the 1986 Lands Agreement.

Exploratory discussions were initiated with the Nishnawbe-Aski Nation (NAN) on social services, land use planning and environmental protection.

Seven bands, or groups of bands, were supported in negotiations on self-government through the community negotiations process. Workshops, seminars and meetings were held with all interested bands, tribal councils, districts and programs.

Lands, Revenues and Trusts

The Nipissing Band of Ojibways received authority to manage reserve lands under sections 53 and 60 of the Indian Act. Two additional bands received \$40,000 for training toward reserve land management under the same sections of the Indian Act.

There were 4,161 applications (often several individuals are included in one application) for reinstatement of Indian status under C-31 legislation resulting in a total of 5,808 persons being registered.

More than 100 bands received financial assistance to develop membership codes. Of the 61 bands who subsequently submitted membership codes, 45 were approved.

Under the Resource Development Impacts program, \$402,500 was provided to nine bands and tribal councils. Notable among the projects were an assessment by Windigo Tribal Council of timber management pursuant to the Environmental Assessment Act, and Great Lakes environmental studies by the Mohawks of Akwesasne Band.

Economic Development

Employment development projects employed 144 persons and provided 1,481 person-weeks of employment. Community economic enterprises financed 248 bands and individuals, creating or maintaining employment for 1,176 people, providing 22,058 person-weeks of employment. On-the-job training assistance was provided to 184 individuals. Fifty-four trainees participated in the Youth Entrepreneurship program in three locations in Ontario and 20 small business were expected to result.

During the year, 250 community members participated in a pilot training project in fur harvesting in 10 northern communities. Plans were developed for the training of band economic development officers for most bands in Ontario.

Twenty-two businesses were created and 18 maintained by the Indian Economic Development Fund. With the assistance of economic development staff, the Department of Regional Industrial Expansion's Native Economic Development Program (NEDP) approved \$3,750,100 for 21 projects.

The Association of Reserves for Improving Social Economics (ARISE), Indian Agriculture Program of Ontario (IAPO) and the Nishnawbe-

Aski Development Fund provided advice, training, and financing of \$1,243,200 to 51 small business projects in Ontario.

The Indian Forestry Development Program completed its third year of operation. An all-Indian board of directors was established.

The Ontario Indian Wild Rice Development Agency continued an extension program in cooperation with Lakehead University.

The Canada-Ontario Resource Development Agreement was approved for a further five years, providing \$500,000 in 1987 - 88. A number of natural resource sector activities were covered to produce about 1,900 person-weeks of employment in 30 projects. In addition, 14 major mining development projects were underway during the year. These were expected to generate 500 jobs for status Indians.

Education

Education programs were transferred to Indian control in Big Trout Lake, Wikwemikong, Birch Island, Akwesasne, Grassy Narrows and Gull Bay.

Special education programming was offered in 10 of the 11 districts in Ontario during the year. The department commissioned a review of provincial special education programs for Indian students.

The Grade 2 Circle Program for Indian students was completed and provided to all federal and band-operated schools, in the region. Final development work was completed for the Grade 3 component of this program.

A jointly-developed curriculum guideline for "Native as a Second Language" was completed. Ontario school boards received funding for three native language consultants. A joint study by the department and the Ontario Ministry of Education of high schooling in the North was conducted.

Social Development

In April 1987, two Indian Child and Family Service Agencies (ICF-SA's), Tikinagan and Payukotayno, received "Society" status from the province. In September 1987, a third agency, Weechi-it-te-win, received the same delegation of authority to deliver a full range of child and family services. These groups together represent 43 bands. Two additional organizations, Dilico and Nog-da-win-da-min, representing a further 18 bands, became "Agencies" delivering prevention services and continued planning toward "Society" status. Fourteen other bands entered the planning process resulting in 89 of 126 bands in Ontario being in various stages of providing child and family service development.

The remaining nine bands eligible to assume administration of income maintenance programs entered the planning/training process in preparation for transfer in 1988 - 89.

A bilateral Working Group was established with the provincial Ministry of Community and Social Services to deal with a range of out-

standing issues under the 1965 welfare agreement.

Band Support and Capital Management

The Band Support Services Section experienced an active year in relation to activities of the program. The completion of the reorganization led to the division of Band Support Services into two sections: Band Support and Transfer Payments Management.

Ten tribal councils, an increase of eight from previous years, received funding as a result of the devolution policy.

Regional directives were developed on Indian management development, management of contributions and band support funding. Directives on tribal councils and Indian pension plans were in the final stages of completion.

An Alternative Funding Arrangement (AFA) was completed with Moose Deer Point Band, while another agreement with Hiawatha Band was close to completion at year end. The Nipissing Band was assessed and approved for entry. Seven additional bands requested meetings to discuss potential participation in 1988 - 89.

All major capital projects onreserve are now administered by bands. In the past, many capital projects were administered by Public Works Canada. A more equitable formula for distributing funds for infrastructure operation and maintenance was developed and implemented.

Manitoba Region

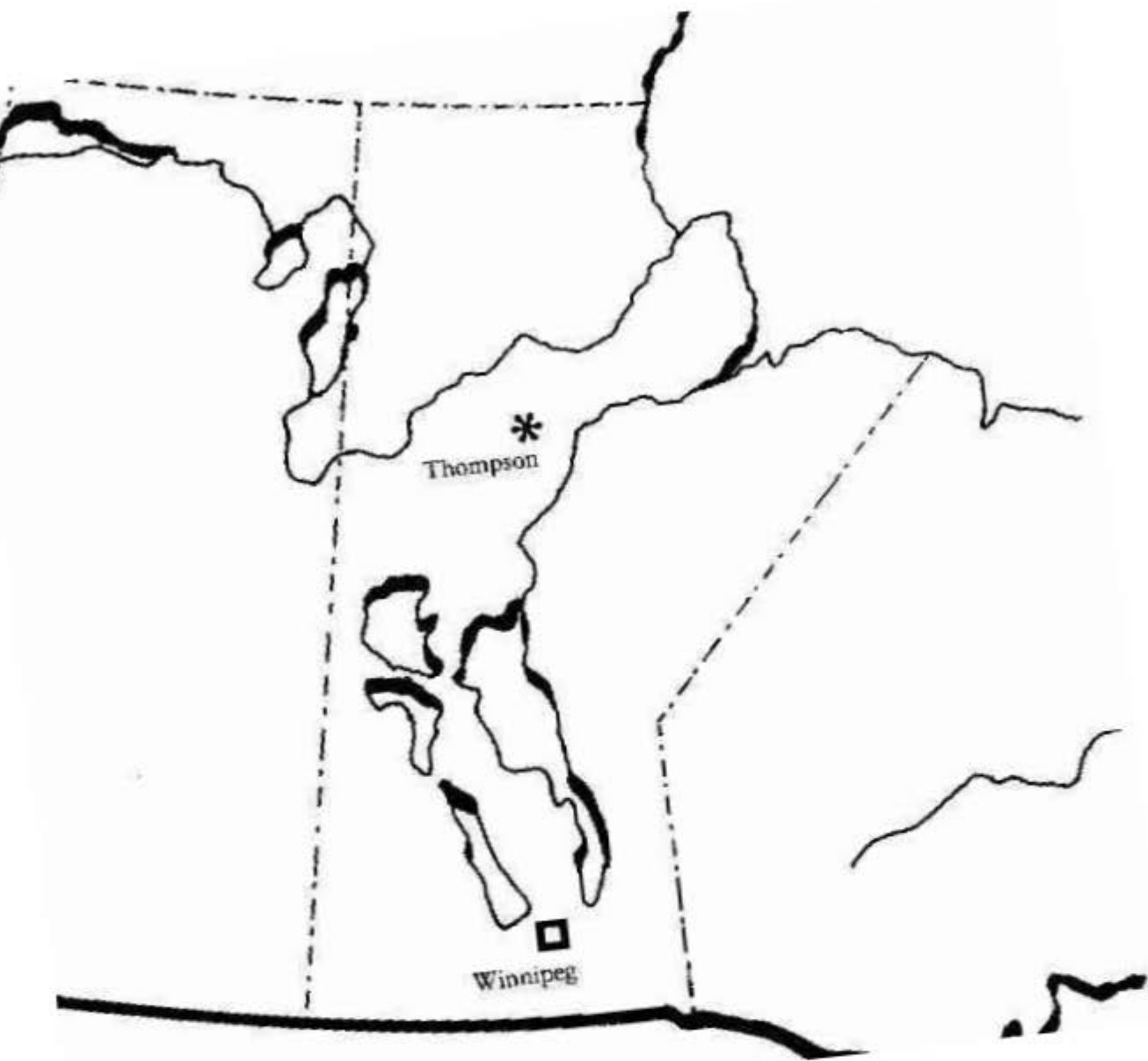
In 1987 - 88, the Manitoba Region's priority was to support Indian governments in the design and delivery of programs and services to band members. New fiscal year contribution dollars were issued to bands and tribal councils in record time to facilitate start-up of the 1988 - 89 fiscal year. Concurrently, the region met its downsizing targets with a focus on the application of the Workforce Adjustment Policy for affected regional employees.

Self-Government

Discussions continued with 20 bands toward their self-government objectives. Community-based developmental proposals were funded for the Swan Lake Band, the Long Plain Band and the Southeast Resource Development Council, composed of eight member bands.

Economic Development

The department provided technical assistance, equity contributions and



Manitoba Resource Development Impacts Office (MRDIO)

Agreement-in-principle was reached with the five Northern Flood Agreement (NFA) bands on the terms and conditions for an \$88.5 million settlement of Canada's major obligation under the NFA, signed in 1977. The settlement ensures the continuous availability of a potable water supply to bands affected by hydro power developments in northern Manitoba.

The Northern Flood Capital Reconstruction Authority, an NFA band - Controlled corporation, will manage the multi-year capital construction project, which provides for water and sewer treatment facilities along with the required housing, plumbing, servicing and upgrading in the five communities. The project is the largest department-funded capital project ever undertaken by an Indian institution.

The Northern Flood Committee, representing the five NFA bands, received \$1.7 million to support planning and research activities.

The results of a four-year federal/provincial study on mercury in the Nelson and Churchill river systems was released. The report analyzed and drew conclusions on the causes and effects of flooding on mercury levels in the river systems and proposed a number of recommendations. Environmental monitoring continued, including ecological monitoring by Environment Canada and Fisheries and Oceans as well as the mercury sampling programs by Health and Welfare Canada.

The Manitoba Resource Development Impacts Office provided technical assistance and \$155,000 in funding to other Manitoba bands to respond to a number of other environmental impact issues including: outstanding provincial obligations to bands affected by the Grand Rapids hydro development; hydro developments on the Churchill River; the potential effects of the construction and operation of the Conawapa generating station; and a workshop to study the implications of Manitoba's new Environment Act on Indian interests and lands.

Education

Six major school construction projects, valued at \$57 million, were completed on six Manitoba reserves. The projects were designed to provide educational facilities, comparable with those found in major urban centres, for more than 2,600 students. These projects provided band members with training and employment opportunities. The new facilities also enabled community recreational, cultural and social programs to be implemented. The administration of the \$1.3 million Pukatawagan elementary education program was transferred to the Mathias Colomb Band in September 1987.

The closing down of the last of 13 residential schools in Manitoba (June 1988) involved lengthy negotiations for the disposal of the building and personnel services for the employees involved.

Special education services were instituted in band-operated and federal schools, using aides and coordinators at the band level.

Resources were provided for workshops and systems to deal more effectively with students who have special needs.

Six school evaluations were completed to assess and improve program effectiveness.

Social Development

The department provided \$383,000 in new funding to the six Indian child welfare agencies in Manitoba to enable them to institute child protection services.

During the year, 54 of 59 onreserve social assistance programs were controlled by bands or tribal councils. Eighty-two per cent of the regional budget for on-reserve income support services was Indian-administered. Employment opportunities were created by providing 5.6 per cent of the income support funds for employment created through the Work Opportunity Program.

Technical Services

The department's engineering and architecture services were integrated within Public Works Canada (PWC) on April 1, 1987, and a PWC-dedicated unit was established to provide technical services to the department under a specific services agreement.

A total of 227 capital projects, valued at \$30.1 million, were managed by the department's technical services.

The Otter Nelson River School in Cross Lake, costing more than \$16 million, was the largest capital project ever undertaken by the department.

Tribal councils received funds to develop technical units. At the end of the year, two fire safety officers, two engineers and 13 housing inspectors were employed.

A formula to determine band contributions for Operations and Maintenance (O&M) was established during the year. Ninety per cent of the regional O&M budget was appropriated by way of this formula.

Band Support and Capital Management

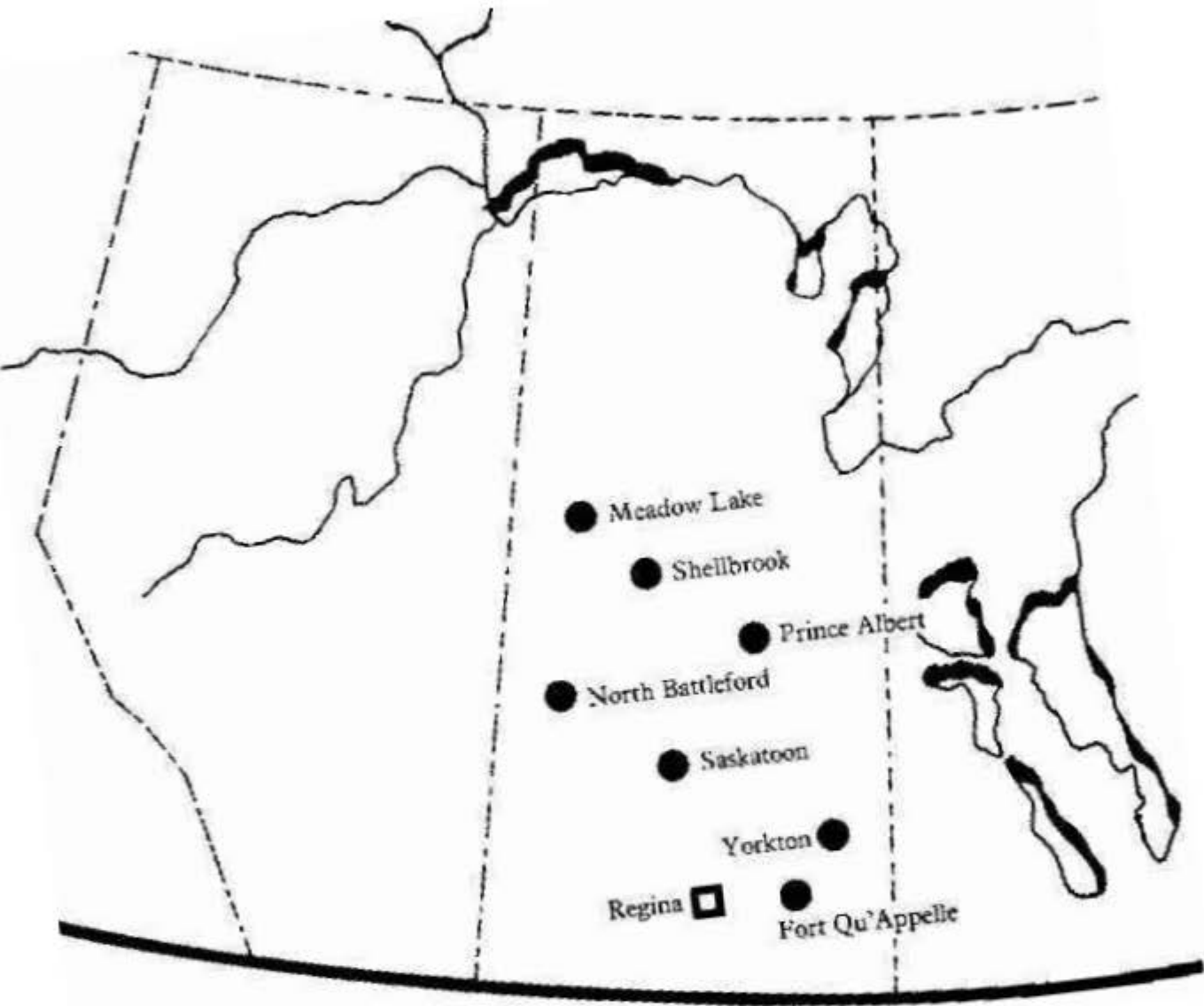
A more equitable method for allocating capital dollars to bands and tribal councils, using such factors as population and location, was implemented.

A regional Band Audit Review Committee and a structured review process were established during the year.

Alternative Funding Arrangements (AFA)

Since the approval of AFA in June 1986, applications have been received from nine bands and two tribal councils. Nine of the applications were declared eligible for AFA while two were under review. Draft agreements were written with three bands and one was ratified.

Saskatchewan Region



The region implemented a management orientation and training program which was piloted in the North Battleford District.

The first Alternative Funding Arrangements (AFA) agreements were signed with the Ochapowace Band and the John Smith Band.

An agreement was concluded involving a \$2.5 million contribution toward the extension of a major electrical transmission line which will serve three northern communities Black Lake, Fond du Lac and Wollaston. These communities will also benefit from electricity rates equal to those charged in the southern parts of the province.

The region is assisting eight bands to develop their capabilities to assume land management responsibility under section 60 of the Indian Act. A total of 30 bands have adopted their own membership codes. By the end of the fiscal year, 3,587 individuals had been registered under the reinstatement provisions of the Indian Act.

New procedures for collecting community population statistics were implemented, providing additional valuable data to regional managers.

The region played a major role in the development and delivery of new national training courses in lands management and estates administration. Regional training in election procedures has created a pool of qualified Indian people to serve as electoral officers.

Social Development

During the fiscal year, 3.3 per cent of on-reserve basic needs expenditures were transferred to bands under the Work Opportunities Program. One hundred and eighteen projects, providing 2,720 person-weeks of employment, were funded for \$1.4 million.

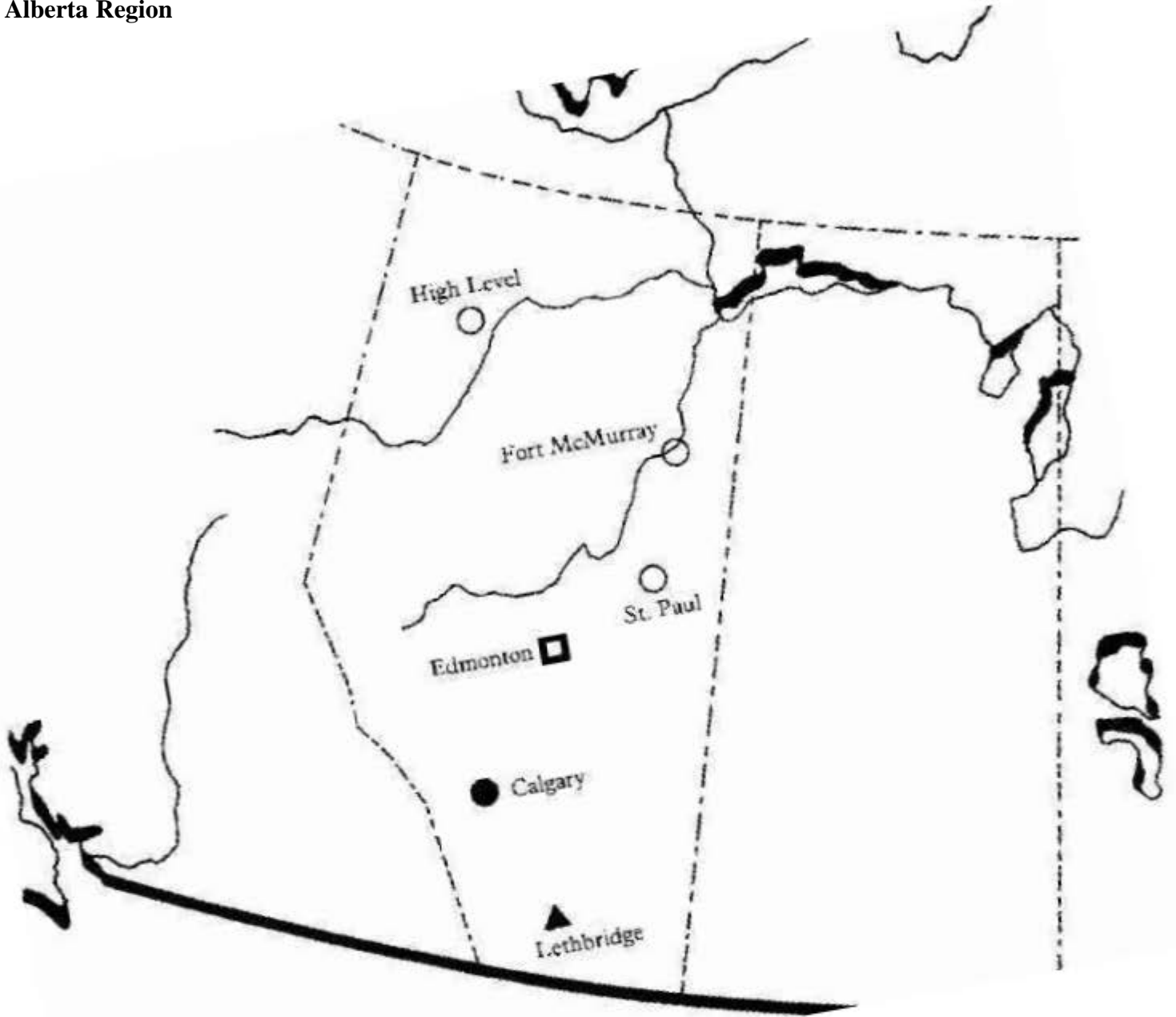
Economic Development

Since the end of fiscal year 1986 - 87, the region has not made loans from the Indian Economic Development Fund (IEDF). That responsibility has now been transferred to an Indian financial institution, Saskatchewan Indian Equity Foundation (SIEF) which in 1987 - 88 disbursed 145 loans totalling \$1.4 million, creating 130 jobs. The Business Development program approved 82 contribution arrangements for \$884,623 which was used to raise \$2.8 million from other agencies, creating 200 new jobs. Indian Community Human Resource Strategies program money was used in 112 projects, creating 435 jobs.

The region piloted a joint seminar with the Federal Business Development Bank and the department's Economic Development Program to develop a model for starting-up and marketing Indian-owned and operated tourist outfitting businesses.

Negotiations were initiated with the Saskatoon and Prince Albert District Chiefs tribal councils to devolve economic development to bands.

Alberta Region



in the Fort McMurray area, were completed during the year.

Business development assistance, provided to 91 businesses, totalled \$731,070 in grants and contributions.

Discussions were held regarding devolution of the Indian Economic Development Fund (IEDF) loan portfolio to the Alberta Indian Agricultural Development Corporation and the Alberta Indian Investment Corporation.

Both direct and guaranteed loans were managed through the IEDF loan program. Fifty-five contributions applications were approved for a total of \$187,600. Twenty direct loan applications were approved totalling \$420,500. The Regional Loan Board also approved six applications for guaranteed loans totalling \$442,500.

Fourteen bands took control of programs for occupational skills training. Three entrepreneurial training courses were completed with three graduates going to internships and another 11 setting up and running businesses.

Lands, Revenues and Trusts

The Automated Land Registry System (ALRS) became operational. Agreement was reached on the funding of Blackfoot, Blood and Peigan land administration units for 1988 - 89. The Regional Environmental Protection Committee was formed. The Fort McKay reserve land exchange referendum was completed, and nine new reserve areas were surveyed for the Cree Band.

In conjunction with the Band Support and Capital Management unit, Lands, Revenues and Trusts began detailed studies of the impact of declining oil and gas resources on two bands.

During 1987 - 88, Alberta Region accounted for \$783 million in band funds, 92 per cent of all band funds in Canada. A total of 246 band council resolutions were processed representing \$190 million. Total per capita distributions of \$34,448,300 were administered.

A total of 4,700 status cards were issued during the year and 2,140 C-31 applications were received. The department administered the Indian Register for 22 bands. Twenty-nine bands established membership rules and assumed responsibility for their membership lists. Responsibility for the administration of the Register was devolved to one band.

Education

Negotiations were concluded with the Blood Band which will assume control of three existing federal schools next year.

Sixty-five per cent of the postsecondary program was administered by bands in the 1987 - 88 school year. A total of 1,847 Indian students were assisted under the program. A training program was conducted to ensure a

smooth transition of postsecondary education services to band administration.

Provincial tripartite tuition agreements were negotiated with the Cree/Fort Chipewyan and Bigstone bands. The Alexis and Blood bands concluded discussions toward similar agreements during the year.

Social Development

Thirteen band and four departmentally-administered programs for social development were reviewed during the year.

Five bands moved from transitional to full administration of the social assistance program. Agreements were also established with another six bands to plan for devolution of the program.

A total of \$1,395,400, or 5.4 per cent of the social assistance allocation to bands, was transferred into projects which generated 2,882 person-months of employment.

A joint committee of departmental and Alberta Social Services officials completed an analysis of off-reserve social services. The department also participated, as a principal funding agent, in the Third Annual International Aboriginal Child Conference held in Calgary.

Band Support and Capital Management

The regional formula for allocating infrastructure capital was implemented during the year, enhancing the capabilities for capital planning. Emphasis was placed on housing and water and sewer requirements.

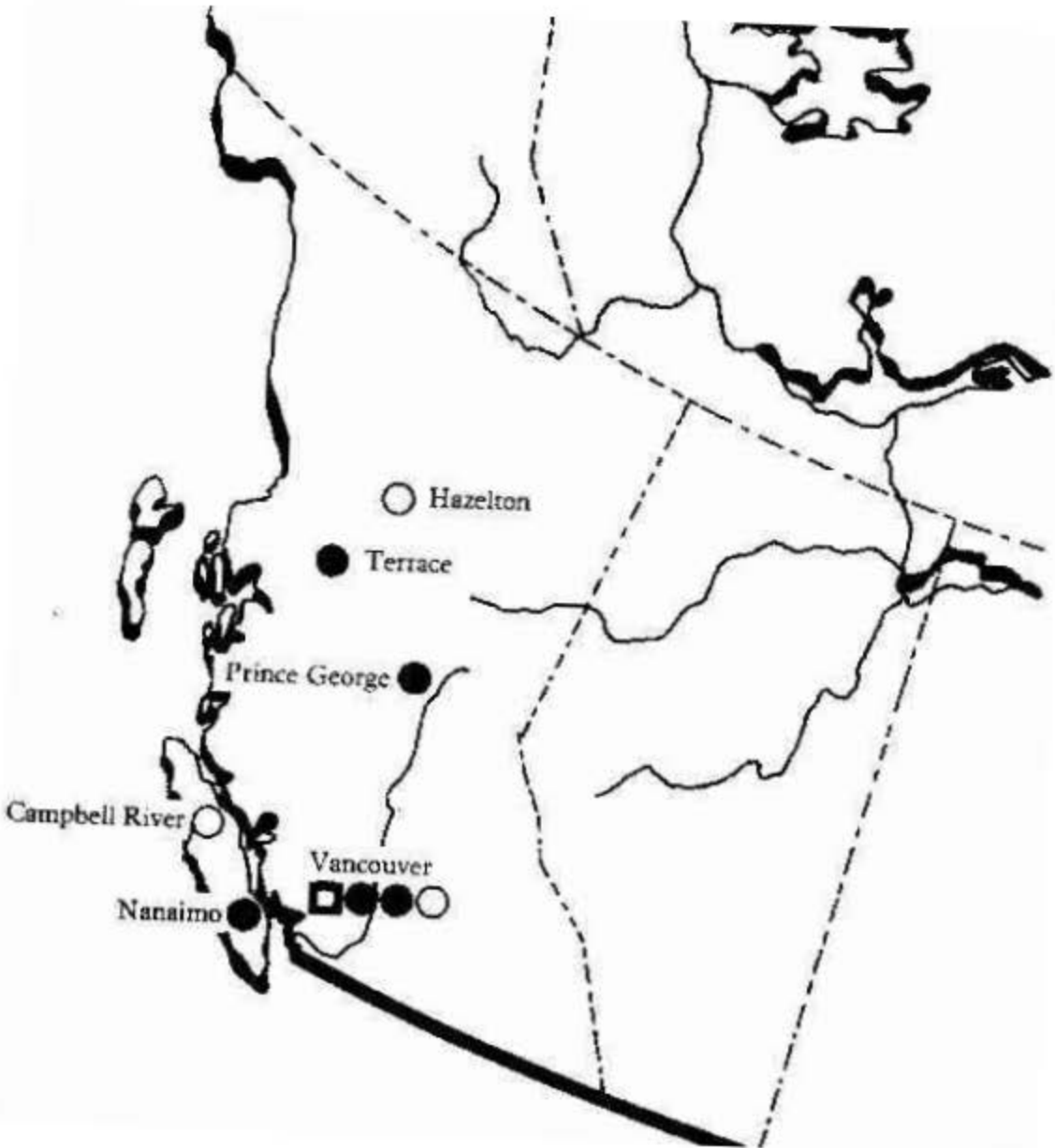
The Indian Management Assistance Program obtained funds to offer summer employment to 28 student graduates and undergraduates during the year. The students provided band governments with temporary, professional assistance in management, finance and program development.

The Louis Bull Band obtained authority from the Alberta Solicitor General to provide policing services on the reserve. This community service is funded exclusively from band revenues and serves as a model to other bands wishing similar services.

Two new northern tribal councils were formed to deliver advisory services to member bands.

Four bands and one tribal council entered into discussions which may lead to AFA agreements.

British Columbia Region



reduced to 28 in 1987 - 88 from 43 in 1985 - 86. Six summer projects under the Indian Management Assistance Program were completed.

During the year, 605 new houses, representing 121 per cent of the region's projected annual target, were built to National Housing Act standards and 624 renovations were completed, achieving 105 per cent of the annual target.

A total of \$11.1 million was contributed to bands from C-31 incremental program funding sources. Capital expenditures accounted for \$6.8 million and postsecondary education for \$2.9 million.

Social Development

Five bands assumed administration of the social assistance program, bringing the total number of Indian administering authorities to 144, representing 174 bands. Seventy-four per cent of all social development funds were under Indian administration.

Adult in home care days increased to 57 per cent of all adult care days in 1987 - 88, a five per cent increase from 1986 - 87.

During the same period, the number of Indian children in care decreased by 4.6 per cent from 1986 - 87. The Nuu-Chah-Nulth Tribal Council's Family and Child Services Program became operational and provided child welfare services to 13 bands on the west coast of Vancouver Island.

Education

The education program provided elementary and secondary education services to 12,625 students - 612 in 11 federal schools, 3,486 in 100 band-operated schools and 8,527 in 521 provincial, parochial and private schools. Students enrolled in Grade 12 totalled 558. One federal school was transferred to a band and five other transfers were under development.

The postsecondary education program sponsored 2,073 students under a regular program and 317 students under a funding program established as a result of the C-31 legislation.

A provincial education agreement was successfully renegotiated to permit local-level agreements among Indian communities and school boards.

Lands, Revenues and Trusts

A portfolio of approximately 3,200 leases was maintained. A total of 1,054 documents were registered in the Indian Land Registry. Revenues accruing from land transactions were more than \$20 million. As well, 15 contentious land issues were resolved by negotiation.

Two members of the Cowichan Band were appointed as superintendents under the Indian Act for collecting and disbursing revenue monies derived from leasing surrendered lands.

A total of 9,893 "events" including births, deaths, and marriages, were processed through the Indian mem-

bership system. Workshops were held to train band/tribal council members to assume responsibility for the administration of the membership program.

In 1987, 257 estate files were opened and 278 were closed. By the end of 1987, there were more than 500 open files in estates.

Economic Development

An Indian Business Services directory was published. An entrepreneurship training program was developed and 17 young entrepreneurs were trained. A total of 144 businesses were financed during the year. Some 233 jobs were created and maintained, and more than \$9 million was raised for small businesses. Fifty-six B.C. Indians attended a native trapper training course.

Self-Government

Community-level workshops involving more than 50 bands were supported to help bands discuss self-government concepts. Three B.C. Indian communities were developing proposals aimed at negotiating self-government beyond the Indian Act.

The region provided funding to the First Nations' Government Structures and Powers Conference, sponsored by the Native Law Program of the University of British Columbia.

Tuition funds were added to the Sechelt financial agreement. Sechelt declared the authority to collect provincial (rural) tax over Sechelt lands. The province amended the Land Registry Act to allow the registration of Sechelt lands.

Yukon Region

Indian Affairs Program

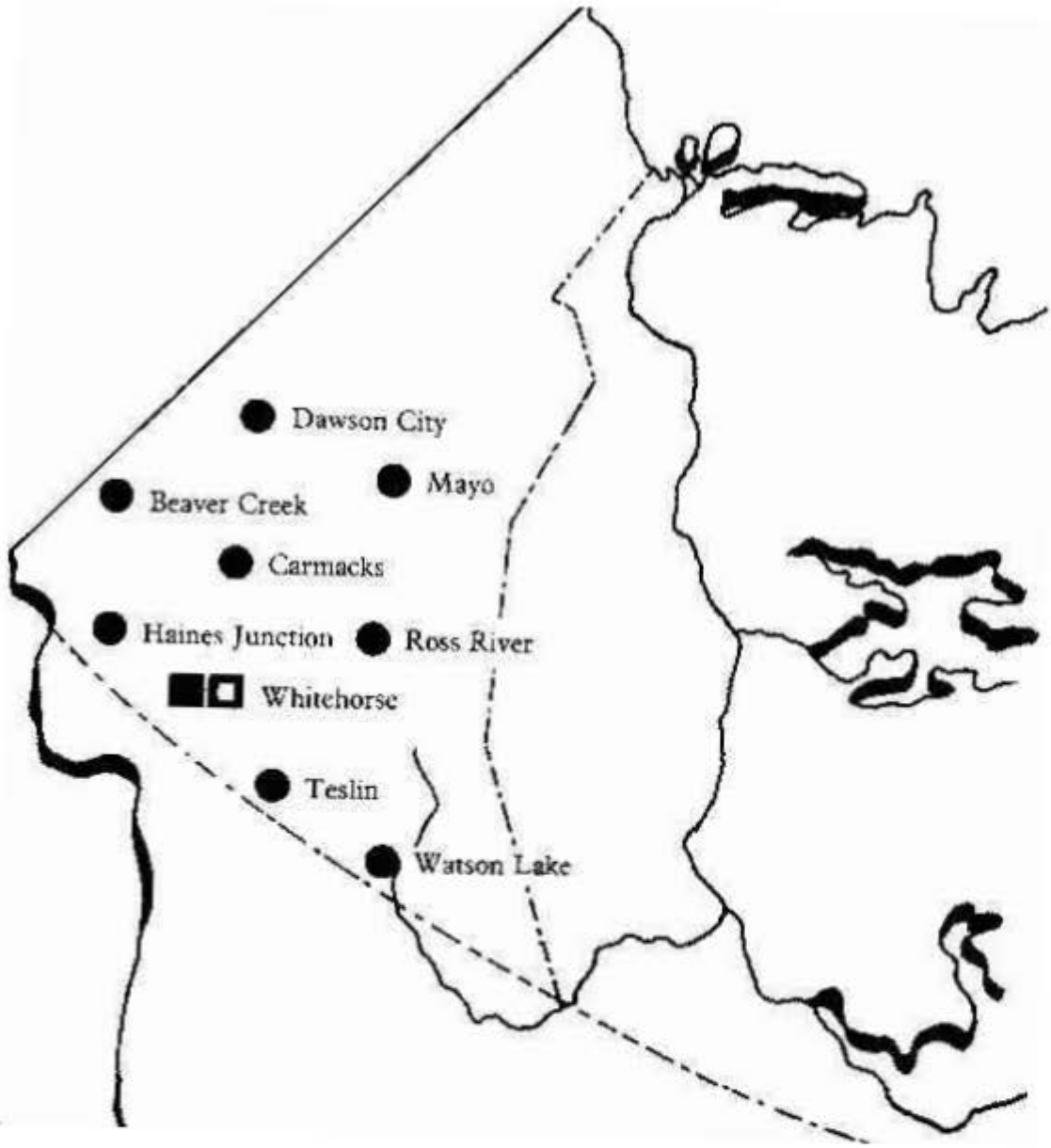
In 1987 - 88, negotiations continued on the Yukon Indian comprehensive land claim and on the transboundary claims of the Kaska-Dena Council, Dene Nation and Taku River Tlingits.

Economic Development

The region spent more than \$3 million on 29 economic development projects, creating and maintaining 100 person-years of employment and generating \$1.8 million in new income. Fifteen projects were approved under the Indian Community Human Resource Strategies program during the year. Direct assistance was provided to 92 applicants.

Education

Financial assistance was provided during the year to more than 1,000 elementary and secondary students and 90 postsecondary students. Twenty-four students graduated from secondary school, seven from postsecondary programs.



in the region received developmental funding and three bands received funding to implement their codes.

There were 319 applications, under the C-31 legislation, for reinstatement to Indian status during the year.

The Taku River Tlingits received funds to study the environmental effects on native fishing resources in traditional land areas adjacent to a proposed mining site. The Federal Environmental Assessment Review Office held a workshop in Yukon, attended by government, bands and native associations.

Band Support and Capital Management

Each band in the region received \$42,000 for a total of \$630,000 to begin five-year capital management planning.

Twenty new housing units were constructed in the Kwanlin Dun Village relocation and \$1.5 million was expended in infrastructure improvements.

All bands implemented capital spending plans during the year. Fifty Canada Mortgage and Housing Corporation housing units were built, including the Kwanlin Dun units.

Northern Affairs Program

The Canada-Yukon Agreement on Land Use Planning was signed in October.

Mineral production rose to \$447.2 million during 1987, up from \$176 million in 1986, reflecting the Curragh Mine's first full year of operation. Placer gold production rose to \$63 million from \$43.8 million in 1986.

Mineral exploration expenditures rose to \$35 million in 1987, up from \$28.9 million the previous year. A total of 13,275 mineral claims were recorded, more than double the previous year's total of 7,005. Placer claims in 1987 totalled 2,252, up from 1,671 the year before. A new Placer Section was created under the Northern Affairs Program to administer and enforce water use licence provisions for placer mining operations.

Geological mapping projects focussed on lode gold and silver deposits. Two areas were geologically mapped under the Canada-Yukon Economic Development Agreement (EDA): the Rancheria area and near the Wheaton River. Two research projects were carried out under the Canada-Yukon EDA to improve the economic and environmental performance of Yukon placer mines.

Phase I of the Forest Management Inventory was completed, producing forest-type maps for public distribution. The CL-215 water bomber fleet was integrated with the A26 fleet and used during the 1987 forest fire season.

The Yukon Territory Water Board assumed control of operating funds.

The Northern Canada Power Commission's Yukon assets were sold to the Yukon Development Corporation.

Approximately \$4.4 million was approved for 106 projects under the

Canada-Yukon EDA. Assistance was provided for projects such as: fish farming, sheep ranching, fish egg processing and furniture manufacturing. Funding was also provided for projects for geochemical mapping, improved mining technology, placer industry development and community-based economic planning.

The department collaborated with the Yukon government in a review of northern benefits flowing from the North Warning System and hydrocarbon exploration in the Beaufort Sea.

The regional on-the-job training program provided training to 85 native people at a cost of \$446,000. Ninety-five per cent of those who completed the training were placed in jobs.

Discussions continued with the Yukon government in preparation for the transfer of oil and gas responsibilities to territorial governments under an Northern Accord.

Northwest Territories Region

Indian Affairs Program

In 1987 - 88, the region provided support for band government and economic development to 9,200 status Indians in 17 bands located within 25 communities and two reserves in the N.W.T.

Indian Services

The Indian Services Sector provided a \$192,000 operating grant to the new Dene Cultural Institute which was established in May 1987 to prevent erosion of the Dene culture.

Seventeen native people received funding from the new University and College Entrance Support Program. The GNWT received \$220,000 from the region to administer the program.

An agreement was reached to establish a senior level federal/territorial review committee to determine responsibility for support associated with capital for band offices, municipal services provided to land set aside for Indian use and other issues.

The Mackenzie/Delta Regional Council received joint funding from the Indian/Inuit Management Development Program and Canada Employment and Immigration Commission for computer training for four bands.

The region began a pilot project with the Dogrib Tribal Council and Dene Nation to develop a band employees' benefit package.



Inuvik

Norman Wells

Fort Simpson

Yellowknife

Rankin Inlet

Hay River

Fort Smith

Iqaluit

direct contributions to 26 new or expanded Indian businesses.

Four regional institutions received \$75,000. Part of these funds were used by the Denendeh Development Corporation to purchase an ownership interests in Northlands Utilities Ltd.

Twelve trainees were accepted into the youth entrepreneurial training program. Ten graduated, five of whom are expected to start new businesses.

Chevron Canada and the Fort Good Hope Band executed a \$42 million joint venture agreement which was expected to result in the creation of four new native businesses. One, a high-tech global positioning system/gravity survey company, forecast year-end revenues of \$1 million and \$100,000 profit.

The Hay River Band completed negotiations with a major private sector company for the joint development of a large poultry production operation.

The Native Economic Development Program provided approximately \$1 million to three projects and the economic development agreement provided approximately \$32,000 to two projects.

A total of \$220,000 was provided for community and regional-economic planning. An additional \$971,000 was provided for 65 projects funded under the Indian Community Human Resource Strategies program.

Northern Affairs Program

Negotiations began during the year toward a master agreement of devolution.

Responsibility for fire and forestry management programs was transferred to the GNWT.

Negotiations continued for transfer of the scientific resource centres at Inuvik, Iqaluit and Igloolik.

The Northwest Territories portion of the Northern Canada Power Commission was sold to the GNWT.

Progress was also made on repealing the Land Titles Act in favour of territorial legislation.

Several discussions were held with the territorial government on the possibilities for a northern energy accord.

The old Yellowknife resources office was transferred to the Tree of Peace charitable organization.

Progress continued on two major comprehensive claims, with an agreement on the Dene/Métis claim imminent by year's end. Progress continued on the design of post-claim resource management institutions under the aegis of the GNWT.

A Mackenzie Delta-Beaufort Sea Land Use Planning Commission was established during the year. A draft land use plan was received from the Lancaster Sound Land Use Planning Commission in January 1988. Work was initiated in a third region, the N.W.T. Land Use Planning Com-

mission was terminated, and a new management structure was inaugurated.

The new Economic Development Agreement was implemented and its six subsidiary agreements were signed by the departments of Indian Affairs and Northern Development; Energy, Mines and Resources; Regional Industrial Expansion and the GNWT. A total of \$37 million in programming funds was approved for mineral development, arts and crafts, renewable resources, tourism and small business and economic planning, to be implemented over three years. In addition, the region was involved in implementation of the economic clauses of the Inuvialuit Final Agreement.

The Northern Mineral Policy was implemented during the year. Pine Point mine was closed with an abandonment plan implemented as well as a GNWT/Pine Point Mines Ltd. agreement on resident and business compensation. The base metal industry slowly recovered during the year. Lead, zinc and gold production increased to \$843 million from \$780 million. Exploration activities, mainly for gold, increased to \$70 million in 1987 - 88 from \$45 million in 1986 - 87. Mineral recording activities doubled. Environmental screening was accomplished or initiated on a number of projects. One such project, Urangesellschaft's Kiggavik uranium mine, was referred to the federal review office for a panel review.

More than 600 active land use, water, crown land and reserve permits and leases were inspected in the six district offices and more than 200 land use applications were processed. Routine district work included environmental monitoring, such as snow course measurements and water quality sampling.

Appendix I

Budgetary Expenditures

...	1986 - 1987	1987 - 1988
Operating Expenditures	...	...
Indian and Inuit Affairs	\$250,883,240	\$243,110,997
Northern Affairs	88,904,779	**94,470,848
Administration	*63,656,993	42,517,861
Native Claims	7,421,311	***0
Capital Expenditures	...	...
Indian and Inuit Affairs	56,981,609	30,976,322
Northern Affairs	20,927,396	16,698,463
Grants, Contributions and Other Transfer Payments	...	...
Indian and Inuit Affairs	1,436,418,973	1,568,078,540
Northern Affairs	37,599,016	36,609,268
Territorial Government	624,823,999	738,420,300
Native Claims	56,470,537	***0
Environmental Studies Research Fund	1,435,655	934,538
TOTAL	\$2,645,523,508	\$2,771,817,137

[\$19,500,000 relates to the Northern Canada Power Commission debt deletion.] [**\$33,126,083 relates to the Northern Canada Power Commission debt deletion.] [***The Native Claims Program has been incorporated into Indian and Inuit Affairs.]

Revenues	...	...
...	1986 - 1987	1987 - 1988
Indian and Inuit Affairs	\$7,087,366	\$13,904,113
Northern Affairs	16,234,974	*34,924,625
Administration	14,874,235	137,087
Native Claims	1,558,378	**0
TOTAL	\$39,754,953	\$48,965,825
Non-Budgetary Expenditures	...	...
...	1986 - 1987	1987 - 88
Loans, Investments and Advances	...	...
Indian and and Inuit Affairs	\$(11,031,740)	\$47,404,860
Northern Affairs	(1,234,139)	(37,088,711)
Native Claims	39,201,822	***0
Administration	**(49,266,335)	0
TOTAL	\$(22,330,392)	\$10,316,149

[*Figures for the Northern Canada Power Commission are now reported under Northern Affairs instead of Administration.] [**Figures relate to the Northern Canada Power Commission and the Yukon Power Commission.] [***The Native Claims Program has been incorporated into Indian and Inuit Affairs.]

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
- Grassy Narrows and Islington Indian Band Mercury Pollution Claims Settlement Act
- Indian Act
- Indian Lands, Settlement of Differences Act
- Indian Oil and Gas Act
- Indian (Soldier Settlement) Act
- Yames Bay and Northern Quebec Native Claims Settlement Act
- Land Titles Act
- Manitoba Natural Resources Act
- Manitoba Supplementary Provisions Act

- Natural Resources Transfer (School Lands) Amendment Act
- New Brunswick Indian Reserves Agreement Act
- Northern Canada Power Commission Yukon Assets Disposal Authorization Act
- Northern Inland Waters Act
- Northwest Territories Act
- Nova Scotia Indian Reserves Agreement Act
- Oil and Gas Production and Conservation Act
- Public Lands Grants Act
- Railway Belt Act
- Railway Belt and Peace River Block Act
- Railway Belt Water Act
- St. Peter's Indian Reserve Act
- St. Regis Indian Reservation Act
- Saskatchewan and Alberta Roads Act
- Saskatchewan Natural Resources Act
- Sechelt Indian Band Self-Government Act
- Songhees Indian Reserve Act
- Territorial Lands Act
- Western Arctic (Inuvialuit) Claims Settlement Act
- Yukon Act
- Yukon Placer Mining Act
- Yukon Quartz Mining Act

