

A Report by the Honourable Jean Chrétien,
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Development, to the Standing Committee
on Indian Affairs and Northern Develop-
ment on the Government's northern ob-
jectives, priorities and strategies for
the 70's

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NORTHERN CANADA IN THE 70's

Popular interest and concern in the North - stimulated by dramatic discoveries, technological achievements and up-to-date information on the media - have made northern development a national endeavour and the whole area a showpiece in which a distinct image of Canada can be identified and reflected for all Canadians and other nations to see. Canadians are watching closely the evolution of national purpose and identity in the North and together with people outside have particular interest in the problems, cultural tension and change there. Others, at home and abroad will be assessing investment opportunities in a vast land that holds great promise for future resource development.

The people of the North have survived for many centuries in spite of the harsh conditions of life prevailing there. In recent decades the native northerners have been offered new opportunities and facilities for strengthening their capacity to survive. But survival for them must be more than mere subsistence supplemented by Government subsidy. It must above all permit the people themselves to make their own choices as to the place they wish to occupy and the part they wish to play, in the evolving society of Canada, North and South of 60°.

People, resources and environment are the main elements in any strategy for northern development. In the course of its policy review during the past year, the Government affirmed that the needs of the people in the North are more important than resource development and that the maintenance of ecological balance is essential. In the setting of objectives and priorities in the North, in line with national policy goals, the essence of choice for the Government is to maintain an appropriate degree of balance among those three element

This statement sets out the Government's approach to policy in the Yukon and Northwest Territories directed toward certain national objectives and is intended as the policy framework for the formulation coordination and implementation of all Federal and Territorial program throughout the 70's.

THE BASIS FOR NORTHERN DEVELOPMENT IN THE 70'S

1. National Objectives in the North

Economic and social development in the North is very sensitive to outside influence. Continuing problems in Canada such as inflation, unemployment, urban sprawl and regional disparity are bound to keep the pressures on government at all levels for concrete action - in all parts of Canada - to stimulate the economy, reduce poverty, open opportunities for a rapidly expanding labour force and improve the infrastructure of contemporary living. Demands, innovations and discoveries affecting resources, energies and technologies in Canada and elsewhere in the world; new patterns in international economic relations; balance of payments problems; disruptions - political, economic and social - all can have profound effects on Canada's economy and prospects, and particularly on releasing the potential of the North which as a frontier area is currently marginal in the development of resources in Canada. This sensitivity of the North to external influence calls for some flexibility of approach in setting the course for northern development and adjusting it to sudden disturbances but it also calls for persistence in pursuing agreed objectives.

Longer range strategy must be seen in the light of economic development that can realistically be expected in the North:

- On purely economic grounds, development of non-renewable resources will occur as a result of the pressures of demand for progressively scarcer raw materials. Government sponsored incentives (mineral assistance grants, tax relief, development infrastructures and services) accelerate such development rather than cause it to take place. Some settlements (mining towns for example) will have relatively short life span unless the local economy is diversified mainly by encouraging renewable resource development.
- On social grounds (people wanting to stay where they are for example) the Government will continue to provide community infrastructure and services. This will bring forward problems of the future when the population will have expanded beyond the capacity of the local economy to support it, unless renewable resource development, light industry and tourism, are encouraged and assisted. In some cases such development may be uneconomic,
- On policy grounds, development north of 60° will be affected by policies on resource development and environment applied in the South. While most of the social and ecological benefits of government policies are likely to accrue to northern residents, some of the ecological benefits and most of the economic benefits will be felt in the South. It seem inevitable therefore that the kind of development encouraged in the North will reflect economic conditions and policies in the South.

These points are made primarily to emphasize that, while the Government seeks to provide strategy and guidelines for one of the broad areas of Canadian life - the northern Territories - the responses are not unrelated to the broader question: What kind of Canada do we want?

The Government's national objectives in the North are:

1. To provide for a higher standard of living, quality of life and equality of opportunity for northern residents by methods which are compatible with their own preferences and aspirations.
2. To maintain and enhance the northern environment with due consideration to economic and social development.
3. To encourage viable economic development within regions of the Northern Territories so as to realize their potential contribution to the national economy and the material well-being of Canadians.
4. To realize the potential contribution of the Northern Territories to the social and cultural development of Canada.
5. To further the evolution of government in the Northern Territories.
6. To maintain Canadian sovereignty and security in the North.
7. To develop fully the leisure and recreational opportunities in Northern Territories.

2. Northern Needs and Challenges

The contemporary challenges in the North are seen as follows:

To Fulfill the Needs of the Native Peoples

- The heaviest emphasis in current thinking is on the needs and aspirations of the native peoples (Eskimos, Indians and Métis). Poverty is their most pressing problem with all its psychological as well as physical characteristics. Unemployment, underemployment, low productivity are readily apparent but underlying causes run deep - erosion of traditional values, inadequacy of game resources, disease, the demoralizing effects of exposure to a highly technical culture, loss of pride and identity.
- Problems arise as well for non-native residents in the two Territories very few of whom will settle there for any length of time without powerful incentives. Northern development of a kind likely to benefit all northern residents will depend heavily for quite some time on attracting Canadians from the South, whether as individuals or corporations of high calibre and capability.
- The approach to social programs in the Territories today (implemented mainly by the Territorial Governments) is based on the principle of non-discrimination (schools are integrated for example). Experience in Canada and elsewhere shows that mere formal equality can perpetuate existing economic, social and cultural inequities. This must not be allowed to happen. There is an evident need to ensure in practice that the native peoples have full opportunity to compete on a basis of true equality with other Canadians and freedom of choice to benefit materially and psychologically from the economic and social evolution in the North.

- Material needs of northern residents are satisfied by essential infrastructures and services (Air transportation for example is essential to overcome vast distances.) provided by all levels of government; traditional pursuits (hunting, trapping, fishing); wage employment (in government and industry). Recreational needs are met through providing parks, community facilities, cultural outlets, communications. Perceptive or psychological needs are fulfilled by conserving the quality of the natural environment (which gives the native peoples in particular satisfaction and security), by enhancing the physical environment through imaginative forms of community development, and by establishing visible means (cultural identity, social contact, economic and social advancement) whereby all northerners gain confidence in their capacity to take their place in the society of the North and Canada generally.

To Ensure Viable Economic Development

- The world demand for non-renewable resources is growing rapidly. While agriculture for local markets can thrive in parts of the North, some cattle ranching can develop, more of the forests will be used for pulp, lumber and plywood, fisheries will expand - a realistic assessment is that in major terms that can affect the overall wealth of Canada, the economic future of the North lies in the ground. It is now confidently predicted that the mineral, oil and gas resources likely to be found can form the basis of very substantial economic development. The extent to which this non-renewable resource potential can be released for the benefit of northerners - and Canadians generally - will depend on systematic programming of development taking into account major economic factors affecting Canada.

- New and improved technologies - in northern mining, drilling and construction; air transportation; road, railway and pipeline building; communications; marine transport in Arctic waters; hydro-power; community development - all these factors are reducing development costs in the North, bringing them steadily closer to market levels in a situation dominated by demand for secure reserves of resources and energies. Those factors are powerful incentives too to investment capital for exploration and development, mainly of non-renewable resources, which being capital rather than job-intensive does not solve employment problems. Private investment of this kind is attracted by public spending on infrastructure and services, as well as by special incentives such as mineral assistance grants.

- No challenge in the North today is more pressing than the need to create employment opportunities for native northerners. The indigenous labour force is expanding quite rapidly but unless the native peoples are adequately trained and prepared for wage employment, they may not be able to take advantage of growing job opportunities. The problem is one of education and training, of influencing potential employers and prospective employees, but also of diversifying economic activities.

To help solve the problems of human resource development and to round out the Territorial economies, specific programs of assistance are required for the development of renewable resource activities, in particular.

To Maintain Ecological Balance

- Maintenance of the ecological balance requires recognition of the total relationship of all the elements of nature. Man is included in this totality and his activities must be measured and in some instances regulated to ensure that the probability of imbalance is minimized. The natural environment in the North is very sensitive to alterations and activities related to the natural resource-base which have evolved elsewhere in Canada may not be satisfactory, particularly in the Arctic.
- It is necessary to develop with respect to natural resource utilization guidelines by which such activities are controlled. A comprehensive program of regulation, based on recently enacted legislation, is required and includes elements of preservation, protection, managed-use and restoration. Moreover, the particular climatic and soil conditions of the North present strong challenges to community physical development; settlements have often had to cope with difficult problems of water supply and are still seeking adequate solutions for waste treatment.
- Research on an expanding scale is a continued prerequisite if governments, industry and all others concerned in the development and protection of the northern environment are to have timely and sufficient data on which to base their plans, decisions, methods and activities. An international aspect of growing scope and importance relates to Canada's desire to cooperate, both bilaterally and multilaterally with other countries having interest and experience in northern development, with particular reference to Arctic living and of special relevance to environmental control.

PERSPECTIVES ON THE NORTH:
HOW DO WE SEE THE NORTH?

Broad alternative futures for the Territories depend on *how we see the North in the kind of Canada we want*. To begin with extremes, the northern territories could be regarded as:

- A vast region of sparsely scattered population composed mainly of native peoples: who would be very largely dependent on the various social benefits subsidized from the South; whose views and needs would determine the nature and degree of social and economic development; whose education and training - except for a few individuals - would be oriented basically to the northern environment; but whose rate of natural increase would aggravate already acute problems of localized over-population, social demoralization and discontent.

- A huge storehouse of natural resources and energies which would be utilized by developers, largely in response to the demands of the North American continent and through relatively shortcycle exploitation, with little regard for adverse effects on the northern residents and the natural environment.
- A relatively untouched wilderness, strictly controlled for preserving the ecology and mainly intended for research by natural scientists, traditional pursuits by northern residents, and recreation by the few from North and South who could afford it.

None of these can be seen as either likely or desirable futures, nor does it now seem realistic to envisage the Territories becoming heavily populated, highly industrialized, self-sufficient provinces on the existing model in the South. For a variety of reasons large areas of the North, particularly the Arctic seem destined to remain for the foreseeable future regions of special Federal interest and responsibility.

Today some people view the North as a place where the most advanced technology is being deployed energetically, mainly by intruders from the South, in order to utilize the resource-base, mainly for the benefit of people to the South. They believe that unless effective measures are taken soon, this process of resource development seems in danger of so far outstripping programs of social improvement for the native people (Métis included) as to undermine their will and capacity to live in dignity, and their sense of belonging, with social side effects widely apparent - alcoholism, crime, family break-up. It is a vision in which the native peoples are largely spectators, the wards of paternalistic government, in a land they have inhabited for 5,000 years. It is a vision rejected by the native peoples, who are just beginning to voice their grievances and claims in an organized way, partly under the influence of similar events in southern Canada and Alaska. It is a vision which does little to enhance the "image of Canada" at home or abroad. It haunts the current approach to northern development.

A fundamental question of the future posed for policy at present is: What is to become of the native peoples of the North?

- Broadly speaking, the majority of the Indian (10,050 in 1970) and Métis population live in the Yukon and the Subarctic Mackenzie River Basin. It seems likely to become a region of substantial growth with quite a diversified economy. Job opportunities (in renewable and non-renewable resource industries) can be created there for native peoples adequately trained and prepared; traditional pursuits and analogous activities (arising for example out of tourism) will be available to those less inclined to choose wage employment; many Indians will have the benefits of Treaties 8 and 11. As a group the Indians are becoming better organized for dealing with the broader society, with which they have been in contact for quite some time, but they will need to be assisted along lines proposed in this document.
- The Eskimos (11,050 in 1970) are scattered in Arctic regions where the natural constraints are very severe. New concentrations of population can result from major non-renewable resource development (Mary River in Baffin Island for example)

affording opportunities for trained Eskimo labour and other economic benefits. Further improvements can be made to methods of harvesting renewable resources. The cooperative movement can be expanded for economic and cultural purposes. Associations representing the Eskimo people should be encouraged along with viable community development. The restricted opportunities for developing the economy in some regions (Keewatin for example) and the rapid growth of the Eskimo population (rate of natural increase for Eskimos 4.0%) could stimulate migration to more favoured regions in the Territories and Southern Canada, particularly by educated and trained people. Perhaps the most important need in approaching such questions is to get rid of myths about the Eskimos ("Eskimos want to continue their traditional nomad life", "they can be insulated from the new influences at work in the North"; "they are unable to adapt to life in the South, etc."). Some Eskimos have shown keen interest in the material aspects of modern society and an eagerness to adapt themselves to it. The real need is to concentrate on means of enhancing the Eskimos self-respect and livelihood, especially through diversified education and vocational training and fundamentally to give them mobility and freedom of choice.

It is results such as these that the policies proposed in this document are intended to promote for the native peoples. Since these groups have a rate of natural increase several times higher than that for the rest of Canada, *the problems of over-population* in several regions of the Territories are likely to intensify inducing among other things a desire to migrate. An essential aim therefore is to prepare and assist the native peoples to integrate into Canadian society whether North or South of 60°, in such a way that they can maintain their pride and cultural heritage.

THE STRATEGY FOR THE 70'S

1. The Approach

Northern development is a dynamic process involving people, resources and environment. Government seeks a deliberately phased blending of social and economic programs which shifts emphasis and financial allocations to meet circumstances such as:

- Imbalanced perceived in the approach to development at any time;
- Disturbance caused by some external influence (for example a major oil discovery elsewhere might affect the economics of northern oil);
- Adjustment to a major innovation or event (pipeline or rail construction for example);
- Conditions in Canada's economy (balance of payments problems for example);
- Need to create employment and economic opportunities for the native peoples in particular.

The weight of policy emphasis varies with the intensity of government efforts in pursuit of the seven objectives. To illustrate, during the past two decades the emphasis has moved from defence to people programs, to resource development to ecological problems. Today

there is a new requirement for shifting emphasis toward people programs but by a smooth adjustment of all programs rather than an abrupt change from one set (say resource-oriented) to another.

2. Priorities in the North

In this decade, given the

- National objectives in the North,
- Natural constraints of the North,
- Urgency of native people problems,
- Adverse effects of unsystematic development of non-renewable resources and energies in Canada,
- Government's other priorities for Canada,
- Limitation on government resources available for the North,

the Government's order of priorities in the North for the next decade will be:

- (i) To give rapid effect to the agreed guidelines for social improvement.
- (ii) To maintain and enhance the natural environment, through such means as intensifying ecological research, establishing national parks, ensuring wildlife conservation.
- (iii) To encourage and stimulate the development of renewable resources, light industries and tourism, particularly those which create job and economic opportunities for native northerners.
- (iv) To encourage and assist strategic projects (key to increased economic activity in the region or Territory with solid economic and social benefits) in the development of non-renewable resources and in which joint participation by government and private interests is generally desirable.
- (v) To provide necessary support for other non-renewable resource projects of recognized benefit to northern residents and Canadians generally.

3. Requirements for Balanced Growth

The strategy for northern development is aimed at fulfilling the following requirements:

- (i) In spite of heavy pressures from outside and within Canada for getting resources out rapidly, the delicately balanced ecological system must be maintained and timely data provided to the Government, by all departments and agencies concerned, for making effective policy decisions on protecting the environment.

- (ii) Governmental support for major development projects, whether public or private, should be based on full assessment of their economic and social impact; in the northern region concerned, in the Territories generally, and for Canada as a whole.
- (iii) For purposes of economic planning and development, the Territories could, after thorough research and consultation with all concerned, be divided into regions essentially determined by differences in conditions prevailing and by the governmental approach needed to deal with them.
- (iv) Because of the immaturity of the economy in most of the regions and the disruptive effects (sharp inflation, shortages of labour, accommodation and consumption goods) of major development programs, the absorptive capacity of the regional economy concerned must be carefully assessed to determine what needs to be done to prepare the region and its people for public or private projects contemplated.
- (v) Where a venture is strategic to development in a region, or over a wider area, the Government would participate in joint ventures, in management or in ownership to ensure that matters affecting public interest (environment, people needs) are taken fully into account (Applies primarily to non-renewable resource projects.)
- (vi) Population centres should be fostered in accordance with a rational plan for developing the Territories systematically and for providing employment and other opportunities (growth-point policy would provide some fairly strong incentives to migration from less favoured regions.)
- (vii) To deal with problems of domestic control of the economy, the Government should ensure that policies or guidelines followed in other parts of Canada are adapted to the economic situation in the North (Joint ventures may be desirable for much non-renewable resource development.)
- (viii) The economic development in the two Territories should be adjusted as between the two to them; and to related developments in the rest of Canada, particularly in the contiguous provinces and in other northern countries, with a view to achieving complementary results (air and rail links for example).
- (ix) Though their problems of social adjustment will vary from generation to generation and from region to region, even from community to community, the native peoples should derive early and tangible benefits from economic development and *be seen to benefit*.
- (x) The guidelines for social improvement should be applied in a coherent way to get the desired balance in northern development during the current decade.

4. Guidelines for Social Improvement

The priority need in the North during the coming decade is to stimulate and strengthen the people programs, so that the native peoples in particular can have some hope of adjusting to the pace of economic and social change, and preparing themselves for participating meaningfully in northern development. The importance of people participation is recognized and their right to choose between old and new ways. The need to rid northern communities of all forms of segregation is axiomatic. Many of the existing people programs are already contributing to those ends but as a whole they need to be revitalized and reinforced along the following lines, it being understood throughout that the territorial Governments and the Territorial Councils have a large share of responsibility for their implementation.

The Government has set out the following guidelines for social improvement to be acted on by all departments and agencies involved in the North:

- (i) Consciously create in government and industry employment opportunities for native peoples through attractive incentives, meaningful targets and where necessary imposed obligations.
- (ii) Re-orient employment practices of government and industry in order to provide intensive training, not only in preparation for foreseeable employment but including on-the-job training.
- (iii) Liberalize education and training techniques to produce more quickly qualified native practitioners in all professions and skills including teachers, nurses, mechanical engineers, communications technicians, management personnel, aircraft pilots and mechanics among others, with full provision for continuity and upgrading.
- (iv) Train and provide experience for native northerners in executive and administrative posts, especially at municipal levels and even at the risk of higher costs and some mistakes.
- (v) Improve opportunities and mechanisms for consultations involving native peoples, industry and government, for social and economic development of the native bands and communities; for hearing grievances.
- (vi) Maintain opportunities for traditional pursuits (hunting, fishing, trapping), encouraging a shift to analogous activities (campsite supervisors, tourist guides, game and fire wardens) for native peoples, and expanding well-established programs providing cultural outlets for the indigenous peoples so that they will be involved increasingly in all phases (including marketing).
- (vii) Ensure sensitive counselling of native peoples and would-be immigrants, closest liaison with industry and effective cooperation as a group on the part of all government departments and agencies concerned with people programs.

- (viii) Strengthen communication links (telephone, data, radio, live television for education and entertainment) among communities in the North and between the people of the North and fellow Canadians in the South.
- (ix) Improve transportation facilities for movement of people within the regions of the North and to and from the North.
- (x) Safeguard the culture (language, arts, handicrafts, traditional pursuits) of native peoples in the course of education, training, employment and community life; above all their right to choose what is to be preserved.

5. Planning and Coordination

The degree of involvement in economic and social development will increasingly require a maximum achievement in policy planning, coordination and control on the part of Federal and Territorial authorities, who must work in close partnership. Parallel cooperation is needed between the public and private sectors engaged in northern development. In sum all government activities should be directed toward meeting the challenges identified there. The means of doing so and of attaining the Government's long range objectives are to be found in the programs of some thirty Federal departments and agencies, and of the two Territorial Governments, whose activities there are reported in various Government publications.

The multiplicity of government activities north of 60 and incomplete consultation and coordination between different levels of government and among departments and agencies, are causing confusion and concern, particularly among the native peoples and on the part of industries operating in the North. An evident and urgent need exists for dealing with this situation by making full use of the powers and responsibilities of the Minister of Indian Affairs and Northern Development.

In the light of the importance of coordinating activities in the North, the Minister of Indian Affairs and Northern Development, in consultation with the Advisory Committee on Northern Development will be responsible for continued and improved arrangements for joint planning and coordination of all policies and programs north of 60. Acting with and in many areas through the Territorial Governments, he has the responsibility for overseeing the implementation of this strategy and his authority is analogous to provincial jurisdiction in respect to both Territories and vis-à-vis other Federal departments and agencies concerned.

In presenting this report to the Canadian people, on its approach to northern development in the coming decade, the Government seeks to emphasize a policy that is coherent, systematic and rational, directed as it is toward clearly defined objectives and showing a very special concern for the needs of the people of the North.