

Recommendations

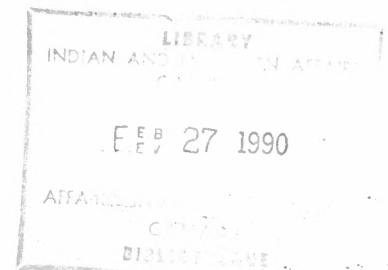
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Options

TIME TABLE

REPORT TO DEPARTMENT OF INDIAN AFFAIRS
ALBERTA REGION

REGARDING
ALLOCATION OF DIAND DISCRETIONARY FUNDS
TO BANDS IN ALBERTA



4 August 1980

Mr. Jack Tully
Director General
Alberta Region, Indian Affairs
9942 - 108 Street
Edmonton, Alberta

Dear Mr. Tully:

Please find enclosed a report entitled: "Allocation of Discretionary Funds Within the Department of Indian Affairs - Alberta Region".

This internal and confidential report was prepared as part of the contract with J. Slavik & Associates to look at the issue of the allocation of discretionary funds within the Alberta Region. This paper was prepared after review of literature, after discussions with some Program Managers and in consultation with Mr. Price and Mr. Steele.

Two issues were addressed in these discussions:

- i. the decision-making process regarding allocations;
- ii. the outcome of the process in terms of fairness and effectiveness.

You will note that the major options proposed do not include the presentation of strict formulas for the allocation of discretionary funds. Given the complex factors and ever-changing variables that impact on allocation of discretionary funds, it was felt by the writer that imposition of a formula would remove important discretionary and decision-making responsibilities from the Program Managers and allow the Department to avoid asserting its responsibility and authority for development of Indian communities.

Moreover, it was noted that given the wide diversity of economic, financial, political, and geographic circumstances of Bands, that no formula was easily or consistently adapted. This appears to concur with the I.A.A. position regarding "Indian Government" of May, 1978, where they state: "Per capita funding formulas are inadequate and Bands require funding based on need".

This report was reviewed by DIAND program managers and was generally endorsed. Their comments and recommendations have been included.

Sincerely yours,

Jerome Slavik

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ALLOCATION OF DISCRETIONARY FUNDS WITHIN THE DEPARTMENT OF
INDIAN AFFAIRS - ALBERTA REGION

A. PREAMBLE

The unique economic circumstances and opportunities facing Indians in Alberta obliges DIAND to re-assess their traditional activities, operations and development responsibilities within the Alberta region.

While DIAND maintains a strong commitment to its historical obligations deriving from Treaty commitments and also its statutory obligations including in-school education, social assistance, and trust responsibilities, the opportunities of a bouyant Alberta economy and revenues from mineral resources sales that are accruing to certain Bands in Alberta requires DIAND to re-examine its role in Alberta.

In Alberta, DIAND operations must be viewed in the following context:

1. Well over \$125 million annually in revenue can be expected to flow to Alberta Indian Bands over each of the next ten years. This could easily reach much higher amounts.

Approximately eighteen Reserves are at present beneficiaries of significant royalty incomes and the number of Bands with significant resource revenues from sales of leases and minerals could also increase. This creates a rapidly widening disparity between resource-rich Reserves and the Reserves without independent sources of income.

As a consequence of this substantial revenue to Bands, there is, in effect, the creation of two classes of Reserves with differing sets of priorities, needs, attitudes and capacities for development.

Just as the Federal Government, on a national level, is moving to "reduce sharp and disturbing increasing regional disparities", so, too, must DIAND recognize similar disparities on Reserves in Alberta.

Among the challenges facing DIAND is how to maintain its role as a development/support agency for under-developed or poor Reserves while re-examining its roles and responsibilities toward increasingly wealthy and economically self-sufficient Reserves.

2. As indicated by the rationale information of the Ministry of State for Social Development, controlling expenditures and allocating resources are the emerging priorities of government in the '80's.

The Federal Government is currently in a period of fiscal restraint with concomittant demands for increasing efficiency and effectiveness of government operations and expenditures.

The overall regional DIAND budget is only growing at a rate that meets price and cost of living increases. However, the discretionary funds available to Bands in the Alberta region decreased by \$6,664,000 from 1979/80 to 1980/81, or 26%. This is assumed to be a result of increased non-discretionary funding (i.e. social assistance and tuition agreements) absorbing a larger share of the regional budget and substantially increased funding to Indian organizations (IAA, TCA, ATC, LSLR). (See Appendix III).

While significant budget increases are not forecast in the foreseeable future for Alberta, the cost of goods and services in Alberta will rise rapidly in the coming years, far outstripping the Canadian average. The result may mean even less discretionary funding in future years. Given this combination of circumstances and the zero-sum nature of the allocation where Bands "gain" at the cost of other Bands, the competition among Bands will increase as will the demands on the DIAND.

Consequently, the Reserves primarily dependent upon government financing through DIAND faces prospects of falling further behind other less dependent Indian Reserves and Alberta communities in general.

DIAND is facing depleting staff resources and has difficulty, with the competitive Alberta, economy, in attracting and holding the quality of staff required for developmental, advisory and technical services to increasingly sophisticated and rapidly developing Indian Bands and organizations.

3. Indian organizations in Alberta have stimulated Federal Cabinet discussions on Indian Involvement in Resource Development. As this will be a major initiative in the coming years, the role of DIAND in relationship to Indian Bands, the private sector and the provincial government, will likely require extensive policy development, and related increased advisory and financial commitment to Indian Bands and organizations. Related to these developments is the growth in number and budgets of Indian organizations requesting increasing larger allocations for organizational, operational and political purposes (\$2.2 million in 1980/81).

Thus, the overall pressure of economic growth and resource development within Alberta, both on and off Reserves, will directly impact and shape the future operation and direction of the Department as the resources and support system for these initiatives are not currently available within DIAND.

4. In addition to the particular Alberta circumstances, there is

currently a vacuum in federal DIAND socio-economic policy.

While generally accepting principles of the N.I.B., socio-economic strategy paper and Beaver Report, DIAND has yet to translate these into regional operational or programmatic terms. The future of the I.E.D.F. and economic development program are uncertain.

It is within this policy vacuum and in light of the IAA position paper entitled: Economic Development Strategies for Alberta Indians, that the Alberta region is attempting to re-assess the options and strategies for Indian socio-economic development in consultation with Indian leadership. However, there are obvious inadequacies in the level of funding for Indian business development and socio-economic projects. Further, new structures and methods of operations that can respond in an integrated and an wholistic manner are required.

5. As outlined recently by the Minister of Indian Affairs in response to Indian initiatives, the major thrust of DIAND is to increase the authority, responsibility and financial capabilities of the Indian government. This is reflected in the DIAND directional Plan for 1980 which states:

"Band governments become the focus of comprehensive community and individual development. Bands exercise power and authority within their own jurisdiction. Band governments responsible and accountable to their members for achievement of community goals and to government for Federal funds expended."

While in many respects Alberta leads the country in development of sound Indian governments, many Reserves still require considerable developmental assistance. Other progressive Bands are restrained by DIAND guidelines and procedures.

At the same time, it is apparent that in Alberta, the Depart-

ment's moral and legal trust responsibilities to ensure sound management and application of Indian resources including land, minerals and Band capital, potentially contradicts this thrust to increasing independence of Indian government.

6. It is within this context that DIAND, in consultation with Alberta Indians, must re-assess its methods and scope of operation and criteria for allocating increasingly scarce discretionary financial and manpower resources. In many ways, this issue goes beyond management and policy concerns to basic moral and political issues of justice and fairness. It raises the fundamental questions of what can or should be the role of government in Indian communities.

7. The very difficult decisions facing DIAND will have significant ramifications for Alberta Indian communities. Clearly, Alberta Indians must be brought into the discussion on the matter of allocations of Indian Affairs resources, as the outcome will directly affect the development of the majority of Indian communities in Alberta.

This paper hopes to contribute to that discussion by providing the following:

- i. Data and analysis indicating the discretionary financial allocations of DIAND on a Band-by-Band basis for the past two years (1979/80, 1980/81);
- ii. Identification of some of the internal operational problems of DIAND in determining a fair, equitable and effective resource allocation;

- iii. Proposals for consideration by the Department and the Indian community, two options for future allocations of resources and their operational consequences.

B. CURRENT SITUATION

The following concerns have been identified by Regional officials in the management and decision-making process regarding resource allocation:

1. The perception of "political" allocations within the Department has undermined the credibility of the current allocation system both from an Indian and government perspective. While the data collected in preparing this report does not justify this perception, there are sufficient recorded incidents to reinforce this widely held belief. While DIAND officials and Indian leadership recognize allocations must be made for "political purposes" as well as quantitative and developmental considerations, failure to distinguish these often incompatible rationale clearly in the allocation process leads to frustration and cynicism on the part of Departmental employees. It reduces the effectiveness of their efforts and those Indian Bands in obtaining maximum efficiency and benefits from allocations. It damages DIAND credibility and authority.

The criteria used by responsibility centre managers in allocation decisions appears to be primarily qualitative criteria, including the (1) "development potential of a Band", (2) "the Band's administrative track records", (3) "capability of leadership", (4) "the regional economic potential", and (5) the Band's previous year's funding level. While there appears to be some consensus among managers on these qualitative judgements of Bands, this is often not reflected in the level of DIAND funding allocated to Bands. (See Appendix VIII).

Moreover, once DIAND expenditure patterns are established, they are seldom adjusted to accommodate new Band financial (i.e. G/O revenue) or economic realities. (See Appendix III). While recently concern has been expressed for the "worst-first", there appeared to be insufficient development and application of the quantitative data required to justify decisions on this basis.

2. While the allocation process is the primary responsibility and activity of DIAND and the basic concern of Bands, responsibility centre managers did not indicate that any exceptional managerial resources in terms of time, analysis and evaluation, or decision-making systems were expended on targetting and justifying allocations to Bands. In part, this is a result of the allocation process occurring in a hectic period in February and March when the Department receives final targets from Ottawa and budgets from Bands. Consequently, these important decision-making processes occur in a "pressure packed time frame" and despite sincere efforts of managers, allocation decisions are occasionally lacking sound reflective or analytic judgement.

The Department practice of not indicating the funding that will be available to Bands until March or April of the fiscal year also results in much wasted effort in January and February on the part of the Bands preparing relatively useless and irrelevant budgets, as they do not match the financial reality or limitations of the Department. This results in Bands having to re-do budgets continually in May and June, the most difficult times for a Band to undertake this planning process, as Band Councils are often out hunting, fishing and trapping, or else farming. Consequently, the

actual use of DIAND funds by the Band is not given as much thought or consideration as perhaps it deserves.

In summary, the DIAND fiscal cycle exacerbates the problems of fair and effective allocations to Bands.

3. There is a lack of coordination among the various sectors of the Department in determining the over-all allocation to a Band. There is little formal exchange of data or information among the various sectors of the Department, and, consequently, one sector of the Department often does not know what the other sectors are proposing on a particular Reserve or their rationale for doing so. As a result of independent program response to Bands, there is a lack of consolidation of related expenditures to achieve greater efficiency and results. This is a major structural and operational deficiency.

Socio-economic development is based on program/resource integration to solve related problems and achieve common goals. For example, expenditures in the area of employment and training, adult education, Band Works Process and economic and social development resources could be much more closely integrated to tackle problems of unemployment, economic development and related social problems. The Blackfoot Social Services agreement is a case in point.

4. A major related problem in the decision-making system is the lack of a rapidly accessible, fully integrated, relevant socio-economic, capital, and financial data source on a Band-by-Band basis available to responsibility centre managers. The lack of an inte-

grated Band data base contributes to differing perceptions of Bands among program managers (See Appendix VII). Such a data base is essential to develop systematic quantitative criteria for resource allocation. While all the necessary data is reported to be available within the Departmental records, it is not presented in an integrated or coordinated manner through a mechanism relevant to decision-making in the allocation process. This reflects the major problem in Departmental procedures in which neither resource allocation nor data is identified and recorded on a Band-by-Band basis, but rather, through responsibility centres and program managers.

5. A significant barrier in developing effective use of DIAND and Band capital funds is a lack of long range capital planning, both on the part of Bands and DIAND. While on one hand, the DIAND recognizes and finances the development of community plans, including capital and socio-economic forecasts, the system of annual allocations without multi-year agreements undercuts the implementation of Band plans and the planning process in general.

Consequently, there is a tendency to make capital allocations each year "from scratch", and not to finish or "follow through" on projects or plans initiated the previous year. While this is changing somewhat under the DREE-DIAND program, capital expenditures in each year are not generally closely related to proposed expenditures in the future years.

There is no systematic linkage within the Department of capital expenditures to future O & M requirements in a cohesive manner. At present, very few future capital and O & M commitments are

currently recorded in DIAND financial management systems, despite the systems' capacity to do so.

This often results in the numerous severe problems associated with lack of long range technical and financial planning. It is particularly difficult for the engineering and technical support services branch to justify some projects as being in the best long term interests of the community under this allocation system.

The lack of long range planning in DIAND is exacerbated by the Department placing limited requirements on Bands to develop long term plans to justify the use of Band capital for either socio-economic or infra-structure purposes. The Department provides little assistance and places no incentives or firm responsibility on Bands for developing long range plans for socio-economic or capital projects to be financed and operated by Band revenue. As a result, Departmental funds annually chase the supposed Band capital fund "shortfalls" of resource rich Bands and their use is often dictated by short-term, often ill-considered, Band capital allocations of the wealthy Bands. Consequently, Bands with significant capital may often attract larger shares of the Departmental resources than perhaps long term merits of the project deserve.

Finally, while these Bands may rely on DIAND for less than 40% of their funding, their fiscal and planning cycle and undertaking of projects follows the DIAND fiscal cycle. They appear needlessly locked into the government procedures inhibiting their independent long range financial planning.

6. There is no mechanism or criteria within the Alberta Region of

comparing the over-all relative merits or cost/benefits of allocating funds for differing projects or activities. For example, subsidizing expensive housing in developed or low cost housing in underdeveloped Reserves. Thus, there must be developed, a centralized mechanism that allows the merits of over-all allocations to one Band to be compared to allocations to other Bands.

7. There is no integration of the resource allocation of expenditure planning of the Department of Indian Affairs with resource allocation from other Federal departments. This allows the Department's funding to be linked by Bands to future negotiations for "training" or "labour" funds from other Federal or Provincial departments. Particularly in training, employment and capital projects greater coordination is necessary.
8. The use of the Department's manpower resources does not appear to be considered in the resource allocation process. Specifically, they are not made with an eye to focussing more resources on a worst-first basis, i.e. Bands which cannot purchase technical or advisory staff. Technical and advisory staff, specifically engineering, local government and economic development and CESO are not instructed to prioritize their time on less developed Reserves. They tend to be assigned on a project by project basis, regardless of the merit and urgency, or the financial capacity of the Reserve to contract these technical services to outside agencies.
9. The Department has no systematic manner of conducting socio-

economic or capital/infra-structure audits on Bands or Indian organizations to determine, in fact, whether the allocations to Bands have born results promised in the intial Band budget submissions. The Department has no systematic method of tracking or evaluating Band performance in achieving stated objectives. Band performance audits would determine what results were obtained from the socio economic and capital funds allocated to the Band over the course of a uear. It may be instructive to both the Department and the Band as to ways and means of ensuring greater results from allocation.

10. Finally, and perhaps most significant, the report recognizes the validity this statement from the Alberta Region Situation Report and Overview:

"ASPIRATIONS OF ALBERTA INDIANS AS PERCEIVED BY THEIR LEADERS AND THE INDIAN ASSOCIATION OF ALBERTA"

1. The need for adequate financing based on an accurate assessment of the legitimate needs of Alberta Indian people is viewed as essential by the Indian leadership of Alberta.
 - a) Financing of Indian Government is viewed by the Indian leaders of Alberta as "completely inadequate".
 - b) The turnover to Bands of programs is not acceptable to Indian leadership unless adequate administrative and overhead funding is viewed as an integral part of such transfer agreements.
 - c) Core funding from the Indian viewpoint is seen as entirely inadequate.
 - d) Departmental schedules for the transfer of funds do not coincide with the realities of Band funding requirements."

C. GENERAL RECOMMENDATIONS

In the context of the intent, goals, and objectives of National DIAND directional plan (1980), and based on analysis of the current management system in the Alberta region, the following steps are

recommended to be undertaken to develop a more systematic and effective allocation process:

1. The management policy, procedures and operation of DIAND should be operationally re-oriented to an holistic, integrated, and developmental response to Bands rather than the current segmented approach centered on responsibility centre managers and independent program response.
2. DIAND should establish a centralized and consolidated authority for Band Socio-Economic Development. This SED unit should have responsibility and authority for the allocation of all discretionary funds and advisory services to bands. DIAND statutory and corporate functions should operate independently of this authority.
3. DIAND should immediately undertake the establishment of a Socio-Economic Development Group through the consolidation of the authorities and discretionary funds available in local government, economic development, social development, adult education and training, community planning, as suggested in the 1980/81 operational plan for the region. The current Directors of these programs should operate as a team in determining allocations. As part of this re-structuring, DIAND should prepared for the eventual transfer of management of IEDF to Indian financial institutions or banks and the Indian Business Development function to Bands or Indian organizations.
4. The proposed DIAND re-organization for the Alberta region as

outlined by Mr. Steele should be initiated as a means of eventually achieving the consolidated SED unit.

5. As part of the SED unit, DIAND should acquire the additional necessary developmental capacity and expertise currently not available in the region to advise Bands and the Department in developing and implementing a SED philosophy and approach.
6. The Regional Director should require increased quantitative justification from both Band and SED unit for all discretionary allocations. The R.D.G. should not be directly involved in the allocation process or related negotiations. His focus may be once of policy explanation, Department relations with Bands, and attention to complex Regional problems.
7. DIAND, in cooperation with the Bands, should undertake the consolidation on a Band-by-Band basis of all quantitative socio-economic, infra-structure, and financial data relevant to the allocation process. Data should be readily available to Bands and up-dated annually. Further, DIAND should commence to record all expenditures and revenues on a Band-by-Band basis and make this available to Bands and Program Managers.
8. DIAND should establish a Capital Management Group to provide advisory/technical support and incentives, particularly to less developed Bands, to develop a three to five year capital allocation plan. The CMG, chaired by the Director of S.E.D, should review and prioritize DIAND capital allocations over a three-year period. Speci-

fically, this group and L.R.P. should examine ways and means of encouraging/requiring Bands with significant G/O revenue to develop long range financial plans. Capital projects must consider training and employment aspects.

9. To stimulate long range planning, DIAND should be prepared to enter reasonable multi-year Capital, O & M, and S.E.D. consolidated financial agreements. DIAND should take the initiative in assisting underdeveloped Bands in preparing and implementing such agreements. No agreements should be undertaken until reviewed from a S.E.D. and C.M.G. perspective to ensure an integrated and coordinated DIAND response.
10. The Department's technical and advisory staff resources should be included in the allocation system. Specifically, they should be assigned to underdeveloped Reserves lacking independent financial resources.
11. To establish a more suitable and realistic allocation time table
 - (a) DIAND should request Band budgets by November 30th for the coming fiscal year.
 - (b) The decision-making process by C.M.G. and S.E.D. unit to determine the allocations to Bands should commence August 15th with reviews of budgets shortfalls, Band plans and Capital and S.E.D. commitments.
 - (c) Consolidated expenditure targets for Socio-economic and capital for Band should be forwarded to them by December 15th for the coming fiscal year (see attached time table).

12. In light of the increasing allocations to Indian organizations at the expense of allocations to Bands, DIAND should undertake a review of the method of financing Indian organizations in consultation with the organizations.
13. In order to commence a new allocation system the DIAND should indicate to Bands and Indian organizations that current levels of funding are under review and that unless commitments are specified in writing that Bands should not anticipate funding at current levels.
14. In order to monitor and evaluate the allocation system, DIAND should require annual socio-economic and capital audits from Bands to assess the results achieved from DIAND and Band allocations. These audits should be submitted by Bands on forms designed by DIAND along with financial audits at the end of each fiscal year.
15. As proposed in the DIAND program direction report (1980) DIAND should initiate, with the IAA, the establishment of a Federal committee for delivery of resources to Indian Socio-economic Development. Participants may include CEIC, DREE, ITC and possibly NHW and Secretary of State. Information sharing, program coordination, and integrated services, particularly in response to resource development.
16. As a new allocation system will have significant impact on the future development of many Reserves, the R.D.G. and Long Range Planning Unit should initiate a wide ranging dialogue and consultation

process with the Indian community addressing the key issues of fairness efficiency and improved management with less resources.

17. To reduce suspicion of DIAND operations, DIAND should make available to Bands information regarding annual allocations to Bands.

D. OPTION ONE FOR ALLOCATION OF DIAND DISCRETIONARY RESOURCES

I. OPTION ONE - TARGETTING BANDS FOR DEVELOPMENT RESOURCES

If the Department chooses to allocate resources primarily on the basis of need, then it may consider targetting DIAND resources on those Reserves documented as the poorest, least developed, most dependent Reserves in the Province.

For fiscal year 1981/82 all discretionary DIAND funds in the Alberta Region would be placed in two expenditure envelopes:

- i. Development Envelope for exclusive expenditure on the targetted Bands.
- ii. Support Envelope for exclusive expenditure on the Reserves with significant stable resource income.

Through the Development Envelope, the targetted Reserves which at present receive approximately 65% of the discretionary funds should receive an increasing share of 10% to 15% of the Socio-Economic development (training and employment, and adult education), capital, O & M and local government allocations. This envelope would be further divided into a socio-economic budget to be allocated by the Socio-Economic Group and capital budget allocated by the Capital Management Group.

The proportionally size of the envelopes should be retained over a three to five year period to support a consistent planned

approach to development.

As indicated in Appendix III, DIAND can anticipate gradual reduction of discretionary funding over the next few years reducing funds to dependent and underdeveloped Bands. Concomittantly, due to price increases, G/O revenues will generally rise to Bands in the Support Envelope. Therefore, increasing allocations to targetted Bands should be sustained over a three to five year period.

The specific allocations to targetted Bands by both Management Groups within the Development Envelope should be based in part on relevant quantitative criteria including size, socio-economic data, housing/infra-structure needs, etc.

Or, as an alternative method, socio-economic funds may be allocated primarily on the basis of socio-economic criteria while capital may be allocated on the basis of 70% per capita and the remaining 30% on the basis of project merit or Band need. The writer favours the first method.

The specific criteria or formula should be determined by the Director of S.E.D. based on actual financial, socio-economic, and demographic data of the targetted Bands.

The funds in the Support Envelope would be allocated to other Bands on the basis of Bands demonstrating the greatest need or socio-economic potential, submitting sound socio-economic and capital plans, or requiring further Departmental funding for effective use of Band capital resources. In other words, on basis of planning the use of Band capital and individual project merit or need. Consideration would also be given to per capita income from G/O revenue.

Regardless of the method chosen, clearly, the bulk of funding

in the Support Envelope should go to Bands requiring further DIAND developmental assistance. Certain "rich" Bands should only receive statutory funds.

These funds should be applied through annual or multi-year agreements to Band determined priorities.

It is conservatively estimated that approximately \$10 - \$15 million can be re-shifted through allocations based on this option over a five year period. This would have a very significant impact on improving the physical infra-structure and socio-economic circumstances of dependent communities.

II. CONSEQUENCES FOR IMPLEMENTATION

1. This option would require the consolidation of authority, data and resources through the establishment of Development Unit integrating the functions and resources of local government, economic development, adult education and social development. It supports entirely the restructuring of DIAND as proposed by Mr. G. Steele that divides DIAND into Development and Corporate Functions (See Appendix VI). It will necessitate a substantial re-organization of the Department with an eye to putting together a developmental team with sufficient background, expertise and technical support to undertake this option. For 1981/82, a socio-economic development team could be established by integrating and focusing the considerable skills and resources of current DIAND management.

2. Band to be targetted for the developmental process should be identified by the senior program managers within the Department of Indian Affairs, possibly in cooperation with the IAA. The data and analysis outlined in Appendix III may be helpful in this regard.

The targetting and application of funds to Band Councils from both Envelopes should be coordinated by the Director of Development, in cooperation with S.E.D. and C.M.G. The specific allocations from both Envelopes should have substantial quantitative justification. While the exercise should be an internal and confidential procedure, the end results will have to be able to be justified to the Alberta Indian community and therefore justification should be developed by the S.E.D. unit.

As part of this approach, complete Band profiles, listing all socio-economic data, development potentials, developmental problems, housing and infra-structure needs and other relevant socio-economic data would be prepared jointly by the Band and the Department. This should be undertaken immediately upon identification and grouping of the Bands.

Expenditure targets for the following three years in the socio-economic, capital and O & M local government, resources should be eventually identified for each Band in the Development Envelope.

This should be done by March, 1981, and, if possible, incorporated into three-year consolidated development agreements with the communities. These financial commitments should be entered into the Departmental financial system reserving the priority on funds for future years.

3. If the Department identified its projected allocation to targetted Bands by December 30th of each year and sticks to these with a fair degree of commitment, it would allow the Band to give best decision-making time, which is January through to March 31st, to prepare operating budgets based on actual targets. This approach requires a fundamental shift in the financial cycle of the Department of Indian Affairs, but there is substantial justification for this shift. Identifying financial targets for DIAND and Bands much earlier in the year would allow for much better planning and allocations, resulting in greater benefits deriving from resources.
4. In order to facilitate long range capital planning, a capital management group, chaired by the Director of S.E.D. would review, prioritize and plan capital projects and expenditures for Bands in both envelopes.

The Department would re-orient the application of engineering and local government personnel to Reserves targetted for development. Technical and advisory staff at both regional and district levels should have priorities placed on services for these communities. The Department of Engineering should assign engineers to be responsible for each of these Reserves and not to Reserves with significant Band capital. Those Reserves in the Support Envelope should be hiring their own technical and engineering advisory support services.
5. Following the Federal government liaison workshop, the Department should initiate the bringing together of the resources of CEIC, DREE and other Federal departments to establish a Federal-Indian

Socio-Economic Development committee to examine other financial, technical and advisory resources that can be brought to bear in the development of these communities. Indian participation should be invited from the IAA.

6. As a part of this approach, an evaluation mechanism should be built in and this should be done in cooperation with the evaluation component of the Department in Ottawa.

7. The Department may undertake a series of work shops for Bands with significant Band capital in Band capital planning, cost benefit analysis of investments, and other skills required to undertake three-year capital allocations. This would include consideration of O & M costs associated with capital costs, an understanding of socio-economic principles including subsidizing businesses, and the benefits and alternatives to per capita distribution programs.

The Department may place responsibility for these workshops in the Department of Long Range Planning or contract this activity to a professional consulting agency with development skills and financial expertise which would be available on a cost sharing basis to Bands.

DIAND may consider a policy of not releasing funds to Bands with Band capital of over \$2 million per year until they receive a three-year Band capital budget identifying expenditure in the area of capital and socio-economic development. Implicit in this approach is that the department demands a greater planning in use of Band capital as a condition for allocating further Federal funds to the Band.

More progressive Bands will be supported in finding alternative

sources of financing, including the Provincial government and other Federal agencies.

As the proposed structural change will likely require considerable time to implement, the SED Group and C.M. Group can be established from an operational re-organization of current manpower (see attachment).

8. An implementation time table for 1981/82 is attached.

DISADVANTAGES OF OPTION ONE

1. The Department may not get the most productivity from its capital expenditures as the targetted Bands do not have the technical or advisory staff to make effective use of the Departmental allocation. However, sufficient funds should be allotted to allow Bands to hire necessary advisors and technical staff. Further, if combined with DIAND staff resources, technical deficiencies should be reduced.
2. There will be complaints about the cut-back funding from some Bands with significant B/O revenue and yet have traditionally relied on significant funding from the Department. The likely argument against "worst-first" to be put forward by the developed Bands, are namely: (a) we deserve it because we have developed to this stage, (b) we need further Federal dollars to continue our progressive development, and (c) the Department has a legal and moral responsibility to continue financing our Reserves at the same level.

3. Band with significant G/O revenue have the financial resources to lobby against this re-allocation.

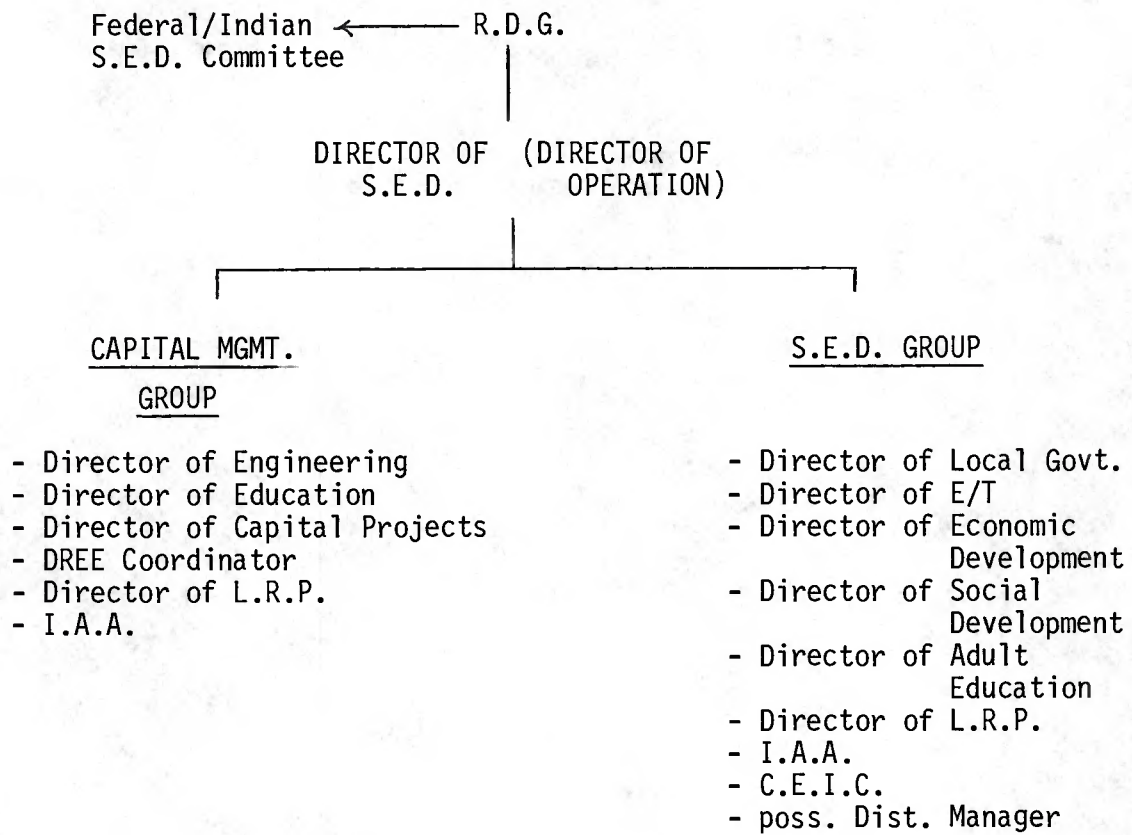
ADVANTAGES OF OPTION ONE

1. This approach will have substantial positive effect on the majority of Bands in Alberta without significant G/O revenue for whom it will result in increased socio-economic and capital funding.
2. The DIAND response to "worst-first" will be most obvious and pointedly made through the dual Envelope system.
3. It is justifiable in terms of the direction of the Beaver Report, N.I.B. Strategy Report, and recent IAA policy papers, to respond in a holistic community-based socio-economic manner to the problems of the Indian community. This approach also appears to be most in line with the basic principles Indian Government outlined in a recent statement by the Minister of Indian Affairs. It supports the implementation of multi-year consolidated financial agreements between the Federal Government and Indian Governments.
4. It will eventually reduce the dependency of Indian Bands and individuals on social assistance payments in the short and long term.
5. It will result in a substantial re-organization and integration of Departmental programs and services resulting in more effi-

cient operation and effective use of scarce DIAND manpower and financial resources. It can be implemented promptly.

6. It will encourage long range planning in use of DIAND and Band capital by all Bands, but especially Bands with significant G/O revenue who must now rely less on DIAND funding.
7. It will, in part, reduce the growing disparity between resource rich Bands and Bands dependent on DIAND funding.

OPERATIONAL CONSEQUENCES
FOR DISCRETIONARY ALLOCATIONS



E. OPTION TWO - "BEST FIRST"

A. Under this option, all Bands would submit capital and socio-economic development plans and projects to a DIAND Allocations Committee, chaired by the Director of Development. Funds would be allocated on a basis of the "best project" approach, regardless of the stage of development or financial capacity of the Band.

Capital and O & M projects would be presented as part of Band Capital Plans to DIAND in September to November. The Capital Management Group would review, compare and prioritize various Capital Projects and approve projects for the forthcoming fiscal year. It would also commit future capital, and O & M funds to complete and operate Capital Projects.

Band projects would be weighed on the basis of a number of criteria that would assess their relative merit. The criteria would include the relationship of the capital project to a long-term capital development and operational expenditure plan, the technical feasibility of the project, the cost to DIAND and the Band, the need for the program as quantitatively demonstrated and justified by the community, the technical and administrative capacity of the Band or the Department to undertake the project, and the over-all degree of planning and justification presented for the project.

A similar mechanism would be established to review socio-economic plans and projects. Socio-economic projects would be reviewed by a team reporting to the Director of Development on the basis of their impact on employment, their economic viability, their productivity and effectiveness, the administrative and technical

capacities of the Band, the economic potential of the community and other criteria that would be developed by the Department of Indian Affairs Socio-Economic Development Group.

Again, all Socio-Economic projects would be reviewed on the basis of their merit and on the basis of their achieving broad economic goals established by the Department of Indian Affairs, including reduction of unemployment and increasing economic self-sufficiency. Efforts would be made to link viable projects into two to three year funding commitments.

CONSEQUENCES FOR IMPLEMENTATION OF OPTION TWO

1. This option would retain the consolidated authority for decision-making, however, rather than divide the Discretionary Funds into development and support envelopes, Bands would compete directly for funds from a single allocation envelope.
2. The socio-economic group and capital management groups would be retained under a structure similar to that proposed by Mr. Steele.
3. The time table for implementing Option Two would be substantially different from Option One, as the Department would have to set a specific date for receiving submissions and plans and projects from Bands in order to judge the relative merit of the plans and projects.

This would, in all likelihood, result in the allocations being made during the period January through March, assuming Band budgets were submitted by December 31st.

4. The engineering and technical staff of the Department would spend considerable time reviewing the proposals and projects of various Bands, as to their feasibility and merit.

They would work on assessing all Band projects rather than specifically focussing on the less developed Bands targetted for increased developmental resources. It would likely mean that a substantial amount of the Department's manpower resources would be spent reviewing the projects from Bands with the financial, planning, and administrative capacity to develop capital and socio-economic projects and these would not necessarily be the least developed Bands.

5. It is anticipated that the decision-making procedure and criteria for analyzing and applying the priorities of allocations on the basis of project merit would require substantially more manpower, time, and energy from the Department.

6. In conclusion, Option Two most closely resembles the current pattern of decision-making amongst the Department. However, it would increase the requirements of the Department to evaluate and compare the relative merits of each of the projects and the justification.

ADVANTAGES OF OPTION TWO

1. Require increased planning and quantitative justification by Bands for projects in order to receive Indian Affairs funding.
2. Encourage the development of long-range capital and socio-

economic plans, particularly by Bands with significant revenue.

3. Ensure the most efficient and effective use of Departmental allocations through comparison of relative cost/benefits of the projects.
4. Ensure maximum efficiency in achieving results through departmental funds by ensuring adequate administrative and technical resources are applied on projects of considerable merit.

DISADVANTAGES OF OPTION TWO

1. Bands with significant resources could develop better technical and political arguments for allocations, thus acquiring a larger share of DIAND discretionary funds.
2. The poor Bands may not have necessary advisory or technical capacity to plan, develop, implement or administer projects required by their communities, thus reducing the likelihood of successful application. Therefore, the Department would be required to provide these services to the Bands.
3. It places the Department in the sensitive position of judging the relative merits of each project. The criteria would be merit, not necessarily need.
4. This project approach may conflict with the notion of wholistic funding through consolidated agreements.

5. This very competitive allocation system would likely increase the political pressure on DIAND from Bands to finance their particular projects. However, at the same time, it would require Bands to develop the planning, administrative, and technical skills to persuade the Department to invest resources in their community. In this sense, the system provides much more incentive to Bands to develop sound socio-economic and capital plans.
6. Since the merit of the project and long-term benefits deriving from the project are crucial to its continued financing, it would require the Department to increase its performance evaluation function.

CONCLUSION

In conclusion, we have tried to "paint with broad, bold strokes" significant changes in DIAND allocation policy. Either option must require further consultation, detailed planning, and strategies. Their success will depend a great deal on the understanding and commitment of the Regional Staff to what it is we want to achieve.

IMPLEMENTATION TIME TABLE

Assuming Adoption of Option One

1980

- August 1 - 15
- (a) Review Report re. Allocation System - Alberta Region, R.D.G.
 - (b) Discuss with H.Q. - R.D.G.
 - (c) Seek H.Q. approvals.
- August 15 - 22
- (a) Establish Director of Development Unit and Director of Capital Management Group - R.D.G.
 - (b) Identify Bands targetted for development and Collect Data re. Band Profile. (i.e. S.E.D./infra-structure, etc) - Director of Development.
- August 31
- (d) Establish work allocation plan (decision-making) mechanism, and revised implementation time table in detail - Director of Development and Director of Capital Management Group.
- September 1
- (a) Initial consultation with Indian Community (IAA Board) re. process, method and time table of allocation - R.D.G./L.R.P.
 - (b) Call letter requesting receipt of Summary of Budget from all Bands and Organizations with expenditures identified by broad categories of Capital/O & M/ S.E.D. by November 15, 1980 - R.D.G.
 - (c) Capital Management Group prepare review and prioritization of capital projects in target group - Director of C.M.G.
 - (d) Request Band Revenue/Capital Projections for Bands for 1981/82 from Indian Minerals including proposed sales. To be delivered by September 30, 1980 - Director of Development.
 - (e) Commence Consolidation of S.E.D. Unit, authorities, staff, and funds - Director of Development.
 - (f) Assign Coordinator and Staff for assisting Band Budget Development - Director of Development.
 - (g) Commence formation of Federal Regional S.E.D. Group, including: C.E.I.C/DREE, ITC and Indian Rep. - L.R.P.D. and R.D.G.
- September 15
- (a) Receipt of Regional Targets from Ottawa - Director of Finance.
 - (b) Identify "firm/legal" commitments to Bands and Indian organizations for 1980/81, including statutory, non-discretionary cost - Director of Finance.

Implementation Time Table

1980

- September 30
- (a) Identify projected discretionary funds available to Alberta Region for 1981/82 - Director of Finance.
 - (b) Determine initial categorization of discretionary funds to Capital/O & M/ and SED for initial allocation planning - Director of Dev./Dir. G.M.G./R.D.G.
 - (c) Completion of Band profiles - Director of Development.
- October 1
- (a) Report re. Consultation with Indian Community - LRP with emphasis on PROBLEM IDENTIFICATION.
 - (b) Establish priorities for Capital allocation in targetted Bands in 1980/81 - Director CMG and Director of Development.
- October 15
- (a) Development Unit identify S.E.D. cost projected for 1981/82 for each INDIAN ECONOMIC DEVELOPMENT ORGANIZATION and targetted community and prioritize - Director of Development.
 - (b) Determine percentage of discretionary funds allocated to target Band - R.D.G./Director of Development.
- October 30
- (a) Capital Management Group outline 2 - 3 year work plan and financing report on priority projects for targetted Bands - Director of C.M.G.
 - (b) Complete initial draft of allocation allocation of CAP/ O & M and S.E.D. funds for targetted Bands and Indian organizations - Director of Development and Director of C.M.G.
- November 15
- (a) Confirm division of Regional Budget to Statutory, CAP/O & M/S.E.D. expenditures - R.D.G. and Director of Development.
- November 30
- (a) Complete final review of Band targets in light of budget requests, Band profiles, Band income, etc. - Director of Development and Director of C.M.G.
- December 15
- (a) Send Targets for 1981/82 to all Band outlining CAP/O & M/S.E.D. targets (this could be sent to all Bands) - Director of Development and R.D.G.

Appendix I

APPENDIX I

- A. SUMMARY OF BAND FUNDING FROM DIAND,
SALE OF LEASE, AND ROYALTY PAYMENT
FOR 1979-1980

Gross Income to Bands from DIAND
Sales of Leases and
Royalty Payments for 1979/80

1979 - 80

SOCIO-ECONOMIC FUNDING

	POP.	Band Capital & Revenue	Band Income Per Capita	DIAND O&M *	DIAND Capital	DIAND Total	DIAND Per Cap. Contrib.	Rank	4000 Total Socio-Economic Funding	Per Capita Funding Socio-Economic	Rank	Total Income DIAND & Band Cap/Rev	Per Capita Income	Rank
<u>High Level District</u>														
Tallcree	261	nil	nil	132,763.65	526,504.00	659,267.65	2,525.92	2	29,654.00	113.61	11	659,267.65	2525.92	16
Boyer River	326	nil	nil	91,794.00	205,600.00	297,394.00	912.25	18	5,295.00	16.24	34	297,394.00	912.25	29
Little Red Riv.	1388	nil	nil	154,191.00	349,019.00	503,210.00	362.54	31	51,923.00	37.40	25	503,210.00	362.54	40
Dene Tha'	1304	67,457.00	51.73	267,012.00	483,909.00	750,921.00	575.85	26	26,239.00	20.12	30	818,378.00	627.59	34
<u>Ft. McMurray District</u>														
Ft. Chipewyan	293	nil	nil	74,450.00	174,500.00	248,950.00	849.65	20	13,500.00	46.07	23	248,950.00	849.65	30
Cree Band	919	nil	nil	261,409.17	466,500.00	727,909.17	792.06	22	54,724.00	59.54	20	727,909.17	792.06	31
Fort McKay	203	nil	nil	95,810.00	370,965.00	466,775.00	2,299.38	5	33,960.00	167.29	10	466,775.00	2,299.38	19
Ft. McMurray	125	33,080.00	264.64	120,273.00	93,590.00	213,863.00	1,710.90	7	27,375.00	219.00	4	246,943.00	1,975.54	22
Janvier	242	7,748.00	32.01	78,618.00	503,223.00	581,841.00	2,404.30	3	33,960.00	140.33	12	589,589.00	2,436.31	17
<u>Saddle Lake/Athabasca</u>														
Beaver Lake	263	343,243.00	1,305.10	178,689.44	209,335.00	388,024.00	1,475.37	8	63,178.00	240.22	3	731,267.00	2,780.48	13
Saddle Lake	2557	8,208,756.00	3,210.00	1,204,560.30	1,212,079.00	2,416,639.30	945.10	17	170,850.00	66.81	16A	10,625,395.00	4,155.00	10A
Whitefish Lake (Saddle Lake)	958	3,074,758.00	3,210.00	747,919.89	229,400.00	977,319.89	1,020.16	14	323,319.00	337.49	1	4,052,078.00	4,230.00	10
Cold Lake	1017	275,943.00	271.33	741,097.36	610,600.00	1,351,697.36	1,329.10	9	208,887.00	205.39	5	1,627,640.36	1,600.43	24
Frog Lake	774	46,605.00	60.21	436,541.00	372,175.00	808,716.00	1,044.85	12	153,058.00	197.74	6	855,321.00	1,105.06	27
Kehewin	679	77,534.00	114.18	903,392.72	274,300.00	1,177,692.72	1,734.45	6	181,373.00	267.11	2	1,255,226.72	1,848.64	23
Heart Lake	90	292,673.00	3,251.92	111,582.07	397,455.13	509,037.20	5,655.96	1	16,500.00	183.33	8	801,710.00	8,907.89	7

(1) Figures supplied by INDIAN MINERALS WEST

(2) All DIAND figures as per 79/80 Band audits

(3) Social Assist. payments not included

* O&M figures exclude cost of social assistance basic needs (5004)

	POP.	Band Capital & Revenue	Band Income Per Capita	DIAND O&M *	DIAND Capital	DIAND Total	DIAND Per Capita Income Rank	4000	Per Capita Rank	Total Income DIAND & Band	Per Capita Income Rank	
<u>Yellowhead</u>												
Alexis	638	735,337.00	1,152.56	245,452.58	370,000.00	615,452.58	964.65 16	64,167.00	100.57 14	1,350,789.58	2,117.22 20	
Alexander	646	1,307,391.00	2,023.82	281,088.61	154,300.00	435,388.61	673.97 24	41,667.00	64.50 18	1,742,779.61	2,697.80 14	
Enoch	674	11,180,251.00	16,684.16	103,496.06	20,500.00	123,996.06	183.97 37	nil	nil -	11,304,247.06	16,771.87 6	
Paul Band	774	2,572,498.00	3,323.64	303,926.32	139,000.00	442,926.32	572.25 27	61,767.00	79.80 16	3,015,424.32	3,895.89 11	
<u>Hobbema</u> *funding to Bands appropriated per capita												
Louis Bull	641	12,781,015.49	19,939.18	99,192.45	226,692.45	325,884.90	353.32 32	11,289.00	17.61 33	13,106,900.39	20,447.58 5	
Samson	2445	50,308,322.35	20,576.00	153,329.26	17,000.00	170,329.26	69.66 40	18,400.00	7.52 35	50,578,651.61	20,645.66 3	
Montana	351	7,101,816.05	20,233.09	42,459.97	37,500.00	79,959.97	227.80 35	7,234.00	20.60 30	7,181,776.03	20,406.90 4	
Erminskin	1216	25,125,452.11	20,662.37	180,785.38	96,000.00	276,785.38	227.61 36	42,367.00	34.84 26	25,402,237.49	20,889.99 2	
<u>South</u>												
Blackfoot	2962	1,487,429.00	502.24	1,818,403.24	846,000.00	2,664,403.24	899.52 19	90,460.00	30.54 27	4,151,832.24	1,401.69 25	
O'Chiese	342	385,703.00	1,127.78	123,173.12	208,500.00	331,673.12	969.80 15	9,100.00	26.60 29	717,376.12	2,097.59 21	
Sarcee	637	2,151,045.00	3,376.83	425,454.83	304,000.00	729,454.83	1,145.14 10	117,482.00	184.43 7	2,880,499.83	4,521.97 9	
Sunchild	391	667,114.00	1,706.17	175,614.90	149,500.00	325,114.90	831.49 21	57,100.00	146.03 11	992,228.90	2,537.66 15	
Blood	5423	27,011,100.00	4,980.84	1,469,934.29	986,941.00	2,456,875.29	453.04 29	341,593.00	62.98 19	29,467,975.29	5,433.88 8	
Peigan	1750	87,027.00	49.72	913,920.00	932,700.00	1,846,620.72	1,055.21 11	159,481.00	91.13 15	1,933,647.72	1,104.94 28	
Stoney	2163	23,253,133.00	10,750.40									

* O&M figures exclude cost of social assistance basic needs (5004)

POP.	Band Capital & Revenue	Band Income Per Capita	DIAND O&M *	DIAND Capital	DIAND			4000	Per Capita	Rank	Total Income DIAND & Band	Per		
					DIAND Total	Per Income	Rank					Income	Capita	Rank
<u>High Prairie District</u>														
Bigstone	1677	150,494.00	89.74	454,489.88	392,605.00	847,094.88	505.12	28	108,500.00	64.69	17	997,588.88	594.86	36
Whitefish Lake	558	744,194.00	1,333.68	110,156.91	463,600.00	573,756.91	1,028.23	13	31,200.00	55.91	22	1,317,950.91	2,361.91	18
Horse Lake	156	65,142.00	417.57	-	-	371,860.00	2,383.71	4	27,000.00	173.07	9	437,002.00	2,801.29	12
Driftpile	660	9,094.00	13.77	103,700.00	161,000.00	264,700.00	401.06	30	19,000.00	28.78	28	273,794.00	414.83	39
Duncan Band	53	2,557.00	48.24	8,400.00	23,262.90	31,662.90	597.41	25	nil	nil	-	34,219.90	645.65	33
Sawridge	46	3,467,325.00	75,376.63	-	-	6,073.00	132.02	38	nil	nil	-	3,473,398.00	75,508.65	1
Grouard	72	1,926.00	26.75	9,600.00	24,000.00	33,600.00	466.66	28A	nil	nil	-	35,526.00	493.41	37
Sturgeon Lake	749	246,687.00	329.35	135,167.00	66,000.00	201,167.77	268.58	34	32,000.00	42.72	24	447,854.77	597.93	35
Lubicon Lake	147	nil	nil	-	-	15,000.00	102.04	39	nil	nil	-	15,000.00	102.04	41
Sucker Creek	596	50,072.00	84.01	49,460.00	151,600.00	201,060.00	337.34	33	12,000.00	20.13	31	251,132.00	421.36	38
Swan River	199	7,440.00	37.38	32,760.00	116,300.00	149,060.00	749.04	23	11,500.00	57.78	21	156,500.00	786.43	32

* O&M figures exclude cost of social assistance basic needs (5004)

APPENDIX II

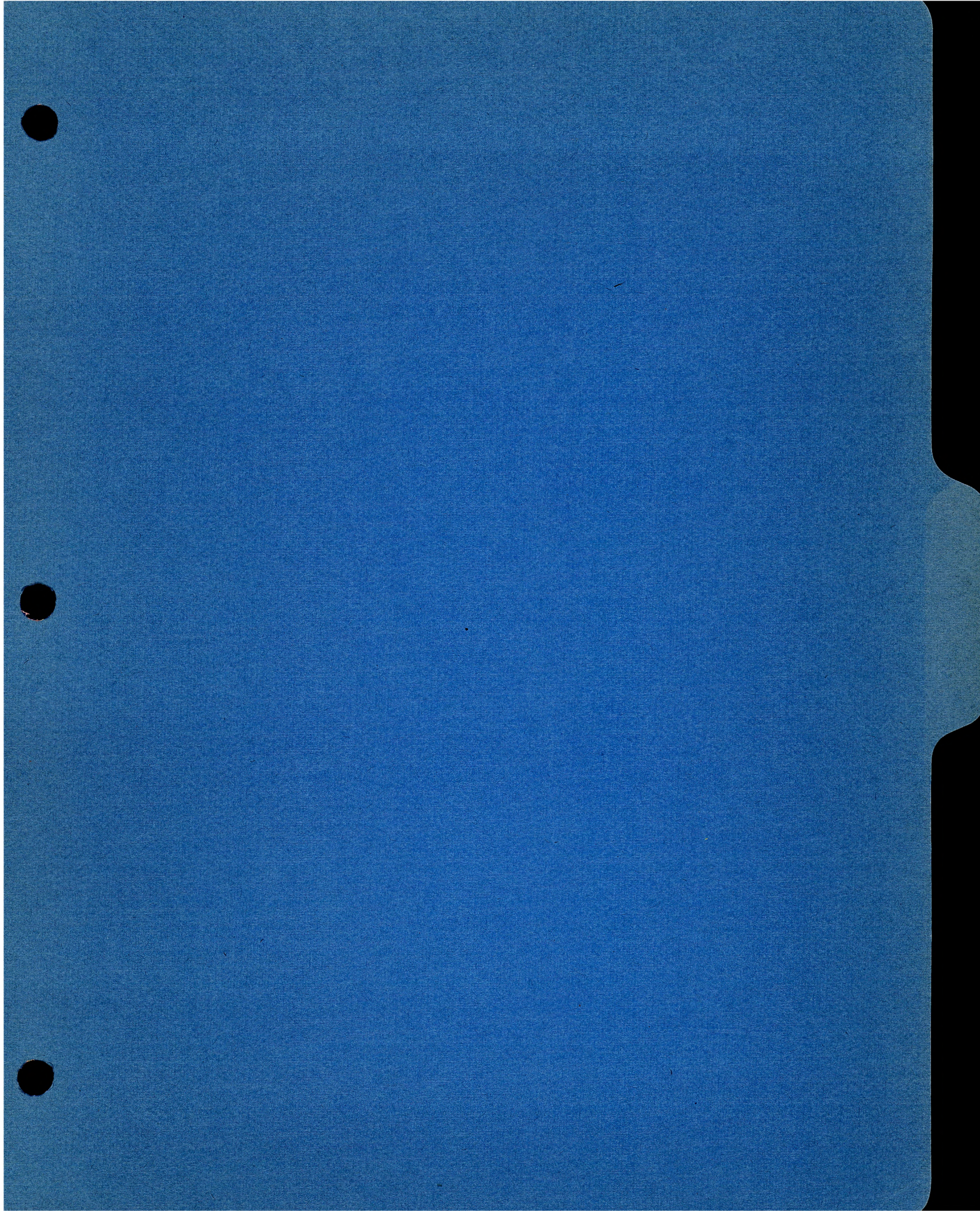
- A. RANKING OF BANDS IN 1979-80 by:
- 1) DIAND funding (O & M and Capital)
Per Capita
 - 2) DIAND Socio-Economic Funding
Per Capita
 - 3) Oil and Gas Revenue Per Capita
 - 4) Total (DIAND and Gas and Oil)
Funding Per Capita

Rank	Column I	Column II	Column III	Column IV	Column V
	DIAND Funding O&M & Cap Per Capita	DIAND Socio - Economic Funding/Per Capita	Oil & Gas Revenue Per Capita	Total Revenue/Funding Per Capita	
1	Heart Lake.....5,656	Goodfish.....337	Sawridge.....75,377	Sawridge.....75,509	
2	Tall Cree.....2,526	Kehewin.....267	Ermineskin.....20,662	Ermineskin.....20,890	
3	Janvier.....2,404	Beaver Lake.....240	Samson.....20,576	Samson.....20,646	
4	Horse Lake.....2,384	Fort McMurray...219	Montana.....20,233	Montana.....20,461	
5	Fort McKay.....2,299	Cold Lake.....205	Louis Bull.....19,939	Louis Bull.....20,448	
6	Kehewin.....1,734	Frog Lake.....198	Enoch.....16,684	Enoch.....16,772	
7	Ft. McMurray...1,711	Sarcee.....184	Stoney.....10,750	Heart Lake..... 8,908	
8	Beaver Lake....1,475	Heart Lake.....183	Blood..... 4,981	Blood..... 5,434	
9	Cold Lake.....1,329	Horse Lake.....173	Sarcee..... 3,377	Sarcee..... 4,522	
10	Sarcee.....1,145	Fort McKay.....167	Paul Band..... 3,324	Goodfish..... 4,230	
11	Peigan.....1,055	Sunchild.....146	Heart Lake..... 3,252	Saddle Lake..... 4,155	
12	Frog Lake.....1,045	Janvier.....140	Saddle Lake..... 3,210	Paul Band..... 3,896	
13	Whitefish.....1,028	Tall Cree.....114	Goodfish..... 3,210	Horse Lake..... 2,801	
14	Coodfish.....1,020	Alexis.....101	Alexander..... 2,024	Beaver Lake..... 2,780	
15	O'Chiese..... 970	Peigan..... 91	Sunchild..... 1,706	Alexander..... 2,698	
16	Alexis..... 965	Paul Band..... 80	Whitefish..... 1,334	Sunchild..... 2,538	
17	Saddle Lake.... 945	Saddle Lake..... 67	Beaver Lake..... 1,305	Tall Cree..... 2,526	
18	Boyer River.... 912	Big Stone..... 65	Alexis..... 1,153	Janvier..... 2,436	
19	Blackfoot..... 900	Alexander..... 65	O'Chiese..... 1,128	Whitefish..... 2,362	
20	Fort Chip..... 850	Blood..... 63	Blackfoot..... 502	Fort McKay..... 2,299	
21	Sunchild..... 831	Cree Band..... 60	Horse Lake..... 418	Alexis.....2,148	
22	Cree Band..... 792	Swan River.... 58	Sturgeon..... 329	O'Chiese..... 2,098	
23	Swan River.... 749	Whitefish..... 56	Cold Lake..... 271	Fort McMurray... 1,976	
24	Alexander..... 674	Fort Chip..... 46	Fort McMurray... 265	Kehewin..... 1,849	
25	Duncan..... 597	Sturgeon..... 43	Kehewin..... 114	Cold Lake..... 1,600	
26	Dene Tha'..... 576	Little Red River 37	Bigstone..... 90	Blackfoot..... 1,402	
27	Paul Band..... 572	Ermineskin..... 35	Sucker Creek.... 84	Frog Lake..... 1,105	
28	Big Stone..... 505	Blackfoot..... 31	Frog Lake..... 60	Peigan..... 1,105	
29	Crouard..... 467	Driftpile..... 29	Dene Tha'..... 52	Boyer River.... 912	
30	Blood..... 453	O'Chiese..... 27	Peigan..... 50	Fort Chip..... 850	
31	Driftpile..... 401	Montana..... 21	Duncan..... 48	Cree Band..... 792	
32	Little Red River 363	Sucker Creek... 20	Swan River..... 38	Swan River..... 786	
33	Louis Bull.... 354	Dene Tha'..... 20	Janvier..... 32	Duncan..... 646	
34	Sucker Creek... 337	Louis Bull.... 18	Grouard..... 27	Dene Tha'..... 628	
35	Sturgeon..... 269	Boyer River.... 16	Driftpile..... 14	Sturgeon..... 598	
36	Montana..... 228	Samson..... 8	Lubicon Lake.... nil	Big Stone..... 595	
37	Ermineskin.... 228	Enoch..... nil	Tall Cree..... nil	Crouard..... 493	
38	Enoch..... 184	Duncan..... nil	Boyer River.... nil	Sucker Creek... 421	
39	Sawridge..... 132	Sawridge..... nil	Little Red River nil	Driftpile..... 415	
40	Lubicon Lake... 102	Grouard..... nil	Fort Chip..... nil	Little Red River 363	
41	Samson..... 70	Lubicon..... nil	Cree Band..... nil	Lubicon Lake.... 102	
			Fort McKay..... nil		

Explanatory Notes:

1. Column II is included in Column I.
2. Column IV is a total of Column I and III.
3. Column I includes Capital, O & M, local government, Economic Development & LRP allocations. It does not include any contributions from education or social assistance.

Appendix IV-VII



REPORT ON ALLOCATION OF DISCRETIONARY
FUNDS - (J. SLAVIK AND ASSOCIATES)

It is apparent that this study is an exercise to determine the degree of disparity in money available to the various Bands in Alberta and to suggest a solution. The Bands have been categorized in three groups based on per capita revenues from D.I.A.N.D. plus gas and oil.

The data provided presumably is to be the basis for a holistic response to the needs of the Bands concerned. However the sources of revenues cited are merely a tip of the iceberg. If this exercise is to be meaningful a great deal of additional research is required and a much broader scope is essential. To approach any degree of holism one must also include the following data: -

1. Funding over the past two years from D.R.E.E., C.E.I.C. (L.E.A.P.) and I.T. and C.

In many cases these have been significant sums of money, and could readily change the rankings of the Bands as shown in Appendix III.

2. Salaries and Wages paid to employees in industries on reserves

These are very considerable - e.g. \$1,000,000 p.a. in Kainai Industries, or \$150,000 in Assumption Enterprises to merely cite two examples.

3. Income from self-employed entrepreneurs on Reserves

There are many successful farmers, ranchers, trappers, school bus operators etc. who are earning quite significant sums of money.

4. Income to individual Indians

Who, while living on a Reserve, are sufficiently close to a labour market that they can find useful and profitable off reserve employment. (e.g. Sarcees - Calgary, Enochs - Edmonton, Saddle Lake - St. Paul, Kehewins - Bonnyville).

5. Income from Leased Lands (e.g. crop sharing farm incomes)

The report suggests rightly that a combined committee of representatives from various agencies should consolidate their planning and work an integrated approach to discretionary funding. This may be a pipe dream since L.E.A.P. for example, may not be able to assess its use of funds on a Band by Band basis.

In any case in developing such a plan one must forecast the following before any government agencies start budgetting discretionary funds.

1. Salaries and wages of Band industries
2. Income of self-employed Band members
3. Income earned off reserve by Band members
4. Land lease revenues.

Once those numbers have been estimated for a future fiscal year on a per capita basis discretionary funds can be planned in an attempt to balance disparities on an equitable basis or even a basis weighted in favour of the poorer Bands.

A mechanism will have to be established that can update the amounts of income to Bands annually so that each year's budget can be planned with the almost utopian objective set out by Mr. Slavik. This data producing mechanism would therefore appear to be the first and foremost priority and must predate a joint departmental committee.

The above is a general comment on the paper as a whole.

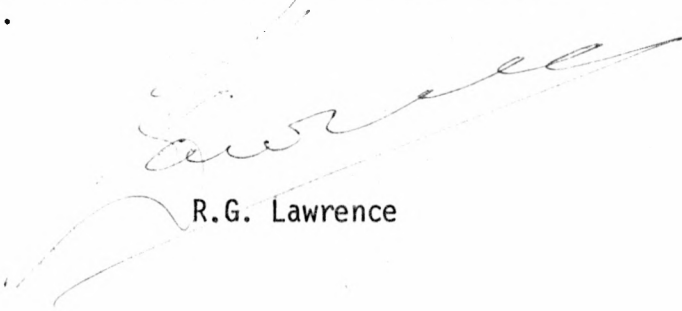
Comments I would make on specific statements in the paper are as follows:

1. Page 1. Last Paragraph. One wonders if the Federal Government is moving to "reduce sharp and disturbing increasing regional disparities." The Alberta Government probably sees this solely as an attempt at unilateral control of oil prices.
2. Page 2. 1st paragraph re responsibilities of D.I.A.N.D. towards wealthy reserves. While this is a greater concern in Alberta than elsewhere, are there any other areas where disparities occur in Canada? If so there should be a national rather than regional approach to this problem with development of a national policy.
3. Page 4. "The future of the I.E.D.F. and Economic Development program are (sic) uncertain." How can we plan anything *definitely* while this uncertainty exists? It could be an exercise in futility.
4. Page 4. Last paragraph. I do not agree that increasing independence of Indian Government is in conflict with the idea of trust responsibility. The moral and legal responsibilities remain without paternalism.
5. Page 5. 1st paragraph "It raises the fundamental questions of -- the role of government in Indian Communities." This must be essentially what the Indians want, but can there be agreement on this between, say, the Janviers and the Samsons, or the Sunchilds and the Bloods.
6. Page 11, Section 8. In the final analysis we should go where we are invited and requested, bearing in mind that the priorities will be dis-advantaged Bands. Historically we have usually encountered failures when we have initiated activities, and many more successes when the Indians have initiated and indicated a desire for an activity.

7. Page 13, Section 2. All economic developments have a socio value. Everyone writes about S.E.D. (Beaver Report, N.I.B., I.A.A.) but no one has written a one-paragraph definition!
8. Page 13, Section 3. Is there any Indian financial institution with the capability to manage I.E.D. Funds (Saddle Lake Credit Union?)?

What Indian organization could handle Business Development functions? This might create more competition from the more sophisticated Bands for services.

9. Page 14, Section 6. "The Regional Director General should not be directly involved in the allocation process". Agreed, and once the budget is set it should not be changed by the R.D.G. or D.O. except under exceptional circumstances and in full consultation with Program Managers.
10. Page 16, Section 14. Audits must be mandatory for any organization handling S.E.D. funds.
11. Page 16, Section 15. This would mean co-ordinating budgets and hence "locking them in".



R.G. Lawrence

→ Indian community consulted on
Priorities within envelope: ^{both} Poss Separately
by groups.
→ More disc. of DISND G/O by
& priorities as reflected in
exp. patterns

→ focus more on hard choices &
trade-offs within known limits

→ Est. tightly integrated process, greater
value for money sankeet

→ How dec. are made. is Key:

New System Keys:

- (1) Est. known limits
- (2) Put First Thing First - i.e. Worst First
- (3) Make Dec where they can be Best Made
- (4) Place Respon for Saving with
those spend

Add chart on Discretionary to Bonds
& Organizations
Group I Group II

79

→ Additional SEI data required
from Bonds.

→ Integration of Federal funds.
to reserves.



P.C. 1980-1692
19 June, 1980

PRIVY COUNCIL • CONSEIL PRIVÉ

WHEREAS the development of the individual, the family and the community is fundamental to the well being of Canadians and to the future of Canadian society as a whole;

WHEREAS the acceptance by individuals of their responsibilities as members of Canadian society must be coupled with the coordinated action of governments, public and private organizations to secure conditions that allow and assist the fulfillment of human rights, aspirations and the requirements of social justice;

WHEREAS many of the policies and programs of the Government of Canada substantially affect, directly and indirectly, the welfare of individuals and social development in Canada;

WHEREAS the close cooperation of departments and agencies of the Government of Canada is required to ensure that such policies and programs are carried out in a manner beneficial to all Canadians and that where necessary more comprehensive policies are formulated to eliminate duplication and improve effectiveness;

AND WHEREAS it appears to the Governor in Council that the requirement for formulating and developing such policies warrant the establishment of a special portion of the public service presided over by a Minister charged with that responsibility.

- 2 -

THEREFORE, HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL, on the recommendation of the Prime Minister, pursuant to sections 14 and 15 of the Ministries and Ministers of State Act, is pleased hereby to direct that a proclamation do issue establishing a Ministry of State for the purpose of formulating and developing new and comprehensive policies in relation to the activities of the Government of Canada that affect the welfare of the individual and social development, to be known as the Ministry of State for Social Development and to be presided over by a Minister of State to be known as the Minister of State for Social Development.

HIS EXCELLENCY IN COUNCIL is further pleased to direct that the proclamation do specify that the Minister of State for Social Development shall formulate and develop policies with respect to:

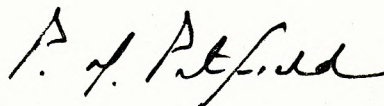
- (a) the most appropriate means by which the Government of Canada may, through measures within its field of jurisdiction, have a beneficial influence on the development of the individual, the family and the community in Canada;
- (b) the integration of programs and activities supporting the welfare of the individual and social development, including their coordination with other policies and programs of the Government of Canada; and
- (c) the fostering of cooperative relationships with the provinces, and with public and private organizations to secure conditions that allow and assist the fulfillment of human rights, aspirations and the requirements of social justice.

HIS EXCELLENCY IN COUNCIL is further pleased to direct that the proclamation do specify that the Minister of State for Social Development shall, in relation to the formulation and development of the above-mentioned policies, have assigned to him the following powers, duties and functions:

- (a) he shall advise on the allocation of financial, personnel and other resources to federal programs that provide support to the welfare of the individual and social development in Canada;

- (b) he shall develop approaches to improve and to integrate the delivery of social benefits to Canadians;
- (c) he shall lead and coordinate the efforts of the Government of Canada to establish and to clarify cooperative relationships with the provinces and with public and private organizations, to foster conditions that allow and assist the development of the individual, the family and the community; and
- (d) in respect of research and policy development he may,
 - i) initiate and coordinate research and policy studies,
 - ii) initiate proposals for new policies, programs and activities, and
 - iii) evaluate existing and proposed policies, programs and activities to ensure their consistency with federal social development policies and recommend changes therein.

CERTIFIED TO BE A TRUE COPY - COPIE CERTIFIÉE CONFORME



The New Expenditure Management System

A paper outlining the envelope system
for allocating and controlling expenditures
of the Government of Canada

December, 1979

THE BACKGROUND TO CHANGE

The new expenditure management system now being implemented represents an important evolutionary change in administration of the federal government.

The need for change in the structure of federal government expenditure management has been well articulated by successive Auditors General, by the government's Comptroller General and, most recently, by the Royal Commission on Financial Management and Accountability, known as the Lambert Commission.

As the Commission's final report noted:

✓ "The strong and sustained economic upsurge throughout the 1960s and 1970s, interrupted only by a brief pause around the turn of the decade, led to the mistaken belief in many quarters that economic growth would continue unabated and, as a consequence, that the high level of government spending could continue as well. Effective planning with respect to the use of total resources was wholly inadequate."

(Page 16)

And,

✓ "Our review of the existing financial planning process revealed several fundamental weaknesses. None of the participants is held effectively accountable. Expenditures are proposed by departments in ignorance of projected revenues and without their being related to priorities. There is no public commitment to an expenditure plan and consequently no basis for effective parliamentary review. Finally, there is little public participation in expenditure planning."

(Page 71)

The Commission stressed the necessity to plan within financial limits:

✓ "...we cannot accept that priorities and objectives can continue to be set without a full awareness of the financial implications of attempting to achieve them."

(Page 69)

And,

✓ "...planning under the assumption of unlimited resources is very different from planning within fixed limits. In fact, planning is a misnomer for a process that focusses principally on new initiatives and how they might be realized. Planning is not

planning if it does not require choices among new initiatives and encourage the review and evaluation of on-going activities and the identification of cost reduction potential."

(Page 74)

In brief, the Commission's conclusion was that the existing processes for making decisions and managing expenditures were inadequate to the needs of a time when the economic limits on government are tightening. The Commission contributed importantly to identifying why this is the case.

Perhaps inadequate attention has been paid in the past to the use of public funds in the form of "tax expenditures" as distinct from direct government spending. Clearly, effective management of government expenditures involves both types of spending.

There is no question, then, that fundamental change and reform are required to allow government to accommodate not only to the imperative of short-term restraint but to the longer-term task of making choices within the real limits imposed by economic circumstances.

Choosing within limits clearly requires that the focus of government shift from questions of quantity to questions of quality. The new expenditure management system is directed to this fundamental task.

THE NEW SYSTEM

The new system has been designed to accommodate the need to range across sets of issues as well as into the depths of specific problems - the horizontal as well as the vertical - and to provide the capacity to prepare for and adjust to change, as well as to meet the concerns of the Lambert Commission and others.

- ✓ It is intended to focus attention more sharply on the hard choices to be made and the trade-offs among alternative policy actions.

It is this strategic planning role for the expenditure system that this paper sets out to describe - that is, how it allows government to establish objectives, to choose among alternative programs to achieve those objectives, and to allocate resources among those programs. [In brief, the concern here is on the process whereby decisions are made about the kind and level of activities that managerial control then seeks to carry out efficiently.]

The other aspects of budgetary control - the proper management of resources to achieve value for money and the control of spending to ensure that public funds are spent for stated purposes - are equally important.

Improvements in these aspects of the government's expenditure management must move forward in a way that reinforces the government's intent to make effective use of every dollar of public money. In this regard the activities of the Auditor General, especially on "value for money" assessments, and the Comptroller General's initiatives to implement Treasury Board policies in the areas of financial administration, planning and control are essential.

These activities will also provide important inputs into the strategic planning process so that Ministers can decide not only where funds are to be allocated but which alternatives offer the best chance to provide the desired benefits.

Thus, improvements in all of the elements of expenditure planning and control will serve to reinforce the government's overall objective to achieve restraint and to ensure the effectiveness of government spending.

The system's essence is in four principles:

1. Establish Known Limits

- ✓ The setting of limits, for the government as a whole and for policy sectors over a five-year period, is the essential device to shift the decision-making process from a focus on new initiatives to the necessity to make real choices and trade-offs in full view of fiscal consequences.

2. Put First Things First

The system aims at establishing general and specific priorities and fiscal limits before developing expenditure plans, so that the development of detailed spending plans and program forecasts does not create de facto priorities that cannot be changed except in a marginal and/or arbitrary way.

3. Make Decisions Where They Can Best be Made

The system recognizes that, with issues being complex in themselves and with these complexities multiplied many times over by inter-relationships with other issues, it is essential to avoid the clear and constant danger of a handful of decision-makers who could not possibly know all there is to know being overloaded with responsibility. This requires that more people be given greater responsibility in more specialized areas and that there be a decentralization of decision-making in order to reduce issues to a human size.

4. Place Responsibility for Saving with Those Who Spend

Spending in a political system carries its own reward. The clear need is to make it equally worthwhile to reduce spending. As the Prime Minister said in describing the new system at Jasper:

"We are ending the era where several Ministers were interested in spending and only the President of the Treasury Board was concerned about restraint. We have a system in place now that imposes an obligation to pursue restraint upon each Minister and each department."

The new system does this in the context of the new committee system by ensuring that groups of Ministers who want to spend must also save.

What flows from these principles is a system in which the separate processes of setting government priorities, establishing spending limits and making specific expenditure decisions are tightly integrated into a single process.

The framework in which this operates is the new Cabinet committee structure implemented earlier this summer with the intention of giving significantly greater decision-making authority to the policy committees of Cabinet and thereby to individual Ministers in the area of their responsibility, while still ensuring that the work in one policy sector is consistent with the overall work and priorities of the government.

In its basics, the new system involves two fundamental reforms:

1. The preparation and publication of a longer-term fiscal plan encompassing government revenues and expenditures over a five-year period - i.e. setting out the overall financial constraint within which choices must be considered.

LONGER-TERM PLANS

As the Lambert Commission pointed out, sound management must be based on a planning process that establishes goals, sets out the best ways of achieving these goals, identifies the required resources and measures the benefits arising from their attainment. The starting point must be the development of a fiscal plan encompassing the total spectrum of revenues and expenditures to provide a clear picture of the planned role of the government in the economy. To enable the public to clearly determine the government's long-term objectives and the means by which it plans to achieve these objectives, the plan would also set out specific expenditure limits for each policy area.

Expenditures - overall and for each policy sector - will be projected for a five-year period. This will allow departments and agencies to plan over a reasonable period with a clear sense of what resource limits will be. This will require continuing analysis of expenditure trends to detect problems in later years which might - in light of the legislative process and the financial interdependence between levels of government - require immediate action to effect later savings. Reviewing projections of expenditures will provide a means of identifying particular budgetary pressures and selecting those areas where change is desirable in light of the government's longer-term objectives.

To develop this plan it is necessary to first set out where the government wishes to be at a particular point in the future and then to identify the key constraints on the achievement of that end point, an approach essential in achieving government objectives. Sudden and arbitrary changes are impossible given the extensive federal/provincial arrangements and ultimately the need for parliamentary approval of the government's proposals.

Finally, a long-term plan provides Ministers with a context within which they can examine future costs of on-going programs and new initiatives and take these into full account in considering current decisions.

The five-year expenditure projections will include:

- the current fiscal year;
- the limits for the coming fiscal year; and
- the planning projections for the three subsequent fiscal years.

Each year, and as required by new circumstances, the planning projections will be adjusted; the third year projections, after necessary adjustment, becoming the fixed limit for the coming fiscal year and being replaced by a projection for an additional year ahead.

These targets could change, depending upon economic circumstances, but they provide nonetheless the essential element of realistic planning - a clearly stated objective of what the government hopes to achieve.

SITUATION REPORT and OVERVIEW

1980-81



ALBERTA REGION

*J. Healey
March 18/80.*

INDIAN AND INUIT AFFAIRS
SITUATION REPORT AND OVERVIEW

ALBERTA REGION

1980 - 81

JANUARY 31, 1980

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ALBERTA REGION
INDIAN & INUIT AFFAIRS

OVERVIEW

THE PROVINCE OF ALBERTA, WITH ITS MILES OF SOUTHERN PLAINS, HUGE FOOTHILL RANCHES, PARKLANDS, FORESTS AND VAST PETROLEUM RESOURCES, IS THE SCENE OF A MONUMENTAL DEVELOPMENT BOOM FOR ITS 2.8 MILLION RESIDENTS, AND TO SOME EXTENT, FOR ALL OF CANADA. BY CONTRAST, THE 37,000 ALBERTA INDIANS ARE, IN MOST INSTANCES, AT OR NEAR THE BOTTOM OF THE ECONOMIC LADDER. A QUICK GLANCE AT BAND BUDGETTED EXPENDITURES IN ALBERTA FOR 1979/80 ILLUSTRATES THIS DISPARITY.

TOTAL BAND BUDGETS \$101,258,994
7% OF BANDS ACCOUNT FOR 55% OF TOTAL
14% OF BANDS ACCOUNT FOR 80% OF TOTAL
28% OF BANDS ACCOUNT FOR 94% OF TOTAL

OR CONVERSELY, 72% OF THE BANDS CONTROL ONLY 6% OF BUDGETTED BAND EXPENDITURES.
OF ALBERTA'S 255,285 SQUARE MILES, 2,536, OR LESS THAN 1%, IS INDIAN RESERVE.

THE CONTROVERSIAL PUBLICITY SURROUNDING ALBERTA'S PETROLEUM RESOURCES, CANADA'S ENERGY SELF-SUFFICIENCY AND THE VAST INVESTMENT REQUIRED TO DEVELOP THESE RESOURCES GIVES EVERY INDICATION THAT ALBERTANS ARE WEALTHY. HOWEVER, A CLOSE EXAMINATION OF BASIC, VITAL NEEDS SHOWS SOME STARTLING DISPARITIES ON THE ALBERTA SCENE.

EXAMPLES:

HOUSING -
97% OF ALBERTA HOUSING HAS INDOOR PLUMBING
48% OF INDIAN HOUSING HAS INDOOR PLUMBING
37% OF INDIAN HOUSING REQUIRES MAJOR REPAIRS
OR REPLACEMENT

EDUCATION -

FOR GRADES 2 TO 12

THE ALBERTA RETENTION RATE IS 75%

INDIAN RETENTION RATE IS 22%

HEALTH -

FOR THE SIX WESTERNMOST PROVINCES (B.C. TO QUEBEC)
ALBERTA HAS THE LOWEST MORTALITY RATE AT 6.6 PER
THOUSAND

ALBERTA INDIANS HAVE THE HIGHEST MORTALITY RATE
AT 15.9 PER THOUSAND, OF ALL POPULATIONS IN THESE
SIX PROVINCES

IT IS ESTIMATED THAT IN THE NEXT 10 TO 15 YEARS 250
BILLION DOLLARS WILL BE SPENT IN CANADA IN PROJECTS VALUED
AT 100 MILLION DOLLARS OR MORE. OF THIS, 75% (178.5) WILL
BE SPENT IN ALBERTA. OF THAT 75%, 80% (142.8) WILL BE SPENT
IN EDMONTON AND NORTH. THIS VAST EXPENDITURE OF DOLLARS WILL
CREATE UNTOLD EMPLOYMENT AND BUSINESS OPPORTUNITY. THE
QUESTION IS, "WILL ALBERTA INDIANS REALIZE THEIR ASPIRATIONS
OF FULL PARTICIPATION?". CERTAINLY THEY MUST HAVE A GREAT
DEAL OF ASSISTANCE TO DO SO, FOR IF THEY DO NOT SEIZE THIS
OPPORTUNITY THEY MAY NEVER GET ANOTHER CHANCE TO DO SO.

IN OUR EFFORTS TO PROVIDE MORE EFFECTIVE AND EFFICIENT SERVICES
TO INDIANS AND THE TRANSFER OF PROGRAMS TO BANDS AND/OR
REGIONAL COUNCILS, WE ARE ENCOUNTERING MANY PROBLEMS AND
CONSTRAINTS INCLUDING FISCAL, STAFFING, ISOLATED COMMUNITIES,
LAND ENTITLEMENT, LAND CLAIMS AND PROVINCIAL SERVICES. ALL
OF THESE AFFECT IN ONE WAY OR ANOTHER INDIAN ASPIRATIONS FOR
ADEQUATE FINANCING, INDIAN CONTROL, THE COMMUNITY PLANNING
PROCESS, TRAINING AND PERSONNEL DEVELOPMENT AND THE FUTURE
OF OUR DEPARTMENT. WE ARE RESPONDING TO THESE ASPIRATIONS

IN OUR AGREEMENT FOR TAKEOVER OF 22 POSITIONS IN OUR ST. PAUL DISTRICT BY THE NORTHEASTERN TRIBAL CHIEFS ASSOCIATION; THE TURNOVER OF THE ENTIRE LESSER SLAVE LAKE DISTRICT OFFICE TO THE BANDS IN THAT AREA; FOR THE TAKEOVER OF MANY OF THE SERVICES OF THE EDMONTON/HOBBERMA DISTRICT OFFICE. DISCUSSION AND NEGOTIATIONS HAVE COMMENCED WITH THE FIVE BANDS IN THE FORT McMURRAY AREA FOR A SIMILAR TRANSFER. WE ARE PREPARED TO RESPOND POSITIVELY TO SIMILAR DESIRES OF INDIVIDUAL BANDS OR GROUPS OF BANDS. MOST CERTAINLY THE TREND IN ALBERTA IS TOWARD INDIAN BANDS SETTING THEIR OWN PRIORITIES IN THE DEVELOPMENT OF THEIR OWN PROGRAMS AND TO CARRY OUT THEIR OWN ADMINISTRATION. BANDS ARE INCREASING THEIR INITIATIVE TO LOCAL GOVERNMENT AT THE BAND/COMMUNITY LEVEL. THIS ENFORCES A TREND IN THE DIRECTION OF INCREASED EMPLOYMENT AND TRAINING OF BAND-CONTROLLED STAFF. AT THE SAME TIME, THERE APPEARS TO BE A TREND TO A DECREASE IN SOCIO-ECONOMIC DEVELOPMENT FUNDS AND PROGRAM SUPPORT DOLLARS IN CONTRAST TO THE INCREASING NEED AND OPPORTUNITIES AVAILABLE.

BANDS ARE RECOGNIZING THE NEED FOR SELF-SUFFICIENCY AND SUITABLE INFRASTRUCTURES TO BE ABLE TO MEANINGFULLY ACCESS ON- AND OFF-RESERVE EMPLOYMENT AND DEVELOPMENT OPPORTUNITIES. CORRESPONDINGLY, REGIONAL AND AREA INDIAN ORGANIZATIONS ARE BECOMING MORE POLITICALLY ORIENTED IN ARTICULATING THEIR NEEDS TO BOTH GOVERNMENT AND PRIVATE INDUSTRY. PRIVATE INDUSTRY HAS DEMONSTRATED LIMITED INTEREST IN AFFIRMATIVE ACTION. PERHAPS THEY MAY ONLY CONSIDER SUCH ACTIONS PROVIDING THEY RECEIVE CONCESSIONS IN TERMS OF ROYALTY ASSESSMENT.

IT IS APPROPRIATE THEN THAT OUR MAJOR THRUST WILL BE IN THE SOCIO-ECONOMIC FIELD WITH SPECIFIC OBJECTIVES OF IMPROVING OUR SERVICE IN:

1. EMPLOYMENT AND TRAINING - BY ESTABLISHMENT OF A SPECIAL UNIT THAT WILL GIVE ITS FULL ATTENTION TO THIS AREA;
2. EDUCATION - BY IMPROVING THE QUALITY OF EDUCATION IN OUR FEDERAL SCHOOLS AND, WHEREVER POSSIBLE, UNDER LOCAL CONTROL;
3. INDIAN MANAGEMENT SUPPORT - BY UNITING THOSE FUNCTIONS THAT ARE CONSIDERED STATUTORY AND RELATED TO GOVERNMENT TRUST RESPONSIBILITIES;
4. CAPITAL CONSTRUCTION AND COMMUNITY IMPROVEMENT - BY ENCOURAGING INCREASED LOCAL PARTICIPATION BY BANDS IN SETTING PHYSICAL IMPROVEMENT PRIORITIES AND MANAGEMENT OF COMMUNITY FACILITIES AND SERVICES.

WHILE MORE CAN BE SAID IN RELATION TO THE PRECEDING, THIS OVERVIEW IS DESIGNED TO HIGHLIGHT SOME OF THE MORE SALIENT POINTS BEFORE GOING INTO GREATER DETAIL.

IN CONCLUSION, MAY I REITERATE THAT THE ALBERTA REGION IS FOSTERING AND SUPPORTING INDIAN LOCAL CONTROL AND THE TRANSFER OF PROGRAMS, SERVICES AND BUDGETS. IT IS SUPPORTING THE DEMANDS FOR SPECIAL PROGRAMS TO ENABLE ACCESS TO THE ALBERTA BOOM. FINALLY, IT DOES RESPECT THE RIGHT OF INDIANS TO SET THEIR OWN PRIORITIES AND CONTROL THEIR OWN DESTINY.

ALBERTA REGION
ECONOMIC AND EMPLOYMENT OUTLOOK

THE ECONOMIC OUTLOOK IN ALBERTA FOR THE NEXT FIVE YEARS AND CONTINUING INTO THE DECADES OF THE 80'S AND 90'S INDICATES TREMENDOUS INDUSTRIAL AND RESOURCE EXPANSION. THIS WILL RESULT IN AN EXPANDED NUMBER OF EMPLOYMENT AND BUSINESS OPPORTUNITIES IN MANY AREAS OF THE PROVINCE, BUT PRIMARILY IN EDMONTON AND THE NORTHERN SECTOR OF THE PROVINCE BECAUSE OF PLANNED MAJOR RESOURCE DEVELOPMENT PROJECTS.

THE EXTENT TO WHICH INDIAN PEOPLE ARE ABLE TO PARTICIPATE IN THESE OPPORTUNITIES WILL DEPEND ON MANY FACTORS INCLUDING TRAINING, EMPLOYMENT AND BUSINESS DEVELOPMENT MECHANISMS AND FINANCIAL SUPPORT, PROVISION OF AN ADEQUATE INFRASTRUCTURE ALONG WITH INITIATIVES AND MOTIVATION ON THE PART OF INDIAN BANDS AND INDIVIDUALS TO MAXIMIZE THESE DEVELOPMENTS TO THEIR BENEFIT.

THE RESOLUTION OF THESE ISSUES, THE ACKNOWLEDGEMENT OF TRENDS, THE UNDERSTANDING OF INDIAN ASPIRATIONS AND THE RESULTING THRUSTS OF OUR PROGRAMS AND POLICIES ARE ESSENTIAL TO THE UTILIZATION OF THESE OPPORTUNITIES. WE MUST SUPPORT THE INITIATIVES OF TRIBAL GROUPS AND INDIAN BANDS TO ENTER INTO THIS MAINSTREAM OF SOCIO-ECONOMIC DEVELOPMENT.

THE OPPORTUNITY FOR FULL INDIAN EMPLOYMENT AND RELATED BUSINESS DEVELOPMENT IS AT HAND AND ONCE MISSED MAY NEVER BE AVAILABLE TO ALBERTA INDIANS AGAIN.

POPULATION AND LABOUR FORCE OUTLOOK

CURRENTLY, THE ALBERTA INDIAN POPULATION IS 37,000. IT IS ESTIMATED BY THE YEAR 1990 THE INDIAN POPULATION WILL EXCEED 47,000 PERSONS.

CURRENT STATISTICS INDICATE THAT THE ALBERTA LABOUR FORCE IS APPROXIMATELY 10,000. IT IS ESTIMATED THAT (60%) 6,000 MEMBERS OF THE INDIAN LABOUR FORCE ARE CURRENTLY UNEMPLOYED. APPROXIMATELY 55% OF THE LABOUR FORCE IS UNDER THE AGE OF 25 YEARS WITH CORRESPONDING EDUCATION LEVELS OF APPROXIMATELY GRADE 9.

THIS TREND TO YOUTH WILL STRENGTHEN DURING THE NEXT TEN YEARS WITH PROJECTIONS BY THE YEAR 1990 THAT 4,000 NEW ENTRANTS WILL ENTER THE LABOUR FORCE. THE TASK OF THE 1980'S IS THEREFORE NOT ONLY CREATING EMPLOYMENT FOR THE CURRENT 6,000 UNEMPLOYED, BUT FOR THE ADDITIONAL 4,000 NEW ENTRANTS, A TOTAL EMPLOYMENT REQUIREMENT OF 10,000 JOBS IN TEN YEARS.

THE FOLLOWING UNEMPLOYMENT RATIOS LEND STRONG SUPPORT TO THE INDIAN DEMANDS FOR AFFIRMATIVE ACTION IN THE AREAS OF TRAINING, EMPLOYMENT AND BUSINESS DEVELOPMENT:

UNEMPLOYMENT RATES

ALBERTA	4.5%
CANADA	8.5%
ALBERTA INDIANS	60.0%

CURRENT EMPLOYMENT ESTIMATES ON-RESERVE

BAND EMPLOYEES	800	
AGRICULTURE	250	8%
NATURAL RESOURCE	250	(200 SHORT-TERM; 50 LONG-TERM)
INDUSTRIAL	150	-5%
COMMERCIAL	50	
OTHER	1,500	(SHORT-TERM, JOB CREATION, WOP, SUMMER EMPLOYMENT, HOUSE CONSTRUCTION, SEASONAL EMPLOYMENT)
SUB-TOTAL	<u>3,000</u>	=====

CURRENT EMPLOYMENT ESTIMATES OFF-RESERVE

AGRICULTURE	200	
NATURAL RESOURCE	250	- 25%
INDUSTRIAL	200	- 20%
COMMERCIAL	100	
SERVICE SECTOR	100	
GOVERNMENT (FEDERAL, PROVINCIAL, MUNICIPAL)	150	
SUB-TOTAL	<u>1,000</u>	=====

CURRENT ESTIMATED EMPLOYMENT ON- AND OFF-RESERVE 4,000

AS PREVIOUSLY STATED, THE OPPORTUNITY OF FULL EMPLOYMENT OF THE INDIAN LABOUR FORCE SHOULD BE THE GOAL OF THE 1980'S. HOWEVER, SPECIAL PROGRAMS AND MECHANISMS IN THE AREAS OF TRAINING, EMPLOYMENT AND BUSINESS DEVELOPMENT ALONG WITH INFRASTRUCTURE REQUIREMENTS MUST BE PUT INTO PLACE BEFORE WE CAN REALISTICALLY ACHIEVE THIS OBJECTIVE.

1. MAJOR RESOURCE DEVELOPMENT PROJECTS
WHICH PRESENT BOTH POSITIVE OPPORTUNITIES FOR INDIAN PEOPLE TO BENEFIT ECONOMICALLY BUT ALSO MAY PRESENT SITUATIONS WHERE INDIANS ARE AFFECTED BY ADVERSE SOCIAL AND ENVIRONMENTAL IMPACTS:
 - A) ESSO RESOURCES OIL SANDS PROJECTS AT COLD LAKE
WITH 7.0 BILLION DOLLARS INVESTMENT CONCENTRATED A SHORT DISTANCE (5-15 MILES) FROM THE COLD LAKE INDIAN RESERVE.
 - (I) ANTICIPATED EFFECTS INCLUDE MAJOR OPPORTUNITIES FOR INDIAN PEOPLE TO CAPITALIZE ON THE ECONOMIC BENEFITS THAT WILL ACCRUE FROM THIS PROJECT. ALSO, THERE ARE POSSIBILITIES OF ADVERSE SOCIAL AND ENVIRONMENTAL IMPACTS TO THE INDIAN PEOPLE SITUATED IN PROXIMITY TO THIS PROJECT. IN ADDITION TO THE COLD LAKE BAND, SIX OTHER BANDS ARE LOCATED WITHIN THE AREA WHICH WILL FEEL THE EFFECTS OF THIS PROJECT.
 - (II) THE REGION IS WORKING WITH BOTH THE TRIBAL CHIEFS ASSOCIATION (T.C.A.) AND THE COLD LAKE BAND IN ASSISTING THESE GROUPS IN DEVELOPING SUBMISSIONS TO GOVERNMENT AND ESSO FOR THE PURPOSE OF ASSISTING THE BANDS IN THE AREA TO ACCESS BOTH THE DIRECT AND INDIRECT ECONOMIC BENEFITS THAT WILL ACCRUE FROM THE PROJECT AS WELL AS MITIGATE THE ADVERSE SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACTS.

- B) THE SHELL ALSANDS PROJECT ALSO ESTABLISHED AT 7 BILLION DOLLARS WILL PRESENT SIMILAR OPPORTUNITIES AND ADVERSE IMPACTS TO THE FIVE BANDS OF THE ATHABASCA TRIBAL CHIEFS ASSOCIATION IN THE FORT McMURRAY AREA. THE REGION IS COMMITTED TO PROVIDING SIMILAR SUPPORT AND ASSISTANCE IN THIS SITUATION.
- C) ALCAN PIPELINE PROJECT - AFFIRMATIVE ACTION SUPPORT (JOBS AND INDIAN BUSINESS OPPORTUNITIES) IS REQUIRED FROM BOTH FOOTHILLS AND THE GOVERNMENT. OUR PORTION OF THE TREASURY BOARD SUBMISSION WAS RECENTLY COMPLETED.

2. OTHER CURRENT AND PROPOSED MAJOR DEVELOPMENTS:

- A) POSSIBLE MAJOR UNCONVENTIONAL HEAVY OIL DEVELOPMENT ON-RESERVE. (GREGOIRE LAKE - FORT McMURRAY BAND).
- B) POSSIBLE MAJOR UNCONVENTIONAL HEAVY OIL DEVELOPMENT ON-RESERVE. WABASCA-DESMARAIS AREA (BIGSTONE BAND).
- C) POSSIBLE HEAVY OIL DEVELOPMENTS IN LLOYDMINSTER AREA. (FROG LAKE BAND).
- D) POTENTIAL MAJOR COAL DEVELOPMENTS ON BLACKFOOT RESERVE AND ASSOCIATED THERMAL GENERATING PLANT. (BLACKFOOT RESERVE).
- E) POTENTIAL MAJOR COAL DEVELOPMENT IN THE VICINITY OF BLOOD AND PEIGAN BANDS.
- F) STRATEGIC DEVELOPMENT OF WATER RESOURCES FOR IRRIGATION, BLOOD AND PEIGAN BANDS.
- G) MAJOR URBAN DEVELOPMENTS ON RESERVE. (ENOCH AND SARCEE DEVELOPMENTS).
- H) PROPOSED SLAVE RIVER HYDRO ELECTRIC DAM.
- I) ALBERTA NORTH (DREE) AGREEMENT WHICH WILL BE MOVING INTO THIRD YEAR OF IMPLEMENTATION OF THE 5-YEAR SUBSIDIARY AGREEMENT.

ALBERTA REGION

REGIONAL PROBLEMS AND CONSTRAINTS

OUR REGIONAL ATTEMPTS TO BECOME MORE EFFICIENT AND EFFECTIVE IN THE PROGRAMS TO BANDS OR THE TRANSFER OF PROGRAMS, IS HAMPERED BY A NUMBER OF PROBLEMS AND CONSTRAINTS:

- BUDGET REDUCTIONS AT A TIME OF INCREASED NEEDS AND EXPECTATIONS
- DISPARITY BETWEEN BANDS
- TRANSFERS OF PROGRAMS TO BAND AND/OR REGIONAL COUNCILS
- CONTRIBUTION CARRYOVERS FROM ONE YEAR TO THE NEXT, COMPREHENSIVE AGREEMENTS, TIME LAGS IN PROCESSING (Ec. Dev.)
- THE CONTROL AND INVESTMENT OF BAND FUNDS
- CAPITAL MANAGEMENT PLANNING
- ^{SAFETY} ~~BONDING SECURITIES~~ RELATIVE TO INDIAN BUSINESSES, ETC.
- BAND PLANNING PROCESS INHIBITED BY ADMINISTRATIVE CONSTRAINTS
- RESTRICTIONS IMPOSED BY DEFINITIONS OF DISCRETIONARY AND NON-DISCRETIONARY FUNDING ALLOCATIONS INHIBIT THE FLEXIBILITY DESIRED BY INDIAN BANDS IN BLOCK FUNDING OR COMPREHENSIVE AGREEMENTS

OTHER PROBLEM AREAS INCLUDE:

- ISOLATED COMMUNITIES ISSUE (INCLUDING PEACE POINT)
- LAND ENTITLEMENTS - THE FORMULA FOR LAND ENTITLEMENT IS UNRESOLVED BETWEEN THE THREE PARTIES INVOLVED - FEDERAL/PROVINCIAL/INDIANS. UNTIL A MUTUALLY-ACCEPTABLE POLICY IS ESTABLISHED, IT IS IMPOSSIBLE TO STATE THE NUMBER OF BANDS INVOLVED
- LAND CLAIMS
- PROVINCIAL SERVICES TO INDIANS (SEE TRIPARTITE UNDER TRENDS)
- ENVIRONMENTAL. RESOLUTION OF JURISDICTIONAL EFFECTS WITH RESPECT TO ENVIRONMENTAL APPROVALS AND REGULATIONS ON INDIAN RESERVE LANDS VIS A VIS FEDERAL AND PROVINCIAL GOVERNMENTS
- ALBERTA HUMAN RIGHTS LEGISLATION-ALBERTA INDIVIDUAL RIGHTS PROTECTION ACT

ASPIRATIONS OF ALBERTA INDIANS AS PERCEIVED BY THEIR
LEADERS AND THE INDIAN ASSOCIATION OF ALBERTA

1. THE NEED FOR ADEQUATE FINANCING BASED ON AN ACCURATE ASSESSMENT OF THE LEGITIMATE NEEDS OF ALBERTA INDIAN PEOPLE IS VIEWED AS ESSENTIAL BY THE INDIAN LEADERSHIP OF ALBERTA.
 - A) FINANCING OF INDIAN GOVERNMENT IS VIEWED BY THE INDIAN LEADERS OF ALBERTA AS "COMPLETELY INADEQUATE".
 - B) THE TURNOVER TO BANDS OF PROGRAMS IS NOT ACCEPTABLE TO INDIAN LEADERSHIP UNLESS ADEQUATE ADMINISTRATIVE AND OVERHEAD FUNDING IS VIEWED AS AN INTEGRAL PART OF SUCH TRANSFER AGREEMENTS.
 - C) CORE FUNDING FROM THE INDIAN VIEW POINT IS SEEN AS ENTIRELY INADEQUATE.
 - D) DEPARTMENTAL SCHEDULES FOR THE TRANSFER OF FUNDS DO NOT COINCIDE WITH THE REALITIES OF BAND FUNDING REQUIREMENTS.

2. INDIAN CONTROL
 - A) ALBERTA BANDS REQUIRE GREATER CONTROL OVER THEIR OWN ADMINISTRATION. DISTRICTS SHOULD BE RESTRUCTURED AND BANDS SHOULD EVENTUALLY TAKE OVER SALARY AND ADMINISTRATION FUNDS OF DISTRICT OFFICES.
 - B) BANDS REQUIRE MORE INDIAN INVOLVEMENT IN REGIONAL AND DISTRICT BUDGETTING AND FINANCIAL DECISIONS.

3. PLANNING PROCESS
 - A) BANDS REQUIRE DISCRETIONARY RESOURCES TO DEVELOP THEIR OWN COMPREHENSIVE COMMUNITY PLANS AND STRATEGIC PLANS.

- B) THE ANNUAL BUDGETTING CYCLE TO WHICH THE FEDERAL GOVERNMENT IS TIED OFTEN THWARTS IMPLEMENTATION OF PLAN RECOMMENDATIONS WHICH EXTEND BEYOND CURRENT FISCAL YEAR.
4. TRAINING AND PERSONNEL SYSTEM
TRAINING AND PERSONNEL SYSTEMS ON A LONG-TERM BASIS WHICH ARE DEVELOPED BY THE BANDS ARE REQUIRED IF THE OBJECTIVE OF MEANINGFUL INDIAN GOVERNMENT IS TO BE REALIZED.
5. FUTURE OF THE ALBERTA REGION OF THE DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT.
A) DIA MUST SHIFT FROM BEING THE "DOER" TO BECOMING AN "ADVISOR". AT PRESENT, THIS CONCEPT IS VERBALIZED BY THE DIA STAFF BUT NOT PRACTISED.
B) IF THE INDIAN LEADERS OF ALBERTA ARE TO BE TAKEN SERIOUSLY, THEN THE DEPARTMENT WITHIN ALBERTA MUST BECOME SMALLER AND INDIAN BAND ADMINISTRATIONS GROW LARGER AS INDIAN BANDS ACQUIRE CONTROL OF FUNDING ALLOCATED TO INDIANS BY PARLIAMENT.
C) REMOTE BANDS DESIRE ADVISORS WHO SPEAK WITH THEM IN THEIR OWN LANGUAGE, AND OTHER BANDS WISH TO HAVE THEIR OWN PROFESSIONALLY QUALIFIED EXPERTISE, I.E., ACCOUNTANTS, ADMINISTRATORS AND ADVISORS.
6. TO ESTABLISH A SOLID SOCIO-ECONOMIC BASE FOR THE INDIANS OF ALBERTA THROUGH INTER-TRIBAL TRADE AND COMMERCE, AGRICULTURAL AND MAJOR RESOURCE DEVELOPMENT, AND INCREASED PARTICIPATION IN REGIONAL OPPORTUNITIES. THIS INCLUDES INCREASED FINANCIAL CAPABILITY SUPPORTED BY THE SAME SOURCES AS THOSE AVAILABLE TO THE NON-INDIAN COMMUNITY.

7. TO OBTAIN AN ACCEPTABLE WORKING BALANCE BETWEEN INDIAN CULTURE AND SOME ASPECTS OF NON-INDIAN SOCIETY.
8. TO INCREASE SELF-GOVERNMENT OPERATING IN TERMS OF BAND OR COMMUNITY PROJECTS, PROGRAMS AND ECONOMICS RATHER THAN ON AN INDIVIDUAL BASIS.
9. TO DEVELOP A STRONG INDIAN INITIATIVE TO TAKE ADVANTAGE OF ALL MAJOR DEVELOPMENTS. FURTHER, TO BECOME EFFECTIVE LOBBYISTS FOR A BETTER QUALITY OF LIFE, GREATER CONTROL OF INDIAN EDUCATION AS WELL AS AN INCREASE IN IMPROVED ADULT TRAINING.

OUR REGIONAL RESPONSE TO THESE ASPIRATIONS IS TO SUGGEST JOINT WORKING COMMITTEES TO START THE PROCESS OF IMPLEMENTATION. OUR FIRST CONCRETE WORK IN THIS REGARD HAS BEEN THE NORTHEASTERN TRIBAL CHIEFS ASSOCIATION WHO HAVE TAKEN OVER 22 POSITIONS IN OUR ST. PAUL DISTRICT OFFICE. SIMILARLY, WE HAVE NEGOTIATED A TURNOVER OF THE ENTIRE LESSER SLAVE LAKE DISTRICT OFFICE TO THE BANDS IN THAT AREA AND MAJOR INITIATIVES HAVE BEEN UNDERTAKEN BY THE EDMONTON/HOBBEMA DISTRICT BANDS TO TAKE OVER MANY OF THE RESPONSIBILITIES DELIVERED THROUGH THE DISTRICT OFFICE. DURING THE COMING SIX MONTHS, WE ANTICIPATE INTENSIVE NEGOTIATIONS WITH THE FIVE BANDS IN THE FORT McMURRAY AREA TO TAKE OVER THE DEPARTMENT'S RESOURCES - DELIVERY SERVICES IN THEIR AREA. THE REGION HAS INDICATED IT IS READY TO RESPOND POSITIVELY TO ANY GROUP OF BANDS OR TRIBAL COUNCILS THAT WISH TO INITIATE SIMILAR REQUESTS.

ALBERTA REGION
TRENDS

- A) THE STRENGTHENING OF TRIBAL ASSOCIATIONS TO DEAL WITH THE IMPACT OF MAJOR RESOURCE DEVELOPMENT PROJECTS TO MEMBER BANDS AND TO FACILITATE NEGOTIATIONS FOR THE TURNOVER OF DIAND RESOURCES TO MEMBER BANDS AND TO PROVIDE EFFECTIVE UNITED POLITICAL VOICE FOR INDIAN AREA CONCERNS.
- B) INDIAN BANDS SETTING THEIR OWN PRIORITIES, DEVELOPING THEIR OWN PROGRAMS AND DOING THEIR OWN ADMINISTRATION.
- C) INCREASED EMPLOYMENT OF STATUS AND NON-STATUS INDIANS IN GOVERNMENTAL FUNCTIONS INCLUDING BAND AND TRIBAL ADMINISTRATIONS.
- D) BANDS RECOGNIZE THAT ADEQUATE COMMUNITY INFRASTRUCTURE IS AN ESSENTIAL PREREQUISITE TO EFFECTIVE PARTICIPATION IN SOCIO-ECONOMIC DEVELOPMENT OPPORTUNITIES. SUCH INFRASTRUCTURE TO INCLUDE HOUSING, SCHOOLS, ROADS, SEWER AND WATER.
- E) BANDS RECOGNIZE THE NEED TO DEAL FIRMLY WITH INDUSTRY IN ORDER TO OBTAIN OPTIMUM BENEFITS IN THE PROVISION OF TRAINING, EMPLOYMENT AND INFRASTRUCTURE.
- F) INCREASING INTEREST BY ALBERTA INDIAN BANDS IN NEW MECHANISMS TO PROVIDE EFFECTIVE RESOURCE DEVELOPMENT ADVICE IN DEALING WITH INDUSTRY AND GOVERNMENT (COUNCIL OF ENERGY RESOURCE TRIBES - CERT).
- G) INVESTMENT OF SUBSTANTIAL BAND FUNDS IN ALBERTA'S ECONOMY.

- H) TRIPARTITE NEGOTIATIONS ON THE EXTENSION OF SOCIAL SERVICES. THE NATIONAL IMPLICATIONS OF THIS \$4.3 MILLION PROPOSAL FROM THE GOVERNMENT OF ALBERTA ARE ENORMOUS. IT IS ANTICIPATED THAT TRIPARTITE DISCUSSIONS MAY PROCEED SHORTLY IN ALBERTA BETWEEN THE I.A.A., THE PROVINCE OF ALBERTA AND CANADA. A MAJOR GOAL OF THESE DISCUSSIONS WILL BE TO CLARIFY RESPONSIBILITIES FOR DELIVERY OF SERVICES AND THE ASSESSING OF COSTS.
- I) THE JOINT DEVELOPMENT WITH THE INDIAN ASSOCIATION OF ALBERTA AND THE INDIAN BANDS OF ALBERTA OF A SOCIO-ECONOMIC STRATEGY THAT WILL EFFECTIVELY BENEFIT THE INDIAN PEOPLE OF ALBERTA.
- J) INCREASING AWARENESS AMONG BANDS OF THE AVAILABILITY OF "OUTSIDE" RESOURCES AND GREATER PARTICIPATION IN PROGRAMS OF OTHER AGENCIES.
- K) INCREASED DEMAND FOR SOCIO-ECONOMIC DEVELOPMENT ON RESERVES WHICH DO NOT HAVE AN ECONOMIC BASE.

ALBERTA REGION

THRUST AND MAJOR OBJECTIVESTHRUST - SOCIO-ECONOMIC DEVELOPMENT

THE CONCEPT OF SOCIO-ECONOMIC DEVELOPMENT HAS RECENTLY RECEIVED GREATER ATTENTION AND ACCEPTANCE IN ALBERTA BY BOTH INDIAN LEADERS AND DEPARTMENTAL OFFICIALS. A DEFINITION OF SOCIO-ECONOMIC DEVELOPMENT ARTICULATED BY INDIAN LEADERS IS "PEOPLE DEVELOPMENT IN CONJUNCTION WITH ECONOMIC DEVELOPMENT". THE STRICT CRITERIA OF THE ECONOMIC MARKET PLACE IS SEEN AS INAPPROPRIATE FOR INDIAN COMMUNITIES. RATHER, DEVELOPMENT MUST BE CONCEIVED IN BROAD TERMS ENCOMPASSING A WHOLISTIC APPROACH TO DEVELOPING THE SKILLS, CONFIDENCE AND DISCIPLINE OF THE PEOPLE FROM THE ENTIRE RESERVE COMMUNITY NOT JUST ONE SEGMENT. THIS WHOLISTIC APPROACH TO SOCIO-ECONOMIC DEVELOPMENT IS BASED ON AN ASSESSMENT OF THE HISTORICAL STAGE OF DEVELOPMENT OF MOST INDIAN COMMUNITIES IN ALBERTA AND A REALIZATION OF THE REAL NEEDS. THIS APPROACH TO DEVELOPMENT FINDS PARALLELS ELSEWHERE IN CANADA AND IS SIMILAR TO THE TYPES OF APPROACHES SUGGESTED IN BOTH THE N.I.B. STATEMENT ON SOCIO-ECONOMIC DEVELOPMENT AND THE BEAVER REPORT ON SOCIO-ECONOMIC DEVELOPMENT. IN ALBERTA, INDIAN SOCIO-ECONOMIC DEVELOPMENT STRATEGIES PLACE PARTICULAR EMPHASIS IN DEVELOPING RELATIONSHIPS WITH THE PRIVATE SECTOR, AS EVIDENCED BY THE INDIAN ASSOCIATION OF ALBERTA RECENT CONFERENCE IN BANFF WHERE MANY PRIVATE SECTOR REPRESENTATIVES PARTICIPATED. FURTHER, INDIAN STRATEGIES TEND TO STRESS OFF-RESERVE EMPLOYMENT AND ECONOMIC DEVELOPMENT OPPORTUNITIES AS EVIDENCED BY INDIAN CONCERNS TO PARTICIPATE

*problems from
Company side. →*

IN MAJOR RESOURCE DEVELOPMENT ABOUT TO BEGIN IN ALBERTA, INDIAN GOVERNMENTS, BOTH INDIVIDUALLY AND COLLECTIVELY, HAVE BEEN SPEARHEADING THESE STRATEGIES AND THE DEPARTMENT HAS ATTEMPTED TO BE SUPPORTIVE.

IN SUPPORT OF THIS OVERALL THRUST FOR SOCIO-ECONOMIC DEVELOPMENT, THE DEPARTMENT HAS ADJUSTED CERTAIN PROGRAMS AND HAS GIVEN INCREASED RESOURCES AND ATTENTION TO THE FOLLOWING AREAS: EMPLOYMENT AND TRAINING, INDIAN MANAGEMENT SUPPORT, EDUCATION AND CAPITAL CONSTRUCTION AND COMMUNITY IMPROVEMENTS.

MAJOR OBJECTIVES

1. EMPLOYMENT AND TRAINING
2. EDUCATION
3. INDIAN MANAGEMENT SUPPORT
4. CAPITAL CONSTRUCTION AND COMMUNITY IMPROVEMENT

EMPLOYMENT AND TRAINING

IN ORDER TO TAKE ADVANTAGE OF THE ECONOMIC UPSWING AND THE RESULTANT EMPLOYMENT OPPORTUNITIES THAT WILL BE AVAILABLE IN THIS DECADE, WE PLAN TO ESTABLISH, EFFECTIVE APRIL 1, 1980, A SMALL BUT HIGHLY MOTIVATED EMPLOYMENT AND TRAINING UNIT. THIS UNIT WILL PROVIDE A CO-ORDINATED ADVISORY CONSULTATIVE SERVICE TO TRIBAL GROUPS. BANDS AND INDIVIDUALS IN THE AREA OF TRAINING AND EMPLOYMENT. THEY SHALL FACILITATE INDIAN INVOLVEMENT IN DISCUSSIONS AND NEGOTIATIONS WITH OTHER GOVERNMENT DEPARTMENTS AND MAJOR RESOURCE DEVELOPMENT GROUPS. THEY WILL ALSO ASSIST IN THE DEVELOPMENT OF TRAINING AND EMPLOYMENT STRATEGIES

AND MECHANISMS AT THE BAND LEVEL ALONG WITH PROVIDING AN ADVISORY SERVICE TO BANDS REQUESTING ASSISTANCE IN THE CREATION OF AFFIRMATIVE ACTION PROGRAMS IN THE OFF-RESERVE ECONOMY. THE PERSON-YEAR RESOURCES FOR THIS UNIT WILL BE DRAWN FROM WITHIN OUR REGIONAL ORGANIZATION. (EDUCATION, ECONOMIC DEVELOPMENT, PERSONNEL)

EDUCATION

THE RETENTION RATE FOR INDIAN STUDENTS IN BOTH FEDERAL AND PROVINCIAL SCHOOLS IS 22% AS OPPOSED TO THE NON-INDIAN RETENTION RATE OF 75%. A MAJOR OBJECTIVE OF THE REGION WILL BE TO GIVE EMPHASIS TO DEVELOPING A BETTER QUALITY EDUCATION PROGRAM IN FEDERAL SCHOOLS AS WELL AS WORKING WITH THE PROVINCIAL SYSTEM TO ACHIEVE THE SAME RESULT.

INDIAN MANAGEMENT SUPPORT

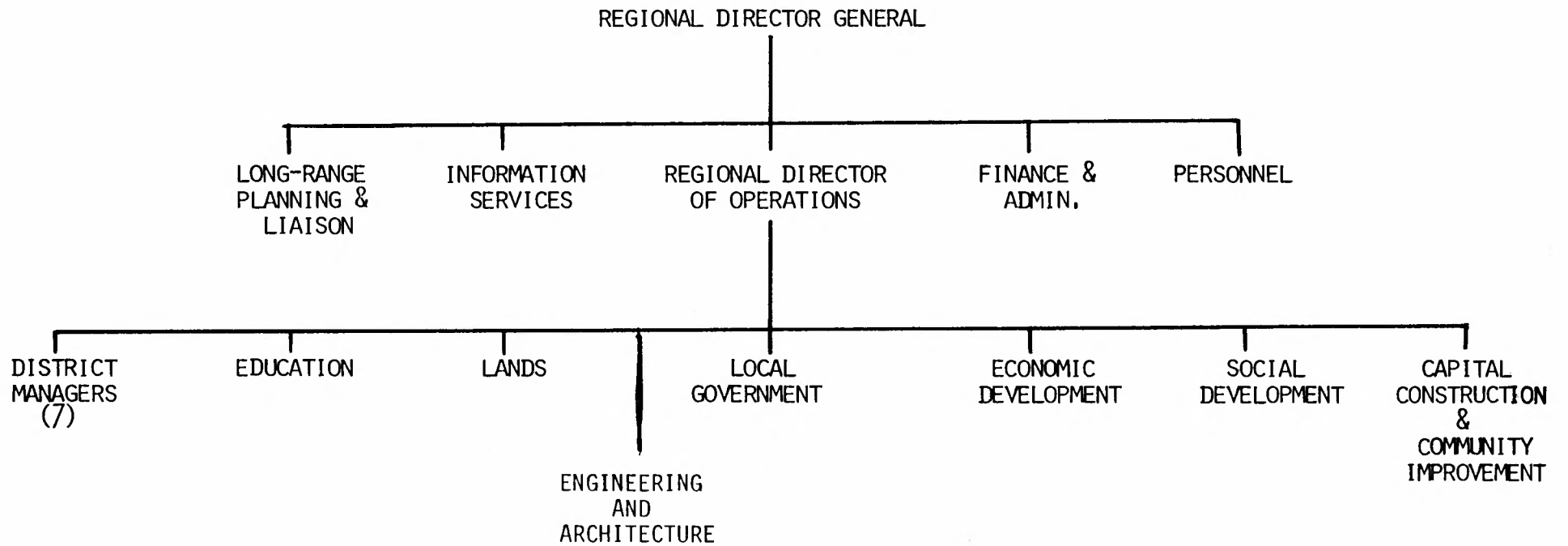
IN KEEPING WITH THE GOVERNMENT'S SPECIAL RESPONSIBILITIES RELATED TO LANDS, TRUST FUNDS, ELECTIONS, MEMBERSHIP, BAND BY-LAWS, TREATY OBLIGATIONS AND OTHER RELATED STATUTORY REQUIREMENTS, IT IS PLANNED TO ESTABLISH AN INDIAN MANAGEMENT SUPPORT UNIT BY MERGING OUR LANDS BRANCH WITH CERTAIN ELEMENTS OF LOCAL GOVERNMENT. WHILE THIS WILL ROUGHLY PARALLEL THE HEADQUARTERS' RESERVES AND TRUSTS GROUP, IT WILL IN ADDITION PLACE EMPHASIS ON PROVIDING A HIGH QUALITY ADVISORY SERVICE TO BANDS IN AREAS SUCH AS BAND FUND INVESTMENTS, BAND STAFF PERSONNEL POLICIES, AND IN GENERAL, SUPPORT AND STRENGTHEN BAND ADMINISTRATIONS.

CAPITAL CONSTRUCTION AND COMMUNITY IMPROVEMENT

THIS UNIT WILL CONTINUE TO CONCENTRATE ON CAPITAL CONTRIBUTIONS PROGRAM DOLLARS FOR INCREASED FACILITIES AT THE BAND LEVEL. IT WILL SUPPORT THE DESIRE OF BANDS FOR GREATER SELF-SUFFICIENCY AND THE IMPORTANT DEMAND/ NEED FOR COMMUNITY INFRASTRUCTURE THAT WILL ASSIST BANDS TO TAKE ADVANTAGE OF MULTIPLE DEVELOPMENT OPPORTUNITIES. WITHOUT THESE INFRASTRUCTURES IN HOUSING, ROADS, SEWER AND WATER, SCHOOLS, HEALTH AND RECREATION FACILITIES, IT WILL BE MOST DIFFICULT FOR INDIANS TO PLAY A MEANINGFUL ROLE IN THE EXPLOITATION OF ALBERTA'S RESOURCES. EARLY IN 1980/81, THIS UNIT WILL TAKE OVER COMPLETE RESPONSIBILITY FOR THE CO-ORDINATION OF ALL CAPITAL CONSTRUCTION ON INDIAN RESERVES, INCLUDING SCHOOLS, HOUSING, ROADS, WATER AND SEWER SYSTEMS, COMMUNITY FACILITIES, DREE PROJECTS, ETC.

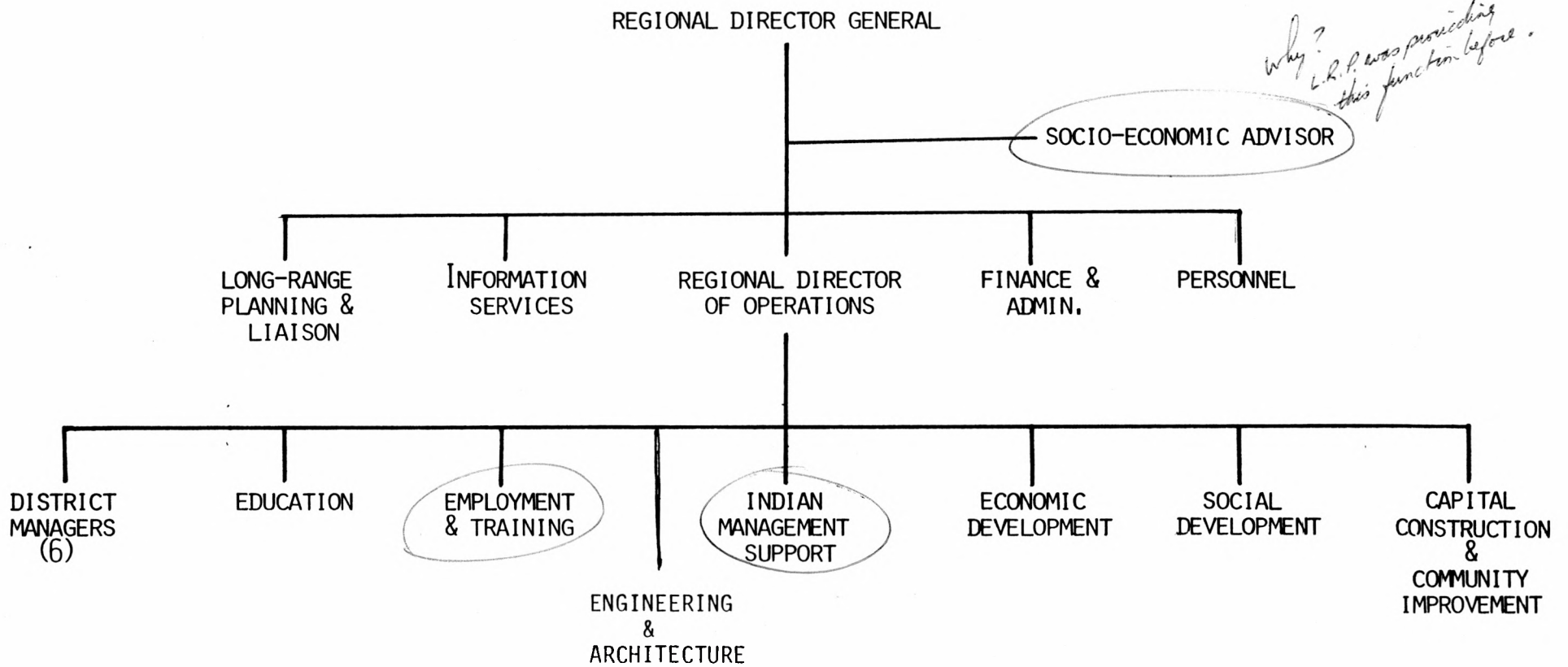
ALBERTA REGION

ORGANIZATION - 1979/80



ALBERTA REGION

PROPOSED ORGANIZATION - 1980/81



why? I.R.P. was providing this function before.

no lands

no local govt.

ALBERTA REGIONAL ORGANIZATION

1976-77 to 1980-81

A. REGIONAL DIVISION STRUCTURES AND PERSON YEAR UTILIZATION IN ALBERTA

		Utilized 1976-77	Utilized 1977-78	Utilized 1978-79	Allocation 1979-80	Estimated 1980-81
Local Government					26	--
Social Development	Community Affairs	71	74	67	50	46
Education		361	354	336	291	(8)303
Economic Development	Economic Development	63	56	55	36	31
Lands					29	--
Executive/Field Administration					20	18
Finance & Administration					102	91
Personnel	Administration	182	178	190	17	16
Engineering & Architecture					59	56
Long Range Planning & Liaison					5	6
(1) <u>Indian Management Support</u>						38
(2) <u>Employment & Training</u>						9
(3) <u>Capital Construction & Community Improvement</u>						7
		677	662	648	(4) (5)635	(6) (7)621

NOTES:

1. THE PROPOSED INDIAN MANAGEMENT SUPPORT DIVISION IN 1980-81 WILL INCORPORATE THE FUNCTIONS OF LANDS/MEMBERSHIP/ESTATES AND LOCAL GOVERNMENT, WITH THE EXCEPTION OF HOUSING WHICH IS BEING TRANSFERRED TO CAPITAL CONSTRUCTION AND COMMUNITY IMPROVEMENT.
2. IN 1978-79 AND 1979-80, THE EMPLOYMENT AND TRAINING FUNCTIONS WERE DIVIDED BETWEEN THE EDUCATION, ECONOMIC DEVELOPMENT AND PERSONNEL DIVISIONS.
3. THE CAPITAL CONSTRUCTION AND COMMUNITY IMPROVEMENT DIVISION, ORGANIZED IN 1979-80, INCORPORATES ALL CAPITAL AND RELATED OPERATIONAL PROJECTS PREVIOUSLY MANAGED BY LOCAL GOVERNMENT AND EDUCATION. PERSON YEARS WERE TAKEN FROM LOCAL GOVERNMENT FOR THIS DIVISION.
4. AS OF OCTOBER 1, 1979, SEVEN (7) BANDS IN THE SADDLE LAKE/ATHABASKA DISTRICT TOOK OVER DEPARTMENTAL PROGRAMS, RESULTING IN A PERSON-YEAR REDUCTION OF 22.
5. DURING THE 1979-80 FISCAL YEAR, THE EDMONTON/HOBBEMA DISTRICT OFFICE WAS INCORPORATED WITHIN THE REGIONAL OFFICE, AND COMMON OPERATIONS (E.G. FINANCE AND ADMINISTRATION AND TECHNICAL SERVICES) WERE AMALGAMATED WITH REGIONAL OFFICE TO PROVIDE A MORE EFFICIENT AND EFFECTIVE SERVICE TO THE BANDS.
6. AS OF APRIL 1, 1980, ALL BANDS IN THE LESSER SLAVE LAKE DISTRICT WILL BE ADMINISTERING DEPARTMENTAL PROGRAMS. OF THE 28 PERSON YEARS PRESENTLY ALLOCATED TO THIS DISTRICT OFFICE, SALARY DOLLARS FOR 24

POSITIONS WILL BE CONVERTED TO O & M CONTRIBUTION FUNDS, AND THE REMAINING FOUR (4) POSITIONS WILL BE LOCATED AT REGIONAL OFFICE TO SERVICE THE EIGHT (8) BANDS PRESENTLY IN THE LESSER SLAVE LAKE INDIAN REGIONAL COUNCIL AND THE REMAINING THREE (3) NON-PARTICIPATING BANDS.

7. OF THE 621 PERSON YEARS ALLOCATED TO THE REGION FOR 1980-81, THE FOLLOWING IS A DIVISION LISTING BETWEEN NON-DISCRETIONARY AND DISCRETIONARY PROGRAMS:

<u>NON-DISCRETIONARY</u>)	<u>DISCRETIONARY</u>	
1. SOCIAL ASSISTANCE)	STATUTORY REQUIREMENTS:	
CHILD CARE) 35	INDIAN MANAGEMENT SUPPORT-	
ADULT CARE)	LANDS/MEMBERSHIP/	
		ESTATES	25
2. IN-SCHOOL EDUCATION)		
POST-SCHOOL EDUCATION) 244	REMAINING PROGRAMS	317
UNIVERSITY AND)		
PROFESSIONAL TRAINING)		
TOTAL		TOTAL	<u>342</u>
	<u>279</u>		

How can statutory requirements be "discretionary"?

8. OF THE 303 PERSON YEARS IDENTIFIED FOR THE EDUCATION DIVISION IN 1980-81, 244 ARE WITHIN THE NON-DISCRETIONARY PROGRAM MADE UP AS FOLLOWS:

226 INSTRUCTION STAFF - FEDERAL SCHOOLS
 18 STUDENT RESIDENCES

IN 1980-81 THE PROPOSED FORMULA OF 18:1 GRADE 1 - 12; 15:1 FOR KINDERGARTEN; TEACHER AIDES 2 PER 5 TEACHERS KINDERGARTEN - GRADE 3; WILL GIVE RISE TO 15 AND 9 ADDITIONAL TEACHER STAFF IN 1980-81 AND 1981-82 RESPECTIVELY.

B. REGIONAL ORGANIZATION AND RELATED PERSON-YEARS

	1978-79 Person-Years	1979-80 Person-Years	1980-81 Person-Years
Alberta Regional Office Edmonton, Alberta	154	186	171
Fort McMurray District Office Fort McMurray, Alberta	23 1/2	22 1/2	24
Blackfoot/Stoney/Sarcee District Office Calgary, Alberta	119 1/2	97	110
Blood/Peigan District Office Lethbridge, Alberta	110	104 1/2	112
Edmonton/Hobbema District Office Edmonton, Alberta	107	102	99
Fort Vermilion District Office High Level, Alberta	37	30	29
Lesser Slave Lake District Office High Prairie, Alberta	28	28	(1)11
Saddle Lake/Athabaska District Office St. Paul, Alberta	87	65	65
Total	666	635	621

Note:

(1) Effective April 1, 1980, 7 person-years will become redundant when the Lesser Slave Lake Indian Regional Council becomes operational in handling Departmental Programs. 4 person-years will ~~remain at~~ ^{be transferred to} Regional Office to service the remaining 3 Bands.

ALBERTA REGION

NON/DISCRETIONARY, VOLUME INCREASE INCLUDED

DESCRIPTION	1979/80 est. need			1980/81 est. need			1980/81 GUIDELINE	1981/82 Forecast		
	UNIT	UNIT COST	TOTAL COST	UNIT	UNIT COST	TOTAL COST		UNIT	UNIT COST	TOTAL COST
<u>Non/Federal Schools</u>										
Instruction	6413	2345.31	15,040.5	6605	2345.24	15490.3		6805	2345.42	15960.6
Mtce of Students	150	2173.33	326.0	225	2177.8	490.0		250	2173.00	543.3
Transportation (a)	7412	544.05	4,032.5	7635	544.05	4153.8		7865	544.11	4279.4
Band Operated Schools	280	5656.78	1,583.9	290	5656.8	1640.5		300	5656.78	1697.0
Committees & Boards			30.0			85.0				85.0
S/TOTAL			21,012.9			21,859.6	22,881.2			22,565.3
<u>Federal Schools</u>					(b)					
Instruction, (excl Personnel)	3700	183.62	679.4	3850	187.14	720.5		4004	185.19	741.5
Instruction, (incl Personnel)	3700	1573.60	5822.3	3850	1617.74	6228.3		4004	1612.14	6455.0
Student Res, (excl Personnel)	75	2146.67	161.0	75	2146.67	161.0		75	2146.7	161.0
Student Res, (incl Personnel) *	75	4746.67	356.0	75	5038.67	377.9		75	5038.67	377.9
Cultural Enrichment				3850	25.00	96.3		4004	25.00	100.1
Committees & Boards	34	3867.64	131.5	34	5882.35	200.0		34	5882.35	200.0
S/TOTAL, excl Personnel			971.9			1177.8	1993.9			1202.6
<u>University & Professional</u>	13043	136.77	1783.9	17137	148.44	2543.8	2543.8	18000	153.5	2762.1

(a) Transportation of all Native Children included here. Students attending Federal & Non/Federal Schools often use same bus. Distribution of expenses between Federal & Non/Federal would be arbitrary and would not be meaningful.

(b) Increase in unit cost due to increase of band employed teacher aides in Sept. of 1979.

(c) Due to restraint in staffing beginning of 79/80, normal utilization of person years not realized.

(d) Increase in unit cost due to anticipated change in status of parttime student at Morley outreach to full time students with resulting increase in student allowances.

* DOES NOT INCLUDE BLUE QUILLS

ALBERTA REGION
DISCRETIONARY PROGRAMS
EXC. PERSONNEL & SPECIAL FUNDING

DESCRIPTION	1979/80 BUDGETS			1979/80	1979/80	1980/81 GUIDELINES			1980/81
	UNITS	UNIT COST	TOTAL COST	NON/DISC. OFFSET	FULL BUDGET	UNITS	UNIT COST	TOTAL COST	SHORTFALL
<u>Program Administration</u>									
Executive Office			721.0		721.0			826.0	
Finance & Admin.			715.0	60.0	775.0			715.0	60.0
Personnel			86.6	53.0	139.6			86.0	152.7
Planning & Evaluation			379.6	9.0	338.6			330.0	125.0
Reserve & Trusts			108.0	10.0	118.0			132.0	
Eng. & Architecture			368.0	10.0	378.0			368.0	
Economic Development			3994.7	55.0	4049.7			3470.0	1231.0
<u>Local Government</u>									
Band Housing			92.6		92.6			78.3	
Roads			589.3	60.0	649.3	1620 Miles		589.8	771.0
Sewer Systems			220.9		220.9	19 Systems		185.1	
Water Systems			486.3		486.3	22 Systems		507.0	
Comm. Buildings			21.8	10.0	31.8			21.8	
Municipal Services			118.5		118.5			118.5	
Policing	35 Constables		400.0		400.0	40 Constables		466.0	
Core Funding			1025.9		1025.9			1025.9	
Band Overhead			910.0		910.0			834.7	667.7
Misc.			741.3	91.0	832.3			336.7	
<u>Social Development</u>									
P.S.S. & Rehab. Programs			499.2		499.2			391.0	200.0
Misc.			266.0	15.0	281.0			301.0	
Education - Adult Education			1276.3	40.0	1316.3			1314.0	
Band Training			166.8		166.8			152.8	72.2
T.O.J.			160.2		160.2			155.0	217.5
Mtce. of Schools			1428.3	75.0	1503.3			1443.7	61.9
Misc.			725.1		725.1			779.5	
T O T A L S			15501.4	488.0	15989.4			14627.8	3559.0

ALBERTA REGION
DISCRETIONARY PROGRAMS
EXCL. PERSONNEL

DESCRIPTION	1980/81 GUIDELINES			1980/81	1981/82 FORECASTS			
	UNITS	UNIT COST	TOTAL COST	SHORTFALL	UNITS	UNIT COST	TOTAL COST	B LEVEL
<u>Program Administration</u>								
Executive Office			826.0				826.0	
Finance & Admin.			715.0	60.0			715.0	
Personnel			86.0	152.7			86.0	105.0
Planning & Evaluation			330.0	125.0			330.0	290.0
Reserve & Trusts			132.0				132.0	40.0
Eng. & Architecture			368.0				348.0	
Economic Development			3470.0	1231.0			3070.0	1071.0
<u>Local Government</u>								
Band Housing			78.3				78.3	
Roads	1620 Miles		589.8	771.0	1680 Miles		611.7	771.0
Sewer System	19 Systems		185.1		20 Systems		207.5	
Water Systems	22 Systems		507.0		26 Systems		600.6	
Comm. Buildings			21.8				21.8	
Municipal Services			118.5				118.5	
Policing	40 Constables		466.0		45 Constables		521.5	
Core Funding			1025.9				1046.4	
Band Overhead			834.7	667.7			834.7	667.7
Miscellaneous			336.7				336.7	
<u>Social Development</u>								
P.S.S. & Rehab. Programs			391.0	200.0			775.5	
Miscellaneous			301.0				301.0	
<u>Education - Adult Education</u>								
Band Training			1314.0				1314.0	990.0
T.O.J.			152.8	72.2			152.8	72.2
Mtce. of Schools			155.0	217.5			155.0	218.0
Misc.			1443.7	61.9			1601.8	
			779.5				779.5	
T O T A L S			14627.8	3559.0			14964.3	4224.9

ALBERTA REGION
FINANCIAL REPORT

FINANCIAL CONTRIBUTIONS (OPERATING)
 EXCLUSIVE OF PERSONNEL

<u>YEAR</u>	<u>DEPARTMENT</u>	<u>%</u>	<u>BAND</u>	<u>%</u>	<u>TOTAL</u>
76/77	\$35,845.5	77	\$10,614.6	23	\$46,460.1
77/78	37,791.8	73	13,846.8	27	51,638.6
78/79	40,478.8	73	15,083.3	27	55,562.1
79/80	36,454.1	58 (A)	26,778.6	42	63,232.7
PROJECTED					
80/81	37,859	59	26,131.4	41	63,991.2

(A) INCLUDES 1,365 CONTRIBUTION TO BANDS
 SPECIAL FUNDING (I.E. SUMMER YOUTH, YOUTH JOB CORP,
 BAND WORK, ETC.)

ADJUSTED					
79/80	36,454.1	59	25,413.	41	61,867.2
EXCLUDING SPECIAL FUNDING					

ALBERTA REGION
CAPITAL *

<u>YEAR</u>	<u>DEPT.</u>	<u>%</u>	<u>BAND</u>	<u>%</u>	<u>TOTAL</u>
76/77	\$7494.1	59	\$5286.2	41	\$12780.3
77/78	6276.9	49	6510.4	51	12787.3
78/79	4775.3	32	10162.2	68	14937.5
79/80	2548.0	18	11561.0	82	(1) 14199.0
ESTIMATED					
80/81	4852.0	28	12748.0	72	17600.0

* EXCLUDES JOINT SCHOOL EXPENDITURES

(1) DUE TO SEVERAL MAJOR SCHOOL CONSTRUCTION PROJECTS
 ADMINISTERED BY BANDS AND NOW COMPLETED.

ALBERTA REGION
FINANCIAL CONTRIBUTIONS TO ORGANIZATIONS

	<u>PAID TO DATE</u>	<u>BALANCE</u>
INDIAN ASSOCIATION OF ALBERTA \$836,137.00	\$ 668,002.00	\$ 168,135.00
ATHABASCA TRIBAL COUNCIL \$137,175.00	90,182.00	46,993.00
<i>what Bands?</i> NORTH WESTERN TRIBAL COUNCIL \$267,000.00	259,977.00	7,023.00
LESSER SLAVE LAKE INDIAN REGIONAL COUNCIL \$3,846,684.15	3,807,450.41	39,233.74
NORTH EASTERN TRIBAL CHIEFS ASSOCIATION \$75,000.00	75,000.00	NIL
<hr/>		
TOTAL \$5,161,996.15	\$4,900,611.41	\$261,384.74

STATISTICAL DATA:

NUMBER OF BANDS IN ALBERTA 41
 NUMBER OF RESERVES IN ALBERTA 92

GEOGRAPHIC DISTRIBUTION OF RESERVES AND BAND MEMBERSHIP
 (AS OF JUNE 30, 1979)

SOUTHERN PLAINS 12,198
 10 RESERVES - POPULATION

PARKLANDS
 51 RESERVES 19,133

NORTHERN
 31 RESERVES 4,986

POPULATION ON-RESERVE AND CROWN LAND 27,758

OFF-RESERVE 8,392

TOTAL AS OF 31 DECEMBER 78 36,150

TOTAL AS OF 31 DECEMBER 79 37,120

POPULATION CATEGORIES:

	<u>NO. OF BANDS</u>
0 - 200	9
201 - 500	9
501 - 1,000	12
1,001 - 2,000	7
2,001 - 5,000	3
5,001 AND OVER	1

TOTAL ACREAGE OF 92 RESERVES 1,623,000
 (MORE OR LESS)

LARGEST RESERVE CONSISTS OF 349,618 ACRES (BLOOD #148)
 SMALLEST RESERVE CONSISTS OF 42 ACRES (GREGOIRE #176B)

ESTIMATED SUITABLE FOR AGRICULTURAL DEVELOPMENT
850 - 900,000 ACRES (50% of total)

ALBERTA REGION
HOUSING INVENTORY (ON RESERVE)

DECEMBER 1977			4492
DECEMBER 1978	-	ADD COMPLETED	297
		LESS DELETIONS	<u>31</u>
			266
			<u>266</u>
			4758
DECEMBER 1979	-	ADD COMPLETED	492
		LESS DELETIONS	<u>35</u>
			457
			<u>457</u>
TOTAL AS AT DECEMBER 1979			5215
			====

(DATA BASED ON REGIONAL PHYSICAL DEVELOPMENT REPORT
 INCLUDE HOUSING SCHEDULED TO BE COMPLETED UP TO
 MARCH 31, 1980)

1979-80 HOUSING CONSTRUCTION (PRELIMINARY REPORT)

<u>DISTRICT</u>	<u>HOUSES</u>		<u>ROADS</u>	
	<u>No.</u>	<u>APPROP.</u>	<u>MILES</u>	<u>\$</u>
LESSER SLAVE LAKE	43	824,800	15.2	75,900
			UPGRADE EXISTING	
BLACKFOOT/STONEY/SARCEE	97	1,130,000	2.0	133,000
			APPROACH ROADS & GRAVEL STOCKPILE	
SADDLE LAKE/ATHABASKA	63	1,157,000	11	351,000
BLOOD/PEIGAN	80	970,500	38	230,000
FORT VERMILION	50	823,500	5	23,000
			UPGRADING PRESENT ROADS	
EDMONTON/HOBBEMA	130	620,500	10	82,300
			UPGRADING	
FORT McMURRAY	29	638,500	5	259,000
TOTAL	492	6,164,800	86.2	1,154,200
	===	=====	=====	=====

TOTAL	86.2
LESS UPGRADING	30.2
NEW MILES	<u>56.0</u>

HOUSING INVENTORY INCREASES TO ATTAIN "0" GAP
BY DECEMBER 1982

	<u>DEC. 77</u>	<u>DEC. 78</u>	<u>DEC. 79</u>	<u>DEC. 80</u>
NUMBER OF FAMILY UNITS	5669	5905 (236)	6141 (236)	6377 (236)
	<u>DEC. 81</u>	<u>DEC. 82</u>		
	6613 (236)	6848 (235)		

	<u>DEC. 77</u>	<u>DEC. 78</u>	<u>DEC. 79</u>	<u>DEC. 80</u>
ACTUAL HOUSING TO DATE (UNIT INCREASE)	4492	4758 (266)	5215 (457)	5759 (544)
	<u>DEC. 81</u>	<u>DEC. 82</u>		
	6303 (544)	6848 (545)		

PROJECTED HOUSING TO ATTAIN "0" GAP IN 1982

FIGURES IN BRACKETS SHOW NET UNIT INCREASE FROM PREVIOUS YEAR.

WHILE THE HOUSING GAP IS CLOSING, PRESENT RATE OF CONSTRUCTION IS NOT SUFFICIENT TO CLOSE GAP BY 1982. A NET INCREASE OF 544 HOUSES PER YEAR FOR NEXT THREE YEARS IS NOW REQUIRED TO ACHIEVE THIS GOAL.

1979-80 HAS BEEN A BETTER YEAR WITH A NET INCREASE OF 457 HOUSING UNITS. THIS WAS ACHIEVED THROUGH AN ADDITION OF 492 UNITS AT A TOTAL COST OF \$6,162,000 IN DEPARTMENTAL FUNDS AND AN ESTIMATED \$19,662,900 IN BAND AND OTHER SOURCES, FOR A TOTAL OF \$25,827,700. ON A PER UNIT BASIS THIS AMOUNTS TO \$12,530 OF DIAND FUNDS AND \$39,865 OF FUNDS FROM OTHER SOURCES.

IT MUST BE NOTED THAT SOME RESERVES DEPEND ON VERY LITTLE DEPARTMENTAL FUNDING FOR THEIR EXTENSIVE HOUSING PROGRAMS. THESE BANDS WILL SOON BE CAUGHT UP AND THEIR HOUSING PROGRAM WILL BE REDUCED MARKEDLY. ON THE OTHER HAND, MANY BANDS HAVE FEW RESOURCES TO CONTRIBUTE TO THIS PROGRAM. THESE BANDS ARE FALLING FARTHER BEHIND IN THEIR HOUSING NEEDS AND THE HOUSING THRUST MUST FOCUS ON THESE BANDS. THE DEPARTMENT MAY HAVE TO BEAR THE BURDEN OF INCREASED COSTS.

BASED ON THE FUNDING FORMULA OF $\$12,000 + \$500 = \$12,500$ PER UNIT, HOUSING FUNDS REQUIRED WILL AMOUNT TO $\$12,500 \times 544 = \$6,800,000$.

IN 1980, THIS WILL NOT BE SUFFICIENT BECAUSE THE BANDS NEEDING THE HOUSING DO NOT HAVE THE BALANCE OF THE COSTS. ADDITIONALLY, LOSS OF MAJOR OUTSIDE LABOUR ASSISTANCE PROGRAMS WILL COMPOUND THE SITUATION.

1. STATISTICS OF INDIAN POPULATION BY GRADE FOR 1978/79

ACTUAL:

<u>K4</u>	<u>K5</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
159	788	1319	1067	1040	1077	988	977	847

<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>sps.</u>	<u>TOTAL</u>
843	697	597	363	253	255	<u><u>11,270</u></u>

2. NUMBER OF INDIAN STUDENTS IN: 1979/80

A) FEDERAL SCHOOL	* 3,733	
B) PROVINCIAL SCHOOL	6,076)	INCLUDES STUDENTS FOR WHOM I.I.A. DOES NOT PAY TUITION
C) JOINT SCHOOL	876)	
D) POST SCHOOL INSTITUTIONS	738	
E) BAND-OPERATED SCHOOL	280	

* THIS FIGURE COUNTS KINDERGARTEN AS HALF TIME

3. BAND-OPERATED SCHOOLS

<u>SCHOOL</u>	<u>LOCATION</u>	<u>CLASSROOMS</u>	<u>STUDENTS</u>
702 - PEACE POINT	PEACE POINT	1	17
774 - SMALLBOY	ROBB	1	29
- KITASKINAW KDGT.	WINTERBURN	1	21
777 - BIGSTONE KDGT.	DESMARAIS	1	16
779 - BLUE QUILLS	ST. PAUL	6	79
- KEHEWIN CENTRE	BONNYVILLE	6	118
			<u>280</u>
			<u>===</u>

4. STUDENT RESIDENCES

<u>YEAR</u>	<u>STUDENTS</u>	<u>RESIDENCES</u>
69/70	809	8
71/72	714	8*
74/75	341	4*
77/78	103	2*
78/79	121	2*
79/80	99	2*

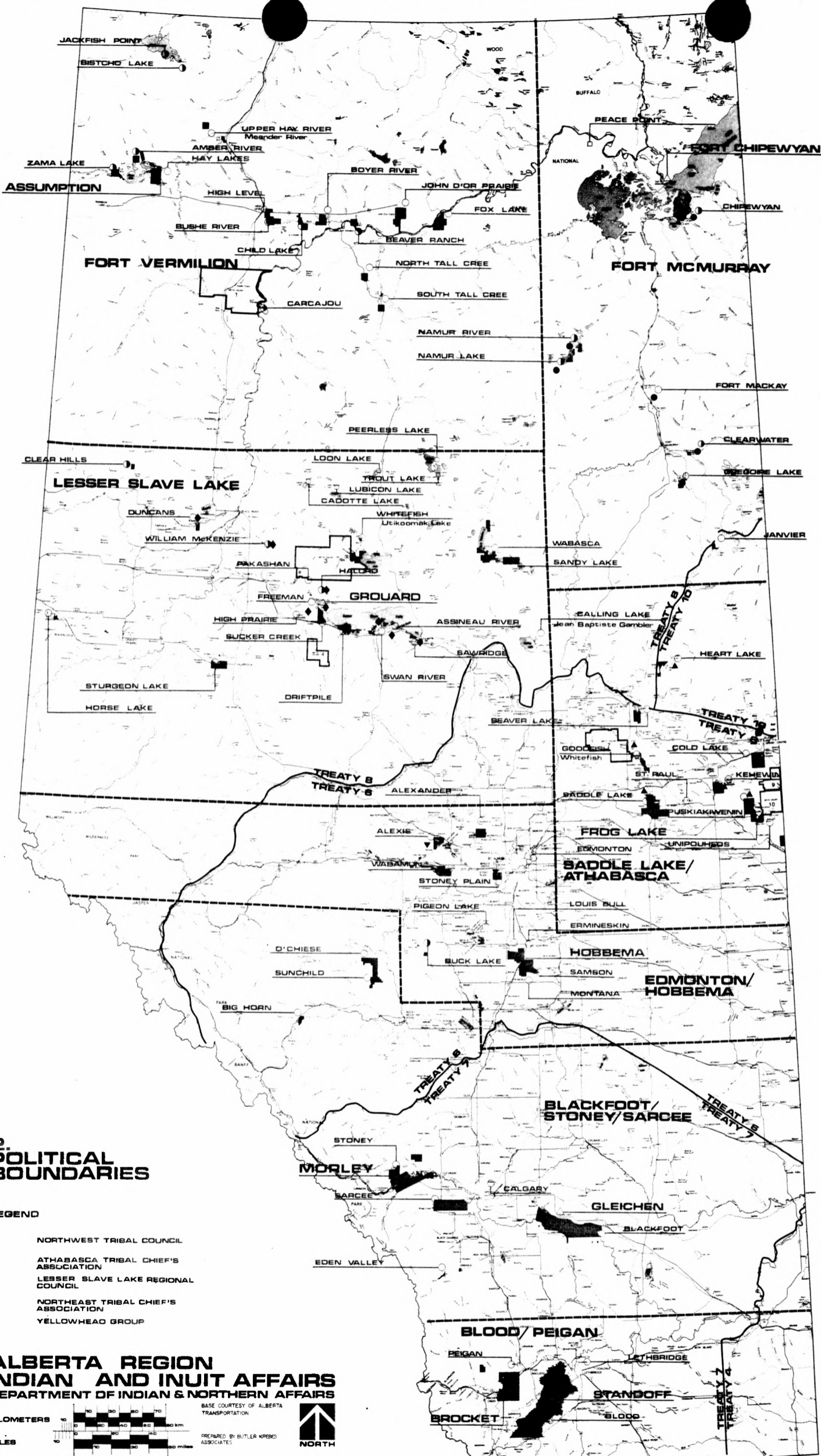
* BLUE QUILLS RESIDENCE IS BAND OPERATED

5. KNOWN AND POTENTIAL PLANS FOR INDIAN TAKEOVER OF FEDERAL SCHOOLS

POTENTIAL PLANS - WITHIN 3 YEARS: FT. CHIPEWYAN/CREE, BLOOD, PEIGAN, FOUR BAND, SADDLE LAKE, ASSUMPTION, GOODFISH LAKE

KNOWN PLANS - WITHIN 6 MONTHS - BIGSTONE BAND WILL TAKE OVER FROM A REGIONAL COUNCIL

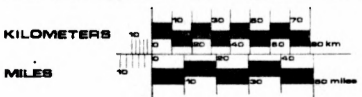
- ATHABASCA TRIBAL COUNCIL HAS RECENTLY INDICATED THAT THEY WISH TO TAKE OVER CERTAIN PROGRAMS



2. POLITICAL BOUNDARIES

- LEGEND**
- NORTHWEST TRIBAL COUNCIL
 - ATHABASCA TRIBAL CHIEF'S ASSOCIATION
 - ◆ LESSER SLAVE LAKE REGIONAL COUNCIL
 - ▲ NORTHEAST TRIBAL CHIEF'S ASSOCIATION
 - ▼ YELLOWHEAD GROUP

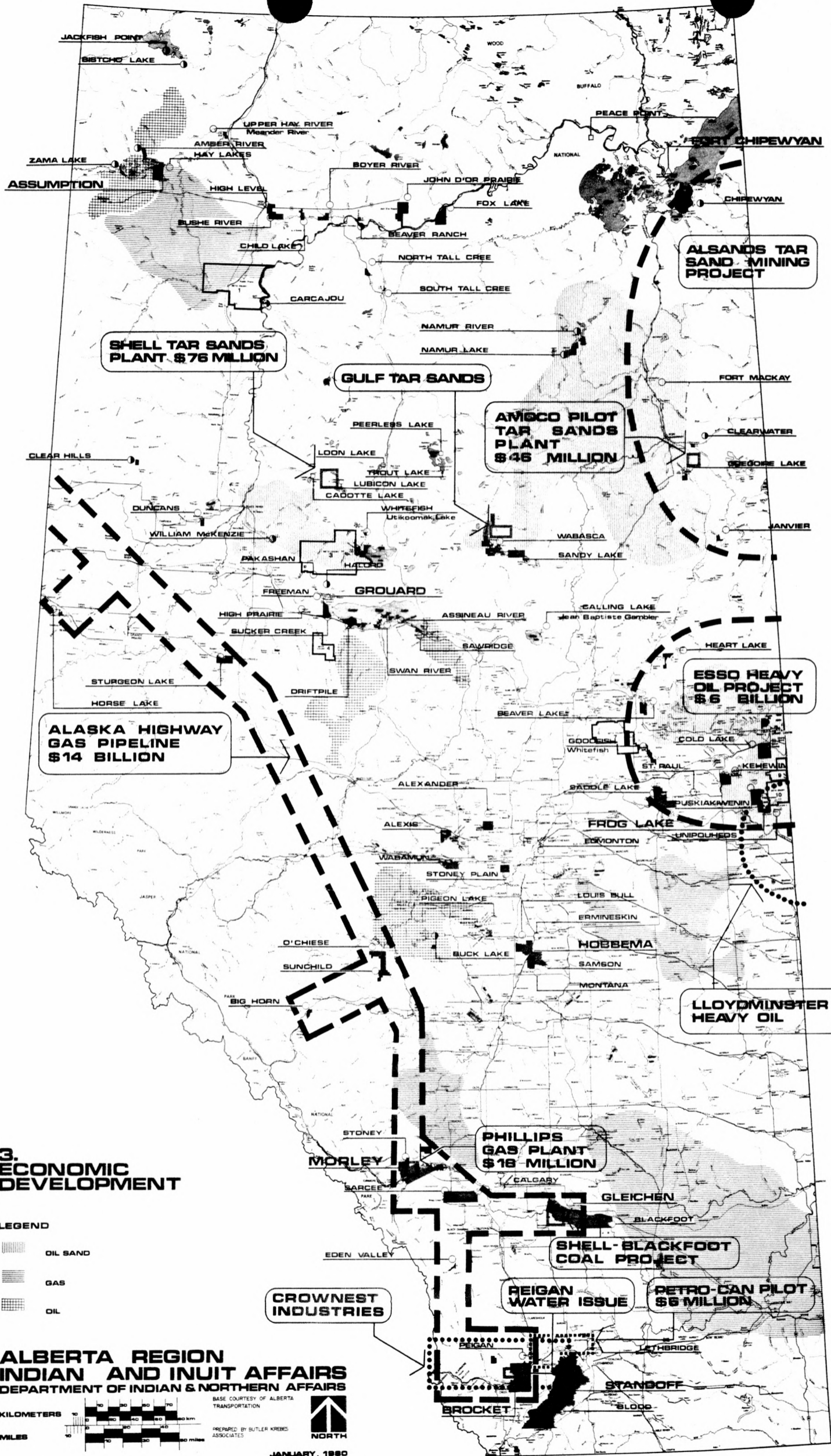
ALBERTA REGION INDIAN AND INUIT AFFAIRS
 DEPARTMENT OF INDIAN & NORTHERN AFFAIRS



BASE COURTESY OF ALBERTA TRANSPORTATION
 PREPARED BY BUTLER KREBS ASSOCIATES



JANUARY, 1990



SHELL TAR SANDS PLANT \$76 MILLION

GULF TAR SANDS

AMOCO PILOT TAR SANDS PLANT \$46 MILLION

ALSANDS TAR SAND MINING PROJECT

ALASKA HIGHWAY GAS PIPELINE \$14 BILLION

ESSO HEAVY OIL PROJECT \$6 BILLION

PHILLIPS GAS PLANT \$18 MILLION

LLOYDMINSTER HEAVY OIL

SHELL-BLACKFOOT COAL PROJECT




CROWNST INDUSTRIES

REIGAN WATER ISSUE

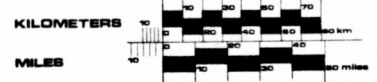
PETRO-CAN PILOT \$6 MILLION

3. ECONOMIC DEVELOPMENT

LEGEND

-  OIL SAND
-  GAS
-  OIL

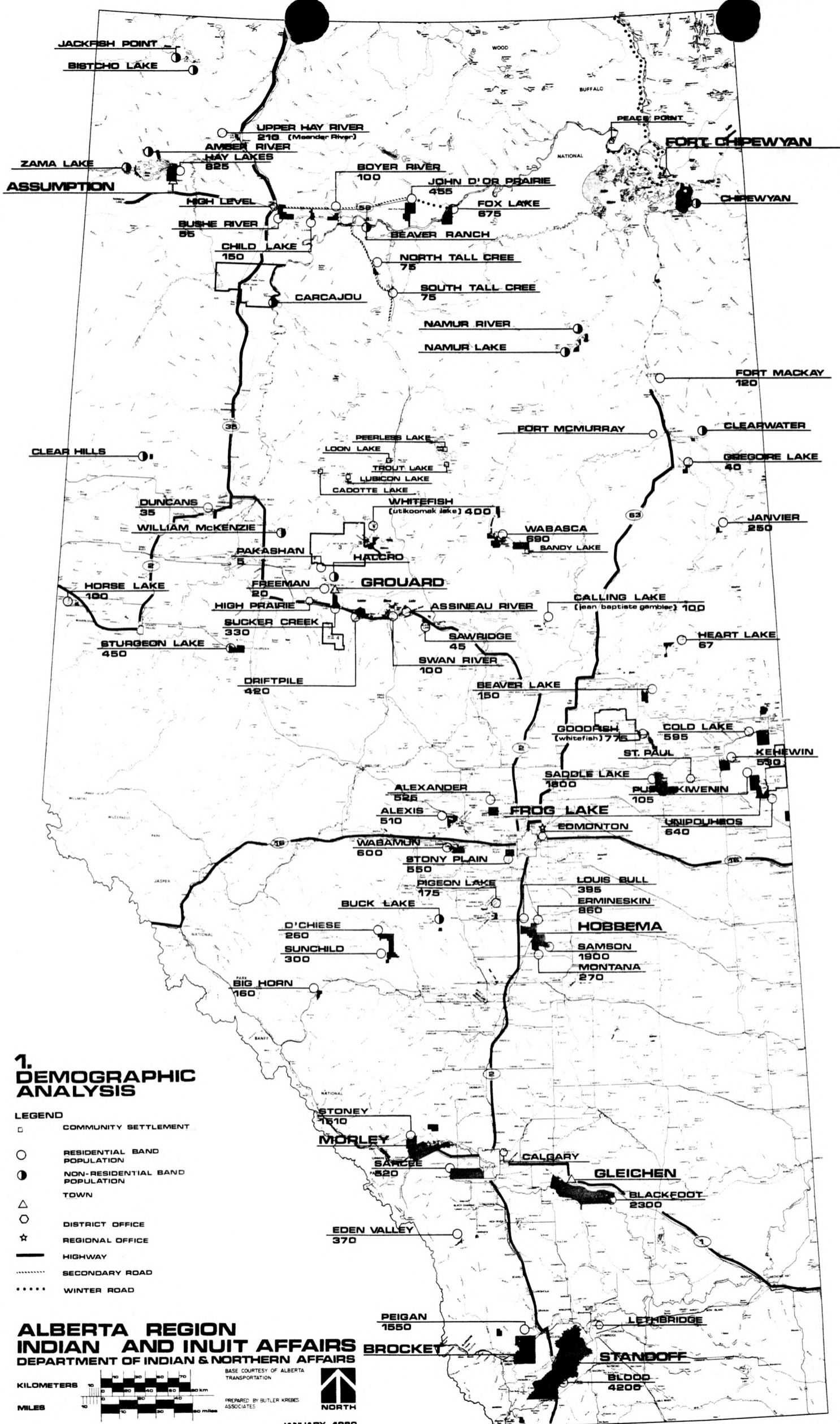
ALBERTA REGION INDIAN AND INUIT AFFAIRS
 DEPARTMENT OF INDIAN & NORTHERN AFFAIRS



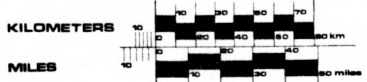
BASE COURTESY OF ALBERTA TRANSPORTATION
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JANUARY, 1980



**ALBERTA REGION
INDIAN AND INUIT AFFAIRS
DEPARTMENT OF INDIAN & NORTHERN AFFAIRS**



BASE COURTESY OF ALBERTA TRANSPORTATION

PREPARED BY BUTLER KREBS ASSOCIATES



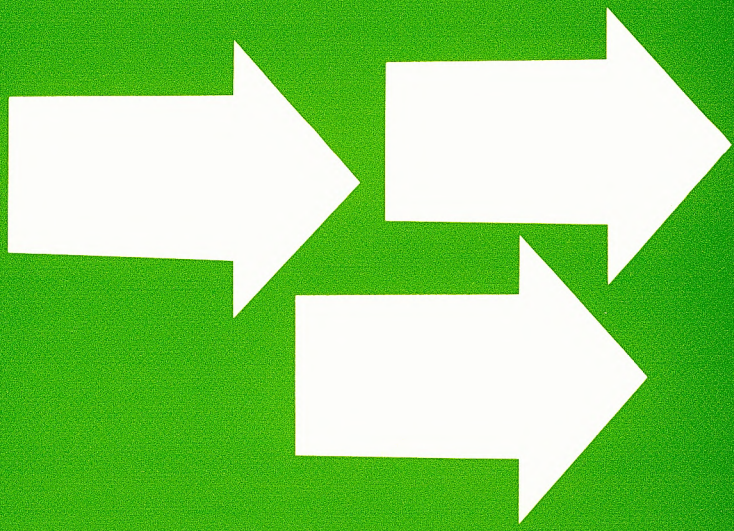
JANUARY, 1980

DIRECTIONAL
Plan

Stank

A Progress Report on
**The Indian and Inuit
Program Direction**

1980



Indian and Inuit
Affaires Canada

Indian and Inuit
Affaires Canada




A Progress Report on

**The Indian and Inuit
Program Direction**


1980



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Hon. John C. Munro, P.C.,
Minister of Indian Affairs and
Northern Development
Ottawa, 1980.
QS-5151-000-BB-A1




Introduction



This brochure contains a progress report on the development of a direction for the Indian and Inuit Affairs Program into the 1980's and beyond. The concepts and ideas which make up this direction have already been incorporated into the recently approved Departmental Directional Plan.

A directional plan is simply a description of a "willed future" for any organization. Its usefulness depends on the extent to which that description is appropriate to the mission of the organization or to the effective achievement of its longest term goals and objectives. A directional plan is therefore subject to a continuous review process over time which may well result in its gradual adaptation and revision on the basis of experience with its constituent strategies.



The directional plan described in this brochure represents both a natural extension of the evolving role of the Program in Indian Affairs, as well as a radical shift in the nature of the Program's activities, and its relations with Indian people and with bands.

The detailed plans and strategies that will ultimately give form to this direction can only be developed jointly by Indian people and the Department at all levels. The success of these processes will depend a great deal on the understanding and commitment of all staff to what it is we are trying to achieve. Your participation in this exercise is necessary not only as a means of giving substance to the direction we have chosen, but also because in doing so, you will be contributing to the only true test of its validity.

J.D. Nicholson,
Assistant Deputy Minister,
(Indian and Inuit Affairs).

April, 1980

Slavik

Jointly Held Indian/Government Objectives:

Improved conditions of the Indian people within a framework which:

- maintains access by individuals to opportunities
- maintains the Minister's Special Responsibility
- recognizes the Federal/Provincial constitutional and resourcing frameworks
- provides for Indian participation in government decision making

Improved Conditions of Indian People

National

Indians recognized as a founding nation with an established cultural identity, a self-reliant people and a vital force in Canadian society.

Community

Self-reliant Indian governments designing, managing and controlling local programs and services, confident that local decisions can solve local problems, with equal participation in, benefits from and contribution to surrounding region.

Individual

Satisfaction with physical, social and economical environment, and self-reliant with a sense of future and pride.

Dependence

The impediment to the achievement of the desired objective is individual and collective dependence of Indians on government.

The government has unsuccessfully used two strategies to reduce dependence:

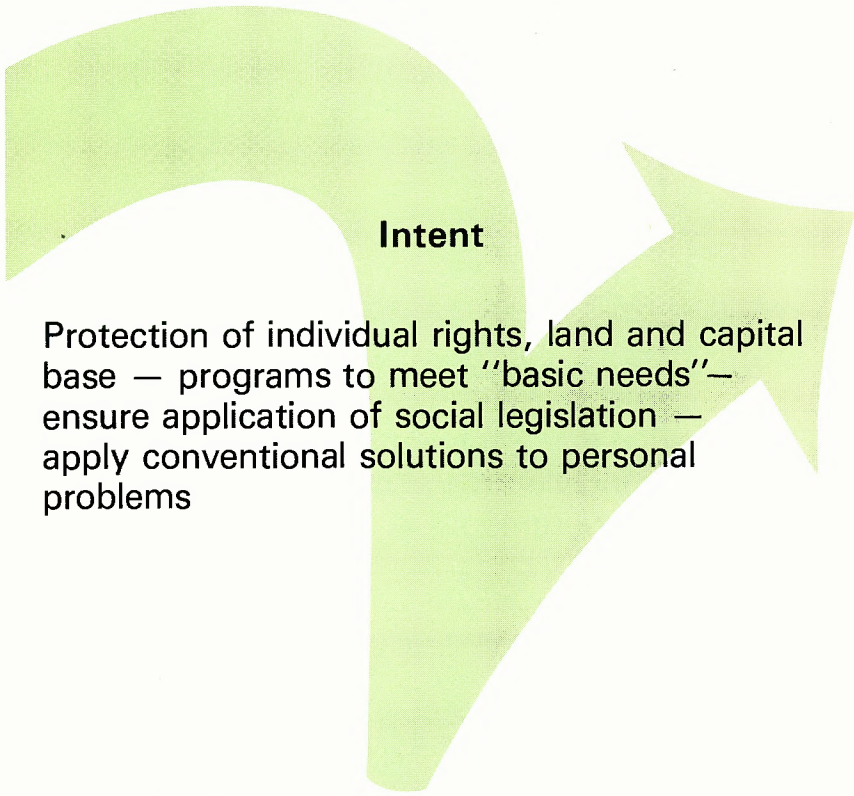
1. 1951-1965: Department Administered Programs (DAP)
2. 1965-1980: Band Administered Programs (BAP)

A new direction is required:

1980 + Indian Self-Government

Self-Reliance

Department Administered Programs



Intent

Protection of individual rights, land and capital base — programs to meet “basic needs” — ensure application of social legislation — apply conventional solutions to personal problems



Effects

Segmented remedial programs — departmental controls limit individual and Band initiative — reinforced dependency — no incentives for individual or community self-reliance

Band Administered Programs



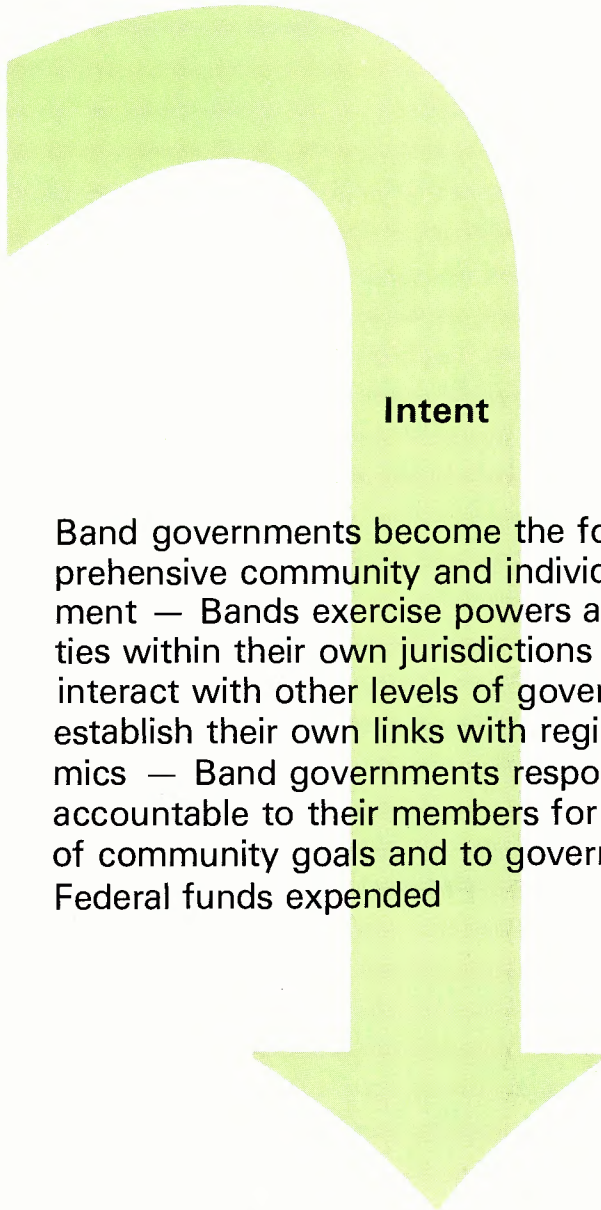
Intent

Continues established approaches via Band administration — increased effectiveness through Band administration — increased sense of local control

Effects

Continued departmental financial and administrative control and direction — Band prevented from defining problems and designing solutions — continued absence of incentives for self-reliance and reinforcement of dependency

Indian Self-Government

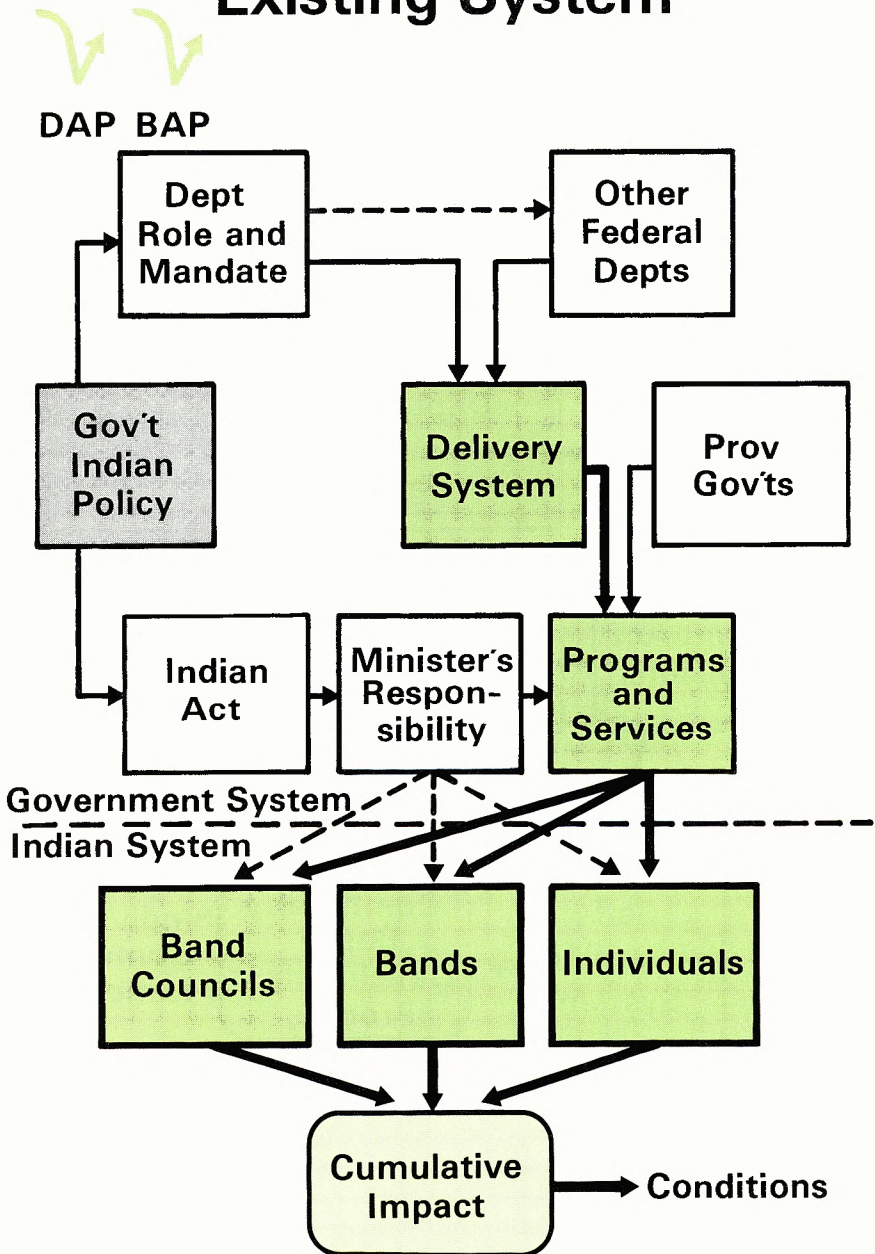


Intent

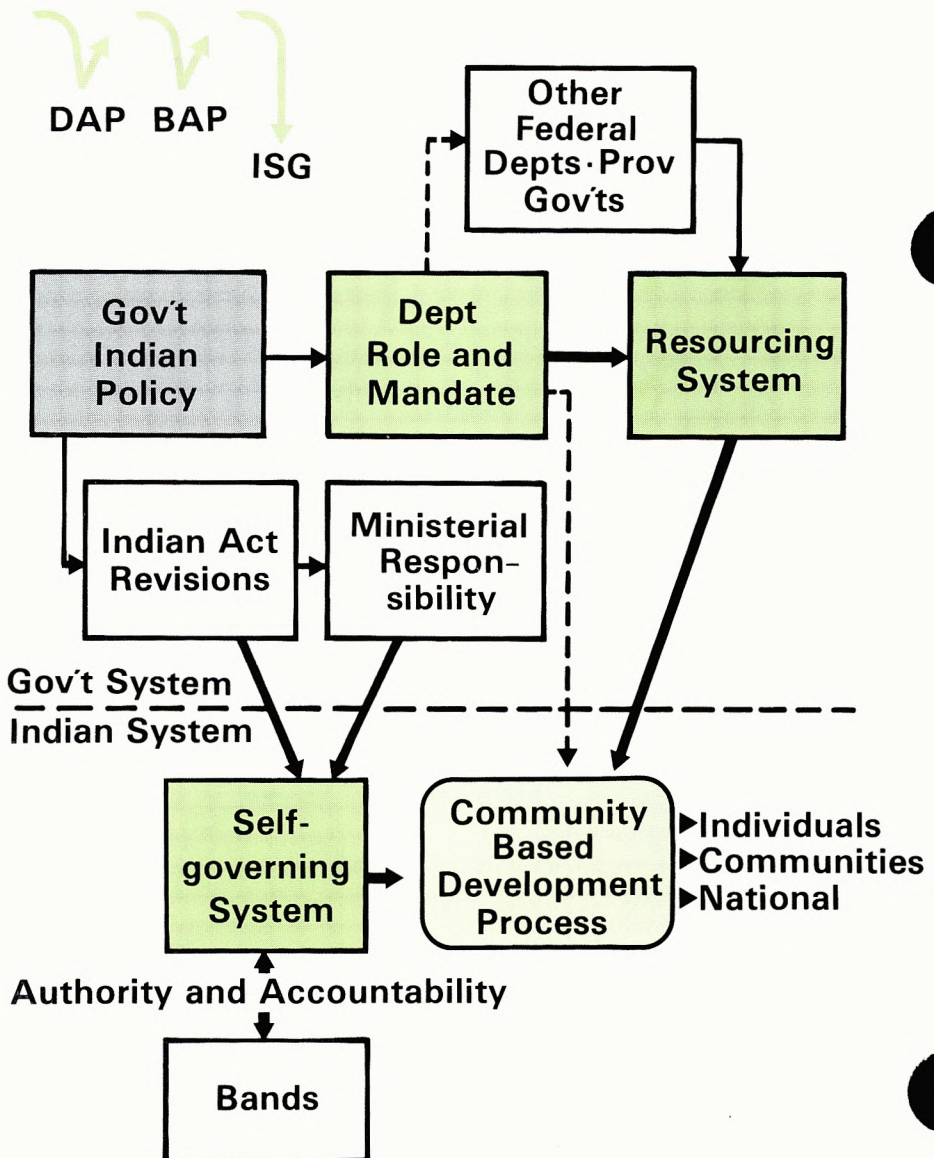
Band governments become the focus of comprehensive community and individual development — Bands exercise powers and authorities within their own jurisdictions — Bands interact with other levels of government and establish their own links with regional economics — Band governments responsible and accountable to their members for achievement of community goals and to government for Federal funds expended

Self-Reliance

Focus for Changing Existing System



Elements of the New Direction



Goals



Self government

Enabling Systems

Establish enabling systems for Indian self-government through legislation and land claims resolution processes.

Resourcing

Existing Authorities/ Resources

Identify and formalize ways and means within existing program authorities and resource allocations, of providing resources directly to bands, or of delegating program and resourcing allocation decisions to the band level.



Incremental Authorities/ Resources

Identify through consultative process the requirements for

community based development in terms of incremental changes to existing program authorities and resource allocations.

New Authorities/ Resources

Develop through consultative processes legislation and programs in support of community based developmental initiatives in all areas.

Indian Government Funding

Establish an assured funding base for basic Indian government operations.

Multiyear Financing

Develop multiyear financial arrangements supporting community based programs with provisions for appropriate management control and accountability systems.

Roles

Federal Delivery System

Co-ordinate and harmonize the federal government delivery system to ensure the compatibility and appropriateness of programs and resources available to Indians.

Federal/Provincial/ Indian Relations

Establish a framework for discussions and negotiations of a tripartite nature with respect to the constitutional position of Indians, the compatibility of jurisdictions amongst federal, provincial and Indian governments, and the access of Indians to provincial programs, services and natural resources.

Off Reserve Development

Establish a federal policy ensuring the access by Indians to adequate mechanisms for the prevention or redress of damages arising from major

developments which impact on them and availability to Indian's of the social and economic opportunities associated with such developments.

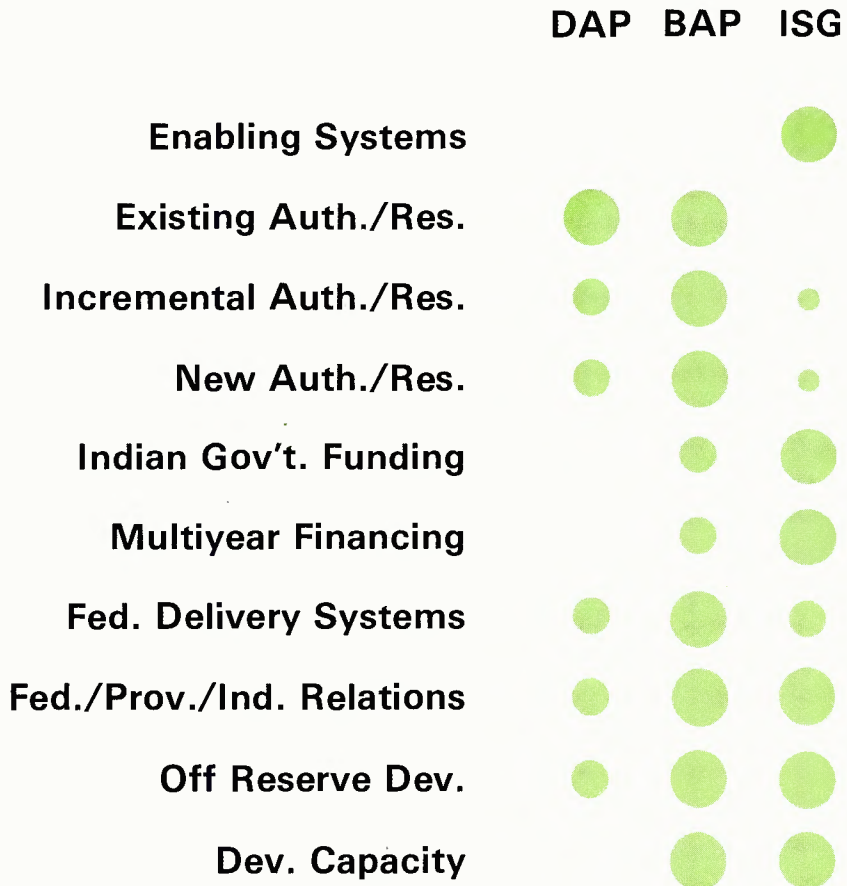
Developmental Capacity

Increase the capacity of the department from a human resources and organizational point of view to support and assist the process of community based planning and development.

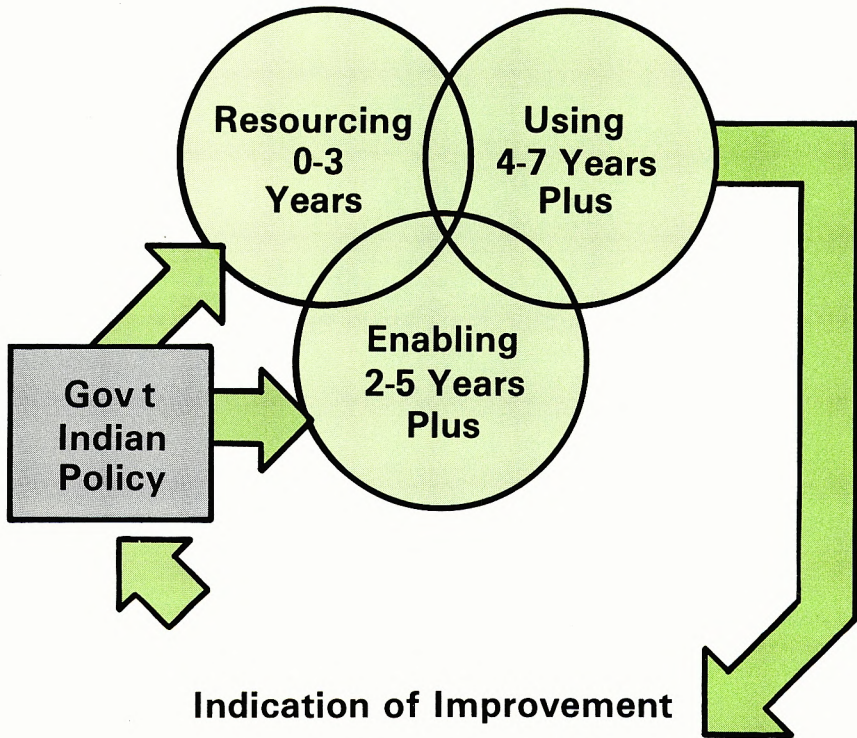
Relationship of Goals to Objective

	Nat.	Com.	Ind.
Enabling Systems	●	●	●
Existing Authorities/Res.		●	
Incremental Auth./Res.	●	●	●
New Auth./Res.	●	●	●
Indian Gov't. Funding	●	●	●
Multiyear Financing	●	●	●
Fed. Delivery Systems	●	●	●
Fed./Prov./Ind. Relations	●	●	●
Off Reserve Dev.	●	●	●
Dev. Capacity	●	●	●

Relationship of Goals to Departmental Strategies



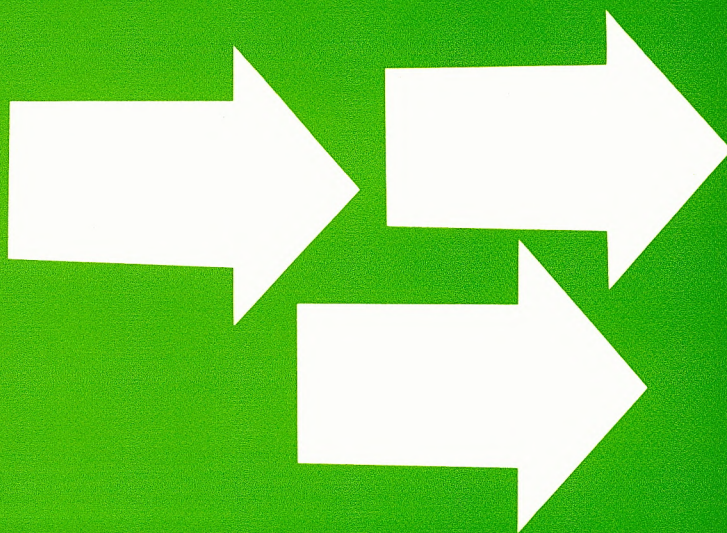
Timeframe, Monitoring and Control



Indication of Improvement

- Incarceration rates
- Morbidity, mortality
- Individual, and family breakdown
- Individual income replacement
- Community economic self sufficiency
- Indian defined measures

Rapport provisoire sur
**L'orientation du programme
des affaires
indiennes et inuit**
1980





Rapport provisoire sur
L'orientation du programme
des affaires
indiennes et inuit
1980




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l'hon. John C. Munro, C.P.,
ministre des Affaires indiennes
et du Nord canadien
Ottawa, 1980.
QS-5151-000-BB-A1



Introduction

Cette brochure contient un rapport provisoire sur l'élaboration d'une orientation pour le Programme des Affaires indiennes et inuit dans les années 80 et au-delà. Les concepts et les idées qui caractérisent cette orientation, ont déjà été insérés dans le plan directeur du Ministère récemment approuvé.



Un plan directeur est simplement une description d'un "avenir planifié" pour tout organisme. Il est utile dans la mesure où cette description correspond au mandat de l'organisme ou à la réalisation effective de ses buts et de ses objectifs à long terme. Un plan directeur est par conséquent sujet à un processus continu de révision, ce qui pourrait entraîner une adaptation progressive et des modifications fondées sur la réalité, de ses stratégies propres.

Le plan décrit dans cette brochure représente autant une extension naturelle du rôle en évolution du Programme dans les affaires indiennes qu'un changement radical dans la nature des activités du Programme et de ses rapports avec le peuple indien et les bandes.

La préparation des plans détaillés et des stratégies qui détermineront en dernier lieu cette orientation, doit se faire avec la collaboration des Indiens et du Ministère et ce, à tous les niveaux. La réussite de ces processus restera en grande partie liée à la compréhension par le personnel de ce que nous essayons de réaliser ainsi qu'à la participation de ce dernier à notre objectif. Le concours du personnel à cet exercice est nécessaire, non seulement parce qu'il s'agit d'un moyen de donner un sens à l'orientation choisie, mais aussi parce que, en ce faisant, le personnel contribuera au seul vrai test de la validité du projet.


Le sous-ministre adjoint des Affaires indiennes
et inuit
J.D. Nicholson

Avril 1980



Objectifs communs des Indiens et du gouvernement

Amélioration de la condition des Indiens dans un cadre qui:

- assure aux particuliers l'accès à tous les débouchés
 - maintient la responsabilité particulière du Ministre
 - reconnaît le cadre constitutionnel et les programmes d'allocation des ressources des gouvernements fédéral et provinciaux.
 - assure la participation des Indiens à la prise de décisions par le gouvernement
- 

Amélioration de la condition des Indiens

Au niveau national Reconnaissance des Indiens en tant que peuple fondateur possédant une identité culturelle, un peuple autonome, force vitale au sein de la société canadienne.

Au niveau de la collectivité Administrations indiennes autonomes responsables de la conception, de la gestion et du contrôle des services et des programmes locaux, confiantes que des décisions prises par la collectivité elle-même peuvent régler ses problèmes et, en tant qu'égaux, participant et contribuant à l'activité économique de la région environnante, et en tirant des avantages.

Au niveau individuel Satisfaction relativement à son milieu physique, social et économique et autonome avec un regard vers l'avenir et un sentiment de fierté.

Dépendance

La dépendance individuelle et collective des Indiens à l'égard du gouvernement est le principal obstacle à l'atteinte de l'objectif visé.

Le gouvernement a déjà fait appel sans succès à deux stratégies pour diminuer cette dépendance:

1. 1951-1965: Programmes administrés par le Ministère (PAM)
2. 1965-1980: Programmes administrés par la bande (PAB)

Une nouvelle orientation s'impose:

1980 + Autonomie administrative
des Indiens

Autonomie

Programmes administrés par le Ministère



Objet

Protéger les droits, les terres et les fonds des particuliers — programmes conçus pour répondre à des “besoins fondamentaux” — assurer l’application des lois sociales — appliquer des solutions classiques aux problèmes personnels

Effet

Programmes correctifs fragmentés — les contrôles ministériels limitent les initiatives du particulier et de la bande — dépendance accrue — le particulier et la collectivité ne sont pas encouragés à être autonomes

Programmes administrés par la bande

Objet

Maintien des approches établies au moyen de l'administration de la bande — efficacité accrue grâce à l'administration par la bande — sens plus vif de contrôle local

Effet

La gestion et le contrôle financiers et administratifs sont encore assurés par le Ministère — on ne laisse pas la bande cerner les problèmes et élaborer des solutions — absence continue d'encouragements à l'autonomie et renforcement de la dépendance

Autonomie administrative des Indiens



Objet

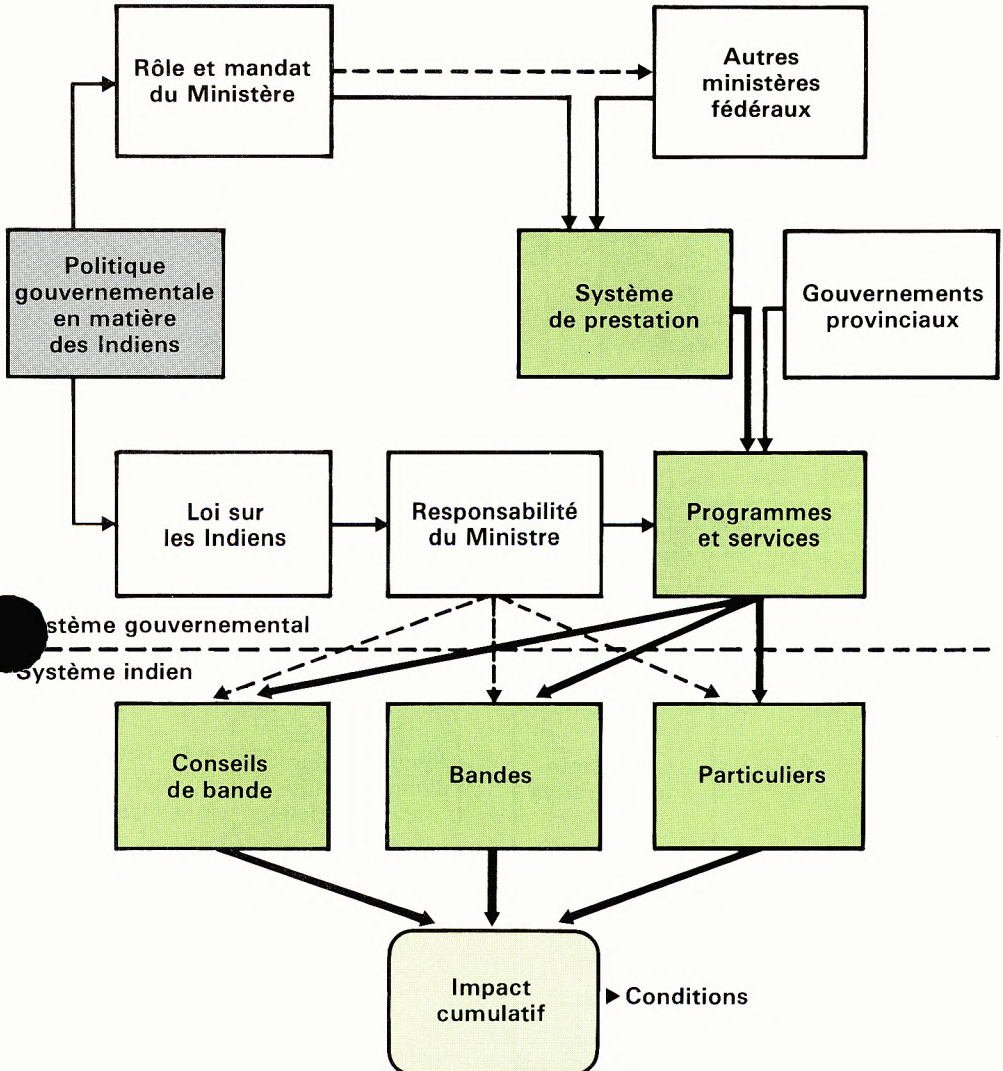
Les administrations des bandes deviennent le siège du développement communautaire et individuel intégral — les bandes exercent des pouvoirs à l'intérieur de leur propre territoire — les bandes agissent de concert avec les autres niveaux de gouvernements et établissent leurs propres liens économiques dans la région — les administrations des bandes sont responsables envers leurs membres de l'atteinte des objectifs de la collectivité et comptable des fonds fédéraux engagés

Autonomie

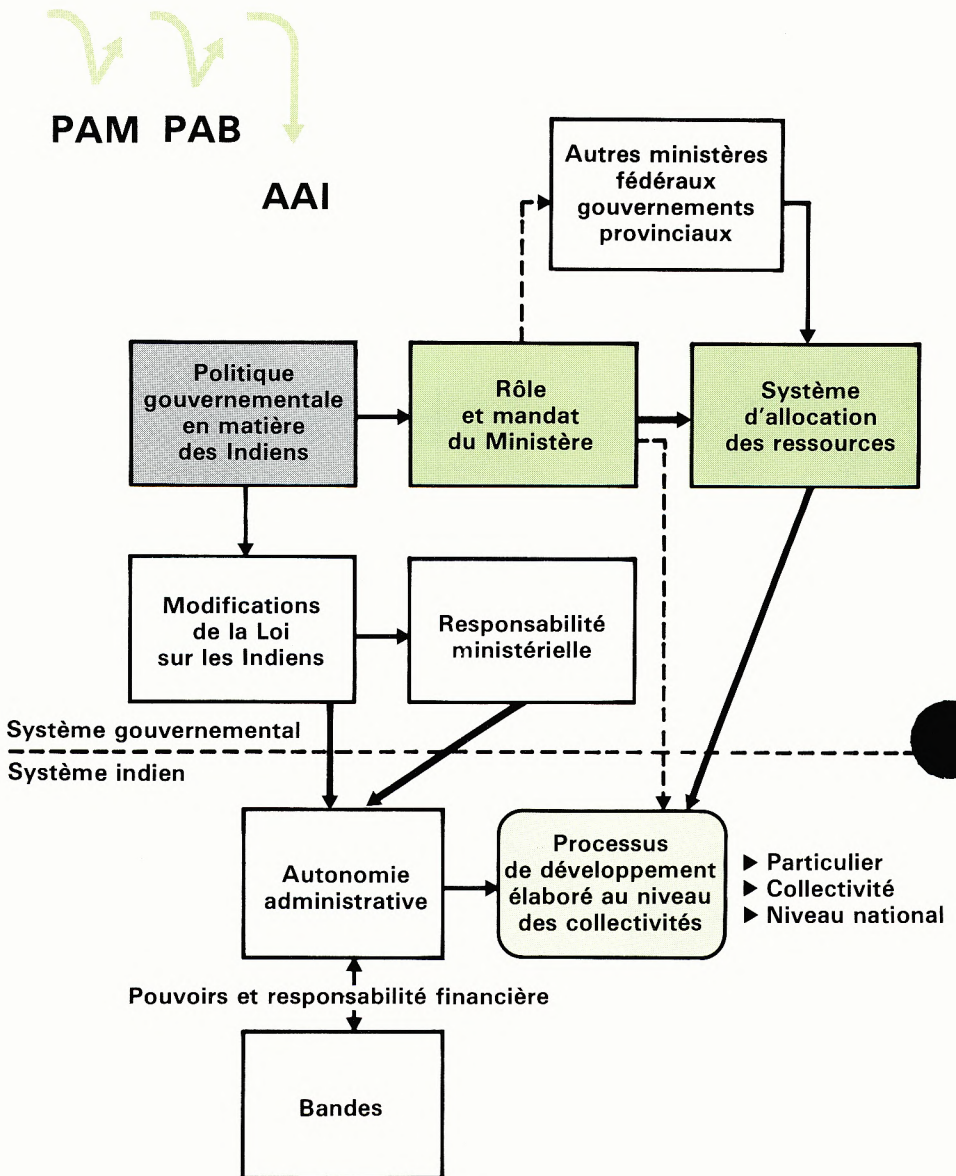
Cadre de la modification du système actuel



PAM PAB



Éléments de la nouvelle orientation



Buts

Autonomie administrative

Mécanismes habilitants

Établir des mécanismes habilitants en vue de l'autonomie administrative des Indiens, par voie de mesures législatives et de processus de règlement des revendications foncières

Allocation de ressources

Références/Ressources actuelles

Déterminer et officialiser des voies et moyens de fournir des ressources directement aux bandes ou de leur déléguer des pouvoirs décisionnels relativement aux programmes et à l'allocation des ressources, compte tenu des références existantes des programmes et des ressources qui leur sont actuellement allouées.

Références/ressources additionnelles

Par voie de consultation, déterminer les besoins de développement au niveau des collectivités en termes de changements additionnels à apporter aux références existantes des programmes et aux ressources qui leur sont actuellement allouées.

Nouvelles références/ ressources

Par voie de consultation, élaborer des mesures législatives et des programmes à l'appui des initiatives de développement prises au niveau des collectivités dans tous les domaines.

Financement des administrations indiennes

Établir une base sûre pour le financement des activités courantes des administrations indiennes.



Financement sur plusieurs années

Élaborer des ententes financières fondées sur plusieurs années, comportant des mécanismes de contrôle administratifs et financiers appropriés, à l'appui des programmes élaborés au niveau des collectivités.

Rôles



Système fédéral de prestation

Coordonner le système de prestation du gouvernement fédéral et en harmoniser les éléments, afin d'assurer la compatibilité et la pertinence des programmes et des ressources mis à la disposition des Indiens.

Relations fédérales/provinciales/indiennes

Établir un cadre de discussion et de négociation tripartites relativement à la position constitutionnelle des Indiens, à la compatibilité

des compétences des autorités fédérales, provinciales et indiennes et à l'accès par les Indiens aux programmes, aux services et aux ressources naturelles des provinces.

Développement hors des réserves

Établir une politique fédérale assurant aux Indiens l'accès à des mécanismes adéquats de prévention ou de réparation des dommages causés par de grands programmes de développement qui ont des répercussions sur eux, et leur garantissant la possibilité de profiter des retombées socio-économiques liées à ces programmes.

Capacité de développement

En ce qui a trait aux ressources humaines et à l'organisation, accroître la capacité du Ministère de contribuer au processus de planification et de développement élaboré au niveau des collectivités.

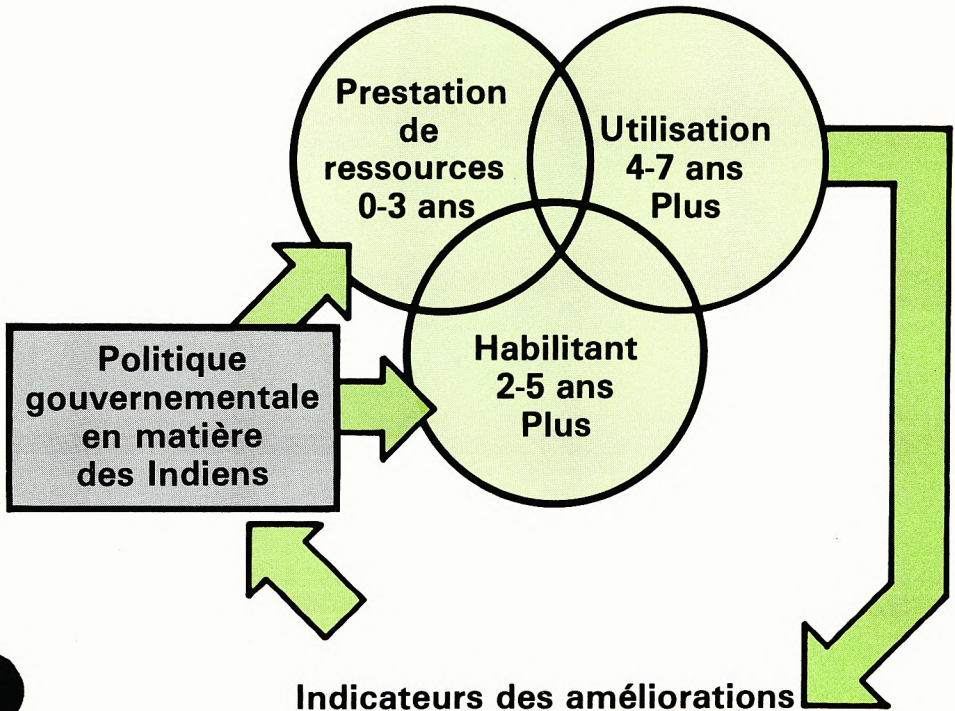
Rapport entre les buts et l'objectif

	Niveau national	Collectivité	Particulier
Mécanismes habilitants	●	●	●
Références/ressources actuelles		●	
Références/ressources additionnelles	●	●	●
Nouvelles références/ressources	●	●	●
Financement des administrations indiennes	●	●	●
Financement sur plusieurs années	●	●	●
Systemes de prestation fédéraux	●	●	●
Relations fédérales/provinciales/indiennes	●	●	●
Développement hors des réserves	●	●	●
Capacité de développement	●	●	●

Rapport entre les buts et les stratégies ministérielles

	PAM	PAB	AAI
Mécanismes habilitants			●
Références/ressources actuelles	●	●	
Références/ressources additionnelles	●	●	●
Nouvelles références/ressources	●	●	●
Financement des administrations indiennes		●	●
Financement sur plusieurs années		●	●
Systèmes de prestation fédéraux	●	●	●
Relations fédérales/provinciales/indiennes	●	●	●
Développement hors des réserves	●	●	●
Capacité de développement		●	●

Échéancier, surveillance et contrôle



- Taux d'emprisonnement
- Morbidité, mortalité
- Dépressions, ruptures des familles
- Remplacement du revenu du particulier
- Indépendance économique de la collectivité
- Mesures définies par les Indiens

M55D

The New Expenditure Management System

**A paper outlining the envelope system
for allocating and controlling expenditures
of the Government of Canada**

December, 1979



**Department of Finance
Canada**

**Ministère des Finances
Canada**



The New Expenditure Management System

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THE NEW EXPENDITURE MANAGEMENT SYSTEM

This paper has been prepared
by the Privy Council Office
in consultation with
the Department of Finance
and the Treasury Board,
as one of the background documents
for the Budget of December 11, 1979.

INTRODUCTION

Few things have served so dramatically to create among Canadians a sense of lost control - and of the need to reassert that control through careful planning and sound management - as the growth of government spending.

The reasons for the growth are a matter of endless and intricate debate. The fact of the growth is not.

In 1939, on the eve of a war in which the foundations were laid for modern government, for new fiscal sharing between the federal government and the provinces, and for the social and economic structure we live with now, the Government of Canada spent less than \$500 million.

Two decades later, in 1959, federal spending was ten times greater, at more than \$5 billion.

This year, another two decades on, spending is ten times greater again, at more than \$50 billion. It is 25 years since spending in one year was less than in the year before. In addition, in recent years there has been an accelerating growth of "tax expenditures", that is, the use of public funds to provide tax incentives to particular industries and groups.

The character of government has also changed, as the nation and the international context in which it lives have changed and as the knowledge of what government can and cannot do has changed.

As much as the change in size, this change in the character of government needs to be understood and addressed in reforming the financial machinery of government to meet the needs of the 1980s.

The complexity and rapidity of change in Canadian society - and hence of the issues facing government - have meant that few problems can be contained within the span of a single department or the responsibilities of a single Minister. As the number of government departments and agencies increases, in response to demands from the public for action in areas such as environmental protection, consumer affairs, regional development and more, this situation becomes more serious. As the number of departmental actors proliferates, the need for mechanisms that provide for effective cross-departmental action and coordination becomes more urgent.

The speed of events and the speed with which problems and policies are communicated add another dimension to the problem. It is no longer possible to formulate a solution to an issue in isolation, then sort out the undesirable and unexpected side effects as they appear.

A government decision can have effects on the lives, financial standing and prospects of individual Canadians within hours. With equal speed, side effects can be transmitted through the complex inter-connections of a modern industrial society into areas of national life seemingly quite divorced from the matter at hand.

Inevitably, these changes in the size and character of government have drawn in their train an evolution in the thinking about how best to administer government. The question increasingly at the forefront of concern in the modern age is not simply what to decide but how to decide.

How decisions are made - that is, the process of public decision-making - is greatly conditioned by the network of incentives and constraints in which the process operates. That process is also influenced by who is consulted and when, who is to be accountable and to whom. The process itself can affect the chance of a particular policy gaining public acceptance as being both in the public interest and fair.

It has become increasingly clear that changing the incentives, constraints and procedures in the decision-making process is fundamental to coping effectively with the growth in the size and scope of government. It is also apparent that changing the way expenditure decisions are made can be neither lightly undertaken nor easily accomplished.

This is true even when attractive solutions seem at hand because they have been demonstrably successful in solving apparently similar problems in other governments and large organizations such as corporations. Such models of reform always require adaptation - since they have been developed to deal with other problems in other places - and adaptation can be as complex as starting from scratch.

Thus, systems that seem to hold out the promise for government of providing good, business-like management need to be accommodated to the requirements of political control, the essential prerequisite for the ministerial accountability that is at the heart of a healthy parliamentary democracy.

Business and the control and management systems of business have in fact contributed importantly to the management of government, and the goal of business-like management of government finances is one that any government ignores at peril.

But government and business are quite different institutions with quite different goals and measures of success. Business, unlike government, does not report to Parliament. Government, unlike business, is not oriented toward profit, but toward what is generally defined as the greatest good for the greatest number of people, a goal that does not readily lend itself to the hard numbers of business's "bottom line".

Similarly, systems used in other governments need to be adjusted to Canada's federal system and parliamentary system, and to the unique requirements imposed by the federal and parliamentary processes operating in concert with each other.

Neither federalism, nor the political control required to sustain the accountability of Ministers to Parliament need be inconsistent with the business-like management of public finances.

The Lambert Commission argued in fact that political control and good financial management are essential to each other. Both need to proceed together. There is no immutable law that says political control will automatically lead to good management or vice versa.

Reform, if not carefully and sensitively crafted, can as easily throw political control and management into conflict with each other, undermining both objectives. The goal of reform, then, is to create the circumstances where the principles of improved political control and improved financial management reinforce each other.

THE BACKGROUND TO CHANGE

The new expenditure management system now being implemented represents an important evolutionary change in administration of the federal government.

The need for change in the structure of federal government expenditure management has been well articulated by successive Auditors General, by the government's Comptroller General and, most recently, by the Royal Commission on Financial Management and Accountability, known as the Lambert Commission.

As the Commission's final report noted:

✓ "The strong and sustained economic upsurge throughout the 1960s and 1970s, interrupted only by a brief pause around the turn of the decade, led to the mistaken belief in many quarters that economic growth would continue unabated and, as a consequence, that the high level of government spending could continue as well. Effective planning with respect to the use of total resources was wholly inadequate."

(Page 16)

And,

✓ "Our review of the existing financial planning process revealed several fundamental weaknesses. None of the participants is held effectively accountable. Expenditures are proposed by departments in ignorance of projected revenues and without their being related to priorities. There is no public commitment to an expenditure plan and consequently no basis for effective parliamentary review. Finally, there is little public participation in expenditure planning."

(Page 71)

The Commission stressed the necessity to plan within financial limits:

✓ "...we cannot accept that priorities and objectives can continue to be set without a full awareness of the financial implications of attempting to achieve them."

(Page 69)

And,

✓ "...planning under the assumption of unlimited resources is very different from planning within fixed limits. In fact, planning is a misnomer for a process that focusses principally on new initiatives and how they might be realized. Planning is not

planning if it does not require choices among new initiatives and encourage the review and evaluation of on-going activities and the identification of cost reduction potential."

(Page 74)

In brief, the Commission's conclusion was that the existing processes for making decisions and managing expenditures were inadequate to the needs of a time when the economic limits on government are tightening. The Commission contributed importantly to identifying why this is the case.

Perhaps inadequate attention has been paid in the past to the use of public funds in the form of "tax expenditures" as distinct from direct government spending. Clearly, effective management of government expenditures involves both types of spending.

There is no question, then, that fundamental change and reform are required to allow government to accommodate not only to the imperative of short-term restraint but to the longer-term task of making choices within the real limits imposed by economic circumstances.

Choosing within limits clearly requires that the focus of government shift from questions of quantity to questions of quality. The new expenditure management system is directed to this fundamental task.

THE NEW SYSTEM

The new system has been designed to accommodate the need to range across sets of issues as well as into the depths of specific problems - the horizontal as well as the vertical - and to provide the capacity to prepare for and adjust to change, as well as to meet the concerns of the Lambert Commission and others.

- ✓ It is intended to focus attention more sharply on the hard choices to be made and the trade-offs among alternative policy actions.

It is this strategic planning role for the expenditure system that this paper sets out to describe - that is, how it allows government to establish objectives, to choose among alternative programs to achieve those objectives, and to allocate resources among those programs. [In brief, the concern here is on the process whereby decisions are made about the kind and level of activities that managerial control then seeks to carry out efficiently.]

The other aspects of budgetary control - the proper management of resources to achieve value for money and the control of spending to ensure that public funds are spent for stated purposes - are equally important.

Improvements in these aspects of the government's expenditure management must move forward in a way that reinforces the government's intent to make effective use of every dollar of public money. In this regard the activities of the Auditor General, especially on "value for money" assessments, and the Comptroller General's initiatives to implement Treasury Board policies in the areas of financial administration, planning and control are essential.

These activities will also provide important inputs into the strategic planning process so that Ministers can decide not only where funds are to be allocated but which alternatives offer the best chance to provide the desired benefits.

Thus, improvements in all of the elements of expenditure planning and control will serve to reinforce the government's overall objective to achieve restraint and to ensure the effectiveness of government spending.

The system's essence is in four principles:

1. Establish Known Limits

- ✓ The setting of limits, for the government as a whole and for policy sectors over a five-year period, is the essential device to shift the decision-making process from a focus on new initiatives to the necessity to make real choices and trade-offs in full view of fiscal consequences.

2. Put First Things First

The system aims at establishing general and specific priorities and fiscal limits before developing expenditure plans, so that the development of detailed spending plans and program forecasts does not create de facto priorities that cannot be changed except in a marginal and/or arbitrary way.

3. Make Decisions Where They Can Best be Made

The system recognizes that, with issues being complex in themselves and with these complexities multiplied many times over by inter-relationships with other issues, it is essential to avoid the clear and constant danger of a handful of decision-makers who could not possibly know all there is to know being overloaded with responsibility. This requires that more people be given greater responsibility in more specialized areas and that there be a decentralization of decision-making in order to reduce issues to a human size.

4. Place Responsibility for Saving with Those Who Spend

Spending in a political system carries its own reward. The clear need is to make it equally worthwhile to reduce spending. As the Prime Minister said in describing the new system at Jasper:

"We are ending the era where several Ministers were interested in spending and only the President of the Treasury Board was concerned about restraint. We have a system in place now that imposes an obligation to pursue restraint upon each Minister and each department."

The new system does this in the context of the new committee system by ensuring that groups of Ministers who want to spend must also save.

What flows from these principles is a system in which the separate processes of setting government priorities, establishing spending limits and making specific expenditure decisions are tightly integrated into a single process.

The framework in which this operates is the new Cabinet committee structure implemented earlier this summer with the intention of giving significantly greater decision-making authority to the policy committees of Cabinet and thereby to individual Ministers in the area of their responsibility, while still ensuring that the work in one policy sector is consistent with the overall work and priorities of the government.

In its basics, the new system involves two fundamental reforms:

1. The preparation and publication of a longer-term fiscal plan encompassing government revenues and expenditures over a five-year period - i.e. setting out the overall financial constraint within which choices must be considered.

2. The establishment of specific expenditure limits for policy sectors, related to the government's priorities, and assignment of the responsibility for managing a particular policy sector's resources within the established limits to the appropriate policy committee of Cabinet.

In the context of the new Cabinet committee system, the new system will involve the following:

- the Inner Cabinet will establish overall expenditure limits and allocate resources among policy sectors in accordance with the overall priorities and objectives of the government; and
- the policy committees will allocate the resources within each policy area or "envelope" subject to the limit established and to Inner Cabinet's ensuring that any reallocation is in keeping with overall objectives and priorities.

LONGER-TERM PLANS

As the Lambert Commission pointed out, sound management must be based on a planning process that establishes goals, sets out the best ways of achieving these goals, identifies the required resources and measures the benefits arising from their attainment. The starting point must be the development of a fiscal plan encompassing the total spectrum of revenues and expenditures to provide a clear picture of the planned role of the government in the economy. To enable the public to clearly determine the government's long-term objectives and the means by which it plans to achieve these objectives, the plan would also set out specific expenditure limits for each policy area.

Expenditures - overall and for each policy sector - will be projected for a five-year period. This will allow departments and agencies to plan over a reasonable period with a clear sense of what resource limits will be. This will require continuing analysis of expenditure trends to detect problems in later years which might - in light of the legislative process and the financial interdependence between levels of government - require immediate action to effect later savings. Reviewing projections of expenditures will provide a means of identifying particular budgetary pressures and selecting those areas where change is desirable in light of the government's longer-term objectives.

To develop this plan it is necessary to first set out where the government wishes to be at a particular point in the future and then to identify the key constraints on the achievement of that end point, an approach essential in achieving government objectives. Sudden and arbitrary changes are impossible given the extensive federal/provincial arrangements and ultimately the need for parliamentary approval of the government's proposals.

Finally, a long-term plan provides Ministers with a context within which they can examine future costs of on-going programs and new initiatives and take these into full account in considering current decisions.

The five-year expenditure projections will include:

- the current fiscal year;
- the limits for the coming fiscal year; and
- the planning projections for the three subsequent fiscal years.

Each year, and as required by new circumstances, the planning projections will be adjusted; the third year projections, after necessary adjustment, becoming the fixed limit for the coming fiscal year and being replaced by a projection for an additional year ahead.

These targets could change, depending upon economic circumstances, but they provide nonetheless the essential element of realistic planning - a clearly stated objective of what the government hopes to achieve.

RESOURCE ENVELOPES

The creation of a system of resource envelopes is central to the new system. The envelope basically defines the resources that are available for a particular policy sector over time. Based on the budgetary requirements of departments, agencies and Crown corporations within the sector, the policy committee of Cabinet responsible for that particular sector provides direction on the use of the resources.

To arrive at a set of envelopes, total government expenditures have been divided into nine envelopes. Most of these envelopes provide opportunities for the reduction or elimination of expenditures on programs within the envelope in order to yield resources for expansion of other programs or the development of new programs. While the envelope is defined in terms of an expenditure budget, it is intended that decisions on the envelope be arrived at with reference to all the means available to achieve a particular objective over time; tax incentives, the use of regulatory and legislative devices, as well as direct funding. It would not be possible, for example, to escape the discipline of the envelope limit through the introduction of incentives through the tax system.

If a decision is taken to replace an existing program or in some cases to support a new initiative by tax expenditures, the envelope for that particular policy area will be adjusted downward accordingly. The reductions achieved will be considered as an overall expenditure saving to the government.

Of particular importance in this context will be the information provided by the Minister of Finance on tax expenditure alternatives in the relevant policy sectors. A policy committee would not be able to decide on particular changes to the tax structure but would be provided with the information required to compare the need for new or existing expenditures with the cost and effectiveness of achieving the same objectives through new tax measures.

The resource envelopes, together with information on the major policy areas, are intended to serve two basic purposes:

a) Review of Relationship Between Expenditures and Objectives

To display for Ministers quickly and conveniently the relationship of particular programs within a particular policy sector not only to other programs within that sector but to the objectives and expenditure goals of the government as a whole. As such, they are expected to facilitate the identification of expenditure pressure areas, and the comparison of expenditure trends to the government's objectives;

b) Management of Policy Sector

To provide policy committees with both the opportunity and the incentive to develop systems for reviewing programs within their policy sectors and for reallocating resources from less effective to more effective programs. This will become imperative given the requirement that the funding for new initiatives and activities be generated by the policy committee through savings on existing programs.

Following the broad functions of government programs, the policy committees and the sectors or envelopes for which they are responsible are as follows:

1. Inner Cabinet - responsibility for those expenditures with direct implications for national financial arrangements

Fiscal Transfers to the Provinces

Public Debt

2. Social and Native Affairs Committee

Justice and Legal Affairs - consists of those government programs aimed at achieving justice and protection of the individual. Ninety per cent of the expenditures are allocated to the two major programs - RCMP and Correctional Services.

Social and Native Affairs - consists of all social programs including major statutory programs that involve direct payments to individuals from the federal government (income maintenance), or to support essential social services through arrangements with the provinces (Established Program Financing).

3. Economic Development Committee

Economic Development - consists of those government programs that are directly related to the key economic sectors, including resources, manufacturing and tourism as well as horizontal policy activities such as competition policy, regional development and transportation.

4. Economy in Government Committee

Services to Government - the Services to Government envelope includes those programs and activities of government whose primary purpose is to provide support and services to program departments or are primarily service oriented (Post Office). It also includes Executive Functions (mainly central agencies) and agencies which report to Parliament but for which the government retains a financial and management responsibility.

Parliament - a separate envelope has been defined for those elements outside the direct control of the government.

5. Foreign Policy and Defence Committee

External Affairs and Aid - including assistance to developing countries.

Defence - both capital and operating expenses for DND.

The specific departments and programs for each envelope are listed in the Annex attached to this paper. It is anticipated that as detailed implementation proceeds and Ministers gain more experience with the new system, adjustments in how envelopes are defined and the programs they include will be required.

THE RESPONSIBILITY OF MINISTERS

The expenditure process only comes to public attention at certain points in the year - at the release of the Auditor General's report, the tabling of Main Estimates and the report of the Public Accounts Committee. It is, however, a continuing process requiring the close attention of Ministers.

In this regard, the following responsibilities are of particular importance:

A. The Policy Committee Chairman

The Chairman's primary responsibility is to develop, in concert with the Policy Committee, a policy and resource overview of a sector and to forge the individual actions and responsibility of Ministers into a common government approach for that sector. On this basis the Chairman:

1. Leads the process of policy and program development in the policy sector, including decisions on the appropriate level of resources at the program level within the assigned envelope.
2. Is responsible for ensuring that the Committee has the information necessary to give full consideration to trade-offs that must be made among departments in that sector, and to agree on broad allocations for departments and programs within the envelope assigned. This would include recommendations and decisions on cutting back expenditures and reallocating the savings to other programs.

B. Minister of Finance

The Minister of Finance and his officials are the chief economic advisers to the government. On the basis of the Ministry's responsibilities for the government's economic policies and its financial position, including the management of the national debt and the borrowing requirements of Crown corporations, the Minister of Finance:

1. Sets the government's fiscal framework.
2. In consultation with the President of the Treasury Board, makes recommendations on the size of the envelopes.
3. Assesses and advises on the macro-economic consequences of envelope decisions.

4. Assesses other means, including tax incentives, that may be more effective than expenditures in meeting the government's objectives.
5. Ensures that decisions on the allocation of resources are fully compatible with the government's economic and financial policies.

C. President of the Treasury Board

The President of the Treasury Board maintains an overview of the government's expenditure plans and the management of the envelopes. In particular, the President of the Treasury Board:

1. Based on an assessment of budgetary pressures and on-going reviews of expenditures, advises on appropriate expenditure levels for the government as a whole and by envelope.
2. Exercises overall responsibility for accounting of expenditures, including the preparation and tabling of Main Estimates based on decisions of the policy committees.
3. Advises on the current state of commitments in each envelope and anticipated demands on each envelope. In particular, ensures that the Chairman is aware whenever there is a danger that an envelope may be breached in a current or future year.
4. Advises on specific policy or program proposals before Committees in light of the analytic work of the Treasury Board Secretariat and the Comptroller General, with particular emphasis on efficiency and effectiveness criteria.

THE WORKING OF THE NEW SYSTEM

Because the policy sectors represented by the envelopes, like the overall fiscal path of the government, are to be dealt with in the context of a five-year plan, the new system requires that virtually every spending decision be examined in terms of its effects over time.

This five-year perspective, beginning with the current fiscal year, is essential to sound planning by government and public alike. But as well, it is an essential device in the new system for identifying in a systematic way both the long-term consequences of particular spending decisions and the immediate decisions that might be necessary if long-term targets are to be met. NB

By way of example, a particular program may be forecast to grow consistently in terms of its financial, staff and other requirements at a faster rate than what is projected for the sector, or the government as a whole. If this is what is wanted, it will be necessary to identify a program or programs that will have to grow at a rate slower than that of the sector or the government in order to maintain the limits set for the third, fourth or fifth year of the fiscal plan.

Similarly, programs that are candidates for reduction or elimination five years ahead in order to provide room for programs judged to be more desirable or more effective may require immediate decisions. This is particularly true, for example, in the case of fixed-term federal-provincial programs.

The limits, necessarily, will be based on the best current assumptions as to the way the national economy will perform in the years ahead. The further ahead a limit is projected, of course, the greater the uncertainty as to the validity of the assumptions on which it is based. As a major player in international trade and financial markets, Canada is particularly vulnerable to the effects of unanticipated developments abroad.

A change in economic prospects need not mean that the government's overall targets or even the targets for specific sectors will have to be changed. It is likely to mean, however, that changes in the mix of policies within envelopes will have to be adjusted in order to keep expenditures within the limits. The new system is intended to facilitate such adjustment because it requires the continuing review of programs within policy sectors, departments and agencies to determine where expenditures may be reduced or eliminated to achieve savings or make room for programs more in keeping with the government's broad priorities.

Bearing in mind the likelihood that economic assumptions will change, however, the system is intended to allow progressively tighter planning through a five-year period for any particular fiscal year.

In 1979, the first limits are being defined and established for fiscal year 1983-1984, in light of the current economic assessment, the proposed tax structure, the anticipated fiscal stance of the government and other variables such as expenditure trends.

In 1980, the overall target for 1983-1984 will be revised and refined in light of the latest assessments of economic prospects and other variables.

In 1981, after further updating of the targets for 1983-1984 has been done, along with the preparation of work plans for the policy sector and the government as a whole, strategic decisions will be taken on programs to be undertaken and detailed work on these programs will begin.

In 1982, final decisions will be taken for 1983-1984, again within the context of the latest assessments of the economy, expenditure trends, etc.

With the beginning of the 1983-1984 fiscal year, program changes will be introduced and the government's overall program will be managed and evaluated, the information developed in this process in turn feeding into planning for future years. At this point, the system will then be doing the first work on establishing the limits for 1987-1988.

CONCLUSION

Implementation of the new system is already well advanced. Five-year fiscal projections for the government as a whole will be published with the budget. Projections for specific policy sectors will be published with the Main Estimates.

The system has already proved to be an important tool for the government in assessing how individual policies mesh with others and with the government's overall priorities and objectives.

The government recognizes that as implementation proceeds certain changes may prove necessary and that it may take some time for the full benefits to be clear.

The government is confident, however, that the new system will achieve its objectives of ensuring that expenditures reflect priorities, and introducing greater flexibility - and thus ministerial control - into the management of government.

ANNEX

CABINET COMMITTEE RESOURCE ENVELOPES

INNER CABINET
Chaired by the Prime Minister

FISCAL ARRANGEMENTS ENVELOPE

Municipal Grants
Subsidies under BNA Act
Federal-Provincial Fiscal Arrangements
Utilities Income Tax Transfers
Reciprocal Taxation

PUBLIC DEBT ENVELOPE - Interest and Amortization

CABINET COMMITTEE - ECONOMIC DEVELOPMENT
Chaired by the Minister
of Economic Development
and Industry, Trade and Commerce
Senator Robert R. de Cotret

ECONOMIC DEVELOPMENT ENVELOPE

Agriculture

Canadian Dairy Commission
Canadian Livestock Feed Board
Farm Credit Corporation

Communications

Consumer and Corporate Affairs

Economic Development - Ministry of State

Employment and Immigration

Department and activities of Canada Employment and Immigration
Commission relating to job creation and employment services.

Energy, Mines and Resources

Energy
Oil Import Compensation Payments
Sarnia-Montreal Pipeline
Minerals
Earth Sciences
Atomic Energy Control Board
Atomic Energy of Canada Limited
National Energy Board

Environment

Forestry

Fisheries and Oceans

Industry, Trade and Commerce, including industrial support and grain programs

Canadian Commercial Corporation
Federal Business Development Bank
Foreign Investment Review Agency

Labour

Northern Pipeline Agency

Public Works Lands Co. Ltd.

Regional Economic Expansion, including Cape Breton Development Corporation

Science and Technology

National Research Council
National Sciences and Eng. Research Council
Science Council of Canada

Supply and Services, industrial programs

Unsolicited Proposals for R & D
Source Development Fund

Transport

Air Canada
Canadian Transport Commission

Treasury Board - employment funds

CABINET COMMITTEE - SOCIAL AND NATIVE AFFAIRS
Chaired by the Secretary of State
and Minister of Communications
Mr. David MacDonald

SOCIAL AND NATIVE AFFAIRS ENVELOPE

Canada Mortgage and Housing Corporation, Community Services and Home Insulation

Can. Radio-Television & Telecom. Comm.

Employment and Immigration

Contribution to UI Account
Immigration

Environment - Environment Programs and Parks

Indian Affairs and Northern Development

Labour

Can. Centre for Occ. Health & Safety

National Health and Welfare

Health & Social Service Programs
Established Programs Financing
Hospital Insurance
Extended Health Care
Medicare

Canada Assistance Plan
Old Age Security
Family Allowance
Medical Research Council

Secretary of State

Canada Council and other cultural agencies
Canada Broadcasting Corporation
National Library and Public Archives
Social Sciences & Hum. Research Council
Status of Women

Veterans Affairs

JUSTICE AND LEGAL ENVELOPE

Justice

Canadian Human Rights Commission
Law Reform Commission of Canada
Supreme Court of Canada
Tax Review Board

Solicitor General

Correctional Services
National Parole Board
Royal Canadian Mounted Police

CABINET COMMITTEE - FOREIGN POLICY AND DEFENCE
Chaired by the Secretary of State
for External Affairs
Miss Flora MacDonald

EXTERNAL AFFAIRS ENVELOPE

External Affairs

Canadian International Development Agency
International Development Res. Centre
International Joint Commission

DEFENCE ENVELOPE

National Defence

Defence Services
Defence Services - Pensions
Military Pensions

CABINET COMMITTEE - ECONOMY IN GOVERNMENT
Chaired by the President of the Treasury Board
Mr. Sinclair Stevens

PARLIAMENT ENVELOPE

Parliament

The Senate
House of Commons
Library of Parliament

GENERAL GOVERNMENT ENVELOPE

Finance

Administration
Anti-Dumping Tribunal
Inspector General of Banks
Anti-Inflation Board
Auditor General
Insurance
Tariff Board

Governor General & Lieutenant Governors

National Revenue

Post Office

Privy Council

Chief Electoral Officer
Commissioner of Official Languages
Economic Council of Canada
Public Service Staff Relations Board

Public Works

National Capital Commission

Secretary of State

Public Service Commission
Representation Commissioner

Supply and Services - Administration and Services

Canadian Arsenals Limited

Treasury Board

Comptroller General
Statistics Canada

Le nouveau système de gestion des dépenses

Un document donnant un aperçu du
système de l'enveloppe de répartition
et de contrôle des dépenses du
Gouvernement du Canada

Décembre 1979



Ministère des Finances
Canada

Department of Finance
Canada

Le nouveau système de gestion des dépenses

Un document donnant un aperçu du
système de l'enveloppe de répartition
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Décembre 1979

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LE NOUVEAU SYSTEME DE GESTION DES DEPENSES

Cet exposé a été rédigé par le
Bureau du Conseil privé, en
consultation avec le
ministère des Finances et
le Conseil du Trésor,
dans le cadre de la documentation
accompagnant le budget du 11 décembre 1979.

INTRODUCTION

Peu de choses ont contribué autant que la croissance des dépenses gouvernementales à donner aux Canadiens l'impression que la situation échappait à tout contrôle et qu'il fallait établir ce contrôle par une planification prudente et une saine gestion.

Si les raisons de cette hausse font l'objet de débats interminables et complexes, la croissance, elle, est incontestable.

En 1939, à la veille d'une guerre qui devait voir s'établir les fondements de l'Etat moderne, un nouveau partage fiscal entre le gouvernement fédéral et les provinces, et la structure économique et sociale que nous connaissons aujourd'hui, le gouvernement du Canada dépensait moins de \$500 millions.

Vingt ans plus tard, en 1959, les dépenses fédérales avaient décuplées, pour dépasser les \$5 milliards.

Cette année, encore deux décennies plus tard, ces dépenses ont de nouveau décuplées, en s'élevant à plus de \$50 milliards. Cela fait 25 ans que les dépenses n'ont pas baissé d'une année à l'autre. De plus, on a observé ces dernières années une croissance accélérée des "dépenses fiscales", c'est-à-dire de l'utilisation des fonds publics pour accorder des encouragements fiscaux à des industries et à des groupes particuliers.

La nature du gouvernement a elle aussi changé, en raison de l'évolution du pays, du contexte international et de ce qu'il est ou non permis au gouvernement de faire.

La réforme des mécanismes financiers de l'Etat doit tenir compte autant de la nature que de l'ampleur du changement, si l'on veut pouvoir relever le défi des années 80.

La complexité et la rapidité des changements dans la société canadienne (et, partant, des questions auxquelles le gouvernement est confronté) ont été telles que peu de problèmes relèvent de la compétence d'un seul ministère ou des responsabilités d'un seul ministre. Cette situation s'aggrave à mesure que les ministères et organismes publics se multiplient, face aux demandes du public dans des domaines comme la protection de l'environnement, la consommation et le développement régional. La multiplication des intervenants ministériels rend de plus en plus nécessaires des mécanismes de concertation et de coordination.

La vitesse à laquelle se produisent les événements et se propagent les problèmes et les politiques ajoute une dimension nouvelle au problème. On ne peut plus espérer résoudre isolément une question, pour s'occuper ensuite des effets secondaires indésirables et imprévus à mesure qu'ils se présentent.

Il suffit de quelques heures pour qu'une décision gouvernementale se répercute sur la vie, la situation financière et les perspectives d'avenir des citoyens canadiens. Il ne faut pas plus longtemps aux effets secondaires pour se propager, par les interconnexions de la société industrielle moderne, à des domaines apparemment fort éloignés de la question considérée.

Ce changement de dimension et de nature du gouvernement à inévitablement entraîné une évolution des idées sur l'administration de l'Etat. On s'interroge de plus en plus maintenant, non sur les décisions à prendre, mais sur la façon de les prendre.

La façon dont les décisions sont prises - c'est-à-dire le processus de décisions publiques - est en grande partie déterminée par le réseau d'incitations et de contraintes qui enveloppe ce processus. Celui-ci dépend aussi des personnes qui sont consultées, du moment choisi pour la consultation, des personnes responsables et de l'autorité dont elle relève. Ce processus peut à lui seul modifier les chances qu'une mesure particulière soit acceptée comme étant à la fois juste et conforme à l'intérêt public.

Il est de plus en plus évident qu'il faut absolument modifier les incitations, les contraintes et les modalités qui entourent le processus décisionnel si l'on ne veut pas être dépassé par la croissance de l'Etat. Il apparaît également qu'une réforme de la manière dont les dépenses sont décidées est chose sérieuse et difficile.

Cela est vrai même lorsqu'on croit disposer de solutions séduisantes parce qu'elles ont prouvées leur efficacité face à des problèmes apparemment analogues rencontrés par d'autres administrations publiques ou de grandes organisations comme les entreprises. Ces prétendus modèles doivent toujours être adaptés - puisqu'ils ont été élaborés pour résoudre d'autres problèmes en d'autres circonstances - et il peut être aussi difficile de les adapter que de tout reprendre à zéro.

Par conséquent, des méthodes qui semblent offrir au gouvernement la promesse d'une gestion saine, comparable à celle de l'entreprise privée, doivent être adaptées aux exigences du contrôle politique, à la condition essentielle de la responsabilité ministérielle, sur laquelle repose toute démocratie parlementaire digne de ce nom.

L'entreprise privée et ses méthodes de contrôle et de gestion ont en fait apporté une contribution importante à l'administration de l'Etat, et aucun gouvernement ne saurait ignorer sans risque l'impératif d'une gestion rigoureuse des finances publiques.

Il reste que l'entreprise et le gouvernement sont des institutions bien différentes, dotées d'objectifs et de critères de réussite dissemblables. A la différence du gouvernement, l'entreprise n'est pas responsable devant le Parlement. Contrairement à l'entreprise, le gouvernement est guidé non par la recherche du profit, mais par celle de "l'intérêt général", objectif qui ne peut guère s'apprécier à la manière d'un bilan ou d'un compte de résultats.

De même, les méthodes appliquées par les autres gouvernements doivent être adaptées au régime fédéral et au régime parlementaire du Canada, ainsi qu'aux exigences tout à fait particulières que comporte leur fonctionnement simultané.

Ni le fédéralisme, ni le contrôle politique nécessaire au maintien de la responsabilité des ministres envers le Parlement ne sont nécessairement incompatibles avec une bonne gestion financière, telle que la concevrait l'entreprise privée.

La Commission Lambert a en fait prétendu que le contrôle politique et une bonne gestion financière étaient indispensables l'un à l'autre. Les deux doivent aller de pair. Aucune loi ne garantit que le contrôle politique débouche automatiquement sur une bonne gestion, et vice versa.

Si elle n'est pas menée avec soin et doigté, une réforme peut facilement faire entrer en conflit contrôle politique et gestion, nuisant ainsi aux deux objectifs. La réforme doit donc viser à instaurer des conditions dans lesquelles les principes d'un meilleur contrôle politique et d'une meilleure gestion financière se renforceront mutuellement.

NECESSITE DU CHANGEMENT

Le nouveau système de gestion des dépenses qui est mis en place représente un changement important dans l'administration du gouvernement fédéral.

La nécessité de modifier structurellement la gestion des dépenses fédérales a été mise en relief par les vérificateurs généraux successifs, le Contrôleur général du gouvernement et, dernièrement, la Commission royale d'enquête sur la gestion financière et l'imputabilité, connue sous le nom de Commission Lambert.

Dans son rapport final, la Commission soulignait:

"L'essor économique fort et soutenu des années soixante et du début des années soixante-dix, qui n'a connu qu'une courte pause au début de la décennie, a alimenté dans plusieurs milieux la croyance erronée en une croissance économique sans relâche et, par le fait même, en un accroissement continu des dépenses gouvernementales. Une planification rationnelle de l'emploi de l'ensemble des ressources s'est donc avérée tout à fait inexistante." (page 17)

"Notre étude a révélé plusieurs faiblesses fondamentales au niveau du processus de planification financière existant. Aucun des participants à ce processus n'est réellement tenu imputable. Les dépenses sont proposées par les ministères sans analyse préalable des recettes prévues et sans tenir compte des priorités. Les plans de dépenses ne font l'objet d'aucun engagement public qui pourrait par la suite servir de base à un contrôle parlementaire efficace. Rien n'est prévu pour la participation du public à la planification des dépenses." (page 75)

La Commission a insisté sur la nécessité d'assortir les plans de limites financières:

"... nous ne pouvons accepter que les priorités et objectifs puissent continuer d'être définis sans que l'on ait au préalable pris totalement conscience des conséquences financières de leur réalisation." (page 72)

"... la planification à l'intérieur de certaines limites déterminées est très différente de l'établissement de plans en fonction de ressources illimitées. En l'occurrence, on appelle à tort "planification", un processus qui se borne principalement à définir les démarches nouvelles et la manière de les mener à bien sans se préoccuper de choisir parmi les nouvelles initiatives ni d'encourager l'étude et l'évaluation des activités en cours et l'identification des possibilités de réduction des coûts." (page 79)

En résumé, la Commission a conclu que les processus actuels de décision et de gestion des dépenses ne répondaient pas aux besoins d'une époque où le gouvernement fait face à des contraintes économiques croissantes. La Commission a bien mis en lumière les raisons de cette situation.

Peut-être n'a-t-on pas porté assez d'attention jusqu'ici à l'emploi des fonds publics sous forme de "dépenses fiscales", par opposition aux dépenses directes de l'Etat. Pour être efficace, la gestion des dépenses publiques doit de toute évidence porter sur les deux genres de dépenses.

La nécessité d'une réforme fondamentale ne fait donc aucun doute si l'on veut que le gouvernement puisse faire face non seulement aux impératifs des restrictions à court terme, mais aussi au besoin, à plus long terme, d'arrêter des choix dans le cadre des limites réelles imposées par la situation économique.

Pour établir des choix compte tenu des limites imposées, le gouvernement doit s'attacher à la notion de qualité plutôt que de quantité. C'est ce vers quoi tend le nouveau système de gestion des dépenses.

LE NOUVEAU SYSTEME

Le nouveau système a été conçu de façon à permettre aussi bien de "balayer" toute une série de questions (dimension horizontale) que d'approfondir des problèmes particuliers (dimension verticale), de se préparer au changement et de s'y adapter, et de répondre aux préoccupations exprimées, notamment, par la Commission Lambert.

Ce système vise à mieux mettre en lumière les choix difficiles à arrêter et les arbitrages à faire entre les diverses solutions possibles.

C'est ce rôle de planification stratégique du système que nous voulons décrire ici, c'est-à-dire la façon dont il permet au gouvernement d'établir des objectifs, de choisir les meilleurs programmes pour les réaliser et de répartir les ressources entre ces programmes. En bref, on s'intéresse ici au processus par lequel on décide du genre et du niveau des activités que les gestionnaires s'efforceront ensuite d'exécuter efficacement.

Les autres aspects du contrôle budgétaire - la bonne gestion des ressources, pour en tirer le maximum, et le contrôle des dépenses, pour que les fonds publics soient bien employés aux fins prévues - sont également importants.

Ces aspects de la gestion des dépenses publiques doivent être améliorés de manière à promouvoir l'utilisation la plus efficace possible de chaque dollar pris sur les fonds publics, comme le veut le gouvernement. A cet égard, les travaux du Vérificateur général, en particulier les évaluations de rentabilité, et les initiatives du Contrôleur général pour mettre en oeuvre les politiques du Conseil du Trésor dans les domaines de l'administration, de la planification et du contrôle financiers, sont d'une importance essentielle.

Ces activités apporteront une contribution importante au processus de planification stratégique en permettant aux ministres non seulement de décider de l'affectation des fonds, mais aussi de choisir les solutions les plus susceptibles de produire les avantages souhaités.

Ainsi, l'amélioration de tous les éléments de la planification et du contrôle des dépenses renforcera l'objectif global du gouvernement, soit la limitation et l'efficacité des dépenses publiques.

Le système repose sur quatre principes.

1) Etablir des limites précises

L'établissement de limites sur une période de cinq ans, pour l'ensemble du gouvernement et pour les secteurs d'orientation, est le principal moyen retenu pour amener les décideurs à se concentrer moins sur les initiatives

nouvelles que sur la nécessité de faire des choix et des arbitrages véritables qui tiennent pleinement compte de toutes les conséquences financières.

2) Commencer par le commencement

Le système vise à établir des priorités générales et particulières et des limites financières avant l'élaboration des programmes de dépenses, de façon que la formulation de plans de dépenses et de prévisions de programmes détaillés ne crée pas des priorités de fait, impossibles à modifier sauf de façon marginale ou arbitraire.

3) Prendre les décisions au niveau approprié

Etant donné la complexité des questions, qui est considérablement aggravée par les relations multiples entre les problèmes, il est essentiel d'éviter le danger manifeste et constant qu'un nombre restreint de décideurs - évidemment incapables de connaître toutes les données de tous les problèmes - aient des responsabilités excessives. Il faut pour cela donner des responsabilités accrues à un plus grand nombre de personnes dans des domaines plus spécialisés et décentraliser la prise des décisions de façon à ramener les problèmes à une dimension plus humaine.

4) Donner la responsabilité des économies à ceux qui dépensent

En politique, les dépenses portent leur propre récompense. Il faut maintenant encourager également les réductions de dépenses. Comme l'a déclaré le Premier ministre à Jasper en décrivant le nouveau système:

"L'époque où les ministres s'occupaient généralement de dépenser et où seul le président du Conseil du Trésor s'occupait d'économiser touche à sa fin. Nous mettons maintenant en place un système qui oblige chaque ministre et chaque ministère à s'efforcer de restreindre ses dépenses."

Le nouveau système parvient à ce but dans le cadre de la nouvelle organisation des comités, grâce à laquelle les groupes de ministres qui veulent dépenser doivent également épargner.

Ces principes débouchent sur un système dans lequel les opérations distinctes d'établissement des priorités, de fixation des limites financières et de dépenses des fonds sont étroitement intégrées en un processus unique.

Le cadre qui permet à ce système de fonctionner est la nouvelle structure des comités du Cabinet, mise en place cette été pour accroître sensiblement les pouvoirs de décisions des comités d'orientation du Cabinet et, donc, des divers ministres dans leur domaine de compétence, tout en veillant à ce que les activités des différents secteurs soient conformes à l'action et aux priorités globales du gouvernement.

Le nouveau système comporte essentiellement deux réformes fondamentales:

1. La préparation et la publication d'un plan financier à moyen terme indiquant les recettes et dépenses publiques sur cinq ans, c'est-à-dire établissant les contraintes financières globales dans le cadre desquelles les choix doivent être faits.
2. L'établissement de plafonds précis de dépenses pour chaque secteur d'orientation, en fonction des priorités du gouvernement, et l'attribution de la gestion des ressources de chaque secteur, dans les limites fixées, au comité d'orientation compétent du Cabinet.

Compte tenu de la nouvelle organisation du Cabinet en comités, le système fonctionnera de la manière suivante:

- le Cabinet principal établira les limites globales de dépenses et répartira les ressources entre les secteurs d'orientation conformément aux priorités et aux objectifs globaux du gouvernement; et
- les comités d'orientation affecteront les ressources dans chaque secteur d'orientation ou "enveloppe" compte tenu de la limite fixée et de l'assurance du Cabinet principal que toute réaffectation est conforme aux priorités et objectifs globaux.

PLANS A PLUS LONG TERME

Comme l'a souligné la Commission Lambert, une saine gestion implique un processus de planification qui fixe des objectifs, énonce les meilleures façons de les atteindre, définisse les ressources voulues et mesure les avantages produits par leur réalisation. Le point de départ doit être l'élaboration d'un plan financier couvrant toutes les recettes et dépenses afin de donner une image précise du rôle que l'Etat entend jouer dans l'économie. Pour permettre au public de bien comprendre les objectifs à long terme du gouvernement et les moyens qu'il entend mettre en oeuvre pour les atteindre, le plan devrait aussi énoncer les limites de dépenses applicables à chaque secteur d'orientation.

Les dépenses - globales et particulières à chaque secteur d'orientation - seront prévues pour cinq ans. Cela permettra aux ministères et organismes de faire des plans sur une période convenable, en ayant une bonne idée des ressources disponibles. Il faudra pour cela analyser constamment l'évolution des dépenses afin de détecter les problèmes prévisibles dont - compte tenu du processus législatif et de l'interdépendance financière des diverses administrations publiques - une solution immédiate permettrait de réaliser des économies à l'avenir. Le réexamen des prévisions de dépenses permettra de cerner les tensions budgétaires particulières et de déterminer les domaines où des changements sont souhaitables, à la lumière des objectifs à plus long terme du gouvernement.

Pour élaborer ce plan, il faut déterminer d'abord le point où le gouvernement désire en être à un moment donné à l'avenir, puis les principales contraintes à prendre en compte pour atteindre ce point. Cette méthode est indispensable si l'on veut réaliser les objectifs du gouvernement. Des changements soudains et arbitraires sont impossibles, étant donné l'importance des ententes fédérales-provinciales et, en fin de compte, la nécessité de faire approuver les propositions gouvernementales par le Parlement.

Enfin, un plan à long terme fournit aux ministres un cadre leur permettant d'étudier le coût futur des programmes permanents et des mesures nouvelles, ainsi que d'en tenir pleinement compte dans les décisions de l'heure.

Le plan financier à cinq ans comprendra:

- les chiffres de l'exercice en cours;
- les limites applicables au prochain exercice; et
- les chiffres prévus pour les trois exercices suivants.

Les prévisions seront corrigées chaque année en fonction de l'évolution de la situation; les prévisions de la troisième année, corrigées selon les besoins, deviendront les limites fixées pour le prochain exercice, tandis que des projections seront ajoutées pour une nouvelle année.

Bien que susceptibles d'être modifiés au gré de l'évolution économique ces objectifs assureront l'élément essentiel à toute planification réaliste: un énoncé précis de ce que le gouvernement entend réaliser.

ENVELOPPES

L'établissement d'un ensemble d'enveloppes est la clé de voûte du nouveau système. L'enveloppe correspond essentiellement aux ressources mises à la disposition du secteur d'orientation particulier pour une certaine période. En tenant compte des besoins budgétaires des ministères, organismes et sociétés de la Couronne relevant de son secteur, le comité compétent du Cabinet orientera l'utilisation des ressources.

Pour obtenir un ensemble d'enveloppes, les dépenses du gouvernement ont été divisées en neuf secteurs. Dans la plupart des cas, il est possible, à l'intérieur d'une enveloppe, de réduire ou de supprimer les dépenses d'un programme afin de dégager des ressources pour développer d'autres programmes ou financer des mesures nouvelles. Bien que les enveloppes soient définies en référence au budget des dépenses, il convient qu'elles soient déterminées compte tenu de tous les moyens disponibles pour atteindre un objectif particulier dans un certain temps - c'est-à-dire aussi bien les encouragements fiscaux que les mécanismes réglementaires et législatifs, sans oublier le financement direct. L'enveloppe ne permettrait pas, par exemple, de tourner la limite fixée en recourant à des incitations fiscales.

S'il est décidé de remplacer un programme ou, dans certains cas, d'appuyer une initiative nouvelle par des dépenses fiscales, l'enveloppe en cause sera réduite en conséquence. Les réductions obtenues seront considérées comme une économie de dépenses globales pour le gouvernement.

Dans ce contexte, les renseignements fournis par le ministre des Finances sur les dépenses fiscales applicables dans les secteurs d'orientation considérés prendront une grande importance. Les comités d'orientation ne seraient pas en mesure de décider des modifications à apporter au régime fiscal, mais ils recevraient les informations voulues pour comparer, sur le plan du coût et de l'efficacité, les dépenses nouvelles ou existantes aux initiatives fiscales permettant d'atteindre les mêmes objectifs.

Les enveloppes, ainsi que les informations sur les grands domaines d'orientation, ont deux objectifs fondamentaux:

a) Examen du rapport entre les dépenses et les objectifs

Bien mettre en lumière, à l'intention des ministres, le rapport qu'ont des programmes particuliers, dans un secteur d'orientation donné, non seulement avec les autres programmes du secteur, mais aussi avec les objectifs de dépenses et les buts globaux du gouvernement. Elles devraient ainsi faciliter la détection des points de tension et permettre de comparer l'évolution des dépenses aux objectifs du gouvernement.

b) Gestion des secteurs d'orientation

Faire que les comités d'orientation soient à la fois capables et désireux d'élaborer des systèmes permettant d'étudier les programmes de leur secteur et de réaffecter les ressources en faveur des programmes les plus efficaces. Cette tâche deviendra très importante en raison de la nécessité de financer des initiatives ou activités nouvelles du comité d'orientation grâce aux économies réalisées sur les programmes existants.

Suivant les grandes lignes des programmes du gouvernement, les comités d'orientation et les secteurs ou enveloppes dont ils ont la charge ont été établis comme suit:

1. Cabinet principal: est responsable des dépenses ayant des conséquences directes sur les arrangements financiers nationaux

Transfers fiscaux aux provinces

Dettes publiques

2. Comité des questions sociales et des affaires des autochtones

Justice et lois: Comprend les programmes gouvernementaux visant à assurer la justice et à protéger la personne. Deux grands programmes - la GRC et les services correctionnels - absorbent 90 p. cent des dépenses.

Questions sociales et affaires des autochtones: Comprend tous les programmes sociaux, y compris les grands programmes statutaires comportant des paiements directs du gouvernement fédéral aux particuliers (maintien du revenu) ou le soutien de services sociaux essentiels par des ententes avec les provinces (financement des programmes établis).

3. Comité du développement économique

Développement économique: Comprend les programmes gouvernementaux directement liés aux grands secteurs économiques, comme le secteur des ressources, l'industrie manufacturière et le tourisme, ainsi que des activités à dimension "horizontale" comme la politique de la concurrence, le développement régional et les transports.

4. Comité des économies dans l'administration

Services internes du gouvernement: Comprend les programmes et activités dont le but premier est d'assurer un soutien et des services aux ministères fédéraux ou qui ont une fonction essentiellement de service (Postes). Comprend aussi les fonctions exécutives (principalement les organismes centraux) et les organismes relevant du Parlement mais pour lesquels le gouvernement garde une responsabilité financière et administrative.

Parlement: Une enveloppe distincte a été prévue pour les éléments échappant à l'autorité directe du gouvernement.

5. Comité de la politique étrangère et de la défense

Affaires et aide extérieures: Comprend l'aide aux pays en voie de développement.

Défense: Dépenses courantes et dépenses en capital du MDN.

Les ministères et programmes particuliers relevant de chaque enveloppe figurent dans l'annexe. On s'attend que, à mesure que le nouveau système se mettra en place et que les ministres se familiariseront avec lui, des modifications devront être apportées à la définition des enveloppes et des programmes qu'elles englobent.

RESPONSABILITE DES MINISTRES

Le processus de dépenses n'est porté à l'attention publique qu'à certains moments de l'année: lors de la publication du rapport du Vérificateur général, du dépôt du Budget des dépenses et du rapport du Comité des Comptes publics. Il s'agit cependant d'un processus permanent auquel les ministres doivent apporter une attention soutenue.

A cet égard, les responsabilités suivantes sont d'une importance toute particulière.

A. Présidents des comités d'orientation

Le président a pour principale tâche de mettre en place, de concert avec le comité d'orientation, un examen de la politique des ressources du secteur ainsi que d'intégrer les actions et responsabilités particulières des ministres en une approche commune du gouvernement à l'égard du secteur donné. A ce titre, le président:

1. Dirige le processus d'élaboration de la politique et des programmes dans son secteur, notamment en décidant du niveau approprié des ressources, à l'échelon des programmes, dans le cadre de l'enveloppe attribuée;
2. Doit veiller à ce que le comité dispose des renseignements voulus pour étudier en toute connaissance de cause les arbitrages à faire entre les ministères du secteur et pour convenir de l'affectation générale des fonds aux ministères et programmes, dans le cadre de l'enveloppe attribuée. Il doit pour cela faire des recommandations et prendre des décisions sur les réductions de dépenses et l'affectation des économies réalisées aux autres programmes.

B. Ministre des Finances

Le ministre des Finances et ses fonctionnaires sont les principaux conseillers économiques du gouvernement. Dans le cadre de ces responsabilités en matière de politique économique et de situations financières du gouvernement - y compris la gestion de la dette nationale et les besoins de financement des sociétés de la Couronne - le ministre des Finances:

1. Fixe le cadre financier du gouvernement;
2. En consultation avec le président du Conseil du Trésor, présente des recommandations sur la taille des enveloppes;

3. Evalue les conséquences de la détermination des enveloppes au niveau macro-économique, et donne des conseils à ce sujet;
4. Evalue les autres moyens, y compris les encouragements fiscaux, qui pourraient permettre, mieux que les dépenses, d'atteindre les objectifs du gouvernement;
5. Veille à ce que les décisions d'affectation des ressources soient pleinement compatibles avec la politique économique et financière du gouvernement.

C. Président du Conseil du Trésor

Le président du Conseil du Trésor supervise constamment les plans de dépenses du gouvernement et la gestion des enveloppes. En particulier:

1. A la lumière d'une évaluation des tensions budgétaires et d'examens permanents des dépenses, il donne des conseils sur le niveau approprié des dépenses pour l'ensemble du gouvernement et au niveau des enveloppes;
2. Il assume la responsabilité globale de la comptabilisation des dépenses, et notamment de la préparation et du dépôt du Budget principal des dépenses, d'après les décisions des comités d'orientation;
3. Il donne des avis sur l'état des engagements et les demandes prévues, pour chaque enveloppe. Il veille en particulier à ce que le président du comité soit averti quand une enveloppe risque d'être dépassée pendant l'année courante ou une année future;
4. Il donne des conseils sur les propositions précises d'orientation ou de programme soumises aux comités, à la lumière des analyses faites par le Secrétariat du Conseil du Trésor et le Contrôleur général, en insistant particulièrement sur les critères d'efficacité et d'efficience.

FONCTIONNEMENT DU NOUVEAU SYSTEME

Du fait que les secteurs d'orientation correspondant aux enveloppes - comme l'orientation financière générale du gouvernement - doivent être envisagés dans le contexte d'un plan à cinq ans, le nouveau système oblige à examiner quasiment toutes les décisions de dépenses en fonction de leurs effets sur une période prolongée.

Cette perspective à cinq ans, qui commence à l'exercice en cours, est essentielle à une bonne planification du gouvernement et du public. Cependant, elle constitue également une caractéristique essentielle du nouveau système pour déterminer systématiquement aussi bien les conséquences à long terme des décisions particulières des dépenses que les mesures immédiates qui peuvent se révéler nécessaires si l'on veut atteindre les objectifs à long terme.

Par exemple, on pourrait prévoir pour un programme particulier une croissance constamment supérieure à celle du secteur ou de l'ensemble du gouvernement sur le plan des ressources financières, humaines et autres. Si c'était là le but recherché, il faudrait qu'un ou plusieurs programmes progressent plus lentement que l'ensemble du secteur ou du gouvernement, de façon que les limites fixées pour la troisième, la quatrième ou la cinquième année du plan financier soient respectées.

De même, les programmes susceptibles d'être réduits ou éliminés d'ici cinq ans afin de dégager des ressources en faveur d'initiatives jugées plus souhaitables ou plus efficaces pourraient nécessiter la prise immédiate de décisions. Cela vaut tout particulièrement, par exemple, pour les programmes fédéraux-provinciaux dont la date d'expiration est fixée.

Les limites financières seront évidemment basées sur les meilleures hypothèses que permet de faire la situation actuelle, quant à l'évolution future de l'économie nationale. Plus la période à laquelle se rapporte une limite est éloignée, plus, naturellement, les hypothèses correspondantes sont entachées d'incertitudes. A titre de participants importants aux marchés commerciaux et financiers internationaux, le Canada est particulièrement sensible aux effets d'une évolution imprévue à l'étranger.

Un changement des perspectives économiques n'entraîne pas nécessairement une modification des objectifs globaux ou même particuliers du gouvernement. Il risque cependant d'obliger à modifier l'importance relative des mesures prévues dans le cadre d'une enveloppe de manière à respecter les limites de dépenses. Le nouveau système devrait faciliter ce rajustement, du fait qu'il oblige à étudier constamment les programmes relevant des secteurs d'orientation, des ministères et des organismes pour déterminer si certaines dépenses peuvent être réduites ou éliminées de manière à économiser des fonds ou à dégager des ressources en faveur de programmes plus conformes aux priorités générales du gouvernement.

Compte tenu des probabilités de modifications des hypothèses économiques, toutefois, le système devrait permettre une planification de plus en plus rigoureuse, tout au long d'une période quinquennale, à l'égard d'un exercice particulier.

En 1979, les premiers plafonds seront définis et établis pour l'exercice 1983-1984, en fonction de l'évaluation de la situation économique actuelle, du régime fiscal proposé, de l'orientation financière prévue du gouvernement et d'autres variables, comme les tendances des dépenses.

En 1980, l'objectif global de l'exercice 1983-1984 sera réexaminé et précisé, à la lumière des dernières évaluations des perspectives économiques et des autres variables.

En 1981, après une nouvelle mise à jour des objectifs prévus pour 1983-1984 et la préparation de plans de travail pour les secteurs d'orientation et l'ensemble du gouvernement, des décisions stratégiques seront prises à l'égard des programmes à mettre en oeuvre; les travaux détaillés sur ces programmes commenceront alors.

En 1982, les décisions finales seront prises pour l'exercice 1983-1984, là encore en fonction des dernières évaluations de l'économie, de l'évolution des dépenses, etc.

Au début de l'exercice 1983-1984, les programmes seront modifiés et les activités globales du gouvernement seront administrées et évaluées, les informations fournies par ce processus alimentant à leur tour les plans des années futures. Le système en sera alors à la première étape de l'établissement des limites pour 1987-1988.

CONCLUSION

La mise en place du nouveau système est déjà bien avancée. Des projections financières à cinq ans seront publiées avec le budget pour l'ensemble du gouvernement. Pour les secteurs particuliers d'orientation, elles seront rendues publiques avec le Budget principal des dépenses.

Le système a déjà démontré son utilité pour le gouvernement en permettant de voir comment les politiques particulières s'intégraient les unes aux autres ainsi qu'aux priorités et aux objectifs globaux du gouvernement.

Le gouvernement est conscient que, à mesure que le système sera mis en place, certains changements se révéleront peut-être nécessaires et qu'il faudra sans doute un certain temps pour en percevoir tous les avantages.

Le gouvernement est cependant convaincu que le nouveau système remplira sa mission en veillant à ce que les dépenses reflètent une priorité et en accroissant la souplesse - et donc le contrôle ministériel - de la gestion de l'Etat.

ANNEXE

ENVELOPPES DES COMITES DU CABINET

CABINET PRINCIPAL
Présidé par le Premier ministre

ENVELOPPE DES ARRANGEMENTS FISCAUX

Subventions aux municipalités
Subventions prévues par l'AANB
Arrangements fiscaux fédéraux-provinciaux
Transferts d'impôt sur les sociétés d'utilité publique
Imposition réciproque

ENVELOPPE DE LA DETTE PUBLIQUE - Intérêt et amortissement

COMITE DU CABINET - DEVELOPPEMENT ECONOMIQUE
Présidé par le ministre
du Développement économique
de l'Industrie et du Commerce,
le sénateur Robert R. de Cotret

ENVELOPPE DU DEVELOPPEMENT ECONOMIQUE

Agriculture

Commission canadienne du lait
Office canadien des provendes
Société du crédit agricole

Communications

Consommation et Corporations

Développement économique (ministère d'Etat)

Emploi et Immigration

Ministère et activités de la Commission canadienne de l'emploi et
de l'immigration en matière de création et de services d'emploi.

Energie, Mines et Ressources

Energie

Paielements compensatoires sur les importations de pétrole

Pipe-line Sarnia-Montréal

Minéraux

Sciences géophysiques

Commission de contrôle de l'énergie atomique

Energie atomique du Canada Ltée

Office national de l'énergie

Environnement

Foresterie

Pêches et Océans

Industrie et Commerce, y compris les programmes de soutien industriel et des céréales

Corporation commerciale canadienne

Banque fédérale de développement

Agence d'examen de l'investissement étranger

Travail

Administration du pipe-line du Nord

Société immobilière des travaux publics Ltée

Expansion économique régionale, y compris la Société de développement du Cap-Breton

Sciences et Technologie

Conseil national de recherches

Conseil de recherches en sciences naturelles et en génie

Conseil des sciences du Canada

Approvisionnement et Services, programmes industriels

Propositions spontanées de R&D

Fonds de développement des ressources

Transports

Air Canada

Commission canadienne des transports

Conseil du Trésor - Fonds d'emploi

COMITE DU CABINET - AFFAIRES SOCIALES ET AUTOCHTONES
Présidé par le Secrétaire d'Etat
et ministre des Communications,
M. David MacDonald

ENVELOPPE DES AFFAIRES SOCIALES ET AUTOCHTONES

Société canadienne d'hypothèques et de logement, services communautaires
et isolation thermique des résidences

Conseil de la radio diffusion et des télécommunications canadiennes

Emploi et Immigration

Cotisation au compte d'AC
Immigration

Environnement - Programmes de l'environnement et parcs

Affaires indiennes et Nord canadien

Main-d'oeuvre

Centre canadien d'hygiène et de sécurité au travail

Santé nationale et Bien-être social

Services de santé et services sociaux
Financement des programmes établis
Assurance hospitalière
Soins de santé élargis
Assurance-maladie
Régime d'assistance publique du Canada
Sécurité de la vieillesse
Allocations familiales
Conseil de recherches médicales

Secrétariat d'Etat

Conseil des arts du Canada et autres organismes culturels
Société Radio-Canada
Bibliothèque nationale et Archives publiques
Conseil de recherches en sciences humaines
Statut de la femme

Affaires des anciens combattants

ENVELOPPE DE LA JUSTICE ET DES LOIS

Justice

Commission canadienne des droits de la personne
Commission de réforme du droit

Cour suprême du Canada
Commission de révision de l'impôt

Solliciteur général

Services correctionnels
Commission nationale des libérations conditionnelles
Gendarmerie royale du Canada

COMITE DU CABINET - POLITIQUE ETRANGERE ET DEFENSE
Présidé par le Secrétaire d'Etat
aux Affaires extérieures,
Mlle Flora MacDonald

ENVELOPPE DES AFFAIRES EXTERIEURES

Affaires extérieures

Agence canadienne de développement international
Centre de recherches pour le développement international
Commission mixte internationale

ENVELOPE DE LA DEFENSE

Défense nationale

Services de défense
Services de défense - Pensions
Pensions militaires

COMITE DU CABINET - ECONOMIES DANS L'ADMINISTRATION
Présidé par le président du Conseil du Trésor,
M. Sinclair Stevens

ENVELOPPE DU PARLEMENT

Parlement

Sénat
Chambre des communes
Bibliothèque du Parlement

ENVELOPPE GENERALE DU GOUVERNEMENT

Finances

Administration
Tribunal anti-dumping
Inspecteur général des banques
Loi anti-inflation
Vérificateur général
Assurances
Commission du tarif

Gouverneur général et lieutenants-gouverneurs

Revenu national

Postes

Conseil privé

 Directeur général des élections
 Commissaire aux langues officielles
 Conseil économique du Canada
 Commission des relations de travail dans la fonction publique

Travaux publics

 Commission de la capitale nationale

Secrétariat d'Etat

 Commission de la fonction publique
 Commissaire à la représentation

Approvisionnement et Services - Administration et services

 Arsenaux canadiens Ltée

Conseil du Trésor

 Contrôleur général
 Statistique Canada