

Northwest Territories split approved by Ottawa

The government has given conditional agreement to divide the Northwest Territories into two new regions and give them and the Yukon more independence.

In a recent announcement, Minister of Indian and Northern Affairs John Munro pointed out that while the federal government was prepared to accept in principle the sub-division of the Northwest Territories, acceptance was contingent on settlement of comprehensive land claims and on northerners' forging a consensus on such crucial issues as boundaries, future locations of any new administrative centres and the distribution of powers with respect to local, regional and territorial levels of government.

Provincial status for Yukon and the Northwest Territories is not a realistic objective in the foreseeable future, Mr. Munro explained. "I am confident that most northerners will acknowledge the realities which underlie this broad restraint. The small population base, a vast area, an undeveloped and narrowly-based economy and the need of the federal government to protect Canada's national interests, all militate against serious consideration of provincial status at this time."

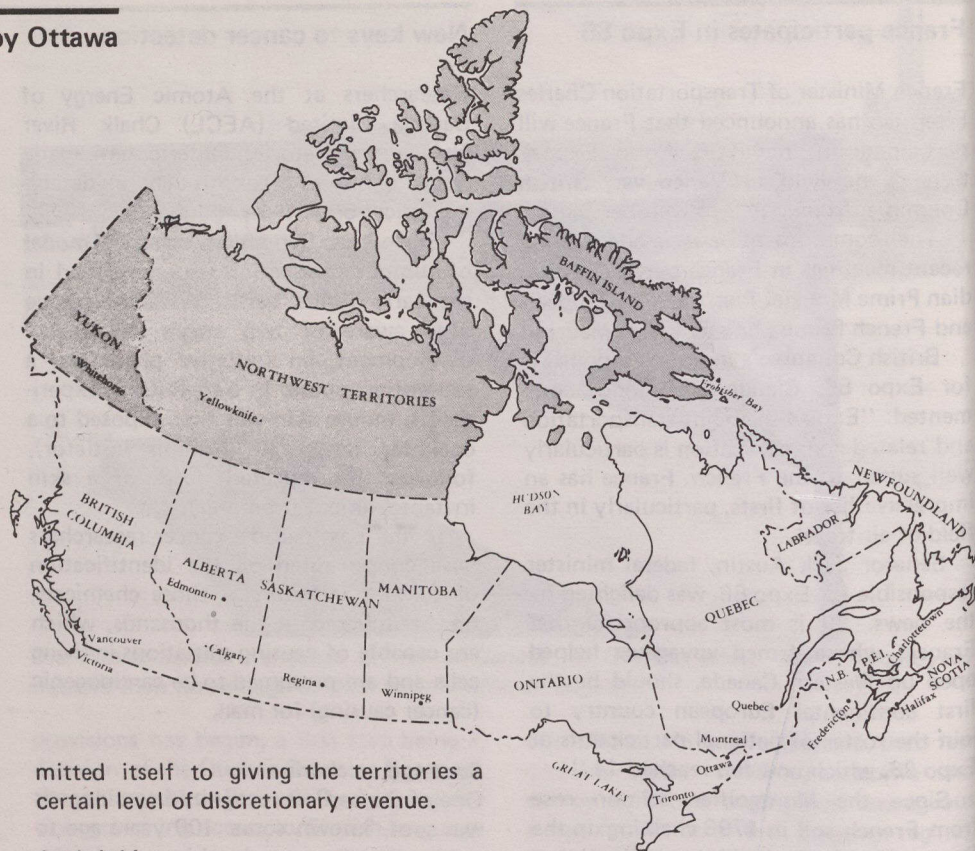
The federal government has, however, renewed its long-standing commitment to responsible government and reinforced that commitment with new measures that will provide a solid base for future political growth.

The Yukon Act will be amended as soon as native claims have been settled. It will confirm in law the steps already taken toward achieving responsible government in Yukon. This process will be delayed somewhat in the Northwest Territories while such fundamental issues as division are resolved.

Financial support

The federal government will also move rapidly to introduce a formula-based approach to providing financial support to the territories from the federal government. In announcing this initiative, Mr. Munro expressed the belief that "the effect of this will be to allow improved fiscal planning and to enable northern governments to assume full accountability for their budget decisions".

To further strengthen the territorial governments and help them deal with the related costs of resource development, the federal government has also com-



mitted itself to giving the territories a certain level of discretionary revenue.

Inuit lobby

Inuit in the Eastern Arctic have been lobbying Ottawa for eight years to divide the 3.3-million square kilometre Northwest Territories into two political units along a northwest to a southeast axis that roughly corresponds with the treeline.

A majority of voters in a Northwest Territories plebiscite last April approved the principle even though Dene Indians in the western portion have conflicting land claims with the Inuit.

It is unlikely that more than two of the four outstanding claims in the North could be settled before the end of next year, Mr. Munro acknowledged. Yukon Indian claims might be settled early next year, but Dene Indians claim that negotiations have been dragging.

Other conditions for division include northerners maintaining a broad consensus on the issue and their reaching a consensus on division of powers between territorial and regional or municipal administrations. Inuit in the Western Arctic have indicated that they want a powerful regional government of their own.

Transfer formula

Mr. Munro said that the introduction of a transfer formula for financing government services in the Northwest

Territories and Yukon would give elected politicians in Yellowknife and Whitehorse a great degree of autonomy in setting their spending priorities and greater certainty about annual revenues.

The formula, which has yet to be agreed to, might end up giving the Northwest Territories less federal money, officials in Yellowknife said.

Ottawa will keep control over revenues from resources in both territories but will try to devise a proposal for additional revenues for the territories to offset some of their expenses related to resource development, Mr. Munro said.

Self-determination

"The past decade has seen great progress toward self-determination in Canada's North, which has excited and exhilarated everyone associated with it," Mr. Munro concluded.

"These accomplishments are a source of great pride to northerners. I share their pride on behalf of the federal government, which has worked toward creating a favourable environment for these achievements in response to the people's stated aspirations. The Canadian nation as a whole can only benefit from the growing strength and responsibility of the political institutions in the North."