

cial arrangements made between the Federal Government and the provinces. The current arrangement will expire on March 31, 1962. A committee in Ottawa is now giving preliminary consideration to the terms of a new agreement, which will be presented to this Council for consideration at a later session.

FINANCIAL GROWTH

"While the legislative authority of the Council has not changed materially for many years, it is startling to reflect on the way that our scale of operations has grown. In the fiscal year 1952-53, for example, our revenues were about \$660,000, and our expenditures about \$430,000. Seven years later in 1959-60, our income had increased to almost \$2.75 million, and our expenditures were up more than five times, to \$2,270,000. The estimates to be considered at this session envisage an expenditure of almost \$4 million. All these figures exclude disbursements made initially by the Territories but subject to later reimbursement by the Federal Government.

"There are a number of underlying reasons for this steady rise in our budget. One is the growth of our population, which has increased by about 40 per cent over the past ten years. The 1951 census showed the Northwest Territories with just over 16,000 people; estimates for 1960 indicate that there are now about 22,000 residents. While the numbers involved are relatively small, this is a faster rate of increase than occurred in any of the provinces to the south.

"Another underlying factor has been the financial agreements with the Federal Government, under which the Council has received increased grants, and accepted larger financial commitments.

NEW SERVICES PLANNED

"Finally, it has been accepted, both by the Council and, I think, by most of the people of the Territories, that an attempt should be made, as far as our resources permit, to provide services and facilities appropriate to modern needs in the north. This is where much of the money has gone. Those who serve on this Council, like members of responsible legislatures everywhere, are faced with difficult choices between the extension of urgently needed services, and the limited capacity of the taxpayers to meet the costs involved!

"The most fundamental of these services is education. In my opinion, the greatest single accomplishment of the last two Councils, in co-operation with the federal agencies and school districts concerned, has been the creation of a modern school system for the Territories.

"At present, 4,870 children are enrolled in our schools, including the school districts in Yellowknife. In 1955, the total was just over 2,000. We have now reached the point where over 60 per cent of Eskimo children, and vir-

tually all children of other backgrounds, can go to school.

"Much of the increase is, of course, accounted for by Indian and Eskimo children, whose education is the financial responsibility of the Federal Government. However, the largest single group of children - almost 2,000 of them this year - are the financial responsibility of this Council, and their numbers have increased by 90 per cent over 1955. It is interesting that the number of Indian children in our schools has grown at a slower rate than this.

SCHOOL PROBLEM UNSOLVED

"One might think from the statistics that the construction phase of the education programme is almost over, but I can hold out no such encouraging prospect. We still have to provide for the remaining Eskimo children and for the rising population. Beyond this, our schools still have an unusual proportion of their students in the lower grades. As these children move through school, expanded facilities will be needed. It is estimated that to meet all these requirements, our system will have to be extended by an average of about 10 per cent a year for the foreseeable future. I need hardly add that this is a very high rate of increase and that the costs can be expected to be substantial.

"As organized communities develop in the Territories, part of the responsibility for education will be assumed by local school boards, as in Yellowknife and in most of the provinces. In this context, it is encouraging to note the action being taken by the Roman Catholic ratepayers at Hay River to organize a Separate School District there. In Yellowknife, plans have been prepared for a new school building for the Separate School District No. 2, and the Council will be asked to consider providing funds to allow construction to start in 1961. The school plans provide for four classrooms, a science room, a home economics room and a library.

NORTHERN EDUCATION COSTLY

"The education programme is expensive for our taxpayers, even though the cost is shared at other levels of government. Problems of financing schools are not, of course, confined to the Territories; throughout Canada, provinces and municipalities are finding it very difficult to raise the sums required to meet their growing educational commitments. Our problems are, however, increased by our great distances, and the relatively small and scattered population which we have to serve.

"While our costs in many ways are heavy, we are exceedingly fortunate in our co-operative federal-territorial system, not only because it spreads the cost burden, but also because this arrangement makes it possible to provide facilities in many centres which could not otherwise be adequately served. Beyond this,