

P.O. Box 160
Amherst, Nova Scotia
B4H 3Z3
November 25, 1977.

C. S. Thompson
A/Director General - Atlantic
Indian & Eskimo Affairs

✓ 121/42-1-2 (ED3)

Labrador Emergency Needs

On November 23, 1977 I attended a meeting in Ottawa with D.R.E.E., National Health and Welfare, Secretary of State, and D.R.E.E.'s Treasury Board analyst on the above subject.

Those in attendance at the meeting were:

H. MacGonigal - Director General - D.R.E.E. Newfoundland/
Labrador;
R. Heaney - D.R.E.E. Newfoundland;
Dr. Heritle - Director General - Medical Services Atlantic;
Dr. Bret - National Health & Welfare - Ottawa;
Dr. Frost - " " " "
J. Sinclair - " " " "
G. Trueblood - Health Education - seconded to Province of
Newfoundland/Labrador;
Frank Glasgow - Secretary of State;
Art Higgins - DIAND - Atlantic;
D.R.E.E.'s Treasury Board Analyst.

Before commenting on the meeting, I will briefly review the background re these needs.

In early 1977 the Labrador Inuit Association (L.I.A.) and the Naskapi Montagnais Innu Association (NMIA) submitted a report on the health conditions in the communities of northern Labrador by Dr. Sarsfield whom they had commissioned to prepare such a report. This report contained some 150 recommendations to overcome the deplorable conditions.

As a result of this report, National Health & Welfare sent a team of doctors to tour the communities involved for assessment of these conditions. The National Health &

.../2

- 2 -

Welfare Team stated in their report that Dr. Sarsfield's report had understated these conditions.

Following this, several meetings were held at the Deputy Minister level of the four Departments listed at the beginning of this memorandum. There have also been several meetings held with officials of the Province of Newfoundland/Labrador and representatives of the L.I.A. and N.M.I.A.

In summary, these meetings have resulted in:

1. National Health & Welfare prepared Community Profiles on the 9 designated communities covered under our Federal/Provincial Agreement. These profiles outline the major emergency requirements for these communities with interim measures to overcome these problems.
2. It was decided that if funding was to be sought for these types of items for the designated communities, then the non-designated communities (11) in similar situations should also be included.
3. The Province expanded the National Health & Welfare list to include the non-designated communities, and in three cases, have added sewer and/or water systems.
4. The Province has formally requested funding through D.R.E.E. for \$6,870,645, including \$1,000,000 for Housing Repairs and \$160,000 for Training Costs.
5. Our commitment of \$200,000 for the current fiscal year to commence fulfilling these needs.

My memoranda of November 10, 15 and 16, 1977 outline the latest on these needs from meetings in Ottawa.

At the meeting of November 23, 1977, National Health & Welfare indicated that their participation would be approximately \$690,000 over two years 1978/79 (\$378,000) and 1979/80 (\$312,000) to allow for construction of health clinics in Postville and Rigolet in 1978/79 and in Makkavik in 1979/80. The 60% is used as this is the basis of our cost-sharing with the Province under the Federal/Provincial Agreement. Health & Welfare also indicated that they would be willing to put a trailer on the Native side of Northwest River to act as a day clinic. This would increase their involvement by \$45,000 or \$50,000. They also said that they are recommending to their Deputy Minister that funds should come from present funding levels, thus there would be no need for supplementary appropriations.

.../3

- 3 -

D.R.E.E. also stated that their funding would come from redirection of funding within present levels.

D.R.E.E.'s Treasury Board Analyst indicated that supplementary funding (increases over present levels) are extremely rare now and that chances of such approvals are almost non-existent.

I was asked what our Department's participation would be. I explained to the meeting what our Department's participation has been in the past in that up to 1975 we were spending less than \$1,500,000 per year through the Federal/Provincial Agreement and that from 1975 to 1980 we are committed to \$4,500,000 per year.

I also outlined the areas where our funds have been utilized in the past. A summary of which is:

1. Construction of fish plants, a fish camp, homes (600 shown on the Department of Rural Development's inventory), stores, schools, collector boats, sawmills, power generating stations, water and sewer systems, boat-building yard, etc.
2. The operations of the above plus community administration, provincial administration, legal aid services, continuing education, arts and crafts development, etc.

I pointed out that the 1978/79 proposed budget for the \$4,500,000 includes:

- a) \$1,500,000 for operating deficits of the stores, fish plants, and the fish camp.
- b) General operating expenses for Department of Rural Development facilities of \$175,000.
- c) Salaries, Travel, Office Expenses, Dormitory operation (Northwest River), and Continuing Education of \$1,052,500;
- d) Education operating expenses of \$717,460.

Once the above items are deducted from a proposed budget of \$6,000,000 (\$4,500,000 (DIAND) and \$1,500,000 (Department of Rural Development)), there is a balance of \$2,555,040 to cover such items as community administration, housing, recreation, libraries, arts and crafts development, new economic development, and many other such items including operation of any facilities resulting from the Emergency Needs capital items.

I stated that we are also aware of a pending request for an additional \$2,000,000 (\$1,500,000 (DIAND) and \$500,000 (De-

.../4

- 4 -

partment of Rural Development)). Although we do not know what would be included in this request and there may be some duplication on items included in the Emergency Needs, we would not know that until we receive the request which is expected within the next few weeks.

I went on to explain that our spending in Newfoundland/Labrador is comparable to our spending in the rest of the Maritimes, and probably substantially above spending in some other parts of the country.

Due to the lack of human resources and expertise, the money input by our Department has not been used to its utmost. This is presently being overcome by the Province opening an office in Goose Bay with an Assistant Deputy Minister on location with plans to hire the necessary expertise in the areas of housing, fishing, forestry, retail store operations, etc. As with the items mentioned previously, our Department will be paying the lions share for this staff, its administration, travel, etc.

There is no doubt of the need for additional funding, but the source of this funding is a different question. In other parts of the country D.R.E.E. has played a major role in supplying funds for various types of projects on Indian Reserves. In Nova Scotia and New Brunswick D.R.E.E. is willing to enter into agreements to supply funding on Reserves. The major holdback in these two provinces is that the Indian Associations are not willing to accept funding from any other agency except Indian Affairs. As a department, we have been requested by D.R.E.E. to accept responsibility for the designated communities and supply funding for all of the items included in the Provincial submission except for the nursing stations.

I pointed out that even under the Federal/Provincial Agreement we only cover a percentage of the funding. In the cases of Davis Inlet and Northwest River, we pay 90%; for the other communities we pay 60%, and the Province pays the difference. Additionally, there is some doubt whether or not two of the communities should even be included under the Federal/Provincial Agreement.

It is not our intention to deny our responsibility, but we strongly feel that if D.R.E.E. has programs available for non-designated communities, that similar programs should be available for designated communities through the same source.

I have talked to the Deputy Minister of Rural Development with regards to the communities setting aside funds out of the \$4.5 million for operation of all terrain vehicles and they are in agreement.

.../5

- 5 -

With regard to the \$200,000, the funds will probably be paid through the Department of Municipal Affairs on submission of bills for actual expenditures to our Department. A final decision should be forthcoming in this regard at tomorrow's meeting with the Assistant Deputy Minister.

I advised the meeting that Mr. Thompson, A/Director General - Atlantic, asked me to inform Mr. MacGonigal that he is willing to travel to St. John's for a meeting, if necessary.

Also, if we fulfill all reasonable requests, our participation will have to increase to at least \$7 or \$8 million per year for a maximum of 2,500 people. Our total budget for the Maritimes is only \$25,000,000 and this includes items such as Welfare (\$6,000,000 per year) for 10,000 people. Based on that alone, our input should not exceed \$4,750,000. We realize there is a great need for catch-up and are willing to support a Treasury Board submission, but cannot see our Department receiving approval for the total required. We, therefore, feel that D.R.E.E. must participate financially in the designated as well as in the non-designated communities.

I was then asked if the main reason our Department is looking for funding through D.R.E.E. is because we feel we have little chance of supplementary appropriations from Treasury Board. My reply was that this is only part of the case as we feel programs available to non-Natives through other departments should be available to Natives.

It was decided that a paper would be put together showing National Health & Welfare's and DIAND's involvement at the same levels as under the Federal/Provincial Agreement, and that the problem of lack of funds be left up to the Deputy Minister to deal with. This means that participation will show as follows:

DIAND	- \$2,163,527.
National Health & Welfare	- 740,000.
D.R.E.E	- <u>2,646,616.</u>
	\$5,550,143.

It was reported that training funds of \$160,000. should be readily available from Canada Employment and Immigration Department and that \$1,000,000 for Housing Repairs should be readily available from C.M.H.C. D.R.E.E. had held discussions with both of these Departments.

.../6

- 6 -

DREE's Treasury Board Analyst was asked which approach would be best - to put in a joint submission from the three Departments, or separate from each Department. He said a joint submission would probably be best.

D.R.E.E. will prepare the information for the Deputy Minister in consultation with us and National Health & Welfare and endeavour to arrange a meeting of the Deputy Ministers within eight days.

Mr. MacGonigal would like to have a meeting with you as soon as possible, and I told him I would get back to him on that.

Since we will be involved in the Treasury Board submission, it would be advisable to get our Treasury Board Analyst involved as soon as possible.

I have put a lot of detail into this memorandum and in addition to those dated November 10, 15 and 16, 1977, should reflect the entire situation.

Original Signed by.
A. HIGGINS

A.J. Higgins
Indian & Eskimo Affairs
(Atlantic)

AJH:gc
C.C. G. Abrahamson
Chief
Social & Cultural Development Division
Ottawa
