

**LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
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SESSIONAL PAPER NO. 4-39

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June 14, 1969



SESSIONAL PAPER NO. 4

SUBSIDIZATION OF WAGES PAID BY PRIVATE ENTERPRISE TO
INDIGENOUS LABOUR IN THE NORTHWEST TERRITORIES

DISPOSITION

Tabled	To Committee	Accepted as Read	Accepted as Amended	Deferred (to Session)	Rejected	Noted not Considered
18-6-69	27-6-69		27-6-69			

June 14, 1969

SUBSIDIZATION OF WAGES PAID BY PRIVATE ENTERPRISE TO
INDIGENOUS LABOUR IN THE NORTHWEST TERRITORIES

1. The request for these comments, prepared by the Economic Staff Group of the Northern Economic Development Branch in consultation with the Vocational Education Division of the Education Branch, was initiated by Motion No. 29 which was passed by the Northwest Territorial Council at its 38th Session, and which reads as follows:

"...that the feasibility be examined of the Territorial Government and the Federal Government, in conjunction with each other, paying a proportion of the wages of each Eskimo, Indian, and Metis employed by private business in the Northwest Territories and further, that a report on such a feasibility study be placed before the Council of the N.W.T."

2. This motion was based on Council's concern for the generally low labour participation rate among indigenous people of working-age in the Northwest Territories. The main argument advanced in favour of the motion was that, of the many problems associated with the employment of native people in the Territories, the most crucial problem is the tendency for private enterprise to employ "transient white men" in preference to Indians, Metis and Eskimos.

3. Council recognizes that there are "deficiencies....amongst the native people, the lack of efficiency, the lack of turning up to work on time...", but it is also of the opinion "that any of these inefficiencies amongst the native people can and will be overcome in time, but in order to be overcome, the native people must be employed". Council further feels that the provision to private enterprise of an incentive in the form of a subsidy on wage payments will result in increased employment of native people.

Analysis of the Proposal

4. Neither Council's examination of the plight of the working-age natives nor the resultant proposal is new. An earlier examination of the subject by the Federal Government revealed that, for most work in the North, the main problem is not so much one of the level of wages, but of the level of skills required to get a job of work done efficiently. Indeed, results of analyses conducted by the Department of Indian Affairs and Northern Development showed that whereas the majority of the indigenous population of working-age in the Northwest Territories lacked basic education, training and job skills, almost 80 per cent of all jobs in the region were classified in the skilled or semi-skilled categories.

5. It is with these results in mind that since 1958, the Federal Government instituted subsidy programs that were aimed at bringing residents of the Northwest Territories to a level of occupational competence necessary for employment. Thus, on February 6, 1958, Treasury Board authority was obtained for expenditure to be incurred in training northern residents, and for covering the costs of Eskimo mobility and relocation.

6. The following are the programs that are presently available:

(a) Training in Industry

(i) Training on the Job

This program provides up to a 50 per cent wage subsidy for work done by Indians and Eskimos during their training-on-the-job period, up to a period of 52 weeks.

Example

One Indian, who was not fully qualified when his subsidized training program with Canadian National Telecommunications (CNT) was completed, is now a radio maintenance trainee with the Mackenzie Forest Service. All training costs are borne by the Department of Indian Affairs and Northern Development.

(ii) Training in Co-operation with Industry

Where training on the job with an employer is not feasible, but the employer is prepared to provide the means for instructing Indians and Eskimos, this training can be subsidized up to 100 per cent. The employer in such cases makes no payment to the Indian and/or Eskimo who receives training allowances (not wages) from the Government.

Example

Several Indians and Eskimos recently received training from CNT in Fort Smith. The Department of Indian Affairs and Northern Development paid training allowances to the trainees, and covered the full training costs incurred by CNT.

(iii) In-service Training

Indians and/or Eskimos may be placed with Government or private non-profit employers for a period not exceeding 52 weeks when training in such situations is considered necessary for future successful employment. No subsidy is paid to the employer who benefits from the free "labour" of the Indian and Eskimo, but the trainees receive an allowance from Government. (This program was instituted in October, 1968.)

Example

Since the institution of the program, a number of persons have received (or are receiving) clerical training from government and non-government agencies, with the Department of Indian Affairs and Northern Development paying an allowance to the trainees.

(b) Pre-employment Training

Where an Indian or Eskimo requires pre-employment training before he is in a position to be placed in a training-in-industry situation, the costs of such training, including training allowances to the trainees, are met by the Government for a period not exceeding 52 weeks.

Example

There are now many Indians and Eskimos who are receiving academic upgrading courses prior to going into employment or taking further training.

7. It can be seen from the programs described above that executive

Authority already exists to provide for a training subsidy as that outlined in Council's motion, and that these are not mere "paper programs".

8. It should also be emphasized that, prior to April 1969, all residents of the Northwest Territories were eligible to participate in these subsidized training programs.

Since that time, however, only people of Indian Status and Eskimos are eligible and not Metis, responsibility for whom rests entirely with the Territorial Government.

On the other hand, the Canada Manpower Division of the Department of Manpower and Immigration has training-in-industry and pre-employment programs that are available to all residents of the Northwest Territories, providing that these residents meet certain specified requirements. As a result, the training programs that are administered by the Department of Indian Affairs and Northern Development are employed only in those instances where the Department of Manpower and Immigration confirms that it cannot provide the required financial assistance to the worker of trainee and his dependents.

9. A copy of Treasury Board Authority No. 683751, dated October 17, 1968 apropos Federal assistance to Indians and Eskimos in the areas of training, employment and relocation, is appended.

File No. 1/25-8
1/21-3
1/21-1
1/21-4-1
1/21-4-2

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT
MINISTÈRE DES AFFAIRES INDIENNES ET DU NORD CANADIEN

SUBJECT
OBJET

TRAINING-EMPLOYMENT ASSISTANCE

Chiefs, Indian Band Councils,
Regional Directors,
Superintendents of Indian Agencies

March 7, 1969.

All assistance to Indians and Eskimos in the areas of training, employment and relocation has now been amalgamated into one Treasury Board Authority No. 683751 dated October 17, 1968. Expiry date of the new authority is March 31, 1972. Rules for the administration of the new program are attached as Appendix "A". All assistance provided under the new authority will be dealt with as unconditional grants and non-repayable.

Assistance will not be granted under the new authority until all applicable existing programs which provide for financial assistance to workers and trainees and dependents have been explored and it is ascertained that the necessary amount of financial assistance cannot be granted thereunder. These existing programs include federal, provincial, municipal, territorial and private agency programs.

The new authority can be divided into the three broad areas of Employment Assistance, Training Assistance and Special Contingency Grants.

PART A

EMPLOYMENT ASSISTANCE

1. Exploratory Grants

This section of the authority enables assistance to be provided to an Indian or Eskimo to explore the possibility of employment away from the locality in which he resides where there is little or no prospect of obtaining suitable employment in the locality in which he resides and where there is, in the opinion of a departmental officer a good prospect that the worker will obtain and hold suitable employment in the new locality. This section implies liaison with an appropriate official in the new locality prior to the worker going there.

Assistance may be provided to cover the cost of return transportation by the most appropriate economical means, meals and accommodation en route and room and board in the area where employment is being sought. The period for which assistance may be provided will depend upon the circumstances of each case but should not normally exceed four weeks for any one exploratory period.

The authority makes it possible for an allowance to be paid to the worker's dependents while he is on an exploratory grant seeking employment.

2. Relocation Grants to Workers

A relocation grant may be provided to a worker where it has been established that there is little or no prospect of his obtaining suitable employment in the locality in which he resides and he has obtained suitable employment in another locality which offers good prospects for his continued employment.

The relocation grant will not exceed:

- a) The actual cost of transportation for the worker and his dependents by the most appropriate economical means and a reasonable allowance for meals and overnight accommodation en route.
- b) The actual cost of moving the household and personal effects of the worker and his dependents, including a mobile home if it is owned by the worker and provided the total cost of removal does not exceed the value of such effects.
- c) A grant to assist in the re-establishment of the worker which shall not exceed the lesser of:
 - (i) One thousand dollars or
 - (ii) The aggregate of \$200 in respect of the worker, two hundred dollars in respect of one dependent of the worker and one hundred dollars in respect of each additional dependent.
 - (iii) Assistance may be paid over a period of time determined on the basis of the worker's needs, but not exceeding six months from the day on which the grant to or on behalf of the worker is authorized.
- d) The relocation grant may be increased by \$500 where the worker owns his own house in the locality in which he resided and within twelve months sells this house or purchases another house in the new locality. This does not apply to mobile homes.
- e) Where the Minister is satisfied the worker is unable to adjust to employment and should be returned to the locality from which he originally came to seek employment, he may authorize a grant for this purpose in the amounts set out in (a) and (b) above, provided the cost of moving household and personal effects will not exceed the value of such effects.
- f) Grants to a worker and his dependents under 2(c) shall not be granted more than once to any worker.
- g) The amount of assistance provided under (c) shall be adjusted as required to conform to any revisions in the Manpower Mobility Regulations 1967.

3. Training On-The-Job

With one exception, there is no change in previous provisions under the program. Contracts may be entered into with any bona fide employer including provincial or territorial government where a specific employable skill will be taught the employee. The maximum amount of assistance under such contracts shall not exceed 50% of the total wages for the training period which shall not exceed 52 weeks. Departmental officers shall be careful to ensure that in fact trainees will receive training in employable skills and that employment is available in the occupation trained on completion of training.

The one additional provision in the new authority is that it is now possible to enter into Training On-The-Job Contracts with other federal departments. In these cases, the Education Branch of the Department will assume responsibility for the total wages during the training period.

4. In-Service Training

Trainees may be placed with government or private non-profit agencies for a period not exceeding 52 weeks. A training allowance of \$40 per week will be provided by the Department to trainees enrolled in this program.

The largest group of trainees for this program have been graduates of business or commercial schools. They may have been sufficiently proficient in the mechanical skills but required some practical work experience in order to obtain permanent employment.

Pre-requisites for acceptance of a trainee into this program include registration and continuing contact with the nearest Manpower Centre. Applications must be made for employment with the provincial and federal Public Service and arrangements made for trainees to write the appropriate examinations prior to being accepted into the In-Service Training Program.

All departmental officers who enroll trainees will be held responsible to see that the pre-requisites are met prior to approving trainees and that trainees are not retained longer than is necessary for them to qualify for employment.

5. Seasonal Employment

Where warranted, to enable a worker to take employment of a seasonal or temporary nature, assistance may be provided to cover the cost of transportation by the most economical means, meals en route, and work clothing or tools.

PART B

TRAINING ASSISTANCE

Assistance may be provided to persons enrolled in training programs where enrollment in the program was arranged by or on behalf of a departmental officer.

The amounts of assistance will not exceed:

- a) The actual cost of transportation to and from the training center by the most convenient and economical means.
- b) Meals and overnight accommodation while in transit.
- c) An amount to cover training costs, including teachers' salaries or tuition fees, rental of equipment for training purposes and the cost of any necessary books and such other supplies as may be necessary.
- d) An amount equal to the cost of a recreational or counselling program appropriate to the needs of the trainees where such program is under the supervision of a departmental officer.

- e) A clothing allowance as required.
- f) Subsistence allowance.
 - i) At the rate of \$4.00 per day for single candidates unless they have been granted a Canada Student Loan in which case the rate shall be \$3.00 per day.
 - ii) At the rate equivalent to that set out under Manpower Occupational Training for Adults Regulations in the case of candidates whose dependents accompany him to the training center. The authority makes it possible for an allowance to be paid to the trainees dependents if they remain in the home area while he is on training at a rate not exceeding those set out in the Manpower O.T.A. Regulations for Dependents.
 - iii) Where the training period is of four months duration or more or the Minister is satisfied the trainees will go directly to employment on completion of training, a grant may be provided to assist in the transportation of the trainees dependents and household and personal effects as outlined in Part A, Section 2, subsection (a) and (b).
 - iv) Where a trainee completes or discontinues training and in the opinion of the departmental officer should be returned to his home locality, a grant may be provided for his return as outlined in Part A, Section 2, subsection (e).
 - v) Married trainees, who have to move from the locality in which they reside to enroll in training and their dependents move with them, may be provided with a relocation grant. For all practical purposes, this is identical to assistance described in Part A, Section 2, and will be administered accordingly. Where a trainee has received a relocation grant, he cannot subsequently receive an additional grant on completion of training and conversely if a worker received a grant through obtaining employment, he cannot be given an additional grant if he enrolls in training at some future date.

PART C

SPECIAL CONTINGENCY GRANT

The new authority makes provision for a special contingency grant to cover needs not identified in previous sections of this authority or special assistance which is necessary because of the social and economic status of Indians and Eskimos.

Assistance from this source may be provided to meet special expenses which must be incurred as a condition of employment or training, and there is no other authority or agency from which such additional assistance can be obtained. In circumstances such as this, the Minister may authorize a special contingency grant or grants not exceeding \$3,500 in the aggregate to that worker or trainee and dependents.

W. Evan Armstrong,
Director - Operations, Social Affairs.

RULES FOR ADMINISTERING A PROGRAM OF FINANCIAL
ASSISTANCE WITH RESPECT TO THE TRAINING,
MOBILITY AND RE-ESTABLISHMENT OF INDIAN
AND ESKIMO RESIDENTS OF CANADA

1. These Rules may be cited as the Indian and Eskimo Training, Mobility and Re-establishment Financial Assistance Program Rules.

INTERPRETATION

2. In these Rules,

- (a) "about to become unemployed", in relation to a worker, is descriptive of a worker who, though employed, has received notice from his employer that he will become unemployed on a date specified in the notice;
- (b) "Department" means the Department of Indian Affairs and Northern Development;
- (c) "departmental officer" means any officer designated by the Minister to administer these rules on his behalf;
- (d) "Indian" means an Indian as defined in the Indian Act;
- (e) "locality" means the area within which all points are, in the opinion of a departmental officer, within reasonable commuting distance from the place in relation to which the term is used;
- (f) "Minister" means the Minister of Indian Affairs and Northern Development and any person authorized to act on his behalf;
- (g) "suitable employment", in relation to a worker, means full-time employment of Canada that, in the opinion of a departmental officer, is in
- (i) the usual occupation of the worker, or
 - (ii) an equivalent occupation, taking into account the qualifications of the worker, for which the wages and working conditions are equivalent to those prevailing for similar employment in the place where the employment is found;
- (h) "trainee" means an Indian or Eskimo resident in Canada who is enrolled in a course designed
- (i) to provide him with skills required for an occupation;
 - (ii) to increase his skills or proficiency therein; or
 - (iii) to provide him with the educational background which would permit him to develop his marketable aptitudes to the highest level or is consistent with his abilities;
- (i) "under-employed", in relation to a worker, means a worker who
- (i) has been available for full-time work but has worked an average of less than 30 hours per week in the 13 weeks immediately preceding the week in which he applies for a grant; or

- (ii) although he may be employed full-time in the locality in which he resides, is not employed full-time in the most remunerative form of employment for which he is qualified either by working experience or formal training;
- (j) "unemployed", in relation to a worker, means a worker who, in the opinion of a departmental officer, is without employment and seeking work; and
- (k) "worker" means an Indian or Eskimo resident in Canada who is at least one year past the school leaving age and has been out of school for at least one year.

EXPLORATORY GRANTS TO WORKERS

- 3. (1) Where a worker is unemployed, under-employed or about to become unemployed and, in the opinion of the Minister, has little or no prospect of obtaining suitable employment in the locality in which he resides, the Minister may authorize a grant to or on behalf of that worker to assist him in seeking suitable employment in the area in Canada, closest to the locality in which he resides, where there is, in the opinion of a departmental officer, a good prospect that the worker will obtain and hold suitable employment.
- (2) A grant authorized under subsection (1) shall not exceed the aggregate of
 - (a) the actual cost of return transportation of the worker by the most appropriate economical means from the locality in which he resides to the area in Canada referred to in subsection (1); and
 - (b) a reasonable allowance, determined by the Minister, for meals and overnight accommodation for the worker while in transit between the area in Canada referred to in subsection (1) and the locality in which he resides.
- 4. (1) Where a worker, to whom or on whose behalf a grant has been authorized under section 3 or under this section, has been unable to obtain suitable employment in the area in Canada to which he was required to go as a condition of the grant and, in the opinion of the Minister,
 - (a) the worker has exercised reasonable diligence in seeking such employment, and
 - (b) there is another area in Canada where there is a good prospect of the worker obtaining suitable employment,the Minister may authorize a grant to or on behalf of the worker to assist him in seeking suitable employment in the area described in paragraph (b) that is closest to the area he is at the time the grant is authorized.
- (2) A grant authorized under subsection (1) shall not exceed the aggregate of
 - (a) the actual cost of transportation of the worker by the most appropriate economical means from the locality he

is in at the time the grant is authorized to the locality to which he is required to go as a condition of the grant and from that locality to the locality in which he resides, and

- (b) a reasonable allowance, determined by the Minister, for meals and overnight accommodation for the worker while in transit between the localities described in paragraph (a), less the unspent portion of any grant previously authorized in respect of the worker under this section or section 3.

ALLOWANCES TO WORKERS AND THEIR DEPENDENTS

- 5. (1) A worker, to whom or on whose behalf a grant has been authorized under section 3 or section 4 is entitled to an allowance and, if he has dependents, to an allowance for his dependents to assist him in their support while he is seeking employment away from the locality in which he resides.
- (2) The allowance referred to in subsection (1) shall be paid to or on behalf of the worker, commencing on the day on which a grant to the worker is authorized under section 3 or 4, and ending with the earliest of
 - (a) the date on which the worker receives his first pay cheque after obtaining suitable employment;
 - (b) payment of the allowance to the worker for the week in which the worker returns to the locality in which he resides; or
 - (c) when a departmental officer is satisfied that there is no likelihood that the worker will obtain suitable employment in the locality where he is seeking it.
- (3) The allowance paid to or on behalf of a worker, pursuant to this section, shall not exceed the amount set out in the Adult Occupational Training Regulations that, in the opinion of the Minister, is appropriate to the worker or to the worker and the number of his dependents.
- (4) For the purposes of this section, a person is a dependent of a worker if the person is
 - (a) a child, connected to the worker by blood relationship, marriage, or adoption, who is under 16 years of age or over 16 years of age and is in full-time attendance at a school or university and actually supported by that worker;
 - (b) the spouse of that worker, actually supported by him, whose income does not exceed twenty-five dollars a week; or
 - (c) a person who is physically or mentally infirm or without employment, is seeking employment and is actually supported by that worker.

RELOCATION GRANTS TO WORKERS

- 6. (1) Where a worker is unemployed, about to become unemployed or is under-employed in the locality in which he resides,

the Minister may authorize a grant to or on behalf of the worker in accordance with subsection (2) if

- (a) the Minister is satisfied that the worker has little or no prospect of obtaining suitable employment in the locality in which he resides, and has obtained suitable employment outside such locality, and
 - (b) in the opinion of the Minister, based on labour market information available to him, the employment obtained by the worker offers good prospects for his continued employment.
- (2) A grant authorized pursuant to subsection (1) shall not exceed the aggregate of such of the following amounts as the Minister considers appropriate, namely:
- (a) an amount equal to the aggregate of the actual cost of the transportation of the worker and his dependents by the most appropriate economical means from the locality in which they reside to the locality in Canada where the worker has obtained suitable employment, and a reasonable allowance determined by the Minister for meals and overnight accommodation for the worker and his dependents while in transit;
 - (b) an amount equal to the actual cost of moving the household and personal effects of the worker and his dependents, including a mobile house if it is owned by the worker, from the worker's residence to a residence in the locality of the place in Canada where he has obtained suitable employment; and
 - (c) subject to subsection (3), an amount to assist in the re-establishment of the worker and his dependents in the locality of the place in Canada where the worker and has obtained suitable employment.
- (3) Where a grant authorized under this section includes an amount to assist in the re-establishment of a worker and his dependents, that amount shall not exceed the lesser of
- (a) one thousand dollars or
 - (b) the aggregate of two hundred dollars in respect of the worker, two hundred dollars in respect of one dependent of the worker and one hundred dollars in respect of each additional dependent, and may be paid over a period, determined by the Minister on the basis of the worker's re-establishment needs, not exceeding six months from the day on which the grant to or on behalf of the worker is authorized.
- (4) A grant authorized under this section may be increased by five hundred dollars where the worker to whom the grant was made satisfies the Minister
- (a) that he was resident in Canada on the day on which he applied for the grant;
 - (b) that on the day he applied for the grant, he owned the house in which he resided; and
 - (c) that within twelve months after moving to the locality of the place in which he obtained suitable employment

he sold the house referred to in paragraph (b) or purchased a house in the locality of the place in which he obtained suitable employment.

- (5) The amounts referred to in subsection (3) shall be adjusted as required to conform to any revisions in the Manpower Mobility Regulation, 1967 and may be paid over a period determined by the Minister on the basis of the worker's re-establishment needs, not exceeding six months from the day on which the grant is authorized.
- (6) Where the Minister is satisfied that a worker, to whom or on whose behalf a grant has been authorized under this section, is unable to adjust to employment and should be returned to his home locality from which he originally came to seek employment, the Minister may authorize a grant to or on behalf of that worker to assist in the transportation of that worker and his dependents and his and their household and personal effects in an amount equal to the aggregate of
 - (a) the actual cost of transporting the worker and his dependents by the most appropriate economical means to the worker's home locality plus a reasonable allowance determined by the Minister for meals and overnight accommodations for the worker and his dependents while in transit; and
 - (b) the actual cost of moving to the worker's home locality the household and personal effects of the worker and his dependents, including a mobile home if it is owned by the worker. The cost of such moving shall not exceed the value of the household and personal effects of the worker and his dependents including a mobile home if it is owned by the worker.
- (7) The amount authorized by subsection (3) to assist in the re-establishment of a worker and his dependents shall not be granted more than once to any worker.
- (8) In this section, "dependent", in relation to a worker, means any person who is wholly or substantially dependent upon the worker for support, who lives in the same house as the worker and will move with the worker if he receives a grant under this section.

GRANTS TO TRAINEES

7. (1) The Minister may authorize a grant to or on behalf of a trainee to assist him in attending a training course
 - (a) where his enrolment therein was arranged by or on behalf of a Departmental officer; or
 - (b) where a training-on-the-job contract or in-service training program is arranged by a Departmental officer on the basis that
 - (i) the inservice trainee may be placed in government or private non-profit agencies for a period not exceeding 52 weeks when training in such situation is considered necessary for his future successful employment;

- (ii) where on-the-job training takes place in a Department of the Government of Canada, the trainee be paid wages by the Department, at the appropriate apprentice or learner rates, for the occupation in which training is being taken, during the term of the training contract which shall not exceed 52 weeks and shall be terminable by the Department at any time if the training or the trainee shall, in the opinion of a Departmental officer, prove to be unsatisfactory; and
 - (iii) wages paid to a trainee by an employer other than the Government of Canada in respect of an on-the-job training contract be based on the prevailing rate for apprentices or learners in the occupation concerned and, during the contract period, be shared equally by the Department and the employer either on a fixed or sliding scale so that, in any event, the Department's contribution does not exceed 50 per cent during the period of the contract which shall not exceed 52 weeks and shall be terminable by notice in writing by either party if the training or trainee proves to be unsatisfactory.
- (2) A grant authorized pursuant to subsection (1) shall not exceed the aggregate of such of the following amounts as the Minister considers appropriate, namely:
- (a) an amount equal to the aggregate of the cost of the transportation of the trainee by the most appropriate economical means from the locality in which he resides to the locality where he is to undergo training, and his return where applicable, and a reasonable allowance determined by the Minister for meals and overnight accommodation for the trainee while in transit;
 - (b) an amount, as determined by the Minister, to cover training costs, including any fees, rental of equipment for training purposes and the cost of any necessary books and supplies;
 - (c) an amount equal to the cost of a recreational or counselling program appropriate to the needs of the trainee where such program is under the supervision of a Departmental officer; and
 - (d) an allowance for clothing as determined by the Minister.
- (3) Where the training course is for a period of more than four months or the Minister is satisfied that the trainee will go directly to employment on completion of that course, the Minister may authorize a grant to the trainee to assist in the transportation of his dependents and the household and personal effects of the trainee and his dependents from his home to a residence in the locality of the place in Canada where he is to undergo training.
- (4) A grant authorized under subsection (3) shall not exceed the aggregate of such of the following amounts as the Minister considers appropriate, namely:
- (a) an amount equal to the actual cost of transportation of the dependents of the trainee by the most appropriate, economical means plus a reasonable allowance determined by the Minister for their meals and overnight accommodation while in transit; and

- (b) an amount equal to the actual cost of moving the household and personal effects of the trainee and his dependents, including a mobile home if it is owned by the trainee, from the trainee's residence to a residence in the locality of the place in Canada where the trainee is to undergo training.
- (5) Where a trainee, to whom or on whose behalf a grant has been authorized under this section, has completed or discontinues the training course which he is required to attend as a condition of receiving the grant, and, in the opinion of a Departmental officer, the trainee should be returned to his home locality, the Minister may authorize a grant to or on behalf of the trainee to assist him and his dependents in returning to his home locality.
- (6) A grant authorized under subsection (5) shall not exceed the aggregate of such of the following amounts as the Minister considers appropriate,
 - (a) the actual cost of the transportation of the trainee and his dependents by the most appropriate economical means to the trainee's home locality plus a reasonable allowance determined by the Minister for meals and overnight accommodation for the trainee and his dependents while in transit;
 - (b) the actual cost of moving the household and personal effects of the trainee and his dependents to his home locality including a mobile home if it is owned by him. The cost of such moving shall not exceed the value of the household and personal effects of the worker and his dependents including a mobile home if it is owned by the worker.
- (7) In the section "dependent" means any person who is wholly or substantially dependent upon the trainee for support, who lives in the same house and will move to the place where he is to undergo training if he receives a grant under this section.

ALLOWANCES TO TRAINEES WHILE ON
TRAINING COURSES OTHER THAN
ON-THE-JOB TRAINING COURSES

- 8. (1) Where a trainee, to whom or on whose behalf a grant has been authorized pursuant to section 7, is on a training course other than on-the-job training courses, he is entitled to an allowance and, if he has dependents, to an allowance for his dependents to assist him in their support while he is undergoing training.
- (2) An allowance, to which a trainee is entitled under subsection (1), shall be paid to or on behalf of the trainee commencing on the day on which a grant to the trainee is authorized under section 7 and ending with the earliest of the payment
 - (a) for the week in which the trainee terminates his training; or
 - (b) for the week in which the trainee receives his first pay cheque after obtaining suitable employment.
- (3) No payment made to or on behalf of a trainee pursuant to this section will be greater than the amount, set out in

the Adult Occupational Training Regulations, what, in the opinion of the Minister is appropriate to the trainee and the number of his dependents.

- (4) For the purpose of this section, a person is a dependent of a trainee if that person is
- (a) a child connected to the trainee by blood relationship, marriage or adoption who is under 16 years of age or if over 16 years of age, is in full-time attendance at a school or university and actually supported by the trainee;
 - (b) the spouse of that trainee actually supported by him whose income does not exceed twenty-five dollars a week; or
 - (c) a person who is physically or mentally infirm, or without employment and seeking work, who is actually supported by that trainee.

SETTLEMENT GRANT FOR TRAINEES AND DEPENDENTS

9. (1) Where the dependents of a trainee have moved with him, the Minister may authorize a grant to the trainee to assist in the settlement of the trainee and his dependents in the locality of the place in Canada where the trainee has been referred for training.
- (2) The grant referred to in subsection (1) shall not exceed the lesser of
- (a) one thousand dollars, or
 - (b) the aggregate of two hundred dollars in respect of the trainee, two hundred dollars in respect of one dependent of the trainee and one hundred dollars in respect of each additional dependent.
- (3) A grant authorized under this section may be increased by five hundred dollars where the trainee satisfies the Minister that
- (a) he was resident in Canada on the day on which he applied for the grant;
 - (b) on the day he applied for the grant, he owned the house in which he resided; and
 - (c) within twelve months after moving to the locality of the place to which he was referred for training, he sold the house referred to in paragraph (b) or purchased a house in the locality of the place to which he was referred for training.
- (4) The amounts referred to in subsection (1) and subsection (2) shall be adjusted as required to conform to any revision in the Manpower Mobility Regulations, 1967 and may be paid over a period, determined by the Minister on the basis of the trainee's settlement needs, not exceeding six months from the day on which the grant is authorized.
- (5) The grant authorized by this section to assist in the settlement of a trainee and his dependents shall not be granted more than once to any trainee and his dependents.

- (6) In this section, "dependent" means any person who is wholly or substantially dependent upon the trainee for support, lives in the same house as the trainee and has moved with him.

SPECIAL CONTINGENCY GRANT FOR WORKERS
OR TRAINEES AND DEPENDENTS

10. (1) Where the Minister is satisfied that, because of the social and economic status of Indians and Eskimos, it is necessary to provide financial assistance to a worker or trainee and dependents, in addition any grants authorized pursuant to the preceding sections or any assistance provided by any other authority or agency.
- (a) to enable a worker or trainee and dependents to adjust to a new location away from his reserve or settlement where that worker or trainee has been required to go as a condition of receiving a grant; or
- (b) to enable a worker or trainee to meet special expenses which must be incurred as a condition of employment or training, including, without restricting the generality of the foregoing, the cost of tools, camping and safety equipment and union initiation fees, and there is no other authority or agency from which such additional assistance can be obtained, the Minister may authorize a special contingency grant or grants not exceeding \$3,500 in the aggregate, to that worker or trainee and dependents.
- (2) In this section, "dependent" means any person who is wholly or substantially dependent on the worker or trainee for his support, lives in the same living quarters and has moved with him.

GENERAL

11. These rules shall be administered on behalf of the Minister by Departmental officers with the assistance, where required, of officers of the Canada Manpower Division of the Department of Manpower and Immigration.
12. No grant or allowance shall be made under these rules unless the Minister is satisfied that the Canada Manpower Division of the Department of Manpower and Immigration or any other authority or agency cannot provide the required financial assistance to that worker or trainee and dependents.
13. (1) Where a worker has received an amount under subsection (3) of section 6 to assist in his re-establishment and the re-establishment of his dependents, he is not entitled to any further amount for this purpose nor, if he subsequently becomes a trainee, to any amount for settlement under section 9.
- (2) Where a trainee has received an amount under section 9 to assist in his settlement and the settlement of his dependents, he is not entitled to any further amount for this purpose nor, if he subsequently becomes a worker, to any amount under section 6 for re-establishment.
14. These rules expire March 31, 1972.

Department of
Indian Affairs and
Northern Development



Ministère des
Affaires indiennes et
du Nord canadien

S. M. Hodgson, Esq.,
Commissioner of the
Northwest Territories,
Box 1320,
Yellowknife, N.W.T.

Ottawa 4, June 3, 1969.

1545-3

GOVT. OF N.W.T. YELLOWKNIFE, N.W.T.
JUN 10 1969
No. 9252
FILE 371-1
REFER TO Mr. Hodgson

Dear Mr. Hodgson,

Subsidization of wages paid by
Private Enterprise to Indigenous
Labour in the Northwest Territories

- The attached, prepared by the Economic Staff Group at your request, is a draft paper on the above subject. I trust that you will receive the paper in time to bring it before the Northwest Territorial Council.

Please note that the Education Branch assisted our economists in the preparation of the paper. The Education Branch is, of course, responsible for administering the program on behalf of the Federal Government.

You will also note that there is a 52 week limit to the various subsidy programs. The 52 week period was adopted by the Department of Manpower and Immigration, and agreed upon by the Education Branch, because of the expressed danger of exploitation of trainees by employers, and because of the concern expressed by the trade union movement that such programs, if extended over long periods, would work to the detriment of union members. To date no employer involved in one of these training-in-industry situations has found the 52 week period to be insufficient, and the Education Branch has therefore concluded that an extension of the period is not justified.

It probably should be pointed out that the 52 week limit is set on each individual program. Thus, a person could conceivably take a 52 week pre-employment course, followed by a 52 week training-in-industry or training-on-the-job situation, a total subsidized training period of 104 weeks.

I regret the delay in submitting the attached to you at an earlier date.

Yours sincerely,

T. F. Wise,
Assistant Director,
Northern Economic Development Branch.

Encl. 1

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SUBSIDIZATION OF WAGES PAID BY PRIVATE ENTERPRISE TO INDIGENOUS
LABOUR IN THE NORTHWEST TERRITORIES

1. The request for these comments, prepared by the Economic Staff Group of the Northern Economic Development Branch in consultation with the Vocational Education Division of the Education Branch, was initiated by Motion No. 29 which was passed by the Northwest Territorial Council at its 38th Session, and which reads as follows:

"...that the feasibility be examined of the Territorial Government and the Federal Government, in conjunction with each other, paying a proportion of the wages of each Eskimo, Indian, and Métis employed by private business in the Northwest Territories and further, that a report on such a feasibility study be placed before the Council of the N.W.T."

2. This motion was based on Council's concern for the generally low labour participation rate among indigenous people of working-age in the Northwest Territories. The main argument advanced in favour of the motion was that, of the many problems associated with the employment of native people in the Territories, the most crucial problem is the tendency for private enterprise to employ "transient white men" in preference to Indians, Métis and Eskimos.

3. Council recognizes that there are "deficiencies....amongst the native people, the lack of efficient, the lack of turning up to work on time...", but it is also of the opinion "that any of these inefficiencies amongst the native people can and will be overcome in time, but in order to be overcome, the native people must be employed". Council further feels that the provision to private enterprise of an incentive in the form of a subsidy on wage payments will result in increased employment of native people.

ANALYSIS OF THE PROPOSAL

4. Neither Council's examination of the plight of the working-age natives nor the resultant proposal is new. An earlier examination of the subject by the Federal Government revealed that, for most work in the North, the main problem is not so much one of the level of wages, but of the level of skills required to get a job of work done efficiently. Indeed, results of analyses conducted by the Department of Indian Affairs and Northern Development showed that whereas the majority of the indigenous population of working age in the Northwest Territories lacked basic education, training and job skills, almost 80 per cent of all jobs in the region were classified in the skilled or semi-skilled categories.

5. It is with these results in mind that since 1958, the Federal Government instituted subsidy programs that were aimed at bringing residents of the Northwest Territories to a level of occupational competence necessary for employment. Thus, on February 6, 1958, Treasury Board authority was obtained for expenditure to be incurred in training northern residents, and for covering the costs of Eskimo mobility and relocation.

6. The following are the programs that are presently available:

(a) Training in Industry

(i) Training on the job

This program provides up to a 50 per cent wage subsidy for work done by Indians and Eskimos during their training-on-the-job period, up to a period of 52 weeks.

Example

One Indian, who was not fully qualified when his subsidized training program with Canadian National Telecommunications (CNT) was completed, is now a radio maintenance trainee with the Mackenzie Forest Service. All training costs are borne by the Department of Indian Affairs and Northern Development.

(ii) Training in Co-operation with Industry

Where training on the job with an employer is not feasible, but the employer is prepared to provide the means for instructing Indians and Eskimos, this training can be subsidized up to 100 per cent. The employer in such cases makes no payment to the Indian and/or Eskimo who receives training allowances (not wages) from the Government.

Example

Several Indians and Eskimos recently received training from CNT in Fort Smith. The Department of Indian Affairs and Northern Development paid training allowances to the trainees, and covered the full training costs incurred by CNT.

(iii) In-service training

Indians and/or Eskimos may be placed with Government or private non-profit employers for a period not exceeding 52 weeks when training in such situations is considered necessary for future successful employment. No subsidy is paid to the employer who benefits from the free "labour" of the Indian and Eskimo, but the trainees receive an allowance from Government. (This program was instituted in October, 1968.)

13/6/68
APPROVED

S. Z. McEwen
Commissioner

Example

Since the institution of the program, a number of persons have received (or are receiving) clerical training from government and non-government agencies, with the Department of Indian Affairs and Northern Development paying an allowance to the trainees.

(b) Pre-employment training

Where an Indian or Eskimo requires pre-employment training before he is in a position to be placed in a training-in-industry situation, the costs of such training, including training allowances to the trainees, are met by the Government for a period not exceeding 52 weeks.

Example

There are now many Indians and Eskimos who are receiving academic upgrading courses prior to going into employment or taking further training.

7. It can be seen from the programs described above that executive authority already exists to provide for a training subsidy as that outlined in Council's motion, and that these are not mere "paper programs".

8. It should also be emphasized that, prior to April 1969, all residents of the Northwest Territories were eligible to participate in these subsidized training programs.

Since that time, however, only people of Indian Status and Eskimos are eligible and not Métis, responsibility for whom rests entirely with the Territorial Government.

On the other hand, the Canada Manpower Division of the Department of Manpower and Immigration has training-in-industry and pre-employment programs that are available to all residents of the Northwest Territories, providing that these residents meet certain specified requirements. As a result, the training programs that are administered by the Department of Indian Affairs and Northern Development are employed only in those instances where the Department of Manpower and Immigration confirms that it cannot provide the required financial assistance to the worker or trainee and his dependents.

9. A copy of Treasury Board Authority No. 683751, dated October 17, 1968, apropos Federal assistance to Indians and Eskimos in the areas of training, employment and relocation, is appended.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT
 MINISTERE DES AFFAIRES INDIENNES ET DU NORD CANADIEN

File No.

1/25-8
 1/21-3
 1/21-1
 1/21-4-1
 1/21-4-2

SUBJECT
 OBJET

TRAINING-EMPLOYMENT ASSISTANCE

Chiefs, Indian Band Councils,
 Regional Directors,
 Superintendents of Indian Agencies

March 7, 1969.

All assistance to Indians and Eskimos in the areas of training, employment and relocation has now been amalgamated into one Treasury Board Authority No. 683751 dated October 17, 1968. Expiry date of the new authority is March 31, 1972. Rules for the administration of the new program are attached as Appendix "A". All assistance provided under the new authority will be dealt with as unconditional grants and non-repayable.

Assistance will not be granted under the new authority until all applicable existing programs which provide for financial assistance to workers and trainees and dependents have been explored and it is ascertained that the necessary amount of financial assistance cannot be granted thereunder. These existing programs include federal, provincial, municipal, territorial and private agency programs.

The new authority can be divided into the three broad areas of Employment Assistance, Training Assistance and Special Contingency Grants.

PART A

EMPLOYMENT ASSISTANCE

1. Exploratory Grants

This section of the authority enables assistance to be provided to an Indian or Eskimo to explore the possibility of employment away from the locality in which he resides where there is little or no prospect of obtaining suitable employment in the locality in which he resides and where there is, in the opinion of a departmental officer a good prospect that the worker will obtain and hold suitable employment in the new locality. This section implies liaison with an appropriate official in the new locality prior to the worker going there.

Assistance may be provided to cover the cost of return transportation by the most appropriate economical means, meals and accommodation en route and room and board in the area where employment is being sought. The period for which assistance may be provided will depend upon the circumstances of each case but should not normally exceed four weeks for any one exploratory period.

The authority makes it possible for an allowance to be paid to the worker's dependents while he is on an exploratory grant seeking employment.

2. Relocation Grants to Workers

A relocation grant may be provided to a worker where it has been established that there is little or no prospect of his obtaining suitable employment in the locality in which he resides and he has obtained suitable employment in another locality which offers good prospects for his continued employment.

The relocation grant will not exceed:

- a) The actual cost of transportation for the worker and his dependents by the most appropriate economical means and a reasonable allowance for meals and overnight accommodation en route.
- b) The actual cost of moving the household and personal effects of the worker and his dependents, including a mobile home if it is owned by the worker and provided the total cost of removal does not exceed the value of such effects.
- c) A grant to assist in the re-establishment of the worker which shall not exceed the lesser of:
 - (i) One thousand dollars or
 - (ii) The aggregate of \$200 in respect of the worker, two hundred dollars in respect of one dependent of the worker and one hundred dollars in respect of each additional dependent.
 - (iii) Assistance may be paid over a period of time determined on the basis of the worker's needs, but not exceeding six months from the day on which the grant to or on behalf of the worker is authorized.
- d) The relocation grant may be increased by \$500 where the worker owns his own house in the locality in which he resided and within twelve months sells this house or purchases another house in the new locality. This does not apply to mobile homes.
- e) Where the Minister is satisfied the worker is unable to adjust to employment and should be returned to the locality from which he originally came to seek employment, he may authorize a grant for this purpose in the amounts set out in (a) and (b) above, provided the cost of moving household and personal effects will not exceed the value of such effects.
- f) Grants to a worker and his dependents under 2(c) shall not be granted more than once to any worker.
- g) The amount of assistance provided under (c) shall be adjusted as required to conform to any revisions in the Manpower Mobility Regulations 1967.

3. Training On-The-Job

With one exception, there is no change in previous provisions under the program. Contracts may be entered into with any bona fide employer including provincial or territorial government where a specific employable skill will be taught the employee. The maximum amount of assistance under such contracts shall not exceed 50% of the total wages for the training period which shall not exceed 52 weeks. Departmental officers shall be careful to ensure that in fact trainees will receive training in employable skills and that employment is available in the occupation trained on completion of training.

The one additional provision in the new authority is that it is now possible to enter into Training On-The-Job Contracts with other federal departments. In these cases, the Education Branch of the Department will assume responsibility for the total wages during the training period.

4. In-Service Training

Trainees may be placed with government or private non-profit agencies for a period not exceeding 52 weeks. A training allowance of \$40 per week will be provided by the Department to trainees enrolled in this program.

The largest group of trainees for this program have been graduates of business or commercial schools. They may have been sufficiently proficient in the mechanical skills but required some practical work experience in order to obtain permanent employment.

Pre-requisites for acceptance of a trainee into this program include registration and continuing contact with the nearest Manpower Centre. Applications must be made for employment with the provincial and federal Public Service and arrangements made for trainees to write the appropriate examinations prior to being accepted into the In-Service Training Program.

All departmental officers who enroll trainees will be held responsible to see that the pre-requisites are met prior to approving trainees and that trainees are not retained longer than is necessary for them to qualify for employment.

5. Seasonal Employment

Where warranted, to enable a worker to take employment of a seasonal or temporary nature, assistance may be provided to cover the cost of transportation by the most economical means, meals en route, and work clothing or tools.

PART B

TRAINING ASSISTANCE

Assistance may be provided to persons enrolled in training programs where enrollment in the program was arranged by or on behalf of a departmental officer.

The amounts of assistance will not exceed:

- a) The actual cost of transportation to and from the training center by the most convenient and economical means.
- b) Meals and overnight accommodation while in transit.
- c) An amount to cover training costs, including teachers' salaries or tuition fees, rental of equipment for training purposes and the cost of any necessary books and such other supplies as may be necessary.
- d) An amount equal to the cost of a recreational or counselling program appropriate to the needs of the trainees where such program is under the supervision of a departmental officer.

- e) A clothing allowance as required.
- f) Subsistence allowance.
 - i) At the rate of \$4.00 per day for single candidates unless they have been granted a Canada Student Loan in which case the rate shall be \$3.00 per day.
 - ii) At the rate equivalent to that set out under Manpower Occupational Training for Adults Regulations in the case of candidates whose dependents accompany him to the training center. The authority makes it possible for an allowance to be paid to the trainees dependents if they remain in the home area while he is on training at a rate not exceeding those set out in the Manpower O.T.A. Regulations for Dependents.
 - iii) Where the training period is of four months duration or more or the Minister is satisfied the trainees will go directly to employment on completion of training, a grant may be provided to assist in the transportation of the trainees dependents and household and personal effects as outlined in Part A, Section 2, subsection (a) and (b).
 - iv) Where a trainee completes or discontinues training and in the opinion of the departmental officer should be returned to his home locality, a grant may be provided for his return as outlined in Part A, Section 2, subsection (e).
 - v) Married trainees, who have to move from the locality in which they reside to enroll in training and their dependents move with them, may be provided with a relocation grant. For all practical purposes, this is identical to assistance described in Part A, Section 2, and will be administered accordingly. Where a trainee has received a relocation grant, he cannot subsequently receive an additional grant on completion of training and conversely if a worker received a grant through obtaining employment, he cannot be given an additional grant if he enrolls in training at some future date.

PART C

SPECIAL CONTINGENCY GRANT

The new authority makes provision for a special contingency grant to cover needs not identified in previous sections of this authority or special assistance which is necessary because of the social and economic status of Indians and Eskimos.

Assistance from this source may be provided to meet special expenses which must be incurred as a condition of employment or training, and there is no other authority or agency from which such additional assistance can be obtained. In circumstances such as this, the Minister may authorize a special contingency grant or grants not exceeding \$3,500 in the aggregate to that worker or trainee and dependents.

W. Evan Armstrong,
Director - Operations, Social Affairs.