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Government Leader

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The Right Honourable Brian Mulroney, P.C., M.P.
Prime Minister of Canada
House of Commons, Ottawa
K1A 0A2

Dear Mr. Mulroney:

We are writing to you in relation to your overall responsibility for constitutional development in Canada. In keeping with his more particular responsibilities for aboriginal peoples and the northern territories, we are sending a copy of this letter directly to your colleague, Mr. Siddon.

As you are aware, and in keeping with both your television address this summer to the Canadian people and your September 25, 1990 speech to the House of Commons, the Agreement-in-Principle between the Inuit of the Nunavut Settlement Area and Her Majesty in the Right of Canada represents a major step forward in the fulfilment of your government's comprehensive land claims agenda, and tangible recognition of how the rights of aboriginal peoples for self-government within Canada may be achieved within the context of public government.

An exciting step forward in the agendas of both Inuit and government will be the realization of Article 4 of the Agreement-in-Principle. Article 4 of the Agreement re-states the support in principle of the Government of Canada, the Government of the Northwest Territories and the Tungavik Federation of Nunavut for the "creation of a Nunavut Territory, and the financing of a Nunavut government, outside the claims agreement, as soon as possible". This article also commits the Government of the Northwest Territories and the Tungavik Federation of Nunavut to develop a process to give effect to this agreed objective.

As the first step in this process, we are pleased to inform you that we have agreed to commit ourselves to a target date for the creation of a Nunavut Territory and Government. In reaching this commitment, we have attempted to reconcile two things. On the one hand, current federal government policy does not allow issues related to constitutional development to be resolved within the land claims process. On the other hand, Inuit leaders believe strongly that the ratification of the Nunavut land claim by Inuit



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is likely only if there is a concrete commitment to the creation of a Nunavut Territory and Government in the foreseeable future. In response to these considerations and the expectations generated by Article 4, we are proposing that Canada agree to introduce legislation to Parliament creating a Nunavut Territory on or before the time the Nunavut land claims ratification legislation is expected to be introduced.

In order to ensure an orderly and cost-effective transition, we foresee that legislation establishing a Nunavut Territory would stipulate that its substantive provisions would not come into effect until the fifth anniversary of its enactment. The five year period would allow the residents of the western part of the Northwest Territories an opportunity to define new constitutional arrangements for their area.

Throughout both the pre-legislation and post-legislation periods, we anticipate a maximum degree of public participation and expect the members of the Legislative Assembly to play an active role. Another important safeguard of public acceptability will be a plebiscite on the boundary.

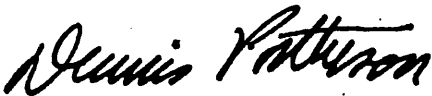
Fundamental to this process, in our view, would be an agreement with the Government of Canada with regard to the legislative commitment, and with regard to a number of principles relating to the financing of both Territorial Governments. Accordingly, we seek agreement with the Government of Canada in the following respects:

- The Government of Canada will enter into a formula financing agreement with the Nunavut Government analogous to the agreements entered into with the Governments of the Yukon and Northwest Territories.
- Funding arrangements will ensure that, at a minimum, the current levels of public sector services in the North will not be eroded.
- Financial arrangements for the Nunavut Government will not prejudice the finances of the remaining western territory.
- Capital costs directly associated with the new Nunavut Government and Territory will be assumed by the Government of Canada, but the Government of the Northwest Territories will continue to contribute to normal capital requirements in the eastern portion of the Northwest Territories until the substantive portions of Nunavut Territory legislation comes into effect.

In addition, we would ask that extraordinary costs, incurred by the Tungavik Federation of Nunavut and the Government of the Northwest Territories as a direct result of the Nunavut planning and implementation process, be considered for funding assistance.

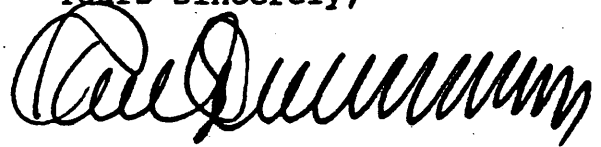
We look forward to meeting and discussing these matters further with you. We recognize that the assurances sought in this letter are general in nature and necessarily give rise to more detailed questions. We would hope that initial discussions could take place in November of this year. Hence, at the time of your response, you may also wish to designate the appropriate officials to participate with our representatives in a closer examination of these issues.

Yours sincerely,



Dennis Patterson
Government Leader
Government of the Northwest
Territories

Yours sincerely,



Paul Quassa
President
Tungavik Federation
of Nunavut

c.c. Honourable Tom Siddon

