And Now for a Northern Solution?
Devolution of Forest Fire Control
and Forest Management to the
Northwest Territories and Yukon

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In summer 1979, massive areas of forest and caribou rangelands south and east of Great Slave Lake burned. For hundreds of kilometres around south-of-the-lake communities, the sky turned yellow and the sun was a lurid pink, as chunks of ash rained down. In 1981, fire swept through the trapping range of Dene from the Hay River Reserve. In the bad fire years, Northwest Territories residents’ dissatisfaction with federal fire management policies erupted in a concerted lobby for change.1 There has so far been no parallel citizens’ campaign in the Yukon, but many Yukoners share the concerns of their eastern neighbours about federal management of the fire control service. Though the area affected by fire in the Yukon has in recent years been less than that in the NWT, there has been significant damage. Faro, Yukon was destroyed by fire in the late 1960s, while Old Crow was threatened and trapping ranges were destroyed in 1990. Fire control has long been on the northerners’ list of things they could do much better, if only the federal government would provide them with the fiscal and legal means. Now, northerners are being presented with the opportunity.

Partly in response to northerners’ dissatisfaction with federal fire control practices, the federal government transferred responsibility for forest fire suppression — and forest management in general — to the Government of the Northwest Territories (GNWT) on April 1, 1987. Yukon is currently engaged in transfer negotiations, still in the preliminary stages. Included in the transfer are personnel, funding and physical assets (such as buildings and equipment) associated with fire control and forest management. Ownership of the forests and the land upon which the trees grow is retained by the federal Crown, administered through the Northern Affairs Branch of the Department of Indian Affairs and Northern Development (DIAND).2
This article compares the experiences of the Northwest Territories and Yukon governments in negotiating the forestry and fire transfer. The two governments arrived at contrasting positions with respect to the devolution negotiations. The Yukon government (YTG) chose to give priority to resolution of outstanding Council for Yukon Indians (CYI) claims issues, and delayed negotiations on devolution. The Government of the Northwest Territories took the first available opportunity to begin negotiating the forestry and fire transfer, contending that the transfer was an administrative matter of improving service delivery, and not an issue that could jeopardize the Native cause in claims negotiations.

The story of the transfer negotiations illustrates the strengths and weaknesses of these contrasting approaches. Both cases show how the issues of quality of service, administrative arrangements, policy authority, comprehensive land claims and constitutional development are intertwined in northern political life today. The paper begins with a discussion of the interests of northern citizens, Native organizations, and the three governments in the transfer. Key policy issues in forest and fire management policy emerge in this discussion. Then, the specifics of the transfer in the NWT are compared to current plans for transfer of the same function in the Yukon. Finally, some tentative conclusions are drawn about the implications of these developments for “government building” in each territory, at both the constitutional and administrative levels.

**Who Cares, and Why? The concerns of northern residents.**

Fire fighting is an area in which many northerners have both vital interests and considerable expertise, developed through long experience. Until the transfers now completed in the NWT and in progress in the Yukon, DIAND staff in Ottawa held policy authority for fire fighting. DIAND regional staff, based at a Regional Fire Centre in each territory and subordinate district and area offices, carried administrative responsibility. Fires were actually fought by thirty to forty DIAND forestry staff and by specialized seasonal indeterminate (permanent but not full-time) employees of the department, drawn from many northern communities. These employees (250-300 in the NWT; somewhat fewer in the Yukon) worked during the fire season only. Fire fighting was (and is) skilled and difficult work that provided an important seasonally reliable source of cash income for a significant number of Native households.

Probably the most important fire suppression issue for northerners is the federal practice of using a system of previously defined priority and
observation zones to determine whether or not a particular fire will be fought. Under this policy, only fires in priority zones are automatically attacked. Many northerners have complained that the “lines on a map” that delineate the areas in which fires will be fought were drawn without sufficient attention to local use of the land, particularly the areas of value to hunters and trappers.

A related concern has been the role of the federal Treasury Board in policing the annual expenditures on fire fighting. Under the federal system, after a certain minimum budget had been spent, DIAND regional staff required Treasury Board approval for funds to fight all subsequent fires, including those in priority zones. Because fires burn faster than bureaucracies make decisions, Treasury Board approval for “extra” expenditures by northern staff was regularly sought after the fires had been fought. The Treasury Board never actually prevented a priority zone fire from being fought, but neither DIAND regional fire control staff nor the communities they were trying to serve ever worked with a finite budget under northern control.

Finally, northerners have raised concerns about certain departmental decisions with respect to fire fighting methods. For various reasons, DIAND grew to rely upon capital-intensive fire fighting techniques. The use of CL-215 Air Tankers under long-term operations and maintenance contracts to southern-based firms has been particularly controversial. It is argued that the purchase of CL-215s “for national purposes,” draws on resources that might be better spent using other, less costly equipment. Some northerners also argue that northern-owned fixed-winged planes should be used in some cases where helicopters and imported pilots are now used, a substitution that would support local businesses while improving the northern transportation system. The contrary view is that helicopters and air tankers increase the efficiency and safety of fire fighting.

Taken together, the priority zone system, the role of the Treasury Board as the distant eminence grise of northern fire policy, and DIAND’s contractual relations with helicopter companies left a relatively scant role for community advice, despite the efforts of some northern-based federal fire management personnel to consult with people vitally affected by federal policy. It is not surprising that public pressure for devolution of fire suppression responsibility mounted, especially in the NWT and particularly in years when there was widespread fire destruction. In comparison, there has been relatively little public pressure for the transfer of forest management, probably because there has been little commercial exploitation of the forests so far.
Public interest in territorial administration of the forests has been strongest in the Yukon, where there is probably somewhat more commercial potential and where the forests have been studied as an aspect of the territory’s overall plan for economic development. In neither territory, however, has forest management been a particularly “hot” public issue. Territorial forest management, like fire suppression, has been a responsibility of DIAND under its overall mandate for administration, management and control of northern lands. Compared to some provincial jurisdictions, at least, forest management (as distinct from fire control) was not an elaborately developed federal capacity. Inadequacies in the federal forest management program were highlighted in an evaluation report published by DIAND in 1982. Key problems included the absence of an integrated forest management program, insufficient legislative authority, serious under-funding and poor forest inventory data.

The forests are, of course, of major importance to northerners. Besides their aesthetic and spiritual value, the forests are wildlife habitat. They play an important role in natural water control and they are a primary source of fuel and building materials for many northerners. In both territories there has been small-scale commercial logging and milling by locally owned enterprises, and in the Yukon some craft-scale manufacturing. Forests are seen increasingly as possible contributors to sustainable economic development; particularly in the Yukon, northern-based forestry enterprises seek a more stable regulatory regime. For all of these reasons, forest management is likely to become a more important public issue in each territory.

With this sketch of citizens’ interests and the general issues involved in fire suppression and forest management in mind, it is appropriate to turn now to institutional interests — that is, to consider the role of the various organizations with a stake in how the public issues just described were resolved in the political arena.

Who Cares: Institutional interests

Because the forests are important as wildlife habitat and generally in the maintenance of the health of the renewable resources sector, they have obvious relevance to comprehensive land claims and any new resource management regimes that might be established by the claims settlements. Although the forests are most relevant to the Council for Yukon Indians and the Dene-Metis claims (since most of the trees are in these geographical areas), devolution of responsibility for forest and fire man-
organizations. Approximately one-third of fire fighting crews are contracted out.

There are other personnel issues which do not appear to have surfaced in the transfer at all. One of the potential benefits of devolution is the opportunity it creates for improving the representation of Native people in management positions of the territorial civil service. Although the GNWT expressed an interest in having vacant positions transferred to maximize the effectiveness of territorial employment equity policies, consideration was not given, apparently, to developing a system that would make the new positions available to Native people. Care would have to be taken to protect the interests of existing federal employees, and probably training programs for certain positions would have been initiated before the transfer itself. As this transfer unfolded, there was apparently not time for such measures.21

Another opportunity created by devolution, and one that was most emphatically demanded by northerners, was improvement to fire fighting policies. Some steps were taken during the transfer to begin the process of developing new policy guidelines. This task fell to staff in the territorial Department of Renewable Resources and the Forestry Working Group, a body that evolved out of the advisory committee formed to involve Native organizations in advising the Minister of Renewable Resources on his new responsibilities. The FWG was attached to another new advisory body, the Denendeh Conservation Board (DCB), itself a product of the claim process.22 In fall 1989, the DCB accepted the recommendation of the Forestry Working Group to approve for public discussion a draft fire management policy. The draft policy drew a relatively small public response. The Executive Committee of the NWT Legislative Assembly approved a revised version of the fire management policy in July 1990. Work continues on a draft forest management policy.

Both the fire and forest policies must be developed within the fiscal framework set in advance by the transfer agreement, which includes some flexibility.23 The policies will be implemented using the personnel and physical resources in federal hands at the time of transfer. It is appropriate to pause, at this point, to consider to what extent northerners’ original concerns about the adequacy of the federal fire service were addressed in the transfer, and to look also at the upshot of the political struggles that took place over the heads of the officials who were negotiating the transfer.

On the adequacy of service, it must be said that the jury is still out. The GNWT is certainly in a better position now to address northerners’
concerns about fire fighting, but has yet to deliver a new policy. With respect to forest management, it must be remembered that here there was no great public pressure for territorial control. The GNWT has acquired legislative authority and new resources; in the absence of public pressure for immediate action, this government has gained also an opportunity to develop a new approach. The most immediate task would appear to be the development of a workable regulatory system that takes into account the likelihood that the Denendeh Conservation Board and, perhaps, other management boards to be established will have somehow to be worked into a territorial government policy process that increasingly emphasizes ministerial responsibility. How this will be done is, at the moment, far from clear. A second task involves research and analysis — in fact, the development of the capacity in the territorial civil service to support forest policy development, since no such capacity was transferred with the responsibility for management.

With respect to the implications of this transfer for the general government-building project in the NWT, at least two observations are possible. In the forest and fire transfer, it is apparent that departmental interests (and perhaps they were ministerial interests as well) had some effect on the department’s actions, particularly the insistence that forest management be included with fire control responsibilities. The sequence of events which prevented the Department of Renewable Resources from gaining a proprietary interest in the forests may reveal a similar imperative governing the behaviour of the federal department as well. In neither case is this evidence of unusual megalomania; rather, it is an indication that the politicians who are ultimately responsible for such matters must reckon with the natural tendency of bureaucracies to expand, as well as with pressure from the public, in meeting more general political goals.

Second, the importance of such formal agreements as the Memorandum of Understanding on Devolution is evident. The process to negotiate the MOU, and the MOU itself, mitigated the effect of the devolution negotiations on other processes of government-building then underway in the NWT — land claim negotiations and public discussion of new constitutions for a divided territory. Concretely, the MOU probably accounts for the political decision of the federal government not to transfer a proprietary interest in trees to the GNWT at the same time as fire control responsibilities and legislative authority were transferred. Although this has created a complex and potentially tricky interim arrangement, it has also left the space for the development of better policy through a public process. The MOU also appears to protect
aboriginal interests, or at least to ensure that these will be dealt with where they should be, at the claims table.

Prospects for Transfer of Fire and Forest Responsibilities to the Yukon Government

The 1985 decision of the Yukon government to give priority to the settlement of the Council for Yukon Indians land claim effectively delayed most devolution negotiations until the CYI agreement-in-principle was secure. Negotiation of the transfer of the inland fishery has been completed since then, and negotiations on the forestry and fire transfer (as well as A&B airports and health) are in progress. The fire and forestry negotiations are still in an early stage.

Yukon government officials identify two general objectives in seeking this transfer. First, forestry is viewed as an important sector for economic growth in the Yukon economy. The Yukon 2000 planning exercise highlighted a number of possibilities here, including import substitution (of fuel, milled lumber and building logs), as well as export opportunities to Alaska and Asia. Because regeneration of Yukon forests may require as long as 100 to 150 years, there has been considerable interest in Swedish forestry practices, including the use of re-planted forests and the development of small-scale manufacturing enterprises to maximize the economic benefits from the use of the resource. Second, YTG officials see forest management as an integral part of any comprehensive land, water and resource management regime. The current management regime is a complicated patchwork of federal and territorial measures, supported by relatively scant research into such matters as sustainable harvest levels and linkages to other renewable resource sectors such as wildlife harvesting and trapping. Territorial control of forest management is seen as necessary to ensure that commercial uses of the forests can be managed without jeopardy to the ecosystem.24

The connection between “ownership of the trees” and land claims is recognized, and in contrast to the Northwest Territories, the Yukon government has excluded the ownership issue from devolution negotiations.

As in the Northwest Territories, fire control is a related issue that seems to have a life of its own. Although Yukon had fewer very bad fire seasons, there is similar dissatisfaction with the priority zone system. Particularly in the Old Crow region, it is held that federal priorities do not give enough weight to areas important for wildlife harvesting, habitat or traplines. Methods of fire suppression, which rely heavily on
"high tech" solutions, are also questioned. The extent to which the Yukon government will actually implement proposed reforms is, of course, not known, but consideration is being given to a reorganization of the fire service. This would involve establishment of local resource management committees with the responsibility to set local priorities in the expenditure of regionally decentralized fire suppression budgets.

It seems likely that the Yukon government’s decision to delay negotiation of these powers will mean that the negotiations take place in a relatively stable working environment, though certainly there remain some areas of potential conflict. A Memorandum of Understanding on Devolution was negotiated by the Council for Yukon Indians and the territorial government in 1985. A joint YTG-CYI Constitutional Development and Program Devolution Working Group has been established. To date, this Working Group appears to have been a less than effective forum for discussion. The CYI has insisted upon being considered a party to devolution negotiations, rather than merely an “interest” to be consulted.

Personnel issues that arose in the health transfer negotiations have had the effect of slowing progress in the forestry and fire transfers. In the health transfer, two unions, the Public Service Alliance of Canada (PSAC) and the Professional Institute of the Public Service of Canada (PIPS), have pressed vigorously for a “bridging package” to protect their members who will be transferred from federal employment to employment with local health boards. One of these unions, PSAC, represents the employees who would be affected by the forestry and fire transfer, and it is expected that the union will press for arrangements for forestry and fire employees commensurate with those gained for health workers. To date, the Yukon Cabinet has resisted this step, arguing that the health and forestry transfers are cases of a different kind: the former involves employees moving from government employment to employment with a health board; the latter is a “government-to-government” transfer. At this stage in the negotiations, it is not clear whether this territorial government position will change.

Conclusions

In principle, the process of comprehensive claims negotiations, constitutional development and devolution could all contribute, in complementary fashion, to the evolution of more democratic and responsive public government in the NWT and Yukon. Comprehensive claims agreements are fundamentally an affirmation of Aboriginal rights and a form
of compensation to Native peoples who now share their homeland with non-Natives. They can also be seen, however, as significant gestures towards a more equitable future, in which Native peoples in the North will have a better relationship with the government and their co-residents than has been possible in other Canadian jurisdictions. In this last respect, the agreements-in-principle and eventual claims agreements have had and will have some effect on the institutions of government, for both policy development and administrative practices.

In both territories — though most notably in the NWT, these very institutions are the rapidly evolving object of public attention and debate. Northerners have invented a form of public government-building that they label ‘constitutional development’, and it is most directly through this process that they express their aspirations for more responsive and responsible government.

Devolution of responsibilities from the federal to the territorial governments was seen by many — though not all — in the North as a procedure with major implications for both land claims negotiations and formal constitutional development. On this point, the two territorial governments took initially different strategic positions. The Yukon government chose to delay commencement of negotiations on transfer of forest and fire management responsibilities for a couple of years; this left time for negotiation of a framework memorandum of understanding with the CYI and the development of territorial plans for reorganization of the forestry and fire services. The GNWT, on the other hand, for good local reasons, sought an early transfer before extensive plans for the territorial management of these functions were made.

The different choices of the two governments reveal something about how the political institutions of each are now operating. In the Yukon, where constitutional matters are more settled and where the existence of a governing party supports the development of a consistent governmental stance on key policy issues, the territorial Cabinet chose to avoid conflict with the claims negotiation process by deferring devolution until claims were settled. (In the event, devolution was deferred until it was evident that the CYI claim was not going to follow the model of other comprehensive claims, with a single, watershed “ratification” date.) It seems likely that Yukon government leaders could delay devolution in favour of claims partly because their constitutional auspices were already settled at a satisfactory level; with responsible government and party politics introduced in the 1970s, the 1980s could safely be seen as a time of consolidation. Furthermore, with the discipline of party politics in place to reinforce cabinet authority (and the authority of individual

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ministers), this government was in a position to contain any bureaucrati
cric eagerness for expanded responsibilities.
The Northwest Territories government, on the other hand, chose to
pursue devolution and thus also chose to add devolution to the general
process of constitutional development that is currently underway. This
decision seems to have been the result of two factors. First, more so than
in the Yukon, territorial citizens were extremely dissatisfied with federal
management of the fire service. There was considerable pressure for
immediate improvement. Second, again more so than in the Yukon, the
government of the Northwest Territories is still "under construction,"
with all structures much more fluid. The NWT has begun to move
towards "province-like" control of the bureaucracy by elected ministers,
but the absence of party discipline in the Legislative Assembly and the
relative difficulty of maintaining "cabinet" solidarity, reduce the minis-
ters' power, including their authority over the administrative branch.
Perhaps paradoxically, both territories are now in approximately the
same position, in that neither is able yet to assume full responsibility for
the forests. Each confronts similar substantive forest policy issues: most
generally expressed, it is a matter of finding a way to balance competing
goals of conservation, commercial development and local use, and in these
circumstances to support the differing economies of both the wage
economy centres and the predominantly Native communities. Each also
faces a similar task of institutional development, as ways and means have
to be found for decisions about policy (on fire and on forests generally)
that permit cooperation between government and the new Native
organizations that will exist after the relevant claims are settled.
The challenge in the Northwest Territories was to find a way to link
the future-oriented processes of the Constitutional Alliance and the
claims negotiations to the day-to-day shaping of institutions that is
integral to devolution, but also necessary ultimately, to the completion
of the other two processes. Considering just the devolution of forest and
fire responsibilities, it appears that in this sense the transfer was success-
ful. After considerable conflict — costly, particularly for employees
affected by these events — the terms of the transfer produced a sensibly
open-ended situation. In the Yukon, the task must be seen somewhat
differently: there, it will be a matter of negotiating and effecting devolu-
tion in such a way that the long, complex process of band-by-band self-
government negotiations is not unnecessarily disrupted. In both territo-
ries, there is an ever-present risk of stalemate, and fruitless competition
among actors involved in some processes but not others.
These processes are intimately involved in assessing the extent to which services to northerners will be improved by devolution. No answer is possible for the Yukon, since the transfer has not yet occurred. The prospect is favourable, since plans have been made that appear to meet the most important northern concerns, but it remains to be seen whether territorial preparedness will be rewarded with adequate funding from the federal government. Not much of an answer is possible for the NWT, either, for similar reasons. There has not been time for the processes established during the transfer for the development of new policies to actually produce alternative approaches and mechanisms. Here funding is also an issue, particularly as it will affect fire fighting after 1990. But even more important will be the extent to which the responsible minister and advisory boards are able to involve those who are affected by the policy in its development, implementation and evaluation. So far, positive steps in this direction have been taken, as is revealed in the process developed for involving the Forestry Working Group and the Denendeh Conservation Board in the formulation of a new fire management policy.

In the end, each territory will be left with a finite budget and the need for consistent public involvement in policy-making and more ground-level decisions. These two circumstances will shape each government's ability to respond to northerners' needs after all the issues arising in the course of devolution negotiations have been settled.

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NOTES

1 These policies, in turn, had been developed in response to major fire devastation in 1971. In 1971, 8,290 square kilometres of forest burned, compared to an average of 63 square kilometres per year in the preceding decade. The record was set in the 1979-80 fire season, when the area burned increased by 15,675 square kilometres over the previous ten year average. (Indian and Northern Affairs Canada, Transfer of Fire and Forest Management from Indian and Northern Affairs to the Government of the Northwest Territories: A Summary and Evaluation. Ottawa, 1988.)

2 In this paper, the terms ‘devolution’ and ‘transfer’ are used interchangeably to refer to all cases where federal responsibilities, resources, jurisdiction and mandate are passed to a secondary level of government. Some might wish to distinguish between ‘devolution’ (of governing authority) and ‘transfer’ (of administrative responsibility), but in this case, for reasons which will become clear later in the paper, such a neat analytical distinction is not present in the real circumstances before us.

3 DIAND regional staff were similarly frustrated by the requirement that they work with decisions taken in Ottawa for other than local reasons. As is noted in Indian and Northern Affairs Canada, Transfer of Fire and Forest Management (p. 21): "[The CL-215s], along with a bird dog aircraft, replaced a DC-6 tanker group and a bird dog aircraft. The federal government’s entry into this agreement was based on national policy objectives and not economic considerations. These aircraft are very expensive to operate and matters were complicated by a delay in authorization of the contract and the resultant training of pilots and high insurance increases. There was also a need to provide additional aircraft pending late delivery of the CL-215."


5 DIAND’s authority arises from the Department of Indian Affairs and Northern Development Act. The Territorial Lands Act provided the legislative basis for the management of forests under the Territorial Timber Regulations and (in the NWT) the Forest Protection Ordinance.


7 Devolution in itself reduces federal "person-years" — that is, the number of people employed in the federal bureaucracy — by transferring the employees to the territorial bureaucracies. This does not produce an immediate reduction in costs to the federal government (since salaries and other resources are transferred with the employees). In the long term, however, federal costs may decline. Once the territorial governments are responsible for delivery of a particular service, they bear the costs of public


9 Territorial departments, like government departments everywhere, have a natural interest in expanding their ambit. From within a department, there are usually good strategic and practical reasons for doing this, since civil servants in these positions know that there are always more needs to meet, and more work to be done, than they have the financial and internal-influence resources to accomplish.

10 Latterly, the Western and Nunavut Constitutional Forums, composed of territorial Native organization leaders and a representative of the Government of the Northwest Territories. The Forums, known collectively as the Constitutional Alliance, were charged with developing new constitutions for a divided Northwest Territories.

11 The most important factors were apparently the absence of an agreement between the GNWT and the Dene Nation, and a disagreement between the territorial and federal governments about funding.


13 The protections are weaker for at least two reasons. The first has to do with the status of the signatories, who, as civil servants, cannot make binding political commitments. The second has to do with quite ambiguous references to “affected native groups,” a phrase that might refer to community organizations or even to unorganized groups of people, rather than to Native organizations (such as the Metis Association and the Dene Nation). Native organizations are never mentioned in the Deputy Ministers’ MOU. Three of the “guiding principles” are relevant: “transfers will be made through a process of agreement between the federal and territorial governments, “with the support and participation of affected native groups.” “Transfers will not prejudice further political evolution in the Northwest Territories.” “Transfers will not prejudice unsettled native claims.”

14 Letter from Steve Kakfwi (President of the Dene Nation) and Larry Tourangeau (President of the Metis Association) to Minister of Renewable Resources Nellie Cournoyed dated 10 October 1985. The author does not have a copy of this letter.
The transfer that was negotiated reduced the size of the Northern Affairs program by 14 percent, a reduction that made a respectable contribution to the overall departmental target of 6%.

The legal details are quite complicated. They are spelled out in * Northwest Territories Forest Resources Transfer Agreement*, signed by the Minister of Renewable Resources and the Commissioner of the Northwest Territories on 31 March 1987. They are summarized clearly in Indian and Northern Affairs Canada, *Transfer of Fire and Forest Management*: “[The GNWT gains] authority to pass Ordinances with respect to fire and forest management on territorial lands under the administration, management and control of the Minister of DIAND. These apply on reserved or withdrawn lands except where the Minister indicates otherwise. Certain deletions respecting timber have been made to the Territorial Lands Act and although the Minister retains administration, management and control of trees, GNWT has responsibility for the legislation.”

A participation agreement was eventually signed by the parties, too late to bear on these negotiations, but in the spirit of preserving the principle for future negotiations.

There is no space here to treat other challenging issues faced by the negotiators, which include staff housing and general condition of the transferred physical resources, as well as taxation.

Workforce Adjustment Policies were developed for all federal departments affected by the Cabinet decision to reduce the size of the federal civil service. In effect, a WAP places “surplus” employees in a privileged position for jobs elsewhere in civil service, but does not guarantee them employment.

Indian and Northern Affairs Canada, *Transfer of Forest and Fire Management*, p.20.

There was very little provision made for training of any staff at all during this transfer. The federal Fire Management Program did expose some GNWT Renewable Resources employees to fire fighting procedures during 1986, while some were also included in a fire suppression course during 1987. Territorial training of formerly federal staff did not begin until after the transfer was completed.

The DCB was established after the signing of the Dene-Metis claims agreement-in-principle, prefiguring the joint management boards that will be established with the final settlement of the Dene-Metis land claim.

An interim funding arrangement was developed for fire suppression, to be replaced by a new regime appropriate to the new territorial policy, expected by 1990. Under the interim system, the GNWT had access to an $8 million fire suppression account, with the provision that annual shortfall or surplus (less the first $1 million) could be carried over to the next year. There was also a provision for an additional federal contribution should there have been a need for more expenditures during this period. During the three years this funding system was in place, the GNWT was committed to follow the existing priority zone system for fire fighting. In 1990, new funding provisions were to have been instituted, appropriate to the new GNWT fire fighting policy, which has yet to be developed. At this stage, however, it is difficult to gauge the distance that might develop between federal and territorial estimations of what will be in the end an adequate level of funding for territorial fire suppression.

Yukon forest industry representatives have expressed a strong interest in simplification of regulatory process, and some concerns about the fairness of decisions taken under the present system. See Colin Heartwell, *The Forest Industry in the Economy of*