THE HISTORICAL DEVELOPMENT OF INDIAN WELFARE POLICY IN THE PRAIRIES, 1940-1967

by

Deborah Gail Young

A Thesis Presented

to the Faculty of Graduate Studies, University of Manitoba,

in Partial Fulfilment of the Requirements

for the Degree of Master of Social Work

The Faculty of Social Work, The University of Manitoba

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ABSTRACT

The purpose of this investigation is to trace the historical development of the Department of Indian Affair's welfare policy for the on-reserve population. Specific attention is given to the years of 1940 to 1967 when, under the auspices of Indian Affairs Branch, a separate federally funded welfare system solely for status Indians living on-reserve was initiated and implemented. It is recognized, however, that several participating factors occurred before 1940 which forced the federal government into action. Therefore, a critical component of this investigation was to examine the factors that ultimately influenced the federal government's decision to implement a separate federally funded welfare system for the reserve Indian.

The Department's Indian welfare policy can be seen as unfolding in three distinct stages. The first stage commenced during the latter part of the 1880s and early 1890s. It was during these years that numerous reports of extreme hardship, and even starvation, among First Nation people and their families were publicized. Ottawa had little choice but to respond to the dire need of First Nation people. The government's response was to implement a rudimentary ration system for individuals who were considered to be destitute. Despite the government's own hesitancy, the ration system would remain the backbone of Indian welfare administration for the next fifty years.

The second stage of Indian welfare occurred during the 1950's. By this time it was becoming increasingly apparent that the government's previous interventions, however meager, were simply not working. The Indian welfare and unemployment rates were increasing at an astounding speed. The federal government began to investigate another

mechanism that would allow First Nation people to assume greater responsibility over their affairs. In 1958 the department replaced the ration system with a more progressive model - the Cash Allowance system. Then, in 1959, the Manitoba government released its socioeconomic study on the population of Indian and Métis living in Manitoba, and with it began a campaign to introduce a third approach to Indian welfare policy.

The 1964 community development model was the culmination of the third stage in the department's Indian welfare policy. The department had argued that this comprehensive strategy would be the ultimate solution for Indian communities. 'Helping Indians to help themselves' became the mission and the department designed the program to achieve that goal. However, a critical component of the community development framework would remain unresolved; that is, the provincial government's unwillingness to assume jurisdiction over Indian welfare. At the end, the provincial governments, with the exception of the Ontario Government, refused to endorse the federal-provincial cost-sharing agreements. In the present day, First Nation welfare rates remain exceedingly high, and the overall socioeconomic conditions continue to fall below Canadian standards. Although the department's Indian welfare policy has undergone minor changes since the mid-1960's, the community development philosophy remain relatively unaltered. Evidently, the department's long-term strategy to eradicate the Indian problem has yet to become reality.

The findings of this investigation provide a first step toward understanding the complexities behind the department's decision to implement a separate federal welfare system for the on-reserve Indian. The results are also of interest to contemporary issues. First, there are policy implications pertaining to the unique circumstances of First Nation and

Aboriginal people, and a number of possible policy options that could be adopted in addressing social assistance reform. Second, the study also gives rise to suggestions about this knowledge and how it can be used in relation to social work practice and education.

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There are number of people who made this academic undertaking turn into reality. Without their support, it would have not been possible. Therefore, I would like this opportunity to thank them. First and foremost, I would like to express my deepest gratitude to my husband, Geoffrey Brown, who provided me with unconditional love and friendship during this difficult process. His vast knowledge and appreciation in the areas of Canadian and European history provided me with valuable insight during the research and writing stages. He also had the patience to read and reread the various reiterations of the drafts and provided me with insightful criticisms as well as editorial comments. I would also like to thank my two wonderful children - Dakota and Prairie Skye - whose full appreciation of life and love kept me firmly rooted to reality - a reality that at times I would forget. Their spontaneity is truly a gift.

My parents provided me with much needed support during the many arduous times but they also taught me from a very young age the importance of learning. Their constant reassurance and encouragement gave me the strength to fulfill my own academic aspirations. They instill a sense of empowerment in those they meet and as such are role models in their own right.

I would also like to acknowledge the members and my family who live on Opaskwayak Cree Nation - a community continues to have a special place in both my heart and spirit. Furthermore, I would like to convey my sincerest appreciation to the staff from Opaskwayak Educational Authority (OEA) and, in particular, Diane Dorian and Patsy Bercier who were my student advisors. Not only did OEA provide me with the much needed

financial assistance to complete my university degrees but the staff demonstrated their commitment in a compassionate and professional manner. OEA's dedication is a true testimony of a community's belief in its students and the future.

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I thank, too, my family - aunts, uncles and cousins - who are far too numerous to acknowledge here, but they know who they are. Rosemary Brown was, and continues to be, an integral part of my life. Her constant support and gentle reassurance helped me tremendously. I would also like to thank Dolores DeRi who was generous enough to lend me both her computer and apartment in Ottawa. Since December 1998, her home became my sanctuary.

I would also like express my gratitude to the staff from the Manitoba Provincial Archives and the National Archives of Canada. They made the task of seeking and

reviewing archival material much easier. Lastly, I wish to acknowledge the grant I received through the Social Work Endowment Fund, University of Manitoba. I am hopeful that both the research and the final written product will be beneficial to both social work practice and social policy development.

DEDICATION

I would like to dedicate this thesis to the following individuals who had, and continue to have, a profound impact on my life. My grandparents Dorothy and William Morriseau and John and Elizabeth Young. Their spirits continue to live in their children, grandchildren and great-grandchildren. My father-in-law, Dr. Patrick Brown, who had a great passion for the North and the Inuit. He continues to be truly missed by all those who had the pleasure and opportunity to meet him. Esther Seidl, an MSW graduate, a friend who I never truly appreciated until it was too late. Finally, Gisele Fontaine, a fellow BSW/MSW colleague, friend, and sister soul mate. Your friendship, guidance and unwavering support are truly missed. Our agreement is now finalized.

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INTRODUCTION AND PURPOSE OF STUDY

> The profession of social work is founded on humanitarian and egalitarian ideals. Social workers believe in the intrinsic worth and dignity of every human being and are committed to the values of acceptance, self-determination and respect of individuality. They believe in the obligations of all people, individually and collectively, to provide resources, services and opportunities for the overall benefit of humanity. The culture of individuals, families, groups, communities and nations has to be respected without prejudice. Social workers are dedicated to the welfare and self-realization of human beings . . . and to the achievement of social justice to all.[1]

1.1 Introduction

The delivery of social assistance to Aboriginal people[2] living off-reserve is, in general, administered through the usual arrangements established by the provincial and territorial governments for all people who require and are eligible for assistance. For First Nation people living on-reserve, in contrast, the Department of Indian Affairs and Northern Development delivers a separate welfare system, funded entirely by the federal government but administered in accordance with the particular provincial and territorial welfare legislation. According to the findings of the *Royal Commission on Aboriginal Peoples*, there are no self-government or funding arrangements to alter the existing federal social assistance framework.[3] As a result, on-reserve First Nations are not allowed to establish new models that would permit them to make more innovative use of federal income support transfers.

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[1]Canadian Association of Social Workers (CASW), ***Canadian Association of Social Work Code of Ethics*** (Ottawa: CASW, 1983).

[2]The term "Aboriginal people" include First Nation people (living off and on-reserve), Metis, and Inuit peoples. "First Nation" refers inclusively to the original inhabitants of Canada and their descendants prior to European contact. For the purposes of this study it will only refer to those who have status under the provisions of Indian Act and who are on-reserve residents.

[3]Canada. ***Royal Commission on Aboriginal Peoples: Restructuring the Relationship***, volume 2, part 2 (Minister of Supply and Services Canada, 1996), 978.

Unfortunately, the current welfare system, whether it is federally or provincially administered, is failing miserably, and as Ben Carniol explains, the "role and practice of social work are symptomatic of this failure - and of the continuing human loss."[4] The failure of the welfare system undoubtedly crosses all ethnic and racial boundaries but for First Nation people the inequities of the system have been particularly harsh. Evidence of this can be seen in the exceedingly high rates of unemployment, poverty, welfare and suicide in First Nations all of which are well documented.[5] If substantive changes to welfare are to occur, then a clear understanding of how policy has evolved is essential because the future is intrinsically linked to the past.

The Department of Indian Affairs and Northern Development's (DIAND or "the department") Indian welfare policy can be seen as unfolding in three distinct stages. The first stage commenced during the latter part of the 1880s and early 1890s. It was during these years that numerous reports of extreme hardship, and even starvation, among First Nation people and their families were publicized. Ottawa had little choice but to respond to the dire need of First Nation people. The government's response was to implement a rudimentary ration system for individuals who were considered to be destitute. However, the federal government's decision to proceed with the ration system was taken with reluctance because the department apparently did not believe that such dismal conditions actually existed. Despite the government's own hesitancy, the ration system would remain

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[4]Ben Carniol, ***Case Critical: Challenging Social Services in Canada*** (Toronto: Between the Lines, 1995), 16.

[5]See Moscovitch and Webster (1995), Buckley (1992), Durst (1990), Frideres (1993), Ponting and Gibbons (1980), Tanner (1983) and Cassidy and Seward (1991).

the backbone of Indian welfare administration for the next fifty years.

The second stage of Indian welfare occurred during the 1950's. By this time it was becoming increasingly apparent that the government's previous interventions, however meager, were simply not working. The Indian welfare and unemployment rates were increasing at an astounding speed. The federal government began to investigate another mechanism that would allow First Nation people to assume greater responsibility over their affairs. In 1958 the department replaced the ration system with a more progressive model - the Cash Allowance system. Then, in 1959, the Manitoba government released its socioeconomic study on the population of Indian and Métis living in Manitoba, and with it began a campaign to introduce a third approach to Indian welfare policy.

The 1964 community development model would be the culmination of the third stage in the department's Indian welfare policy. The department had argued that this comprehensive strategy would be the ultimate solution for Indian communities. 'Helping Indians to help themselves' became the mission and the department designed the program to achieve that goal. However, a critical component of the community development framework would remain unresolved; that is, the provincial government's unwillingness to assume jurisdiction over Indian welfare. At the end, the provincial governments, with the exception of the Ontario Government, refused to endorse the federal-provincial cost-sharing agreements. In the present day, First Nation welfare rates remain exceedingly high, and the overall socioeconomic conditions continue to fall below Canadian standards. Although the department's Indian welfare policy has undergone minor changes since the mid-1960's, the community development philosophy remain relatively unaltered. Evidently, the

department's long-term strategy to eradicate the "Indian problem" has yet to become reality.

1.2 Purpose and Intent

The purpose of this investigation is to trace the historical development of the Department of Indian Affairs and Northern Development's welfare policy for the on-reserve First Nation population in the prairie provinces. Specific attention will focus on the years of 1940 to 1967 when, under the auspices of the Indian Affairs Branch, a separate federally funded welfare system solely for status Indians living on-reserve was initiated and developed. The following two objectives have been formulated to provide guidelines for this undertaking: first, I wish to establish the historical background on the development of the Department of Indian Affairs and Northern Development's welfare policy from 1940 to 1967. It is recognized, however, that several precipitating factors had occurred before 1940 that provoked the federal government to reexamine how federal welfare was to be administered to First Nations. These precipitating factors will be examined in the next objective which will be to critically analyse the federal government's perception of the economic and social factors that may have contributed to its decision to implement a comprehensive welfare policy for the reserve Indian.

1.3 Significance of Study

The significance of this study is straightforward and will benefit the following groups: academics (professors and students); government policy-makers; First Nations people; and the general public. From an academic perspective, the observations and general findings will provide meaningful insight into policy development and policy implementation and its impact on a specific target population, namely the First Nations people of Canada.

While this investigation examines the issues of policy formation, it also provides a detailed analysis of how the federal government has approached Indian welfare policy through the use of the primary sources, such as government letters, correspondence, and cabinet documents. Careful attention was given to the realities of the day in trying to accurately trace the origins of Indian welfare policy. Unfortunately, due to the availability of written documents, the perspectives are largely from a federal/provincial position on its interpretation of the so called "Indian problem." The First Nation view is absent; however, an attempt was made to articulate their concerns and positions with the sources that were available. It is not my intention to omit the First Nation experience. Rather it is the availability of the archival sources which ultimately defined the parameters of this study.

On a more personal note, as a Cree woman who has spent many long years in the university system, there appears to be a huge knowledge gap when it comes to discussions of the First Nation experience, especially in appreciating the difficult policy choices with respect to development of Indian welfare policy. This is not to suggest that the social work professors are insensitive to the unique circumstances of Aboriginal/First Nation communities. Perhaps, the problems stems from the social work curricula and the lack of information, or the gap, that exists within the curricula. If true inclusivity in the university curriculum is to be realized, then more needs to be done. Students must have an opportunity to both expand and enhance their overall knowledge base on policy formation because social and public policy remain the backbone in addressing fundamental issues that exist in Canadian society. Policy is the blueprint which establishes the action plan and it influences how programs are developed and delivered. Social work education provides an opportunity

for students to increase their awareness in a learning environment but the curricula must be designed in a way to facilitate discussion on policy analysis and evaluation with concrete linkages to First Nation issues with a focus on employment and unemployment.

It would also appear, again based on my experiences, that the social work curricula generally focuses on mainstream practices and theories with a specific 'client-worker' focus:

1. To enhance the problem-solving, coping and developmental capacities of people.
2. To promote the effective and humane operation of the systems that provide people with resources and services.
3. To link people with systems that provide them with resources, services and opportunities.[6]

By using individual or 'client specific' scenarios it effectively neglects traditional First Nation patterns which emphasize the roles of extended families, Elders and community influences. It also excludes the identification of employment, unemployment and welfare which are key elements to the community's dislocation in the Canadian labour market. Yvonne Howse, from the Cree Nation and a former social work educator in Saskatchewan, explains that schools of social work "present a one-sided view based on western philosophies" and only "limited information regarding the perspective of a tribal person."[7] Howse further adds: "the other hindrance I see is tribal people themselves because of the indoctrinations, brainwashing of our classes, and attitudes we have ourselves."[8]

While there have been recent advances in the social work curricula, and in fact the

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[6]Beulah Roberts Compton and Burt Galaway, ***Social Work Processes*** (Belmont, California: Wadsworth Publishing Company, 1989), 7.

[7]Carniol, 111.

[8]Carniol, 111.

profession itself, to further understand and even embrace, First Nation cultures. This is not enough. As the Canadian Association of Social Workers (CASW) stress, fundamental changes are required in social work practice with First Nation people:

> Alternative views of human nature and stages of life development, emphasis on the wisdom of elders and the strength of community healers, the importance of the relationship of Aboriginal peoples to their environment, and values assigned to community and extended family rather than individuality, form some of the basis for a significantly different approach to addressing human needs.[9]

The goals of First Nation governments and social work practice should, and must, work hand-in-hand because as social workers we are committed to the "right to self-determination, autonomy, self-sufficiency and the preservation of culture."[10]

Perhaps, this thesis is one small step to fill the void that currently exists. I am not suggesting my university experience was negative. It was, however, very isolating and it became more pronounced once I entered the Masters of Social Work program. My appetite to seek answers to fundamental issues that impact on First Nation people provided me with the strength to survive as well as my curiosity to answer simple questions such as "how, when and why." This was my initial starting point down the path of historical research, and I believe I have answered some of my questions but grey areas continue to exist. Additional research must be done to accurately tell the whole story.

Two other target populations will also benefit from the overall findings of this investigation - government policy makers and First Nation social service providers.

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[9]Rosalie Chappell, ***Social Welfare in Canadian Society*** (Toronto: ITP Nelson, 1997), 305.

[10]CASW, 158.

Understanding policy development and implementation is crucial if proactive changes are to occur both within the federal government and at the grassroot level. This is particularly significant when examining Indian welfare policy from a historical perspective because a critical stage of effective policy development is to have an awareness of the history of the issue or problem. The historical development of Indian welfare policy is a relatively unknown area; therefore, this study will shed some light onto this issue and, hopefully, provide useful information for those who are interested in this topic. Policy-makers can also use this information in formulating new policies as it will provide the necessary background material so they can avoid similar mistakes. In addition, as the Department of Indian Affairs and Northern Development moves into the 21st century, the relationship with First Nations must be redefined and reflect the ongoing realities in First Nations. One of these realities is the need to closely examine the Department's current welfare practices.

In terms of provincial and federal government involvement in welfare delivery, a distinct pattern can be observed where governments have drastically reduced welfare benefits in order to reduce "welfare dependency." The intent of the 'new welfare reform' polices is to encourage welfare users to seek employment and, furthermore, to revamp the existing passive system in order to make it a more active one. Despite the numerous changes in the provincial welfare system, a recent report by the National Council of Welfare (NCW) shows that the number of "long-time welfare users" (people on welfare for more than two years) has been growing steadily. For example, in 1990, 41% of welfare cases were considered to be

long-time recipients, and by 1997, the number had substantially increased to 81.3%.[11] Although the current welfare reform activities ultimately affect those under provincial jurisdictions, the implications of the changes will also adversely impact on First Nations because the Department is legally bound to adjust its welfare benefits in accordance with provincial rates. Therefore, it can be easily ascertained that First Nation welfare recipients living on-reserve will experience hardships similar to those of their provincial counterparts.

Evidence of the federal government's move toward revamping its on-reserve welfare policy is seen in the report of the ***Royal Commission on Aboriginal Peoples***. The Commission argued that income security programs could also be reformed to support Aboriginal people in their quest for social and economic development of their communities. The Report further articulates that such a shift must include a "significant measure of Aboriginal control over social assistance to allow for innovative use of welfare funds."[12] To act on their recommendation, the Commission suggests three principles to guide the welfare reform initiative and to reduce welfare dependency:

- a substantial shift in the use of social assistance funds to a more dynamic and constructive system of programming that will support social and economic development in Aboriginal communities;
- a holistic approach to programs rooted in Aboriginal traditions and values and designed to integrate social and economic development, an interrelatedness that should be explicit in the design and operation of any new institutions created to implement income security reform; and

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[11]Jacquie Miller, "Rise in chronic welfare 'alarming,'" ***Ottawa Citizen*** (Ottawa) April 7, 1998, sec. A: 5.

[12]Canada. ***Report of the Royal Commission on Aboriginal Peoples: Restructuring the Relationship***, Volume 2, Part 2 (Minister of Supply and Services Canada, 1996), 972.

- Aboriginal control over the design and administration of income support programs as the foundation of any reform to the present social assistance system.[13]

In fact, the department is currently in the process of exploring 'new and innovative measures' of implementing the Commission's recommendation to reform Indian welfare policy.

In sum, the intent of this investigation is to begin the preliminary stages of exploring these issues but within a historical context. It will also demonstrate how previous Indian welfare policies have shaped and defined the current model of welfare delivery to the on-reserve population. The material and data presented throughout can be used as a starting point in developing a framework that is more culturally appropriate and inclusive in addressing the unique economic and social circumstances in First Nations. It can also assist social workers to critically analyse proposed changes in welfare policy, especially in relation to the potential impacts it may have in First Nations. Provincial and federal governments can also benefit from this investigation as it examines the historical origins of Indian welfare policy by identifying general themes concerning welfare issues such as jurisdiction, administration, and policy development in general. Finally, and perhaps the most important aspect of this investigation, is to disseminate the information to First Nation people and their communities.

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[13] ***Report of the Royal Commission on Aboriginal Peoples: Restructuring the Relationship***, 972.

BACKGROUND INFORMATION AND RELEVANT LITERATURE

> I give up my life in protest to the present conditions concerning Indian people of southern Alberta. I also give up my life in the hopes of a full-scale investigation into the dept. of Indian Affairs corruption . . . and the divide and conquer tactics present on each reservation. For 100 years Indians have suffered. Must they suffer another 100 years? My suicide should open the eyes of non-Indians into how much we've suffered.[14]

> The present has deep roots in the past and the present cannot be understood without the proper knowledge of the past. It is history, then, that gives to the other social sciences the proper perspective to a better understanding of the contemporary scene.[15]

2.1 Introduction

Calculating the extent of on-reserve social assistance is complex because there are a number of variables one needs to consider; such as, labour force participation, employment and unemployment levels, education levels, age, population and family size. Employment circumstances have a particularly important role when determining the need for social assistance; therefore, it is reasonable to conclude that, if there are limited employment opportunities in a community, there will be a greater need for other forms of income support. In the case of First Nations, social assistance has increasingly become the means to address the economic insecurities of the individual, family and community.[16] Unfortunately, the result is that welfare becomes a long-term source of income for many First Nations' people.

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[14]A suicide note left behind by Nelson Small Legs Jr., an Indian leader who killed himself in May 1976. In Carniol, 112.

[15]William Leo Lucey, S.J., ***History: Methods and Interpretation*** (Chicago: Loyola University Press, 1958), 3-4.

[16]The terms "social assistance" and "welfare" are used interchangeably throughout this report. "Social Assistance" is the contemporary usage; whereas "welfare" was the common usage up until the early to mid 1960s.

However, it is also important to stress that people on welfare, whether they are First Nation or not, are on it for a reason. Welfare is not a reflection of the individual's personal inadequacies, it is simply an economic and social reality that exists in Canadian society. Stereotypes about welfare will not and should not be tolerated. There is no room for individual blame and, in part, this study will hopefully help dismiss the myths and stereotypes about welfare as well as to facilitate discussions for proactive social policy solutions.

2.2 The On-Reserve Social Assistance Program

The Department of Indian Affairs and Northern Development has the sole responsibility to administer a separate Social Assistance program to the on-reserve population. The department defines its Social Assistance program as "various types of income-supplement payments made to First Nations members - including money for housing, heat, utilities, food and clothing - in cases where families or individuals do not have adequate income from employment to cover these expenses."[17] Policy directives for the Social Assistance program derive from national headquarters in Ottawa, but program funding flows through the respective regional departments. In some cases, the Social Assistance program is administered directly by the First Nation or on a project-by-project basis with departmental funding. A recent department report indicates that in 1996/1997 social

[17]Canada. ***Basic Departmental Data, 1997.*** (Departmental Statistics Section, Department of Indian Affairs and Northern Development, March 1998), 80.

assistance was administered by 536 out of 566 eligible bands, or 94.7%, with funding providing through a number of contribution arrangements.[18]

In the same report, the average monthly number of social assistance beneficiaries[19] among on-reserve Indians has increased by 43 percent between the years 1987/1988 and 1996/1997. For example, approximately 107,000 beneficiaries were reported in 1987/1988 and in 1997/1998 the population served had increased to 153,000.[20] What is disturbing about this data is that, with the exception of 1995/1996 data year, the average number of social assistance recipients and beneficiaries has always increased when compared to the previous year. In the 1995/96 years is primarily explained by the exclusion of five Yukon self-government bands.

The difficulties in accurately calculating the extent of First Nation social assistance rates is how the department flows its program funding. Currently, two primary funding arrangements exist between the department and First Nations: 1. Alternative Funding Arrangements (AFA); and 2. Financial Transfer Agreements (FTA). The AFA were established by the department in June 1986 with First Nations and/or Tribal Councils. The department claims the AFAs allow more financial flexibility and administrative arrangements in which primary accountability of the band council is to the band members. Under the AFA the First Nation receives funding dollars in a form of a block fund, and the

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[18]Canada. ***Basic Departmental Data***, 1997, 43

[19]The department defines 'social assistance recipients' as individuals who receive social assistance payments whereas 'beneficiaries' are the total number of recipients plus dependents.

[20]Canada. ***Basic Departmental Data***, 1997, 42.

First Nation has the discretion to allocate resources to programs and services, including infrastructure activities, as they deem to be a priority. However, this type of arrangement results in huge discrepancies in tracking the number of individuals and families who actually receive social assistance benefits. This is due to the fact that some First Nations may not submit its Social Assistance reports or if they do, the data may not accurately reflect the number of beneficiaries. The other type of financial arrangement is the FTA which was established in June 1995. As of October 1993, only 73 First Nations have chosen this type of funding regime. The FTA transfer allows First Nations to have increased authority to direct public services to meet community needs. However, as with the AFA, the FTA poses similar challenges of tracking the number of social assistance recipients and beneficiaries. For the data breakdown per year, refer to Table 1.

Table 1: Average Number of Social Assistance Recipients and Beneficiaries per Month, On-Reserve Registered Indian Population, Canada 1987/1988 - 1996/1997[21]

Fiscal Year	Average Number of Recipients per Month[22]	Average Number of Beneficiaries per Month
1987/88	54,170[23]	106,859
1988/89[24]	46,892	110,056
1989/90	48,159	110,202
1990/91	54,487	124,057

[21]Canada. ***Basic Departmental Data***, 1997, 42.

[22]Excludes residents in the Northwest Territories and Newfoundland, as they are funded by the provincial/territorial government.

[23]This number contains on and off-reserve figures.

[24]Starting 1988/1989, all information are submitted by regions.

1991/92[25]	59,319	132,968
1992/93	61,818	137,022
1993/94	65,666	145,020
1994/95	69,890	153,613
1995/96	69,029	151,029
1996/97	68,790	152,746

In a recent study entitled *Implications of First Nations Demography: Final Report*, the researchers were able to access data at the national and provincial/regional level concerning the number of social assistance beneficiaries and the population living on-reserves allowing for the calculation of trends in on-reserve social assistance. However, as mentioned earlier, under the AFA and FTA regimes, First Nations must submit reports to the regional departments detailing the social assistance data and, as a result, the accuracy of these data is highly questionable.[26] Nevertheless, the findings of the study are significant as it suggests the following:

> the historical data show a clear upward trend in social assistance dependency such that by the year 2001-02 about 50 percent of the on-reserve population is expected to depend on social assistance payments in any given month. By the year 2010 about 57 percent of the population could be dependent on social assistance if the trend continues.[27]

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[25]In 1991/1992, unlike previous years, social assistance for Registered Indians living off-reserve in Alberta and Manitoba.

[26]Indian and Northern Affairs Canada. ***Implications of First Nations Demography: Final Report*** (Research & Analysis Directorate, 1997), 69.

[27]Indian and Northern Affairs Canada. ***Implications of First Nations Demography: Final Report*** (Research & Analysis Directorate, 1997), 69.

External factors also have a direct impact on the community's reliance on social assistance. For instance, the total employment in a First Nation will have an influence on the need for social assistance rate. Internal determinants such as family type and size (unattached persons, couples without children, single parents, and couples with children) and educational levels will also impact the community's demand for social assistance.

In terms of labour force participation and employment for Aboriginal people, there are proportionately far fewer Aboriginal people in the labour force compared to non-Aboriginal people: 64% compared to 68%.[28] For First Nations people living on-reserve the rate is 47%. Unfortunately, it would appear that the situation for Aboriginal people, whether they live on reserve or not, is not improving. In a comprehensive study, Michael Mendelson examined the recent trends in labour markets for Aboriginal peoples, and suggested that "Canada's labour market for Aboriginal peoples should be seen as two labour markets, not one. There are radically different, and worse, labour market conditions in the West than in the East."[29] The report also discovered that the labour market situation in the Prairies were far worse for Aboriginal people living in both the cities and in the broader region.[30] The data also indicated that during the years 1991 to 1996, there has been no progress toward achieving parity in the labour market for

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[28]Redmond, David. ***Analysis of Data on Canada's Aboriginal People - Draft Set of Tables***. (Prepared for the Aboriginal Relations Office, Human Resources Development Canada, January 7, 1998), n.p..

[29]Mendelson, Michael. ***Recent Trends in Labour Markets for Aboriginal Peoples***. (A policy paper prepared on behalf of the Aboriginal Relations Office of Human Resources Canada, 10 November 1998), 16.

[30]Mendelson, 19.

Aboriginal people.[31] However, despite the high unemployment rates for Aboriginal people, Mendelson concluded the following:

> On the positive side of the labour market for Aboriginal peoples is their continued surprisingly high labour market attachment. Participation rates remain high and, in fact, have increased from 1991 to 1996, although some or all of this increase likely just reflects the particular points in the business cycle . . .[32]

The complexities surrounding this issue are further compounded by the rapid increase in the First Nation population. The First Nation population is expected to increase by about 83,600 individuals by the year 2000 and by an additional 135,900 individuals during the years 2001-2010. Roughly 44 percent of the forecasted population increase is expected to occur on-reserves.[33] The situation is even more precarious in the Prairie Provinces as it is anticipated that more of the population increase will occur in this part of Canada. This is also consistent with the general findings of the Mendelson study.

Over the next five years, the on-reserve Registered population is expected to increase at a rate of 2.1 percent per year. This rate is 1.8 times higher than the Canadian population growth rate (1.2 percent) over the same period.[34] Demographic studies also show the First Nation population is an exceedingly young population with almost 64

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[31]Mendelson, 32.

[32]Mendelson, 12.

[33]Indian and Northern Affairs Canada. ***Implications of First Nations Demography: Final Report*** (Research & Analysis Directorate, 1997), 1.

[34]Indian and Northern Affairs Canada. ***Basic Departmental Data 1997*** (Departmental Statistics Section, March 1998), 4.

percent being under 30 years of age compared to 43 percent for Canada as a whole[35]. The unemployment rate is 30 percent which is almost three times the national rate while the social assistance rate of 43 percent in 1992 is almost four times the national rate and there is compelling evidence that both the unemployment and social assistance rates will continue to increase. It is important to note, however, that the aforementioned statistical overview was provided by and based on the federal government's own calculations. First Nations have argued that both figures, 30 percent unemployment rate and 43 percent social assistance rate, have been vastly under-reported, and a more realistic interpretation would be an 80 percent, or more, for both the social assistance and unemployment rates. Even if official figures are accepted, it indicates that nearly one half of the on-reserve population in Canada has received social assistance payments[36].

Due to the growth in population, and the lack of economic and employment opportunities, First Nations have contributed to the dramatic increase in the need for welfare. In spite of increased awareness of the socioeconomic problems, including the undertaking of several federal initiatives to reduce the welfare rate, social assistance continues to rise at astounding speed. The data clearly shows that the situation in many First Nations has been both a serious and ongoing problem for years, and in all likelihood will worsen.[37]

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[35]Canada. ***The Outlook on Priorities and Expenditures 1995-1996 to 1997-1998.*** Indian and Northern Affairs Canada, 7.

[36]Allen Moscovitch and Andrew Webster, 209.

[37]For further details see Allen Moscovitch and Andrew Webster, "Aboriginal Social Assistance Expenditures," in ***How Ottawa Spends 1995-1996 Mid-Life Crisis***, ed. Susan D. Phillips (Ottawa: Carleton

The policy implications are numerous. First, the demographic trends in the First Nation population indicate a rapid increase in the population, particularly among the young. Roughly 44% of the forecasted population increase is expected to occur on-reserve and it was more pronounced in the prairie provinces. However, the urban Aboriginal situation is not much better as there is also evidence that over the next decades there will be a continued growth in the Aboriginal work force, and this growth will be most pronounced in the Western prairie regions (such as Winnipeg, Regina, Saskatoon, and Edmonton).[38] The end result is more financial pressures on the department's already expanding social envelope. Secondly, statistics also indicate that First Nation people are leaving the reserve and migrating to large urban centres, necessitating the need for stronger federal and provincial coordination to develop policies with respect to responsibilities for the provision and funding of social services to the various on and off-reserve population. This jurisdictional debate has been an ongoing contentious issue for both levels of government. Unfortunately, the federal or provincial governments do not suffer; it is the First Nation people and their families that ultimately pay the price of this debate. Third, it is clearly evident that action must be taken quickly in order to resolve the economic and social insecurities as the data strongly suggests that the welfare rate is increasing at astounding speed. One study found:

> If the goal is to achieve the average Canadian employment rate of about 61 percent, annual employment rate on reserves will need to average about

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University Press, 1995).

[38]Mendelson, 32.

> 6,600 during the years 1996-2000 period, and about 8,870 during the 2001-2010 period. These figures are about four to five times the rate of job growth in the 1980s.[39]

Welfare is not a viable solution; rather progressive policies are required to enhance local community economic growth and to create employment opportunities. Action must occur at the community, national and provincial levels if the situation is to improve. Job creation is key to address a whole range of social and economic problems, especially if the goal is to lower the on-reserve welfare rate.

2.3 First Nation Social Assistance: Literature Review

A search of the literature reveals little on the historical development of Indian welfare policy in Canada. The available literature does, however, provide a fairly comprehensive analysis of the consequences of underdevelopment and the associated effects of limited economic opportunities and skyrocketing use of welfare. More significantly, the literature is strikingly similar in its general observations and overall synopsis on the detrimental impact of these policies and their consequences on First Nation welfare. Allen Moscovitch and Andrew Webster provide their analysis of the situation:

> In our view the growth [in social assistance expenditures] cannot be easily explained. First, there is a serious dearth of on-reserve data. It is difficult to make statements regarding the relationship between reserve and mainstream economics by comparing, say, on-reserve dependency rates and off-reserve unemployment rates. Second, some factors are qualitative; for example, how does one weigh the growing perception, in some areas, that social assistance is a treaty right? Third, there is ample evidence that social assistance has become institutionalized as the staple commodity of

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[39]Indian and Northern Affairs Canada. Research and Analysis Directorate, 4.

> many Aboriginal communities . . . it appears to us that a broader, more structural and historical view is necessary to explain the economics of these "welfare colonies."[40]

They predict the on-reserve social assistance costs will approach $1 billion by the year 2000 and $1.5 billion by 2003. Moscovitch and Webster are not optimistic about the future "unless major changes occur in on-reserve economic conditions, and in the delivery requirements and philosophy of social assistance."[41] Their primary conclusion is simple: "the on-reserve welfare situation is a social and political time bomb."[42]

In 1990 the Institute for Research on Public Policy sponsored a national workshop to discuss the problems of welfare in First Nations.[43] It was repeatedly stressed that the department's social assistance programs are in need of serious policy reform. Hugh Shewell and Andrew Armitage observed:

> . . . these programs are based on the residual model of social welfare, which is the dominant one in Canadian society. This model is keyed to the administration of individualized social assistance transfer to people who have failed . . . to meet the minimal demands of the labour market. Such transfers are provided only as a last resort to those who have no other means of support.[44]

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[40]Moscovitch and Webster, 224-225.

[41]Moscovitch and Webster, 225.

[42]Moscovitch and Webster, 225.

[43]This workshop was attended by approximately 25 participants representing First Nations across Canada, federal and provincial governments, the academic and social policy communities, and the Institute. The intent was to provide a forum for reviewing the current and alternative approaches to welfare in Indian communities, with special reference to the relationship between economic and social development and, more specifically, work and welfare.

[44]Frank Cassidy, "Approaches to Welfare Reform in Indian Communities," in Alternatives to Social Assistance in Indian Communities, ed. Frank Cassidy and Shirley B. Seward (Montreal: The Institute for Research in Public Policy, 1991), 4.

First Nation representatives also asserted this approach was ineffective, inefficient, and culturally inappropriate because the use of welfare stigmatizes not only those individuals and families in need of assistance but also the entire community. Instead of fostering self-reliance and self-sufficiency, the department's welfare system had actually created "dependency and poverty." Chief Ovide Mercredi explained:

> There can be no denial of the hard fact that Canada has responded to our social and economic needs by allocating and administering more and more welfare in each succeeding generations of Indian people. Likewise, there can be no denial of the voices of Indian leaders who decry the use of welfare as a substitute for more direct measures to deal with the poverty in our communities.[45]

All participants were unanimous in their conclusion: the present social assistance program does not work because it is demeaning and promotes systematic discrimination against First Nations people and their communities.

Frideres also discovered that First Nations peoples rely upon social assistance more than any other ethno-cultural group in Canada.[46] He claims that over half of the total First Nation population has received social assistance or welfare payments in 1991. An even more astounding fact is that nearly 90 percent of First Nations, at one time in their life, applied for and received social assistance/social support.[47] For the general Canadian population, the situation was considerably more optimistic; during the same year, 12% applied for welfare, and 22 percent received social assistance during their

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[45]In ***Alternatives to Social Assistance in Indian Communities***, 5

[46]James S. Frideres, ***Native Peoples in Canada: Contemporary Conflicts*** (Scarborough, Ontario: Prentice Hall Canada Inc.,1993), 196.

[47]Frideres, 200.

lifetime.[48] Frideres argued that the participation in social assistance programs is only one indicator of poverty because data reveals that reliance on social assistance programs are increasing, even though a variety of economic development projects have been implemented at the community level.

Another major problem contributing to the high welfare rate is that the social and economic conditions in First Nations have remained relatively unaltered during the past twenty-five years. While there has been progress in the quality of social service programs to communities, the issues of unemployment and welfare continue to plague First Nations. Frideres blames a number of "structural factors" for the welfare problem in First Nations:

> . . . social assistance is a far more serious problem for Native people than for other social groups in our society. Structural factors have produced the problems which have forced Native people to become dependent on social assistance; yet most Canadians engage in a form of the fallacy of personal attack, implying or asserting that Natives themselves are the cause of their need for social assistance. Maintaining that Native people, as a group, have brought on their problems draws our attention away from dealing with the structural problems preventing Native people from fully participating in Canadian society[49].

His overall situational assessment: economic and social assistance dependency will continue into the twenty-first century.

A more recent report, the Royal Commission on Aboriginal Peoples (RCAP) supports the general observations that have been discussed thus far:

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[48]Frideres, 200.

[49]Frideres, 200.

> By the 1960s, welfare had become available to Aboriginal people as it was to other Canadians. Since then, more and more have become dependent. The rate of welfare dependence is now two or four times higher among Aboriginal people than among Canadians generally . . . there may never be enough jobs to go around in Aboriginal communities. Yet social assistance, as now delivered, is not a good way of providing cash income, for it traps recipients in a marginal existence. It may protect against abject poverty, but it can also stifle individual initiative, and it does little to deal with the community conditions that lead to dependence[50].

RCAP suggests it is the fault of the Canadian government as it "chose to provide short-term 'relief' instead of sustained help to rebuild ravaged Aboriginal communities - a choice governments have made over and over again in the last two centuries[51]."

A number of theoretical approaches have been developed to explain the conditions of poverty and underdevelopment in First Nations. However, applications of these theories are exceedingly difficult because, in general, the extension of Canada's welfare state to First Nation peoples is poorly understood. Nevertheless, the available theoretical models do provide adequate interpretations of why First Nations are economically underdeveloped.[52] References can also be made to significant 'historical moments' such as the impact of the fur trade industry, the negotiation of the treaties, and other pertinent policy and legislation.[53] These issues can assist in formulating a

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[50]Canada. Royal Commission on Aboriginal Peoples, ***People to People, Nation to Nation: Highlights from the report of the Royal Commission on Aboriginal Peoples***. (Minister of Supply and Services Canada, 1996), 45-46.

[51]Canada. Royal Commission on Aboriginal Peoples, 45.

[52]See Kellough (1980), Watkins (1977), Havermann (1988), So (1990), Frideres (1993).

[53]"Historical moments" can be defined as a normative analysis of policies, including the identification of factors and dynamics prior to the policy implementation.

theoretical analysis. Additional analysis can also involve the examination of the role and function of government, as well as policy development. George and Wilding explain:

> All social problems are the product of a process of definitions. Social policies are the product of legislation. An understanding of who does the defining, of what is defined as a social problem, and how it is defined, as well as of who shapes legislation and in what ways, is clearly crucial to the student of the welfare state.[54]

George and Wilding also argue that state theories, social problems, and social policy are interrelated. They suggest that the "view social scientists hold of societal organization and of a distribution of political and economic power will affect the explanation they give to the nature of the social problems and of the government's response in forming social policy measures.[55]" Therefore, an integral component of this study is not only comprehending the theoretical models that will explain the evolution of Indian welfare policy, but also examining the political, economic and social factors contributing to policy implementation.

Much of the social and economic damage which has occurred in First Nation communities has historical roots in the era long before the federal government's decision to implement a rudimentary welfare system. Since present conditions have been largely determined by past decisions and policy actions by previous federal governments, these processes must be examined from a historical perspective. Although little has been written on the First Nation experience, in terms on the origins of Indian welfare policy,

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[54]Vic George and Paul Wilding, ***Ideology and Social Welfare: Radical Social Policy*** (Boston: Routledge & Kegan Paul, 1976), 2.

[55]George and Wilding, 1.

experiences from other depressed populations, such as the indigenous peoples of Africa, India, Latin America, Australia, New Zealand and the United States, can be extrapolated to formulate a theoretical foundation for analysis.[56] The framework that will be used is colonization theory.

Kellough views the process of colonization as a social phenomenon occurring between a dominant and subordinate classes, but the origins of such a relationship were not necessarily based on exploitation and corruption. Kellough views the history of First Nations of Canada, since the contact with Europeans, as occurring in two distinct phases: an early historical period that was characterized by a high level of autonomy in which First Nation people controlled the social, political and economic aspects of their livelihood; and the second phase in which First Nation peoples lost their autonomy and took on the characteristics of a colonized people.[57] It is in the latter stage of the colonization process that the roles of the"colonizer and colonized' are distinguished and, more importantly, that the parameters of social, economic, and political power are defined. As Kellough states, it is "when the balance of power is shifted in favour of the Europeans, the actual colonial period began."[58]

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[56]See Albert Memni, ***The Colonizer and the Colonized*** (Boston: Beacon Press, 1965) and Paulo Freire ***Pedagogy of the Oppressed*** (New York: Continuum, 1970).

[57]Gail Kellough, "From Colonialism to Economic Imperialism: The Experience of the Canadian Indian," in ***Structural Inequality in Canada***, ed. Harp, J., and Hofley, J., (Scarborough: Pretince-Hall, 1980), 343.

[58]Kellough, 343.

The "dependency theory" is another theory that attempts to explain the complex issues that exist in First Nations as well as in other underdeveloped countries. Dos Santos explains that the relationship "assumes the form of dependence when some countries (the dominant ones) can expand and can be self-starting, while other countries (the dependent ones) can do this only as a reflection of that expansion.[59]" He further argues that relations between dominant and dependent countries are unequal because development of the dominant country takes place at the expense of the latter. Although Dos Santos is making direct references to underdeveloped countries, the dependency theory can easily be applied to First Nations. For example, Dos Santos comments on a "colonial" dependence whereby the commercial and financial capital of the dominant country, and in the case of Canada this would be the Europeans, monopolized the control of land and economic resources as well as the human resources. There is similarity between a Marxist theoretical argument and Dos Santos' dependency framework, especially in relation to who possesses economic control and ownership.

In terms of economic control, two basic antagonistic classes are hypothesized: "those who own and those who do not own the vital means of production.[60]" The "antagonistic" relationship between the two populations is based upon the fact that the former can exploit the latter. Exploitation refers to the process where the dominant class extracts surplus from the subordinate class. Perhaps, the clearest example of 'economic

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[59]Alvin Y. So, ***Social Change and Development: Modernization, Dependency, and World-System Theories***, (Newbury Park, California: Sage Publications, 1990), 98-99.

[60]For an excellent Marxist interpretation on "exploitation and class," see Ian Gough, ***The Political Economy of the Welfare State*** (London: MacMillan Press, 1979), 17-38.

control' would be the fur trade industry. Between 1660 and 1870, the fur trade became the most pervasive force influencing the economic and political development of Western Canada. In order for the industry to be successful it required mutual cooperation and dependency between the Europeans and First Nations. Three stages of the co-dependent relationship evolved: 1. the dependency of Europeans on First Nations' knowledge and skills about the land and animals; 2. mutual dependency; and 3. dependency of First Nation people upon the colonist regime.[61]

At the beginning European settlers had little alternative but to rely heavily on First Nation people for their mere survival as the new environment and climatic conditions were extremely harsh. Over time, Europeans adjusted to their new surroundings and also introduced new technology and implements, such as guns and tools. Perhaps, the most damaging aspect to the relationship was the European quest for economic control over land and natural resources. By this time, First Nations were weakened by European diseases and also economically dependent upon Europeans for the food, guns, and economic security that the fur trade industry had provided them. In the broadest sense the fur trade industry was a partnership for the exploitation of the resources of the people. Unfortunately, it was also the first step toward a relationship that would remain relatively unaltered for the next century.

This literature review, including a brief examination of several theoretical frameworks, has suggested that First Nation social assistance is an extremely serious

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[61]See Arthur J. Ray, ***Indians of the Fur Trade: their role as trappers, hunters and middlemen in the lands southwest of Hudson Bay 1660-1870*** (Toronto: University of Toronto Press, 1975).

problem. Unfortunately the literature also seems unanimous in the conclusion that the current welfare rates will likely continue, or even increase, in the future years. A number of social and economic factors were also noted that explain why First Nation peoples continue to live in a state of poverty and underdevelopment. Paradoxically, what is uncovered by this literature review is that the problem is not so much with the high welfare rate but the dismal socioeconomic conditions of the reserve. Adding to the stress is the overall political climate, largely driven by neo-conservative ideologies, in which the government seeks to drastically reduce welfare benefits by encouraging people to seek employment. For First Nations this right wing agenda has been particularly harsh simply because employment opportunities are exceedingly scarce. Welfare reform is, perhaps, an integral component to improve the conditions of reserve living, providing that the upcoming initiatives are innovative and only if they are determined by First Nation people.

2.4 Research Design

This investigation will be an historical descriptive study that relies on qualitative methods. Data collection will explore existing primary and secondary sources as they relate to the origins, objectives and early development of the department's Indian welfare policy. Specific attention will be given to the Prairie region between 1940 and 1967.

2.5 Methodology

According to Gottschalk, methods of historical analysis can be considered under four headings:

1. The selection of a subject for investigation;

2. The collection of probable sources for information on that subject;
3. The examination of these for genuineness (either in whole or in part);
4. The extraction of credible particulars from the sources (or parts of sources) proved genuine.[62]

Lucey provides a definition of historical methodology as "a systematic body of rules and procedures for collecting all possible witnesses of a historical era or event, for evaluating the testimony of these witnesses, for ordering the proven facts in their casual connections, and finally, for presenting this ordered knowledge of events.[63]" These two accounts of "historical analysis" and "historical methodology" are consistent with the goal of this investigation, namely to critically examine the origins and early development of the department's Indian welfare policy.

For the purposes of this investigation two kinds of sources will be used: primary and secondary sources. Gottschalk provides a distinction between the two:

> A *primary source* is the testimony of an eyewitness, or of a witness by any other of the senses, or of a mechanical device like the dictaphone - that is, of one who or that which was present at the events of which he or it tells (hereafter called simply *eyewitness*). A *secondary source* is the testimony of anyone who is not an eyewitness - that is, of one who was not present at the events of which he tells.[64]

Historical analysis is also useful in obtaining knowledge of previously unexamined areas. It allows for an objective and direct classification of data because historical research and methodology demand procedures "to verify accuracy of statements about the past, to

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[62]Louis Gottschalk, ***Understanding History: A Primer of Historical Method*** (New York: University of Chicago, 1950), 52.

[63]Lucey, 22.

[64]Gottschalk, 53.

establish relationships, and to determine the direction of cause and effect relationships.[65]" Furthermore, it has been argued that research study having a historical base and a historical analysis enhances the trustworthiness and the credibility of the study[66]. A number of historical sources will be used for this investigation:

- **Contemporary records** such as business and legal papers, and personal notes and memos.
- **Confidential reports** including departmental records, journals and diaries, and personal letters.
- **Public reports** including newspaper reports and memoirs or autobiographies
- **Government reports** including archives and regulations.[67]

The majority of data was collected through a library search, federal and provincial libraries, and the Provincial Archives of Manitoba and the National Archives of Canada.

Thus far the methodology has identified a number of stages or steps that would be required to investigate the origins and historical development of the department's Indian welfare policy. Additional material was also gathered to establish the economic and social factors that have contributed to the implementation of the Indian welfare policy in the Prairie Provinces.

2.6 Limitations of Study

There are legitimate criticisms when using primary and secondary sources. The first is that 'elites,' or those in official organizations, are the usual authors of these sources and, thus, the views of the "illiterate, the poor, or those outside official social

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[65]Marshall and Rossman, 96.

[66]See Gottaschalk, Marshall and Rossman, Lucey, and Neuman.

[67]Marshall and Rossman, 95.

institutions are generally overlooked.[68]" This investigation will rely heavily on primary source documents written by Indian Agents, departmental officials, and other 'elitist' professionals, and as a consequence, the data will effectively neglect the First Nation perspective. Careful attention will be given to ensure that biases are kept to a minimum. The second limitation of the study is the availability of the documents and files and, specifically, whether or not these files can be easily obtained through the provincial and federal archives.

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[68]W. Lawrence Neuman, ***Social Research Methods: Qualitative and Quantitative Approaches*** (Toronto: Allyn and Bacon, 1997), 396.

ORIGINS OF INDIAN RELIEF

> Why has a once proud and self-reliant people, in a brief span of a hundred years, fallen into a state of deficiency and decrepitude?[69]

3.1 Introduction

Indian welfare policy under the Department of Indian Affairs and Northern Development between 1940 and 1967 can be considered in these sections. The first commenced in the 1880s and continued to the 1940s. It is evident in the investigations and hearings as well as the recommendations of the 1946-1948 Special Joint Committee hearings on the Indian Act. Two primary concerns recognized in the Committee hearings laid the foundation for the other two stages: first, the need to ameliorate the living conditions on reserves; and second, the desire to facilitate First Nation peoples' successful transition into mainstream society. Building upon these two primary objectives, the department initiated a number of administrative changes within its welfare division during the early and mid-1950s.

The second stage of the Indian welfare policy evolved slowly during the 1950s but was guided toward a new path in 1958 with the introduction of the policy of issuing relief through a system of cash payments and credit vouchers. This policy illustrated the ideological shift then taking place in departmental thinking. During this time departmental decision-making and policy development became heavily influenced by social scientists and academic professionals who were pioneering the definition of social

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[69]Morris C. Shumiatcher, ***Welfare: Hidden Backlash*** (Toronto: McClelland and Stewart Ltd., 1971), 15.

work philosophy and practices. The department was now striving to place more responsibility on Indian families to manage their own affairs and to maintain "the morale and self-respect of persons who must accept help[70]."

Another significant event in this era was the 1959 socioeconomic study on the population of Indian and Métis living in Manitoba by Jean H. Lagasse. The Lagasse study made three important contributions: First, its emphasizes on Indian integration as opposed to assimilation; second, it undertook a careful analysis of the "Indian problem," and in particular, the perceived notion of welfare dependency; and third, it recommended that this Indian problem be alleviated by a process known as "community development."

The years between 1960-1967 constitute a third stage in the department's Indian welfare policy. During this seven-year time frame two major activities took place. First, a review of the government's Indian policies was undertaken by Special Joint Committee hearings on Indian Affairs in 1960-1961. The overall tone of these hearings was similar to that of the 1946-48 Joint Committee hearings on the Indian Act and many of the presentations were highly critical of the Indian Affairs Branch's welfare policies and practices. However, the review seemed to launch another significant ideological and political shift in the federal government. Its emphasis would no longer rest on Indian assimilation but rather it would focus on Indian integration and advancement. Many of the presentations and the recommendations also echoed the general findings of the 1959 Lagasse Study by advocating a comprehensive community development program for

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[70]Canada, Annual Report, 1957-1958, 56.

Indian communities. In this era, Ottawa also laid the foundation for one of its most ambitious undertakings - the 1964 Community Development policy. The department had argued that the success of the Community Development plan rested with the active participation and involvement of Indian people themselves as "it represent[ed] purposeful change in the initiative of the community and must arise out of the needs of the community as seen by its members.[71]"

The intent of this investigation is to examine and identify the major themes and policy changes in the department between 1940 and 1967. This survey will illustrate how the Canadian government dealt with First Nation issues and, more importantly, how these policies evolved during this decisive period, a period that has shaped the direction of today's welfare practices.

3.2 Identifying a Problem, 1880-1899

A number of fundamental policy choices were made during the late nineteenth century. These commenced with the definition and powers outlined in the British North America Act (BNA) of 1867 and with the Indian Act of 1876 which simply consolidated the federal government's previous Indian legislation.[72] In the BNA Act, 1867, S. 91(24), the federal government was given authority to make laws regarding "Indians, and Lands

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[71]"Community Development: Indian Affairs Branch" a discussion paper by Brian Holmes. RG 10, Volume 8194, File 1/29-6 pt. 2.

[72]Further details on the historical development of the Indian Act see Jack Woodward, ***Native Law*** (Toronto: Carswell, 1989).

reserved for Indians.[73]" With this legislation the federal government had effectively established who would be entitled to "Indian status" as well as its claim to jurisdiction over Indians and their communities.[74] Between 1871 and 1877, the federal government also negotiated a number of treaties with the various First Nations in the western interior of Canada. Although the promises in the seven treaties were slightly different from each other, in essence they were intended to recognize and extinguish Aboriginal title.

The legalities that were outlined in all of the above would later have profound implications for the department's implementation of welfare policy, particularly when it came to addressing the jurisdictional concerns and responsibilities for the delivery of welfare services to the on-reserve Indian. With the implementation of the Treaties, the economies of First Nation people would undergo dramatic changes and, perhaps, one of the most drastic and damaging components was the creation of reserves. The reserves would be used to restrict the movements of their First Nation residents, and the federal government could isolate First Nation people on tracts of land where they would be encouraged and taught to adopt "civilized" habits. As government treaty negotiator Alexander Morris told them:

> First. Your Great Mother wishes the good of all races under her sway. She wishes her red children to be happy and contented. She wishes them to live in comfort. She would like them to adopt the habits of the whites, to till land and raise food, and store it up against a time of want. She

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[73]See Jack Woodward, ***Native Law***, and S. Imai, K. Logan, and G. Stein, ***Aboriginal Law Handbook*** (Scarborough: Carswell, 1993), 5-7.

[74]An account of the history of the Indian Acts in Canada is found in ***Historical Development of the Indian Act***, Government of Canada, Treaties and Historical Research Centre, P.R.E. Group, Indian and Northern Affairs, Ottawa, August 1978.

> thinks this would be the best thing for her red children to do, that it would make them safer from famine and distress, and make their homes more comfortable.[75]

This process could also ensure that the territory was opened up for settlement. Whether or not the government was truly benevolent (an issue that continues to be debated in the present day), First Nation people were encouraged to adopt the more "civilized" practice of farming and tilling the land. However, the reality is that federal government policies had failed miserably, and were in all likelihood detrimental to First Nation people.[76] Perhaps, one of the most critical factors that influenced the federal government's decision to administer relief, however modest these provisions were to be, was the rapid depletion of the natural resources available to First Nation people.

Traditionally, First Nations across Canada had sustained themselves through the abundance of indigenous foods that were available to them - whether it was fishing on the eastern and western coasts or hunting buffalo and other wild game in the Canadian prairies. By the end of 1879, First Nation people were left in an extremely vulnerable position as their traditional food supplies were nearly depleted, and of course, many First Nations were now confined within the borders of the designated reserves. According to Gerald Friesen, the heart of the problem was the virtual extinction of the Canadian buffalo

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[75]Alexander Morris, *The Treaties of Canada with the Indians of Manitoba and The North-West Territories*, 1880, rpt. (Toronto: Belfords, Clarke & Co., 1991), 28.

[76]For further details, see Sarah Carter, ***Lost Harvests: Prairie Indian Reserve Farmers and Government Policy***, (Montreal & Kingston: McGill-Queen's University Press, 1990).

herd between the years of 1874 and 1879.[77] For Prairie First Nations, this sudden depletion of their main source of food and clothing was disastrous.

By 1888, there were reports of severe hardship and starvation among the First Nations notably in the Peace River and MacKenzie River districts where "extreme destitution existed." To alleviate some of the hardships, the federal government decided that "assistance in the staple of food" would be provided otherwise the First Nation people would "inevitably perish from starvation[78]." Notwithstanding the obvious need, the federal government maintained a public silence concerning its grant of relief to those in dire need because as the HBC Commissioner observed, "care is being taken to prevent Indians and others from knowing at whose expense the relief is furnished.[79]" The decision to keep the government's ad hoc policy of administering relief strictly confidential was likely based on the fact that up until 1888 the federal government, or more precisely the Department of Indian Affairs, had not yet developed a formal policy for Indian relief. This was particularly true because it wished "to avoid the adoption of a system of granting assistance to Indians . . . who had no treaty relations.[80]" The

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[77]Gerald Friesen, *The Canadian Prairies: A History* (Toronto: University of Toronto Press, 1987) 149.

[78]Draft letter from Hudson Bay Company, Winnipeg, writer unknown, July 19, 1888. RG 10, Volume 7094, File 1/10/3-0.

[79]Private letter from R. MacFarlane, Commissioner's Office, Hudson Bay House, Winnipeg to L. Vankoughnet, Deputy Superintendent General of Indian Affairs, Ottawa, July 23, 1888. RG 10, Volume 7094, File 1/10/3-0.

[80]Private letter from the Commissioner Office, Hudson Bay House, Winnipeg to L. Vankoughnet, Deputy Superintendent General of Indian Affairs, Ottawa, July 23, 1888. RG 10, Volume 7094, File 1/10/3-0.

government had also hoped that the "supply of food and absence of disease may render it not necessary to distribute rations the whole of this summer.[81]"

By 1891 it was becoming increasingly clear that the social and economic conditions of First Nation people were not improving. Mr. R. MacFarlane, wrote Honorable J.J.C Abbott, the Premier of Canada, on December 1, 1891: "I now beg respectfully to urge the Government, of which you are the head, the necessity of making suitable provision for the relief of aged, sick, destitute and starving Indians in the northern and western portions of the Dominion.[82]" Perhaps anticipating that the government would refer to the Hudson's Bay Company administration of relief Mr. MacFarlane argued:

> Before the Territories in which the Hudson's Bay Company traded were transferred to the Dominion Government, the Company was accustomed to afford relief to such persons, as far as they were known to its officers, although only morally bound to do so. But at the transfer of the country to Canada, the Government was understood to have assumed the duty of looking after all such cases. The Company then ceased to have any rights or privileges more than other private citizens and it cannot now be expected to bear the burdens which belong to the public.[83]

MacFarlane clearly states that there was "great want and even starvation" among many Indians, and as a consequence, extraordinary demand on the Hudson's Bay Company to provide food "to the value of over $1,400.00 at cost price, in order to prevent many natives from suffering great privations and some even from starving to death."[84]

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[81]July 23, 1888. RG 10, Volume 7094, File 1/10/3-0.

[82]Letter to the Honorable J.J.C Abbott from R. MacFarlane, December 1, 1891. RG 10, Volume 7094, File 1/10/3-0.

[83]December 1, 1891. RG 10, Volume 7094, File 1/10/3-0.

[84]December 1, 1891. RG 10, Volume 7094, File 1/10/3-0.

Mr. MacFarlane's overall assessment was that if the Hudson's Bay Company did not intervene, based on its 'moral obligations,' the Indians would have most certainly perished from starvation. He also concluded that the 'blame' would come from two fronts: the government would have blamed the Hudson's Bay Company for not providing aid to the "starving natives" on the government's account, and secondly, the public would have blamed the government for not having been providing "some means of relief for its wards - the Indians - in such contingencies."[85] Despite Mr. MacFarlane's desperate plea for immediate action, he concluded that "it would be contrary to the interests of the Company to pamper the Indians or prevent them from hunting by providing for them except in cases of real necessity. If afforded relief in this way, it would have the effect of stopping agitation among them in favor of making treaties, and also obviate the dissatisfaction which must always exist till the present want of assurance of relief is provided against."[86] The notion of 'pampering the Indian' would be echoed throughout all upcoming relief policy.

In spite of the numerous reports of starvation among Indian people, the federal government continued to quibble about the financial expense of relief and, more precisely, who would assume responsibility for administering relief to the needy. Another factor that had influenced the federal government's reluctance to become directly involved in relief payments was their inability to believe that such dire conditions actually

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[85]December 1, 1891, RG 10, Volume 7094, file 1/10/3-0.

[86]December 1, 1891. RG 10, volume 7094, file 1/10/3-0.

existed. This disbelief was illustrated by a confidential letter from the Superintendent General of Indian Affairs to Sir Donald A. Smith:

> . . . I beg to inform you that the Government from facts described in communications received from persons who could speak authoritatively in regard to the conditions of the Indians and the food resources available in the above Districts [Peace River and Mackenzie River] during the season referred to, were forced to the conclusion that the existence of a necessity for its affording relief during that season was not sufficiently apparent to justify a grant of public money for the purpose.[87]

Superintendent Dewdney further stated "that in the event of its being made apparent to the Government that an absolute necessity to grant assistance to sick and destitute Indians in the above regions [Athabasca and Mackenzie River Districts] during the winter of 1892-93 exists in consequence of the failure of the ordinary supply of fish and game, the Government will recommend to Parliament an appropriation for such amount of assistance if it shall be shown to its satisfaction to have been rendered necessary by any such exceptional failure of fish and game, and to have been expended by the Company in consequence thereof."[88]

Five days after this letter was written, a Hudson's Bay Company dispatch from C.T. Gaudet to C.F. MacFarlane, outlines the seriousness of the situation:

Hudson's Bay Company
Fort Good Hope, 9th June 1892

> This past Winter has been a hard and very cold one. You will regret to hear that our old Mountain Chief 'Temlve,' three of his sons, his step-daughter, and her child, also Voukoney, his son and three of his daughters,

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[87]Confidential letter from Dewdney to Sir Donald A. Smith, M.P. House of Commons from Superintendent General of Indian Affairs, June 4, 1892. RG 10,volume 7094, file 1/10/3-0.

[88]June 4, 1892. RG 10, volume 7094, file 1/10/3-0.

> all died of sheer starvation this winter! And many other Indians also suffered terribly for want of food. There was not above a foot of snow anywhere, and so the Good Hope Indians could not kill any Moose, and Reindeer were very scarce. The last account I got from our Outer Land Bands was that 'Brule' and 'Sailor,' with their Indians, were all starving. I am sorry for this. Rabbits are still far from being numerous.[89]

Evidently the federal government's assessment of the living conditions of First Nation people vastly underestimated the crisis, and whether their denial was intentional or simply an oversight will likely remain a mystery. Nevertheless, what is clear from this letter is that First Nation people were starving and, furthermore, not only were they starving but many did perish. And yet, the Department of Indian Affairs was slow to respond to the needs of their wards - the Indians.

Between the years of 1890 and 1899 the federal government reluctantly had begun administering relief to those in need. However, it was ultimately at the discretion of the local Indian agent or the Hudson's Bay Commissioner to determine if the First Nation person was completely destitute. Furthermore, the federal government had made it clear that the provision of relief to needy Indians was to be based on humanitarian grounds, and therefore, the government was not legally obligated to offer support. The issue of Indian relief administration was also considered to be 'strictly confidential' and government officials took great care to ensure that public knowledge of the department's direct relief payments was not leaked. This secrecy was probably based on a number of factors. First, the federal government was still in the process of working out the legalities of whether or

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[89]Extract from letter from C.T. Gaudet to C.F. MacFarlane, Hudson's Bay Company, Fort Good Hope, June 9, 1892. RG 10, volume 7094, file 1/10/3-0.

not they were obligated to administer relief to Indians. Second, there was also the issue of treaty rights and whether the provision of relief was a treaty promise and, therefore, who would be entitled to receive benefits - treaty or non-treaty Indians. Third, the tension between the Hudson's Bay Company and the federal government had yet to be resolved as the Company had traditionally assumed responsibility for administering relief to 'needy Indians' under their care. By the turn of the century the Hudson's Bay Company's once powerful presence and authority were on the wane, even though the issue of jurisdiction was not settled. However, in the upcoming years responsibility would simply be transferred to the provincial governments.

The fourth and fifth factors are closely interrelated. The federal government did not wish to disclose to the public the very sensitive fact that people were dying of starvation. The mere fact would not be greeted warmly, especially when Indians were considered to be 'wards of the state' and thus in need of protection. The fifth reason, which is perhaps the most critical factor, was that if the disastrous conditions were made public, other First Nations who were experiencing similar conditions, and who were not receiving relief provisions, would in all likelihood demand federal government support. The federal government feared that if they began to administer relief to all First Nation communities across Canada they would encourage idleness; it was feared First Nations would then lose their incentive to work. This sentiment was expressed in a letter written in 1897: "you will well understand how necessary it is that this should not become public property as it might lead to not only a large expense on the part of the Government but

prevent the Indians from doing what is in their power to earn a livelihood for themselves."[90]

Despite the numerous reports of starvation and destitution during the years from 1888 to 1899, the federal government offered relatively little support. Admittedly, in extreme cases the government, and in many cases the Hudson's Bay Company, would intervene by providing First Nation people with a paltry supply of food rations. Under no circumstances would Indians receive cash payments. The ration system remained the backbone of relief until 1958 when the government finally revised their relief policy to allow First Nation people to receive cash allowances.

3.3 The Ration System Revisited, 1940-1957

On May 22, 1940, a memorandum was sent to all inspectors and Indian agencies instructing them that they were to "undertake a complete revision of their ration lists and relief allowances."[91] It was being proposed that relief allowances to the 'physically fit, able-bodied Indians' would be canceled no later than July 1, 1940 as it was not the department's policy to provide assistance to able-bodied Indians. However, the monthly rations authorized for the support of 'aged and physically incapacitated Indians' were not expected to be altered.

To qualify for relief, the able-bodied Indians, or as they are referred to in today's standards - 'employables,' had to undertake certain tasks either on-or off-reserve.

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[90]Letter to George Beavees, Department of Indian Affairs from Deputy Superintendent General, 25 October 1897. RG 10, volume 7094, file 1/10/3-0.

[91]"Memorandum to Inspectors and All Indian Agents, May 22, 1940." RG 10, vol. 7094, file 1/10/3-0.

Essentially, the federal government was proposing a scheme very similar to the 'workfare model' that is being implemented across the provinces in the present day. Suitable undertakings were menial in nature such as: the cultivation of gardens, farmwork, clearing land, road construction, drainage projects, wood cutting, repairing buildings, and fishing and trapping.[92] Clearly, these job descriptions were not intended to encourage skill development. However, if the Indian people participated in the workfare projects, the department would supply rations to them. The 1940 relief policy made it very clear that if the Indians refused to undertake the task assigned to them by the Indian Agent, they would no longer be eligible for support. Furthermore, it was also the responsibility of the Indian Agent clearly to articulate on the relief voucher what 'type' of work the Indian was engaged in as this would determine if the work was suitable according to the department's relief policy.

3.4 The 1946-1948 Special Joint Committee Hearings to Examine the Indian Act

The impetus to change the existing departmental administrative practices and policies came in 1946 when the federal government established a Special Joint Committee of the Senate and the House of Commons to examine the Indian Act. The intent was to investigate and report upon Indian administration and, in particular, to explore the following areas:

- Treaty rights and obligations
- Band membership
- Liability of Indians to pay taxes
- Enfranchisement of Indians to vote at Dominion elections

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[92]Memorandum, May 22, 1940. RG 10, vol. 7094, file 1/10/3-0.

- The encroachment of white persons on Indian reserves
- The operation of Indian Day and Residential Schools
- And any other matter or thing pertaining to the social and economic status of Indians and their advancement, which in the opinion of such a committee, should be incorporated in the revised Act.[93]

The 1946-1948 Joint Committee hearings were monumental in highlighting the serious socioeconomic conditions in First Nations, and in particular the pressing problem of the department's increasing welfare expenditures for the on-reserve Indian. Many of the briefs and presentations were also highly critical of the Branch's welfare policies and practices.

In a joint submission by the Canadian Welfare Council and the Canadian Association of Social Workers outlined the problems facing First Nation people, including poverty and ignorance, the failure of the residential school policy, the high infant mortality rate, the high tuberculosis death rate, poor housing and the exclusion of aged Indians from old age pension.[94] They were firm in their conclusion that the social and economic problems within First Nations were a reflection of the federal government's inability to respond appropriately and effectively to the unique needs of First Nation people. In essence, the Canadian Welfare Council and the Canadian Association of Social Workers argued that governmental practices and policies had failed, and would continue to fail First Nation people, unless there were dramatic structural and ideological changes within the department.

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[93]Special Joint Committee 1946, no. 1, i-iv.

[94]Joint Submission by the Canadian Welfare Council and the Canadian Association of Social Workers, Ottawa, January 1947, 4.

Based upon their findings, the social workers' joint committee recommended that the federal government move principally on two fronts:

> Here we would record the conviction that we must rid ourselves once and for all of the idea that the Indian population should continue to perpetually live in a state of dependency. In our judgement, the only defensible goal for a national program must be the full assimilation of Indians into Canadian life, which involves not only their admission to full citizenship, but the right and opportunity for them to participate freely with other citizens in all community affairs.[95]

Implementation should occur in stages. First, Ottawa should consult provinces so that an arrangement might be concluded for provincial extension of education, health, and welfare services. Second, it was postulated that provincial participation in the planning and administration of services to Indians would relieve the federal government of the necessity to develop parallel services, and would also contribute to the process of integration. Third, if a general extension of services could not be arranged, the brief recommended that services be purchased where feasible from provincial departments or voluntary agencies. The last proposal was the "employment in each of the Indian Agencies of a qualified social worker to direct a generalized welfare programme, including child welfare, family welfare, recreation and community activities.[96]"

The Joint Committee also observed that the department's emphasis was not so much on the 'welfare' but rather on the 'training.' The department, it noted, expected all Indian children to attend either residential schools or day schools, the daily operation of

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[95]Joint Submission by the Canadian Welfare Council and the Canadian Association of Social Workers, Ottawa, January 1947, 2.

[96]Joint Submission by the Canadian Welfare Council and the Canadian Association of Social Workers, Ottawa, January 1947, 15.

which were under the joint auspices of the department and the various religious denominations. The Canadian Welfare Association and the Canadian Association of Social Workers summarized the intent of the residential school policy:

> . . . raising the standards of Indian life, and education among other citizens into the desirability of integrating the Indian population into the community life. This principle is an essential feature of a policy of Indian administration directed toward the goal of cultural assimilation . . .[97]

The department evidently did not have a clear policy when it came to administering relief to the on-reserve Indian. The term 'welfare' was all encompassing and the department generically applied it to the whole Indian programming area. The mandate of the welfare division stipulated the following areas of 'welfare delivery':

> Promotion of Indian welfare programs, the issuance of relief to needy Indians, the promotion of agricultural projects, the organization of community farms and agricultural fairs on Indian reserves, the purchase of live stock, farm machinery and seed grain, the administration of Veterans' Land Act on Indian reserves, the rehabilitation of returned Indian veterans, the organization of Indian handicraft projects and homemakers' clubs, the supervision of Indian industrial assistance and advancement, including employment projects, the administration of the Revolving Fund for assistance to Indians and the general supervision of the social and economic welfare of the Indian population.[98]

Indian welfare policy was first developed to care for the aged and infirm Indians. The department's welfare program from 1929 to 1939 primarily consisted of the distribution of "relief supplies to old and physically incapacitated Indians and unemployed Indians[99]." However, there was clearly a need for a more comprehensive welfare system because

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[97]Canadian Welfare and the Canadian Association of Social Workers, Ottawa, January 1947, 8.

[98]Joint Committee, 1946, no. 1, 3.

[99]Joint Committee, 1946, no. 1, 16.

approximately 80% of the department's welfare appropriation voted by parliament was spent solely on direct relief payments. In 1940-1941, relief payments decreased slightly to 68.6% and it was suggested that "able-bodied Indians were able to secure gainful employment."[100]

Mr. B.F. Neary, the Superintendent of the Welfare and Training Division, summarized IAB's policy for the 'aged and sick' for the 1947 Committee:

> Our main responsibility is the care of the aged and the sick. Of course, the responsibility for the aged rests primarily on their children and the branch, in so far as is possible, sees that it is not shirked in any way. In many instances, the child is unable to completely care for his parent without our assistance. In the past this assistance used to be given in the way of food. At the present time, Indians ask for payment in cash. Usually this is granted. The monthly allowance varies with the locality, the financial condition of the recipient, and the physical condition of the old person. This allowance varies from $5 per month to as much as $60 per month for chronic bed cases.[101]

During the same presentation, Mr. Neary also spoke of the Branch's 'relief' policy for Indians:

> It is the policy of the branch to assist Indians to be self-supporting rather than issue direct relief. Because of this, scales of relief supplied to able-bodied Indians must err on the parsimonious rather than the generous side. Our instructions to agents state that relief is not the right of any Indian but is given at the pleasure of the branch to prevent suffering. We also state that in no instance are the quantities of relief allowed to be sufficient to remove the incentive to obtain employment where and when available.
>
> From time to time our relief schedules are the subject of adverse criticism and are referred to as inadequate. It must be remembered that the food ration is only one of many forms of assistance supplied the indigent Indian. He, on his reserve, usually has arable land. If he is without

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[100]Joint Committee, 1946, no. 1, 16.

[101]Joint Committee, 1947, no. 8, 369.

> resources to build or repair his home, the branch assists him where necessary. . . . He is assisted with clothing. If he is helpless, wood is supplied. Snare wire, ammunition, a net, are furnished for free where necessary. In the spring if he cannot obtain funds to obtain seeds for his garden, it is supplied free. *The only qualification required is that he must be a destitute Indian and sick* [emphasis my own].[102]

Clearly, the Department's policy on 'relief' was not so much aimed at needy or 'unworthy' Indians; rather the policy was more concerned with Indians incapacitated due to age and illness, and thus viewed more "worthy" to be granted benefits. Unemployed Indians were on the lowest rung of the ladder when it came to financial assistance, and the government also kept relief benefits lower than the minimum wage in order to encourage the unemployed Indian to seek employment. In addition, unlike the old and infirm Indians who would receive cash payments, destitute Indians would not enjoy the same luxury: "The Indian does not get cash and his relief is never figured out in cash; he gets so many pounds of flour. . . ."[103]

3.4.1 Management of Band Funds by Indian Agents

The most striking aspect of Branch relief administration was the inconsistency and discrepancy between provinces and even from agency to agency. This is primarily attributed to the wide discretionary powers exercised by superintendents, and put into practice by the Indian Agents. There is, however, one aspect of relief administration that was common: the abuse and misappropriation of band funds for relief payment. Mr. Castleden, member of the Joint Committee, claimed to have uncovered instances of

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[102]Joint Committee, 1947, no. 8, 369.

[103]Joint Committee, 1946, no. 12, 527.

suspected abuse where Indians were not informed of their entitlement and in other instances benefits were paid from the bands' own trust funds; Mr. Castleden states:

> The Indians also complain that in many cases their agents treat them with a sort of superiority. The Indians feel that they should be allowed more say in their own affairs. The Indian is not allowed to handle his own income. His trust funds are operated from Ottawa. I found very few cases where copies of the statement on the trust funds was ever given to the Indians concerned.[104]

And Mr. Castleden goes on further to say:

> He finds when he gets these statements that a great deal of relief which is paid to the Indians on the reserve is taken from his own trust funds, and whereas certain standards of relief are set out in the Act and by the department as to what he should receive he finds that these are very niggardly given; in most cases they do not meet the standards that are set up by the department, and he finds in most cases he has had this deducted from the band fund.[105]

Perhaps even more astounding was Mr. Castleden's discovery that relief was even paid out of the revenue earned by the Indians' own harvesting efforts:

> Another complaint was that when he sold some of his produce from the reserve as a result of his farming operations that money was kept by the agent and doled out to him periodically.[106]

During the same presentation to the Committee, Mr. Castleden also provided his analysis of why government policies had failed First Nation people:

> . . . Indians will not be able to make a proper livelihood for several reasons. In many cases the opportunity does not exist on the reservations for them to obtain sufficient to live properly and produce food that they require or secure clothing in order to carry on the ordinary business of living so that they can make a proper contribution to their band or even

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[104]Joint Committee, 1947, no. 4, 114.

[105]Joint Committee, 1947, no. 4, 114.

[106]Joint Committee, 1947, no. 4, 114.

> keep themselves. The training they are receiving does not fit them for the life which they are to lead.[107]

His conclusion was direct: "The Indian seems to be kept down; he is kept in ignorance; and he is kept in poverty."[108]

In addition to Mr. Castleden's stinging criticisms, there were also concerns expressed by First Nation people. A review of both the presentations and submissions to the Joint Committee shows many common themes.[109] First, the Department's 'rations' were not sufficient. Second, there was a need to address the Indians' concern for needed adequate clothing. Third, there existed a need for old age pensions for the aged Indians that would be comparable to Canada's Old Age Pension plan. Fourth, the Department's agricultural policies had failed.

The failure of the agricultural policy, although not directly related to the provision of relief, is worthy of mention. The intent of the agricultural policy was to promote and initiate a different form of subsistence on the reserves, and as Sarah Carter explains: "The Indian farm was to be his place of probation, a training ground in the lessons of civilization and citizenship."[110] The government's intention was to replace the traditional livelihood of hunting, fishing and trapping with more 'civilized' means of production and,

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[107]Joint Committee, 1947, no. 4, 113.

[108]Joint Committee, 1947, no. 4, 113.

[109]See Summary of Manitoba Briefs presented to the 1947 Joint Committee, no. 2, 58-65.

[110]Sarah Carter, ***Lost Harvests: Prairie Indian Reserve Farmers and Government Policy*** (Montreal & Kingston: McGill-Queen's University Press, 1990), 19.

furthermore, the general policy of the division was to "encourage and assist Indians to be self-supporting rather than furnish them with direct relief."[111]

The department argued that the agricultural policy had not changed since 1874 when Treaty 6 was negotiated. In his book ***The Treaties of Canada with the Indians of Manitoba and the North-West Territories***, the Honorable Alexander Morris, who was the Commissioner of the treaties, quotes in detail his conversations with the Chief of the Willow Crees:

> I will speak to you in regard to food as I have spoken to other Indians; we cannot support or feed the Indians every day, further than to help them to find the means of doing it for themselves by cultivating the soil. If you were to be regularly fed some of you would do nothing at all for your support. In this matter we will do as we have agreed with the other Indians, and no more. You will get your share of the $1,000 worth of provisions when you commence to work on your reserves.
>
> In a national famine or general sickness, not what happens in everyday life but if a great blow comes on the Indians, they would not be allowed to die like dogs. . . . it was felt that it was an experiment [the agricultural policies] to entrust them with cattle, owing to their inexperience with regard to housing them and providing fodder for them in winter and owing moreover to the danger of them using them for food, if short of buffalo meat or game. Besides, it was felt that as the Indian is, and naturally so always asking, it was better that if the government saw their way safely to increase the number of cattle given to any band, it should not be as a matter of right, but of grace and favour, and as reward for exertion in the care of them and as an incentive to industry.[112]

With these words the department's position and policy on 'relief,' or more precisely the 'agricultural policy,' was firmly established.

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[111]Joint Committee, 1947, no. 8, 367.

[112]Joint Committee, 1947, no. 8, 367-368.

Despite the government's 'best intentions' to promote agricultural activities on reserve, it was evident from the numerous First Nation briefs that the agricultural policies had failed. The consequences were clear: First Nations people were not able to make a decent livelihood through farming or any other type of agricultural activities. However, it is important to realize that the failures of the policies were not due to the lack of First Nation initiative, or abilities, but it appears that governmental policies actually hindered the growth of agriculture on reserves. Chief Alexander Williams from St. Peters Reserve explains:

> In this Reserve there is no fish, no ducks, and fourteen miles from lake shores, and there is nothing else I can live on but to try and farm. I say I include my people, saying there is nothing else but farming to live on. Now, can a man farm with no plough, no harrows, nothing to use. If I take one of my members to the agency for help to get a wagon or a horse, the agent will pull out a form. He says, "Before I can give you the wagon or the horse you will have to sign your property over, your house, land, horses, cattle, implements, everything you have. Only then you will get your wagon or the horse." And this member intends to farm and after he gets the horse he cannot start farming because he handed the land over to the government. That is the kind of laws they are carrying in this Reserve where we are living now.[113]

3.4.2 The Provision of Family Allowances to First Nation Families

In 1944, pursuant to the Family Allowances Act, a new portfolio was attached to the Branch's welfare division: the administration of family allowances to Indian families. The division was responsible for administering, regulating and controlling the payment of family allowances to Indians in the nine provinces, the Yukon and the Northwest Territories. The department also had the power and authority to suspend payments if

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[113]Submission to the Joint Committee, 1947, no. 2, 65.

necessary under the stated regulations of the Family Allowance Act, and furthermore, allowances could be made "in lieu of cash payments."[114]

In relation to Indian welfare policy, there was the belief that the provision of family allowances to Indian families would help offset some administrative costs of welfare. However, unlike the rest of Canadian families, who would unconditionally enjoy the benefits of family allowances, the department attached strict regulations to Indian families. The issuance of family allowances was often at the discretion of the Indian Agent who would have the power to withhold payment, or redirect the allowance into the band's trust fund.

Mr. Hubert Murray Jones, Family Allowance Division, summarizes the role of the Indian Affairs Branch Agent: "In forwarding the registration to the regional director of Family Allowance the agent specifies the method of payment based on his knowledge of the Indian, local conditions, geographical location, etc."[115] Payments were administered in one of four ways: (a) cheques direct; (b) cheques direct c/o Indian Agent; (c) Agency trust account; and (d) in-kind. Mr. Jones did explain at the hearing that it was the branch's policy to have the Indians receive their allowances by cheque wherever and whenever possible. In some circumstances, however, where 'abuse' by the First Nation claimants was suspected, family allowances were to be administered by the Agent. The intent of this administrative arrangement was: "To take care of all such Indian children, and to make sure that they get full benefit from family allowances, payment is made to

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[114]Joint Committee, 1946, no. 1, 3.

[115]Joint Committee, 1947, no. 6, 269.

the agency trust account, and the spending of the money is supervised by the Indian agent."[116]

The aim for allowances 'in-kind,' was threefold: "(a) convenience to the Indian parents; (b) introduction to nutritious foods; and (c) control."[117] The branch also felt that this special arrangement was necessary "to take care of the Indian who traps and is away from civilization for months at a time."[118] Allowances paid 'in-kind' were calculated at the same rate of allowances as anyone else but the families would receive a monthly credit and the money representing this credit would be paid directly to the Indian Affairs Branch.

Concerns over possible mismanagement of family allowances were later discussed when Mr. Jones was recalled for questioning at the March 27th, 1947 hearing:

> Q: Where the family allowances cheques are being administered by the agent do you consider the agent's representations to you sufficient evidence that the Indian is not capable of administering the cheques himself?
> A: You mean in the case of mismanagement, do you?
> Q: I notice that there is one agent in the maritime provinces who has practically all the cheques coming to him. That is probably a unique case. Are there any other such cases?
> A: Would they be payable to the Indian, or to the agent's trust fund?
> Q: The agent, apparently, acted as trustee?
> A: Yes, we rely quite a lot on the agent's recommendation. They know the Indians, and if in their wisdom they feel they should be administering them. . . . Take the case of Chapleau, we have a very efficient agent up there. He uses the agency trust account in contract to the allowances in kind and as the Indians go away he has the cheques mailed

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[116]Joint Committee, 1947, no. 6, 269.

[117]Joint Committee, 1947, no. 6, 269.

[118]Joint Committee, 1947, no. 6, 269.

> to the agency trust account and as the Indians come back he may write them out cheques and not buy them food at all. That is his privilege.[119]

In another instance, the Joint Committee heard that an Indian agent 'cut off' a family from their family allowance because their children had measles and were subsequently taken out of school. Mr. Jones justified the discontinuance of the family allowance to the family because it was government policy to withhold allowances if the child missed in excess of five days in a twenty-day month cycle. He further stated that if the child were absent more than five days for reasons other than "sickness, bad roads, and are physically able" to attend school, the Indian agent warns the parents.[120] If the child continues to be absent in the second month, they would discontinue the family allowance until the child returns to regular attendance. Even if the discontinuance of family allowance was based on the branch's policy, the enforcement of the policy was evidently at the discretion of the Indian agent. This overriding discretion resulted in wide discrepancies when it came to administering family allowances to Indian families. Some families enjoyed the benefits of family allowances with no conditions attached, and other families had little, if any, choice on how they would receive their family allowances.

Although it was not stated at the Joint Committee, an assumption can be made about this policy, and specifically the withholding of family allowance cheques: it was used as a form of social and economic control. By withholding family allowances based on 'regular school attendance', the government effectively disrupted the parents' abilities

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[119]Joint Committee, 1947, no. 8, 354 - 355.

[120]Joint Committee, 1947, no. 8, 356.

to pass traditional knowledge of hunting, fishing, and trapping onto their children. For First Nation families the pursuit of a traditional livelihood was not considered an 'extracurricular' activity that could be taught as an after school activity because it was a way of life that required full-time attention and commitment by their children. Therefore, in the case of parents who did not comply with compulsory school attendance, but rather involved their children in the traditional lifestyle, the repercussions were clear: the parents would be 'punished' by the government through the denial of family allowance benefits.

In sum, this chapter has examined the 1946 to 1948 joint committee hearings on the Indian Act. The intention of the review was to explore and identify the early stages of the Department's Indian welfare policy. Four aspects have been identified in relation to the Branch's relief policies and practices. First, the administration of relief to status Indians; second, the management of band funds for the payment of relief to destitute Indians and the old and infirm Indians; third, the failure of agricultural policies on reserves; and fourth, the issuance of family allowances to Indian families. It is clear from the evidence presented at the 1946 to 1948 hearings that the Department did not have clear policy directives regarding the administration of relief to status Indians. Nevertheless, an analysis of these themes shows the initial stages of the Department's welfare policy. The first stage was the government's attempt to introduce farming and other agricultural activities through its 'agricultural policies.' Second, Indian Affairs Branch's policy was slowly adjusted in order to assist the 'old and infirm' Indians. Third, in the 1940s, the new issue of family allowances for Indian families arose. Only when

these policy measures failed, or did not provide efficiently, did the government reluctantly issue relief to destitute Indians.

In 1948 a report prepared by Dr. Yule, the Medical Superintendent from The Pas Agency, summarized this confusion regarding the welfare policy. Dr. Yule had also argued that the ration system was archaic:

> I am not at all sure whether our interest in rations is direct or only in so far as it has a bearing on the health of the Indians in general. However, it seems to me that the methods of handling and perhaps of rationing in general is about as up to date to as horse and buggy on Portage Avenue.[121]

Dr. Yule further stated that "there appears to be no particular plan followed out in handing out these supplies.[122]" Based upon his overall assessment of the ration system, Dr. Yule made two bold recommendations. The first recommendation was to 'revise' the ration list for every reserve on an annual basis. These ration list revisions would involve the active participation of the band's medical superintendent because "he is, or should be, in a position to know who requires rations and the amount which should be given.[123]" His second recommendation, which essentially contradicts the former, was to abolish the ration system in its entirety. In lieu of the ration system, Dr. Yule proposed the active involvement of the local grocery stores through the introduction of a rudimentary credit system. This would ensure a certain amount of social, economic and nutritional control by providing specific and nutritional food to needy families; and at the same time allow

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[121]Extract from Medical Report for March 1948, The Pas Agency, submitted by Robt. F. Yule, M.D., Medical Superintendent. RG 10, vol. 7094, file 1/10/3-0.

[122]Robt. F. Yule, M.D., March 1948, RG 10, vol. 7094, file 1/10/3-0.

[123]Robt. F. Yule, M.D., March 1948, RG 10, vol. 7094, file 1/10/3-0.

the First Nation family to have limited decision-making powers. Despite Dr. Yule's pro-active approach to the department's relief policy and practices, his recommendations would not become reality until a decade later.

A NEW MECHANISM TO ADMINISTER RELIEF, 1958-1963

> The history of minority ethnic groups in this country has shown any who were willing to work and educate themselves attained a higher standard of living than that to which they were previously accustomed. Unlike most minority groups the Indian by and large stuck to reserves which are conducive to inbreeding and subsequent lowering of intelligence. The Indian has been given a chance. But it seems that he can't or won't pull himself into an improved status in today's Canada. The fault is no one's but his own.[124]

4.1 Introduction

During the early to mid-1950s, the department continued to administer relief to the on-reserve Indians as part of its 'moral obligation.' The able-bodied, and thus employable, Indian would also be provided for on the condition that they would consent to participate in make work projects. However, there is evidence suggesting that First Nation people were not cooperating in this scheme as well as the government had hoped. A letter from Mr. H.M. Jones, Indian Affairs Branch Director, to Mr. R.F. Battle, Regional Supervisor of Indian Agencies, describes the complexities in the 'matter of work in exchange for relief':

> I believe that non-Indian relief giving organizations no longer attempt to operate such programs. Rather work projects sponsored by governments are undertaken to provide work for those who otherwise would be unemployed and thus the number of relief recipients and the costs of relief assistance are reduced.[125]

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[124]In a 1959 issue of *Saturday Night*, a commentator gave his opinion on the Indian situation. In Richard P. Bowles, James L. Hanley, Bruce W. Hodgins, and George A. Rawlyk, ***The Indian: Assimilation, Integration or Separation?*** (Scarborough: Prentice-Hall of Canada, 1972), 3.

[125]Letter to R.F. Battle, Esq., Regional Supervisor of Indian Agencies, Alberta from H.M. Jones, Director. September 19, 1958. RG 10, volume 7094, file 1/10-3-0.

Mr. Jones noted the reluctance or "uncooperative behavior" of certain First Nation people to participate in such work projects because these particular individuals were arguing that "relief is their right."[126] Despite this First Nation resistance to 'work for their welfare,' the department remained firm in its position: the policy "which has been adopted for dealing with relief applicants is offering work they are expected to perform before assistance is granted."[127]

In an attempt to prove that the department's current practice of work projects was succeeding in some communities, Mr. Jones explained:

> In other areas where development of work projects has been successfully applied to cope with large scale unemployment, the band in question usually has supported the administration and at least the majority of Indians concerned valued their independence enough to accept employment offered. With the co-operation of the council . . . it has been possible to agree upon community undertakings which could be carried forward by the mobilization of unemployed men to improve living conditions on reserves for individuals and the group as a whole.[128]

Although the concept of 'community development' was not yet firmly established as a model to alleviate the economic hardships of First Nations, it became increasingly clear that the government was perhaps considering this as a long term goal:

> The essential feature lies in the fact that Indians are engaged in a project which they have had a part in planning, feel is their own and depends upon their efforts. Modest expenditures have been made from departmental appropriation for provision of materials for example to assist the Indians to carry out a program they have agreed upon. Although such may be necessary, it is only a supplement to the Indians' own efforts. The key to

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[126]Letter - September 19, 1958. RG 10, volume 7094, file 1/10-3-0.

[127]Letter - September 19, 1958. RG 10, volume 7094, file 1/10-3-0.

[128]Letter - September 19, 1958. RG 10, volume 7094, file 1/10-3-0.

> success of such undertakings is establishing a bond of confidence between the Indian and Branch administration and stimulating initiative and self-pride.[129]

The significance of this letter is that as early as 1958 the federal government was developing a comprehensive community development framework to engage Indians in some form of workfare projects. More significantly, there was also a philosophical switch in the department's thinking. Not only would Indian Affairs continue their mission of enforcing and implementing their 'workfare model' but it also added a new dimension to its plans which was to stimulate initiative and self-pride in the otherwise allegedly feckless Indians. The department, it would appear, was moving away from the notion of 'managing the affairs of Indians' to embracing a new approach: 'allow Indians to do for themselves.' This philosophy would become the backbone of the government's next steps of implementing a comprehensive community development policy.

Despite these preliminary attempts at enhancing the capacity building within First Nations, Mr. Jones own assessment was not overly optimistic: "There are no short cuts and government-sponsored work projects and provision of relief are at the best only partial answers to the overall situation. The problem is only fully solved when there is general availability of employment for wages in the area. I do not think that spectacular progress nor sudden improvement can be expected. Basically, it is a matter of education and rehabilitation, and results can only be expected on a gradual basis."[130]

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[129]Letter - September 19, 1958. RG 10, volume 7094, file 1/10-3-0.

[130]Letter - September 19, 1958. RG 10, volume 7094, file 1/10-3-0.

4.2 The Pilot Projects on Cash Allowances, 1958-1959

On September 17, 1958, the Department held a confidential meeting to discuss "relief rations for Indians, including special relief rations for Indian children.[131]" The key participants were J.H. Gordon, Director, Indian Affairs Branch, Dr. L.B. Pett, Chief, Nutrition Division, Dr. Jean Webb, Chief, Child and Maternal Health Division, and Dr. R.A. Armstrong, Indian and Northern Health Services. The intent of the meeting was to discuss the 'main defects' of the Indian relief ration system. Mr. Gordon provided a summary of these defects:

a. The very existence of a fixed ration scale has been a target of complaints.
b. Shopping around for the best food values within a sound nutritional framework would be an educational experience for the Indian relief recipient and would do much to bolster his dignity and self-respect. Prescribing fixed quantities of specific foodstuffs overlooks these benefits.
c. The present fixed ration scale does not meet the special nutritional needs of the young infant.
d. The scale of issue does not provide food for the single individual cooking for himself.[132]

Based upon the department's own critical analysis of the ration system, Mr. Gordon outlined a proposal that might pacify the criticism from First Nation people and at the same time foster self-reliance and initiative.

The proposed action plan was to implement a new system under which the department would no longer administer relief 'in rations' but would issue relief in the

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[131]Minutes of a Meeting to Discuss Relief Rations for Indians Including Special Relief Rations for Indian Infants. Draft Text. Held in the office of the Chief, Nutrition Division, on 17th September, 1958 at 2 p.m. RG 10, volume 7094, file 1/10-3-0.

[132]Minutes of a Meeting, September 17, 1958. RG 10, volume 7094, file 1/10-3-0.

form of a "dollar value" credit with a local merchant. The intent of this system was to allow the Indian welfare recipient limited control and decision-making power "to use his credit to buy from a wide range of foodstuffs grouped into broad food categories.[133]" However, the Department would continue to exert its power by maintaining 'safeguards' to ensure that Indians would not spend their money foolishly by purchasing large quantities of one category nor exhaust their credit on "expensively packaged foods on which the merchant's margin of profit is high.[134]" The 'proposed safeguards' would ensure that if Indian relief recipients 'abused' the dollar value system "they would quickly be put back onto a system where the Superintendent authorized the merchant to supply specific foodstuffs in specific quantities.[135]"

The department's proposal would also increase the 'monthly dollar values' for the first adult in the family and each adult living by himself to $22.00 from the original $18.00. However, for the second and subsequent adults in the family and children under 12, the rates would remain the same, $15.00 and $12.00 respectively. The objective of the increase of the relief dollar value was to make it more comparable to provincial standards and practices, and as Mr. Gordon had argued: "It cannot be set higher than provincial scales because disparities introduced now would inevitably create serious barriers for subsequent integration of Indian[s] with provincial relief administration.[136]"

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[133]Minutes of a Meeting, September 17, 1958. RG 10, volume 7094, file 1/10-3-0.

[134]Minutes of a Meeting, September 17, 1958. RG 10, volume 7094, file 1/10-3-0.

[135]Minutes of a Meeting, September 17, 1958. RG 10, volume 7094, file 1/10-3-0.

[136]Minutes of a Meeting, September 17, 1958. RG 10, volume 7094, file 1/10-3-0.

Furthermore, the department was proposing that payment of relief by cheque should increase slowly, and they did not foresee that this method of payment would exceed 12% in 1959-1960. It was also proposed that this new pro-active approach of administering relief "would be restricted only to those areas where Indian Affairs Branch was completely confident that the Indians would use the money to the best advantage.[137]"

4.3 The 1959 Treasury Board Decision: Cash, Not Rations

In February 1959 Treasury Board approved the department's proposal to administer relief in one of the following ways: (a) in cash or (b) in-kind by way of a dollar value authorization or direct commodity orders.[138] The new mechanism went into effect in April 1959, as did the department's proposal for increased "monthly dollar values" for the first adult. Although the department had argued that Indians would receive cash payments, it recommended the dollar value authorization or direct commodity order because "cash payments to Indians requiring assistance are the ultimate goal but this procedure will be introduced gradually.[139]" Essentially, the government was implying that Indians would have to prove themselves 'trustworthy and capable' to receive their welfare assistance in cash. Furthermore, the department stressed the need for a "careful assessment of need and personal resources in order that there may be no

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[137]Minutes of a Meeting, September 17, 1958. RG 10, volume 7094, file 1/10-3-0.

[138]Department of Citizenship and Immigration, Indian Affairs Branch. Subject: Relief Administration Dollar Value Orders and Agency Cheque (Circular No. 97). February 27, 1959. RG 10, vol. 7094, file 1/10-3-0.

[139]Circular No. 97, February 27, 1959. RG 10, volume 7094, file 1/10-3-0.

unnecessary expenditures of public funds and that initiative may not be stifled or morale impaired as a result of assistance too freely given.[140]"

The government's new mechanism of providing 'cash welfare payments' to needy Indians did not necessarily pacify those in receipt of welfare benefits. On the contrary, many First Nation people found themselves struggling to support their families on the meager social allowances that were allocated to them. In addition, the dietary needs of First Nation children were not adequately met because although the welfare allowance for the single adult had increased, the amount for an additional adult and children under the age of 12 did not. Mr. Gordon provides an analysis of the situation:

> The dietary cost survey which was conducted recently in consultation with the Department of National Health and Welfare indicates that the amount of $12.00 allowed by the Indian Affairs Branch for children 12 years of age or under is the minimum amount for their children and if the Needy Mothers' Assistance is not as generous in respect to the additional children in large families, it would be interesting to know whether non-Indian families similarly situated have any source from which they can secure additional assistance.[141]

It would be fair to conclude that the government's plan to allow Indians to assume a certain degree of control and ownership over their finances was not succeeding.

A separate submission from L.J.J. Bourassa, Superintendent from the Restigouche Indian Agency in Quebec, also stressed that the amount allocated for food was inadequate: "we are not professional dietitians in the matter of diet, but this is a tentative

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[140]Circular No. 97, February 27, 1959. RG 10, volume 7094, file 1/10-3-0.

[141]Memorandum to Regional Supervisor, Quebec. From J.H. Gordon, Chief, Welfare Division. Re: Provision of Additional Assistance to Persons in Receipt of Needy Mothers' Assistance. Date: 30 April 1959. RG 10, volume 7094, file 1/10-3-0.

approach to the problem due to the fact that we have many many complaints from Indian members living alone who claim that they cannot provide for their food at $22.00 a month."[142] Based upon his assessment of 'moderately active adults,' Mr. Bourassa proposed an increase in benefits from $22.00 to $35.86. This increase would allow for 'incidentals' for basic commodities such as fruit, matches, salt, sanitary napkins, soap, powder, toothbrush, vegetables and yeast.[143]

By April 1959 it was becoming increasingly clear that the government's transition from the ration system to cash payments for relief was not decreasing the welfare roll nor was it assisting the needy Indians to become more reliable or independent. In fact the records disclosed that 10,195 households received welfare assistance of some kind which represented an increase of 33% in direct relief costs. The distribution regionally of the 10,195 families who had received assistance of some kind during the quarter ending December 31st, 1958 was as follows:

Maritimes	759
Quebec	1210
S. Ontario	496
N. Ontario	915
Manitoba	1880
Saskatchewan	1775
Alberta & N.W.T.	1380
BC & Yukon	1780[144]

[142]Memorandum to Indian Affairs Branch, Quebec. From Superintenent, Restigouche. Subject: Relief Food-Circular Letter, No. 97. Date: April 14th, 1959. RG 10, volume 7094, file 1/10-3-0.

[143]Memorandum. Date: April 14th, 1959. RG 10, volume 7094, file 1/10-3-0.

[144]Letter to J.Melling, Executive Director, National Commission on the Indian Canadian. From H.M. Jones, Director, Indian Affairs. April 23, 1959. RG 10, volume 7094, file 1/10-3-0.

The department's own assessment of the 33% welfare increase attributed it to "a complex of various factors, including the rise in food costs, the normal population increase, the continuing trend away from hunting and trapping (decreased access to country foods), the introduction of day schools, rising standards of social assistance generally, economic factors such as unemployment, and the improved scales and procedures governing the issue of relief assistance.[145]" Evidently, the department's plan to decrease their welfare expenditures was not working. Furthermore, not only were there many attempts to improve the social and economic conditions failing but it appears that the department could not pinpoint the shortcomings of their own interventions.

To make matters worse, a BC Superintendent had complained about a "large number of Indian applicants for relief food assistance who drive automobiles.[146]" In response to this complaint, Mr. Gordon explained the department's position: "Generally speaking, the Indian Affairs Branch must insist that if an Indian owns and operates an automobile, he should not expect assistance from public funds for the support of his family."[147] However, Mr. Gordon did add that ownership of an automobile may be beneficial if the applicant was using the vehicle to seek employment, and only if the applicant was unemployed for a "relatively short duration." Furthermore, the onus was on the department to ensure that the public funds were legitimately spent on people who

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[145]Letter. Date: 23 April 1959. RG 10, volume 7094, file 1/10-3-0.

[146]Memorandum to: Chief, Welfare Division. Fr: Superintendent, Babine. Re: Ownership of Automobiles by Applicants for Relief Food Assistance. 14 July 1959. RG 10, volume 7094, file 1/10-3-0.

[147]Memorandum, 14 July 1959. RG 10, volume 7094, file 1/10-3-0.

were truly in need. The ownership of a car was viewed to be a "luxury which is incompatible with a request for assistance from public funds."[148]

By the latter part of 1959, it became increasingly clear that many of the socioeconomic problems, and specifically the huge expenditures that were presumably to be eradicated by the numerous welfare reforms, had not been resolved. In fact, it can be argued that the welfare problems were escalating out of control. In order to control the problem, the department started to explore what was then an innovative approach, one based upon the principles of community development and planning. Fortunately much of the groundwork for the community development model was already being investigated by the Province of Manitoba as a potential solution to the 'Indian problem.'

4.4 Indian Welfare: The Manitoba Case, 1959

In 1959 the Province of Manitoba had released its comprehensive study entitled *A Study of the Population of Indian Ancestry Living in Manitoba.* The intent of the study was to report on all matters on this subject, including "whether their [Metis and Indians] social integration and economic advancement could be facilitated.[149]" The Lagasse Study, as it is normally referred to, made three important contributions: first its emphasis on Indian integration as opposed to assimilation; second, its careful analysis of the "Indian problem," and in particular, the problems of welfare dependency; and third, its recommendations to alleviate the "Indian problem."

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[148]Memorandum 14 July 1959. RG 10, volume 7094, file 1/10-3-0.

[149]Lagasse, Jean H., ***A Study of the Population of Indian Ancestry Living in Manitoba*** (The Department of Agriculture and Immigration: Winnipeg, Manitoba, 1959), 1.

According to Mr. Lagasse both the disability of Indian status and the confinements of the reserve system had a detrimental impact on the First Nation people. However, Mr. Lagasse apparently did not find fault with the Indian Affairs administrators or the social workers as he blamed the "attitudes which Indians have developed toward Indian Affairs in the course of ages[150]." This alleged 'Indian attitude' made it exceedingly difficult for the social workers to maintain a proper relationship with their clients:

> Indians have been conditioned to White gifts from the moment Jacques Cartier set foot on Canadian shores. Explorers after him used gifts to appease the Indians and win their friendship. Fur traders used gifts to induce Indians to trap for them. Standard budgets for trading posts usually included an item for "gifts to the Indians." Later, when treaties were signed, gratuitous donations were so much a part of the White man's vocabulary that no better phraseology could be found to describe to the Indians the responsibilities which the Crown was undertaking. As the Indians have lived under this type of economy for centuries, exploiting the White man to obtain gifts or as in this case, Federal Government welfare assistance, is one of the skills which forms part of the cultural heritage which is transmitted from generation to generation.[151]

Therefore, Mr. Lagasse found it easy to argue that the "Indian problem" was not the fault of the government policy per se. Rather, it was the fault of First Nation people who exploited the generosity of the European settler to obtain "white man's gifts." The 'gifts,' according to Lagasse, later became the source of First Nation welfare dependency[152].

Lagasse also wrote: "Because of the extreme poverty prevailing in many Métis communities, learning how to obtain social assistance is one of the basic skills which

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[150]Lagasse, 1959, 140.

[151]Lagasse, 1959, 140.

[152]Lagasse, 1959, 150.

must be learned in the same way as one learns how to fish and trap[153]." Both Indians and Métis people had apparently developed this "skill" due to the government's generosity as well as to the inherent cunning of Indian people. To rectify these problems, Mr. Lagasse recommended that the provincial government not identify its welfare services with the Crown or with "treaty promises." This separation of 'welfare' from 'official gifts' in the First Nation perception would in turn foster a more positive attitude among the Indians. His report recommended "that provincial welfare services be extended to all Indians residing in Manitoba[154]."

Mr. Lagasse offered a clear analysis of the reasons behind his desire to transfer jurisdiction over Indian welfare services to the province:

> They [provincial authorities] eliminate one more area in which Indians are presently segregated from the rest of society. They help improve the quality of service given to needy Indians. They provide a more efficient way of administering welfare in a given area. Finally, they remove welfare services from the paternalistic atmosphere of Indian-Indian Affairs relationships.[155]

He also reinforced the interpretation that such a transfer was intended to facilitate Indian integration into mainstream society:

> As a matter of policy, it is desirable to eliminate any government regulation which differentiates between Indians and non-Indians. As the Indians are destined to mingle increasingly with the rest of the nation, anything that forces them to return to Indian Affairs supervision once they attempt to live on their own is liable to retard integration. Many Indians are careful not to absent themselves from the reserve for too long a time

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[153]Lagasse, 1959, 150.

[154]Lagasse, 1959, 140.

[155]Lagasse, 1959, 139.

> for fear they may experience difficulty in receiving help when needed. . . . If Indians were placed on the same level as other Manitobans they would know that the same kind of assistance was available to them wherever they would move.[156]

Two themes can be ascertained from the Lagasse study. The first was a belief that Indians were manipulative, cunning, and exploitative. Secondly, Mr. Lagasse suggested that it would be necessary to control, and perhaps even alter, the uncivilized and manipulative tendencies inherent in Indians. To overcome these difficulties, it was advocated that Indians be encouraged to enter the dominant society. To achieve this integration, Mr. Lagasse proposed to entice Indian people to leave their reserve communities with a provincial government guarantee that they would receive fair and equitable treatment from the provincial welfare agencies. Furthermore, the final proposal was to implement a community development model for the Manitoba reserve Indian.

The premise guiding this final proposal was that, if successful, the other desirable changes would follow. To resolve the many socioeconomic problems on the reserve, and even more specifically the problems of welfare dependency, Lagasse felt the only solution was the creation of a community development model. Moreover, if this new model was not implemented, there would be little value in the government's financial investment in expanded social and economic programs for the on-reserve Indian. Furthermore, the philosophies and ideals advocated in this model could potentially reconcile the damaged relationship among the federal government, provincial governments, and First Nations

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[156]Lagasse, 1959, 139.

because the emphasis would be on 'Indian leadership and control' and 'partnerships' with the various key players.

Seven months after the Lagasse study was released, the Manitoba provincial government reappointed Mr. Lagasse to begin the process of implementing his strategy - the creation of a community-development authority. The first submission he made followed the report's recommendations as closely as possible:

> It (the Centre for Community Development) could operate under the joint sponsorship of the Government of Manitoba and the University of Manitoba. It could be administered by a Board of Directors, composed of representatives of the University of Manitoba, the Provincial Government, the Indian Affairs Branch, and prominent persons of Indian ancestry. This arrangement would have the advantages of guaranteeing the highest quality of leadership possible for a community development program. It would facilitate consultation with university personnel and still retain the technical and administrative experience of government departments. The training of qualified personnel for a Community Development Program would be facilitated as well by this type of administration as University Departments would, no doubt, welcome the opportunity to place their students in direct contact with concrete life experience.[157]

It is noteworthy to mention that although Mr. Lagasse had originally criticized First Nation people for being both cunning and manipulative, his new model appeared to move away from these negative characteristics. Morever, the negative consequences of welfare dependency also appeared to vanish from governmental proposals. Although it was not overtly stated, it can be assumed that the government was attempting to be more

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[157]Lagasse, Jean H., "The First Years of Community Development in Manitoba." In ***Citizen Participation: Canada - A Book of Readings***, edited by James A. Draper. Toronto: New Press, 1971, 226-246.

optimistic in their dealings with First Nation people by focusing on the great potential within First Nation communities. There would be no room for pessimistic thinking!

The irony of this situation is that apparently First Nation people would not be able to achieve their greatest potential without the helping hand of both the federal and provincial governments. Beyond the positive and ambitious undertakings that were advocated in the community development approach, the model ultimately remained a tool for the government to eventually 'assimilate and integrate' First Nation people into mainstream society. Essentially, this model was not vastly different from other assimilatory mechanisms that the federal government and the provincial governments had used in the past.

4.5 The Underpinnings for a Community Development Approach, 1960-1963

Following the Manitoba lead in tackling the Indian problem, the federal government began its own community development planning. In a document entitled *The Future - What Lies Ahead for Our Native People*, the writer explains the underlying purpose of Indian administration:

> . . . this has been to prepare Indians for full citizenship with the same rights and responsibilities as those enjoyed and accepted by other members of the community. The ultimate goal is integration of the Indians into the general life and economy of the country. It is recognized, however, that during a temporary transition period of varying length depending upon circumstances and stage of development of different bands, special treatment and legislation are necessary.[158]

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[158]Anon, Government Document - "***The Future - What Lies Ahead for our Native People.***" Date unknown. RG 10, volume 8590, file 1/1-10-14, pt. 3, reel c-14224.

Embracing a philosophy similar to that Mr. Lagasse advocated in his study, the writer explains that one of the major faults that had inhibited Indians from achieving a successful transition into the general public was the security of their reserve: "First, I think it is generally recognized that the Indian community provides a familiar and secure cultural haven and a reasonably firm base in a time of accelerating change and development through which our own society is moving . . . As such, these communities represent security, not only for the residents, but for those who leave and, in doing so, take comfort and assurance from the certain knowledge that they may always go back.[159]" Furthermore, the writer had argued that it was this 'security' that had put up an "obstacle to progress and that most Indians will not take their place in our society until the road back is irrevocably barred, or the refuge destroyed.[160]"

Although this particular document is undated, one can assume by the details within it that the federal government had not yet announced their plans to implement a community development model. Nevertheless, the overall tone of the document clearly demonstrates that they were moving toward this scheme. Reference was made to Indians who "cling to their own society either because of personal preference or lack of opportunity to [do] otherwise."[161] To encourage Indian people to move forward, the government proposed the following:

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[159]Anon, RG 10, volume 8590, file 1/1-10-14, pt. 3, reel c-14224.

[160]Anon, RG 10, volume 8590, file 1/1-10-14, pt. 3, reel c-14224.

[161]Anon, RG 10, volume 8590, file 1/1-10-14, pt. 3, reel c-14224.

> The advancement of these individuals can be successful if developed as part of a community program based upon community effort and community leadership. The pace of such developments and objectives must be determined by the Indians themselves rather than superimposed by us or developed in accordance with a time table based on administrative convenience.[162]

The writer argued that if 'integration' was the ultimate goal, then its success would only be achieved through the recognition of the "vitality and persistence of Indian communities and by building the basic program accordingly."[163] It would seem that the terms 'integration' and 'assimilation' (although it appeared that the government had abandoned the term 'assimilation') were becoming synonymous. Evidence of this is reflected in the following:

> As the economic and social standards of the Indian community approach, or to achieve parity with the non-Indian, so should the barriers between the two break down and full social and economic intercourse be possible. If and when this has been achieved, the need for the distinctive Indian community will have largely disappeared in terms of protection or security. At that point of time, continuance of the Indian community can be determined solely on the basis of personal preference for a particular cultural environment.[164]

In order to better facilitate the process, the federal government formulated a number of proposals that would encourage Indian people to assume leadership and, at the same time, to improve the overall economic and social conditions of the reserves. The first was to allow Indians to participate in the design and implementation of a community planning initiative. Second, a decision was made to implement a comprehensive

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[162]Anon, RG 10, volume 8590, file 1/1-10-14, pt. 3, reel c-14224.

[163]Anon, RG 10, volume 8590, file 1/1-10-14, pt. 3, reel c-14224.

[164]Anon, RG 10, volume 8590, file 1/1-10-14, pt. 3, reel c-14224.

economic development program. A component of the program would focus on training: "the objective here must be to enable those who do not have the training, inclination, or opportunity for full employment to achieve self-support within the security of a familiar cultural pattern and in addition, to provide a firm base for those who are ready to take advantage of opportunities, as they develop, of establishment in the non-Indian community.[165]"

The third and fourth proposals were to improve the overall housing, sanitation, and health standards of the reserve. However, 'welfare' was no longer a stand-alone issue as it was in previous policy papers. Instead, the department placed its general welfare activities under the 'health and economic proposals':

> In addition to a sound economic base and a satisfactory physical background, it will be necessary also to ensure that an adequate program of social assistance is available to enable the Indians to maintain a decent standard of living at times when they are unable to provide the necessities of life themselves. In this regard it is proposed, with effect April 1st [1959] . . . to discontinue the former relief ration program and to substitute relief provided in cash or in terms of a dollar value.[166]

The implementation of the cash, or dollar value credit system, was intended to remove the "stigma" of receiving relief and, perhaps what is more important, to "place a greater responsibility upon Indians themselves.[167]" Despite these benevolent gestures, the department evidently also had another underlying intent: "In this connection, developments in the welfare program administered by this Department will be patterned

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[165]Anon, RG 10, volume 8590, file 1/1-10-14, pt. 3, reel c-14224.

[166]Anon, RG 10, volume 8590, file 1/1-10-14, pt. 3, reel c-14224.

[167]Anon, RG 10, volume 8590, file 1/1-10-14, pt. 3, reel c-14224.

as closely as possible upon those available for non-Indians, to facilitate eventual integration into the provincial welfare program."[168] Over the years, the federal government had consistently attempted to off-load its welfare program, first onto the Hudson's Bay Company, and now the department's focus was on the provincial governments. However, the federal government's attempts to pass its welfare program onto provincial governments would in the end be futile.

The final proposal concerned education policy: "Our educational policy in Manitoba, as throughout Canada generally, is, wherever practical and possible, to integrate Indian children with non-Indian children.[169]" The department's education policy was to ensure that Indian children were taught the appropriate skills and religion that would allow Indian children to grow into responsible and employable adults. Once again, the intent of this policy, as with the others, was to ensure successful integration into mainstream Canadian society. The Church's direct involvement, with federal financial support, was crucial in the design and implementation of the department's education policy.

With these five policy proposals - Indian participation, economic and training programming, adequate housing and sanitation, improved health conditions, including fair and adequate social assistance benefits, and the education policy - the department had in effect laid the foundation for its next significant undertaking - the 1964 Community

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[168]Anon, RG 10, volume 8590, file 1/1-10-14, pt. 3, reel c-14224.

[169]Anon, RG 10, volume 8590, file 1/1-10-14, pt. 3, reel c-14224.

Development Policy. It was, however, becoming increasingly apparent that the department's interventions up to this point were not working as welfare expenditures continued to increase at an astounding speed. Interestingly, even in the Province of Manitoba, where the community development model was being initiated and implemented, the welfare rate continued to increase for the on-reserve Indian population.

4.6 The Manitoba Experience with Community Development, 1960-1963

The Manitoba government continued with its 'pioneering efforts' to implement their solution to the welfare "problem," but despite their best efforts, the on-reserve welfare rates continued to rapidly increase. In a 1962 memorandum to Regional Supervisor, A.G. Leslie, F.M. Hughes shows that in fact the welfare expenditures had increased in all of the department's eight Manitoba regional agency districts:

1.1 Island Lake: The increase is 5.7% ($2,925.00)
1.2 Norway House: Increase is 24.8% ($26,139.00)
1.3 Clandeboye: Headquarters statement indicates increase of 26.1% ($24,536.00)
1.4 Portage: Increase is 251.0% ($29,948.00)
1.5 The Pas: Increase 32.1% ($11,960.00)
1.6 Fisher River: Increase 75.4% ($93,117.00)
1.7 Nelson House: Increase 73.8% ($27,117.00)
1.8 Dauphin: Increase 71.2% ($37,921.00)[170]

From agency to agency the explanations for the increase in welfare rates were remarkably similar - a rapid increase in the First Nation population, a decrease in employment opportunities; an increase in expenditures to clothe children who were attending the

[170]Memorandum to Mr. A.G. Leslie, Regional Supervisor, Manitoba From Mr. F.M. Hughes. Re: Welfare Expenditures. Date March 26, 1962. RG 10, volume 6930, file 501/29-1- pt 7, Reel C-10/985.

integrated schools, and lastly, poor weather and environmental conditions that contributed to limited hunting and fishing.

By December 1962, media attention and news stories had also begun to appear. Attention was being given to the deplorable conditions on the Manitoba reserves, and to people living in complete and utter destitution, including reports of starvation. Moreover, the media accounts were unsympathetic to the federal government, and in many instances the criticisms were scathing:

> It seems unbelievable that in 1962, in Canada, a country that is supposed to have one of the highest standards of living in the world, whole communities should be living on the edge of starvation. Probably nowhere else in Canada would it be possible to find poverty and privations greater than that endured by the Indians of Northern Manitoba. . . . The plight of these Native Canadians should shock the national conscience; it should cause the federal government to hang its head in shame.[171]

Even more pointedly, the reporter laid responsibility on the federal government: "Ottawa must accept a major portion of the blame for allowing these conditions to develop and persist."[172] The reporter concluded: "For the first 70 years of Confederation, the Canadian policy towards the Indian seemed to be: "Wait for him to die out." Vestiges of this philosophy, it appears, still remain."[173]

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[171]"Our Indian Ghettos" Toronto Daily Star, December 15, 1962. RG 10, volume 6930, file 501/29-1 pt. 7. Reel C-10/985.

[172]"Our Indian Ghettos" Toronto Daily Star, December 15, 1962. RG 10, volume 6930, file 501/29-1 pt. 7. Reel C-10/985.

[173]"Our Indian Ghettos" Toronto Daily Star, December 15, 1962. RG 10, volume 6930, file 501/29-1 pt. 7. Reel C-10/985.

Days after the scathing media attention, the federal government began their damage control of the situation. On December 19, 1962, Mr. H.M. Jones, Indian Affairs Director, wrote to the Parliamentary Secretary, Mr. Frank McGee, arguing that the numerous reports of extreme hardship, poverty, and starvation were fabricated: ". . . that although there might be isolated instances of hardship there was most certainly no starvation and that since there are well stocked trading posts at all reserves no emergency airlift was necessary.[174]" Furthermore, not only were these instances of hardship a mere misunderstanding, but Mr. Jones' own assessment was: "It is of more than passing interest to note that the newspaper sensationalism was originated during the final stages of a provincial election campaign by an agency directly involved."[175] It is clear by this statement alone that the department would continue to deny, as they had a century ago, that the Indian situation was never one of crisis.

In a separate ministerial correspondence, H.M. Jones, Acting Deputy Minister, explained the Branch's plans of relocation of carefully selected Indians, both individuals and families from the surrounding communities of Nelson House, Split Lake and Oxford House.[176] The relocation would be, in part, the government's response to the critical

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[174]Memorandum to Frank McGee, M.P. Parliamentary Secretary, Ottawa from H.M. Jones, Director. Date: December 19, 1962. RG 10, volume 7988, part of file 501/14-4, pt. 2 "Resettlement of Indians, Manitoba Regional Office."

[175]Memorandum to Frank McGee, M.P. Parliamentary Secretary, Ottawa from H.M. Jones, Director. Date: December 19, 1962. RG 10, volume 7988, part of file 501/14-4, pt. 2 "Resettlement of Indians, Manitoba Regional Office."

[176]Memorandum to the Minister from Mr. H.M. Jones, Acting Deputy Minister, Ottawa, January 7, 1963. RG 10, volume 7988, part of file 501/14-4, pt. 2 "Resettlement of Indians, Manitoba Regional Office."

situation, and would place Indians in the nearest non-native community, namely Thompson, Manitoba. Jones had argued that relocation would be necessary due to the "marginal natural resource economy and the mushrooming population." For example, the population of First Nation people in Northern Manitoba had increased substantially between 1954 and1961 from 8,794 to 11,751 (an increase of 31%).[177] Part of the relocation program required Indians to complete a "social training" exercise prior to their Thompson move. This specialized training was intended to help the "suitable candidates" to carefully prepare for off-reserve living. Mr. Jones summarizes the usefulness of such training:

> These Indians will be required to undergo extensive adjustment in the way of life. Some knowledge and insight into social graces and customs of the dominant culture can be imparted to them but the real learning process must take place as they move into employment and as their families are settled in the new community. Social training, from their viewpoint, can only be purposeful if it can be practically related to everyday life.[178]

Through the relocation process, the government had hoped that these prime candidates would be able to find meaningful employment to sustain their families. Thus, welfare would no longer be required but, more importantly, the move would be another step toward the full integration of First Nation people into mainstream society.

In the aftermath of the negative, and even hostile, publicity as well as Manitoba's obvious failures, the department continued with its plans to implement a national Indian

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[177]Memorandum. January 7, 1963. RG 10, volume 7988, part of file 501/14-4, pt. 2 "Resettlement of Indians, Manitoba Regional Office."

[178]Memorandum. January 7, 1963. RG 10, volume 7988, part of file 501/14-4, pt. 2 "Resettlement of Indians, Manitoba Regional Office."

community development program. However, Manitoba's grandiose plan to pull the Indian out of destitution was failing miserably, and its rising welfare and unemployment rates only further substantiated this failure. The federal government's decision to proceed with the community development model was likely based on the following factors: first, the Indian population was increasing with each passing year; second, Indians were also viewed as a 'high cost' population, and therefore a financial burden on the federal government; third, there was a fear that Indians were becoming highly dependent on welfare and, as a result, Indians were losing their incentive to work; fourth, public support for the Indian, coupled with the critical media attention had forced the government into action; and finally, the federal political representatives were worried. Therefore, the department had little alternative but to proceed with their plans.

THE FEDERAL GOVERNMENT'S FRAMEWORK FOR A NATIONAL COMMUNITY DEVELOPMENT STRATEGY, 1960-1967

> The way to cure the poverty of the Indian or any member of an improvised group is not to put more money in his pocket, since this only confirms his mendacity and does little to alter his motivation or enhance his capacity to care for himself. A belief in his own capacity to achieve will come only when the Indian is left alone and allowed to find his way in the world as best he can.[179]

5.1 Introduction

The years between 1960 and 1967 were, perhaps, the most critical in the development of Indian welfare policy. Up until the late 1950's, federal policy discussions were heavily influenced by the national government's constitutional obligations to First Nation people living on-reserve. The evidence also indicates that the Department of Indian Affairs had reluctantly administered its welfare program to the on-reserve Indian, albeit at the onset the department had only intended to deliver its relief program in a temporary manner, and later as a more prescriptive program with strict guidelines and procedures. However, by the mid to late 1950's a new era in welfare delivery commenced. Two critical events shaped the way Indian welfare was to be delivered. The first was in 1959 when the federal government introduced cash allowances as opposed to food rations. The second monumental event was the release of the 1959 Lagasse study which would ultimately change how both the federal and provincial governments viewed Indian welfare. Both events would have dramatic influences on federal/provincial discussions concerning Indian welfare delivery to the on-reserve Indian.

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[179]Shumiatcher, 138.

Manitoba was the first province to spearhead a comprehensive Community Development approach with its basic premise to facilitate the full integration of Indians into mainstream urban settings. The department would later echo this approach in the federal government's own 1964 National Community Development Strategy. However, the most critical development deriving from the 1950s was the introduction of new roles and responsibilities for provincial involvement in welfare delivery to on-reserve Indians. Building on the momentum of Manitoba's, and later the federal government's, Community Development model and the proposals calling for a new federal/provincial relationship on welfare, this era represented the next stage in the department's Indian welfare policy, and culminated in the publication of *A Survey of the Contemporary Indians of Canada*.

5.2 The 1960-1961 Special Joint Committee on Indian Affairs: Factors Influencing Indian Welfare Policy

During the decade since the final report of the Special Joint Committee (1946-1948) of the Senate and the House of Commons to examine the *Indian Act, 1927*, the Indian Affairs Branch initiated several major activities concerning the delivery of welfare services and policies to the reserve Indian. Many of these initiatives came as a result of the Joint Committee hearings. However, there is evidence that several other factors may also have pressured the government to reexamine their welfare policy.

The most significant event that influenced the government's welfare policy was the rapid increase in the First Nation population. This population expansion put tremendous pressure on every aspect of Indian administration whether it was "education,

housing, resource development or public assistance.[180]" H.M. Jones, Director of Indian Affairs Branch, provides an overview of the three main factors contributing to the increase demand in programs and services:

> First, the tremendous growth that has taken place in the Indian population; secondly, the greatly increased expenditures that have been made on their behalf and thirdly, the changing pattern of organization and staff required to provide necessary services.[181]

As a direct result, the Department's expenditures had increased from $10 million in 1948 to nearly $ 50 million in 1961.[182] Also the changing economic and social needs of the communities required the Department's administrative policies to undergo major changes. Jones summarized the relevant changes in his testimony to the Joint Committee:

> Until quite recently Indians were excluded from many general welfare programs provided for all other Canadians. Indians, however, did participate in family allowances which were introduced in 1945. In September of 1948 the department introduced a special program of allowances on behalf of aged and blind Indians because the old age pensions legislation of that era specifically excluded persons of Indian status. This program was maintained until 1952 when the Old Age Security, Old Age Assistance and Blind Persons Allowances Acts came into force, which made no distinction in so far as Indians were concerned. Since then Indians have been increasingly recognized as having the same rights as citizens of the provinces and of Canada and now share fully in such programs as old age security, old age assistance, blind and disabled persons' allowances, hospital insurance, unemployment insurance and, in some provinces, in provincial programs of supplementary allowances and of mothers' allowances.[183]

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[180]Department of Indian Affairs to the Special Joint Committee Hearings, 1961, no. 8, 275.

[181]Joint Committee, 1961, no. 8, 275.

[182]Joint Committee, 1961, no. 8, 275.

[183]Joint Committee, 1961, no. 8, 275-276.

His primary conclusions about these policy changes were based on two principles. First, the inclusion of Indians in Canada's social welfare programs represented a significant change in the treatment of status Indians both at the provincial and federal level of government. Second, the government had significantly altered its thinking about Indians and now saw Indians as "not being something apart but as our first citizens who should be treated with equality and entitled to all the benefits accepted and enjoyed by Canadians of other racial origins[184]." Jones believed that this new 'progressive' policy and the administrative changes to the Indian Affairs Branch's welfare program were a direct result of the "review of the public administration of Indian Affairs which the previous joint committee undertook in the years 1946 to 1948.[185]"

Despite Jones's analysis of the amendments to the department's welfare policy, his interpretation of 'social welfare programs' apparently only involved the allowances of the aged and blind Indians established by the introduction of the Old Age Security, Old Age Assistance and Blind Persons Allowances Act, and, in some provinces, the provision that women of Indian status who had children were entitled to Mothers Allowances. What Jones had failed to mention in his brief was IAB's welfare policy concerning the administration of relief, or social assistance, to reserve Indians. This omission, whether it was intentional or not, is significant because in an earlier discussion with Jones and Melling, Executive Director of the Indian-Eskimo Association of Canada, the Joint

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[184]Joint Committee, 1961, no. 8, 276.

[185]Joint Committee, 1961, no. 8, 276.

Committee discovered that direct relief payments to status Indians were increasing in cost, and consequently, becoming a serious problem. Melling explained the problem to the Committee:

> According to the estimates . . . for 1959-60, the sum of $5,800,000 is set aside for the relief of Indians. Now, this seems to us to be a terribly high figure. It seems to us it would be very much better for the Indians - and very much better, of course, for the taxpayers of Canada - if this sum of $5,800,000 could be transferred from the purpose of relieving Indians to serve the purpose of developing the economy and towards enabling Indians to earn their own living. They need the opportunities to pay their own way, and to become fully self-respecting members of our society.[186]

Jones, in essence, agreed with Melling's proposal to use social assistance dollars for the purposes of economic development and capital investment. However, Jones also recognized that the poor socioeconomic conditions of the reserves only reinforced the need for the Department to secure dollars solely for relief assistance:

> As far as the $5,000,000 is concerned, of course, the committee would realize that it could not all be channeled into economic development. We have been very relentless in our endeavors to bring the relief scale - if you want to call it that - or the social assistance scale of Indians to something comparable to the surrounding non-Indian communities. Think of the old people - people 63 and 64 years of age; think of the widows, the children, and the trapping families who cannot exist on their earnings from the trapping industry in view of such low prices for furs. When you take all those factors into consideration, a lot of the $5,000,000 is being spent in a humane endeavor, and very little of it could be channeled into economic alternatives, although we might wish that.[187]

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[186]Joint Committee, 1960, no. 5, 423.

[187]Joint Committee, 1960, no. 5, 423.

Despite Jones's acknowledgment of the poor social and economic conditions on the reserves, he was nevertheless firm in his position that relief payments *must* be kept at a minimum to encourage the incentive to work among the able-bodied Indians:

> We have those things in mind [economic development and capital investment] to stimulate industry amongst the Indians not only on reserves, but off reserves. However, I just wanted to make a plea for the helpless, who must be supported from that welfare assistance vote. While we deplore spending any more money that could be used for some productive work we do try and keep it to the minimum. With the success of this new division, creating employment, we possibly can earmark extra money for loaning. I think we will be able to keep the necessary relief to a minimum. That is our hope.[188]

The premise guiding the Department's notion of 'equality' was to ensure that Indians became 'equal citizens' on a par with all other Canadians. This 'equal status' would ultimately benefit Indians, it believed, because they would be entitled to the same social welfare benefits as the ordinary Canadian citizen. Furthermore, government policy, it appears, was no longer aimed at 'assimilating' Indians into the Canadian mosaic: the goal now was towards 'Indian integration and advancement.'

5.2.1 Indian Integration and Advancement

The tone of the 1960-61 Joint Committee hearings on Indian Affairs was remarkably similar to that of the 1946-48 Special Joint Committee of the Senate and the House of Commons hearings on the Indian Act. Many briefs were highly critical of the Indian Affair Branch welfare policies and practices. However, during the twelve-year span between the two Joint Committee proceedings, there was a significant ideological

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[188]Joint Committee, 1960, no. 5, 424.

and political shift in government thinking; the emphasis was no longer on Indian assimilation but rather on Indian integration and advancement.

The move towards Indian integration and advancement ultimately had a profound impact on how the federal and provincial governments were to develop their welfare policy for on-reserve Indians. J.H. Gordon, Chief of the Welfare Division, explained:

> . . . I believe the most important lesson to be drawn from our past experience is the necessity of working *with* rather than *for* the Indians with all this implies. The principles of self-help, self-determination, partnership and the acceptance of maximum responsibility of Indians must receive constant and increasing emphasis. We look forward to an early removal of the remaining barriers separating Indians from the Canadian community.[189]

Gordon further outlined how and why the delivery of the 'welfare services' could assist in removing these barriers:

> In terms of the welfare service this means, principally, availability of all generally applicable welfare programs and services for Indians on and off the reserves. In addition, it will require the continuing extension and modification of Indian Affairs Branch programs to meet the changing conditions and to enable Indians to continue to reduce the gap between housing and living standards in their communities and those in adjacent non-Indian municipalities. Finally it means increasing stress upon identification, encouragement and training of Indian leadership in order that Indian individuals and communities may undertake successfully responsibilities and functions required of Canadian citizens and municipalities. The education, economic development, welfare and health programs of the federal agencies; broader and more extensive use and adaptation of the rich resources of provincial and private agencies of all kinds and progressively greater participation of the Indians themselves should offer new hope and opportunity for the Indians to achieve a better way of life in the future.[190]

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[189]Joint Committee, 1961, no. 10, 360.

[190]Joint Committee, 1961, no. 10, 360.

A brief submitted by W.D. Black, Minister of Social Welfare, Province of British Columbia, espouses a similar view. Black summarized the primary objective of the Department of Social Welfare as "not merely the relief of suffering, but also a provision of social treatment to effect a cure for the causes of that suffering[191]." Based upon this, the Province of British Columbia had focused on a "social diagnosis," and later developed a "treatment plan" to eradicate the Indian problem.[192] The social diagnosis relied heavily on the views expressed in the 1959 Lagasse study: "The problem, is rather, one of attitudes, traditions and values that prevent full and effective use of new techniques or full and effective participation (from the white point of view at least) in the new industrial system.[193]" Like Mr. Lagasse, Mr. Black attributed the social and economic dysfunctions of the Indian to the confinements of the reserve:

> Much again may be said about the "social claustrophobia"that surrounds the Indian. If the reserves are tiny isles in an island sea their inhabitants are truly aliens in a native land. Studies show that there is little positive interaction or social intercourse between most Indians and non-Indian communities.[194]

Black's solution to facilitate the 'social intercourse' between Indian and non-Indians was simple: "Let us begin by inviting Indians to our homes and their children to play with

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[191]Joint Committee - Appendix "HI," 1960, no. 7, 683.

[192]Joint Committee - Appendix "HI," 1960, no. 7, 676.

[193]Joint Committee - Appendix "HI," 1960, no. 7, 679.

[194]Joint Committee - Appendix "HI," 1960, no. 7, 682.

our children, then let us extend a similar warmth and opportunity of intercourse into our business and community relationships. Let us be friends and neighbors.[195]"

The suggested solutions, or treatment, were based on two long-term objectives. The first was the attainment of equal citizenship and integration of Indian people:

> If the measure of (Canada's) democracy is the measure of freedom (and of opportunity) given to the smallest minority group, then surely Canada's goal or long-term objective for the Indian people is full citizenship. This means among other privileges mobility of Indians within the community at large; it means equality of opportunity and active participation in affairs of government within the community whether that community continues to be the Indian village or the community at large.[196]

Second, it was recommended that the extension of provincial services to Indians would facilitate the integration process:

> The goal of government in respect to social welfare should be assumption of all social welfare services to Indians by one authority - the province. At least during the period of transition - which is the present and immediate future - the Federal Government should pay the provinces for services rendered. Formal agreements to this end would be made with the provinces. This objective is to be achieved with the full knowledge and participation of the Indian people. In no better way has this principle of growth through relationship been expressed than by the Indian themselves. . . . The pace of development must be, therefore, at the Indian tempo - like the endless beat of their native tomtom.[197]

It is evident from the general tone of the provincial governments' proposals and recommendations that the direction and objectives of the Indian welfare policy were not so much to deal with the suffering of those in need. Rather the underlying goal that was being pursued by both the federal and provincial governments was to grant First Nation

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[195]Joint Committee - Appendix "HI," 1960, no. 7, 692.

[196]Joint Committee - Appendix "HI," 1960, no. 7, 694.

[197]Joint Committee - Appendix "HI," 1960, no. 7, 694.

people 'full citizenship' with all the social and economic security offered by the Canadian and provincial welfare state. Furthermore, it was argued that this would ultimately reduce, and possibly eliminate, the need for a separate welfare system and policy through the IAB's welfare division. The solution was to amalgamate the Department's welfare policy with the provinces.

5.2.2 The Emphasis on Provincial Coordination

The Province of Manitoba supported the notion of 'equal citizenship' and the 'extension of provincial services to Indians.' However, to achieve these ideals, the Province of Manitoba argued that it would be necessary to deal with the Indian problem:

> It is becoming clearer that the so called "Indian problems" include on the one hand, the problems which the white population experiences because of the people of Indian descent, and on the other hand, the problems which Indians have because they live amongst the white men.[198]

To solve these problems, the province of Manitoba firmly believed that "we should make the Indian population economically self-sufficient, socially adjusted and culturally adjusted.'[199] The province subsequently proposed that a 'rehabilitation program for Indians' be initiated.

An integral component of the rehabilitation program was the blending of 'Indian culture' and 'Canadian culture':

> . . . in our designs for Indians, we must not insist that they abandon their culture. We must realize, however, that their culture will have to change before it allows them to integrate fully with other Canadians. We believe

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[198]Joint Committee - Appendix "JI," 1960, no. 8, 769.

[199]Joint Committee - Appendix "JI," 1960, no. 8, 770.

> this point needs to be emphasized because there are many Canadians who claim that the native culture should be protected and preserved in its integrity. We believe that to the contrary we would be doing great harm to the Indians if we prevented their culture from changing to adjust to contemporary living. The end product of the changes that should take place will still be an Indian culture, but a 20th century Indian culture conceived for modern times and practical for modern problems.[200]

The Province of Manitoba further argued that:

> If the goal being sought is integration, those responsible for the welfare of Indians must devise a two-prong program. One phase of the program should attempt to help Indians overcome their handicaps and become acceptable to the remainder of the Canadian population. The other phase should be directed at the white people and the white communities to help overcome their reluctance to accept the Indians and modify their services so as to meet the needs of the people of Indian background. Those responsible for the welfare of Indians should provide leadership in helping Canadians provide for Indians the same security off the reserve as on it.[201]

The Manitoba government postulated that they would achieve this two-prong approach in welfare delivery only through the Indians' gradual transition from the reserve to urban settings:

> Indians on the reserve receive many benefits from the Branch from which they are excluded by law once they have left. Indians off the reserve do not feel as secure as on it. Indians are reluctant to be absent from the reserve for too long for fear of losing their special benefits. The integration of Indians will be delayed as long as they are afraid to establish themselves off the reserve.[202]

To facilitate this transition, the provincial government felt that coordinating the federal-provincial welfare services for status Indians would be necessary, and it was

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[200]Joint Committee - Appendix "JI," 1960, no. 8, 771.

[201]Joint Committee - Appendix "JI," 1960, no. 8, 770.

[202]Joint Committee - Appendix "JI," 1960, no. 8, 772.

recommended "*that one of the main aims of the Indian Affairs Branch be to provide for Indians the same security off the reserve as on it.*"[203]

The methods to coordinate federal-provincial welfare services would be based on one of three approaches:

1. All branch services could be extended to all Indians regardless of residence.
2. Provincial governments could be urged to make all their services available to Indians with remuneration from the federal government.
3. The federal and provincial governments could devise an integrated program available to all Indians regardless of residence.[204]

However, in their own critique of the recommended approaches, the Manitoba Government recognized that the first two methods would result in "much duplication" because "there are many needs which are felt by Indians and non-Indians."[205] Furthermore, they argued that an "Indian does not break all his ties with the reserve by the mere fact of his migration."[206] Other concerns with their proposed approaches were expressed:

> The first two methods would also reinforce the isolation and separateness of the Indian population. If the main goal for that population is integration, the services provided for them should also be integrated. There is also a danger that separate services could lead to unfavorable comparisons between federal and provincial services with either the white or the Indian population feeling discriminated against. The theory of

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[203]Joint Committee - Appendix "JI," 1960, no. 8, 772.

[204]Joint Committee - Appendix "JI," 1960, no. 8, 774.

[205]Joint Committee - Appendix "JI," 1960, no. 8, 774.

[206]Joint Committee - Appendix "JI," 1960, no. 8, 774.

> separate but equal has not been successful elsewhere. There is no reason to believe it could work satisfactorily in this country.[207]

To overcome the problem of 'duplication of services' and to address the issue of 'isolation and separation,' the provincial government felt the best approach was to blend, or integrate, all existing welfare services. While the division of responsibility would not be easy to define, the provincial government recommended "*that federal-provincial conferences be held annually to co-ordinate federal and provincial services to Indians.*"[208]

Building on the prevailing attitudes that the reserve was the main culprit preventing Indian people from successfully integrating into the mainstream, John Sturdy, assistant to the Premier, Province of Saskatchewan declared:

> When Indians who left the reserve run into difficulty, the earliest solution is to go back to the reserve. The reserve is seen by them as a sanctuary. The attitude of many whites that Indians "belong on the reserve" when coupled with the Indian's ignorance of what services are available to him when he is indigent, creates further pressure on him to return to the security of the reserve. Anything that forces Indians to return to the supervision of the Indian Affairs Branch once they attempt to live on their own seriously retards integration.[209]

He concluded "The existing system of social welfare services discourages the movement of Indians off reserves."[210]

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[207]Joint Committee - Appendix "JI," 1960, no. 8, 774.

[208]Joint Committee - Appendix "JI," 1960, no. 8, 774.

[209]Joint Committee, 1960, no. 12, 1066.

[210]Joint Committee, 1960, no. 12, 1066.

Like Manitoba's approach to rehabilitation programs for Indians, Sturdy recommended the consolidation of all welfare services and the initiation of a province-wide rehabilitation program for Indians. The 'rehabilitative component' of the welfare program was intended to develop local wage-work projects that would replace the 'rations system', where it still existed. Other than supplying relief to able-bodied Indians, the proposed 'local wage-work project' was designed with two purposes in mind: the first was to provide the able-bodied Indians with 'useful work experience'; and second, to involve the reserve community in decision-making, which would be achieved through Indian participation in reserve 'welfare committees.'[211]

It appears from this initial analysis that the federal and provincial governments identified the problems in Indian welfare policy as falling within three distinct areas. First, the security of the reserve system; second, issues associated with the Indian's special status; third, the exclusion of Indians from the provincial welfare system. However, the positions and proposals discussed thus far have only provided one interpretation of the deficiencies of the Indian welfare policy: the non-native viewpoint. The next section will highlight the problems as identified by First Nation people and their respective organizations.

5.2.3 First Nation People and Indian Welfare Policy

During the 1960-61 Joint Committee hearings, both levels of government had argued that many difficulties of the Indian welfare policy resulted from Indian

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[211]Joint Committee, 1960, no. 12, 1067.

confinement on the reserve and the Indian's special status. To overcome these barriers, it was proposed that the provincial governments should assume jurisdiction over all welfare matters. However, First Nation people did not agree with this analysis or with the proposed solutions. Their interpretation focused on the elements of racism, discrimination by welfare authorities, inadequate housing (particularly the problems of "welfare housing"), the lack of modern facilities, insufficient food, inferior education, the lack of employment opportunities, and inequitable treatment by the welfare authorities, whether it was from the IAB's welfare division, or from provincial and municipal governments.

In a presentation by the Indian Association of Alberta, Councillor Howard Beebe, described the problems of 'welfare' to the Joint Committee:

> . . . over the passing years, welfare assistance in the non-Indian communities has made great advances, but we do not feel that it has been comparable among our people. This is particularly noticeable since the provincial governments have taken over much of this country's welfare responsibilities. In Alberta, certain clauses in the Welfare Act are designed to specifically exclude treaty Indians who live on reserves[212].

The Joint Committee heard that in Alberta an Indian family of seven received 12% less in welfare assistance than their non-native counterparts. They were also discriminated against in how much they were allowed to earn before deductions. Moreover, they did not receive other benefits such as shelter, utility and clothing allowances.[213] In addition to the discrepancies in welfare payments, Councillor Beebe argued that the poor

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[212]Joint Committee, 1960, no. 3, 147.

[213]Joint Committee, 1960, no. 3, 147-148.

socioeconomic conditions of the reserve, and the lack of comparable welfare services not only affected the well-being of the Indian, but also had repercussions on the individual's successful transition from the reserve to urban living:

> It is inevitable that if persons with an inferior standard of living are surrounded by those with better standards, there is bound to be ill feeling and discontent. And, if those from a poorer standard attempt to move to the other community, a great many difficulties will arise. Many of us have not had experience with modern sanitary facilities and education. This forces us to gather in the poorer areas of cities and towns until we are generally identified with that section of the community. Gradually, a situation which is really an economic problem becomes a racial one, and the average citizen comes to consider our people as poorer class individuals.[214]

His solution was that the "standards of living must be raised on our reserves until they are on a par with the surrounding communities[215]."

The issue of using band funds for the provision of relief, a common theme expressed throughout the 1946 to 1948 Joint Committee hearings, was also a major criticism of the IAB's welfare policy. Councillor Beebe described the problems and implications of this policy:

> We also feel that the principle of supplying welfare assistance from the band funds is basically wrong. The whole concept of welfare assistance in the present era is that the fortunate help the less fortunate, or that the poor are aided by assistance from persons in better circumstances. However, band funds may vary from a few dollars to more than a million dollars and the resulting welfare varies accordingly. The wealthier bands use a greater deal of their funds for welfare purposes while it would actually serve a much more useful service if it were used for more permanent rehabilitation. This would include helping to place young farmers on new

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[214]Joint Committee, 1960, no. 3, 148.

[215]Joint Committee, 1960, no. 3, 148.

> land, encouraging local industry, and other projects. In addition, the band councils which administer this relief are not trained in this field and cannot be expected to provide assistance to the benefit of all those who require it. Rather, the knowledge of trained personnel is required for such work.[216]

Furthermore, a 'double standard' did evidently exist with the Indian welfare policy as it discriminated against the more affluent reserves:

> The problem is further complicated by the fact that bands with little or no funds are often given government welfare assistance which is superior to that provided by bands with sizable funds. The mere fact that a reserve has large band funds does not mean that the individuals who live there are prosperous. The money is held in trust in Ottawa and is used only by the band as a whole. The individual still may be destitute even though his band is considered to be wealthy. We feel that it is improper for the Minister to be able to make expenditures from such band funds when the responsibility for welfare actually should lie with the government itself.[217]

The federal government had argued that the authority to use band funds for relief purposes was based upon section 66 and 67 of the Indian Act. Mr. Gorman explained this:

> The problem is that in the Indian Act, under section 66, it is the Indians themselves who support their sick, disabled, aged or destitute. That was actually put into the act, although, as I pointed out to you, at the time of the treaty it was said, "We will treat you the same as we would non-Indians." So they are requesting that should come from provincial or federal money, rather than their own money. This is a similar problem that we brought up last time, at the last session we had here on health. I think it is unfair to ask the band funds to support welfare. The Indians feel that is unfair.[218]

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[216]Joint Committee, 1960, no. 3, 248-249.

[217]Joint Committee, 1960, no. 3, 149.

[218]Joint Committee, 1960, no. 3, 249.

In a show of support for First Nation people and their argument against using band funds for welfare purposes, Mr. Gorman explained to the Joint Committee the contradiction in the government's policy:

> In the rest of Canada we pay when the individual is hard up. We do not say for instance, "There shall be paid no funds into a certain town - or welfare pensions, and so on - because that town is a wealthy town." We say, "The poor people in the town will be take care of." The Indians say: "Should not a really poverty-stricken individual be take care of, as a white individual is taken of? Why should he have to be relying on his band funds, which were really treaty money?"[219]

In response to criticism of using band funds for relief, Colonel Jones argues: "That has always been government policy, as outlined by the act, that the first charge, without consent of the Indians, should be the care of the less fortunate[220]."

In sum, unlike the position of the provincial governments, who concluded the deficiencies of the Indian welfare policy were primarily caused by the reserve system and other administrative restrictions, First Nation people focused on the day to day difficulties. The solution First Nation people advocated was simply that they should have economic and social opportunities similar to these available to non-native Canadians. However, this did not imply that First Nation people had wanted to be 'rehabilitated' or 'integrated' into mainstream society. Rather, the design of any new welfare system had to be done in cooperation with First Nation people based on their social, economic, and

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[219]Joint Committee, 1960, no. 3, 250-251.

[220]Joint Committee, 1960, no. 5, 544.

cultural traditions. This position has remained relatively unaltered to the present and, unfortunately, continues to be ignored by the federal government.

5.3 The Community Development Model: A Submission to Cabinet, 1964

The concept of community development was not a new approach as it was already being used in many developing countries, including poverty stricken urban areas of the United States.[221] The success of previous community development strategies was persuasive enough for the department to carry through with its own plans to implement a community development program for the on-reserve Indian. In the most generic sense, the basic assumptions of community development can be described as:

1. That all people have a desire to better themselves.
2. People can do something to help themselves when given the opportunity to do so on their own terms.
3. People have needs that are not being met because the problems seem too great for them to solve.
4. To implement lasting change it is necessary to simultaneously affect several aspects of community life because the social and cultural life of any people is interdependent and interrelated.[222]

In many aspects, the department had already begun its community development efforts, but had not yet formally labeled the model. The premise of "helping others to help themselves" became the driving force behind the government's intervention plans.

In February 1964, the department submitted a Memorandum to Cabinet to seek approval and sanction for a comprehensive community development program. The

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[221]For further details, see Draper, James, A., eds., ***Citizen Participation: Canada - A Book of Readings.*** (Toronto: New Press, 1971).

[222]Brian Holmes, "Community Development - Indian Affairs Branch." No date. RG 10, volume 8194, file 1/29-6, pt. 2.

department viewed this model to be a "major instrument for improving the economic, social and cultural life of Indians.[223]" The program would run for a three-year period ending in 1966-67 with an estimated cost of $3,551,000. The Memorandum to Cabinet was seeking funding approval for $7,200,000 in 1964-1965, $1,246,000 in 1965-1966, and $1,585,000 in 1966-1967. The proposed start-up date would be April 1st, 1964.[224]

The Community Development submission also highlighted the need for such a program because the Indian population was increasing (200,00 Indians in Canada in 1964, and in six years the population would increase to 250,000), and furthermore, it was argued that public opinion would support a community development approach. The intent of the program was to "bring Indians into the twentieth century.[225]" The community development framework would also employ and build upon all the available material and human resources in Indian communities and in each province. The program focus would be to "to step up mobilization of Indian initiative and to further promote self-sufficiency.[226]" Ultimately, the result "would be to accelerate transfer to Indian

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[223]Memorandum to Cabinet - Community Development Indian Affairs Branch. Confidential. February 1964. RG 10, volume 8194 (int. 114), file 1/29-6, pt. 3.

[224]Memorandum to Cabinet - Community Development Indian Affairs Branch. Confidential. February 1964. RG 10, volume 8194 (int. 114), file 1/29-6, pt. 3.

[225]Memorandum to Cabinet - Community Development Indian Affairs Branch. Confidential. February 1964. RG 10, volume 8194 (int. 114), file 1/29-6, pt. 3.

[226]Memorandum to Cabinet - Community Development Indian Affairs Branch. Confidential. February 1964. RG 10, volume 8194 (int. 114), file 1/29-6, pt. 3.

communities of responsibility and authority for the management of their affairs, with concurrent limitations in government control.[227]"

In terms of organization, the program would attempt to coordinate and enhance all the efforts in existing program areas of health, education, welfare and economic development services being offered in Indian communities. These coordinated efforts would also go beyond the department's own program areas, as the federal government would also focus their attention on transferring welfare services to the provincial governments. A critical component of this framework would be to negotiate with the provinces to extend their provincial welfare services to the on-reserve Indian. This would be achieved through the negotiations of federal-provincial cost sharing arrangements. It was argued that this type of arrangement would stabilize the growth rate of Indian welfare costs and eventually bring these costs in line with provincial averages. However, the department did not elaborate nor explain how or why this would occur.

In their attempts to move away from 'welfare providers' to a more pro-active role, namely a 'community developer and facilitator,' the department recommended that the 'welfare division' be restructured and renamed the "Social Programs Divisions." The revamping of the welfare division would also require the department to hire more specialized staff who were knowledgeable in the area of community development. Furthermore, for the existing staff as well as the new staff that was to be hired, the department had developed their own training program. Upon receiving their community

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[227]Memorandum to Cabinet - Community Development Indian Affairs Branch. Confidential. February 1964. RG 10, volume 8194 (int. 114), file 1/29-6, pt. 3.

development training, the staff would be able to apply their newly acquired techniques and knowledge to Indian communities. However, the training aspect of community development would eventually filter down to the Indian people where it was recommended that training for "leadership and administration" would be offered "to enable Indians to take increasing leadership in band councils and growing responsibilities for the operation of the reserves.[228]"

In May 1964, the department had begun their "selling and promotion" of their new product. Specific attention was aimed at the general public, social service providers and educators. Oddly enough, but hardly surprising, the federal government had little consultation with First Nation people and their communities. In a government document entitled "Today's Trends in Indian Affairs," S.J. Bailey, an Indian Affairs Branch Community Service Officer, summarized many of the trials and tribulations of the department that had occurred since the end of the Second World War. He cited the success of the department's education and economic programs that helped Indians become more independent and self-supporting: "many communities have, for instance, graduated from tent living, through the use of shack tents, to cabins and now to small modern frame houses.[229]" And yet, despite these small advances in Indian communities, Mr. Bailey wrote, Indians continued to be a multi-problem segment of the population,

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[228]Brian Holmes, "Community Development Indian Affairs Branch." RG 10, volume 8194, file 1/29-6, pt.2.

[229]S.J. Bailey, "Today's Trends in Indian Affairs." May 1964. RG 10, volume 8193, file 1/20-6, pt. 1.

and as a result, the Canadian taxpayer paid approximately $12,500,000 in welfare assistance to support the reserve Indian.

To prove that the federal government was ready to address the socioeconomic problems on the reserves, Mr. Bailey highlighted statistics that were compiled during 1962-63:

1. 47.2 % of the Indian families earn $1,000 per year or less.
2. 74.6 % earn $2,000 per year or less.
3. 16.4 % of Indian families live in 1 room houses;
   .8 % of non-Indian families live in 1 room houses.
4. 43.9 % of Indian homes have electricity;
   98.6 % of non-Indian homes have electricity.
5. 13.3 % of Indian houses have running water;
   92.4 % of non-Indian houses have running water.
6. 36 % of the Indian population needs relief assistance;
   3.5 % of the non-Indian population needs relief assistance.
7. Relief spending has tripled over the past five years.[230]

Through the identification of the problem and proving that the situation was serious, Mr. Bailey explained that "these realities underline the pressing need for the positive and imaginative measures to be taken to help bring the Indian people more adequately into the twentieth century; to help them take advantage in a more significant way than they are now doing, of the economic and social opportunities that should be available to everyone in the country.[231]"

The department had little choice but to acknowledge the huge discrepancies between the First Nation community and the non-native community as the media

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[230]S.J. Bailey, May 1964. RG 10, volume 8193, file 1/20-6, pt. 1.

[231]S.J. Bailey, May 1964. RG 10, volume 8193, file 1/20-6, pt. 1.

attention had already brought to light these dismal socioeconomic conditions of reserve life. However, in acknowledging the problems in an honest fashion, the department would be in a better position to actively promote their newest product because on the surface it would appear that the government was actually attempting to rectify the problems. This approach would be more appropriate and pro-active as opposed to sitting idly by and doing nothing as suggested by the previous year's unfavourable media reports. The department was also confident that this full-scale community development effort would be a true solution. To be successful, however, the community development model would involve the willingness of the provincial governments to assume "full responsibility for the administration of financial assistance and welfare services to Indians.[232]"

The proposed community development approach would be designed to address two essential elements. The first was the active participation by Indians themselves, who were apparently left out of the initial design of the program. Secondly, the role of the department would be to provide the technical assistance and other services in ways that would encourage such initiative and establish a basis for self-sufficiency. Beyond these lofty goals of encouraging initiative and self-sufficiency, the federal government continued to view First Nation people as being 'apathetic,' and thus needing to be taught 'responsibility.'

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[232]S.J. Bailey, May 1964. RG 10, volume 8193, file 1/20-6, pt. 1.

The federal government had promoted the community development approach as being innovative by, first, training First Nation people to be reliable, self-supporting, and responsible, and secondly, suggesting that once First Nation people had proven themselves to be all of the above, they would be ready to assume limited control over their own affairs. However, in the broadest sense, the department would continue to maintain the power and control because they, as they had done in the past, viewed themselves as the ultimate savior and educator. The community development approach only further solidified the department's position of doing something good and progressive for the First Nation communities, and the perception was that in all likelihood it would be supported by the general public.

The success of the community development program ultimately lay with First Nation people and their willingness and ability to implement the basic community development principles. The federal government designed the community development program in such a way that, if it should fail, blame could not readily fall on them. Their role was essentially to provide Indians with the necessary tools, technology and leadership that would allow Indians to develop to their fullest potential. If this potential was not fully actualized, then the deficiencies were not with the government, but rather with the ineptness of Indian people. Viewed this way, the community development model was not so much a mechanism to assist Indian people but simply a way to transfer the multifaceted problem onto First Nation people, and perhaps, even onto the provincial governments.

Apart from the Memorandum to Cabinet, which detailed the community development proposal, there was a further Treasury Board submission in which it was proposed that Indian Affairs Branch enter cost-sharing arrangements with provinces and, secondly, be permitted to adopt provincial rates and standards. In May 1964, Cabinet approved the federal strategy on community development. However, there was increased trepidation by provincial governments to agree and enter into the proposed cost-sharing arrangements. The federal government, perhaps anticipating the provincial anxiety over such arrangements as well as the negotiating efforts required to implement the cost-shared agreements, proceeded with a separate Treasury Board submission, which it approved on June 16, 1964. This allowed the department to adopt provincial or municipal regulations and standards in the provision of relief assistance to the on-reserve Indian. Indian Affairs Branch, at the time of the submission, stressed that this arrangement would be an interim, transitional measure to facilitate the extension of welfare services while at the same time allowing the department to proceed with its community development implementation plan. However, it has been argued that the real objective behind departmental thinking was to "treat Indians like all other Canadians," and by adopting provincial rates and standards, Indian Affairs Branch could be not easily criticized for ignoring its federal, and thus constitutional responsibilities, to on-reserve Indians.[233]

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[233]Shewell, Hugh, "The Use of Social Assistance for Employment Creation on Indian Reserves: An Appraisal," in ***Alternatives to Social Assistance in Indian Communities***, ed., Frank Cassidy and Shirley B. Seward (The Institute for Research on Public Policy: Halifax, Nova Scotia, 1991), 70.

5.4 The Federal Government's Proposals for Provincial Involvement

By the end of 1964 community development pilot projects were being implemented across Canada. The federal government continued to believe that this model would be the ultimate project "to enable reserves to become viable communities so that they could take an equal place with other communities in Canadian life.[234]" However, one aspect of the community development framework was still left unfulfilled - the negotiation of the federal-provincial cost-shared agreements. These agreements were crucial because they would allow provincial governments to assume jurisdiction over Indian welfare services, and at the minimum, partial responsibility over this area. S.J. Bailey summarized the federal government's position on this issue:

- That Indian people should be recognized as being citizens, and eligible for the same range and standard of services that Provinces extend to other people.
- That Federal legislative and treaty commitments to the Indian people should be regarded as extra measures of protection for a group having special needs, rather than as substitutes for normal provincial and local services.
- That Indian people who have left their reserves and established residence off them in accordance with Provincial regulations, should be eligible for all Provincial and/or Municipal welfare services on the same basis as any other citizen of the Province.
- That Indian people on reserves should be provided welfare services by the Province, rather than by the Indian Affairs Branch. In this connection, the Federal Government recognized that the Indian insofar as relief costs are concerned, represents a "high-cost" segment of the population. Accordingly, it has been proposed that the Provinces accept responsibility for meeting only part of relief

[234]Brian Holmes, "Community Development - Indian Affairs Branch." RG 10, volume 8194, file 1/29-6, pt. 2.

> costs to Indians that is represented by the Provincial per capita relief rate.[235]

The federal government aggressively acted upon their intent to push their welfare program onto the provincial governments, and Bailey indicated that a "Treasury Board approval has recently been given to the proposal that Provincial rates and Provincial regulations be applied in the administration of relief assistance to the Indians.[236]" Furthermore, the new policy was already in effect across Canada. This particular Treasury Board Decision continues to be implemented in the present day, and is the only policy that allows for the provincial government's 'indirect' involvement in Indian welfare services.

5.4.1 A Response by the Manitoba Government

The disagreements between Ottawa and the provinces became increasingly evident. In the same November 1964 speech, Bailey explained the federal government's interpretation of welfare services:

> You are all aware that under the B.N.A. Act, welfare services is a responsibility of the Provinces. In the past, Provinces have tended to exclude Indians from many provincial and local programs on the basis that they are entirely a federal responsibility. However, over the past ten years or so, the Federal Government and the Provinces have been gradually adjusting this point of view - a point of view that tended to set Indians

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[235]S.J. Bailey, "Social Programs in the Indian Affairs Branch," A paper for presentation at a meeting of the B.C. Council of Women in Vancouver, November 18, 1964. RG 10, volume 8194, file 1/29-6, pt. 2.

[236]S.J. Bailey, "Social Programs in the Indian Affairs Branch," A paper for presentation at a meeting of the B.C. Council of Women in Vancouver, November 18, 1964. RG 10, volume 8194, file 1/29-6, pt. 2.

> apart from the rest of the Canadian citizens and to isolate them from the larger community.[237]

Perhaps, the federal government was naive in their proposal, or maybe they were led to believe that the provincial governments were willing to accept responsibility and jurisdiction for Indian welfare administration and indeed, Manitoba's own community development proposal recommended an equal and collaborative relationship with the Indian Affairs Branch. However, there is evidence that at least one provincial government would not be supporting the federal government's proposals - the Manitoba Provincial Government.

On January 18, 1965, Treasury Board wrote a letter to C.M. Isbister, Deputy Minister of Citizenship and Immigration, explaining Treasury Board's analysis of the department's request to seek authority to pay grants to provinces with respect to the community development programs. The letter clearly identified the federal government's goals as well as Treasury Board's approval of the request:

- Community development plans will be developed by a joint federal-provincial committee on an annual basis;
- Costs will be shared on a population ratio basis, except where extraordinary conditions exist as a result of which Indians constitute less than 50 % of the population. In such cases the Department will pay 50% of community development costs;
- At the discretion of the Minister, the Department may pay as much as 50% of the administrative costs of community development programs;
- The Department will review the proposals of a joint federal-provincial committee for each project area. Each submission will

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[237]S.J. Bailey, November 1964. RG 10, volume 8194, file 1/29-6, pt. 2.

> pertain to a specific fiscal year, and continuing projects will be the subjects of new submissions at the beginning of each fiscal year.[238]

However, as early as September 1964, the Manitoba provincial government was already in the process of analysing the long-term impacts of such agreements. In a confidential letter, Manitoba's Economic Research Division articulated the position that the Manitoba Government should take on this particular issue: "the Province does not disburse funds for the welfare of Indians (or Metis) living on reserves in Manitoba, reserved residents being a federal responsibility."[239] In their analysis, the Manitoba government explained that the "maintenance of the reserve status is a most negative approach to the problem.[240]" The researchers further claimed that the federal department initiating the community development framework, the Department of Immigration and Citizenship, "does not wish to maintain the reserve system but uses it to delineate the extent of its responsibilities.[241]"

Notwithstanding the strong opposition by the Manitoba provincial government, the Economic Research Division did support the federal government's plan of Indian integration into mainstream Canadian life, and recommended that the enfranchisement procedures should be simplified to facilitate the process. It was believed that, when and

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[238]Letter. Treasury Board, January 18, 1965. To Mr. C.M. Isbister, Deputy Minister of Citizenship and Immigration from anon, Asssistant Secretary. RG 10, volume 8194 (int. 114), file 1/29-6, pt. 3.

[239]Economic Research Division, "Costs to Manitoba of Federal Proposals Re: Indian Welfare Programmes and Community Development Services Programmes." September 16, 1964. GR 754 - D.M. Finance, Reference No. B-6-2-3, Item No. Section 5 (1) - Indian Health Services.

[240]Economic Research Division, September 16, 1964. GR 754 - D.M. Finance, Reference No. B-6-2-3, Item No. Section 5 (1) - Indian Health Services.

[241]Economic Research Division, September 16, 1964. GR 754 - D.M. Finance, Reference No. B-6-2-3, Item No. Section 5 (1) - Indian Health Services.

if the Indian was ready to leave the comforts and securities of the reserve, the province then would be willing to "accept its responsibilities and not to try to involve the Federal Government in the sharing of welfare and the other related costs on the ground that this particular person is Indian." In other words, the mere fact that residents of the province were 'Indians' should not alter the basic principle that the province should assume all general welfare provisions for them. However, until this scenario became political reality, the Manitoba government's position on this issue was simple:

> We should perhaps agree now that Indians with reserve residence are under federal responsibility and this responsibility would be discharged by preparing these people to become members of a larger population. In other words, the federal government should prepare the Indians for an eventual integration. The next step would be for the Province to continue this process of integration so that the reserves could be gradually eliminated.[242]

Evidently, the Manitoba government's initial support, as advocated in the 1960 Joint Committee hearings, to coordinate federal and provincial welfare services to the reserve Indians had undergone dramatic changes in a mere four years. It is unknown what provoked the Manitoba government to change its original stance on this issue, but Manitoba has not since wavered from its position that reserve Indians are 'federal responsibility' and, therefore, are not eligible for provincial welfare benefits or the associated programs. Furthermore, these constitutional questions on which level of government is responsible to provide social services to persons registered as "Indians" under the Indian Act remain unresolved.

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[242]Economic Research Division, September 16, 1964. GR 754 - D.M. Finance, Reference No. B-6-2-3, Item No. Section 5 (1) - Indian Health Services.

Only one province supported the federal recommendation for a coordinated joint federal-provincial welfare system - the Province of Ontario. In the Ontario case, it acted on a recommendation of the 1954 special Select Committee of the provincial legislature established to investigate into the civil rights and liberties of Indians in Ontario. The Province of Ontario agreed to enter an agreement with Canada where the costs of provincial and municipal social services extended to on-reserve Indians were reimbursed by the federal government. The outcome of this unique arrangement resulted in a 1959 amendment to the Ontario General Welfare Assistance Act (GWAA). Essentially, it granted municipal status for Ontario First Nations for the sole purpose of administering the Act on-reserves.[243] The GWAA amendment allowed the costs of relief assistance to be shared three ways among federal, provincial and band govenments, and it still remains in effect today.

5.4.2 Manitoba Summary of Response to the Federal Government's Proposals

The federal strategy for a community development model, introduced in 1964, was Ottawa's attempt to provide a concrete and comprehensive solution to an extremely serious problem. This new federal strategy was hardly a unique proposition as it simply built upon the framework that first originated in Manitoba and, to a certain degree, also failed in Manitoba. Nevertheless, the federal government had adamantly argued that its new federal strategy was a pro-active solution to address the dismal socioeconomic conditions on-reserve while at the same time instilling a sense of self-sufficiency and

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[243]Shewell, 65.

initiative. Ottawa had further argued that the success of the national community development framework also rested with the provincial government's willingness to enter into federal-provincial cost-shared agreements for the delivery and extension of provincial welfare services to on-reserve Indians.

The federal-provincial cost-shared arrangement was not a new notion as it was first articulated as a viable partnership in the Lagasse study and, later, received provincial support during the 1960-1961 Joint parliamentary hearings. However, during the four to five-year lapse of the proceedings, the provinces had reconsidered their initial support by vehemently arguing against the proposed cost-shared agreements. The strongest opponent was the Province of Manitoba. Though, at the beginning of the process, Manitoba was one of the first provinces willing to extend its welfare services to on-reserve residents, at the end, only one province - the Province of Ontario - agreed to enter a federal-provincial cost-shared agreement.

What is particularly interesting about the department's community development strategy was its continued effort to find the means of facilitating Indian integration through the concepts of equal citizenship and economic opportunity. The mere fact that Indian reserves lacked a self-sustaining economic base evidently did not deter the federal government's so called pro-active initiative. Nevertheless, one can assume that much of the government's efforts originated from the Joint parliamentary hearings where it was stated repeatedly that the key to success would be based on two themes: first, the need for Indian integration and advancement; and secondly, provincial coordination for the provision of Indian relief. These two themes were echoed , and taken one step further, in

the final stage of Indian welfare policy which was the release of the federal government's 1967 national survey on Indians of Canada.

5.5 The National Survey of the Contemporary Indians of Canada, 1966-1967

In 1964 the Minister of the Department of Citizenship and Immigration commissioned a national study of the "contemporary situation of Indians of Canada with a view to understanding the difficulties they faced in overcoming some pressing problems and their many ramifications."[244] To fulfil the mandate of the study, a number of experts were brought together: Dr. Harry Hawthorn, Director and Editor, and Dr. Marc A. Tremblay, Associate Director, were joined by Dr. Alan Cairns, Dr. Stuart Jamieson, and Dr. Frank Vallee as senior members of the research team. The task team also included a number of academic scholars who acted as consultants and field research staff.

The significance of the Hawthorn report is that it was a national survey of the socioeconomic conditions of Canada's First Nations.[245] The report itself consists of two volumes. The first volume, which contains the overall philosophy behind Ottawa's concerns, has had the greatest impact on federal Indian policy. The second volume examined the generic issues in education and the internal organization of the reserves.

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[244]Canada. Indian Affairs Branch, Ottawa. ***A Survey of the Contemporary Indians of Canada: A Report on the Economic, Political, Educational Needs and Policies***, Volume I (Ottawa: Queen's Printer and Controller of Stationery, 1967), 5.

[245]***The Report of the Royal Commission on Aboriginal Peoples***, released in 1996, was a comprehensive study on the socioeconomic conditions of Aboriginal peoples. It was commissioned by the Progressive Conservative Party under the leadership of Prime Minister Mulroney. It also called for sweeping reforms in all Aboriginal policy and program development based upon a new relationship between the federal government and Aboriginal peoples. On January 7, 1997, the Government of Canada announced its response to the RCAP's recommendations under the rubric of "Gathering Strength."

Due to the nature and relevancy of the first volume, it will be the focus of this discussion, particularly the sections on welfare and federal/provincial relations.

5.5.1 The Hawthorn Report

In general, the report concentrated on four main areas: 1. economic development; 2. constitutional and provincial and federal jurisdictional issues; 3. education; and, 4. local Indian government and leadership. Given the three-year time frame the federal government had suggested to complete the terms of the mandate, it would prove to be an extremely challenging task. The federal decision to commission a national survey was likely the result of two converging events that Weaver describes as "the disenchantment among Senior branch officials with their programming, and a fortuitous incident of public demand."[246]

There were also a number of political and social factors that may have influenced the federal government's decision to proceed with a nation-wide survey on Indian conditions. First, the dismal socioeconomic conditions of the reserves were in part already highlighted by two prominent events - the Manitoba and British Columbia studies, and the joint parliamentary hearings of 1960-1961. Secondly, and perhaps the most critical, was the political upheaval that was unfolding south of the Canadian border, specifically the Civil Rights movement in the United States. The federal government had feared a similar movement could possibly occur in Canada as First Nation peoples were

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[246]Sally Weaver on "The Life Cycle of a Research Report: Lessons to be Learned from the Fate of the Hawthorn Report," Paper delivered to the Western Association of Sociology and Anthropology Conference on Social Science and Social Policy. (Lethbridge, Alberta, March 2, 1979).

increasingly becoming agitated by Ottawa's lack of commitment to address the mounting problems of vast unemployment and soaring welfare rates in their communities and, more importantly, Indians were outraged with their constant marginal position in Canadian society. Furthermore, there was increased sympathy from the public due in large part to media reports of starvation and conditions of extreme destitution. As a consequence, the department had little alternative but to initiate a pro-active solution to pacify a potentially explosive situation.

In addition, the era of global western colonialism appeared to be ending in many developing countries and yet in Canada for First Nation people the situation had not radically changed. Dr. Cairns described the Canadian scene as one of "domestic colonialism" and, furthermore, the federal government feared Canada was quickly becoming an international embarrassment.[247] The world was changing, especially in relation to how governments were treating its indigenous populations, but Canada lagged far behind the other nations. Dr. Cairns was firm in his convictions, however, that the blame could not entirely be put on the government, nor was there any evidence, in his view ,that Indian policy was failing. Unlike the Civil Rights movement in the United States where African Americans had successfully organized themselves in a strong united political voice, First Nations were unable at this point to unify and achieve the same political power. In fact, Dr. Cairns viewed First Nation political activities during the

[247]Dr. Alain Cairns, telephone interview, 9 April 1998.

1960s as being "very limited," and without a strong political voice First Nations "lacked the capacity to influence and change federal policies."[248]

Despite the increased political awareness and activism in the 1960s, Canada continued to struggle with its own internal problems when dealing with First Nation peoples. Admittedly, a number of actions were initiated by the federal government but they were most likely intended to dissipate the mounting difficulties and pressures that were being expressed by First Nation peoples and the general public. Study after study scrutinized the causes of the "Indian problem" but in the end the proposals to solve the problem never became reality. Hawthorn and his team were acutely aware of this and, as a result, careful attention was made to ensure that their report would not have a similar outcome. The analysis and the recommendations contained in the Hawthorn report were developed to ensure that both levels of governments could quickly implement the policy and program recommendations.

Hawthorn and his colleagues did not deviate from the government's overall agenda to facilitate the full integration of Indians into mainstream society. However, it was becoming increasingly evident that First Nation people were vehemently opposed to the notion of full integration as it was perceived to be another mechanism to assimilate and, thus, destroy a nationhood. To overcome these difficulties, it was articulated that part of a basic and general goal of the report would be to "review arguments establishing

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[248]Dr. Alain Cairns, telephone interview, 9 April 1998.

the rights of Indians to be citizen plus, and to spell out ways in which this status can be given practical meaning."[249] Hawthorn explains the relevancy of this term:

> The argument presents facts and legal and political decisions leading to the conclusion that the right derives from promises made to them, from expectations they were encouraged to hold, and from the simple fact that they once occupied and used a country to which others came to gain enormous wealth in which the Indians have shared little. We discuss the conflict between the status of citizen plus and the egalitarian attitudes both Whites and Indians hold. On the other hand, the reverse status Indians have held, as citizens minus, which is equally repugnant to a strongly egalitarian society, has been tolerated for a long time, perhaps because it was out of sight and so out of mind of most people.[250]

Although the federal government continued its quest to facilitate the full integration of Indians into mainstream society, it had also realized that the First Nation people were not willing to lose their culture, identity and heritage in the process. Hence there was a need, at a minimum, to recognize the fact that First Nations had a 'special' place within Canadian society as well as a unique relationship with the Crown. However, the report rejected the notion that special legal status, or "citizen plus," prevented the delivery of provincial services to Indians, and recommended that enhanced provincial involvement be sought in all areas of Indian affairs.

According to the report, a first step toward the successful integration of Indians was to dismantle the jurisdiction barriers which existed between the federal and provincial governments, and more specifically, in the key area of program delivery. Over the years, welfare programming and delivery had become a contentious issue between the

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[249]Hawthorn, 6.

[250]Hawthorn, 6.

two levels of government. Up until 1967, the area of Indian welfare remained in the hands of the federal government, despite the numerous policy recommendations calling for provincial involvement. With their analysis, and ultimately their recommendations, Hawthorn and his team would attempt to put the issue of jurisdiction to bed, particularly in the area of welfare delivery.

In general, the section on "Indians and Welfare Services" was not very substantive in its analysis but rather it was limited to the evolution of the Canadian welfare state. The report maintained Indians, by and large, were at the periphery when it came to social welfare policy developments. It argued that the department's Indian welfare program was developed in a piecemeal fashion, derived from a number of federal policy directives enacted throughout the past century. However, the report was quick to point out that the department's involvement in Indian welfare was solely voluntary:

> On the whole, the existing welfare expenditures of the Indian Affairs Branch reflect neither constitutional, treaty, nor statutory responsibilities. They simply reflect historical decisions continuously sanctioned by parliamentary approval of the appropriations required for the Branch to play a minimal welfare role. The existing welfare activities of the Indian Affairs Branch are thus voluntarily assumed.[251]

The Hawthorn report asserted that neither the British North America Act, the treaties, nor any other pertinent piece of federal legislation prevented the extension of provincial welfare services to the on-reserve Indian. The report did, however, recognize that Indians had consistently received different treatment, and in most cases, services inferior to those received by non-Indians, especially when it came to welfare.

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[251]Hawthorn, 315.

The cause of the problem, in their view, was not the department's ineptness but rather it was the special status of Indians, and more importantly, "the policies and practices which have affixed themselves to that status, have had the effect of placing barriers between the underprivileged ethnic minority and welfare services they need."[252] The "status"of Indians had in effect produced the systemic barriers to receiving adequate welfare services from the provinces:

> The assumption that Indians were "wards" of the federal government, and that reserves were federal islands in the midst of provincial territory has had the unfortunate effect that basic provincial welfare activities had ignored and by-passed reserve Indians. Indians have also been excluded from a number of shared cost programs operated by the provinces which received federal financial support. In general, the major barrier has been the unwillingness of provincial and municipal governments to provide services or expend moneys on a minority group regarded as the exclusive responsibility of the federal government.[253]

The problem, therefore, was not the federal government's fault in delivering an ineffective welfare program but it was the unwillingness of the provinces to cooperate with Ottawa's demand for a cost-shared agreement with the provinces. However, it failed to recognize that the department's Indian welfare policy was intended to mirror provincial welfare legislation and, thus, it is reasonable to conclude that the onus was on Indian Affairs administrators to deliver the same quality of services to Indian people. Evidently, the department was unable to fulfil this obligation.

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[252]Hawthorn, 316.

[253]Hawthorn, 316.

Dr. Cairns, who had the responsibility to manage the sections on welfare and federal/provincial roles in Indian Affairs, provided an explanation of why the federal government strongly supported provincial involvement. First, the concept of "province-building" was gaining momentum, and as a result, the provinces were becoming key players in developing, managing and delivering their own social programs and policies.[254] The relationship between the federal and provincial governments was undergoing dramatic changes, especially when it came to the area of social services and welfare policies. The 1960s introduced a new era of federalism resulting in a different federal/provincial partnership that would permit the provinces to have more control over the development and administering of cost-shared programs such as education, welfare, training programs and other pertinent social services programs. However, the provincial programs were accessible to provincial citizens only. On-reserve Indians, on the other hand, would not reap the benefits from the provincial services because Indians were not provincial citizens and, therefore, were considered a federal responsibility.

Secondly, in terms of welfare, the Indian Affairs Branch had been attempting to deliver the same quality of services as its provincial counterpart, although it was becoming apparent that the department was not able to maintain a similar standard. It was believed that the provinces had the expertise for they had the capacity to hire trained social workers and other 'helping' professionals who possessed the skills and knowledge

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[254]Dr. Cairns, telephone interview, 9 April 1998.

base to administer an efficient welfare program.[255] Based upon this, the department firmly believed that Indians would ultimately benefit from the provinces' substantive knowledge in the area of welfare delivery and associated programs and thus Indian welfare recipients would become more self-sufficient and employable. Due to the provinces' increased involvement in the area of social service delivery, they possessed a well-developed social services frameworks unlike the Indian Affairs Branch whose own welfare program lacked both the human and institutional capacity to deliver a well-managed program (for example, the total number of trained social workers at headquarters and in the field remained extremely small - six in 1950, ten in 1955, eight in 1960, and eleven in 1966[256]). The Hawthorn recommendations, therefore, were developed to alleviate some of these concerns by initiating stronger provincial involvement in Indian Affairs Branch delivery of welfare services..

It was readily recognized, however, that this would be an extremely difficult task to accomplish as the provinces were not willing nor eager to become partners in this area. The provinces had feared that if Indians would become adjusted to the life of "welfare recipients that they will refuse to take advantage of employment opportunities when they arise.[257]" It was a gamble, particularly a large financial gamble, that the provinces were not willing to take. To complicate matters further, it was also discovered that opinions differed within Ottawa headquarters and its regional field staff:

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[255]Dr. Cairns, telephone interview, 9 April 1998.

[256]Hawthorn, 317.

[257]Hawthorn, 320.

> The typical Branch relief philosophy in the field, as distinct from the opinions of Ottawa headquarters officials, appears to be that Indians should be granted minimum financial assistance under the tightest administration possible in order to discourage Indian dependency on government subsidies. Again and again we were told that most Indians were chronically dependent on relief for their livelihood and that higher rates and more lenient administration would only aggravate this dependency. "The welfare state," it was claimed, "has ruined the Indians."[258]

One placement officer, who was interviewed by the Hawthorn research team, stated that he knew of "no group of Indians who have refused to get off welfare when work is available.[259]" Hawthorn reported that although these negative comments were not unanimous it was nevertheless a predominant opinion.

Hawthorn concluded that the general antipathy to relief among field officers, including the obvious reluctance of the provinces, stemmed from the notion that Indians were a "high-cost and multi-problem segment of the population."[260] In a bold attempt to dismantle the notion of Indians being a 'high-cost' population, Hawthorn questioned and even challenged this line of thinking by arguing that Indians were in fact a relatively 'low-cost' segment of the population:

> In terms of direct welfare payments, Indians for many years did not receive either the old-age security pensions or social assistance benefits enjoyed by non-Indians. Today, Indians in some provinces are excluded from programs such as supplementary allowances. Further, any analysis of government benefits received by Indians and Whites would probably indicate that Indians have been relatively unable to take advantage of such benefits as free secondary school and subsidized university and technical

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[258]Hawthorn, 320.

[259]Hawthorn, 320.

[260]Hawthorn, 320-321.

> education, and municipal services such as playgrounds, community centres and libraries. At the same time, Indians have been required to pay all taxes except on reserve earnings. The dependence on relief is high, although probably not greatly higher than among non-Indians with a similar education; however, the Indian per capita claim on total government expenditures has been low.[261]

The report further argued that during the past century Indians have, in fact, saved the "Canadian taxpayer large sums of money at the expense of a chronically underprivileged group."[262] It reasoned that the only choice which governments have ever had was whether to act or to postpone action till later. According to Hawthorn, postponements had simply been extended into the future time when "Indians will be productive citizens."[263]

Hawthorn and his colleagues believed that Indians were capable of becoming productive citizens of Canada, but were restricted by the ongoing jurisdictional battle between Ottawa and the provinces. For instance, the frequent disputes over government responsibility for the provision of services to off-reserve Indians were particularly problematic because it had constantly hampered the "free movement" of Indians into mainstream Canadian society, and as a consequence it "limited Indian freedom of choice in making objective determination of the advantages and disadvantages of living away from the reserves."[264] It was also argued that the exclusion of Indians in the provincial

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[261]Hawthorn, 321.

[262]Hawthorn, 321.

[263]Hawthorn, 321.

[264]Hawthorn, 330.

welfare programs only perpetuated the segregation of Indians into a distinct and separate group for whom the ordinary regulations did not apply, nor were ordinary community services available to them due to their 'special status.' It was recognized, however, that the only means to resolve the issue of jurisdiction and, therefore the dismantling of the notion that Indians are 'wards of the state,' would be the termination of the department's welfare services "as soon as the welfare services and programs provided to other Canadians are accessible to Indians."[265] The role of the Branch was therefore viewed to be 'transitional' based on the need to overcome the gap in services caused by the unavailability of provincial and other welfare services.

The report called for sweeping changes in how the department delivered its welfare program to Indians and, more importantly, it recommended that more emphasis should be placed on the rewards to the provinces for extending their welfare services to Indians. It was believed that the provincial welfare program should play a fundamental role in facilitating the successful integration of Indians into Canadian society because the provinces had the technology, expertise and tools already developed to ensure a smooth transition. Furthermore, the report also stressed that the access to provincial welfare services could improve the conditions of "Indian existence." For provinces that resisted the extension of its welfare services to Indian reserves, it was recommended that bands should be permitted to negotiate arrangements with local private agencies for interim services until the provinces were willing to extend its welfare program to on-reserve

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[265]Hawthorn, 331.

Indians. Under this private-sector regime, Indians would still benefit from the same quality of services guaranteed under provincial legislation. Furthermore, the report recommended that the federal government should support and encourage "local committees of interested citizens and officials who address themselves to the needs of Indians in new urban settings."[266]

Indian people also had a role in this process by actively canvassing for support and demanding that provincial welfare services should and must be extended to Indian reserves. However, the report was quick to point out that Indians should be made aware that the provinces, by providing Indians with welfare services, were not violating the British North America Act, the Treaties, or the Indian Act. Rather, such action and arrangements would simply "relieve the federal government of a function which it never had to perform and which it has performed poorly."[267] If Indians were unprepared to take advantage of this proposal, or if there was 'stiff resistance' to the extension process, the report recommended that "the Branch, with provincial support, could initiate a new or continue existing administrative arrangements until such time as Indians are fully prepared to enter undifferentiated welfare programs."[268]

To ensure that the Hawthorn recommendations were set into motion quickly and that a smooth transition be guaranteed, it was proposed that an independent "Indian

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[266]Hawthorn, 18.

[267]Hawthorn, 339.

[268]Hawthorn, 339.

Progress Agency" be implemented.[269] The rationale for such a proposal was based on the fact that the vast majority of Canadians and government officials had relatively little knowledge of the needs and history of Indian people. If pro-active changes were to be realized by governments, then the availability of accurate and precise knowledge of First Nation people would ultimately lead to action. The basic premise guiding the Indian Progress Agency was explained by the Report:

> The adaption of policy to developing trends in the socioeconomic sphere of Indian existence can be facilitated by the public availability of scrupulously objective data on a continuing basis. Where governments prove inadequately responsive to the needs which such data reveal they will have to account for their conduct before informed critics. We are convinced that much of the failure of Indian policy throughout Canadian history reflects both public and official ignorance of basic information. We have therefore become convinced that a fundamental continuing improvement of the condition of the Indian people would ensure from the provision of public measuring rods by which their position relative to the non-Indian society could be assessed.[270]

It reasoned that one of the basic functions of the Indian Progress Agency would be to facilitate an increase in the public's awareness of Indian issues as well as to monitor and accelerate government policy decisions. It was the belief that the past absence of public, cumulative, and objective information on the progress of Indian people had a detrimental effect on the development of policies adequate to their needs.

Upon the completion and final release of the report, Hawthorn and his senior researchers met with the Branch officials in Ottawa to discuss the recommendations. The

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[269]Hawthorn, 401.

[270]Hawthorn, 402.

report and its in-depth analysis of the socioeconomic conditions on the reserves were welcomed by Branch officials, and many of the recommendations were acceptable. However, it was believed that they would be exceedingly difficult to implement. The interpretation of the federal mandate, in particular the argument that there was no legal or constitutional reason as to why Ottawa and the provinces could not negotiate the extension of provincial services to Indians, was readily embraced by senior Branch officials. Since the mid-1950s, the department had continuously maintained that this was its preferred approach to delivery of welfare, and the Hawthorn report had simply reinforced that position. However, the problem, as in the past, had been persuading the provinces to accept this line of reasoning. The proposed Indian Progress Agency was sanctioned in principle but was never implemented because Branch officials felt that the department lacked the capacity and the talent to act on the proposed Indian Progress Agency activities. In the end, of the 151 recommendations made in the report, the Branch agreed with 110, partly agreed with 9, disagreed with 10 and was undecided on the final 8.[271] The federal call to extend provincial welfare services to on-reserve Indians was, at best, met with a luke-warm reception by the provincial governments and, as a result, Indian welfare remained and continued to remain in the hands of the federal government. A situation that continues to the present day.

Two years later, in June 1969, the federal government released its report, *the Statement of the Government of Canada on Indian Policy*, which quickly became known

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[271]Weaver, n.p.

as the famous "White Paper." In essence, the White Paper argued against the maintenance of 'special status' for Indians and it further argued that 'equality and integration' were key solutions to solve the Indian problem.[272] Admittedly, the Hawthorn report supported the notion of Indian integration and many of its recommendations calling for provincial extension of its social services to the reserve Indian were framed in this context, but it also argued that Indians possessed 'citizen plus' status based upon their unique relationship with the Crown. Where the 1969 White Paper's recommendations differed from Hawthorn was its interpretation on the definition on equality:

> The goal of equality was to be achieved by terminating the special legislation and bureaucracy that had developed over the past century to deal Indians, and by transferring to the provinces the responsibility for administering services to Indians. Henceforth Indians would receive the same services from the same sources as other Canadians after a transitional period in which enriched programs of economic development were to be offered. The large Indian Affairs bureaucracy would be dismantled within five years, and the federal government was to retain trusteeship functions only for Indian lands which would be administered through an Indian Lands Act.[273]

Perhaps the motivating factor behind the federal government's proposals was the fear that provincial governments would never willingly assume full jurisdiction over the reserve Indian. The White Paper would in effect be the federal instrument to force the provinces into action.

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[272]Sally M. Weaver. ***Making Canadian Indian Policy: The Hidden Agenda 1968-1970.*** (Toronto: The University of Toronto Press, 1981), 4.

[273]Weaver, 4.

Needless to say, the proposals in the White Paper produced shock and anger throughout Canada's First Nation communities, and Indians were quick to respond to the federal policy. From province to province, Indian organizations prepared well-articulated counter proposals to argue against the White Paper; as well, many of the proposals also sought ways to improve and re-build relationships with provincial governments as well as other prominent national and regional organizations. In addition, the media and, other sectors of the public, including the provincial governments, supported the Indians outrage toward the White Paper, and this ultimately forced Ottawa to reexamine its position. In 1970, after a year of constant criticisms and protests from both Indians and the Canadian public, Ottawa had little choice but to shelve the White Paper.

CONCLUSION

> We have reached a dead-end, both the Indian people and the Canadian nation. The population is increasing, the adjustment patterns are behind the times and too often negative. We will definitely end up nowhere, unless we reconcile our policies and practices with those that experience has taught us in relation with other ethnic groups.[274]

> There are no hopeful signs of a recognition of the fact that "the measure of all things is man," and that there are no miracles that laws, legislative grants, or welfare schemes can work. The Indian people are gradually coming to recognize this fact, and perhaps non-Indians will one day learn as much.[275]

During the undertaking of this survey and its associated research activities, two events occurred. The first was the long awaited release of the Report of the Royal Commission on Aboriginal Peoples (RCAP) and, secondly, on January 7, 1998 the Government of Canada officially announced its response to the RCAP's recommendations under "Gathering Strength: Canada's Aboriginal Action Plan." With this announcement, it introduced a new era of partnership between Aboriginal peoples and all departments within the federal bureaucracy as government responsibility for Aboriginal people would move beyond the restrictive hands of the Department of Indian Affairs and Northern Development. The Gathering Strength proposals have called for drastic reforms on how Ottawa deals with Aboriginal peoples by building a consensus that reflects the mutual commitment to a renewed partnership.

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[274]Father Andre Renaud, Director-General of the Oblate Fathers' Indian and Eskimo Welfare Commission, Ottawa, Ontario, "Indian and Metis and Possible Developments as Ethnic Groups," delivered this address to the Third Annual Short Course on Northern Community Development at the Centre for Community Studies, University of Saskatchewan, Saskatoon, April 14, 1961, n.pag..

[275]Schumiatcher, 181.

To demonstrate Ottawa's commitment to the process, the Minister of Indian Affairs and Northern Development went so far as to publicly acknowledge the errors of the past and promised to [publicly] take action to address the legacies of those errors.[276] In the government's "Statement of Reconciliation," the Minister acknowledged the contributions of First Nations to European settlers as well as describing the negative impacts of subsequent periods of the relationship, including the damaging impacts of the ill-fated residential school system. Ottawa assured Aboriginal peoples it had profound regret for the historical errors and would be committed to learn from them. Currently, there is a heated debate on whether or not the Minister's "Statement of Reconciliation" was in fact an apology to Aboriginal peoples of Canada for the horrific treatment that they had suffered at the hands of the federal government. Unfortunately, the residential school system is only one of the many federal policy directives that have gone terribly wrong. This investigation is an attempt to explain only one of those errors, namely the Department of Indian Affairs and Northern Development's Indian welfare policy and to demonstrate how it too has failed First Nation peoples.

The purpose of this thesis was to trace the historical development of federal Indian welfare policy for the on-reserve population. Specific attention was given to the years of 1940 to 1967 when most of the dramatic policy formation occurred. However, there is compelling evidence that as early as 1888 Indian relief was reluctantly being administered by the federal government. It was during this time that Indian starvation

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[276]Canada. ***Agenda for Action with First Nations***. Ottawa, 1998.

and severe hardship were being reported. The government had little choice but to provide some form of assistance to Indian people but it was careful to keep the decision of providing relief strictly confidential. Perhaps the government feared that, if this action became public knowledge, it would set a precedent in providing Indian relief to all destitute Indians. The government, at the time, was not prepared or eager to assume such a responsibility. Furthermore, the federal government had also believed that easy access to relief would ultimately encourage idleness and, thus, Indians would lose their incentive to work. In the years to come, Ottawa's concern regarding the jurisdictional responsibility as well as the belief that readily available Indian relief would encourage idleness would have significant implications in later policy and program developments.

What is clear is that the use of welfare in First Nation communities is not a recent phenomenon. It has early historical roots in the turn of the century when the federal government, through the Department of Indian Affairs and Northern Development, became the sole administrator of relief payments to needy Indians. The research also indicates the federal government was extremely hesitant in assuming this role but it had little choice due to legislative frameworks set out in the British North America Act of 1867 and the Indian Act of 1876. Despite the legislative legalities, the federal government had always maintained that its involvement would be transitional. First, it was believed that Indians would no longer require relief assistance once they were taught the necessary tools to become self-sufficient, and thus, would be able to make a smooth transition into Canadian society. Secondly, the federal government had also hoped that provincial jurisdiction would eventually be extended to the on-reserve Indian. Study after

study supported this concept but, much to the chagrin of the federal government, nearly all of the provinces, with the exception of Ontario, refused to sign and enter into a cost-shared agreement.

Another important discovery was Ottawa's and, in some cases, the provinces', philosophical and ideological views concerning assimilation and integration, including the various proposals to achieve either one of these goals. Between the years of 1876 to the mid-1950s, the evidence clearly indicate the federal government aggressively sought ways to assimilate Indians - whether it was through the negotiations of the treaties, passing of the Indian Act, establishment of the reserve system, the agricultural policies and lastly, residential school system. The overall intent of these legislative and policy initiatives was not only to teach Indians how to become productive and self-sufficient Canadians but also to dismantle and destroy the Indian culture, identity, and political structures. Notwithstanding, Ottawa's earnest attempts to implement its assimilatory plans, the government also continued to quietly develop its Indian relief policy and program. The demand for Indian relief was clear because the government's welfare expenditures consistently grew at astounding since the early 1940s.

By the mid-1950s, the federal government had little alternative but to revisit its quest for assimilation. Although there is no definitive time or date when the government switched its terminology from assimilation to integration, but it is clear from the documents the switch may have occurred during the mid to late 1950s and in particular during the 1960 to 1961 Joint Parliamentary hearings. It was during this time when Ottawa was exploring a more integrative approach to the Indian problem, including the

call for stronger provincial coordination in the delivery of social services to reserve Indians. Despite the so-called emphasis on "integration" and the federal proposals to facilitate Indian integration, it did not appear vastly different from previous assimilation practices. Therein lies the contradiction because Ottawa's focus continued to be on the security of the reserve, the Indians special status, including the unique relationship Indians had with the Crown, and the exclusion of Indians from provincial services. At the end, Ottawa's recommendations on integration did not differ other than it dropped the term 'assimilation' from its vocabulary. Moreover, the motivating factor behind Indian integration was the eventual abolishment of both the reserve system and special status of Indians, and to force the provincial governments to assume full jurisdiction over Indians.

Based upon the findings, I concluded that there is no distinct difference between assimilation and integration - in my view the words are interchangeable. However, with the release of the 1967 Hawthorn report, a clear distinction was finally made as it was recognized that Indians, indeed, had a special place within Canadian society as well as acknowledging the unique relationship Indians had with the Crown. Both aspects - the special status and unique relationship - were significant because it was, perhaps, the first time in written history that Indians were given the recognition they rightly deserved. However, the downfall of the Hawthorn report was its recommendations for full integration of Indians into the provincial social services. In many aspects, the Hawthorn report did not truly deviate from Ottawa's plan to offload its jurisdictional responsibilities onto the provinces.

Unfortunately, whatever advances that were made by Hawthorn came to a quick stop when the federal government released its 1969 White Paper report. For reasons unknown, Ottawa appeared to revert back to its original stance that the Indians special status were the root problems for the successful Indian integration into Canadian society. Essentially, the White Paper's recommendations were to relinquish and terminate the special legislation and bureaucracy that were developed over the past century for Indians. It is clear that Ottawa never gave up its hope to wash its hands of Indians.

Presently, First Nations people are eligible for most federal and provincial social welfare programs, but problems continue to exist. For instance, the Employment Assistance for Persons with Disabilities (EAPD) is a cost-shared program to promote employability through support of activities designed to help persons with disabilities to enter the labour market and remain employed. EAPD is delivered by the provinces; however, two provinces - Manitoba and Nova Scotia - have refused on-reserve program delivery because it argues that Indians living on-reserve are federal responsibility. In terms of welfare, First Nation people continue to be excluded from provincial or municipal social assistance. Instead welfare is provided through the band, tribal council or the DIAND regional offices, and continues to be federally funded as per the 1964 Treasury Board submission. In addition, Ottawa maintains, as it did nearly a century ago, that its involvement in welfare delivery is based on 'moral obligation' and not on any legal or constitutional grounds. It is a position that will not likely change in the foreseeable future.

6.1 Implications for Policy Development

It has been argued that the development of social policy is never static. It is continuously evolves and adapts to reflect demographic trends as well as the social and economic changes of society. However, this clearly has not been the case in the development of Indian welfare policy as little attention was given to the changing environment in the communities. Thus, social policy has lacked a coordinated approach to address the real issues of persistent long-term unemployment and high welfare use. More importantly, the evolution of Indian welfare policy was not so much based on the humanitarian need to provide assistance. Its development has been, by and large, motivated by the government's desire to assimilate and integrate Indian people into mainstream Canadian society. Based upon the findings of this investigation, a number of policy implications are apparent.

The demographic trends in the First Nation population clearly indicate a rapid increase in the population, especially among the young. However, the problem is not so much the rapid increase in the population - the real issue is the lack of employment opportunities for First Nation people. Public resources must be made available to communities so they can invest in adult education, skills upgrading, training, job preparation as well as access to affordable child care and adequate housing. While equipping the unemployed and welfare recipients with necessary tools of training is vital, access to jobs is even more important. If there are no job opportunities in the community, there is little incentive to participate in training and job preparation courses. Therefore, it is imperative that investments are also made available to facilitate the development of

small businesses as well as other economic and entrepreneurial strategies. The federal government has in fact announced a five-year $1.6 billion Aboriginal Human Resources Development Strategy.[277] The Strategy allows Aboriginal groups the flexibility to develop and deliver a wide spectrum of human resource programming that will enable Aboriginal people to "prepare for, obtain and maintain meaningful employment."[278] This is a step in the right direction but clearly more needs to be done.

Better coordination among governments (municipal, provincial and federal) and among departments within governments would help. Too often, policy development will occur in a vacuum with little consultation and coordination between departments, and the problem becomes more difficult if the provinces are not involved with federal policy discussions. In a recent report by the Caledon Institute of Social Policy on Aboriginal peoples in Canada's labour market, one of the recommendations suggested that:

> . . . the federal government could appoint a Deputy Minister to reside in Winnipeg or in Regina with a mandate to coordinate federal Aboriginal efforts on the ground and initiate broad coalitions with other governments and non-governmental organizations, particularly in urban areas.[279]

This recommendation can easily be implemented but buy-in from provincial governments as well as First Nation and Aboriginal organizations must be assured or it will fail.

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[277]Canada. Human Resources Development Canada. ***News Release: Launch of the Aboriginal Human Resources Development Strategy***. (April 29, 1999).

[278]Canada. Human Resources Development Canada. ***News Release: Launch of the Aboriginal Human Resources Development Strategy***. (April 29, 1999).

[279]Michael Mendelson and Ken Battle, ***Aboriginal People in Canada's Labour Market*** (Ottawa: Caledon Institute of Social Policy, 1999), 5.

Coordinated efforts and effective communication are also necessary if policies are to be executed efficiently and effectively. In addition, communication must occur between policy makers and officers who will implement the policies, such as program administrators and social service providers as they possess the expertise in identifying potential problems in executing the policy decisions at the community and regional levels. If these processes or steps are not taken, then serious issues will quickly become apparent as in the case of the department's mismanagement of its own Indian welfare policy. Equally important, however, is the need to directly involve First Nations' governments, organizations and local communities in the policy discussions from the beginning to the end. History has taught us that the policy can no longer be developed in isolation as the implications are too often disastrous.

The recent Social Union Framework Agreement (SUFA), signed in February 1999, between the Government of Canada and the Governments of the Provinces and Territories could, perhaps, be used as a potential vehicle to address practical solutions to the real needs of First Nations. The SUFA, in the broadest sense, is seeking ways to improve the way governments work together to better serve all Canadians.[280] A number of SUFA principles have been identified, namely: equality; mobility rights; accountability and transparency; partnership; federal spending on social programs; dispute avoidance and resolution; and a review mechanism. Furthermore, the SUFA

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[280] ***A Framework to Improve the Social Union for Canadians: An agreement between the Government of Canada and the Governments of the Provinces and Territories*** (February 4, 1999). Internet source.

commits both levels of governments to work collaboratively with Aboriginal peoples to find practical solutions to their unique socioeconomic and political aspirations. The real challenge facing governments is to seek ways in which First Nation leadership can link into the various programs and policy planning initiatives. Therefore, the federal, provincial and territorial Ministers must consider the option of allowing First Nation representatives, such as First Nation and Aboriginal leadership from the five national Aboriginal organizations - Assembly of First Nations, Inuit Tapirisat of Canada, Metis National Council, Native Women's Association of Canada, and Congress of Aboriginal Peoples - at the social union negotiation table. Direct First Nation involvement is critical if the SUFA is, indeed, to become a mechanism to "promote the full and active participation of all Canadians in Canada's social and economic life."[281] First Nations cannot be left out of any federal/provincial discussions that will ultimately impact on their communities.

The department must also reexamine and re-assess its social assistance policy directive of adopting provincial or municipal regulations and standards. In many provinces, there is a move toward slashing welfare benefits, tightening up eligibility criteria to discourage individuals to use welfare, as well as forcing recipients into workfare programs. In addition, if a person enrolls into a training program or post-secondary education, his or her welfare benefits will either be reduced or completely cut

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[281] ***A Framework to Improve the Social Union for Canadians: An agreement between the Government of Canada and the Governments of the Provinces and Territories*** (February 4, 1999). Internet document.

off despite the evidence that training, skill development and education are key components to live a self-sufficient life. The implications are numerous, not to mention demoralizing and demeaning to the social assistance client.

The department can easily change its policy with respect to the provision of adopting provincial regulations and standards through a revised treasury board submission. New approaches must be explored with First Nation social service providers, communities, and tribal councils to allow for a more constructive and innovative use of welfare funds. For instance, linkages can be made with education institutions, training and skill development programs, and apprenticeship programs whereby recipients can continue to receive their welfare benefits and be trained or receive education at the same time. Welfare does not need to be viewed as a burden on society and Canadian taxpayers. Rather, funds can be used constructively in program areas that will support the social and economic development of First Nations. This process can occur independently between the department and the First Nation or can be negotiated under a Self-Government Agreement. Whatever mechanism or tool that is developed, it is important that the decision-making power, control, design and delivery of the welfare program remain with the community.

Horizontal linkages can also be made between departments such as Human Resources Development Canada, that has the mandate for the overall labour market and employment strategies, and the Department of Indian Affairs and Northern Development, that has the jurisdiction over on-reserve social services and economic strategies. Joint efforts, along with the relevant First Nations organizations and possibly provinces, can

develop labour market and welfare initiatives that will increase employment opportunities for on-reserve social assistance recipients. For example, in British Columbia, the regional offices of HRDC and DIAND have recently signed a Letter of Agreement to implement the Aboriginal Social Assistance Recipient Employment Training Initiative (ASARET). The ASARET agreement will allow First Nations to use existing authorities, services and programs to direct social assistance entitlements toward active employment and skills training measures. A Memorandum of Understanding (MOU) between the Minister of Indian Affairs and the Vancouver Sunshine Coast First Nations Labour Force Development Society was signed shortly thereafter. The intent of the MOU will focus on linking the welfare system to work and training opportunities in the local labour market. Similar arrangements could be pursued across Canada.

In order to the break the vicious cycle of welfare dependency, First Nations require a strong economic base which not only will create job opportunities but also generate wealth for the community. Therefore, another possible solution is to develop and profit from the natural resources that either exist near or on the reserve. Opportunities exist for both First Nations and the provinces to forge new partnership arrangements in the sectors of logging, mining and fisheries. However, the willingness and commitment to create these new arrangements must be negotiated in good faith between the First Nation and the provinces. More importantly, it is essential that First Nations also have the opportunity and freedom to explore, initiate, develop, implement and manage their own economic aspirations based upon community interests and the natural resources available to them.

6.2 The Role of Social Work Practice and Education

Thus far, a number of broad policy implications have been discussed. However, little attention has been given to the role of social work practice and education in facilitating progressive social and economic changes and, furthermore, how these processes can be used to address the situation specific to First Nations. To appreciate the real significance of unemployment and, conversely social assistance, we need to understand the issues raised by unemployment from a historical context and how governments had traditionally responded to these issues. This investigation provides the first step toward understanding the complexities behind the department's decision to implement a separate welfare system for the on-reserve Indian. The question, therefore, becomes how can we use this knowledge in relation to social work practice and education.

Social work as a profession is founded on humanitarian and egalitarian principles as well as a desire to seek the achievement of social justice for all.[282] Furthermore, social workers are given the task of helping people respond to loss and change and, as a result, are confronted daily with the human consequences and social costs of an economy that is continuously being restructured and reshaped. This is, perhaps, most evident in First Nations where unemployment is 30 percent (three times higher than the national rate) and the social assistance rate is 43 percent (four times higher than the national rate). Clearly, this is a national disgrace and embarrassment in a country that professes to be a world

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[282]Canadian Association of Social Workers (CASW), ***Canadian Association of Social Work Code of Ethics*** (Ottawa: CASW, 1983).

leader in its efforts to identify and combat critical issues such as economic integration and human security. Yet, it appears that little action is being taken to address the serious economic and social insecurities in First Nations all of which will create special challenges for both social work education and practice.

Throughout this thesis it was argued that the department's decision to implement a separate welfare system for First Nations was not based on humanitarian ideals to rectify poverty and destitution. Rather, welfare was used as a tool to assimilate First Nation people into Canadian mainstream society. This process continues to have a profound influence on the daily lives of First Nation people and, thus, social workers must be well-equipped and informed of the historical and contemporary legislative and policy decisions. One key in understanding the issues is having a comprehensive social work curricula which incorporates the First Nation experience both from an individual and family perspective into a broader policy context. Graham Riches and Gordon Ternowetsky provide an excellent summation of the problem:

> . . . today's social work curricula fail to prepare aspiring practitioners to understand their clients' problems in terms of persistent long-term unemployment and the changing nature of work and labour-market issues. Generalist practice methodology is taught, but understanding the family dynamic is still regarded as the key to successful practice. Is not the lesson of unemployment for social work in Canada that the time has come to reframe the way we look at individual problems and family breakdown?[283]

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[283]Graham Riches and Gordon Ternowetsky, "Unemployment and the Work of Social Work," in ***Unemployment and Welfare: Social Policy and the Work of Social Work***, ed. Graham Riches and Gordon Ternowetsky (Toronto: Garamond Press, 1990), 16.

Social work, it would appear, lacks an appreciation of the dynamics of local and national labour markets and their impacts on communities. In part, these changes are directly correlated to many peoples' problems and suffering. Social workers have the capacity and potential to influence social change, but the tools must be taught in the education system.

To that end, social workers need to be in a position to recognize and identify these labour market changes and find ways to react effectively to them. If social workers are to be efficient in their role as 'helping' professionals, whether it is at an individual, family or community level, their responses must be informed and practical and "demonstrate a thorough understanding of employment and unemployment."[284] The ethical commitment set out in the Code of Ethics of the Canadian Association of Social Workers is a testimony to the full spectrum of ideals and aspirations that social workers strive to undertake. When taken in its entirety, the Code of Ethics places emphasis not only on the promotion and protection of human dignity but also seeks to contribute to fundamental social change in society as well as seeking social and economic equality for all. Social work intervention has made huge progress in its attempts to effect change in the smallest social unit - the individual and family - but the challenge now is to seek ways to fulfill the latter, namely social change and equality for all. Social work education can become the vehicle to facilitate this goal by providing students with the necessary tools, skills and knowledge.

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[284]Graham Riches and Gordon Ternowetsky, 17.

What is clear is that First Nations people have been excluded from many of the social and economic programs that have been normally extended to the ordinary Canadian citizen. Unemployment and welfare remain extremely high in First Nation communities and it now appears to be endemic. The marginal participation of First Nation people in the Canadian labour market presents unique challenges for First Nation governments, as well as federal and provincial governments. However, current findings also show that Aboriginal people continue to have a strong labour market attachment. Aboriginal workers are not dropping out of the labour force in as large numbers as one would expect, given their high levels of unemployment. Participation rates remain steady and, in fact, increased from 1991 to 1996.[285] Graham Riches explains one approach to the problem:

> As social workers, we must acknowledge the continuing failure of government responses to unemployment, and understand the intent and consequences of federal and provincial job-creation, welfare-reform, and workfare strategies, which are designed not as response to structural unemployment or the need for long-term creation, but as short-term measures directed at removing clients from welfare rolls and providing minimum-wage subsidies to support the accumulation of capital in the private sector.[286]

Social workers and educators can no longer deny the significance of vast unemployment and soaring welfare rates and their detrimental impacts on the individual and on communities. The effects are, perhaps, most evident in First Nations. Social workers

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[285]Mendelson and Battle, 10-11.

[286]Graham Riches, "Unemployment and the State: Implications for Canadian Social Welfare Education, Pratice, and Research," in ***Unemployment and Welfare: Social Policy and the Work of Social Work***, ed. Graham Riches and Gordon Ternowetsky (Toronto: Garamond Press, 1990), 296.

and, indeed, the profession itself must strive to meet and address these challenges as Canada moves into the 21st century.

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